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SEVENTY-FOURTH CONGRESS, FIRST SESSION

SENATE

WEDNESDAY, MARCH 13, 1935

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Eternal Father, whose dear name doth ever show the greatness of Thy love, apart from whom all gain is loss, all labor vainly done: Bless us as we bend before Thy mercy seat in prayer, and hear Thy loving call to service at this the beginning of another day.

Help us to banish pride and wrong, which ever since the world began have marred its peace; and, as we look with sorrow on the feeble scepter of our will, do Thou remove from us all bitter strife, and change our discords into harmony, that by the anointing of Thy grace we may give to the people of this Nation beauty for ashes, the oil of joy for mourning, and the garment of praise for the spirit of heaviness, that they may be called the planting of the Lord to Thy honor and glory; through Jesus Christ our Savior. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the calendar day Tuesday, March 12, 1935, when, on request of Mr. ROBINSON, and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed a bill (H. R. 6021) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	La Follette	Radcliffe
Ashurst	Costigan	Lewis	Reynolds
Austin	Couzens	Logan	Robinson
Bachman	Cutting	Lonergan	Russell
Bailey	Dickinson	Long	Schall
Bankhead	Dieterich	McAdoo	Schwellenbach
Barbour	Donahey	McCarran	Sheppard
Barkley	Duffy	McGill	Shipstead
Bilbo	Fletcher	McKellar	Smith
Black	Frazier	McNary	Steiwer
Bone	George	Maloney	Thomas, Okla.
Borah	Gerry	Metcalf	Thomas, Utah
Brown	Gibson	Minton	Townsend
Bulkley	Glass	Moore	Trammell
Bulow	Gore	Murphy	Truman
Burke	Guffey	Murray	Tydings
Byrd	Hale	Neely	Vandenberg
Byrnes	Harrison	Norbeck	Van Nuys
Capper	Hatch	Norris	Wagner
Carey	Hayden	Nye	Walsh
Clark	Johnson	O'Mahoney	Wheeler
Connally	Keyes	Pittman	
Coolidge	King	Pope	

Mr. LEWIS. I announce that the junior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON] are absent from the Senate because of illness.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness, and that the Senator from Maine [Mr. WHITE] and the Senator from Delaware [Mr. HASTINGS] are necessarily detained from the Senate. I ask that the announcement stand for the day.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

OPERATION OF NATIONAL HOUSING ACT

Mr. ROBINSON. I ask that there may be printed in the RECORD a letter from the President to Mr. James Moffett, Federal Housing Administrator, relating to the operations of that organization.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, March 6, 1935.

HON. JAMES MOFFETT,
Federal Housing Administrator,
Washington, D. C.

DEAR MR. MOFFETT: This will acknowledge your encouraging memorandum on the operation of the National Housing Act.

I wish to express through you my gratification to the chairmen and members of the community better housing campaign committees throughout the country because of the results they have accomplished in less than 7 months of activity in calling to the attention of property owners the benefits to be derived under the National Housing Act in modernization and repair and also in construction of new homes.

I am particularly impressed with your statement that 6,174 communities have selected chairmen of their better-housing committees and that between 250,000 and 500,000 volunteer workers are participating, through these committees, in the work of acquainting property owners with the uses they can make of the Housing Act. It is good to know, also, that the better housing committees now have a population coverage of approximately 70,000,000 and that 2,100 of these cities and towns are conducting house-to-house canvasses in which thousands of canvassers, in addition to the committee groups, are carrying on this work.

I note that to date calls have been made on over 6,000,000 properties, and that the property owners have pledged 1,100,000 jobs for modernization and repair for a total value of $275,000,000, and that in addition you estimate there has already been spent since last August approximately $250,000,000 for modernization and repair.

As you point out, with the continued active cooperation of our civic-minded committees, house-to-house canvasses will be conducted by practically every community campaign committee, with many millions of home owners and business-property owners yet to be contacted. This activity means that with the advent of spring an immense volume of business and employment will undoubtedly be generated. In other words, the American people will clearly see that the Housing Act provides for the Nation a way back to recovery and prosperity.

In regard to construction of new homes, I am glad to know that enabling legislation has been passed during the last 60 days in 26 States, and that you anticipate prompt action by the remaining States, where enabling legislation is necessary, to permit the mutual mortgage-insurance plan to operate. That you already have received applications for millions of dollars of mortgage insurance, with approximately 30 percent of the applications covering the construction of new homes, plainly indicates we may expect a decided improvement in the new-home construction field.

I agree with you that the refunding of existing mortgages in long-term amortized mortgages insured under the National Housing Act will result in a safer mortgage structure for the country and will result in a much-needed impetus to home construction, with a resultant tremendous demand for durable goods and labor, invaluable benefits to business and the community in general.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

NOMINATION OF HUBERT D. STEPHENS TO R. F. C.

Mr. HARRISON. Mr. President, as in executive session, I ask unanimous consent that the Senate approve the nomination of my former colleague, Hon. Hubert D. Stephens, to be a director of the Reconstruction Finance Corporation, the President having just sent the nomination to the Senate.

The VICE PRESIDENT. The Chair lays before the Senate the nomination of Hubert D. Stephens, of Mississippi, to be a director of the Reconstruction Finance Corporation. The senior Senator from Mississippi [Mr. HARRISON] asks unanimous consent for the present consideration of the nomination. Is there objection? The Chair hears none, and the nomination is confirmed, and, without objection, the President will be notified.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the petition of Charles B. Roberts, of Berkeley, Calif., praying for the adoption of the so-called "Townsend old-age-pension plan", which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by Townsend Old Age Pension Club No. 1, of Alpine, Calif., favoring the adoption of the so-called "Townsend old-age-pension plan", which was referred to the Committee on Finance.

He also laid before the Senate petitions of several citizens of North Carolina and Virginia, praying for the enactment of legislation providing old-age pensions, which were referred to the Committee on Finance.

He also laid before the Senate the petition of Local No. 2, Public Works and Unemployed Union, of Oakland, Calif., favoring the enactment of House bill 2827, known as the "Workers' Unemployment, Old-Age, and Social Insurance Act", which was referred to the Committee on Finance.

He also laid before the Senate the petition of the Jefferson-Fairview Business Association, of Detroit, Mich., favoring the enactment of the so-called "Patman bill", being the bill (H. R. 1) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates and for controlled expansion of the currency, which was referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by the East New York Branch, American League Against War and Fascism, of Brooklyn, and the Emil Zola Young Civic Club, of New York City, in the State of New York, protesting against the enactment of alien and sedition legislation, which were referred to the Committee on Immigration.

He also laid before the Senate the memorial of Harry Gobourne, of Brooklyn, N. Y., remonstrating against the adoption of a prevailing-wage amendment to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was ordered to lie on the table.

Mr. WALSH presented resolutions adopted by the General Court of Massachusetts, memorializing Congress in favor of the immediate cash payment of adjusted-service certificates of veterans of the World War, which were referred to the Committee on Finance.

(See resolutions printed in full when laid before the Senate by the Vice President on the 12th instant, p. 3429, CONGRESSIONAL RECORD.)

Mr. WALSH also presented memorials, numerously signed, of sundry citizens of the State of Massachusetts, remonstrating against publicity of personal income-tax returns, which were referred to the Committee on Finance.

He also presented petitions of members of General Henry W. Lawton Camp, No. 11, United Spanish War Veterans, of Springfield, Mass., praying for the passage of the bill (H. R. 100) to reenact provisions of law relating to pensions for Spanish-American War veterans, and for other purposes, which were referred to the Committee on Finance.

He also presented a resolution adopted by Branch No. 215 of the Polish Workmen's Aid Fund, of Peabody, Mass., endorsing the so-called "Wagner bill", providing for majority rule in collective bargaining, the outlawry of company-promoted unions, etc., which was referred to the Committee on Education and Labor.

He also presented memorials of sundry citizens of Cambridge and Westboro, in the State of Massachusetts, remonstrating against the enactment of the so-called "Wheeler-Rayburn bill", providing for the control and elimination of public-utility holding companies operating, or marketing securities in interstate and foreign commerce, etc., which were referred to the Committee on Interstate Commerce.

Mr. NORRIS presented a resolution of the House of Representatives of the State of Nebraska, favoring the prompt enactment of the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was ordered to lie on the table.

(See resolution printed in full when laid before the Senate by the Vice President on the 12th instant, p. 3429, CONGRESSIONAL RECORD).

Mr. NORRIS also presented the following joint memorial of the Legislature of the State of Nebraska, which was referred to the Committee on Public Lands and Surveys:

Senate joint memorial memorializing Congress, the Department of the Interior, and the National Park Service to create a national-park area in the North Platte Valley extending from Bridgeport, Nebr., to and including Guernsey Lake, Wyo., and to acquire such historic landmarks, sites, and structures as are pertinent to the history of the Oregon, Mormon, and California trails, with particular reference to the acquisition, preservation, and restoration of Old Fort Laramie and its maintenance as a historical museum

Whereas the North Platte Valley between Bridgeport, Nebr., and Guernsey Lake, Wyo., and the region immediately contiguous thereto is an area of great historical significance, embracing pioneer forts, Indian battle grounds, national monuments, outstanding landmarks, and prehistoric excavations and deposits; and

Whereas innumerable emigrants who settled the Oregon country, thereby saving the Northwest Territory to the United States, and the countless pioneers and gold seekers who traveled the Mormon and California trails to Utah and California, treked their way westward along the valley of the North Platte and across the Great Plains to the West; and

Whereas old Fort Laramie, to which there is attached more historic sentiment and more of the atmosphere of the pioneer than any other spot in the West, is rapidly falling into decay and ruin; and

Whereas this historic area should be preserved to posterity in order that future generations may see it and visualize the inspiration of the sturdy pioneers who passed that way: Now, therefore, be it

Resolved by the Senate of the Fiftieth Nebraska Legislature (the house of representatives concurring), That the Congress of the United States, the Department of the Interior, and the National Park Service be requested to proclaim the territory immediately adjacent to the North Platte River between Bridgeport, Nebr., and Guernsey Lake, Wyo., a national-park area; and be it further

Resolved, That the National Park Service be requested, and it is hereby requested and memorialized, to acquire those historic landmarks, sites, and structures such as are pertinent to the history of the Oregon, Mormon, and California trails, with particular reference to the acquisition, preservation, and restoration of Old Fort Laramie and its maintenance as a historical museum to be operated by and under the jurisdiction of the National Park Service; and be it further

Resolved, That copies of this memorial be submitted to Hon. Harold L. Ickes, Secretary of the Interior; to Hon. Arno B. Cammerer, Director of the National Park Service; and to each of the Members of the Wyoming and Nebraska delegations in Congress.

Mr. MURPHY presented the following concurrent resolution of the Legislature of the State of Iowa, which was referred to the Committee on Agriculture and Forestry:

Senate Concurrent Resolution 5

Whereas the present interest rate on farm mortgages, including those of the Federal Land banks, is excessive and out of line with other rates to such an extent as to deprive the farmer of necessary credit and greatly reduce his purchasing power; and

Whereas the National Government is making large expenditure in an effort to hasten and insure the return of prosperity and is able through its borrowing powers to furnish money for this and other agencies of the Government and to make loans to railroads, banks, and other industries at substantially lower rates than those now afforded to farmers by the Federal land banks; and

Whereas recovery of purchasing power and the return of prosperity to the agricultural districts is a prerequisite to the return of national prosperity: Now, therefore, be it

Resolved by the Senate of the State of Iowa (the house of representatives concurring therein), That we call upon the Congress of the United States to authorize money to be loaned on Federal land-bank loans at the same 3-percent rate at which Federal land-bank bonds are issued and take such action relative to the financing and refinancing of farm mortgages at such a rate of interest as to place them on a parity with other industries and to remedy the said conditions now existing so as to permit the

great agricultural population to again become substantial purchasers of the products of industry to the end that the return of prosperity may be hastened.

The secretary of the senate and the clerk of the house of representatives are authorized and directed to furnish copies of this concurrent resolution to the Iowa Representatives in the National Congress.

INCREASE IN FOOD PRICES

Mr. WALSH. Mr. President, I ask to have inserted in the RECORD a letter from Charles F. Adams, one of the leading distributors of foodstuffs in New England, in which he discusses the comparative costs of food products. I call especial attention to one paragraph, as follows:

In presenting comparative food costs which are so seriously adding to our consumer burden and admitting that the extreme low prices of 1933 were too low to be healthy, yet it is equally apparent that the extent and rapidity of the increase in food prices is just as wrong, since the advance has far outdistanced any increase in the average pay envelop.

It seems to me the information in this letter is very valuable, and I ask that the letter be treated as in the nature of a petition and referred to the Committee on Agriculture and Forestry.

There being no objection, the letter was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

FEBRUARY 27, 1935.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Because of the writer's close association with the distribution of foodstuffs and general knowledge of consumer needs and their limited present purchasing power, I am submitting to you the following information concerning conditions here in Massachusetts:

As far as foodstuffs are concerned, Massachusetts is distinctly a "consumer" State. Processing taxes plus N. R. A. and A. A. A. additions to costs of food and food distribution bear particularly heavily upon this Commonwealth, which enjoys far less compensating advantages or benefits than many other States.

If I can believe the Boston press, wage differentials are affecting seriously our manufacturing interests and have forced industry out of Massachusetts in order that they may survive or be able to meet the competition of districts having lower minimum-wage limits.

In presenting comparative food costs which are so seriously adding to our consumer burden and admitting that the extreme low prices of 1933 were too low to be healthy, yet it is equally apparent that the extent and rapidity of the increase in food prices is just as wrong since the advance has far outdistanced any increase in the average pay envelop.

The following table will indicate to you the increase in retail food prices (or decrease in one instance only) between April 1, 1933, and February 1935:

Retail price of staple groceries

	February 1935	April 1, 1933	Increase	Percent
Sugar, 10 pounds	$0.50	$0.47	$0.03	6 38
Butter, 1-pound rolls	.39	.23	.16	69.57
Cheese, Young America, 1-pound	21	.21		
Lard, pure, 1-pound	.16	.07½	.08½	113.33
Sliced bacon	.33	.17	.16	94.12
Salt pork	21	.09	.12	133 33
Eggs, Brookside	.43	.27	.16	59 26
Potatoes, 15 pounds (a principal northeast product)	.15	.19	[1].04	[1]21.05
Pea beans	.03⅓	.02½	.01⅙	46.67
California beans	.06	.05	.01	20.00
Rice	.05	.04	.01	25.00
Rolled oats, bulk	.05½	.02½	.03	120.00
Corn meal	.03½	.03	.005	16 67
Bread flour, 24½ pounds	.85	.51	.34	66.67
Peas, standard, no. 2	.13	.11	.02	18.18
Corn, standard, no 2	.10	.07½	.02½	33 33
Tomatoes, standard, no 2	.08½	.07	.01½	19.05
Evaporated milk, 14½ ounces	.06¼	.05½	.0075	13.64
Fluid milk, quart	.11	.08	.03	37.50

Retail meat prices

	February 1935	April 1933	Increase	Percent
Beef:				
Rib roast	$0.29	$0.17	$0.12	70.59
Cube steak	.39	.25	.14	56.00
Hamburg, no. 2	.19	.10	.09	90.00
Porterhouse steak	.57	.45	.12	26.67
Rump steak	.65	.39	.26	66.67
Sirloin steak	.49	.37	.12	32.43
Tenderloin steak	.65	.55	.10	18.18
Top round steak	.45	.27	.18	66.67
Chuck roast	.33	.19	.14	73.68
Rump roast	.33	.21	.12	57.14

[1] Decrease.

Retail meat prices—Continued

	February 1935	April 1933	Increase	Percent
Beef—Continued.				
Sirloin roll	$0.55	$0.35	$0.20	57.14
Liver	.14	11	.03	27.27
Lamb:				
Kidney chops	.35	.35		
Fore quarters	.16	.12½	.03½	28.00
Legs	.25	.23	.02	8.70
Pork:				
Chops	.23	.19	.04	21 05
Loins	.23	.17	.06	35.29
Veal legs	.25	.19	.06	31 58
Poultry				
Chickens, 4 5 pound	.35	.25	.10	40.00
Ducks	.23	.17	.06	35 29
Fowl	29	.23	.06	26 09
Turkeys	.35	.27	.08	29.63
Smoked meats:				
Sliced bacon	33	.23	.10	43 48
Hams	.25	.18	.07	38.89
Shoulders	.18	.13	.05	38 46
Frankforts	.17	.15	.02	13 33
Cured meats:				
Brisket, best	.33	.17	.16	94.12
Brisket, rolls	.23	.12	.11	91 67
Lean ends	.27	.17	.10	58 82
Middle ribs	23	.10	.13	130 00

The weighted average prices of the Massachusetts meat index are as follows:

April 1933	91 5
January 1935	128. 6
Increase	37. 1
Percent	40. 54

Massachusetts food index—other foods and groceries:

April 1933	84. 9
January 1935	110. 7
Increase	25. 8
Percent	30. 39

Massachusetts index—total foods:

April 1933	86. 9
January 1935	116. 0
Increase	29. 1
Percent	33. 48

NOTE.—There has been a substantial increase in the meat-index averages since January 1935, which totals are not yet compiled by the State Department

To simplify the above figures, in the case of meats, what cost the consumer 91½ cents in 1933, in January 1935 would cost $1.28⅜. Other tables can be interpreted accordingly.

Fresh milk, which is not included in the above schedule, has increased 3 to 4 cents per quart. Milk is a very vital product, and its consumption has fallen off alarmingly in this city, particularly in the poorer districts. The writer is certain that the average family is unable to supply its children with sufficient fresh milk under present conditions for proper and necessary nutrition. At the present writing there is a surplus of about 2,500,000 quarts of milk per week in this market which cannot be sold, even at present prices. In the face of this large surplus which consumers are now unable to absorb at present prices, the Federal Government has within the week advanced the price of milk one-half cent per quart to the farmers, which may be justified by present costs of production, and the State milk-control board has doubled this increase by an advance of 1 cent in the consumer price, adding one-half cent to dealers' profits.

Estimating most conservatively, the increase of food costs to our consumers, largely wage earners, the conclusion is appalling. If the cost is but $2 extra per family per week, it means $100,000,000 annually added to the cost of food in Massachusetts alone.

At a distance, it appears to the writer those concerned with the interests of the consumer have been relegated so far to the rear that they are completely out of the picture. It is certain that if it costs the families of Massachusetts a million dollars more for their food their purchasing power in other products has been correspondingly restricted and there is this much less to spend to keep the wheels turning in other industries.

If compartively the same condition exists throughout the United States, it would indicate that the annual food bill of the Nation has been increased at least $3,000,000,000.

Sincerely yours,

CHARLES F. ADAMS.

REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, to which was referred the bill (H. R. 6359) to repeal certain provisions relating to publicity of certain statements of income, reported it without amendment.

Mr. FRAZIER, from the Committee on Indian Affairs, to which was referred the bill (S. 1414) for the relief of the

rightful heir of Joseph Gayton, reported it without amendment and submitted a report (No. 321) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BURKE:

A bill (S. 2234) granting an increase of pension to Alfred G. J. Petersen (with accompanying papers); and

A bill (S. 2235) granting a pension to Nellie Minerva Woodward (with accompanying papers); to the Committee on Pensions.

By Mr. ASHURST:

A bill (S. 2236) to provide for the custody of Federal proclamations, orders, regulations, notices, and other documents, and for the prompt and uniform printing and distribution thereof; to the Committee on the Judiciary.

By Mr. REYNOLDS:

A bill (S. 2237) for the relief of Mary E. Stout; to the Committee on Claims.

By Mr. SCHWELLENBACH:

A bill (S. 2238) for the relief of Adele Lade Veze; to the Committee on Claims.

By Mr. THOMAS of Oklahoma:

A bill (S. 2239) for the relief of Thomas I. Dickson; to the Committee on Claims.

By Mr. BILBO:

A bill (S. 2240) for the relief of John Livingston and Mrs. John Livingston; to the Committee on Claims.

By Mr. NORBECK:

A bill (S. 2241) to authorize an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. L. 484); to the Committee on Indian Affairs.

By Mr. NEELY:

A bill (S. 2242) for the relief of Luther D. Hanna; to the Committee on Military Affairs.

By Mr. WHEELER (by request):

A bill (S. 2243) relating to the allocation of radio facilities; to the Committee on Interstate Commerce.

By Mr. McGILL:

A bill (S. 2244) granting a pension to Bertram B. Brown; to the Committee on Pensions.

By Mr. McCARRAN:

A bill (S. 2245) to relieve unemployment in mining districts, increase the monetary gold and silver reserve of the United States, and to develop strategic, deficiency, and noncompetitive mineral resources of the Nation, and for other purposes; to the Committee on Mines and Mining.

By Mr. GORE (by request):

A joint resolution (S. J. Res. 83) to provide for an increase in the size of the Federal building being constructed at Hugo, Okla.; to the Committee on Public Buildings and Grounds.

HOUSE BILL REFERRED

The bill (H. R. 6021) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes, was read twice by its title and referred to the Committee on Banking and Currency.

CHANGE OF REFERENCE

On motion of Mr. BARBOUR, the Committee on Commerce was discharged from the further consideration of the bill (S. 2140) for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey, and it was referred to the Committee on Claims.

PUBLICITY OF INCOME-TAX RETURNS—AMENDMENTS

Mr. COUZENS and Mr. LA FOLLETTE each submitted an amendment intended to be proposed by them, respectively, to the bill (H. R. 6359) to repeal certain provisions relating to publicity of certain statements of income, which were ordered to lie on the table and to be printed.

PROPAGANDA OF PUBLIC-UTILITY HOLDING COMPANIES

Mr. NORRIS. Mr. President, I send to the desk and ask to have read a concurrent resolution. After it shall have been read I will ask unanimous consent for its present consideration. I hope no Senator will ask that it go over under the rule.

The VICE PRESIDENT. The clerk will read the resolution.

The legislative clerk read the concurrent resolution (S. Con. Res. 12), as follows:

Resolved by the Senate (the House of Representatives concurring), That the Federal Trade Commission be, and it is hereby, directed to make an investigation and report its conclusions to the Congress as to the propaganda which is now going on over the Nation regarding Federal legislation on the subject of holding companies, and to inform the Congress the origin, magnitude, purpose, methods, and expense of said propaganda.

Mr. NORRIS. I now ask unanimous consent for the immediate consideration of the concurrent resolution.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, my attention was diverted for the moment. May I ask the Senator from Nebraska if the resolution has just been offered or did it come over from a previous day?

Mr. NORRIS. I have just now offered it.

Mr. McNARY. Does it seek information concerning what may be called "propaganda" regarding holding companies?

Mr. NORRIS. It does.

Mr. McNARY. May I ask to have the resolution read again?

The VICE PRESIDENT. The clerk will again read the resolution.

The legislative clerk again read the concurrent resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

REGULATION OF COMMERCE IN PETROLEUM

Mr. THOMAS of Oklahoma. Mr. President, some time ago I introduced a bill identified as Senate bill 2027, proposing some regulations for the oil industry. Since the bill was introduced an investigation has been made as to how certain parties interested in oil reacted to the bill. I have here a statement which gives the result of those queries and answers; and I ask permission to insert it in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

That the petroleum industry is in serious need of permanent legislation which will enable the Federal Government, through its authority over interstate commerce, to assist the oil States in their stabilization program is self-evident. Measures intended to express this purpose in legislation have been given careful consideration by Congress, and one of these bills would have probably passed the previous Congress had it not been that the National Industrial Recovery Act was expected by many to be of greater help to the industry than it has proven to be.

The petroleum industry has been operating under short-term legislation. This has prevented the industry from making large investments in exploration and development work which are essential. It has also interfered with its reemployment program. Most of the measures affecting this industry expire in the current year. The present oil code ends in June of this year unless renewed. The oil excise taxes end about the same time. The Texas law on which the success of the present "hot oil" bill depends expires in September of this year. It is therefore important that this session of Congress should pass some legislation which will give this industry a sound basis on which to operate. Such a measure is S. 2027.

This measure proposing Federal aid to the oil States and to the oil industry has been receiving the enthusiastic support of the greater part of the industry. At the annual meeting of the North Texas Oil and Gas Association held at Wichita Falls, Tex., Saturday evening, March 9, 500 oil operators enthusiastically cheered this measure as a means of preventing chaos in the industry. This association had previously gone on record as favoring all the points covered by the bill which I have offered.

An unusual majority of Texas operators are in favor of this bill. This is true even in the east Texas field, which is the center of whatever opposition to this measure may exist. Ballots have recently been sent to every landowner, royalty owner, or other person interested in the oil business in the east Texas section offering an opportunity for a vote on seven proposals. Three of the questions on that ballot affected provisions of this bill. One was a vote on the recommendation to include in any Federal legislation a provision to limit withdrawals of crude oil from storage. On this proposal there were 911 votes in favor of such limitation and only 33 votes opposed.

Another proposal went to the very heart of the measure I have offered. It was a question of whether provision should be made in

Federal legislation for Federal allocation of quotas in commerce and production quotas to the States. Eight hundred and seventy-five votes were cast in favor of this and 57 against.

On the question of providing for an interstate compact between the oil-producing States with a Federal umpire, substantially the provision set forth in the bill I introduced, the vote was 816 in favor and 64 opposed.

I should like to set forth here the tabulation of votes so far as the returns have been received. The number of ballots sent out was 5,329. The number of replies received was 958. On this point the Literary Digest, in their response to a letter of inquiry, dated March 6, 1935, states: "Generally speaking, we think that a return of 10 percent is sufficient on which to base an average. However, it has frequently been held that a return of 5 percent is sufficient on some questions to show the trend." This they qualify, however, by stating, "If there are just one or two questions, there will be a larger number of returns than if you require 10 or 12 to be answered." Since there are seven questions raised, it is quite evident from the experience of the Literary Digest that the returns received may be considered as quite representative of the sentiment in the field. The following are the returns to date:

	For	Against	Blank
1. For an adequate tariff on imported crude and its products	930	8	20
2. Reenactment and increase of present Federal excise taxes on foreign crude and its products	941	8	9
3. Repeal of present exemption of imported bunker oil from excise taxes	888	50	20
4. Correction of present discrimination against domestic asphalt by Bureau of Public Roads	910	23	25
5. Limitation of crude oil storage withdrawals	911	33	14
6. Provisions for Federal allocation of quotas in commerce and production quotas to States	875	57	26
7. Provision for an interstate compact between producing States with a Federal umpire	816	64	78

In view of the fact that this ballot was taken in that section of the State which has been generally believed to be the center of whatever opposition there may be to Federal legislation on the oil industry, these figures are of the very greatest importance.

The attitude of the people of Texas on this question has been repeatedly expressed before congressional hearings and public meetings held in Texas. When a similar matter was given a hearing by the Senate Committee on Mines and Mining in May 1934, Texas sent representatives here to support the bill which I introduced at the previous session of Congress and which, in many respects, was much like the present bill so far as principle is concerned although the machinery set up was quite different in character. During that hearing I placed in the record of the hearings, as will appear from page 72 to 77, inclusive, telegrams received supporting a measure which would give to the Federal Government the kind of authority which is set forth in this bill. In addition to large numbers of telegrams from other oil-producing States of the Union, associations, firms, corporations, and individuals in all parts of Texas sent their telegrams, urging the passage of this kind of legislation. Some of these telegrams were signed by large numbers of people. I had taken no steps to obtain this telegraphic support of the measure. So far as I am aware there was no concerted attempt to drum up interest in the bill. This was a voluntary expression on the part of the Texas people who realized the necessity of legislation of this type being adopted for the benefit of the entire industry. In the present year, at annual meetings of various oil associations in Texas, resolutions have been adopted favoring a bill of this character. The West-Central Texas Oil and Gas Association, at its annual meeting held February 5, 1935, at Breckenridge, Tex., adopted a resolution which declares:

"Whereas it is the consensus of opinion of this association that permanent legislation should be enacted by the Congress of the United States to aid the respective States in obtaining and maintaining a permanent stabilization of the oil industry and protect the respective States from the results of excess production in other States: Therefore, be it further

"*Resolved*, That the Federal legislation to that end recommended by the planning and coordination committee for the petroleum industry and the Independent Petroleum Association of America be, and the same is hereby, recommended by this association as most desirable to accomplish the desired results, and the Senators and Members of the House of Representatives of Congress are respectfully urged to advocate and support such legislation; be it further

"*Resolved*, That a copy of this resolution be mailed to each of the Senators and Members of Congress from Texas, and that this resolution be spread upon the minutes of this meeting.

"C. W. HOFFMAN,
"*President West Central Texas Oil and Gas Association.*
"K. F. PAGE,
"*Secretary-Treasurer*
West Central Texas Oil and Gas Association."

This meeting was attended by over 350 oil operators.

Texas, however, is not the only State which has concern in this matter. The Associated Industries of Oklahoma at their annual meeting the 22d day of January 1935 voted as follows:

"*Resolved by the Associated Industries of Oklahoma in annual meeting assembled this 22d day of January 1935*, That we go on record as favoring Federal legislation to assist in stabilising the petroleum industry to aid the oil-producing States in the conservation of petroleum and in the enforcement of State laws to that end, and providing for the equitable allocation among the oil-producing States of production of crude petroleum to balance with demand for domestic consumption and export; be it further

"*Resolved*, That we endorse the enactment by Congress of the bill prepared by the planning and coordination committee of the petroleum industry and recommended by that committee to the subcommittee of the Committee on Interstate Commerce of the House of Representatives, known as the 'Cole committee', as the type of legislation needed to fulfill the requirements herein set out, a copy of which bill is hereby attached and made a part of this resolution; be it further

"*Resolved*, That a copy of this resolution be sent to each Member of the Oklahoma delegation in Congress."

The two States of Texas and Oklahoma are not the only ones which are urging the adoption of this measure. Similar support comes from other States but I have emphasized these two because of their large production and strategic importance in any conservation program. More than the oil States are involved, however. More than the industry itself is concerned. The whole economic structure of the Nation is affected by the health of the oil industry. If we deny to this important phase of the Nation's business the support which only the Federal Government can furnish it, since only the Federal Government has authority over interstate commerce, then we are retarding the return of prosperity and preventing the employment of large numbers of men for whom there would be positions and jobs if we gave to this great industry permanent legislation on which it might base its plans for expenditure of many millions of dollars.

AMERICAN MERCHANT MARINE—ARTICLE BY ALFRED H. HAAG

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Mr. Alfred H. Haag, head of shipping courses in the school of foreign service, Georgetown University, entitled "Participation of the American Merchant Marine in the International Carrying Trade."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PARTICIPATION OF THE AMERICAN MERCHANT MARINE IN THE INTERNATIONAL CARRYING TRADE

By Alfred H. Haag

Throughout the ages ships have played an important role in the progress of civilization.

Archeological investigations conducted upon the site of a little village in the Valley of the Nile have brought to light a boat model which, Egyptologists tell us, dates back to a time which antedates even the predynastic Egyptian period. The lines of the model bear a strong resemblance to those of the boats of today.

Eight thousand years ago Babylonia had attained a comparatively high state of civilization, and some historians believe that the rivers Euphrates and Tigris then may have been navigated. This conclusion seems to be a logical one, for history teaches us that both sides of the Nile were colonized by Babylonians, and they or their immediate successors are believed to have been the first boat builders of any consequence.

Egyptian boat building in 1600 B. C. had reached a marked state of development when Queen Hatshopsitu sent her expeditions to the Land of Punt. These boats were manned by 15 oarsmen a side. A mast centrally located carried a square sail, and a heavy rope truss was used to strengthen the hull.

On the walls of the Temple of Hatshopsitu are illustrations depicting the return of these expeditions, accompanied by hieroglyphic inscriptions which are virtually transcripts of bills of lading, listing the commodities brought back. They include gold, silver, ivory, ebony, skins, and feathers, and incense trees, used principally in burial ceremonies of the Egyptians.

Egypt, flourishing for centuries, eventually yielded place in maritime affairs to the Phoenicians. Those able, courageous, and enterprising mariners brought commercial control of the Mediterranean and adjacent seas to their homeland, and through that control to their principal cities of Sidon and Tyre a wealth and power notable even to this day.

With the fall of Sidon, and later of Tyre, maritime supremacy passed to the Greeks and Carthaginians, the latter a people of Phoenician stock. Neither was able long to retain it, being subjugated by Rome.

Rome, however, was primarily a military and not a commercial power, and while for some hundreds of years her galleys policed the Mediterranean and the Atlantic north to Britain she did little to extend the sphere of commercial intercourse.

From the fifth century to about the thirteenth century the commerce of the Mediterranean was largely in the hands of Constantinople and various of the Italian city-states, with the latter engaging as well in trading upon the Atlantic.

At the beginning of the thirteenth century, however, a new competitor appeared—the Hanseatic League (a confederation of Baltic and North Sea ports), which eventually controlled a substantial portion of the commerce of northern Europe, leaving that of the south in the hands of the Italian city-states after the fall of Constantinople.

Soon Portugal forced a division of Italy's half, and, although it took her a hundred years to establish herself, she increased her estate by adding the Azores, the Canaries, Madeira, and Zanzibar.

For the next 2 centuries Spain ruled the seas, followed by Holland, who sought to secure supremacy with the aid of the Hanseatic League, but hardly had she done so before a new heir appeared—England, then a small island kingdom, but one destined by her maritime strength and policies to become the world's greatest empire.

During the latter part of the eighteenth century an epochal event took place on this side of the Atlantic, when the architects of the day met in convention and drew plans and specifications for the construction of a mighty vessel designed to weather the tempest of every sea and to unfurl from her stern an ensign theretofore unknown.

The plans were forthwith submitted to the prospective purchasers for their approval and met with immediate endorsement. The spark of independence had been kindled. The old unseaworthy vessel was abandoned, and in due time the new ship slid down the ways, while the reverberating toll of her bell announced to the world that the launching had been accomplished, and she sailed out to sea christened the United States of America.

With this ship serving as a master model, our early American pioneers set forth with skill to build material ships. They were successful from the outset; and when our srip of state encountered the first squall in 1812, our merchant ships serving as privateers were a most potent influence in bringing about an advantageous peace.

On January 5, 1818, during a snowstorm, the *James Monroe* inaugurated the first ocean-liner service across the North Atlantic between New York and Liverpool—that of the famous Black Ball Line.

This fine fleet of sailing packets provided a monthly schedule, and, later, a semimonthly schedule, which was maintained with remarkable regularity, a tribute to the skill of American shipbuilders and seamen.

Toward the middle of the century a new type of sailing vessel was introduced, when the famous creations of Donald McKay and John W. Griffiths came into being, among them the *Flying Cloud*, the *Rainbow*, and the *Sea Witch*. Our sailing vessels during the first half of the last century outranked those of our competitors, and we, likewise, outbuilt our competitors. The records disclose that from 1820 to 1860 American vessels carried 77 percent of our foreign trade.

Our ship of state then encountered a terrific storm. The ship, however, was built of durable timber, and after 4 years emerged victorious. These 4 years of fratricidal strife, however, had depleted American fleets and marked the beginning of the decline of our shipping in foreign trade, which was accentuated by the increasing diversion of our capital and effort to the prospectively more profitable opening and development of the West.

The United States fell behind in the transition from sail to steam and from wood to iron and steel, and in 1870, 82 percent of iron vessels were being constructed in the yards of Great Britain as against 8 percent in our own shipyards.

At the time of the Spanish-American War, because of our deficiency in merchant tonnage, it became necessary to purchase and charter ships for use as naval auxiliaries. This was the first warning.

Again in 1908, when President Roosevelt sent the White Squadron around the world, it was accompanied by ships of foreign registry. A second warning, to which no heed was paid.

At the outbreak of hostilities in Europe in 1914 the sudden withdrawal of the foreign tonnage which had been carrying 90 percent of our commerce rudely awakened the American people to the fact that we had but few ships of our own.

Commerce moved to the seaboard, but not beyond. Piers were piled high, warehouses were glutted, and railroad cars lined the tracks for miles inland.

The cost to the American public, due to the shortage of American ships, was expressed by the late Senator Wesley L. Jones, in addressing the Senate during the Sixty-ninth Congress, when he said:

"No one can tell what our lack of ships cost the Nation. No one can tell what our farmers and business men paid in increased rates after the war began because of our lack of ships. It was estimated by the Secretary of the Treasury, however, that during the year 1915 agriculture and industry would pay in increased freight charges $311,864,400. This continued more or less until we entered the war, and it is entirely safe to assume that our people were taxed over a billion dollars on the transportation of their products through increased rates. This practically all went into the pockets of foreign shipowners."

The situation became so serious in 1916 that the Congress passed legislation creating a United States Shipping Board. Our country became a belligerent shortly thereafter.

We needed ships, not only to move our commerce, but for use as naval auxiliaries and transports as well. We were deplorably deficient in ships for these purposes.

We then embarked upon the most stupendous shipbuilding program in the world's history. Ships were ordered by the thousands. Ships were commandeered, requisitioned, seized, purchased, and chartered wherever they could be found. New shipyards came into being almost overnight, and the industry grew, within 20 months, from one employing 50,000 people to one with a personnel of 350,000. The demand for shipbuilding material was such that it exhausted various industries, particularly the steel industry, and we resorted to building ships of wood, composite ships, and even concrete ships.

The magnitude of the Government's war-time ship-construction program is exemplified by calling attention to the fact that it equaled the combined sea tonnage of the United States, Germany, France, Italy, Japan, Holland, and Sweden before the war and represented the total tonnage destroyed during the war by submarine, mine, and raider warfare.

When the armistice was signed, it was found that the colossal sum of $3,000,000,000 had been expended or committed in the production of ships during this brief period—twice the value of all the ocean-going ships in the world before the war.

After the armistice contracts for more than 900 vessels of over 3,000,000 gross tons were canceled, and at the end of the war-time shipbuilding program we had completed about 2,300 vessels of 9,400,000 gross tons. Those which were acquired by seizure and other means made a grand total of 2,500, of ten and one-quarter million tons.

During the interval between the signing of the armistice and the passage of the Merchant Marine Act, 1920, many of the vessels which had been acquired as a result of the war-time activities were rendering valuable service, as there was a great demand for ship tonnage before the slump in 1920.

The first post-war shipping legislation, the Merchant Marine Act which became law in 192^, was based primarily on the experience of the near pre-war and the war years. In addition it was inspired by the fact that we had acquired a fleet of about 2,500 vessels (a war-time heritage and by no means an efficient peace-time merchant marine) and by a strong determination that our resources and our country should not again be subjected to almost complete dependence upon foreign ships for our ocean transportation.

This act set forth the American shipping policy. "It is necessary for the national defense and for the proper growth of its foreign and domestic commerce that the United States shall have a merchant marine of the best equipped and most suitable types of vessels sufficient to carry the greater portion of its commerce and serve as a naval or a military auxiliary in time of war or national emergency."

To attain these major objectives the Shipping Board was authorized and directed to investigate and determine as promptly as possible what steamship lines should be established and put in operation from ports of the United States to such world and domestic markets as in its judgment were desirable for the promotion, development, expansion, and maintenance of the foreign and coastwise trade of the United States and an adequate postal service, and to determine the type, size, speed, and other requirements of the vessels to be employed upon such lines, and the frequency and regularity of their sailings, with a view to furnishing adequate, regular, certain, and permanent service.

Under the foregoing mandate the Shipping Board determined upon 38 lines, which were, in due course, established and put in operation.

After the passage of the Merchant Marine Act, 1920, the respective committees in the House and Senate, charged with the duty of studying and observing the workings of the law, became convinced that further legislation was needed to accomplish its purpose.

The Congress thereupon had made a Nation-wide survey and canvass of the United States, inland and coastwise. It consulted the people directly through meetings held in the principal cities of the country. It sought and secured the views of trade, finance, business, and agriculture through their chosen representatives.

In substance, the survey disclosed that there was a unanimous demand to carry on and provide the Nation with a merchant marine commensurate with its requirements. The prime requisite was a method of overcoming the handicap of capital and operating costs under the American flag because of our higher living standards.

The problem was most carefully investigated and studied. The most reliable and well-informed were consulted in regard to the phase they knew best. The committees of Congress, giving due weight to the factual evidence before them and using their own best judgment, submitted their recommendations to the Congress in the form of the Merchant Marine Act, 1928, which provided for the further development of an American merchant marine and, through the grant of financial aid, endeavored to assure permanence and expansion.

The act of 1928 reaffirmed the policy enumerated in that of 1920.

What is the showing of accomplishment in that respect?

The records disclose that in the 10 years preceding the World War we carried an average of 10 percent of our foreign waterborne trade.

During the past 10 years we have carried a third of our commerce in our own ships, despite the great slump in world trade and the keen competition to which our ships were subjected by the introduction of many new and modern ships built during that period by our foreign competitors.

Before the World War short-sighted economists propounded the theory "let the nations carry our commerce which can carry it cheapest"—and we pursued that policy—it proving, conclusively, to be an economic fallacy.

Had we aided our shipping for the half century between the Civil and World Wars even to the same extent aid has averaged since the passage of the Merchant Marine Act, 1928, we would have saved two of the three billion dollars spent in the building of the war-time emergency fleet, which after all did not provide an efficient competitive American merchant marine. Of far more importance than this, however, is the fact that we would have possessed at the beginning of the World War a strong merchant fleet of a size sufficient to transport and maintain an army over-

With such a fleet at our disposal it is questionable whether

we would have become involved in the conflict with its enormous cost.

The world shipping industry, admittedly, is in a deplorable state. Vessel tonnage is far in excess of present world-trade requirements.

Is the United States to blame for this condition?

Ships and loans to the Allies by the United States were among the major factors in the successful prosecution of the war by the Allies.

As to the ships, had the rate of loss in ships resulting from the unrestricted German submarine warfare continued for long at the level of the first few months of 1917, the war could not have ended otherwise than unfavorably for the Allies, due to a lack of ship tonnage and to their inability to provide replacements. It was in April of that year that the United States became a participant in the war and, as Mr. C. Ernest Fayle (a noted British authority) says, "in response to the agonized appeals of the Allies for assistance", launched the most gigantic ship-construction program in the world's history, primarily to compensate for the serious losses caused by German submarine activities.

Had all of the ships originally ordered by the United States Government been completed and ready for sea in the spring of 1920, they would have found profitable employment, for it was not until after March of that year that the general slump in freights began. Thereafter the demand for tonnage fell off, and in 1921 between eleven and twelve million gross tons of sea-going steel steam tonnage were laid up. Sir W. J. Noble pointed out at that time: "Now, it may be at once admitted that had the trade of the world maintained its first post-war impetus, this excess of tonnage would have been, in effect, no excess at all, but would have represented simply the increase necessary to keep pace with the normal growth of world trade."

That the United States had no intention of monopolizing the oceans after the war is evident, for promptly after the signing of the armistice contracts for 960 vessels were canceled, of which 700 were for ocean-going vessels, and there were finished only those ships which had reached advanced stages of completion.

The rapid curtailment of the United States Government shipbuilding activities is evidenced by the number of keels laid during the years 1918 to 1921, inclusive, which were 1,110, 651, 54, and 5, respectively. From 1922 to 1928 not one ship was built in American shipyards for services in the overseas foreign trade; while during the same period millions of tons of ships were built by our foreign competitors.

Yet foreign shipping authorities have continually criticized the American shipping policy, claiming that the United States, in the main, is responsible for the chaotic conditions prevailing in the world shipping today. The time has arrived to halt this tirade against the American merchant marine and to refute the fallacious and unwarranted attacks aimed at American shipping and against American sea power in general.

From June 1922 to June 1933 the steam and motor tonnage of the world increased by 5,285,000 tons. During this period the United States reduced its tonnage by more than 3,000,000 tons, or over 20 percent of its total; the tonnage of the British Empire decreased by 40,000 tons, or less than one-fifth of 1 percent of its total. This small decrease in British tonnage is more than offset by the increased speeds of the many new vessels added to the British fleet during that period. With the exception of France, which showed a slight reduction, a substantial increase is recorded in the tonnage of the other countries, part of which increase is attributable to the purchase in considerable numbers of former British ships.

Had other countries reduced their tonnage in the same proportion as did the United States since 1922, there would be no idle ships in the world today.

In the world's post-war shipbuilding activities vessels built during and since 1921 to December 31, 1933, of ocean-going types, 3,000 gross tons and upward—including cargo ships, cargo liners, intermediate liners, and liners—a total of 2,399 vessels of 16,288,000 tons were constructed by the principal maritime countries. (Shipping World Year Book, 1934.) The United Kingdom built 1,070 of 7,165,000 tons, or about 44 percent; while the United States built 130 of 1,105,000 tons, or less than 7 percent of the total tonnage.

Of cargo ships—ships with speeds of less than 12 knots—out of a total of 1,203 of 5,740,000 tons, the United States built 31 of 178,000 tons, while the United Kingdom built 581 of 2,736,000 tons.

Of the cargo-liner types—ships with speeds of 12 knots to under 14½—out of a total of 674 of 4,444,000 tons, the United States built 33 of 234,000 tons, while the United Kingdom built 287 of 1,829,000 tons.

Of the intermediate-liner types—ships with speeds of 14½ to under 16½ knots—out of a total of 336 of 8,002,000 tons, the United States built 15 of 94,000, while the United Kingdom built 143 of 1,454,000 tons.

Of liner types—ships with speeds of 16½ knots and upward—out of a total of 186 of 3,102,000 tons, the United States built 51 of 599,000 tons, while the United Kingdom built 59 of 1,146,000 tons.

The foregoing figures disclose the preponderance in tonnage built for British owners, compared with that for American account, to be nearly twice for liners, nearly 8 times for cargo liners, more than 15 times for intermediate liners, and more than 15 times for cargo ships.

Of vessels in excess of 25,000 tons (which include the superliners built and building by Germany, Italy, France, and Great Britain), the United States has not built, and is not building any; while, during the last 8 years, the countries mentioned have built, or are building, 18 of such vessels of 725,000 gross tons.

These figures clearly demonstrate the conservative post-war building of liners and cargo ships by the United States. So it has been, as well, with tankers.

Great Britain, the United States, and Norway are the principal tanker-owning countries, their combined tonnage representing about 77 percent of the world's total. Of the tanker tonnage 10 years of age or less of these three countries, Norway owns 70 percent, Great Britain 51 percent, and the United States less than 11 percent. In the matter of tonnage of tankers, with speeds of 12 knots and upward, the United States is outranked by Norway 4 to 1, and by Great Britain 3 to 1.

Do American ships get an equitable share of the international carrying trade?

A comparatively recent report of the Chamber of Shipping of the United Kingdom states: "The number of ships under 2,000 tons gross engaged in the world's international sea-borne carrying trade is negligible, but, with the exception of the United States of America, ships under all flags of 2,000 tons gross and upward are available for, if not actually employed in, that trade. On the other hand, in the case of the United States of America, there are many ships of 2,000 tons gross and upward engaged solely in the coasting trade of that Nation." Of vessels 2,000 gross tons and upward, the United States has 11,335,000 tons—2,330,000 tons operate on the Great Lakes; 1,360,000 tons comprise the Government-owned laid-up fleet, which offers no menace to foreign competition; 2,400,000 tons are tankers; 2,175,000 tons are employed in the coastwise trade. This leaves 3,084,000 tons operating in the foreign trade.

There are about 37,400,000 tons of vessels, 2,000 gross tons and upward, available in the world which operate in the international sea-borne carrying trade transporting goods and passengers. The tonnage under the American flag is about 8 percent. Tonnage figures alone, however, reflect neither carrying power nor efficiency. Those important elements are determined by the mobility and modernity of vessels. Since the United States ranks fifth in tonnage among the six principal countries in ships with speeds of 12 knots and upward and has the smallest percentage of vessels 10 years of age or less, the position occupied by the United States in the international carrying trade is even more inferior than its 3,000,000 tons would seem to indicate.

Thus far the analysis made concerns ships. To further clarify the American position, a summary is given for the transportation of goods and passengers in the foreign commerce of the United States. During the last 12 years 31 percent of the cargoes between the United States and foreign countries were carried in American ships, while vessels under the British flag in this trade carried substantially the same amount.

In the passenger traffic between the United States and foreign countries American ships carried about 28 percent, while British ships transported 44 percent of the total. In the important trans-Atlantic routes American ships carried about 11 percent of the passenger traffic, while British ships carried the major portion. Only a small percentage of the commerce in the indirect trade is handled by American ships. Since there are no tramp ships operating under the American flag, foreign ships have a monopoly of this business, which represents a substantial volume.

Figures for the carriage by the British mercantile marine show that the British ships transport about 90 percent of the inter-imperial trade, 60 percent between the British Empire and foreign countries and 25 percent of the trade between countries foreign to the British Empire.

These facts furnish no foundation for the criticisms directed at American shipping by Sir Adam Anderson, Hon. Alexander Shaw, and Mr. W. L. Runciman.

Anderson: "It may interest you to know to what length the United States of America goes in subsidizing their mercantile marine in dumping services on the world's market below cost, and in this way refusing to be paid their debts in the form of shipping services in which the world, and in particular Great Britain, can pay. * * * After giving full credit to the United States of America for her courage in scrapping ships, her seagoing tonnage still remains 240 percent above its pre-war volume. * * * It is obvious that the first step toward restoring equilibrium between supply and demand must be taken by those who have disturbed that equilibrium."

Shaw: "As regards payment of war debts by services, the whole position is much aggravated by the unwillingness of America to be paid in such services, among the chief of which are those rendered by British shipping. * * * But the United States has now a policy of high subsidies to American-owned ships. * * * But elementary political economy prompts the comment that the American taxpayer is being mulcted in order to close yet another avenue by which war debts can be repaid him—namely, the avenue of British shipping services."

Runciman: "In the 8 years from 1914 to 1922, Government money in the United States was responsible for more than trebling the mercantile tonnage in the country, and the bulk of the new tonnage was built after the ravages of the submarine campaign had been more than made good. It was a war-time program indeed well justified as to the earlier efforts, but carried on long after any need existed either for finishing contracts or to meet the demand of trade. That was the main cause of the great surplus of tonnage which is far in excess of any possible demand even if trade had progressed normally. * * * I should like to point out in this general survey that we in this country have not made the profound mistake made elsewhere of overbuilding. That we went rather far and rather fast nobody will deny, but in every

other country they went much farther and much faster. We have very much the same amount of tonnage today (1933) under the British flag as we had in 1913, whereas in the United States they have got about three times as much as before the war. * * * I have underestimated the extent of the American mercantile marine, but I was thinking of those ships that were fit for trade. If you count them all in, they have nine times as much, and a very costly luxury it has proved. * * * I believe that much of the misfortune which has befallen the cargo fleets of the world comes from overbuilding, and that those who went farthest have done the most harm."

Summarized, these statements imply that the United States continued to build long after any need existed to meet the demands of trade, and that this building was the main cause of the great surplus of tonnage in the world today; that we are refusing to accept payment of war debts in the form of shipping services; that the United States is guilty of dumping services on the world's market below cost; that the American taxpayer is being mulcted by the payments of shipping subsidies under the guise of mail-carrying allowances.

Mr. Runciman admits that the use of Government money in the United States for the building of war-time tonnage was well justified, but claims the effort was carried on long after any need existed for finishing contracts or to meet the demands of trade.

What do the records disclose?

First, that there was an insistent demand for ship tonnage after the signing of the armistice up to and including the first 3 months of 1920. What is the construction record of the United States Government in 1920 and 1921? In 1920 it laid 54 keels, 39 of which were cargo ships and 15 tankers; 26 of the 39 cargo ships were laid in the first 3 months of 1920, before freight rates began to slump in that year. In 1921 the United States laid 5 keels—4 tankers and 1 cargo ship. Therefore, the United States Government ordered the laying of keels for 14 cargo vessels of 93,000 gross tons after the freight rates began to slump in 1920. And, as has hereinbefore been stated, from 1922 to 1928 not a keel was laid in an American yard for overseas foreign trade.

The modest contribution of the United States Government to cargo tonnage in 1920 and 1921, and the reduction of over 3,000,000 tons in the United States merchant marine since then, does not warrant the assertion by Mr. Runciman that our building activity "was the main cause of the great surplus of tonnage which is far in excess of any possible demand even if trade had progressed normally."

As to that part of Sir Alan Anderson's statement, in which he says:

"After giving full credit to United States of America for her courage in scrapping ships her seagoing tonnage still remains 240 percent above its pre-war volume * * *. It is obvious that the first step toward restoring equilibrium between supply and demand must be taken by those who have disturbed that equilibrium."

He obviously implies that the American merchant marine should be reduced to its insignificant pre-war size and the United States again made a maritime vassal of Great Britain.

Sir Alan Anderson's statement that the United States is dumping services on the world's market below cost, and in this way refusing to accept payment of war debts in the form of shipping services, is an erroneous assertion. The United States has not dumped any services on the world's market below cost. A striking example of dumping is the sale by British owners of an enormous amount of tonnage for operation at nearly scrap prices to foreign buyers.

As to the loans—President Roosevelt in his message to Congress of June 1, 1934, on the war debts, pointed out that "these were actual loans made under the distinct understanding and with the intention that they would be repaid, and that they furnished vital means for the successful conclusion of a war which involved the national existence of the borrowers."

Our President thus set forth concisely a well-known fact and confirmed the earlier statement of Mr. Fayle, who, in the War and the Shipping Industry, referred to the plan adopted in 1917 of concentrating shipping on the shortest routes as the only practicable method of rendering the available carrying power adequate to essential requirements, and stating that this entailed the temporary abandonment of trades and markets in which the British flag and British Government had long predominated; he added, "Such operations, by which the future was more and more deeply mortgaged to provide for the pressing necessities of the present, bore little relation to the processes of ordinary trade. They could be carried on only by pledging the credit of the state, and they would, in fact, have been impossible but for the loans granted by the United States Government when British and allied credit was exhausted."

Insofar as repayment through the rendition of shipping services is concerned, it plainly will be evident that, since nearly 70 percent of the goods and an even greater percentage of passengers carried between the United States and foreign countries has been handled by foreign shipping services, a very substantial adherence to this method of facilitating repayment has proved ineffective, judging from the number of nations which are in default in the meeting of their obligations to the United States.

Hon. Alexander Shaw, in his statement, infers that because the United States has a policy of aiding its shipping the American taxpayer is being mulcted. Ninety years ago the British taxpayer supported British steamship lines in substantially the same manner that American lines are given aid today, and the British Government considered such aid to be warranted in order to provide "regular means of communication, develop traffic, and otherwise promote the interests of Great Britain, besides establishing a regular mail service."

The determined objective of British policy is stated in the Report of the Departmental Committee Appointed by the British Board of Trade to Consider the Position of the Shipping and Shipbuilding Industries After the War, wherein it says:

"The maritime ascendency of the Empire must be maintained at all costs and * * * the great wastage sustained by the mercantile marine during the war must * * * be repaired without delay."

Compared to this, the established policy of the United States to possess a merchant marine "sufficient to carry the greater portion of its commerce" is moderation itself.

There are two primary reasons for the overtonnage condition of the world today: One, the determination of countries which occupied strong positions upon the seas before the World War to retain or regain their former strength; and, two, the effort of countries which occupied inferior places to improve their positions.

The British mercantile marine shortly before the war carried more than half of the total sea-borne trade of the world. Germany's merchant fleet, which ranked second only to Great Britain before the war and which was reduced under the terms of the Versailles Treaty to negligible proportions, is regaining rapidly its former strong position.

With these two countries making every effort to regain their former strong positions, and with other countries increasing their merchant tonnage to carry what they consider to be an equitable share of their trade, there has been produced ship tonnage exceeding the needs of the present depressed conditions in world trade.

Last May in the parliamentary debates in the House of Lords, speaking on the shipping situation, Lord Marley said:

"We have had one or two rather militaristic and aggressive speeches. I think, in particular, the term which we must avoid at all cost was that we must sweep other flags off the seas and prevent in all circumstances any modification of British preponderance in the mercantile marine of the world. I hope that any empire policy which is adopted will not be so aggressive in tone as that, but that it will all the time be remembered that, while it is true that for many years Great Britain and the Empire had a preponderance of the maritime carrying trade of the world, yet in justice other nations must be entitled to their share of that carrying trade."

The seas are the highways of world trade and no nation has an inherent right to monopolize them. Each country which furnishes part of the sea-borne traffic is entitled to carry an equitable share of such traffic.

The records of the past offer conclusive proof that national interest requires the maintenance of an adequate merchant marine. We cannot survive as a first-class commercial or naval power without a strong merchant fleet.

We must at all times have a voice in the movement of our commerce overseas, a voice in the control of ocean rates, and be adequately supplied with ships of our own to transport our commerce when other nations are at war.

The time has arrived for decisive action if we are to occupy a proper place in the carrying of our foreign commerce, and it is imperative that we embark upon a definite replacement program to modernize our foreign-trade fleet.

The bulk of our tonnage in the American merchant marine operating in the foreign trade consists of vessels contracted for during the war, and these vessels are all pre-war types, of slow speeds, and costly to operate.

The net result is that the greater portion of the passenger and freight traffic gravitates to the more modern and faster ships of our foreign competitors. In this connection it is significant to note that the modern American vessels built during the past 5 years are competing successfully in our foreign trade routes and are as well patronized as any vessels in the trades in which they ply.

During the past year a number of governmental committees have been studying our shipping problems with a view toward putting the industry on a sound basis.

In the recent past the Chief Executive, the Secretary of Commerce, and the Secretary of the Navy have all expressed themselves in favor of an adequate American merchant marine; and it is reasonably certain that in the near future shipping legislation will be enacted which will enable America to again occupy her rightful place upon the seas commensurate with her position as a Nation of the first rank.

IMPORTATION OF FOREIGN CORN

Mr. DICKINSON. Mr. President, I ask unanimous consent to insert in the RECORD an article from a recent issue of the Des Moines (Iowa) Register entitled "Foreign Corn Floods Over Tariff Wall."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Des Moines (Iowa) Register]

FOREIGN CORN FLOODS OVER TARIFF WALL—ARGENTINE EXPORTERS ARE PLEASED WITH UNITED STATES SHORTAGE

By Richard Wilson

BALTIMORE, MD.—Capt. E. R. Howe, of London, immensely pleased by the roar of cranes unloading Argentine corn from the hold of

his stream-lined freighter, *Argow*, into coal cars on the Baltimore docks, concluded last week that it was Iowa's "own damn fault."

"Last year you were burning it, and this year you are buying it", he observed. "Why, they are all laughing at you in Buenos Aires."

Captain Howe has some perception in these agricultural matters, for, like many another sailor, a neat homestead of 2,400 square yards awaits his return to England.

UNPRECEDENTED QUANTITIES

Captain Howe's freighter, the latest in speed and fuel economy, was but one of a score or more of shipping which has docked at four American ports, pouring corn into the United States in almost unprecedented quantities since drought and crop reduction reduced America's crop to the lowest in 60 years.

Corn from every corner of the earth is understood by A. A. A. officials to be entering America at the rate of about 1,000,000 bushels a week, an event never before duplicated in foreign trade.

TARIFF AT WORK

For one of the few times in the last two decades, the tariff on corn is at work—a tariff with which political orators have wooed the West for dozens of years.

Corn from the Argentine, from China, from Belgium and Rumania and Kwantung, from Mexico, Jugoslavia, and Cuba, from the Dominican Republic and South Africa has been flowing with ease over the 25-cents-a-bushel tariff wall for the last 7 months.

LURE IS GREAT

The lure is great, for cash corn has been selling in New York at 98 cents a bushel and higher, and in the Corn Belt at figures ranging nearly that high.

Even at a million bushels a week, the need for corn in the country could not be satisfied. Although the need for corn as feed is at probably the lowest point in the last century, it is still greater than the world can easily supply.

SUPPLY AND DEMAND

With 20,000,000 fewer hogs on farms, there is need of 430,000,000 bushels of corn less than normal. With 7,000,000 fewer cattle on farms, there is need for 500,000,000 fewer bushels.

But the country could still use 2,000,000,000 bushels and it has not more than 1,300,000,000.

Seven hundred million bushels could enter the United States, A. A. A. officials estimated, before the need is fully satisfied. This estimate depends, of course, on the supply of early forage.

UNABLE TO OBTAIN CORN

The present demand is from the coastal regions, which have been unable to obtain corn from the usual sources in the Corn Belt, where the drought cut the crop in two.

And Captain Howe thinks it is the United States' "own damn fault, because it failed to perceive the logic of holding on to such a durable commodity as corn when it had too much instead of burning it."

GETS UP LITTLE STEAM

"I've had to burn it myself," he said, "when I ran out of coal, but it gets up precious little steam."

Several years have passed since Iowa farmers actually stoked the kitchen stove with corn, but the captain, and Argentina, have never forgotten, although in neighboring Brazil millions of bags of coffee have gone up in smoke because she had too much to bring a fair income.

FOUR MILLION SIX HUNDRED AND NINETY-FOUR THOUSAND ONE HUNDRED AND SIXTY-TWO BUSHELS

Since last August, when a fiery sun was ruining millions of acres of corn in the Midwest, 4,694,162 bushels of corn had come into the American ports from abroad through January.

Captain Howe was carrying 6,600 long tons, approximately 260,000 bushels, which will help to swell Argentina's exports. When February and March figures are compiled the total doubtless will exceed any other previous importation.

FIVE HUNDRED THOUSAND BUSHELS YEARLY AVERAGE

A liberal estimate by Bureau of Agricultural Economics experts is that average United States imports are 500,000 bushels yearly. In the winter of 1927–28, 5,000,000 bushels came into the country, carried by wheat importers. In the winter of 1924–25, four and a half million bushels came over the tariff wall, attracted by a short United States crop.

"The wharves in Buenos Aires are piled to the sky with sacks of corn", Captain Howe said. "There are, I think, at least a dozen cargoes on the way."

SHIPPING OLD CORN

Argentina is shipping old corn. The harvest of this year's crop is shortly to come on and it will be, according to advices to the Bureau of Agricultural Economics, between 425,000,000 and 450,000,000 bushels, not a record, but almost a record.

This is about one-fifth of the average corn crop in the United States. When that corn is harvested experts anticipate a literal flood of corn.

CLEAN-UP SEEN

Argentine exporters, if they can get their crop to American ports before a decline in price sets in, will reap fortunes.

March futures are selling in Buenos Aires at about 42 cents per bushel. The cash price in New York has been 98 cents per bushel. Average charges for freight are 10 cents per bushel; for insurance, 0.2 cent, and for interest, 0.2 cent. Captain Howe got about 13 cents per bushel for transporting his cargo. He was anxious to get away from Baltimore last week because a cargo of sisal, which is supposed to be competing with cotton in the manufacture of clothing in Germany, was awaiting him in Mexico.

CONTINUANCE SEEN

Howe came out of retirement to resume carrying American products on English bottoms.

Corn will continue to come over the tariff barrier from Argentina so long as there is a spread of 1 cent or more between the Buenos Aires price, plus tariff, insurance, and interest, and the New York price, the Bureau of Agricultural Economics said.

LOOPHOLE FOUND

And Argentine corn may continue to come in long after that, for exporters are reported to have found a new loophole in the tariff. The grain trade in New York last week was greatly disturbed when it heard reports that 50 carloads of corn meal and grits had arrived over the tariff of 50 cents per hundred pounds.

So great was this disturbance that the Tariff Commission is now quietly investigating.

MILLED IN BELGIUM

The corn meal and grits were reported to be from Argentine corn, shipped to Belgium to be milled. An enterprising exporter discovered the tariff on corn meal and grits from Belgium was based upon the supposition that it takes 2 bushels of corn to make 100 pounds of the milled product.

Government economists said it actually takes 3 bushels. Belgium makes no charge against Argentine corn milled in transit and the result is that 3 bushels of milled corn can be exported to America for 50 cents, whereas the tariff on 2 bushels of shelled corn is 50 cents.

WALLACE NOT ALARMED

How long the price of corn can be maintained at its present level with continuing imports is held to be questionable. The Agricultural Adjustment Administration is not anxious that the price of corn and hogs climb too much higher, and Secretary of Agriculture Wallace views the importation with no alarm.

But continued importation, despite a less than normal demand, will tend, it is thought, to hold corn and hog prices down, although Secretary Wallace anticipates a general rise in the cost of food in the next few months.

EXCISE TAX ON PHILIPPINE COCONUT OIL

Mr. TYDINGS. Mr. President, I have in my hand a memorial of the Philippine Coconut Planters' Association relating to the excise tax on coconut oil. Inasmuch as this greatly affects the economy of the Philippine Islands, I ask that it may be printed in the RECORD.

There being no objection, the memorial was ordered to be printed in the RECORD, as follows:

MEMORIAL OF THE PHILIPPINE COCONUT PLANTERS' ASSOCIATION TO THE UNITED STATES SENATORIAL MISSION VISITING THE PHILIPPINE ISLANDS IN CONNECTION WITH THE TYDINGS-McDUFFIE PHILIPPINE ACT ON THE EXCISE TAX ON PHILIPPINE COCONUT OIL, DECEMBER 13, 1934

The inclusion in the United States Revenue Act of 1934 of an excise tax of 3 cents a pound on Philippine copra and coconut oil has greatly affected the second largest industry of the Philippine Islands. This tax constitutes a heavy burden on the Philippine coconut industry, and, unless modified or done away with, it may bring the ultimate ruin of the said industry. Such an event would deprive more than 4,000,000 people, or more than one-fourth of the population of the Philippines, of their present means of livelihood.

These harmful effects of the excise tax were made known to the Congress of the United States during the discussion of the measure. Various appeals were sent to Congress and to the President of the United States from the Philippines. In a cable sent to Washington, Gov. Gen. Frank Murphy, of the Philippines, emphasized the responsibility of the American people in safeguarding the best interests of the people of the Philippines and urged Congress not to approve the measure. "In my opinion", Governor General Murphy said, "sudden and extreme action crushing to the Philippines and profiting foreign oil producers does not meet our plain responsibility to a people under the flag."

Despite the very strong opposition from the Philippines, and apparently because of the insistence of dairy and cotton interests in the United States, the tax was approved. As a means of mitigating in some way the known harmful effects of this tax on the Philippines, it was decided to fix the rate on Philippine coconut oil at 3 cents a pound, as against 5 cents, which was the rate fixed on coconut oil coming from other countries. In other words, the Philippines were given a preferential of 2 cents a pound.

CONDITIONS OF THE INDUSTRY EXAMINED

A dispassionate and careful consideration of the conditions obtaining in the coconut industry of the Philippines, and also of the circumstances surrounding the imposition of the excise tax, will show the need for its total elimination. In this connection the following are submitted:

(1) The tax is grossly unfair to the Philippines under the present trade relations with the United States and under the provisions of the Tydings-McDuffie Independence Act.

(2) The prohibition that the revenue derived from the tax cannot be used to aid the Philippine coconut industry is also unfair and should be eliminated.

(3) The tax should be eliminated for the best interest of both the United States and the Philippines.

(4) The amount of the tax is not proportionate to the value of the commodity on which it is imposed, for, as a matter of fact, the amount of the tax would be far greater than the value of Philippine exports of copra and coconut oil to the United States combined.

(5) The so-called "preferential" of 2 cents a pound for Philippine coconut oil is entirely ineffective and gives no real benefit to the Philippines.

(6) There is no danger of any overproduction of copra and coconut oil in the Philippines. In fact, the recent typhoons and earthquake, and the occurrence of such calamities as the leaf miner and the bud rot, have greatly reduced local production of copra in the islands, and any new plantings that have been made are offset by the number of coconut trees dying out due to destruction by typhoons and old age.

TAX IS UNFAIR

This is in open violation of the spirit of the free trade between the Philippines and the United States, an arrangement that was established purely at the instance of Congress and over the expressed opposition of the Filipino people. Under this arrangement, American goods enter the Philippine market with no restrictions whatsoever; and it is not fair that while this privilege is enjoyed by American goods restrictions be imposed upon Philippine products trying to find a market within the United States. President Roosevelt said in a message to Congress that the excise tax is "of course directly contrary to the intent of the provision in the Independence Act cited above." Although the President signed the revenue bill which contained the provision regarding the excise tax, he nevertheless requested Congress to reconsider the excise tax on Philippine copra and coconut oil.

REVENUE DERIVED FROM EXCISE TAX

The revenue act provides that collections derived from the excise tax on Philippine coconut oil shall be paid to the Philippine treasury, but the Philippine government is prohibited from using this fund for giving any subsidy—to mean even from its own funds—to producers of copra, coconut oil, or similar products. For the further payments of said excise-tax collections to the Philippine treasury will at once cease.

The injustice of this provision becomes at once obvious. For the coconut planter is not only deprived directly of the benefits of the tax, but the country is threatened with the complete and immediate withdrawal of its benefits at its slightest proof of any indirect application of the funds, or of its own funds, to the interest of the coconut growers. It appears only logical to expect that the party penalized should be the very ones to derive whatever benefit the tax affords, especially when it is clearly evident that the amount collected from the excise tax will exceed the value of Philippine coconut oil exported to the United States any time the price of coconut oil falls below 3 cents a pound. The quotation of this item in New York has ranged from 2¾ to 3 cents per pound, and it is seldom that the quotation touches the 3-cent mark of this year. Since the burden of the excise tax falls on the coconut industry and the payments for it are made by the industry itself, it is only fair that the collections that are returned to the Philippine treasury be used for aiding in some way the industry concerned.

In lieu of this prohibition, the Philippine Legislature should be empowered to dispose of the fund at its discretion. Should the legislature find it necessary to limit the use of the fund for aids to the coconut industry or to stop it in order not to cause any actual injury to any interests in the United States who may be prejudiced thereby, all could rest assured that the legislature would act in fairness to all concerned.

TAX SHOULD BE ELIMINATED

Regarding cottonseed oil which the excise tax is also supposed to protect, the following is quoted from a memorandum prepared by the American Council Institute of Pacific Relations: "Cottonseed oil is probably not seriously threatened by coconut oil, since its chief use is in cooking, as a salad oil, and as a competitor with lard. It is used in soap, but it commands a better price in the food market and therefore only the refuse from the refining goes into soap. Moreover, a cotton crop large enough to furnish the necessary byproduct to supplant coconut oil would affect the Government's cotton-reduction program."

In other words, cottonseed oil and coconut oil do not enter into real competition, because cottonseed oil goes chiefly into the manufacture of edible products while coconut oil is used principally in soap manufacture. Cottonseed oil is too expensive a material for the manufacture of soap, and that is why only its poorest grades or what is thrown away during the process of manufacture into edible oil is utilized for soap. Very little cottonseed oil thus finds its way into the soap kettle.

The annihilation or ruin of the copra industry of the Philippines would certainly bring about a material decline in the purchasing power of the Philippine market which presently buys enormous quantities of cotton products and also dairy products from the United States. The Philippines imported during the last 4 years an average of ₱17,798,394 of American cotton manufactures, and ₱5,659,605 worth of dairy products from the United States.

Comparing what the dairy farmers and cotton producers and manufacturers in the United States will lose because of the decreased consumption of the above articles in the Philippines, with what benefits, if any, they would derive from the operation of the excise tax, their loss will be a great deal more. It is therefore to the best interest of both the United States and the Philippines that the excise tax be removed.

TAX OUT OF PROPORTION TO VALUE OF COMMODITY

The excise tax as it stands is so excessive that it is altogether out of proportion to the value of the product on which it is imposed. In fact, if the amount of the tax that would have been collected for the entire year of 1933 on the total quantity of copra and coconut oil exported to the United States in that year were compared to the value of this export, it would be found that the excise tax collection would be far in excess of the value of the export on which the tax is collected. This fact is borne out by the following figures showing a comparison between the value of Philippine copra and coconut oil exported to the United States in 1933 and the amount of the excise tax on such products based on the rate of 3 cents per pound.

	1933		
	Quantity	Value	Excise tax
	Pounds	*Pesos*	*Pesos*
Copra	274,506,354	11,902,453	16,470,380
Coconut oil	346,519,818	18,050,150	20,791,190
Total		29,952,603	37,261,570

NOTE.—Rate of conversion, 1 pound coconut oil equals 1.667 pounds copra, excluding sack or container.

These figures again show the need for the complete elimination of the tax.

TWO-CENT PREFERENTIAL INEFFECTIVE

While it is true that the 2-cent preferential gives a real advantage to the Philippines insofar as coconut oil from other countries is concerned, it does not improve the position of the Philippine products in competing with other competing oils, especially palm-kernel oil, palm oil, tallow, whale oil, and fish oil. Tallow, which is a keen competitor of coconut oil in the manufacture of soap, is now taxed in the United States only one-half cent per pound. It is only natural that soap manufacturers will resort to tallow in preference to coconut oil any time they find that the difference in price favors the use of the former. Palm-kernel oil possesses the good qualities of coconut oil in the manufacture of soap and has been making rapid advance toward the soap kettle at the expense of coconut oil because of its lower price. Palm-kernel oil pays only 3 cents a pound, or the same as the excise tax on Philippine oil. Besides tallow and palm-kernel oil, there are other oilseeds that can be produced on a commercial basis in South America if the price at which they can be sold becomes sufficiently attractive. Some of these oils do not fall under the excise tax and would compete with coconut oil. Unless these various oils which compete with coconut oil are subjected to a higher tax than that presently levied on them in the United States, the beneficial effects of the 2-cent preferential on Philippine coconut oil would be nil or imaginary.

The recent trend in the consumption of coconut oil in the United States clearly proves the serious competition that the Philippine coconut oil under the excise tax is meeting from other oils. According to figures furnished by Mr. John Gordon, Secretary of the Bureau of Raw Materials, in Washington, importation of Philippine coconut oil into the United States during the month of August 1934 showed a decrease of 52.4 percent, as compared with August 1933. The figures for September 1934 again showed a decrease of 56 percent as compared with September of 1933. It is estimated that when the full effects of the excise tax are felt, importation of Philippine coconut oil into the United States may suffer a cut of from 35 to 50 percent.

Actual shipments of copra and coconut oil from the Philippines to the United States since June 1934, the months following the approval of the excise tax, compared with shipments during the same months last year, were as follows:

Copra exports to United States

[Metric tons]

	1934	1933
June	6,632	23,031
July	6,490	24,941
August	4,490	22,747
September	12,766	17,866

Coconut-oil exports to United States

[Metric tons]

	1934	1933
June	4,123	10,292
July	14,181	13,205
August	11,498	18,233
September	5,471	18,424

The above data do not exactly show the effects of the excise tax inasmuch as many of the shipments since June this year were made under contracts entered into previous to the approval of the excise tax. Furthermore, manufacturers have been buying coconut oil in recent months in preference to other oil materials because they are expecting possible modifications for the better in the present tax on Philippine oil during the next session of Congress.

INCREASE IN PRICES NOT DUE TO EXCISE TAX

The movement in the prices of copra and coconut oil since the excise tax went into effect is shown below:

Monthly average prices of copra in Manila and coconut oil in New York since June 1934

	Copra (per 100 kilos)	Coconut oil (tanks, New York) (cents, gold, per pound)
June	₱3 43	2¾
July	3 38	2½
August	3.07	2½
September	4.81	2¾
October	5 50	3

It will be seen from the above figures that there has been actually an increase in the prices of copra and coconut oil during the last few months. This increase, however, has not been due to the excise tax, but rather to world conditions affecting the market for fats and oils. The improvement in price was not confined to copra and coconut oil. It merely moved in sympathy with the general trend of world prices for fats and oils. The increase in price of other oils is indicated by the following comparative data:

Article	May 28, 1934	October 15, 1934
	Cents per pound	*Cents per pound*
Tallow, sulphonated, 25 percent	4¾	4¾
Palm-kernel oil, denatured	3½	2.85
Palm oil	2½	3.00
Whale oil, crude no. 1, nominal	4.00	4.00
Cottonseed oil	4.90	7.25

The drought in the United States and in Europe last summer has had the effect of increasing the demand for copra meal and copra cake to make up for the shortage in livestock feed. The general improvement in commodity prices in the United States under the N. R. A. also influenced the price of coconut oil.

Another very important factor in the recent rise in the price of copra in Manila was the fact that during the months of June and July, when the prices of Philippine copra were at the lowest level, buyers in Europe who ordinarily get their supply of copra from their colonies like Ceylon, Java, Celebes, Strait Settlements, and the South Sea Islands were induced to take advantage of the low prices of Philippine copra. So purchases were made here and local shippers made forward sales. These heavy forward sales to Europe had to be filled about the months of August and September, thus causing an unusually heavy demand for copra. As a result a scarcity was felt in the supply, and hence the rise in price.

NO DANGER OF OVERPRODUCTION

The fear of certain American interests that the production of Philippine copra may be increased to such a certain extent that the American market will be almost flooded with coconut oil is entirely unfounded. The production of copra is not carried on in the same way as 1-year crops like sugar, for instance, and the crop cannot be increased at will even with fertilizers, because the latter will be very expensive—20 cents per tree to get a 10-cent increase—and because it takes from 10 to 15 years for newly planted trees to reach maturity and it is not always certain that every tree that is planted will reach the fruit-bearing stage. About 30 percent replacing or replanting is always necessary. Furthermore, it should be remembered that the coconut plantations in the islands have recently suffered from the ravages of typhoons and also of bud rots and leaf miner which have greatly reduced and will continue to reduce production for the next 2 years. So, the fear of overproduction is entirely imaginary.

PRACTICAL RESULTS

From a recent report on comparative results of the excise tax on vegetable oils in the States, we quote the following, which is incorporated as a portion of this memorial:

"The vegetable-oil situation is quite confused. The obvious fact is that the prices are relatively high. Cottonseed oil is now being sold at 8.95 cents per pound, compared to the price from 4.65 to 4.85 last year. This is the result of several things: First, the crop of cotton; second, the heavy duties and processing taxes imposed on most of the vegetable oils. There has also been indicated a market shift from coconut oil to cottonseed oil in the manufacture of oleomargarine.

"The Bureau of Internal Revenue reports an increase in the manufacture of oleomargarine from August 1934 from 23,000,000 pounds in 1933 to 24,000,000 pounds in 1934. The cottonseed oil used in 1933 was 1,312,020 pounds, and in 1934 was 6,200,257 pounds. On the other hand, in the year 1933, 12,606,556 pounds of coconut oil was used, and in 1934, 7,740,442 pounds. This indicates that, notwithstanding the high price of cottonseed oil, it is replacing the coconut oil largely, it is presumed, because of the heavy processing tax.

"This has brought about another unanticipated result. For practically the first time in history cottonseed oil is being imported into the United States, but one shipment has been reported so far.

"Cottonseed oil has been heretofore exported from the United States in very large quantities. The fact that the manufacture of oleomargarine in the United States is not decreasing, and if cottonseed oil is brought in from abroad, there will be very little satisfaction to those who brought about the imposition of the heavy processing tax on coconut oil."

CONCLUSION

In view of all the facts presented above, it is respectfully recommended that the excise tax on Philippine copra and coconut oil be removed. And the import duty on coconut oil after the fifth year of the commonwealth government should also be eliminated until the expiration of the same commonwealth government.

Respectfully submitted.

PHILIPPINE COCONUT PLANTERS ASSOCIATION,
By FILEMON PEREZ, *for Tayabas, President,*
CONRADO BENITEZ, *for La Laguna, Secretary.*
MAURICIO CRUZ, *for La Laguna.*
RAMON SORIANO, *for Cotlabato,*
FEDERICO SARABIA, *for Capiz,*
FRANCISCO SORIANO, *for Surigao,*
Members Board of Directors.

THE RICE INDUSTRY—AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT

The VICE PRESIDENT. Morning business is closed. Under a special order of the Senate, the Chair lays before the Senate House bill 5221.

The Senate proceeded to consider the bill (H. R. 5221) to amend the Agricultural Adjustment Act with respect to rice, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with amendments.

Mr. SMITH. Mr. President, I ask that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that committee amendments be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. KING. Mr. President, many of us know nothing about the bill and did not know it was on the calendar. I should like to have the Senator from South Carolina make a brief explanation of its purposes.

Mr. SMITH. Mr. President, the bill has been agreed upon by all interested in rice production and in the processing of rice. Under certain forms of law, rice was made a basic industry upon the passage of the original Agricultural Adjustment Act. Under the ordinary form of agreement, a success was not made of the operation as it related to rice. According to my information, the processors have all agreed to the present form of the bill. There are no changes, except the licensing feature is suspended and it has been agreed that there shall be a small processing tax. That is all that is involved.

Mr. DICKINSON. Mr. President——

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Iowa?

Mr. SMITH. I yield.

Mr. DICKINSON. What about the authority to issue what are known as Treasury warrants?

Mr. SMITH. The explanation of that feature is that under the terms of the agreement all the purchasers agree to pay 1 cent per pound above the ordinary world price and when they export any rice that payment is to be rebated. They may have a quantity of rice on hand which will be shipped out of the country and it is provided that a form of warrant shall be given them upon exporting the rice. The matter of the warrants is taken care of in the last paragraph of the bill. When the rice is shipped out of the country the warrants will be placed to the exporter's credit to the extent of 1 cent per pound rebate.

Mr. DICKINSON. As a matter of fact, that simply means the Government pays 1 cent a pound as a bonus out of the Public Treasury for all rice that is shipped in export, does it not?

Mr. SMITH. Oh, no. Neither the Government nor anyone else pays out a cent on that basis. The rice is all sold at the American price. When any of that rice is exported, the shippers get a rebate of 1 cent per pound, and that is all.

Mr. DICKINSON. As a matter of fact, what happens is that a tax warrant is issued to the producer, who can either cash that warrant and let the processor pay the processing tax, or he can turn the warrant over to the processor who will deliver it in cancelation of the processing tax.

Mr. SMITH. That is identically the same thing.

Mr. DICKINSON. That does not cost the Government anything?

Mr. SMITH. It does not cost the Government or the consumer anything. It only applies to export operations.

Mr. DICKINSON. But under the latter part of the bill when the processing tax has been paid on a commodity to be exported and the drawback has been paid, then we find that when the warrant is turned into the Treasury it serves as an exemption of the tax, and then the Government has to pay the processing tax back to the processor, which is a drawback under the provisions of section 11, and in that case the exporter draws out of the Treasury 1 cent per pound.

Mr. SMITH. No; the Senator misinterprets it. Under the processing tax which will go into operation on April 12, the producer pays the processing tax on all the rice. On that part which he exports he gets a redemption certificate. He operates under the processing tax precisely like the cotton growers operate under the processing tax on cotton, with the distinction that the processing of rice is so different from the processing of cotton that the distinction could not be made as clearly as in the case of cotton, because cotton is ready to be exported when it has gone through the ginning process of the producer. Here we put the processing tax on the entire commodity, and when the evidence of export is furnished and the Internal Revenue Commissioner approves, then the rebate is paid, and it does not cost any one anything at all.

Mr. DICKINSON. Let me read section 11 to the Senator.

Subsection (a) of section 17 of the Agricultural Adjustment Act, as amended, is further amended by inserting after the second sentence the following: "In the case of rice, a tax due under this title which has been paid by a tax-payment warrant shall be deemed for the purposes of this subsection to have been paid; and, any provision of law notwithstanding, the Comptroller General is authorized and directed to certify for payment (without review of the facts of payment of such tax) any refund of a tax so paid, in the amount scheduled to him by the Commissioner of Internal Revenue.

A tax warrant is issued to the producer and he turns it over to the processor. Under the law they are entitled to a 1-cent drawback refund. Therefore, they certify that the tax has been paid. How has it been paid? It has been paid by a Treasury warrant under the terms of the bill. Therefore the Government has not received the money. But under this provision, the authority of the Comptroller General notwithstanding, they are entitled to a drawback of 1 cent per pound on the rice.

Mr. SMITH. Let me explain that feature. It is a mere paper warrant. If the Senator will turn to section 11, it reads:

Subsection (a) of section 17 of the Agricultural Adjustment Act, as amended, is further amended by inserting after the second sentence the following: "In the case of rice, a tax due under this title which has been paid by a tax-payment warrant shall be deemed for the purposes of this subsection to have been paid."

The man gets his warrant. All right. When the rice is exported, the warrant is turned in and canceled, and no money whatever changes hands.

Mr. DICKINSON. Oh, yes; but read further. In line 6 of page 10 the bill says:

any refund of a tax so paid, in the amount scheduled to him by the Commissioner of Internal Revenue—

Which means that the holder of the warrant is entitled to a drawback of 1 cent a pound.

Mr. SMITH. If that is on line 6, page 10, the Senator has a different print of the bill than the one I have. I desire to state to the Senator that under the terms of the bill the whole tax feature is covered by section 11, subsection (a). There was brought down from the Comptroller General's office the amendment that is in italicized type, and the Senator will see that just what I have explained to him is the fact. The amendment reads:

And with respect to any refund authorized under this section, the amount scheduled by the Commissioner of Internal Revenue for refunding shall be paid, any provision of law notwithstanding.

Mr. DICKINSON. Yes; and the matter is made worse rather than better, because the House text says that the refund shall be paid, and the Senator's amendment is even plainer in indicating that the refund is to be paid.

Mr. SMITH. Does not the Senator from Iowa understand that if in the first instance the tax is paid, and then, when the rice is exported the evidence in the form of a warrant that it is exported, this paper, is handed in—that is a mere bookkeeping procedure which entitles the holder of the warrant to that amount of exemption from the tax? That is all it means.

Mr. DICKINSON. Yes; and therefore, on account of the exemption from the tax and the fact that the tax has been certified as paid, he is entitled to a refund under the law. It is to be refunded to him.

Mr. SMITH. But cannot the Senator see that if, under the law, a tax warrant is issued on the percentage of the commodity that is exported, not subject to the tax, the presentation of the warrant cancels it, and for all bookkeeping purposes the tax is paid, and the exemption is paid?

Mr. DICKINSON. If the contention of the Senator from South Carolina is correct, I should like to know what benefit there is in the bill for the rice producer.

Mr. SMITH. He gets 1 cent a pound on all the rice produced.

Mr. DICKINSON. Very well. Where does he get it?

Mr. SMITH. He gets it from the sale of his rice. The Senator from Iowa now is coming to the point where the processing tax is levied to reimburse the farmer to the extent of 1 cent a pound on all the rice that is produced. That is the provision now in the bill, as against the agreement. I am referring to the processing tax, not the export tax. When we come to the question of the processing tax, there is a tax of 1 cent a pound on all the rice, and nobody is exempt. The processor pays 1 cent a pound on all the rice.

Mr. DICKINSON. Who is going to pay the producer this 1 cent a pound? Where is the money coming from?

Mr. SMITH. It comes out of the sale of the rice.

Mr. DICKINSON. It comes out of the processing tax, which is a consumers' tax, levied on the processing of rice. Therefore, a processing tax is levied on 225,000,000 pounds of rice, which is the carry-over of the present year. The producer is exempted from paying it, but on the other hand, he is given credit for 1 cent a pound on all this rice, which amounts to $2,225,000 taken from the consumers of the country. In other words, it is a straight subsidy to the rice producer. Is that right?

Mr. SMITH. No. There was one error in my statement. The producer gets 1 cent a pound for all domestically consumed rice, and that is his benefit payment. He does not get 1 cent a pound on the exported rice.

Mr. DICKINSON. Then, the purpose of this bill, as I understand it, is to sell in export practically the 225,000,000 pounds of carry-over rice.

Mr. SMITH. Yes.

Mr. DICKINSON. If the producer does not get any benefit from what is exported, he will get the benefit of 1 cent a pound only on what is domestically consumed.

Mr. SMITH. That is correct.

Mr. DICKINSON. That does not mean that he is going to get anything. Why? Because this is the carry-over, over and above the domestic consumption.

Mr. SMITH. Precisely.

Mr. LONG. Mr. President, will the Senator let me make a little correction there? There is a little misunderstanding. I am informed that this is the situation:

The tax warrant is issued only on the 1933 and 1934 crops where a processor can show that he has paid the full parity price and used in payment the tax on the 1933 and 1934 crops. It merely prevents double payment by the processor who has already paid 1 cent.

Mr. SMITH. That is correct. The Senator from Iowa is talking about the rice that is now in stock. The rice that is now in stock is taken care of by the bill. As to the amount of rice that now must be sold abroad, there must be a clear understanding that it will have to be sold at the world price, and if the processors must pay the domestic price they lose a cent a pound.

Mr. ROBINSON. Mr. President, the tax-payment warrant is for the purpose of giving to the producers and to the processors who have conformed to the marketing agreement, and have held their commodity for orderly marketing, the same benefit that was derived by those producers who have sold their rice.

Mr. SMITH. Yes; that is correct.

Mr. ROBINSON. It works out very effectively, is acceptable to everyone who is interested in the production and processing of rice, and, as the Senator says, results in no final cost to the Treasury.

Mr. SMITH. That is correct.

I desire to call the Senator's attention to the fact that my information is that the processors and the producers have agreed on this amendment. They have agreed that they will have this processing tax in lieu of the agreement to pay 1 cent a pound above the market for all domestically consumed rice, and export the balance at the world's price. The processors now have a large stock on hand; they are getting inquiries, and they wish to make their invoices for export. Therefore, they desire to have finally settled the question as to just how they are going to be reimbursed or not penalized to the extent of 1 cent a pound for the export rice; and that is what is covered by the pending bill.

Mr. DICKINSON. As a matter of fact, if the rice producers are not going to get any benefit from the rice which is domestically consumed——

Mr. SMITH. Oh, yes; they get the benefit of all that, but none from the export rice.

Mr. DICKINSON. The Senator contends, then, that no benefit is to be derived by the rice producers on the quantity of rice which is exported?

Mr. SMITH. No; there is not.

Mr. DICKINSON. If that be the case, it is my judgment that the benefits of the bill are greatly reduced.

Mr. SMITH. Very well. Take the question of our cotton: We export 60 percent of the American crop. The farmer gets no benefit whatever from that, but from the 40 or 45 percent that is domestically consumed he gets a benefit. That has been the case ever since the processing tax was levied on cotton.

Mr. DICKINSON. As a matter of fact, what I am fearful of is that we shall encounter in connection with cotton the same situation that we are now meeting in the case of rice, and that is that the carry-over will accumulate. It is accumulating now, in fact.

Mr. SMITH. Mr. President, if the markets were all open, and we did not have the miserable old tariff law which has choked everybody to death and which the Senator from Iowa so vociferously upholds, we should get rid of our surplus, because the world would be getting our products cheaper than we could use our own products. That has been my contention against the application of the principle of the high protective tariff. This bill is nothing in the world but a domestic application, for the benefit of the farmer, of the principle of the infernal high-tariff law; and I defy any man to show the difference. The Senator from Iowa is arguing against the bill because the farmer is going to get the benefit of a higher price in America for what he makes than for what is exported. That is the principle of the high protective tariff—that the manufacturer may mulct the American people, but may sell his surplus abroad cheaper than he sells his product to us.

Mr. DICKINSON. Do I understand then, that the Senator from South Carolina is advocating a tariff on rice?

Mr. SMITH. No; I am not, but I am making the statement that since the farmer is disorganized and unable to protect himself, the Government is attempting to stand in lieu of an organization, in order that he may get out of his product a reasonable percentage of the wealth he produces. If I had my way, I would lower the tariff to a revenue basis, and turn everybody loose, and let them utilize the markets of the world to the best of their ability; but still there would remain the unorganized farmer.

Now, I desire to ask the Senator a question. It is said the law of supply and demand operates. Is there not another law as powerful as that, that things move along the line of least resistance? When the farmer produces his raw material, either in the form of rice, or wheat, or corn, or hogs, or cotton, and the manufacturer, or the processor, begins to make his cost sheet, and finds a little sales resistance, if the farmers offer him less resistance than the purchasing public, does any man here attempt to say where the deduction will be made?

Do not Senators on this floor know that whenever the manufacturer or the processor of any article undertakes to make up his cost sheet, every item of overhead is added—freight, the incidental expenses, and everything else—and then he fixes his price for the purchase of the raw material according to the profit to which he thinks he is entitled, or which he can make?

I am here to ask at this stage, until we can get things better regulated than they are, that we support the Government's attempt to step in and provide for the farmer the organized protection which we find in industrial business.

Mr. HAYDEN. Mr. President, will the Senator yield to me?

Mr. SMITH. I yield.

Mr. HAYDEN. The Chairman of the Committee on Agriculture and Forestry will remember that when the pending bill came over from the House of Representatives I directed his attention to a rather unusual situation which exists in the Salt River Valley in Arizona and in the Imperial Valley in California. There are certain areas of land which after prolonged irrigation become alkaline or bear excessive quantities of salt. For many years the farm practice has been to pond water on these lands to absorb the alkali or drive such salts down through the soil to the underlying gravel beds.

In recent years the farmers have found that they can get some benefit from such land by planting a crop of rice to be grown in the ponded water. A year's treatment of that kind will make the land fertile for 5 or 10 years before the alkali or salt comes back. That is only done in process of crop rotation, and I suggested that rice be eliminated from the operation of the law where the Secretary of Agriculture finds that it is part of a crop rotation. What consideration did the committee give to that suggestion?

Mr. SMITH. Mr. President, I wish to be frank with the Senator. I suggested the Senator's proposal to those in authority in the Department of Agriculture, and they said that, though the planting of rice might sweeten the soil and eliminate the alkaline content, the rice crop might be so profitable and the yield so great that they would continue to sweeten even when sweetening was not necessary, and it would be hard upon the other rice producers.

Mr. HAYDEN. Is it true that if a crop of rice were planted on such land a portion of 1 year as a part of a system of crop rotation all such rice produced would have to bear the full processing tax fixed in the pending bill?

Mr. SMITH. Yes.

Mr. HAYDEN. Someone in the Department of Agriculture tried to explain to me that the rice growers of the irrigated regions could escape from the situation by asking for no benefit and having no tax to pay. Is that possible?

Mr. SMITH. That feature was not discussed. I did not discuss that phase of it.

Mr. HAYDEN. The Senator will remember that my amendment proposes to leave this matter entirely in the discretion of the Secretary of Agriculture to determine whether or not the exemption from the processing tax might be extended.

Mr. SMITH. I did not discuss that feature, that in case they should utilize these lands for that purpose they would ask for no benefit if they were not taxed, that they would just produce it and send it on the market, without any governmental interference at all.

Mr. HAYDEN. That is exactly what the rice growers of my State want to do.

Mr. SMITH. I did not discuss that feature of it, and I do not know about it. I was not advised as to what quantity of rice could be produced under the conditions the Senator indicates.

Mr. HAYDEN. There will be someone to administer this law, and if through the Secretary we gave to those who administer the law authority to find that such a crop of rice was merely grown as a part of a scheme of crop rotation, that it was not a customary matter, could not arrangements be made whereby the rice might be produced and sold without receiving a benefit and without being taxed?

Mr. SMITH. Has the Senator any idea what would be the aggregate quantity of rice produced under those conditions?

Mr. HAYDEN. I have no definite figures in regard to the matter at all, except that I know that it has been found that it is advantageous to plant some rice where a farmer is keeping a pond of water on land for a large part of a year.

Mr. ROBINSON. Mr. President, will the Senator from South Carolina yield to me?

Mr. SMITH. I yield.

Mr. ROBINSON. It is the opinion of those who have formulated the proposed legislation and given special study to it that such an arrangement as the Senator from Arizona suggests would upset the whole program, because it would make possible rice cultivation on considerable areas of land the product of which would be exempt from the processing tax, whereas those raising rice on lands elsewhere would be subject to the processing tax.

Let me say now, in connection with the statement made by the Senator from Iowa [Mr. DICKINSON], that it is entirely true that the net result of the transaction with respect to the tax-payment warrants is no cost to the Government whatever; all the money finally comes out of the processing tax.

Of course, this is a program of production control and adjustment. It is a change from the program of previous seasons, which was a program of marketing agreements; and it is made necessary by the fact that there have accumulated considerable surpluses in the hands of producers and of processors, both of whom have withheld those surpluses from the market for the purpose of sustaining the market and securing the orderly marketing of their products.

If we shall provide for the cultivation of large areas in rice to be exempt from the processing tax, even though it be only in alternate seasons, the result will be that the production will be greatly increased, it will not be subject to the processing tax, and the whole arrangement will be upset.

I am sorry, of course, not to be able to concur in the suggestion made by the Senator from Arizona, but I regard this as vital; and if his amendment were put into the bill and were to stay in it, I should think that the bill would be ineffective to accomplish the purpose for which it is intended.

Mr. HAYDEN. Mr. President, will the Senator from South Carolina yield to me again?

Mr. SMITH. I yield.

Mr. HAYDEN. In telephonic conversation with officials in the Department, I was told that such an amendment as I have proposed was not necessary, because the rice so produced could be sold at the world price. In other words, if the Arizona and California rice growers do not obtain any advantage under this proposed law, they would suffer no loss under it, provided an arrangement of the kind I have suggested can be made by the Department. The proponents of this bill should have no objection, because it would have no effect one way or the other. Of course, if those who produced this rice sought to obtain in the market the higher price which would result from the operation of the proposed legislation, and, at the same time, to escape the tax, that would be unjust; on the other hand, if they were compelled to accept a lower price for their rice and obtained no benefit one way or the other, it could not affect the situation at all.

Mr. SMITH. Under the law, could not an arrangement be made with the department by which those to whom the Senator refers could do what he suggests without coming under the provisions of the processing tax?

Mr. HAYDEN. That is exactly the suggestion I want to get from the chairman of the committee.

Mr. SMITH. The Senator did not indicate that to me.

Mr. HAYDEN. I fully realized that a group of small producers cannot stand in the way of a great movement such as that contemplated in the pending bill. On the other hand, if it is the considered judgment of the chairman of the committee that the Department of Agriculture can make an arrangement such as I have suggested can be made, whereby those who produce this rice will not receive an enhanced price, but must take the world price for their rice, and will obtain no benefit through the law, I might be satisfied not to offer my amendment.

Mr. LONG. Mr. President, will the Senator yield to me?

Mr. SMITH. I yield.

Mr. LONG. It certainly seems to me a strange thing that, after we have done everything we could to take care of the cotton people, and the corn people, and the wheat people, and the hog people, they are here arguing against a rice bill. There is nobody on earth who needs this relief more than does the rice farmer, and there is no one any more entitled to it than the rice farmer. This happens to be one form of relief that would go directly to the rice farmer, who is, above all people in this country, underpaid for a very nutritious product which is being produced in this country today.

Mr. HAYDEN. Mr. President, I am not delaying the enactment of the proposed legislation. I am merely trying to find out whether rice produced under the conditions I have suggested could be marketed without interfering with the plan now under consideration.

Mr. SMITH. Mr. President, I may say to the Senator from Arizona that I do not think that an amendment of the kind he proposes should be placed in the bill, for the reason that it would inject an element of uncertainty as to how much would be produced, and what effect it might have on the market. However, it seems to me that the Senator might make some arrangement, inasmuch as power is proposed to be given in this measure for the Secretary to do a great many things. I think that if the Senator would take the matter up with the Department he might find relief for his people without incorporating the amendment in the bill, with the understanding that it would be under the supervision of the Department, and that it was to be wholly outside of the pale of the proposed law.

Mr. HAYDEN. With that assurance from the chairman of the committee, I shall not offer my amendment.

Mr. CONNALLY. Mr. President, will the Senator from South Carolina yield to me?

Mr. SMITH. I yield.

Mr. CONNALLY. If I understand the pending measure correctly, the basic idea is to allow the rice producers to secure a processing tax only on that amount of their production that is domestically consumed, and to sell the remainder of the crop in the world market at the world price.

Mr. SMITH. That is correct.

Mr. CONNALLY. In other words, it is simply a reversal, as suggested by the Senator, of the protective theory, in order to give the producers an advantage on domestic consumption.

Mr. SMITH. That is an accurate statement.

Mr. CONNALLY. Which is in harmony with the other legislation regarding agricultural products we have enacted heretofore.

Mr. SMITH. The Senator is correct.

Mr. KING. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. KING. What obstacles are now interposed to the disposition of the surplus rice in the markets of the world?

I want enlightenment; but it looks to me, may I say, that this is simply a gratuity paid to rice producers who withheld their rice from sale on the market.

Mr. SMITH. Oh, no, Mr. President.

Mr. ROBINSON. If the Senator will permit me to interrupt him, let me say that there is not a dollar paid finally out of the Treasury. It is true, as pointed out by the Senator from Iowa [Mr. DICKINSON], that the tax-payment warrants are issued and used to show the payment of the tax, but in the final accomplishment every dollar comes out of the processing tax. It is the application of the same principle which we have applied to other agricultural products.

Mr. SMITH. To cotton, for instance.

Mr. ROBINSON. Yes. If this proposed legislation should not be passed, if it should be rejected, it would mean the destruction and ruin of the rice business in the United States. It is believed that this is a better method of handling the problem than through marketing agreements. It will accomplish several purposes. It will enable the producers to shift from marketing agreements to an agricultural-adjustment program. As I have already stated, and as the Senator from South Carolina [Mr. SMITH] has made clear also, it makes fair and equitable provision for those producers who have held their rice for the purpose of orderly marketing. It makes provision for those processors who have done the same thing. They paid the parity price, the price that was contemplated by the marketing agreement; and the object of the arrangement referred to as tax-payment warrants is to secure to make equitable provision so that they will not suffer great loss and be discriminated against, when they and such processors are the persons who have contributed perhaps more than others to the effectiveness of the marketing agreement.

Mr. SMITH. Mr. President, let me explain.

Mr. KING. I should like to ask the Senator a question. Is it proposed to pay 1 cent to the rice producers who have held their rice stocks and have not shipped them when others shipped them abroad?

Mr. SMITH. The others got the world price. Let me explain to the Senator.

Mr. KING. Very well.

Mr. SMITH. Under the marketing agreement all the rice was bought at a cent above the world's market. That is about what it was.

Mr. KING. Bought by whom?

Mr. SMITH. By the processors and by some of the farmers. That which was not consumed is now in the exportable stock, but all the exportable stock bought by the processor was purchased at a cent above the market. Now, the farmers are perfectly agreeable that they shall be repaid 1 cent. Invoices are coming in now and the farmers who have held their rice, and the processors who bought the rice or have accumulated it now want to ship it out in the world trade, and they want that rebate of 1 cent. That is all there is to it. And they cannot ship a bushel until they can meet the world price, and the only way they can meet it is to have these warrants under which they will be refunded the 1 cent; that is all.

Mr. KING. Mr. President, who will refund it?

Mr. SMITH. It comes out of the Treasury into which it was paid; it will be handed back. The same money they paid in will be paid back. And no one will have lost or gained a penny.

Mr. KING. Does the Senator mean that for all this 225,000,000 pounds of rice which has been withheld there has been money paid into the Treasury?

Mr. SMITH. There has been paid in 1 cent a pound.

Mr. KING. Before it was processed?

Mr. SMITH. Certainly. It is not processed except just to clean it; that is called "processing." The trash and seed and other grain are blown out of it and then it is in the clean form. Now it is in the warehouses, and invoices are coming in, and unless we relieve them of this tax which they have paid they cannot ship it in the world market.

Mr. KING. Let me make one further inquiry, and then I shall desist. Did processors or farmers or anyone else pay into the Treasury of the United States 1 cent a pound for all the rice which has been withheld?

Mr. SMITH. Yes; and now, as they export it and take the world's price, they will get exactly what they paid when they accumulated it.

Mr. ROBINSON. And that provision is absolutely essential to both the processors and the producers, and it is important that action be taken promptly.

Mr. SMITH. It will ruin the producers to have the surplus continue to pile up and have no market for it.

Mr. DICKINSON. Mr. President, if no benefit results from the provisions of the bill to those who hold the rice which is going to be sold in export, why can they not sell it in export without this bill? Why do they need the bill?

Mr. SMITH. Because the tax has already been paid on this old accumulated stock.

Mr. DICKINSON. Oh, no!

Mr. SMITH. Yes; it has been paid.

Mr. DICKINSON. Oh, no, Mr. President!

Mr. ROBINSON. Oh, yes; they paid parity price. That is correct.

Mr. SMITH. The statement is correct.

Mr. ROBINSON. They had a marketing agreement under which they paid the parity price, which included 1 cent a pound. The effect of this arrangement is to put them back as if they had not paid that parity price and enable them to take the world price.

Mr. DICKINSON. The great bulk of this rice is presumed to be in the hands of the producers. The producers have not paid any parity price.

Mr. LONG. Mr. President, what happened is that they paid the price and then could not sell the rice. That is the trouble.

Mr. DICKINSON. Who paid the price?

Mr. LONG. The man who produced the rice, in the long run.

Mr. DICKINSON. Oh, no; the rice is still in his possession, and he has not paid any price at all. It is still his rice.

Mr. LONG. All the bill does is to put the rice back in the position where it can now be sold under present world conditions. I read the statement about the purpose of the bill. I do not think my friend from Iowa really understands it. I have a statement which was handed to me by a gentleman who sat in the hearings——

Mr. DICKINSON. The Senator is mistaken. I fail to misunderstand it.

Mr. LONG. Here is the statement. It can be relied upon as being accurate. Tax warrants are only issued on the 1933–34 crop.

Mr. DICKINSON. Those two crops.

Mr. LONG. Yes. Wherever processor can show that he has paid the producer full parity price offered in payment of the tax on the 1933–34 crop it prevents a double payment. That is the purpose of the bill.

Let me say to the Senator from Iowa that he has been a pretty good protectionist here.

Mr. DICKINSON. I am one of the best.

Mr. LONG. I have always stood with him on protection. If the stand he is taking today were to prevail we would not have a rice industry in the United States very long. It is absolutely necessary, if we are to maintain a domestic rice industry in the United States, that we should save these people from the conditions which prevail. We produce some rice down in my State, and I know for a fact it is not possible to keep alive the rice business unless we get some remedial legislation of this kind.

Mr. ROBINSON. If those who have held their rice for orderly marketing, those who have paid the parity price, which embraces 1 cent a pound above the world market, shall be compelled to sell on the world market without reimbursement for what they have paid out in the nature of a processing tax they will have to operate at a very great loss. The object of this arrangement is to protect them

against the effect of selling on the world market when they have paid the domestic price or the parity price, which is 1 cent above the world market.

Mr. DICKINSON. There are 225,000,000 pounds of this rice. How much of it is in the hands of the producers, how much is in the hands of the cooperatives, and how much is in the hands of the commission concerns?

Mr. ROBINSON. The figures which I have here and which are approximate, as the Senator will understand, are as follows: Stocks in producers' hands as of today in the Southern States, 4,320,000 bushels; California, 4,300,000 bushels; stocks in the processors' hands as of today, Southern States, 4,294,800 bushels; California, 337,680 bushels; making a total in the producers' hands of 8,620,000 bushels and in the processors' hands 4,632,480 bushels.

It will be remembered that the processors have all paid the parity price. They have paid 1 cent a pound above the world market, and when they export they will be entitled to a refund of 1 cent. It is, as the Senator has said, in the nature of a bounty, but at the same time the cost of the transaction comes not out of the Treasury finally but comes exclusively out of the processing tax.

Mr. DICKINSON. I take exception to the statement that the processing tax is not in the Treasury. The processing tax is a consumer's tax. It is in the Treasury as is any other general revenue. The only thing we did was to give the Secretary of Agriculture blanket authority to draw a check on it any time he wanted to. But it is part of the general revenues of the Government. When it is said that under this bill the 1 cent will be paid out of the processing tax, and that it will not cost the Government a cent, let me suggest that the only people who make up our Government are the consumers, and the consumers are the only ones who pay the processing tax. So the statement that the money does not come out of the Treasury is not a proper statement.

It is just like any other sales tax. It is paid by the general public. I eat rice. I presume I paid some of this processing tax. As a matter of fact, the 12,000,000 pounds in the hands of the processors does not amount to very much, because there are 225,000,000 pounds in the carry-over. That being the case, most of it is in the hands of the producer, and the processing tax has not been paid on it.

Mr. SMITH. Mr. President, let me call the Senator's attention to the fact that it does not make any difference how much is in the hands of the producer, whenever he sells it, on whatever percentage is domestically consumed, he is entitled to 1 cent a pound above the price, and whatever is exported will go at the world's price. It does not make any difference how many pounds the producer may have.

Mr. DICKINSON. Why can he not now export it in the world market under exactly the same conditions the Senator suggests if the provision of the bill is as it is interpreted by the Senator from South Carolina?

Mr. SMITH. The processor who paid the contract price is now getting inquiry about exporting his rice.

Mr. DICKINSON. Yes; but under the law now he is entitled to a drawback on whatever he exports. He does not need this measure in order to do that. That is a general law of the A. A. A.

Mr. SMITH. The processing tax is designed to simplify matter to do away with the licenses and do away with agreements. I tried to tell the Senator that at the beginning. It is to simplify the law, so that nobody, either the processor or the producer, will have to take out a license. Then the Government can determine exactly how much is exported and how much is domestically consumed.

Mr. DICKINSON. As a matter of fact, if the statement of the Senator from South Carolina is correct, nobody needs this proposed law in order to export rice. Under existing conditions they have all the privileges under the present law which they would have under the proposed law; that is, they can export it with a drawback or a refund if the processing tax is paid, but not with a refund if the tax is not paid.

Mr. LONG. Mr. President, the Senator loses sight of the fact that if a miller, as an example, had bought from the 1933–34 crop and paid, for instance, for clean rice $3.30 a sack, he has paid the price that was agreed upon and arranged through the Department of Agriculture, which included whatever price and tax and other things were supposed to be on it. That included 1 cent a pound. Now he has paid that; he has a sack of clean rice on hand that cost $3.30. If you make him pay another cent, he has got to pay the processing tax of 2 cents a pound, which will make it impossible to market the rice.

Mr. ROBINSON. And he would be discriminated against as compared with a man who sold his rice and did not hold it.

Mr. DICKINSON. He does not have to pay any processing tax on what he exports under any conditions. If he has paid a tax, it can be refunded to him in the form of a drawback. If he has not paid the tax, he can export the commodity in the general market in the regular trade. Therefore, if most of this rice is to be exported, what is the use of trying to dodge the issue here and say that there is not going to be a refund of the tax? When it is said that it has been paid by a Treasury warrant, the Secretary of Agriculture issues a Treasury warrant, which entitles the man who holds it to a refund. He can take it to the Treasury and get cash for it, if he wants to do so, at 99 cents on the dollar or he can turn it in and pay the processing tax. Then he can show that the processing tax is paid by the Treasury warrant, and then he can get a drawback or refund of 1 cent a bushel. Why try to write something in the measure that is not in it?

Mr. LONG. Mr. President, will the Senator yield?

Mr. DICKINSON. Yes.

Mr. LONG. At first I thought my friend from Iowa was seeking information, but now I have decided that he just wants to kill our bill.

Mr. DICKINSON. The point I am trying to make is that if we take this action in the case of rice, in a little while we are going to be asked to take similar action with respect to wheat and cotton, and we are going to have charged up to the consumers of the country a subsidy or a royalty, or whatever one may want to call it, on all such products as are sold in the export market; and whenever we come to that situation, we are facing a danger. It is the precedent that is sought to be established by this bill which I think is wrong, and that is the reason I am opposing it.

Not only that, but I found in the hearings somewhere that under the provisions as to producers' agreements there is set up a fund whereby a man is going to get a bonus if he sells his rice for export. I have not been able to turn to it as yet, but I know that it is in the hearings.

I should like to call attention now to several phases of this matter. In the first place, under the policy of the Agricultural Adjustment Administration, we imported in 1933–34, 42,114,000 pounds of rice. At the same time we have accumulated a carry-over of rice, showing an increase from 148,000,000 pounds to 225,000,000 pounds. Only a little of that is in the hands of the processor; most of it is in the hands of what is known as the "cooperative producers."

Now I wish to call attention to another phase of this bill. Under the contract, I think if Senators will turn to the statement of Mr. Miller in the House committee hearings they will find this:

> To this end, these proposed amendments have been drafted to attain three principal objectives: First, to maintain prices at recent levels throughout the remainder of this marketing season; second, to move the surplus of rice from the 1933 and 1934 crops into the channels of trade; third, to permit a change from a marketing-agreement program to a production-adjustment program in such a manner as will avoid any adverse effect on the interests of any group of growers or any group in the trade.
>
> The proposed amendments specifically provide the following: First, the levying of a processing tax on March 1, 1935. Without such an amendment a processing tax could not be made effective until the beginning of the next marketing year, August 1, 1935. Second, the issuance of tax-payment warrants to growers who hold rough rice from the 1933 and 1934 crops, and to millers holding

stocks of rough rice which have been purchased at the prices specified in the existing marketing agreements and licenses. These warrants may be used in the payment of the processing tax. Third, the elimination of a floor-stock tax on clean rice now in the hands of millers, jobbers, retailers, or others in the trade who have stocks on hand in order to exempt from the tax all old-crop rice for which the marketing-agreement price has been paid.

The immediate effect of this proposed legislation would be to permit the stocks now in the hands of growers and millers to move into the channels of trade. Through the use of that provision of the Agricultural Adjustment Act which provides for drawbacks on the export of commodities upon which a processing tax is levied, millers and others in the trade should be able to export increased quantities of rice at prices now prevailing on the foreign markets.

What no one has explained is why they cannot do that now. There is nothing to prevent them doing so. If they are not getting 1 cent a pound drawback under the provisions of the present law, then there is nothing in this bill that helps them so far as the export trade is concerned. In other words, they would get no benefit under the bill for the rice which would be exported.

If the plan operates as may reasonably be expected, it would mean that surplus stocks of the 1933 and 1934 crops will have moved into foreign consumption at world prices and the growers will not be carrying heavy stocks of rough rice as they enter upon a program of production adjustment with benefit payments to cooperators.

Under the existing program two marketing agreements are in operation. These agreements have maintained the domestic prices at about 100 percent above the prices prevailing for the 1932 season and have placed the grower in a much improved position. One effect of these agreements has been to largely eliminate speculative buying, with the result that unprecedentedly large stocks have accumulated in the growers' hands.

That is the reason why I say that the processing tax has not been paid on this rice. As suggested here, only 12,000,000 pounds are in the hands of the processors. The remainder of it is in the hands of the growers.

During the past year the trade has been purchasing from growers largely to the extent needed to meet their current requirements. In the absence of the program which would be made possible by these amendments, it is estimated that on August 1, 1935, the carry-over in the hands of growers and millers would be about 225,000,000 pounds of clean rice. If this rice is permitted to move into foreign markets and the price prevailing in these markets, it would seem certain that the carry-over stocks on August 1, 1935, would be down to more manageable proportions.

If there is nothing in the bill which benefits the producer in exporting his rice, if he does not get the 1-cent drawback on the rice he exports, then there is nothing in this bill that will help the rice exporter at all. Therefore, I contend that my interpretation of section 10 as amended is correct, and the amendment proposed by the Senator's committee only makes it plainer that the interpretation is correct. I do not see how it can be interpreted in any other way.

Next, I want to suggest that there has been absolutely nothing said that has explained what has become of the bonus or the bounty or the "jackpot" which the cooperative producers were going to arrange among themselves as growers for the export of rice. It was provided in the contract agreement that they should have a fund of that kind. There has been no suggestion as to what has happened to that fund, what has become of it, where it is, how much was paid in, or whether there was any paid in; and I do not believe that any bill of this kind ought to be passed by the Senate before we have some explanation of a provision of that situation.

I now call attention to the provision wherein we find that the benefits of the bill are to go only to the cooperative producers. In other words, we find that the benefits of this bill as provided on page 7, line 4, are only to extend to eligible cooperating producers. What does that mean? That means the very type of coercion we have been trying to avoid and which the Department of Agriculture said they were not going to employ. It means that the producers are not going to have any market for their rice unless they come in and comply with all the rules and regulations imposed by the Department of Agriculture.

Who are the only eligible cooperating producers? We find a definition in the bill of an eligible cooperating producer. It appears on page 4, beginning in line 7:

The term "cooperating producer" means any person (including any share tenant or share cropper) whom the Secretary of Agriculture finds to be willing to participate in the 1935 production adjustment program for rice.

Who is he? He is the farmer who will come in and sign a contact whereby he will agree to sacrifice his independence as a rice producer and do what the Department of Agriculture tells him to do.

Mr. ROBINSON. Mr. President, the whole crop program is based on the cooperation of the producer. If there could not be cooperation on the part of the producer, the program would not be effective in any way.

Mr. DICKINSON. Very well. Then let us go back to the case where it was held, in order to maintain the constitutionality of the Agricultural Adjustment Act, that it is purely a cooperative concern and there is no coercion. It is said the benefits of the bill are going to be extended only to the man who will sign an adjustment contract. There is no question that we should not say it is purely cooperative on the one hand and then say the program is going to be limited only to those who will come in and sign up. The cooperative benefits then only go to those who sign up.

Typical of Government attempts to aid agriculture by price fixing and production control is the outcome of the A. A. A.'s southern rice-marketing agreement, as evidenced by the bill—H. R. 5221—now before Congress. The history of such economic devices in foreign countries is that they usually result in reduced consumption and increasing surpluses, as this has.

In September 1933 the A. A. A. entered into an agreement with the southern rice millers and growers which undertook to control production and to fix a minimum growers' price for rice. The domestic carry-over of rice in 1933 was 148,000,000 pounds. After 15 months' operation under this agreement, it is estimated that the carry-over for the current year will be 225,000,000 pounds, which is the largest carry-over on record.

The present price of rice—about 3½ cents a pound—is 1 cent above the world market level, and it is for this reason that American rice has not passed freely into consumption. When it is realized that this 1-cent difference is about 40 percent above the world price it can be understood why the foreign consumption of American rice has fallen off. In fact, this situation has been aggravated by a nearly 100-percent increase in rice imports. Due to the high domestic price of rice, imports increased from 22,000,000 pounds in 1933 to 42,000,000 pounds in 1934.

It is evident that this large carry-over of rice, mainly in the hands of the growers, cannot be sold unless the price is substantially reduced. To sell it at the world price level would result in a heavy loss to the growers. So the purpose of this proposed amendment to the Agricultural Adjustment Act is to authorize the Secretary of Agriculture to impose a processing tax of 1 cent a pound on rough rice, so that the surplus may be sold gradually at the world price without loss to the present holders. This bill proposes that the levying of this tax commence March 15. The floor-stock tax would not apply to clean rice.

The method of compensating the cooperating—parties to the marketing agreement—holders of any rough rice produced in 1933 and 1934 would be for the Secretary of Agriculture to issue them tax-payment warrants with a face value equal to that of the processing tax. These warrants could be used for paying the processing tax on rice at their full face value or would be redeemable in cash by the Secretary of Agriculture at 99 percent of their face value. This tax would cost the consumer—with an annual consumption of about 750,000,000 pounds—around $11,000,000 a year. Although the tax would be 1 cent, it would be imposed on rough rice, the weight of which is reduced about 38 percent by cleaning before passing into consumption. So it is probable that the additional cost to the consumer would be at least 1½ cents a pound. This increase in price to the consumer would result in decreased domestic consumption, so that the rice surplus might be further increased.

The principle involved in this bill is important. It is an example of the usual sequence of economic planning where, when one device fails, it is necessary to substitute another scheme to offset it. In this case it is proposed to have the consumer pay the holders of rice for the loss which they will incur by having participated in this A. A. A. marketing agreement. Of course, the taxpayer eventually pays for the failure of Government experiments, but taxing the consumer to cover such losses would arouse serious opposition.

The bill now before us has been rushed through the House and has been approved unanimously by the Senate Agricultural Committee. If this amendment is enacted, the A. A. A. plans to terminate the present marketing agreement and engage in a production adjustment program, while endeavoring to maintain the present price levels.

It is my judgment that the pending bill of itself is not such a serious matter. It is the establishing of the principle that more particularly concerns me, for when we adopt a scheme of this kind, in a little while we find ourselves in more difficulty than we were before we adopted it. It may be said this is a reaction of the tariff. If we had a proper tariff we would be using at least 40,000,000 more pounds of rice in our own country.

I am simply giving the warning that so long as we try to maintain ourselves in this country by lifting ourselves out of our troubles by our bootstraps we are going to get into trouble deeper than ever. What this bill proposes is purely a charge against the consumers of the country in the name of a processing tax for the benefit of a limited number of producers. I am in sympathy with the rice producers and with the producers of all farm commodities. I have been strongly sympathetic with them, because I have lived among them all my life. If we expect ever to reach a permanent economic recovery basis, we must do away with panaceas which attempt to support everybody by a charge against the Public Treasury.

The theory that this bill will not cost anyone anything is entirely wrong. The processing tax on farm products for the month of March to date is shown by a statement which I hold in my hand. From the 1st of March to the 13th of March there had been paid in at the expense of the consumers of the country $36,251,780.69. There was paid in for the portion of the fiscal year beginning January 1 the sum of $389,200,171.03. This is the type of sales tax that is being imposed on the consumers of the country by the processing tax which has been levied not only on one commodity but on several.

I find that the worst phases of the bill are three in number, as follows:

First. If we pass it, it will merely be an attempt to extend the draw-back provision of refunds to the point where a man pays a processing tax with a piece of paper which is a Treasury warrant issued by the Secretary of Agriculture in lieu of the actual payment in cash of the processing tax on his commodity.

Second. It is an attempt to relieve one group at the expense of the general taxpayer.

Third. It is limiting the benefits of the whole machinery, if there are any benefits to it, to the man who will come in and sign up an allotment contract and take orders from bureaucrats in Washington as to how and when he shall plant.

Therefore it is my judgment that this kind of legislation should be defeated. I know there is no hope of defeating the bill. I simply believe it is the beginning of another vicious type of legislation which we are going to be called upon to support, and which is to make a bad matter worse by charging more to the consumer in the name of a processing tax, and then let the benefits accrue to those who happen to be within the favor of the Department of Agriculture, who will sign away their rights to run their own farms and manage their own business. I think it is a vicious type of legislation.

On page 174 of the document entitled "Agricultural Adjustment, a Report of Administration of the Agricultural Adjustment Act, May 1933 to February 1934", I find this statement:

Consequently, the Administration negotiated marketing agreements with the California rice industry and the southern rice industry. The outstanding provisions of these agreements are:

1. The mills agree to pay such minimum prices for rough rice as may be proclaimed by the Secretary of Agriculture.

That is merely price fixing.

(The initial prices proclaimed under the agreement were approximately parity.)

2. The millers and the Secretary agree to a minimum conversion charge for rice milling.

3. The millers agree to set aside 10 cents a barrel in the South, and an undetermined amount in California, in order to create a marketing fund which is to be used under the supervision of the Secretary for the development of markets for American-grown rice.

4. The millers' and growers' organizations agree to a plan of production control which provides for the allotment of acreage among growers on the basis of past production and an advantage in returns to cooperating growers. The mechanics of this equalization pool plan are roughly as follows: When growers deliver their rice to mills, the mills pay a fixed percentage of the Secretary's fixed price to the grower and the balance into a growers' trust fund. (In California, the arrangement is 70 percent to the grower and 30 percent to the trust fund.) All growers who have cooperated by planting no more than their allotted acreage will participate pro rata in the ultimate distribution of the trust fund. Growers who have not participated in the production control plan and/or have planted more than their allotted acreage will not receive any share of the trust fund.

Parties to the marketing agreement covering the southern branch of the industry are the Secretary of Agriculture and the rice millers of Arkansas, Louisiana, Texas, and Tennessee.

It is my understanding that this matter was gone into, and the amount of acreage was fixed for each of the various States, and that is the marketing agreement under which they have been operating. Under that marketing agreement they have raised more rice than is normal, and that is one of the reasons why we now have this problem before us.

In other words, the contract and the agreements, instead of reducing production, have left it as high as it was formerly, and we have had no benefits from the plan. That being the case, we are now turning to what is known as a processing tax and an allotment plan, which I suppose means that the consumers are to be taxed a little more money to pay to the fellow down in Louisiana who whittles a stick and lets his acreage lie idle. To me that is just inconsistency.

Mr. President, in connection with my remarks I ask unanimous consent to insert in the RECORD an editorial from the Baltimore Sun entitled "Dwindling Farm Exports."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun]

DWINDLING FARM EXPORTS

A Government bulletin, which is worth quoting in full, says:

"The smallest January volume of farm products in more than 20 years was shipped out of the United States this year, according to the Bureau of Agricultural Economics. The Bureau's index is 57, compared with 62 in December and with 93 in January a year ago.

"The January index of cotton exports is 68, compared with 109 in January last year. Exports this January were 486,000 bales, against 782,000 bales a year ago. Total exports for 7 months ended January 31 were 3,325,000 bales, compared with 5,929,000 bales during the corresponding period of 1933–34. Volume of cotton exports has declined 44 percent, and value has declined 27 percent.

"January exports of wheat and flour, including flour milled from Canadian wheat, were 1,310,000 bushels, one of the smallest monthly exports on record. Total exports of wheat and flour from July 1 to January 31 were 14,830,000 bushels, compared with 18,607,000 bushels during the corresponding period of 1933–34. The Bureau says that during this period imports exceeded exports by 16,000 bushels.

"All products except fruits were exported in less than pre-war volume in January. The index figures are: Grain and products, 17; animal products, 33; dairy products and eggs, 69; fruit, 189; wheat, including flour, 14; tobacco, 97; hams and bacon, 18; lard, 45. All figures compare with a pre-war base of 100."

These are astounding figures, indeed. They show our foreign market for farm produce rapidly dwindling. They are even more astonishing when we recall that spokesmen for the A. A. A. have repeatedly assured the farmers that they need have no fear of losing their markets abroad in submitting to bureaucratic control of crop reduction. Just how will these A. A. A. spokesmen now go about the business of explaining away this drastic decline in farm exports?

The PRESIDENT pro tempore. The clerk will read the bill.

The Chief Clerk proceeded to read the bill.

The first amendment of the Committee on Agriculture and Forestry was, in section 1, page 1, line 10, after the word "before", to strike out "March 15" and insert "April 1", and on page 2, line 1, after the word "after", to strike out "March 15" and insert "April 1", so as to make the section read:

Be it enacted, etc., That subsection (a) of section 9 of the Agricultural Adjustment Act, as amended, is further amended by striking out the comma after the words "except that" in the second sentence and inserting in lieu thereof the following: "(1)"; and by striking out the period at the end of said second sentence and inserting a comma and the following: "and (2) in the case of rice, the Secretary of Agriculture shall, before April 1, 1935, proclaim that rental or benefit payments are to be made with respect thereto, and the processing tax shall be in effect on and after April 1, 1935."

The amendment was agreed to.

The next amendment was, in section 3, page 2, line 16, after the word "from", to strike out "March 15" and insert "April 1", so as to make the section read:

SEC. 3. Subsection (b) of section 9 of the Agricultural Adjustment Act, as amended, is further amended by inserting after the words "except that" in the first sentence the following: "(1)"; by striking out the period at the end of said first sentence and the word "If" at the beginning of the second sentence and inserting in lieu thereof a comma and the words "and if"; and by striking out the period at the end of said second sentence and inserting in lieu thereof a comma and the following: "and (2) for the period from April 1, 1935, to July 31, 1936, both inclusive, the processing tax with respect to rice shall be at the rate of 1 cent per pound of rough rice, subject, however, to any modification of such rate which may be made pursuant to any other provision of this title."

The amendment was agreed to.

The next amendment was in section 6, page 3, line 23, after the word "own", to strike out "livestock and", and insert "livestock"; in line 24, before the word "producer", to strike out "for the" and insert "directly for a", and on page 4, line 2, after the words "applied for", to insert "by application then pending"; so as to make the section read:

SEC. 6. Subsection (d) of section 9 of the Agricultural Adjustment Act, as amended, is further amended by renumbering paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following:

"(7) In the case of rice—

"(A) The term 'rough rice' means rice in that condition which is usual and customary when delivered by the producer to a processor.

"(B) The term 'processing' means the cleaning, shelling, milling (including custom milling for toll as well as commercial milling), grinding, rolling, or other processing (except grinding or cracking by or for the producer thereof for feed for his own livestock, cleaning by or directly for a producer for seed purposes, and drying) of rough rice; and in the case of rough rice with respect to which a tax-payment warrant has been previously issued or applied for by application then pending, the term 'processing' means any one of the above-mentioned processings or any preparation or handling in connection with the sale or other disposition thereof.

"(C) The term 'cooperating producer' means any person (including any share-tenant or share-cropper) whom the Secretary of Agriculture finds to be willing to participate in the 1935 production-adjustment program for rice.

"(D) The term 'processor', as used in subsection (b–1) of section 15 of this title, means any person (including a cooperative association of producers) engaged in the processing of rice on a commercial basis (including custom milling for toll as well as commercial milling)."

The amendment was agreed to.

The next amendment was on page 4, after line 17, to strike out section 7, in the following words:

SEC. 7. Subsection (b) of section 12 of the Agricultural Adjustment Act, as amended, is amended by inserting in the first sentence thereof, after the comma following the words "rental and benefit payments", the words "redemption of tax-payment warrants issued under the provisions of subsection (b–1) of section 15 of this title."

And in lieu thereof to insert:

SEC. 7. Subsection (1) of section 8 of the Agricutural Adjustment Act, as amended, is amended by inserting at the end of the first sentence thereof the following new sentence: "In the case of rice, the Secretary, in exercising the discretion conferred upon him by this section to provide for rental or benefit payments, is directed to provide in any agreement entered into by him with any rice producer pursuant to this section, upon such terms and conditions as the Secretary determines will best effectuate the declared policy of the Act, that the producer may pledge for production credit in whole or in part his right to any rental or benefit payments under the terms of such agreement and that such producer may designate therein a payee to receive such rental or benefit payments."

The amendment was agreed to.

The next amendment was, in section 8, page 5, line 21, after the word "tax", to insert "and provided no tax payment warrant has been previously issued with respect thereto or previously applied for by application then pending)"; on page 6, line 1, after the word "thereof", to insert "at the rate in effect at the time of such issuance"; in line 3, after the word "on", to strike out "March 15" and insert "March 31"; in line 4, after the word "to", to insert "or at the direction of"; in line 5, after the word "after", to strike out "March 15" and insert "April 1"; in line 7, after the word "processor", to strike out "(and with respect to which no tax payment warrant has been previously issued or applied for)"; in line 11, after the word "that", to strike out "he" and insert "such processor or other person"; in line 18, after the word "to", to strike out "March 15" and insert "April 1"; in line 24, after the word "after", to strike out "March 15" and insert "April 1"; on page 7, line 2, after the word "cover", to insert "the tax on"; in line 3, after the word "rice", to insert "the rate in effect at the time title was so transferred"; in line 11, after the word "transfer", to strike out "and redemption"; in line 19, after "1934"; to insert "and"; after line 19, to strike out "(2) upon presentation to the Secretary of Agriculture shall be redeemed by him in legal tender for 99 per centum of their face value at such place or places as may be prescribed by the Secretary of Agriculture; and"; on page 8, line 1, to strike out "(3)" and insert "(2)"; in line 5, after the word "in", to strike out "purchases, or redeems" and insert "or purchases"; in line 7, after the word "warrant", to insert "or the right of any person thereto"; on page 9, line 14, after the word "transfer", to strike out "use, and/or redemption" and insert "and/or use"; and in line 19, after the words "and/or", to strike out "redemption" and insert "transfer", so as to make the section read:

SEC. 8. Section 15 of the Agricultural Adjustment Act, as amended, is further amended by inserting, after subsection (b), the following subsections:

"(b–1) The Secretary of Agriculture is authorized and directed to issue tax-payment warrants, with respect to rough rice produced in 1933 and 1934 (provided the processing of such rice is not exempt from the tax, and provided no tax-payment warrant has been previously issued with respect thereto or previously applied for by application then pending), sufficient to cover the tax with respect to the processing thereof at the rate in effect at the time of such issuance, to any processor with respect to any such rice which he has in his possession on March 31, 1935, and to, or at the direction of, any other person with respect to any such rice which, on or after April 1, 1935, he delivers for processing or sells to a processor: *Provided*, That in case any such processor or other person is the producer of such rice (or has received such rice by gift, bequest, or descent from the producer thereof) that such processor or other person is, if eligible, a cooperating producer: *And provided further*, That in case such processor or other person is not the producer thereof (nor a person who has received such rice by gift, bequest, or descent from the producer thereof), (a) that, if the title to such rice was transferred from the producer thereof, whether by operation of law or otherwise, prior to April 1, 1935, such producer received the price prescribed in any marketing agreement, license, regulation, or administrative ruling, pursuant to this title, applicable to the sale of such rice by the producer, and (b) that, if the title to such rice was transferred from the producer thereof, whether by operation of law or otherwise, on or after April 1, 1935, such producer received at least the full market price therefor plus an amount equal to 99 percent of the face value of tax-payment warrants sufficient to cover the tax on the processing of such rice the rate in effect at the time title was so transferred, and was, if eligible, a cooperating producer.

"(b–2) The warrants authorized and directed to be issued by subsection (b–1) of this section—

"(1) shall be issued by the Secretary of Agriculture or his duly authorized agent in such manner, at such time or times, at such place or places, in such form, and subject to such terms and conditions with reference to the transfer thereof or the voiding of warrants fraudulently obtained and/or erroneously issued, as the Secretary of Agriculture may prescribe, and the Secretary of Agriculture is authorized to discontinue the further issuance of tax-payment warrants at any time or times and in any region or regions when he shall determine that the rice is any such region or regions can no longer be identified adequately as rice grown in 1933 or 1934; and

"(2) shall be accepted by the Collector of Internal Revenue and the Secretary of the Treasury at the face value thereof in payment of any processing tax on rice.

"(b-3) (1) Any person who deals or traffics in or purchases any such tax-payment warrant or the right of any person thereto at less than 99 percent of its face value shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

"(2) Any person who, with intent to defraud, secures or attempts to secure, or aids or assists in or procures, counsels, or advises, the securing or attempting to secure any tax-payment warrant with respect to rice as to which any tax-payment warrant has been theretofore issued shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

"(3) Any person who, with intent to defraud, forges, makes, alters, or counterfeits any tax-payment warrant or any stamp, tag, or other means of identification provided for by this title or any regulation issued pursuant thereto, or makes any false entry upon such warrant or any false statement in any application for the issuance of such warrant, or who uses, sells, lends, or has in his possession any such altered, forged, or counterfeited warrant or stamp, tag, or other means of identification, or who makes, uses, sells, or has in his possession any material in imitation of the material used in the manufacture of such warrants or stamps, tags, or other means of identification, shall, upon conviction thereof, be punished by a fine not exceeding $5,000 or by imprisonment not exceeding 5 years, or both.

"(4) All producers, warehousemen, processors, and common carriers, having information with respect to rice produced in the years 1933 or 1934, may be required to furnish to the Secretary of Agriculture such information as he shall by order prescribe as necessary to safeguard the issuance, transfer, and/or use of tax-payment warrants.

"(5) The Secretary of Agriculture may make regulations protecting the interests of producers (including share-tenants and share-croppers) and others in the issuance, holding, use, and/or transfer of such tax-payment warrants."

The amendment was agreed to.

The next amendment was, in section 9, page 10, line 6, after the word "commodities", to insert "and (2)", so as to make the section read:

SEC. 9. Subsection (e) of section 15 of the Agricultural Adjustment Act, as amended, is further amended, by inserting after the word "*Provided*", the following: "(1) That in the event any of the provisions of this title have been or are hereafter made applicable to any possession of the United States in the case of any particular commodity or commodities, but not generally, this title, for the purposes of this subsection, shall be deemed applicable to such possession with respect to such commodity or commodities, but shall not be deemed applicable to such possession with respect to other commodities; and (2)."

The amendment was agreed to.

The next amendment was, in section 11, page 10, line 22, after the word "paid", to strike out "and any provision of law notwithstanding, the Comptroller General is authorized and directed to certify for payment (without review of the fact of payment of such tax) any refund of a tax so paid, in the amount scheduled to him by the Commissioner of Internal Revenue" and insert "and with respect to any refund authorized under this section, the amount scheduled by the Commissioner of Internal Revenue for refunding shall be paid, any provision of law notwithstanding", so as to make the section read:

SEC. 11. Subsection (a) of section 17 of the Agricultural Adjustment Act, as amended, is further amended by inserting after the second sentence the following: "In the case of rice, a tax due under this title which has been paid by a tax-payment warrant shall be deemed for the purposes of this subsection to have been paid; and with respect to any refund authorized under this section, the amount scheduled by the Commissioner of Internal Revenue for refunding shall be paid, any provision of law notwithstanding."

The amendment was agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

Mr. SMITH. Mr. President, I move that the Senate insist on its amendments and ask for a conference with the House of Representatives on the bill and amendments, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. SMITH, Mr. BANKHEAD, and Mr. NORRIS conferees on the part of the Senate.

PROPOSED LOAN TO CHINA—THE FOREIGN DEBTS

Mr. LEWIS. Mr. President, I crave the attention of the Senate for a few moments on a subject which I feel is pertinent.

We have just listened to discussion on the part of eminent Senators, one from Iowa [Mr. DICKINSON] and other Senators on the floor, touching the matter of rice. I am moved to recall that it has been stated in the public press that a proposition has been made to this Government that it shall join with Japan, England, and possibly France in a loan to China, which, of course, if made, would enable China greatly to increase her rice production; and if rice is an important commodity to be considered in connection with the welfare of our Government, as stated by Senators, we can readily see the immediate effect such rice increase would have upon the rice production of America.

I turn from the suggestion of agriculture, however, that one may see the pertinency of my observations as relating to a threat of international complication on loans to foreign lands.

I sincerely protest against and greatly hope that this, my Government, will not be induced, or by any form of indulgence seduced, to enter into a loan to China or any other foreign country in combination with European lands. We have had enough experience with lending our money, with the vast billions lost to us. Having lost both the moncy and the friendship of the European lands, it is now gravely proposed that we again blunder into the idea of joining ourselves with two countries of Europe and one country of Asia and make ourselves a joint creditor of another country in Asia by lending the American money in conjunction with the money of the Europeans.

Mr. President, I invite my honorable colleagues to certain reflections justifying my fears. The moment we lend the money as aid to commerce, the question will first arise as to the land of the creditor in which that money shall be spent. Right there will arise a controversy between England, which has a large sphere of territory and dominance in China, and France, which has a larger one in Indo-China, and Japan, whose interest is to possess the complete trade of China, and we promptly join in that controversy. This situation shows that our country would become at once involved in controversy, a broil between the countries in which shall be spent the money that shall be loaned by these four creditors.

From the results we promptly awaken a conflict between ourselves and Japan, also between ourselves and France, then between ourselves and England, our immediate joint creditors. We come out of it with a situation where the other countries, having territorial spheres in or adjacent to China, will have the advantage of the trade. They would land their goods in their own territorial areas and transfer the supplies from those particular bases to those which may be the purchaser. Then our America would be completely out, and, far from realizing anything in a commercial profit, we would lose at the beginning and invite a conflict with these European nations, and this complication would continue, as it has in the past, to all our foreign debtors.

Second, sir, suppose the loan is effected. When we come to collect the loan, behold our situation! The United States would assume to collect; but her fellow creditors—England, having a large sphere of interest in China, and France, having an equal sphere of interest in Indo-China—will each object to the United States foreclosing the loan in any manner it can. Standing upon that objection, the other creditors will protest that we have become an enemy of China and its oppressor. There, again, we make more enmities, and in the conflict we collect no money, and we gather no friendship, but we do gather the liabilities of continuous and multiplied hatreds.

And now, sir, if this threatened course should be adopted, we turn to behold that this morning's foreign press brings from Saturday the correspondence that our honorable friends in England—statesmen representing the foreign creditor, together with spokesmen for France—make a public announcement that there never was a debt to the United States! Far

from merely failing to continue to include the interest in what is called the "budget", our honorable debtors make free to announce that there has been an illusion in assuming that there ever was a debt; that we indulged in imagination, and gave to the relationship, whatever there was, something of an attractive feature called a "debt", but that it has no real existence! For this frank position we congratulate ourselves and commend the honor and frankness of these open declarations of these controlling statesmen.

If these nations have already reached the point where the debt in such respect is not to be regarded in any form whatever as an obligation, fancy how we shall continue that attitude of mind if we blunder into a joint loan with countries already our opponents in every phase, and repeat the drama of embarrassment and danger in which we lose both money and friendships and acquire nothing but enemies for America.

Mr. President, if the time is come, from any phase of our own consideration, that we wish to go to the rescue of China as to any needs it may have, or to the rescue of any other country, let me propose that, instead of lending our money, we ascertain what it is that these lands need to buy with the money if they had it. Then, sir, we supply this need by offering the things they expect to purchase—this by supplying the credit from the farm or factory of America. In this manner we supply their necessity, we protect our money, we preserve our friendship, and avoid a sure complication that haunts us in the shadow of this threat of joining with foreign countries to become a joint creditor with Asia and Europe for any land, China or other foreign people in the world.

Mr. President, we have learned a lesson with the billions which have been lost to us in South and Central America, with the billions which are surely lost now in Europe. Surely we will not duplicate this error and do another great offense to America. We remember something near home—Haiti, Santo Domingo, and particularly Nicaragua. In view of these experiences, which should warn us of a repetition of the dangers which lurk in these situations, I again call upon my country to be on guard and let America be American. Let us not fall into this blunder of further loans of American money to the loss of her money, the loss of her friendship, and the insult again to her prestige. On our pennants, floating over our Ship of State, "America! look up, look out, and beware!"

THE CALENDAR

The PRESIDENT pro tempore. The clerk will state the first bill in order on the calendar.

The first business in order on the calendar was the bill (S. 944) to amend section 5 of the Federal Trade Commission Act.

Mr. CAREY and Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. ROBINSON. Mr. President, there are Senators who desire to be present during the call of the calendar, and I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Capper	Glass	McKellar
Ashurst	Carey	Gore	McNary
Austin	Clark	Guffey	Maloney
Bachman	Connally	Hale	Metcalf
Bailey	Coolidge	Harrison	Minton
Bankhead	Copeland	Hatch	Moore
Barbour	Costigan	Hayden	Murphy
Barkley	Couzens	Johnson	Murray
Bilbo	Cutting	Keyes	Neely
Black	Dickinson	King	Norbeck
Bone	Dieterich	La Follette	Norris
Borah	Donahey	Lewis	Nye
Brown	Duffy	Logan	O'Mahoney
Bulkley	Fletcher	Lonergan	Pittman
Bulow	Frazier	Long	Pope
Burke	George	McAdoo	Radcliffe
Byrd	Gerry	McCarran	Reynolds
Byrnes	Gibson	McGill	Robinson
Russell	Smith	Trammell	Wagner
Schall	Steiwer	Truman	Walsh
Schwellenbach	Thomas, Okla.	Tydings	Wheeler
Sheppard	Thomas, Utah	Vandenberg	
Shipstead	Townsend	Van Nuys	

Mr. LEWIS. I announce the absence of the junior Senator from Arkansas [Mrs. CARAWAY] and of the junior Senator from Louisiana [Mr. OVERTON], caused by illness.

The PRESIDENT pro tempore. Ninety Senators having answered to their names, a quorum is present. The clerk will call the next measure on the calendar.

BILLS PASSED OVER

The bill (S. 1404) to promote the efficiency of national defense was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 213) to amend section 113 of the Criminal Code of March 4, 1909 (35 Stat. 1109 (U. S. C., title 18, sec. 203)), and for other purposes, was announced as next in order.

Mr. McGILL. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

PICKWICK LANDING DAM

The bill (S. 1506) to change the name of the Pickwick Landing Dam to Quin Dam was announced as next in order.

Mr. HARRISON. Mr. President, let this be passed over for the present without prejudice.

The PRESIDENT pro tempore. The bill will be passed over without prejudice.

ALVA A. MURPHY

The bill (S. 170) for the relief of Alva A. Murphy was announced as next in order.

Mr. KING. Let that bill be passed over without prejudice.

The PRESIDENT pro tempore. The bill will be passed over without prejudice.

RETIREMENT OF ACTING ASSISTANT SURGEONS OF THE NAVY

The bill (S. 883) directing the retirement of acting assistant surgeons of the United States Navy at the age of 64 years was announced as next in order.

Mr. CONNALLY. Mr. President, I think this bill should go over.

The PRESIDENT pro tempore. The bill will be passed over.

MACK COPPER CO.

The bill (S. 1878) conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co. was announced as next in order.

Mr. KING. Mr. President, I may say to the Senator from Kentucky that the attorney for the claimant in this case has said that he would furnish me with certain evidence, and I am awaiting its receipt.

Mr. LOGAN. Mr. President, it is perfectly satisfactory to me that the bill should be passed over. I have no interest in it except that I made the report.

The PRESIDENT pro tempore. The bill will be passed over.

BILL PASSED OVER

The bill (S. 574) relative to Members of Congress acting as attorneys in matters where the United States has an interest was announced as next in order.

Mr. McGILL. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

INVESTIGATION OF THE N. R. A.

The resolution (S. Res. 35) authorizing the Committee on the Judiciary to investigate certain phases of the National Recovery Act was announced as next in order.

Mr. KING. Let that resolution go over without prejudice.

The PRESIDENT pro tempore. The resolution will be passed over without prejudice.

BILLS PASSED OVER

The bill (S. 438) for the relief of Roy Chandler was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 724) for the relief of James T. Moore was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

ROGER P. AMES

The bill (S. 1850) to amend an act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever", approved February 28, 1929, as amended by including Roger P. Ames among those honored by said act, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever", approved February 28, 1929, be, and the same is hereby, amended by inserting between the names "Aristides Agramonte" and "John H. Andrus" the name "Roger P. Ames", so that the act as amended will read as follows:

"That in special recognition of the high public service rendered and disabilities contracted in the interest of humanity and science as voluntary subjects for the experimentations during the yellow-fever investigations in Cuba, the Secretary of War be, and he is hereby, authorized and directed to publish annually in the Army Register a roll of honor on which shall be carried the following names: Walter Reed, James Carroll, Jesse W. Lazear, Aristides Agramonte, Roger P. Ames, John H. Andrus, John R. Bullard, A. W. Covington, William H. Dean, Wallace W. Forbes, Levi E. Folk, Paul Hamann, James F. Hanberry, Warren G. Jernegan, John R. Kissinger, John J. Moran, William Olsen, Charles G. Sonntag, Clyde L. West, Dr. R. P. Cooke, Thomas M. England, James Hildebrand, and Edward Weatherwalks, and to define in appropriate language the part which each of these persons played in the experimentations during the yellow-fever investigations in Cuba; and in further recognition of the high public service so rendered by the persons hereinbefore named, the Secretary of the Treasury is authorized and directed to cause to be struck for each of said persons a gold medal with suitable emblems, devices, and inscriptions, to be determined by the Secretary of the Treasury, and to present the same to each of said persons as shall be living and posthumously to such representatives of each of such persons as shall have died, as shall be designated by the Secretary of the Treasury. For this purpose there is hereby authorized to be appropriated the sum of $5,000; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amounts annually as may be necessary in order to pay to the following-named persons during the remainder of their natural lives the sum of $125 per month, and such amount shall be in lieu of any and all pensions authorized by law for the following-named persons: Pvt. Paul Hamann; Pvt. John R. Kissinger; Pvt. William Olsen, Hospital Corps; Pvt. Charles G. Sonntag, Hospital Corps; Pvt. Clyde L. West, Hospital Corps; Pvt. James Hildebrand, Hospital Corps; Pvt. John H. Andrus, Hospital Corps; John R. Bullard; Dr. Aristides Agramonte; Pvt. A. W. Covington, Twenty-third Battery, Coast Artillery Corps; Pvt. Wallace W. Forbes, Hospital Corps; Pvt. Levi E. Folk, Hospital Corps; Pvt. James F. Hanberry, Hospital Corps; Dr. R. P. Cooke; Pvt. Thomas M. England; John J. Moran, and the widow of Pvt. Edward Weatherwalks."

BANKING HOUSE AT FORT LEWIS, WASH.

The bill (H. R. 3266) authorizing the maintenance and use of a banking house upon the United States Military Reservation at Fort Lewis, Wash., was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the National Bank of Tacoma, a national-banking association organized and existing under the laws of the United States relative to national banks, and any successor or assignee national-banking association, be, and is hereby, authorized to maintain in and on the United States military reservation at Fort Lewis, Wash., for the conduct of a general banking business, the building heretofore erected on said reservation by the Army National Bank of Fort Lewis, Wash., pursuant to the authority contained in the act of June 17, 1930 (46 Stat. 774), and to occupy and use the same for and conduct therein a general banking business authorized under and by the charter of said bank and the laws of the United States relative to national banks, all under such regulations and conditions and for such term or terms as the Secretary of War has heretofore prescribed with respect to the Army National Bank of Fort Lewis, Wash., or as the Secretary of War may hereafter prescribe.

NATIONAL JAMBOREE OF BOY SCOUTS

The Senate proceeded to consider the bill (S. 935) to authorize the Secretary of War and the Secretary of the Navy to lend Army and Navy equipment for use at the national jamboree of the Boy Scouts of America, which had been reported from the Committee on Military Affairs with an amendment, on page 2, line 3, after the word "officials", to insert the words "and also furnish a camping site on the Fort Myer Military Reservation, Fort Myer, Va.", so as to make the bill read:

Be it enacted, etc., That the Secretary of War and the Secretary of the Navy are hereby authorized, at their discretion, under such rules and regulations as they may respectively prescribe, to lend to the Boy Scouts of America, a corporation chartered by act of Congress approved June 15, 1916, for use at the national jamboree of the Boy Scouts to be held at Washington, D. C., during the summer of 1935, such tents, cots, blankets, and other articles of camp equipage as may be desired by said Boy Scouts of America and available for its approximately 35,000 Scouts and officials, and also furnish a camp site on the Fort Myer Military Reservation, Fort Myer, Va.: *Provided*, That the Secretary of War or Secretary of the Navy before delivering such property shall take from such corporation a good and sufficient bond for the safe return of such property in good order and condition, and the whole without expense to the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SUBSISTENCE AND RENTAL ALLOWANCE IN ARMY

The Senate proceeded to consider the bill (S. 1940) to fix the value of subsistence and rental allowance under the Pay Readjustment Act of June 10, 1922, which was read, as follows:

Be it enacted, etc., That, effective from and after July 1, 1935, the value of one subsistence allowance as that term is used in section 5 of the Pay Readjustment Act of June 10, 1922 (42 Stat. 628), as amended, shall be and remain fixed at 60 cents per day; and the rate for one room for the purpose of computing the money allowance for rental of quarters authorized in section 6 of said act shall be and remain fixed at $20 per month.

Mr. KING. Mr. President, I ask the Senator from Texas to make an explanation of this measure.

Mr. SHEPPARD. Mr. President, at the present time the rate of subsistence and rental allowance is fixed after an investigation by a bureau in the Department of Labor, based on findings as to cost of living during the preceding year. That has turned out to be very unsatisfactory. It varies from year to year, is always a year behind actual costs of living, and those affected never know what to expect.

All the pending measure does is to make permanent the amount already fixed in the Pay Act of 1922 as the standard, which was subject to reduction by this investigation but never to increase, no matter to what an extent an increase might be justified.

Mr. KING. Mr. President, does not this make it not only the maximum, but perpetuates it, even though conditions might change so that the amount might be too much?

Mr. SHEPPARD. If it should turn out that way we could then consider a change in view of current costs. The allowance is only $20 a month per room and 60 cents a day for subsistence. Certainly I do not think the Senator could say that this allowance is unfair or excessive, especially when it is recalled that rental allowance is paid only when an officer is on such duty that Government quarters cannot be furnished.

Mr. KING. I am not complaining, but in view of the fact that it has heretofore been flexible and it was regarded, perhaps, as improper to have it static——

Mr. SHEPPARD. I say to the Senator that if we can find a way of making these allowances reflect current conditions there will be no objection to surveys with that end in view. All officers of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service are affected by this measure.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2105) to provide for an additional number of cadets at the United States Military Academy was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

DETAIL OF MILITARY AND NAVAL OFFICERS

The Senate proceeded to consider the bill (S. 707) to amend the act of May 19, 1926, entitled "An act to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the governments of the Latin American Republics in military and naval matters", which was read, as follows:

Be it enacted, etc., That the act of May 19, 1926 (Public, No. 247), be, and the same is hereby, amended by striking out the word "and" preceding the words "Santo Domingo" and inserting after the words "Santo Domingo" the words "and the Commonwealth of the Philippine Islands."

Mr. KING. Mr. President, I ask that that bill go over.

Mr. HAYDEN. Mr. President, will the Senator withhold his objection for a moment?

Mr. KING. I withhold the objection.

Mr. HAYDEN. The only effect of the proposed legislation would be to add the Philippine Islands to the authority already contained in the present statute. The departments are now allowed by law to send military missions to certain Latin American Republics, and if an independent Philippine government is to be created they will undoubtedly have to have some kind of military establishment, and this bill would merely extend to the new government in the Philippine Islands the same recognition we have given to other countries.

Mr. KING. Mr. President, I agree with the Senator, and I have no objection to the provisions of the bill with respect to the Philippine Islands, because of the relations between that government and this, and probably this measure is meritorious. I thought it was a de novo measure.

Mr. HAYDEN. Not at all.

Mr. KING. I have heretofore offered measures to repeal the law under which we are furnishing or have furnished to Latin American Republics military and naval officers. I think it is an unwise and an improper course to furnish military and naval officers to Latin America.

Mr. HAYDEN. But, in view of the peculiar relationship we have with the Philippine Islands, it is entirely proper.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ELMER E. MILLER

The bill (S. 365) conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Elmer E. Miller was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims to hear, determine, and render judgment upon the claim of Elmer E. Miller, former disbursing clerk in the Bureau of Pensions, against the United States for the recovery of any unpaid part of his salary as such clerk, as fixed by law, for the fiscal years ending June 30, 1922, June 30, 1923, and June 30, 1924, respectively.

SEC. 2. Such claim may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceeding for the determination of such claim, and appeals from, and payment of, any judgment thereon shall be in the same manner as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code, as amended.

BILL PASSED OVER

The bill (S. 708) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Velie Motors Corporation was announced as next in order.

Mr. KING. Over.

The PRESIDENT pro tempore. The bill will be passed over.

CONCRETE ENGINEERING CO.

The bill (S. 931) for the relief of the Concrete Engineering Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Concrete Engineering Co., of Houston, Tex., in full settlement of all claims against the Government of the United States, the sum of $4,304.61, or so much thereof as may be necessary, to fully refund to said company the difference between the rate of customs duties erroneously assessed and collected from it on steel building forms at Houston, Tex., between February 23, 1926, and September 30, 1927, under paragraph 304 of the act of 1922, and the rate of duty assessed and collected on the same class of merchandise in the same customs district, at Houston, Tex., during the same period, under paragraph 312 of said act, without the knowledge of said company, and which latter rate subsequently was decided to be according to law: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

TAMPA MARINE CO.

The bill (S. 1860) for the relief of the Tampa Marine Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the Tampa Marine Co., a corporation, of Tampa, Fla., out of any money in the Treasury not otherwise appropriated, the sum of $2,130, in full settlement of all claims against the Government of the United States for a penalty imposed upon said company in connection with a contract made between said company and the Government, dated August 15, 1928, for certain work and repairs on the United States lightship tender *Ivy: Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

FRANK SPECTOR

The Senate proceeded to consider the bill (S. 1055) authorizing adjustment of the claim of Frank Spector, which had been reported from the Committee on Claims with an amendment to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust a claim of Frank Spector for refund of a deposit of $1,700 made in connection with the purchase of certain surplus property at an auction sale held February 9, 1922, at the Philadelphia Quartermaster Depot, and to allow in full and final settlement of all claims arising out of the transaction the sum of not to exceed $1,700. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,700, or so much thereof as may be necessary, to pay said claim: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

R. B. MILLER

The Senate proceeded to consider the bill (S. 28) for the relief of R. B. Miller, which had been reported from the

Committee on Claims with an amendment to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc, That the Secretary of the Treasury be, and he is hereby, authorized to pay to R. B. Miller, out of any money in the Treasury not otherwise appropriated, the sum of $2,500, in full and final settlement of all claims or demands of whatsoever nature, kind, or character against the Government, on account of the shipment of 75 carloads of manganese ore shipped over the Norfolk & Western Railroad from Suter, Va., Rocky Gap, Va., and Graham, Va., to Reading, Pa., Harrisburg, Pa., and Birmingham, Ala., during the period that said railroad was operated by the Director General of Railroads and which said amount was in excess of the regular freight rates published and allowed by law: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 925) to carry into effect the findings of the Court of Claims in the case of William W. Danenhower was announced as next in order.

Mr. KING. Mr. President, I should like to inquire whether any part of this money is to be paid by the District of Columbia or whether it is all to come out of the Treasury of the United States. I am not sure. Let it go over temporarily.

The PRESIDENT pro tempore. The bill will be passed over.

DONNIE WRIGHT

The Senate proceeded to consider the bill (S. 148) for the relief of the estate of Donnie Wright, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of" to strike out "$10,000" and insert in lieu thereof "$4,500"; and to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Donnie Wright, late of Vicksburg, Miss., the sum of $4,500, in full satisfaction of its claim against the United States on account of the death of said Donnie Wright caused by injuries received by her in 1929 in an elevator in the post-office building at Vicksburg, Miss.: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TRIFUNE KORAC

The Senate proceeded to consider the bill (S. 1863) for the relief of Trifune Korac, which had been reported from the Committee on Claims with an amendment to add a proviso at the end of the bill so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Trifune Korac, out of any money in the Treasury not otherwise appropriated, the sum of $2,000, representing the amount reimbursed by him to the American Employers' Insurance Co. upon the forfeiture of two immigration bonds executed by said company, upon security furnished by said Trifune Korac conditioned upon the appearance before the immigration authorities of Kirsto Temelkovich and Kosta Simonvich, aliens, who, after the forfeiture of said bonds and the payment of the amount thereof by the bonding company, were apprehended through the efforts of said Trifune Korac and subsequently deported: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 1432) to amend section 5 of the act of March 2, 1919, generally known as the "War Minerals Relief Statutes", was announced as next in order.

Mr. VANDENBERG. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 794) for the relief of the Bowers Southern Dredging Co. was announced as next in order.

Mr. KING. I should like an explanation of the bill. It seems that the contract was violated, and under the terms of the contract liquidated damages were to be paid. What reasons justify a measure which would absolve the defaulting company from payment of a just legal obligation?

Mr. GIBSON. The senior Senator from New York [Mr. COPELAND] asked to be present when the bill was taken up, and I suggest that it be passed over for the time being.

The PRESIDENT pro tempore. The bill will be passed over.

WORK-RELIEF PROGRAM

The joint resolution (H. J. Res. 117) making appropriations for relief purposes, was announced as next in order.

The PRESIDENT pro tempore. Being the unfinished business, the joint resolution will be passed over.

FILING OF SUITS UNDER WORLD WAR VETERANS' ACT

The Senate proceeded to consider the joint resolution (S. J. Res. 65) to extend the period of suspension of the limitation governing the filing of suit under section 19, World War Veterans' Act, 1924, as amended, which had been reported from the Committee on Finance with an amendment, on page 2, line 7, to strike out "three months" and to insert in lieu thereof "ninety days", so as to make the joint resolution read:

Resolved, etc., That in addition to the suspension of the limitation for the period elapsing between the filing in the Veterans' Administration of the claim under a contract of insurance and the denial thereof by the Administrator of Veterans' Affairs or someone acting in his name, the claimant shall have 90 days from the date of such denial within which to file suit as herein provided. This resolution is made effective as of July 3, 1930, and shall apply to all suits now pending against the United States under the provisions of section 19, World War Veterans' Act, 1924, as amended, and any suit which has been dismissed solely on the ground that the period for filing suit has elapsed but wherein the extension of the period for filing suit as prescribed herein would have permitted such suit to have been heard and determined, may be reinstated within 90 days from the date of enactment of this resolution: *Provided,* That on and after the date of enactment of this resolution, notice of denial of the claim under a contract of insurance by the Administrator of Veterans' Affairs or someone acting in his name shall be by registered mail directed to the claimant's last address of record.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

ALICE F. MARTIN

The bill (S. 1135) for the relief of Alice F. Martin, widow, and two minor children, which had been reported from the Committee on Military Affairs adversely, was announced as next in order.

Mr. KING. I move that bill be indefinitely postponed.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Utah.

The motion was agreed to.

UNITED STATES DISTRICT COURTS IN MICHIGAN

The Senate proceeded to consider the resolution (S. Res. 64) requesting the Department of Justice to investigate the advisability of redistricting the State of Michigan, with

reference to judicial districts, which had been reported from the Committee on the Judiciary with an amendment, on page 2, line 2, after the word "investigate" to insert "if such has not been done", so as to make the resolution read:

Whereas there is great congestion in the district courts of the United States for the eastern district of Michigan; and

Whereas there is an apparent need for a fourth district judge in said eastern district of Michigan; and

Whereas the eastern and western districts of Michigan cover vast geographical areas; and

Whereas great inconvenience in conducting the business of the district courts of said districts results from the traveling made necessary by the vastness of such areas; and

Whereas it may be advisable to redistrict the State of Michigan, creating three judicial districts therein, instead of providing for a fourth judge in the eastern district of said State: Therefore be it

Resolved, That the Department of Justice is requested to investigate, if such has not been done, the advisability of such redistricting and to report to the Senate, as soon as practicable, the results of its investigation.

The amendment was agreed to.

The resolution as amended was agreed to.

The preamble was agreed to.

CHEROKEE FUEL CO.

The bill (S. 1854) giving jurisdiction to the Court of Claims to hear and determine the claim of the Cherokee Fuel Co., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Court of Claims of the United States be, and it hereby is, given jurisdiction to hear and determine the claim of the Cherokee Fuel Co., Inc., Kansas City, Mo., for damages and for losses resulting from the cancelation by the depot quartermaster at St. Louis, Mo., of a contract between the United States Quartermaster Corps and the claimant, dated July 1, 1920, for furnishing coal at Camp Funston, Kans., to the Quartermaster Corps.

BILTMORE-OTEEN BANK, BILTMORE, N. C.

The Senate proceeded to consider the bill (S. 1079) authorizing the Secretary of the Treasury to execute a certain indemnity agreement, which had been reported from the Committee on Finance with an amendment on page 2, line 1, to strike out the numerals "1932" and to insert in lieu thereof "1922", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized to execute, in the name of the United States, and deliver to the liquidating agent of the Biltmore-Oteen Bank, Biltmore, N. C., upon receipt from such liquidating agent of $385, an agreement of indemnity binding the United States to make reimbursement to such liquidating agent in the event that such liquidating agent is required to make payment to a bona fide holder upon presentation of draft no. 380, dated November 7, 1922, in the amount of $385, drawn by the Biltmore-Oteen Bank, Biltmore, N. C., on the Hanover National Bank, New York, N. Y., to the order of the Treasurer of the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1817) conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claim of Squaw Island Freight Terminal Co., Inc., of Buffalo, N. Y., against the United States in respect of loss of property occasioned by the breaking of a Government dike on Squaw Island was announced as next in order.

Mr. KING. Mr. President, I notice that the former Secretary of War reported adversely on the bill. Let it go over.

The PRESIDENT pro tempore. The bill will be passed over.

BEATRICE I. MANGES

The Senate proceeded to consider the bill (S. 283) for the relief of Beatrice I. Manges, which had been reported from the Committee on Claims with amendments, on page 1, line 7, after "Ohio", to strike out the words "as damages" and to insert in lieu thereof "in full settlement of all claims against the Government", and to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,000, and $50 per month in an amount not to exceed $2,500, to Beatrice I. Manges, of Cleveland, Ohio, in full settlement of all claims against the Government for injuries received November 7, 1918, when a United States Army truck collided with an automobile of which she was an occupant: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriatetd in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ARTHUR SMITH

The Senate proceeded to consider the bill (S. 1856) for the relief of Arthur Smith, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "$30,000" and insert in lieu thereof "$5,000", and to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Arthur Smith, of Roanoke, Ind., the sum of $5,000, in full satisfaction of all claims of such Arthur Smith against the United States for damages resulting from injuries received by him when struck by a United States Army truck, driven by one Jerry E. Doods (Citizens' Conservation Corps enrollee no. 5K-4159), on Federal Highway No. 24, between Roanoke and Fort Wayne, Ind., on August 31, 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FRED C. BLENKNER

The bill (H. R. 593) for the relief of Fred C. Blenkner was considered, ordered to a third reading, read the third time, and passed.

LUCILE A. ABBEY

The bill (S. 43) for the relief of Lucile A. Abbey was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of Lucile A. Abbey in the same manner and to the same extent as if said Lucile A. Abbey had made application for the benefits of said act within the 1-year period required by sections 17 and 20 thereof: *Provided*, That no benefits shall accrue prior to the approval of this act.

ANNA W. AYER

The Senate proceeded to consider the bill (S. 896) for the relief of Anna W. Ayer, widow of Capt. Asa G. Ayer, deceased, which was reported from the Committee on Claims with an amendment to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Anna W. Ayer, widow of Capt. Asa G. Ayer, deceased, the sum of $500. Such sum represents the amount of a cash bond forfeited on June 3, 1920, by Capt. Asa G. Ayer for failure to appear as a material witness in the case of *United States* v. *H. W. Coffin* in the United States District Court for the District of Maine, sitting at Bangor, Maine, such failure to appear being caused by his necessary and unavoidable absence from the United States at such time: *Provided*, That the amount of the forfeited bond has actually been covered into the Treasury: *Provided further*, That no part of the amount appropriated in

this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DUKE E. STUBBS AND ELIZABETH S. STUBBS

The Senate proceeded to consider the bill (S. 1386) for the relief of Duke E. Stubbs and Elizabeth S. Stubbs, husband and wife, both of McKinley Park, Alaska, which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and to insert the following:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims of the United States to hear, determine, and render judgment upon the claim, or claims, of Duke E. Stubbs and Elizabeth S. Stubbs, or either of them, both of McKinley Park, Alaska, for any losses and damages sustained by Duke E. Stubbs and Elizabeth S. Stubbs in the silver-fox farming and trading-post business, or other business and occupation, conducted by them, or either of them, at McKinley Park, Alaska, arising out of the extension of the limits of the Mount McKinley National Park by an act of Congress approved on the 19th day of March 1932 (47 Stat. 68), and/or by virtue of any acts, or actions, of any and all officers and employees of the United States in carrying out or in connection with the extension of the limits of Mount McKinley National Park after the 19th day of March 1932: *Provided*, That the action in the Court of Claims to establish such losses and damages may be instituted within 1 year from the date of the approval of this act, and the same right of appeal to the United States Supreme Court from the judgment of the Court of Claims shall be had as in other causes in that court.

Mr. KING. Mr. President, I ask for an explanation of the measure.

Mr. GIBSON. Mr. President, the claimant and his wife had had an interest in a fox farm, which was taken over in connection with the establishment of Mount McKinley Park. As a consequence, they suffered considerable damage. A similar bill was passed at the last session, but was vetoed by the President, he giving as the reason the objections raised by the Department of the Interior. The Department of the Interior does not object to the bill in its present form, which allows the Court of Claims to pass upon the claim of the claimants.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the Committee on Claims.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim or claims of Duke E. Stubbs and Elizabeth S. Stubbs, both of McKinley Park, Alaska."

JACOB SANTAVY

The bill (H. R. 426) for the relief of Jacob Santavy was considered, ordered to a third reading, read the third time, and passed.

A. H. MARSHALL

The bill (S. 712) for the relief of A. H. Marshall was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to A. H. Marshall, of Charleston, Mo., the sum of $20,000 in full settlement of all claims against the Government of the United States for the destruction o. lands on the Mississippi River in the vicinity of Buffalo Island by reason of the construction of certain river-control works under the direction of the Secretary of War: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

CHELLIS T. MOOERS

The Senate proceeded to consider the bill (S. 906) for the relief of Chellis T. Mooers, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words " sum of ", to strike out " $10,000 " and to insert in lieu thereof " $4,500 ", and to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Chellis T. Mooers, of Arlington, Mass., the sum of $4,500. Such sum shall be in full satisfaction of all claims against the United States for damages sustained by the said Chellis T. Mooers as the result of the death of his wife, Edith M. Mooers, who was struck and fatally injured by a United States mail truck in Arlington, Mass., on April 1, 1932: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RALPH E. WOOLLEY

The bill (S. 391) for the relief of Ralph E. Woolley was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $7,755.47 to Ralph E. Woolley, of Honolulu, Territory of Hawaii, in full satisfaction of all claims against the United States for damages on account of delay in the construction of certain buildings at the Naval Operating Base, Pearl Harbor, Territory of Hawaii, making necessary extra expenditures in connection with the installation, under contract no. 245, dated December 23, 1927, of plumbing, steam, oil distribution, and electrical systems in such buildings: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

SANFORD & BROOKS CO.

The Senate proceeded to consider the bill (S. 685) for the relief of the Sanford & Brooks Co., which had been reported from the Committee on Claims with an amendment.

Mr. KING. Mr. President, I should like an explanation of the bill.

Mr. LOGAN. Mr. President, this is a matter which has been considered by the Treasury Department off and on, as I recall, for some years. Sanford & Brooks, who, I think, were partners, had some contracts with the Government to do some dredging, as I recall. I have not been over the record for some time. Their operations covered some 3 or 4 years. They finally became involved in a controversy with the Government and won a suit aggregating something over $200,000.

It was contended by the Bureau of Internal Revenue that the amount of the judgment should be reported as income for the particular year in which the judgment was paid. The taxpayer insisted that it should be apportioned among the years when they actually earned this money. The case was taken to the courts and finally by the Supreme Court was decided adversely to the contention of the taxpayer, but the Supreme Court suggested that, while under the law no relief could be granted by the Court, it would be a matter of legislation.

If the Senator from Utah will examine the concluding paragraph of the report of the Treasury Department, he will find, according to my recollection, that the Department recommends the payment or does not object to the payment of $53,000. The total amount of tax paid was something over $70,000, and, as I recall, the Treasury Department says that it makes no objection to the payment of everything that was paid over and above $16,000 plus. We passed the bill upon that statement last year, and the Committee on Claims has reported it again upon the same information it had before it last year. Consequently, the report was not rewritten, but we simply adopted the report submitted last year.

Mr. KING. Does the Senator contend that the amount of $53,280 is consistent with the rather negative statement of Mr. Mills, former Secretary of the Treasury, who said:

In view of the unusual circumstances in this case the Department will interpose no objection to a bill granting special relief to the Sanford & Brooks Co. for all taxes paid for the year 1920 in excess of $16,728.

Mr. LOGAN. I figured that out very carefully last year, I may say to the Senator, and there was $16,000 in taxes that should have been paid by the company. They paid $72,000 or $73,000, according to my present recollection. They paid this much more than they would have paid if the amount due them by the Government had been paid in the years in which it was earned, but it was not so paid; it accumulated, and it has been charged up to the year in which they recovered it.

Mr. KING. Mr. President, I have such confidence in the able Senator from Kentucky that, while I have some very serious misgivings about this case, I will not object.

The PRESIDENT pro tempore. The amendment reported by the committee will be stated.

The CHIEF CLERK. On page 2, after "United States", it is proposed to insert the following:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Sanford & Brooks Co., a corporation organized and existing under the laws of the State of Maryland, the sum of $53,208.49, in full satisfaction of its claim against the United States for refund of income taxes assessed and collected for the year 1920 on amounts paid by the United States to such corporation during such year to compensate the said Sanford & Brooks Co. for the cost to it of certain work done in dredging the Delaware River for the Government of the United States, of which work the said Government got the benefit, said work having been done during the years 1913 to 1916, both inclusive, under contract with the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

WORK-RELIEF PROGRAM

The PRESIDENT pro tempore. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the joint resolution (H. J. Res. 117) making appropriations for relief purposes.

Mr. GLASS. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	La Follette	Radcliffe
Ashurst	Costigan	Lewis	Reynolds
Austin	Couzens	Logan	Robinson
Bachman	Cutting	Lonergan	Russell
Bailey	Dickinson	Long	Schall
Bankhead	Dieterich	McAdoo	Schwellenbach
Barbour	Donahey	McCarran	Sheppard
Barkley	Duffy	McGill	Shipstead
Bilbo	Fletcher	McKellar	Smith
Black	Frazier	McNary	Steiwer
Bone	George	Maloney	Thomas, Okla.
Borah	Gerry	Metcalf	Thomas, Utah
Brown	Gibson	Minton	Townsend
Bulkley	Glass	Moore	Trammell
Bulow	Gore	Murphy	Truman
Burke	Guffey	Murray	Tydings
Byrd	Hale	Neely	Vandenberg
Byrnes	Harrison	Norbeck	Van Nuys
Capper	Hatch	Norris	Wagner
Carey	Hayden	Nye	Walsh
Clark	Johnson	O'Mahoney	Wheeler
Connally	Keyes	Pittman	
Coolidge	King	Pope	

Mr. LEWIS. I again announce that the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Louisiana [Mr. OVERTON] are absent because of illness.

The PRESIDING OFFICER (Mr. MINTON in the chair). Ninety Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment of the committee as amended.

Mr. GLASS obtained the floor.

Mr. BARBOUR. Mr. President——

Mr. GLASS. I yield to the Senator from New Jersey.

Mr. BARBOUR. I send to the desk an amendment and ask that it may be read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 3, line 19, it is proposed to insert after the words "soil erosion" the words "seacoast erosion."

Mr. BARBOUR. I offer that amendment and ask the chairman of the committee if there is any objection to its adoption.

Mr. GLASS. Mr. President, I have no objection to the proposed amendment, although I am certain its subject matter is already covered by the joint resolution. I shall make no objection to it, provided we are not to have a flood of amendments of this kind.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from New Jersey is agreed to.

Mr. BORAH. Mr. President——

Mr. GLASS. I yield to the Senator from Idaho.

Mr. BORAH. I desire to offer an amendment to come in after the word "resolution" on page 3, line 25.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. In the committee amendment, on page 3, line 25, after the word "resolution", it is proposed to insert the following additional proviso:

And provided further, That no part of this appropriation or money herein provided shall be expended or used for military, naval, or aviation (when connected with military or naval enterprises) purposes.

Mr. HAYDEN. Mr. President, will the Senator from Idaho yield?

Mr. BORAH. I yield.

Mr. HAYDEN. As I understand the text of the amendment offered by the Senator from Idaho, not a dollar of the money proposed to be appropriated by the pending joint resolution could be expended for the improvement of a sidewalk in a navy yard or for the building of any kind of a structure at an Army post.

Mr. BORAH. No; I do not think that construction could be placed upon the language, but if it be necessary to build sidewalks, let us build them by reason of appropriations in the Army appropriation bill; let us know where the money to be provided by the joint resolution is going, so far as we may.

Mr. HAYDEN. In the public-works appropriation which we made about a year and a half ago, certain sums were set aside for use for construction at Army posts and for improvements in navy yards. There was also money set aside for the construction of naval vessels, and that may be the point to which the Senator may desire to direct his amendment, but would he deprive people of employment in connection with ordinary repairs and improvements about Army posts?

Mr. CLARK. Mr. President, will the Senator from Idaho yield?

Mr. BORAH. I yield.

Mr. CLARK. I should like to say to the Senator from Arizona that it has been in evidence before the Munitions Investigating Committee that before the Public Works Administration was even constituted $238,000,000 for the Navy were withdrawn from the fund provided by Congress for the handling of the unemployment situation, which was later added to by a sum of $40,000,000, with which no effort was made, nor has been made to this day, to combat unemployment. It was testified by the responsible admiral, the head of the Bureau of Construction and Repair, that that allotment had been made and a ruling obtained from the Comptroller General to the effect that the money should be available until expended. The primary interest of the Navy Department was not in reemployment but was in naval construction; and so far as the purposes for which Congress provided $3,300,000 are concerned, the money allocated to the Navy might as well have been taken and thrown in the sewer. I think the amendment of the Senator from Idaho is extremely well advised.

Mr. THOMAS of Utah. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Utah?

Mr. BORAH. I yield.

Mr. THOMAS of Utah. I should like to offer an amendment as a substitute for the amendment which has been offered by the Senator from Idaho. I will ask the clerk to read it; and I will ask also if it is not satisfactory to the Senator from Idaho?

The PRESIDING OFFICER. The amendment in the nature of a substitute proposed by the Senator from Utah will be stated.

The CHIEF CLERK. In lieu of the amendment proposed by Mr. BORAH it is proposed to insert the following:

And provided further, That no part of the appropriation made by this joint resolution shall be expended for munitions, warships, or military or naval matériel; but this proviso shall not be construed to prevent the use of such appropriation for improvements or construction in military or naval reservations, posts, forts, camps, cemeteries, or fortified areas, or for other projects for nonmilitary or nonnaval purposes in such places.

Mr. BORAH. Is that substitute more satisfactory to the committee?

Mr. GLASS. I think it clarifies very much the purpose of the Senator from Idaho.

Mr. BORAH. I am not sure that it does clarify it. Of course, I have no pride of authorship in this matter. I do not see why we cannot make the appropriation, as some Senators unquestionably desire to do, in the War Department appropriation bill.

Why not let us know something about the details? The amendment which I have offered has nothing to do with the question of whether we shall increase the Navy or whether we should have a larger Military Establishment. It has only to do with the fact that we should deal with these subjects in the proper appropriation bill. I desire to limit the fund appropriated in the pending joint resolution to the purposes for which it is appropriated, that is, for relief and for public works. We know from experience that some $250,000,000 was taken out of the previous relief appropriation and used for military purposes that had nothing whatever to do with relief. We know that was done under circumstances and conditions which left thousands of people in want of relief. I feel strongly that no discretion should be lodged in the Commander in Chief of the Army and the Navy, as to how much should be expended in building up our Military Establishment. That should be determined by the Congress.

Mr. CLARK. Mr. President, may I ask the Senator from Idaho a question?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Missouri?

Mr. BORAH. I yield.

Mr. CLARK. We all know the Senator from Idaho is one of the greatest lawyers in the United States. Would he be able to define expenditures for nonmilitary purposes on military reservations?

For instance, I happen to know that in many military posts in the country buildings are in disrepair. I happen to know that in St. Louis, at Jefferson Barracks, the noncommissioned officers' quarters are a disgrace to the Government. A few weeks ago I happened to be at Fort Niagara and saw there noncommissioned officers' quarters which are a disgrace to the Government. They ought to be repaired and put in better shape. It ought to be provided for in the War Department appropriation bill. Would the Senator from Idaho or the Senator from Utah [Mr. THOMAS] be able to say whether the repair of barracks and quarters of the Regular Army Establishment over the country would be military or nonmilitary purposes? Where do we draw the line?

Mr. BORAH. The proposed substitute of the Senator from Utah would be a very broad authorization. The amount of money could be used in a way which would really furnish no relief at all.

Mr. GLASS. The Senator from Idaho asked me if I was willing to accept the proposed substitute of the Senator from Utah. Personally, I am in entire sympathy with the suggestion offered by the Senator from Idaho, but I am not authorized by the committee to accept either proposal.

Mr. BORAH. I really prefer to have adopted the amendment which I offered. If the committee in conference wishes to make any modification to cover some of the suggestions which have been made here, it might be possible to do so. I believe the substitute offered by the Senator from Utah is too broad. It permits expenditures which I think ought not to be made under the terms of the pending joint resolution. Such expenditures ought to be provided for in the War Department appropriation bill. We have appropriated very heavily in that appropriation bill.

In other words, I do not like to see the Congress of the United States separate itself from the question of determining how much shall be utilized for military and naval purposes, either direct or indirect. I think that matter ought always to pass under the scrutiny and the censorship of the Congress. We should not grant general appropriation privileges dealing with such subjects.

Mr. VANDENBERG. Mr. President, will the Senator from Idaho yield?

Mr. BORAH. I yield.

Mr. VANDENBERG. May I suggest to the Senator that the substitute offered by the Senator from Utah is an amendment in the third degree and possibly a point of order would lie against it?

Mr. President, I submit the parliamentary inquiry: Is not the substitute offered by the Senator from Utah an amendment in the third degree, and is it not out of order?

The PRESIDING OFFICER. The Chair is advised that the substitute of the Senator from Utah is an amendment in the third degree. The point of order is well taken. The question is upon the amendment offered by the Senator from Idaho to the committee amendment.

Mr. BYRNES. Mr. President, I want to submit only a few remarks with reference to the amendment of the Senator from Idaho. With reference to the statement as to expenditures made by the President under the Public Works appropriation act, I think it well that Members of the Senate should know the language of the act under which those expenditures were made. In the act as passed by the Congress the Congress said:

If in the opinion of the President it seems desirable, the construction of naval vessels within the terms and/or limits established by the London Naval Treaty of 1930 and of aircraft required therefor and construction of heavier-than-air aircraft and technical construction for the Army Air Corps and such Army housing projects as the President may approve, and provision of original equipment for the mechanization or motorization of such Army units.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Missouri?

Mr. BYRNES. I yield.

Mr. CLARK. Without undertaking to fix the responsibility for the allocation of public-works funds as between the Congress and the President—though I think the Congress is fully as much responsible as is the President, for that matter—does not the Senator agree that the money allocated for the construction of warships was certainly not in pursuance of the general policy of reemployment? If the Senator does not agree to that statement, he certainly disagrees very seriously with Administrator Ickes in his testimony before the munitions committee.

Mr. BYRNES. I often find myself in disagreement with Administrator Ickes, and I may often do so in the future. Regardless of what was the general policy of the bill and the extent of the bill as it was first introduced, the Congress declared, not that the President should have the power to construct a few buildings, but, if in the opinion of the President, it was desirable to use the money therein appropriated to construct a sufficient number of vessels to cause the United States of America to comply with its quota under the treaty of 1930, he might do so. The Congress wrote that language into the law.

Another question arises as to the amendment of the Senator from Idaho to the amendment of the committee. I am not in disagreement with the object which the Senator has in mind if it is to prohibit, as the Senator from Missouri [Mr. CLARK] would prohibit, an allotment of money for the construction of vessels or an extension of military purposes, but the Congress had no right to authorize it to be done in the previous bill and then complain of it. If we do not now want it to be done, this is the place to say so.

Mr. CLARK. Mr. President, if the Senator from South Carolina will permit me, let me say that I agree entirely with him as to that proposition. I voted against the bill. I voted against that provision in the bill. I complained with good grace because in the bill we were surrendering a public fund for a purpose entirely out of keeping with its purposes.

Mr. BYRNES. As to the amendment of the Senator from Idaho, I am not in disagreement with what I believe to be the object he has in view. I believe, however, that the proposed substitute of the Senator from Utah [Mr. THOMAS] would accomplish the real purpose which the Senator from Idaho seeks, and I have no objection personally to the proposed substitute of the Senator from Utah.

I submit to the Senator from Idaho that, after all, if the purpose of the bill is to provide an opportunity to give men jobs, if the money is to be spent to give jobs and jobs can be given in the construction of barracks at Army posts, in my opinion that is more to be desired, because it is a Federal project and something that would have to be done, than the spending of the money in the construction of buildings which are not upon property of the United States Government, but upon the property of some city, county, or State. If this is to be done, if we are to give jobs to people, and jobs can be given them by permitting them, as the proposed substitute of the Senator from Utah would permit, to work upon the construction of barracks at some Army post or some navy yard, it would furnish jobs, which is the object of the bill, and it would not be out of accord with the object of the Senator from Idaho to prevent the use of the money for the construction of battleships or the expenditure of portions of the appropriation for the Army.

Mr. BORAH and Mr. FLETCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. BORAH. Mr. President, does the Senator from Florida wish to discuss this amendment?

Mr. FLETCHER. Yes; I was about to refer to it.

Mr. BORAH. I desire to say that in order to permit the parliamentary situation to be changed I am willing to withdraw my amendment if it is understood that the amendment of the Senator from Utah [Mr. THOMAS] is to be accepted. I have concluded it is all I can secure.

Mr. BYRNES. Mr. President, I cannot speak for the committee, but I hope the Senate will accept it, because there is no intention on the part of anyone on the committee, and no intention on the part of anyone connected with the administration so far as I know, to use the money provided in this joint resolution except in accordance with the amendment which the Senator from Idaho and the Senator from Utah have in mind.

Mr. CLARK. Mr. President, will the Senator from Idaho yield?

Mr. BORAH. I yield.

Mr. CLARK. We cannot lose sight of the fact that the very definite statement has been made, apparently by authority, by the chairman of the subcommittee having to do with the subject of military appropriations in another body, that it is proposed to take over $400,000,000 of this fund which Congress is about to appropriate for rehabilitation and reemployment and use it for the purpose of mechanizing the Army and making reestablishments and improvements at Army posts.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. CLARK. The Senator from Idaho [Mr. BORAH] has the floor.

Mr. O'MAHONEY. Will the Senator from Idaho yield?

Mr. BORAH. I yield.

Mr. O'MAHONEY. In response to what the Senator from Missouri has just said, I desire to say that under the modified amendment of the Senator from Utah no such purpose could be carried out. All that could be done under the modified amendment of the Senator from Utah would be to make physical improvements in posts and reservations and not to engage in any mechanization work or any naval construction work which the Senator from Idaho has in mind.

Mr. CLARK. Mr. President, of course I have listened to the amendment of the Senator from Utah, but I do not think it reaches the question. In other words, if the War Department should consider it necessary or desirable, as it might do—it has done some very remarkable things—to spend $400,000,000 for the purpose of making a tremendous modern fortress out of old Fortress Monroe, nothing in the amendment of the Senator from Utah would prevent that.

If the Senator from Idaho will yield for just a moment further, I think there is a very essential difference between the amendment offered by the Senator from Idaho and the substitute amendment offered by the Senator from Utah; and it goes to the very fundamental of our system of government. Every parliamentary reform, every guarantee of the English Constitution, every right that was won by the Colonies in this country before we became States, was won as a result of withholding funds from the King or from the Executive for the support of the Army and Navy. Whenever Congress gives up the right to specify exactly what funds shall be spent for the Army and Navy, it will give up the most sacred right that the Anglo-Saxon system of government has yet developed.

Mr. BORAH. Mr. President, I quite agree with the Senator from Missouri. Evidently there is a difference of view upon this matter. Therefore I am going to call for a yea-and-nay vote upon my amendment. If that amendment shall be defeated, the Senator from Utah may then offer his amendment.

Mr. FLETCHER. Mr. President——

Mr. LONG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Bailey	Bilbo	Brown
Ashurst	Bankhead	Black	Bulkley
Austin	Barbour	Bone	Bulow
Bachman	Barkley	Borah	Burke

Byrd	Gibson	McKellar	Schall
Byrnes	Glass	McNary	Schwellenbach
Capper	Gore	Maloney	Sheppard
Carey	Guffey	Metcalf	Shipstead
Clark	Hale	Minton	Smith
Connally	Harrison	Moore	Steiwer
Coolidge	Hatch	Murphy	Thomas, Okla.
Copeland	Hayden	Murray	Thomas, Utah
Costigan	Johnson	Neely	Townsend
Couzens	Keyes	Norbeck	Trammell
Cutting	King	Norris	Truman
Dickinson	La Follette	Nye	Tydings
Dieterich	Lewis	O'Mahoney	Vandenberg
Donahey	Logan	Pittman	Van Nuys
Duffy	Lonergan	Pope	Wagner
Fletcher	Long	Radcliffe	Walsh
Frazier	McAdoo	Reynolds	Wheeler
George	McCarran	Robinson	
Gerry	McGill	Russell	

Mr. LEWIS. I reannounce the absence of Senators, and the reasons therefor, as stated by me upon the last roll call.

The PRESIDING OFFICER. Ninety Senators have answered to their names. A quorum is present.

Mr. ASHURST. Mr. President, if I am correct in my understanding, the pending amendment is the one proposed by the Senator from Idaho [Mr. BORAH].

The PRESIDING OFFICER. The Senator is correct.

Mr. ASHURST. Mr. President, during my service in the Senate I have learned generally to lean with confidence and trust upon the views of that erudite gentleman, that splendid scholar, whose services I hope will be retained in the Senate as long as he may choose to remain here, the Senator from Idaho [Mr. BORAH]. I now find myself embarrassed by the circumstance that I am unable to adopt his view respecting the amendment tendered by him.

The able Senator has offered an amendment reading as follows:

And provided further, That no part of this appropriation or money herein provided shall be expended or used for military, naval, or aviation (when connected with military or naval enterprises) purposes.

Mr. President, I am not a militarist. If I ever should belong to the Army, I presume I would be one of the awkward squad. No man in the Senate, however, is more truly convinced than am I of the necessity of appropriate Naval and Military Establishments for our country.

About 1 week ago when the War Department appropriation bill was being considered by the Senate, there was a learned discussion in which the Senator from Illinois [Mr. LEWIS], the Senator from Texas [Mr. SHEPPARD], the Senator from California [Mr. MCADOO], and the Senator from Missouri [Mr. CLARK] took part. I ventured to suggest at that time that our Army now was only a skeleton; and I went on to say that I, for one, was in favor of clothing that skeleton Army with blood and sinew and flesh. I repeat that statement here.

Some Senators at that time said they perceived no reason why the Military Establishment of the United States should be increased. I ventured to assert that any reflecting Senator of perception realized that the entire Pacific coast was the Achilles' heel of the United States. I am not willing that our sons, unequipped, barehanded, and unprepared, shall meet danger.

Every victory that has ever been won, whether in the fields of morals, whether in the field of debate, in lawsuits, chemistry, dialectics, financial success, health, sports, or otherwise, was won as a result of careful preparation or prevision. The same is true as to nations.

Only last year I visited an Army post; inasmuch as it was in another State than my own, I shall not mention the name. The Senator from Idaho, humanitarian that he is, if he were commander of an army, would indignantly and with contempt refuse to house men in such ramshackle buildings as those in which the soldiers at this post were quartered.

I now advert to a place within my own State, which I feel at liberty to mention, Fort Huachuca. If the Senator from Idaho, humanitarian that he is, were the commander at Fort Huachuca, he would, with indignation and contempt, refuse to quarter human beings in the miserable, squalid, insanitary places where the soldiers there are now quartered; and Fort Huachuca, in Arizona, is one of the most important posts in our country. Indeed, the mess hall at Fort Huachuca and what we would call the bunk houses, or sleeping quarters, and other buildings, in order to keep the walls from falling, are supported by props or stays. No Senator who visited the post would for a moment be other than in favor of an immediate expansion and rehabilitation of the facilities at Fort Huachuca. I know of one post that has not a proper supply of potable domestic water.

If the amendment of my able friend from Idaho were adopted, it would prevent the War Department from expanding the facilities at these various posts. His amendment would paralyze the arm of the administration if, forsooth, it saw fit to improve the sanitary conditions at any one of our military posts.

Mr. President, it is only a few weeks since we rejected the World Court. I have no quarrel with those who rejected the World Court. I voted for it. I salute those who participated in that debate; it was a debate worthy of the epic days of our country; it was a debate worthy of Burke, Pitt, Jax, Gladstone, and Disraeli; a debate worthy of Webster and Clay, Benton and Calhoun of our country. We declined to enter the World Court, meaning that we did not intend to settle our disputes in a forum of reason, of philosophy, debate, or diplomacy.

How men can refuse to vote against our country entering the World Court, which proposes to allow our country an opportunity to settle its disputes by reason and diplomacy, and then refuse to allow their country to prepare itself for the other extreme is beyond my comprehension. How any system of logic could ever be conjured up that would say, "I am against settling our disputes either by reason or by force" I cannot understand.

We are driven to a choice. We must settle the disputes of this Nation in the forum of reason or vi et armis. There is no use for Senators to think there is any other side to the question. Having rejected the World Court—and I have no criticism to make of those who did—how may Senators now say, "I shall not even give the country a chance to prepare itself for eventualities which may come?"

It seems to me that it is our duty, not only as Senators but as citizens of this Republic, to see to it that we shall have a proper Army, an Army trained and equipped, an Army that is housed in buildings appropriate for human beings, where the water supply is adequate.

I hope that the amendment of the able Senator from Idaho will be defeated. In taking this positive stand against his view, I say, in conclusion, as I said in the beginning, that it requires no small degree of temerity, no small degree of courage, to oppose amendments or bills put forward, I repeat, by that accomplished and erudite gentleman, my friend the Senator from Idaho. I hope his amendment will be defeated.

Mr. BYRNES. Mr. President, I desire to ask the Senator from Idaho whether he would accept the amendment offered by the Senator from Utah [Mr. THOMAS], which I think would be satisfactory and which would end the discussion.

Mr. BORAH. Mr. President, expressing my own personal view, with two words stricken out of that amendment, I should be willing to accept it. I understood that the able Senator from Missouri [Mr. CLARK] was not satisfied with it, and he having collaborated with me in offering my amendment, I do not feel free in withdrawing the amendment.

I have no objection to using money for the improvement of posts where improvements are necessary, where it will give employment, and where it could really be said to come within the term "relief", but I do not want the Government to enter upon a program of building new posts, wholly outside of any contemplation of relief.

Mr. THOMAS of Utah. Mr. President, I should just like to say here that if the amendment offered by the Senator from Idaho shall be voted down, I shall then offer my amendment to take the place of the one voted down.

Mr. BYRNES. May we not suggest that the Senator from Idaho withdraw his amendment and permit the vote to come on the amendment of the Senator from Utah, or accept that as an amendment to his amendment?

Mr. BORAH. I might just as well withdraw my amendment entirely.

Mr. BYRNES. I understood the Senator from Utah to be willing to strike out of his amendment the words "or construction."

Mr. THOMAS of Utah. The two words will be found stricken out when I offer my amendment.

Mr. BORAH. I do not see the Senator from Missouri in the Chamber, but I think I will take the responsibility, if the Senator from Utah will amend his amendment by striking out those two words, of withdrawing my amendment, and permitting the amendment of the Senator from Utah to take the parliamentary position now held by my amendment.

Mr. THOMAS of Utah. I offer the amendment, and ask that the clerk read it.

The PRESIDING OFFICER. The clerk will read the proposed amendment.

The LEGISLATIVE CLERK. In lieu of the pending amendment to the committee amendment, it is proposed to insert the following:

Provided, That no part of the appropriation made by this joint resolution shall be expended for munitions, warships, or military or naval matériel; but this proviso shall not be construed to prevent the use of such appropriation for improvements in military or naval reservations, posts, forts, camps, cemeteries, or fortified areas, or for other projects for nonmilitary or nonnaval purposes in such places.

Mr. THOMAS of Utah obtained the floor.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. HAYDEN. As I heard the amendment read the first time, the word "construction" was contained in it, which would have permitted construction of a new building at any Army post. I understood the Senator from Idaho to say that he did not want to see new establishments created. Would it satisfy the Senator if we permitted the construction of a new building at an existing Army post?

Mr. BORAH. No; I have gone just as far as I intend to go. There is no reason in the world why if we want an entirely new military program we should not put it in an Army appropriation bill. No one is arguing against the improvement of military posts. No one is arguing against the improvement of the Military Establishment. That is another question. Nor is anyone arguing against the improvement or the enlargement of the Navy. But let the Congress of the United States pass upon such questions as specific propositions in the proper appropriation bill—not in a bill which is designed for relief and for recovery.

Mr. HAYDEN. As the amendment stands, if I read it correctly, we could improve an old building which ought to be torn down, but we could not build a new one on the same site. The Senator from Idaho does not want to have any new Army posts created in their entirety, and he does not want to have any new battleships built; and it seems to me we could accomplish what he desires if we could confine the construction and improvement to existing Army posts.

Mr. CLARK. Mr. President, will the Senator from Utah yield to me?

Mr. THOMAS of Utah. I yield.

Mr. CLARK. Under the contention of the Senator from Arizona, we could take old Fort Apache, which has been practically abandoned by the Government for 20 years because men cannot live there, and, under the language which the Senator from Arizona suggests, the Government might spend four or five million dollars making a great fortress out of that old post. It seems to me to be unreasonable to draw such a distinction between an existing post, no matter how much abandoned it may be and no matter how useless it is, and new construction. It seems to me the test ought to be whether we are actually appropriating money for the purpose of reemployment, for the purpose of relief, the purpose set forth in the title, and as to whether Congress is going to retain the power which has been one of the bulwarks of Anglo-Saxon liberty—the power to control expenditures for military and naval purposes.

Mr. FLETCHER. Mr. President, will the Senator from Utah yield?

Mr. THOMAS of Utah. I yield.

Mr. FLETCHER. I think the Senator from Arizona [Mr. HAYDEN], is correct, and it seems to me the objections raised by the Senator from Idaho [Mr. BORAH], and the Senator from Missouri [Mr. CLARK], would be met if it were provided that at posts where barracks have to be changed and repaired such changes and repairs may be made, and in some instances where the buildings are worn out and of no account that new buildings may be substituted for the old. Why is that not entirely reasonable? I think the Senator from Missouri will find in some of the instances he mentioned, where the barracks were uninhabitable, that it would be a disgrace if the Government permitted soldiers to occupy them. If there is such a building, and it is found to be more reasonable and economical to tear it down and put up another in its place, why should not that be permitted?

Mr. CLARK. Mr. President, if the Senator from Utah will further yield, I will say to the Senator from Florida that, so far as I am concerned, I am in favor of appropriating the money to put the Army posts in a state of repair. I think it is a disgrace that some of them have been allowed to fall into the state of disrepair in which they are. But I agree with the Senator from Idaho that the Congress ought to appropriate specifically for those items, and I say it is not right to pass an Army appropriation bill one week carrying over $400,000,000 for the support of the Army, and then come in and try to chisel another $400,000,000 out of another appropriation.

Mr. FLETCHER No, Mr. President; it is nothing of the sort. Senators must remember that one bill is passed for the purpose of maintaining the organization of the Army and the other is an appropriation bill for the purpose of relief and work relief, and that in the expenditure of this money it might be entirely feasible, in view of the fact that it involves the employment of labor and use of material, to expend money on existing posts. I see no objection to that. It could be done without delay.

Mr. ADAMS. Mr. President, if the Senator from Utah will allow me, I should like to ask a question of the Chairman of the Appropriations Committee, the Senator from Virginia [Mr. GLASS]. I thought the War Department appropriation bill was taken up and passed last week. Am I in error as to that?

Mr. GLASS. No.

Mr. ADAMS. When are we going to take up the relief bill?

Mr. GLASS. Next week. We have engaged in a long discussion about the disgraceful condition of barracks and of the prohibition contained in the suggestion of the Senator from Idaho against any sort of construction. The President has been authorized under an act approved June 16, 1933, to repair barracks and to build houses. Some of them have been repaired, and some houses have been built. Under that act the President is authorized to engage in that sort of construction. I understand there is $1,600,000,000 still available under the public-works bill which was passed nearly 2 years ago, and the President is now authorized to do the very thing we are contesting about here on the floor. I suppose I am too practical a man. I do not understand these parliamentary moves. What I wanted to do was to accept one or the other, or let us vote on one or the other of these proposals, and let it go to conference, and there we could straighten it out.

Mr. BARKLEY. Mr. President, will the Senator from Utah yield?

Mr. THOMAS of Utah. I yield.

Mr. BARKLEY. With reference to the situation described by the Senator from Virginia, I call his attention to the fact that while, as he remarked a while ago, there is $1,500,000,000 of public-works money still on hand, it ought to be stated that all of that money has been allotted except about $179,000,000.

Mr. GLASS. Mr. President, does the Senator know—they do not tell me about these things—how much of it, if any, has been allocated to the reconstruction of barracks and the improvement of disgraceful quarters which have been described here today?

Mr. BARKLEY. I am not able to give the Senator that information, but I know that in exercising the authority conferred by the statute, to which the Senator has referred, the President, or the War Department, under his authority, began the improvement of some of the Army posts. They are now in the process of constructing necessary buildings at some of the forts, with one of which I am especially familiar. However, there has been an allotment of only about enough to do half the work which is necessary to be done at one or more of these forts. I should not like to see an amendment offered which would stop that work right in the middle of the process of finishing the erection of barracks and houses and quarters which the War Department and the President and, I think, Congress agree are almost the minimum requirement for some of these posts.

Mr. GLASS. I am not familiar with that.

Mr. BARKLEY. I do not wish to see any of this money used to build battleships, or to open up any new Army posts, or to buy tanks or tractors or any other military equipment, but certainly it is not inconsistent with the use of this money for relief to use some of it, and a considerable portion of it, in the construction or reconstruction of necessary quarters in the posts which already are in existence throughout the country, and whatever amendment may be adopted I certainly hope it will not handicap the administration in completing work which it has already started.

Mr. THOMAS of Utah. Mr. President, I am sure the discussion which has already been held incident to the two proposed amendments proves better than anything else the need of the last amendment which we now have before us for our consideration. Surely some sort of amendment should be put into this bill to emphasize, and emphasize definitely, those things which have been pointed out both by the Senator from Idaho [Mr. BORAH] and by the Senator from Missouri [Mr. CLARK].

Probably everyone cherishes more than any other thing connected with our Constitution the provision which limits Congress in its appropriations for Army purposes to periods of not more than 2 years. That is one of the basic heritages of our American Government. It is one of the finest things connected with what we call "congressional and constitutional government" in the United States. For us to do as the Senator from Missouri has said—to pass an extremely large appropriation bill for the Army, and at the same time be silent and allow it to be understood that probably thousands and even millions of dollars are to be taken from a public-works bill and used for military purposes, would be doing something for which the country will not and should not stand.

Already accusations have been printed in the press of foreign countries that we are dodging our constitutional responsibility; that we are making it possible, through indirect appropriations, to appropriate indirectly for purposes for which we would not dare to appropriate directly. It is to protect the President of the United States—it is to protect the United States itself from discussion, probably meaningless, from editorial writings, probably with a purpose, but at least from discussion which is going on throughout the world—that this amendment is offered. The first part of the amendment will take care of that.

The second part of the amendment will provide for and see to it that there shall be improvements in living quarters, that men who belong to our military and naval personnel who have not been properly housed shall have the right type of houses; that the right kind of improvements shall be made and continue to be made on Federal-owned and Federal-controlled lands; and in order that there may be no confusion at all about what is meant by "military" and "nonmilitary", those words are incorporated in the amendment, and the whole thing is made so plain that no administrator can make a mistake about it.

I trust the Senate will agree to the amendment.

Mr. ASHURST. Mr. President, let the amendment be stated once more. There seems to be but one copy.

The PRESIDING OFFICER. The amendment will be read.

The legislative clerk read as follows:

And provided further, That no part of the appropriation made by this joint resolution shall be expended for munitions, warships, or military or naval matériel; but this proviso shall not be construed to prevent the use of such appropriation for improvements in military or naval reservations, posts, forts, camps, cemeteries, or fortified areas, or for other projects for nonmilitary or nonnaval purposes in such places.

Mr. ASHURST. Mr. President, no one who thinks properly can, in my judgment, object to the philosophy of the Senator from Idaho [Mr. BORAH] or that announced by the Senator from Utah [Mr. THOMAS] when they declare that if Congress is to expand the Army or the Navy, or increase it, in other words, it should be done openly and directly and specifically. They are correct in that conclusion both as a matter of ethics and as a matter of law and philosophy. If one additional soldier or marine is to be added to the forces of our country it should be done openly. I am in favor of doing it openly with all persons in the world knowing how much and for what purpose we increase the Army or the Navy. Neither I nor anyone else who takes the view I take as to this amendment desires by any indirection or subterfuge to increase the Army or the Navy. I would scorn, as I know all other Senators would scorn, to increase our Army or our Navy silently or secretly. If it is to be done, it should be done openly. My solicitude in this matter is not secretly to increase the Army by one soldier or the Navy or the Marine Corps by one man. So far as I am concerned, in this present debate, I desire only that such existing posts, hospitals, cemeteries, and other facilities for the Army and the Navy as now exist shall not be permitted to fall into disrepair, and that those which have fallen into a state of disrepair shall be repaired or reconstructed.

If it be the judgment of Senators who are members of the Military Affairs Committee that the pending amendment, as proposed to be amended by the Senator from Utah [Mr. THOMAS], will permit the War Department to prevent buildings at Army posts and other places from falling into disrepair, and will, as the Senator from Missouri says, permit a reconstruction of facilities that have fallen into complete disrepair, then I am content.

I wish again to assure the Senate that I have no purpose, by any direction or indirection, in the instance of this particular amendment, to increase the Army. I think it would be unfair and disingenuous to attempt it by this method; but I realize, as I think all those who have observed conditions closely realize, the need of housing our soldiers and marines in buildings which at least are habitable.

I ask the Chairman of the Senate Committee on Military Affairs or some member of the Military Affairs Committee if the opinion is entertained that the amendment as now proposed would be eligible to carry out the purposes I have suggested.

Mr. COPELAND and Mr. BARKLEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Arizona yield and, if so, to whom?

Mr. ASHURST. I think the Senator from New York rose first, and I yield to him.

Mr. COPELAND. Mr. President, may I ask the Senator if I am correct in understanding that one of the purposes of this amendment is to enlarge the cemeteries?

Mr. ASHURST. No; I do not think that is one of the purposes, although I did not understand the Senator's question entirely.

Mr. COPELAND. I said that, as I understand the Senator, one of the purposes is to enlarge the cemeteries. I merely wanted to suggest that all our cemeteries, military and civil, will need to be enlarged in order to accommodate those who will die from starvation unless we shall pass a human-relief bill pretty soon.

Mr. ASHURST. The Senator from New York being more familiar with cemeteries than I am [laughter], I am not able to discuss that question with him.

Mr. LEWIS. Mr. President, may I be pardoned for saying that at least it is a grave subject. [Laughter.]

Mr. THOMAS of Utah. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Utah?

Mr. ASHURST. I yield, of course, to the Senator who is the proponent of the amendment.

Mr. THOMAS of Utah. I presume the Senator expects an answer to his question?

Mr. ASHURST. I shall be quite content with any suggestion made by the junior Senator from Utah. I think his purpose is what most of us have in mind.

Mr. THOMAS of Utah. I think, Mr. President, a mere reading of that portion of the amendment which has to do with improvements will answer the question. I will read it, as follows:

But this proviso shall not be construed to prevent the use of such appropriation for improvements in military or naval reservations, posts, forts, camps, cemeteries, or fortified areas, or for other projects for nonmilitary or non-naval purposes in such places.

Mr. CLARK and Mr. BARKLEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Arizona yield, and, if so, to whom?

Mr. ASHURST. I yield first to the Senator from Missouri.

Mr. CLARK. Mr. President, I have no desire to preclude the Senator from Kentucky, but as to the point made by the Senator from Utah I wish to ask him if he has any doubt, referring to what the Senator from Arizona [Mr. HAYDEN] said awhile ago, that under the terms of his amendment it will be possible to provide new construction as well as to repair existing buildings on Army and Navy reservations?

Mr. THOMAS of Utah. It would depend on the construction of the meaning of the word "improvements."

Mr. CLARK. The Senator from Utah will necessarily agree that, while there may have been some opinion of some sort by the Comptroller General at some time that may be at variance with the commonly accepted legal interpretation of that term, it seems to me to be perfectly clear that the authority to improve would include the authority to construct new buildings, if necessary, if they were improvements to existing facilities.

Mr. HAYDEN. Mr. President——

The PRESIDING OFFICER. Does the senior Senator from Arizona yield to his colleague?

Mr. ASHURST. I yield to my colleague.

Mr. HAYDEN. Perhaps the conclusion I stated was hasty. I heard the amendment read, and I took it that the word "improvements" would not include the construction of new buildings. I am inclined to agree with the Senator from Missouri [Mr. CLARK] that the erection at an Army post of a new building would necessarily of course be an improvement. With that understanding, I have no objection to the amendment.

Mr. BARKLEY. Mr. President, will the Senator from Arizona yield to me there?

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Kentucky?

Mr. ASHURST. I yield the floor.

Mr. BARKLEY. Does the phrase "or for other nonmilitary"—I have forgotten the exact language and will inquire of the Senator from Utah what is the reference to nonmilitary activities?

Mr. THOMAS of Utah. The amendment reads:

Or for other projects for nonmilitary or nonnaval purposes in such places.

Mr. BARKLEY. The Senator uses the word "other." I am wondering whether that language would relate back to "improvements", so that it would offer an opportunity for confusion in the interpretation of the language in a situation such as this: I have in mind a military post which during the war was a cantonment where large numbers of soldiers were assembled and housed in temporary wooden buildings. Since the war that cantonment has been converted into a permanent Army post, one of the largest in the United States, and they are now in process of substituting permanent brick buildings and barracks for the old, temporary, wooden structures which were erected during the World War. Would the use of the words "nonmilitary or nonnaval" so confuse the interpretation of the Senator's amendment that someone could say that any building erected at a post for the housing of men in uniform is, of course, a military or naval improvement? Is there some other language the Senator could use there, rather than "nonmilitary or nonnaval" as applied to improvements which are in progress at military and naval posts, which would give a clearer understanding of what the Senator means?

Mr. THOMAS of Utah. I think, Mr. President, there would be no confusion at all if there should be kept in mind the first part of the amendment, because the contrast is definitely made between "improvements" and those things which can be decidedly defined as munitions or battleships or guns or other articles which have to do with actual fighting instruments connected with the military.

Mr. BARKLEY. Yet some legal technician might take the position that any improvement, any structure, any building on a military reservation or Army camp involves a military use of the money.

Mr. THOMAS of Utah. It is for that purpose that this amendment is offered as a substitute to circumvent the legal technicians or whatever they may be called. I think the Senator will find, if he will read the amendment carefully, that, instead of being confusing, actually it will make it impossible for anyone to misjudge the difference between a military and nonmilitary function.

Mr. CLARK. Mr. President, I ask unanimous consent, out of order, to insert in the RECORD at this point an article from today's edition of the New York Times with reference to the increase of the French naval building program, assigning as a reason for it the naval policy of the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

The article referred to is as follows:

[From the New York Times, Mar. 13, 1935]

FRENCH BILL CALLS FOR BIG WARSHIPS TO RIVAL VESSELS OF ITALY AND REICH—PROVIDES ONE 35,000-TON CRAFT IS TO BE BUILT NOW AND ANOTHER WHEN TREATIES PERMIT—CABINET SHAPES THE TWO-YEAR ARMY SERVICE SCHEME—SOCIALISTS ARRANGE PROTEST MEETINGS

PARIS, March 12.—A bill submitted to the Chamber of Deputies today by Francois Pietri, Minister of Marine, provides for the construction of two 35,000-ton battleships. One such vessel is to be laid down immediately, together with two destroyers, but the measure stipulates that the Minister of Marine may make all arrangements for construction of a second 35,000-ton vessel as soon as international treaties permit.

The object of framing the bill this way is to achieve both economy and speed. A considerable saving in contracts can be effected if it is known in advance that two sister ships are to be constructed. Moreover, if all the preliminary arrangements have been foreseen the second ship can be assembled much more rapidly than the first ship, once the treaty restrictions have been lifted

The fact that France is preparing to go forward with these two ships as speedily as possible indicates a general belief here that the Washington limitation treaty will be dead in 1936 and that there is no chance of its being renewed.

There has been some discussion here of the advisability of constructing such heavy ships, but in view of Germany's pocket battleships and Italy's laying down of 35,000-ton cruisers the French argue that it is other nations that took the lead and that France has been forced into building up to the limit to keep pace.

French writers are inclined to blame the United States for the size selected because, they contend, it was the wish of the United States to fix the limit at 35,000 tons, although France consistently favored a lower figure.

"The figure of 35,000 tons was agreed upon at Washington", says the paper Capital, "because it was the maximum size ship able to go through the Panama Canal and because it accorded with the then existing big units of the American fleet. At the present time a 30,000-ton ship is required to provide us with guns equal in strength to those we would encounter from other nations."

"It became necessary for us to build a big ship the moment Italy decided to put down the *Vittorio Veneto* and the *Littorio*", declares the Journal. "They cannot accuse France of taking the lead—she is only replying to the action of others."

ARMY PLAN COMPLETED

The Cabinet completed today its plans for lengthening the military-service term, making clear that the 2 years' military service was intended to apply only to the "lean years" between now and 1939, when youths born during the war will be called to the colors.

In full agreement with his ministers, Premier Pierre-Etienne Flandin will make a detailed statement on the subject to the

Chamber on Friday and explain that this extension of the military term is to be only provisional. By applying article XL of the present law, the Minister of War will be able to extend the service period of recruits called up in April of this year to 18 months instead of a year. Thereafter until 1939 the service period will be extended to 2 years if the Government's proposals obtain the approval of Parliament.

By making this measure applicable only to the lean years, M. Flandin makes sure of the support of the radicals of Edouard Herriot's party, although the question is still being debated within the party and certain objections are being raised on the grounds of political expediency. The Socialists, on the other hand, will oppose the measure and make their own proposals. At a party meeting this morning it was decided to organize 40 protest meetings throughout the country and, following their usual tactics, Leon Blum and his colleagues are demanding that there be a general election on the military-service issue.

On the extreme right there is also considerable opposition to the proposed bill on the ground that it does not go far enough. Its provisional character does not satisfy those who wanted the 2 years' service made permanent.

It is probable that when the vote is taken in Parliament the extreme left and right will combine their votes for entirely different reasons in opposition to the government. Even so, it is to be expected that the bill will be approved before the end of this month, when Parliament will be adjourned.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Utah [Mr. THOMAS] to the amendment reported by the committee.

Mr. LONG. I ask for the yeas and nays.

Mr. McNARY. I inquire what was the declaration of the Chair?

The PRESIDING OFFICER. The Chair stated that the question is on the amendment offered by the Senator from Utah to the amendment reported by the committee.

Mr. McNARY. What occurred to the amendment offered by the Senator from Idaho [Mr. BORAH]?

The PRESIDING OFFICER. The Senator from Idaho withdrew his amendment in favor of the amendment offered by the Senator from Utah.

Mr. McNARY. May we not have the amendment again stated by the clerk?

The PRESIDING OFFICER. The amendment to the amendment will again be stated.

The LEGISLATIVE CLERK. On page 3, line 25, after the word "resolution", it is proposed to insert:

And provided further, That no part of the appropriation made by this joint resolution shall be expended for munitions, warships, or military or naval matériel; but this proviso shall not be construed to prevent the use of such appropriation for improvements in military or naval reservations, posts, forts, camps, cemeteries, or fortified areas, or for other projects for nonmilitary or nonnaval purposes in such places.

Mr. BARKLEY. Mr. President, I desire, if I may have the floor, to offer an amendment to strike out the word "other", because I think the word "other" necessarily would be construed to relate back to the other things mentioned in the first part of the proviso offered by the Senator from Utah as an amendment, and I think the word "other" is not necessary.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Idaho?

Mr. BARKLEY. I should like to offer my amendment first. I move to strike out the word "other" in next to the last line of the amendment of the Senator from Utah.

Mr. GLASS. Mr. President, the Senator from Kentucky made an observation a while ago which he seems to have abandoned. I just cannot comprehend the appropriateness of the words "nonmilitary or nonnaval purposes." Any improvement to a barracks on a military reservation is for military purposes.

Mr. BARKLEY. That is my understanding, and I have not abandoned the observation I made, but I felt it should be corrected if it is possible for any nonmilitary structure of any sort to be erected at a military post. It might be conceivable that there might be erected a Y. M. C. A. hall which might not be military, or there might be erected on some public reservation a monument or marker which would not necessarily or strictly be military.

I repeat the observation which I made in the beginning: That any construction on a military reservation certainly has a military purpose. If we strike out the word "other", I think it would make it impossible to relate the so-called "military" operations back to the language occurring earlier in the amendment.

Mr. THOMAS of Utah. Mr. President, I should be happy to accept the modification, but I should have to ask the Senator from Idaho [Mr. BORAH] if he is willing.

Mr. BORAH. Mr. President, the trouble is that we are dealing with only one copy of the proposed substitute and it is very difficult to follow it. May I have the copy from the clerk's desk a moment? [After examination.] I have no objection to striking out the word "other."

The PRESIDING OFFICER. The Senator from Utah [Mr. THOMAS] has modified his amendment. The question is on the amendment of the Senator from Utah as modified, on which the yeas and nays have been demanded. Is the demand seconded?

The yeas and nays were not ordered.

Mr. LA FOLLETTE. Mr. President, if we cannot have the yeas and nays I suggest the absence of a quorum. It is an important amendment.

Mr. McNARY. Oh, Mr. President, let us have the yeas and nays. I submit the request again.

The PRESIDING OFFICER. Is the demand seconded?

The yeas and nays were ordered.

Mr. LA FOLLETTE. I withdraw the suggestion of the absence of a quorum.

The legislative clerk called the roll.

Mr. LEWIS. I again announce the absence of the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Louisiana [Mr. OVERTON] occasioned by illness.

I also announce that the Senator from New York [Mr. WAGNER], the Senator from Georgia [Mr. GEORGE], the Senator from South Carolina [Mr. SMITH], the Senator from Alabama [Mr. BANKHEAD], the Senator from Pennsylvania [Mr. GUFFEY], and the Senator from Washington [Mr. BONE] are detained on important departmental business.

Mr. AUSTIN. I wish to announce that the Senator from New Hampshire [Mr. KEYES] and the Senator from South Dakota [Mr. NORBECK] are detained on official business.

I also wish to announce that the Senator from Delaware [Mr. HASTINGS] and the Senator from Maine [Mr. WHITE] are necessarily absent; and that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness.

Mr. LOGAN. I have a pair with the senior Senator from Pennsylvania [Mr. DAVIS], who is absent. I transfer that pair to the junior Senator from Alabama [Mr. BANKHEAD] and vote "yea."

The result was announced—yeas 71, nays 11, as follows:

YEAS—71

Adams	Connally	Lewis	Pope
Ashurst	Coolidge	Logan	Radcliffe
Austin	Costigan	Lonergan	Reynolds
Bachman	Couzens	Long	Robinson
Bailey	Cutting	McAdoo	Russell
Barbour	Dickinson	McCarran	Schall
Barkley	Dieterich	McGill	Schwellenbach
Black	Donahey	McKellar	Sheppard
Borah	Duffy	Maloney	Shipstead
Brown	Frazier	Minton	Thomas, Okla.
Bulkley	Gibson	Moore	Thomas, Utah
Bulow	Glass	Murphy	Townsend
Burke	Gore	Murray	Truman
Byrd	Harrison	Neely	Vandenberg
Byrnes	Hatch	Norris	Van Nuys
Capper	Hayden	Nye	Walsh
Carey	King	O'Mahoney	Wheeler
Clark	La Follette	Pittman	

NAYS—11

Bilbo	Gerry	McNary	Trammell
Copeland	Hale	Metcalf	Tydings
Fletcher	Johnson	Steiwer	

NOT VOTING—13

Bankhead	George	Keyes	Smith
Bone	Guffey	Norbeck	Wagner
Caraway	Hastings	Overton	White
Davis			

So the amendment of Mr. THOMAS of Utah to the committee amendment was agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee, as amended.

Mr. SCHALL. Mr. President, the Senator from Virginia [Mr. GLASS], Chairman of the Committee on Appropriations, in his report on House Joint Resolution 117, before the recess on Friday, March 8, brought in a new provision in which the $4,000,000,000 in one sum, subject to the allocation of the Executive, was distributed substantially as follows:

Highways and kindred projects	$800,000,000
Rural rehabilitation and relief	500,000,000
Rural electrification	100,000,000
Housing	450,000,000
Projects for professional and clerical persons	300,000,000
Civilian Conservation Corps	600,000,000
State and municipal public projects	900,000,000
Miscellaneous projects	350,000,000
Total	4,000,000,000

The committee reported further:

Provided further, That not to exceed 20 percent of the amount herein appropriated may be used by the President to increase any one or more of the foregoing limitations if he finds it necessary to do so in order to effectuate the purpose of this joint resolution. (CONGRESSIONAL RECORD, p. 3216.)

The Senator from Idaho [Mr. BORAH], interrogating the Senator from Virginia [Mr. GLASS], asked the following question:

That means 20 percent of the $4,000,000,000?

Mr. GLASS. Twenty percent of the total.

Mr. BORAH. Then he [the President] could add $800,000,000 to any one of these items?

Mr. GLASS. He could; yes.

Mr. BORAH. If I may ask a further question, am I to understand that under the terms of the joint resolution the President could not use any of this money for objects other than those specified in the joint resolution?

Mr. GLASS. The Senator will note that under the designation of "miscellaneous projects" he could use $350,000,000 and the $800,000,000 that may be transferred.

Thus for "miscellaneous projects", as interpreted by the chairman of the committee in charge of the joint resolution, the President could use over $1,000,000,000. Query: Would "miscellaneous projects" include those projects for Government ownership and operation of industrial, commercial, transportation, utility, and financial enterprises incorporated by members of the Cabinet and bureau chiefs during the past 18 months, under the corporation laws of Delaware and other States, in which the temporary "emergency" powers of alphabetical bureaus are given "perpetual existence" and unlimited expansion in socialistic enterprise?

The Senator from Michigan [Mr. COUZENS] called attention to a further item of uncertain import, which appears to fit the status of Cabinet members and bureau heads acting as members of the board for the six Delaware corporations over which these officials have chartered themselves to preside:

Mr. COUZENS. I call the attention of the Senator from Idaho to the language "projects for professional and clerical persons, $300,000,000", which does not indicate at all what the money is to be used for. It may be used on any undertaking which would employ professional or clerical persons.

Under the light of this interpretation, "projects for professional and clerical persons" would fit the case of Secretaries Wallace and Morgenthau, who, on October 16, 1933, incorporated in Delaware under a charter of "perpetual existence" the Commodity Credit Corporation, which has charter powers to acquire and operate physical facilities—

For the handling, carrying, processing, manufacturing, storing, preparing for market, and marketing agricultural and/or other commodities and/or products thereof.

This Delaware corporation, manned by a board of Federal professional and clerical persons", is also chartered to open offices in any State "or colonies of the United States and in any or all foreign countries."

In addition to the $300,000,000 for "projects for professional and clerical persons", the President has the power under the proviso, as interpreted, to add $800,000,000, making a total of $1,100,000,000 for this socialistic "bold experiment" here and abroad.

Secretary Wallace, who holds the offices of Secretary of Agriculture, director in chief of the A. A. A., and chairman of the board for the Delaware corporation, would have here the foundation for all his boundless dreams. He could open an office in Canada, from which we are now importing wheat and feed to make good the destruction of crops by the drought and the A. A. A. He could open an office in Argentina for his professional and clerical staff to superintend the present importations of corn to make good the destruction of the corn crop by the A. A. A. He could also install his clerical aids abroad to bring back the 6,000,000 pigs killed by the A. A. A. for fertilizer last year, and now needed to keep in operation the scores of slaughterhouses that are closing down for lack of hogs.

This Wallace-Morgenthau-Johnston holding company, incorporated in Delaware by direction of the President, likewise has the charter powers to go into the slaughterhouse business to take the place of the packing houses closed by the pig slaughter of the A. A. A., operate mills and elevators that stopped due to the wheat program of the A. A. A., and operate cotton gins and cotton mills to take the place of those which were closed by plowing under 11,000,000 acres of cotton.

Under the two items pointed out by the Senator from Virginia and by the Senator from Michigan, and the proviso cited by the Senator from Idaho, as interpreted by the Chairman of the Committee on Appropriations, this joint resolution gives the President ample authority to go ahead with his six Delaware socialistic corporations by financing them to the following aggregate amounts:

"Miscellaneous projects", $350,000,000 plus $800,000,000—total, $1,150,000,000.

"Projects for professional and clerical persons", $300,000,000 plus $800,000,000—total, $1,100,000,000.

Aggregate for above two items, subject to allocation by the Executive for work relief under Delaware charters for socialistic industry, $2,250,000,000.

Secretary Wallace would be chairman of the board for one Delaware socialistic enterprise, and a member of a second board.

Secretary Ickes would be the biggest figure of all by holding down the chairmanship of three Delaware holding companies.

F. E. R. A. Administrator Hopkins would hold the proud position of chairman of the board over two Cabinet officials, Secretaries Ickes and Wallace, who hold the subordinate office of associates.

Secretary Morgenthau, of the Treasury, is a member of one Delaware corporation board, and doubtless ex-officio treasurer of all.

The six Delaware corporations together, including that which also holds a Tennessee charter, have all the powers over manufacturing, mines, transportation, utilities, power plants, trade, and finance that are exercised by the Soviet Executive Council in Moscow.

Congress would seem to have due notice of the intent of the President and his bureaucrats when he authorized his appointees to file charters of "perpetual existence" in Delaware. Can we escape responsibility, when in sight of the herd we "let down the bars to the cornfield"?

What would happen to a hired man on a farm if he should offer the alibi: "Yes; I opened the corn-crib door, but I did not suppose Farley's hogs would take advantage of it. I though they were only fooling when they squealed in that way"?

What will happen to Members of the Senate when they report back to the home States, to their manufacturers and merchants, to their wage earners and taxpayers: "Yes; we voted to open the Treasury doors to the amount of $2,250,000,000 to be invested in Delaware socialistic experiments in all kinds of industrial and commercial projects 'without restriction or limit as to amount'—as those Delaware charters read—but we did not suppose that Wallace, Ickes, Hopkins, Morgenthau, and the rest of the Federal bureaucrats would do the fool things they proposed to do in those soviet charters"?

What will happen? What would happen to any agent or representative who betrayed his trust? The people of our

States will say to us: "You know full well the powers and duties we gave you in article I of the Constitution, which you swore to uphold in order to get your office. You took that trust and drew your salaries. You were given full powers over our purse strings. That was the chief of your public duties. You betrayed us. You gave our hard-earned savings, collected into the Treasury as public revenue, to a so-called 'brain trust' of playboys to do with as they pleased—such as building socialistic air castles, cardboard houses of the Moscow pattern, imitation soviet towers in Delaware. In short, you violated your oaths of office. You squandered our revenue to build up socialistic competition to undermine and destroy the very industries which paid the taxes. Therefore, begone from our sight! We never knew you!"

That is the issue which today confronts us in our deliberations on House Joint Resolution 117, when we look over the items in this $4,000,000,000 appropriation subject to the allocation of the Executive.

The only difference between the present committee report and the original one is the interjection of a few sugared phrases to make the pill more attractive. It is the same medicine with a sugar coating. There is the same Executive allocation and abdication of the powers of Congress. It is an alibi framed in advance, and constitutes an advance admission of premeditated crime.

Mr. LONG. Mr. President, I send to the desk an amendment to the committee amendment which I ask to have stated.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The CHIEF CLERK. In the committee amendment, on page 3, line 17, it is proposed to strike out "$600,000,000" and insert "$300,000,000."

On page 3, line 17, it is proposed to strike out the semicolon and insert the following:

For colleges and universities, to be used to advance money to students in need of and desiring financial assistance so that such students may pay such costs and living expenses necessary for pursuing study at such colleges or universities.

Mr. LONG. Mr. President, I trust my amendment is understood. The amendment takes the item of $600,000,000 and divides it. It does not raise the amount. It takes the Civilian Conservation Corps money, $600,000,000, leaves $300,000,000 for the Civilian Conservation Corps, and allots $300,000,000 for the colleges and universities of the United States, to help students who, by reason of financial conditions, are now unable to pursue their studies, to complete their courses.

This is a matter of economy as well as a matter of relief. As I said yesterday, it will cost the Government about one-half as much to pay the tuition and living costs of these students as it will cost to keep the same number of students in the Civilian Conservation Corps camps. As was said yesterday, we have a number of that kind.

Now, Mr. President, I wish to break away from my legitimate argument on that line to make a very cogent observation.

We have had a rule or a courtesy understanding in the Senate, which I understand has prevailed here as long as there has been a Congress, that protection would always be given to any Member of the Senate who, by reason of illness, could not be here to vote.

In other words, when any Senator by reason of some indisposition is unable to be here to vote on an important measure we have always arranged to give him a pair. That rule has been somewhat relaxed for some reason lately—I hope not permanently, because it would destroy a lot of the good faith upon which we have operated here—always assured that the vote of the Senate was a vote of 96 Members of the Senate instead of a vote of 95.

I am satisfied that there are those of us who could stay here until someone else became indisposed. In other words, this would be a physical contest rather than a contest on whether a measure before us was right or wrong. If we provide that only the men who remain hale and hearty may vote, then those of us who are able to stand up the longest will decide all questions. I would be here, probably, with the last ones who would be here under such an arrangement. [Laughter in the galleries.]

The VICE PRESIDENT. The Senator from Louisiana will suspend. The Chair understands that the Sergeant at Arms of the Senate has delivered to each guest of the Senate in the galleries a card or slip on which attention is called to the rules of the Senate. That has been done under the instructions of the Chair in the hope that our guests will heed the rules of the Senate. This is not a vaudeville show, and if our guests do not heed the rule and cannot refrain from laughter and manifestations of glee over the proceedings of the Senate the Chair will order the galleries cleared.

Mr. LONG. Mr. President, there are 96 Members of the Senate, whether they can all be present in the Senate or not. They necessarily must attend to other business of the Government, and there is no one in the United States with intelligence enough to vote for a United States Senator who does not understand that a paired vote is the same as a vote that has been cast.

I do not know of a Member of the Senate who has never paired his vote. There may be some few exceptions, but practically all of us have been paired on important votes for and against bills, for the reason that naturally all of us cannot remain hale and hearty all the time.

I should not like to be one to begin to break the rule making pairs in the United States Senate possible, because I would probably be the first one to feel the effect, when some occasion arose when I could not be here to cast my ballot by reason of other business to which I am required to attend, legitimately connected with my work as a United States Senator.

Two of my friends in this body, one my colleague from my own State, and one a Senator from an adjoining State, do not find it convenient to be here today, and perhaps will not tomorrow. I understand that if they have to be here they can be here. They will wish to vote on an important point that is to be considered by the Senate.

I have tried in every way I can, as has the pair clerk, and their secretaries have tried, to arrange for pairs for these two colleagues in this body who are physically indisposed, who are in this city, and desire to register their votes on a question which will come before the Senate.

The Senators to whom I refer have accommodated many Members of this body when they were hale and hearty. I refer to my colleague from Louisiana [Mr. OVERTON] and the junior Senator from Arkansas [Mrs. CARAWAY]. Time after time have both of these Senators accommodated hale and hearty Members of this body who could not be here to vote. Time after time has the little lady Senator risen in her place on behalf of someone on this side of the Chamber, and at times someone on the other side of the Chamber, and announced a pair, in order that she might accommodate some Senator who was physically indisposed, or who had to be absent on some business. The same thing has been true of my colleague, the junior Senator from Louisiana [Mr. OVERTON]. Time after time has he announced a pair.

However, when it comes to where there is a difference of only 1 or 2 votes, are we to have all that has been good of a rule which has been followed here thrown into the ash can, and have somebody say, "Oh, no; let us win in the hospital; let us have a hospital vote." Is that what we are to do here? If so, if that is to be the rule, then I wish to say that I am perfectly capable of standing here until several on this side get sick and will not be here to vote. I can absolutely assure Senators that if this is to be a physical endurance test, and they are by a sudden change to beat labor and the workingman because two of our colleagues are sick, there are plenty of us here to see that we are protected in that kind of a situation.

I appeal to this intelligent, discreet, courteous body of United States Senators on behalf of two of my colleagues who have been elected by very large majorities by their people to vote their sentiments in this body; I appeal to my colleagues not to undertake to take advantage of a situ-

ation which has operated to their advantage by reason of the solicitude which the junior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON] have often shown toward them.

I do not call any names, I do not designate any Senators, but if Senators will search back through the records, Mr. President, they will find that at least 33 to 50 percent of the Members of this body have at one time after another been paired either with the junior Senator from Arkansas or the junior Senator from Louisiana since I have been a Member of the Senate.

Mr. President, I understand that the signals are out against any pair for these two Members of this body, and I have tried in every way that I could to secure for them the accommodations and the courtesies which have always been granted to all of us in the Senate.

I am going to appeal to the Members of this body that they not delay the pending joint resolution. Let us not delay the consideration of this measure. Let us expedite its consideration and its passage. Let us hurry it along as fast as we can, and we can do that by not varying what has been customary in this body. We can do that if we do not try to bar our colleagues from having pairs.

One Member of this body will be called to a department, or he will be called to a hearing, and always it has been possible for him to step up to the pair clerk and ask him to arrange for a pair in order that he may attend to some other business of the country. It has always been the same when one was indisposed, or was called out of the District by reason of some other business to which he must give his attention, which, of course, required that he be absent when the roll was called here.

This is what I want to ask of my party leaders on both sides of the Chamber, of *our* party leaders on both sides of the Chamber, because I recognize them both, and I follow both the party leaders. I follow the Republican leader part of the time, and I follow the Democratic leader part of the time, when either one of them is right, and when neither is right, of course, I cannot follow either one. Only when they are together do I fail to follow one or the other of them; and that was the case yesterday. That is the only certain way I have of knowing that I might be more right than both of them put together; that is, when both party leaders agree.

However, there is no question that we have all agreed in the matter of senatorial courtesy. It has been granted to me, it has been granted to my friend the Senator from Illinois, it has been granted to my friend the Senator from Oregon, it has been granted to my friend the senior Senator from Arkansas. It has been granted to nearly every man in this body time and time again. Time and time again in order that we may take care of the business of our constituents, we have to take advantage of the rule which permits us to have pairs, and to be voted whether we actually attend the roll call or not.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. THOMAS of Oklahoma. May I inquire what has happened that is the basis for the alleged charge that Senators cannot obtain pairs?

Mr. LONG. That is what I am trying to find out. Something has happened. I do not know what has happened. I cannot find out what could have happened. It is a rather unusual thing. But I can assure the Senator from Oklahoma that at the end of 2 days' vigilant effort I am unable to get a pair for either the junior Senator from Louisiana or the junior Senator from Arkansas, who happen to be indisposed at this time.

Mr. THOMAS of Oklahoma. Mr. President, may I inquire whether the Senator has asked Senators for pairs for the two Senators he has in mind?

Mr. LONG. Yes; I answer that I have. I have asked for pairs. I have been to nearly everyone in this Chamber where I thought it would do any good, including the party leaders; and I want to say that some Senators have helped me, and say they can do no more.

Mr. THOMAS of Oklahoma. I might suggest that the Senator has not contacted me about the matter.

Mr. LONG. The trouble is the Senator is on our side in this question. That is our trouble.

Mr. THOMAS of Oklahoma. Mr. President, on a former occasion when the so-called "McCarran amendment" was before the Senate, I found that I had an engagement at one of the departments in company with some Representatives from my State. I left a request at the proper place that a pair be secured for me on the McCarran amendment. I desired to vote for the amendment. Of course, I advised the proper official that if a pair could not be secured a statement should be made for the RECORD that if present I would vote for the amendment. Apparently no one was willing to join in the pair, but the RECORD did state that had I been present I would have voted for the amendment.

I myself made no effort to secure a pair. I never have done so, because on former occasions when I made such requests I was uniformly accommodated. I wondered whether there was any sort of organization or influence which was operating against having any pairs upon any of the votes on the pending joint resolution? I have not heard of it, Mr. President. I was anxious to know whether the Senator from Louisiana had.

Mr. LONG. I am merely trying now to have disclosed what is behind it. That is what I am trying to find out. I cannot answer the Senator from Oklahoma, because I am searching my own conscience for the answer to the very question he is asking.

What has happened in this body that these two respectable and honorable Members, who have always accommodated their colleagues, now find themselves unaccommodated when they have requested pairs, by reason of the same condition prevailing with them which prevailed with other Senators when they asked for pairs? Who has changed the custom which has existed in the Senate since 1787 or 1789, whichever year it was that the Senate first went into session? Who has changed this custom? Why has the change been made? Is it because of the difference of one vote that anyone outside the Senate would be willing to win by reason of the hospitals declining to yield up two distinguished Members of this body? Is it a fight of physical endurance? Is that the way the rights of labor are adjudicated here, in the highest legislative body in the world? Is that what we are going on? In one breath we are denounced if we delay a vote, and then again it is all right; they are given a ukase to take advantage of the inability of two Members of this body to come here at the time the roll must be called. That is what we are up against.

How can that situation appeal to the hearts of those on this side of the Chamber who are in the leadership of the affairs of the Nation just now? I not only appeal to Senators of good sportsmanship, but I appeal to the spirit of courtesy in the Senate, which has assured the United States that at all times 96 Members of this body were voting the will of the people, and that chance did not control the settlement of important affairs. It has always meant that two votes from every State should be given the opportunity to be registered in this body. It has always meant that a decision for one side or the other did not rest upon some accident or some hazard or some momentary advantage or disadvantage in a physical respect. That has always been the case.

I call on any Member of this body to say that he has sat here for as long a period as 3 or 4 years, or even 2 years, and has not made a pair. I should like to see the Member who has not done it. If a search of the RECORD is made, it will be found that we have all done it. Time after time I have walked back to my colleague, or he has walked up to me, and said, "How are you going to vote?" I would say, "I have a pair with Senator So-and-so", or he would say to me, "I have a pair with Senator So-and-so", and we considered that his vote was cast; the only difference being that it enabled the Senator, whose duties are not confined

to casting his vote on the floor of the Senate, to perform other functions which he necessarily had to discharge.

Every Senator knows that his duties now comprise manifold things besides representing his constituents on the floor of the Senate. He has to go from department to department. In many instances he is a research clerk. He has to spend hours of toil looking into records and into statistics, looking into various things necessary for him to study in order that he may be able to formulate an opinion and formulate legislation to present to this body. By reason of the fact that he is assured that whatsoever may be happening here, his temporary absence will not affect his vote, the Senate has been able to operate more efficiently than it otherwise could have done. No one had to delay the proceedings, because every vote was protected.

That situation has now changed, for some reason. Now it is all changed. The right of the workingman is in contest—the right of the workingman to be protected against the imposition of a lower wage than the one he has now, which is too low. The right of the laboring man is in jeopardy. The living wage in this country today is about double the prevailing wage. I hope Senators understand me. The prevailing wage of America is only about one-half the living wage of America. The prevailing wage is about 50 percent of what it ought to be at the lowest.

Now, the rights of that laborer—the man who has lived by the sweat of his brow, the fruits of whose labor have been stolen from him as earnings taken by others—are in jeopardy. He wants his rights represented. He not only has to fight those ordinarily opposed to him but he has the power of prospect and promise thrown into the scales against him, and he must fight against that. He has to fight the lure of chance and of prospect, and it is an uphill battle. With all this against him, it so happens that momentarily two of his friends are in the hospital or are confined to their homes by reason of illness at this time; and then, all of a sudden, even the precedents which have been observed in the Senate for 150 years are suddenly to be changed to be used against the laboring man.

That is an abnormal situation. That is a matter of importance to this body. Senators who desire to expedite the passage of the joint resolution would see to it that such discourtesy does not happen in this body. They would remember what has happened in the past, and they would say, "I have been the gainer because of the existence of this rule. I have been protected by this age-old rule. I will not be one to try to take advantage of a situation and set aside the rule which has afforded me protection in the past."

I will leave that point now, Mr. President. I have presented it as best I understand it. I will leave that point right now, and I am going to appeal to the distinguished Senators here to think it over. They may not want to think it over right now. They may want to wait and sleep over it tonight. I am asking Senators, however, to think this matter over a little, and see whether or not they are now ready to cast aside a rule or a practice or a courtesy which has prevailed in the Senate this long and which has gained so much for all of us in the past.

I now come back to my amendment, which is on page 3, line 17. Down in my section of the country in Louisiana, close to where I was born and reared, they put up one of these Civilian Conservation camps. They built nine bungalows there for the men to live in. They built nine 5-room or 6-room houses, fine bungalows, with water and with heat, and lighted. They were fine bungalows for a Civilian Conservation Corps. They had not any more than got the houses built there on Black Creek in Louisiana—and I shall be glad to give Senators the exact location of this place if some of them should desire it—they had just about gotten those houses up and planted the saplings around them when they decided that they would discontinue that camp; so they moved off the land, and left the houses standing there, and gave these nine splendid homes to the man on whose land they stood, to be disposed of in any way he desired; and he very promptly tore down the houses and put up a lumberyard to sell the lumber which had been left. That is an absolute waste of the Government's money, an absolute distortion of anything which tends to good management or good practice.

That, Mr. President, is not more than happens in some other places. Perhaps some Senators may be loath to take all I have said to be 100 percent exact, and if they do I shall be only too glad to give them the names, the dates, the addresses, and locations of what I have mentioned here. I want to avoid such occurrences. The one I have just described cost the Government probably about $250 a month for every man they had down there.

Here is what I propose: Instead of enlarging the C. C. C. we ought to reduce it. At least we ought not to enlarge it. So if we want to take care of these young men and more young men and young women to boot, I will give the Senate a better way; and if the Senate will submit it to the young men and the young women who are affected by it there will be 90 of them who will vote for the plan which I suggest where there will be 1 who will vote for the plan suggested in this joint resolution. I will make the assertion to the membership of the Senate that if they go to a Civilian Conservation Corps camp and take a vote of those young men as to whether they would rather be on a college campus or in a State university or in some other university or to be out there among the red bugs and in the Civilian Conservation Corps, it will be found that 10 will vote to go to the university as against 1 voting to stay in the C. C. C. camp. Why should they vote that way? Because in the State university they can have decent associations, the advantages that a university affords, and they can be spending their time learning something. At the university they will be costing the United States $15 a month, whereas at the very lowest in a Civilian Conservation camp they will cost us from $50 a month up—mostly up—as was the case in the camp I spoke of, and the result is mostly a waste.

That is the amendment I am proposing. I do not propose to increase the amount. I propose to take $300,000,000 of this money which is being 95 percent wasted. I propose to take care at the very least of not less than three men where one is now taken care of. I propose to take care of them by putting them in institutions of learning rather than putting them into sapling camps.

When we had before us the reforestation bill I did not feel very favorable to it. I made the statement that in my section of the country I believed I could eat every sapling that came up. I really made the statement that in my opinion all the saplings they would plant could be eaten by a man as fast as he could come to them in a day's time. In my experience a man would have starved to death trying to survive on those saplings for food, because they came up so far apart that no man would have been able to keep his stomach filled while he traveled from one sapling to another that grew where they had been planted by these sapling planters.

We have reforestation in Louisiana, as the Senate probably knows. We have had it for a long time. Students from Yale University were studying reforestation in a Louisiana reforestation camp. Students from Yale were making a study down there long before reforestation was ever described in a Government book. Reforestation is a product of Louisiana. In Washington Parish, La., will be found many places where we have raised second-growth timber. We are operating sawmills down there 8 hours a day on timber that has been grown on the same ground where we had already stripped the ground bare one time. We have practical reforestation. We know something about the business.

When the Government came down there with these sapling camps we wished the young men well. They put a bunch of these young men in a big truck and sent them out in the country and said, "Go ahead and plant saplings." It was almost a laughable matter. It was almost beyond laughing about, too. There they were, put out in the woods planting saplings, when everybody knows or ought to know that it is just as difficult a business to plant saplings as it is to plant cotton. It is more difficult to know how to plant a sapling than it is to know how to plant cotton. It is much

more difficult to plant a sapling and make it grow than it is to plant corn or beets or to plant many other things, and make them grow.

When a carload of young men are taken out of the large cities like Boston, New York, and Philadelphia, and put out in the woods to plant saplings, we might as well have taken those men and put them out in a cotton patch on the theory that they could raise cotton the next day. They did not know anything about it at all. By the time one of them learns anything about it, if he has any sense at all he will get away from those camps, because they are not fit for young men. The young men do not know how to fight the germs. They sit up all night long fighting mosquitoes in some little camp out in the open. They are put out in some improvised camp, fighting the mosquitoes, fighting the bugs, fighting the ticks, and then all of a sudden they are picked up and moved somewhere else.

I should like to have Senators compare the reforesting that has been done by the Federal Government in Louisiana with the reforesting that has been done by the Great Southern Lumber Co. in Louisiana. I will guarantee that the Great Southern Lumber Co. did not spend a dime where the Federal Government has spent a hundred dollars. I will guarantee that the Great Southern Lumber Co. has a thousand trees where the Government has one that will come up and stay after it comes up.

We want to get these young men off the top of the box cars. We want to take them off the streets. We want to take them out of the loafers' camps. We want to take them out of such places and improve them and care for them. The suggestion is made merely to put a sapling tree in their hands and let them plant it. If it costs $50 a month to put a sapling in one of these young men's hands to be planted, would it not be better to spend $15 a month to put a book in his hands so he might prepare himself to do something useful hereafter? If he is going to be put out planting saplings, we should see to it that he is a man who has experience to do what he is sent out to do before he is sent out to do it.

I am not proposing to discontinue the work. I am proposing to do more good. I am proposing to limit the matter to where it is now. I am proposing to use $300,000,000 for sapling camps instead of $600,000,000, and then to use $300,000,000 out of the $600,000,000 for the aid of the colleges and universities of the country; to be loaned to the young men and young women who want to attend the universities but whose fathers and mothers are not able to pay their living expenses and the cost of their tuition. At the universities these young men and young women will be loaned money out of the $300,000,000 to be supplied by the Government. That is being done now to a very limited extent.

Mr. WALSH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Massachusetts?

Mr. LONG. I yield.

Mr. WALSH. How much money does the Senator contemplate will be loaned to these students at the universities and colleges—the entire amount of their tuition and board?

Mr. LONG. I can answer the Senator by saying that this is what is done now and I would not advocate a change: The Government advances about $15 a month per student. That is to apply on his living expenses and on such tuition as he has to pay. The universities are meeting that condition by extending credit to the student so that he actually goes to school for the $15 a month and the university carries the balance. For example, Louisiana State University has 450 young men attending there on Government money today. I would assume that in the Senator's State a great many more students are doing that in some of the larger universities and colleges.

Mr. WALSH. There has been pending before this Congress as there was before the previous Congress, a bill to permit loans to colleges and universities through the Reconstruction Finance Corporation. Does not the Senator think it would be more helpful to the young men to have the colleges prevented from going into insolvency by the granting of such loans than by the method he proposes of helping the universities and colleges and students?

Mr. LONG. My proposal would not interfere with the Reconstruction Finance Corporation loaning money to the colleges and universities. I doubt if the bill to which the Senator refers ever passes, because the politicians do not give much money to colleges. They usually give it out in other ways. It does not aid the politicians or do them much good to give money to colleges.

Mr. WALSH. The bill has been recommended favorably by the committee.

Mr. LONG. That may be, but the politicians do not give money to colleges—and I mean by "politicians", of course, men outside of the Senate! [Laughter.]

Mr. WALSH. May I invite the attention of the Senator to the fact that he does not in his amendment set forth the amount of money to be used for the colleges and universities, namely, $300,000,000. His amendment is so drafted, as I read it, that he reduces the amount available for the C. C. C. from $600,000,000 to $300,000,000, but he designates no amount for the universities and colleges.

Mr. LONG. Yes; I designate $300,000,000.

Mr. WALSH. As I read the Senator's amendment, I believe he is mistaken.

Mr. LONG. Then it was left out; it was a misprint.

Mr. GLASS. The numerals "$300,000,000" should be added at the end of the amendment.

Mr. LONG. Yes. I modify my amendment in line 9, before the period and the quotation marks by inserting a comma and the figures "$300,000,000." This is a misprint of my amendment, or else I made a clerical error in copying it from my desk yesterday. What I propose is to provide $300,000,000 for this purpose.

Let me say to the Senator from Massachusetts that it is the hardest thing in the world to get money for colleges. I know that Washington is no exception in that respect. When I tried to get money for Louisiana State University, I was unable even to get the legislature of the State to see the virtue of submitting constitutional amendments that would get it. The only way in which we ever did get it was to have the highway commission buy buildings that the university was able to abandon. In other words, the university had a large number of very useful buildings and a plot of good ground; and as they moved out of the buildings to new buildings, the highway commission bought their old buildings and other things, and thus enabled the university authorities to make the improvements that the school needed.

Let me show you what that means. Right here in the United States today we have had a decrease in college enrollments up to a year ago, if not now, of from 10 to 15 percent. At a time when this depression was going on, college enrollments—which, prior to that time, had been on the increase—suddenly fell from 10 to 15 percent; but during the same period of time when college enrollments elsewhere in the Nation were going down from 10 to 15 percent, the enrollment in Louisiana State University went up 150 percent.

Why was that? The reason was that Louisiana saw the better side of this matter. Louisiana saw that it was better to put schoolbooks in the hands of those young men and train them in college for a 4-year period than it was to put them out in a sapling camp along the banks of some stream doing nothing. Louisiana tried to build up the fiber of its manhood rather than to have it torn down by encouraging uselessness and idleness. That was the difference; and I make the bold assertion that if the Senate will adopt the amendment I am offering today, instead of the colleges and universities ever having to report a decrease in enrollment, we shall find within the next few months' time the greatest increase in the enrollment in colleges and universities that has ever been known in the history of the United States. That will be the difference; and it can be done at a cost that is about one-third the cost of putting a man in a sapling camp.

I am proposing this educational assistance for the young man who today has a sapling in his hand that will never grow, the chances are, after it leaves his hand. The last

time that sapling will ever be green will be just after he waters it and leaves it. That is the last time it will ever have a green straw on it again if it is a pine, or a green leaf if it is something else. Although that young man is planting saplings today, he does not really know how to plant them. Imagine my friend from Boston, Mass., coming down to Winn Parish, La., to plant a pine tree. He would not know the difference between a pine and an oak. He could not tell the difference between a post oak and a sycamore, let alone the difference between a white oak and a post oak and a pin oak. How many men in this body, if they were down there today, could tell me the difference between a live oak and a pin oak and a post oak and a white oak tree? None of them. None of those who were not raised down in that country know anything about it; and yet these young men are being taken out of Boston and out of Bangor, Maine, where they know something about fish, and sent down into the piny woods of Winn Parish, La., to plant pine saplings! How many pine saplings will they plant?

If the same young man in Maine had been left among his people and among his neighbors and among the schoolboys he knew and among the schoolgirls he knew, and a book had been put in his hand, and he had been sent to college, so that he would be prepared to do something when the time comes in America—if it ever does come—when talent and brains and training can be used, we would have made that man far happier and eminently better off for himself and for the country at one-third the expense involved in sending him down to Louisiana to engage in the business of planting trees. I do not mean that we may not want to go into the tree-planting business, but we have spent more money for these trees than we will ever cut wood out of them. I will guarantee that if we sell lumber at the rate of $200 a thousand feet we will never cut as much lumber out of these trees that are being planted at these sapling camps as it costs to plant them. Now, remember what I am saying.

Mr. GLASS (from his seat). Let us vote.

Mr. LONG. My friend from Virginia says, "Let us vote." I am ready to vote; but how about my colleague from Louisiana [Mr. OVERTON] being allowed to vote now? How about my colleague from Arkansas [Mrs. CARAWAY] being allowed to vote?

I am ready to vote on every amendment in this joint resolution without any further debate, so far as I am concerned, provided the rule that always has been observed here as a matter of courtesy in practice is not abrogated as to my colleagues from Arkansas and Louisiana. I am ready to vote, but I am not going to let you vote on your physical endurance and not let my colleague vote on his. We all get sick sometimes. All of us necessarily have colds and chills and fever and headaches and backaches. All of us, through no fault of our own, occasionally have indispositions of these kinds.

Mr. GLASS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Virginia?

Mr. LONG. I yield.

Mr. GLASS. Is the Senate to understand from what the Senator from Louisiana has just said that he is not going to permit a vote on any of the amendments to the joint resolution until and unless his colleagues are able to secure pairs?

Mr. LONG. No; the Senator from Virginia knows I have not taken that position yet.

Mr. GLASS. I so construed what the Senator said.

Mr. LONG. We have already voted on a number of amendments.

Mr. GLASS. The Senator was so impressive in his advocacy of his amendment that I supposed he would be willing to let us vote.

Mr. LONG. I am glad the Senator from Virginia has asked me the question, because I desire to ask him a question. Is he willing to help us get votes for the Senators from Arkansas and Louisiana on the usual pair arrangement that has always prevailed here?

Mr. GLASS. I will say to the Senator that it is not my business to arrange pairs. I have my own pair with a distinguished Senator on the other side of the Chamber who is in favor of the McCarran amendment. I voted against the McCarran amendment. It is not my business to arrange pairs.

Mr. CUTTING. Mr. President, if the Senator will yield——

Mr. LONG. I yield to the Senator from New Mexico.

Mr. CUTTING. I expect to be present to vote for the McCarran amendment; so, if the Senator from Virginia desires to pair with some other Senator, of course I shall be glad to release him from the pair.

Mr. GLASS. I do not desire to pair with any other Senator. I expect to be here and kill the vote of the Senator from New Mexico on the McCarran amendment.

Mr. LONG. I was hoping that if the Senator from New Mexico would be here that might open up a way to get one of the pairs.

Mr. GLASS. I shall be here, and I am going to be here right along, too. If the Senator from Louisiana threatens us with a physical demonstration, he will find that I shall be right along with him.

Mr. LONG. I am not threatening the Senator with a physical demonstration.

Mr. GLASS. Do not have the misapprehension, because I, myself, have been ill, that I am not prepared to go through with the consideration of this joint resolution at day sessions and night sessions. I want that understood.

Mr. LONG. Has not the Senator from Virginia been paired sometimes when he was sick?

Mr. GLASS. I have been paired ever since I have been in the United States Senate.

Mr. LONG. That is right.

Mr. GLASS. I have been discreet enough to assert my privileges in that respect, and to be paired; and it is not my business to get other Senators paired.

Mr. LONG. That is just what I am asking. The Senator from Virginia and I are not going to argue over the matter. I am his friend, and I am in agreement with him. Quite often has my friend from Virginia been in the same condition that my colleague from Arkansas is in now; and the Senator from Virginia was always given a pair. He himself says so. Now, the lady Senator from Arkansas is in the condition that the Senator from Virginia was in a few months ago. She desires to be paired. That is the size of the matter.

I am not appealing to the prejudices of Senators. I am not making threats against Senators. I am appealing for equality, for courtesy, for the observation of precedents that have always been observed here. I am urging that you shall not now take advantage of the absence of some Senators when in the past they have accorded you the protection they are now entitled to be accorded for themselves. The Senator from Arkansas was always ready to lend you a pair, the Senator from Louisiana was always ready to give you a pair.

Mr. GLASS. Neither of them ever gave me a pair. I always arrange my own pair. I do not look after the pairs of other Senators. And let me say to the Senator that it frequently has happened in my case, as I have no doubt it has frequently happened in the case of every other Senator, that when my session pair and I were going to vote alike on a proposition, I have tried to get a pair with some other Senator who was going to vote on the opposite side, and have failed utterly to do so. That is a matter of frequent occurrence.

Mr. LONG. I only know, as the Senator has said, that we have always been able to arrange for pairs in this body, and in this particular instance we have two distinguished colleagues who want to vote on an important measure, and we know that there is a difference of only 1 or 2 votes on the carrying or on the defeat of this amendment. We know that. Let us be as frank and as honest with one another as we would expect if we were in the condition of my colleague today. It is not practical, if he can possibly help it, for my colleague to come here and vote. He is a Member of the United States Senate. It is not possible for the junior Sen-

ator from Arkansas [Mrs. CARAWAY] to come here and vote, and she is a Member of the United States Senate.

Are you going to win here by 1 vote, when you know that if it were not for the disability of these two Senators you would lose by 1 vote? Would you take that kind of a victory against the workingman in this country today, in that kind of way?

Mr. President, that is the question that comes to us. Would you win from the hand of the fallen laborer the right to have his representation here by reason of the disability of a Senator? That is the point. That is what we have to decide.

Here is your laboring brother, your man in the ranks of toil. Here is your man who is prostrate today. Here he is, even when employed, receiving a wage that we call the prevailing wage, which is only one-half of a living wage. Would you strike from that disabled man the right to have a vote cast in this body along lines that have always been accorded to the other side and to his side up to now?

Members of the Senate will not do that. They will seek a better time, if this precedent is to be broken, to change it. They will seek an occasion when it is not adjudicating the issue of the fallen, the suffering, the starving, the needful citizen of this land who has surrendered to the powers of might and privilege until today even when employed he receives less than the wage upon which he can live in decency.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LONG. I yield to my friend the Senator from Nevada.

Mr. McCARRAN. My knowledge of and my intimate association with the Chairman of the Committee on Appropriations of the Senate, the Senator from Virginia [Mr. GLASS], my regard and my respect for him, will not permit me to hold for even a moment the thought that he would take any advantage whatever. I gained that knowledge by reading of him and about him long before I had the privilege of being a Member of the body of which he is such an ornament. But 2 years of association have given me an even more pronounced and intimate knowledge of his nature, so that I know that he will not force this body into the position of taking a vote without an opportunity for every Member of the body to have a proper pair and a chance to have his vote protected.

Mr. GLASS. Mr. President, the Senator may be assured that I do not want to take advantage of anybody on any of the amendments to the pending measure. The Senator from Nevada knows, as the Senator from Louisiana knows, that we have not now before the Senate the bitterly controverted proposition which they have in mind, and both Senators, I take it, know that we are not to have it before the Senate today. We have before us now a very plain amendment, proposed by the Senator from Louisiana, and I suggest, if the Senator from Louisiana is confident that his amendment may be adopted and that the difference between the affirmative and negative votes will not be just 2 votes, that he let us vote on it.

Mr. President, I am not pressing for the immediate consideration of the so-called "McCarran amendment." I imagine it will lead to prolonged discussion; so that the two ill Senators may either get well, or cross over the river, before we end the discussion.

Mr. LONG. Mr. President, I wish to join with my friend the Senator from Nevada in what he says. What he states is my belief. I know that the Senator from Virginia is one of those characters who, when you ask him anything, will reply in such a way no one will feel for a moment that anything is being insinuated against him. I am one of the persons so new in the practice of diplomacy that I do not know how to approach the Senator from Virginia about such a matter. The fact of the case is that most of the time I really believe the Senator from Virginia might receive my logic if I could disguise my voice and appearance in trying to transmit it from the floor of this body.

Mr. GLASS. Mr. President, I like the Senator's appearance and his voice better than I do his logic.

Mr. LONG. Then the logic must be terribly bad. I know, and I hope, and I pray, and I believe, that I can join the Senator from Nevada in saying that the McCarran amendment is not going to find our two colleagues without the right of expression. I hope they will be here, as the Senator from Virginia says, but I say to the Senator from Virginia that if they are here and anybody on the other side of the question is not here, I will give him my pair in order to see that his vote may be registered on the amendment. In other words, I want to show how honorable we will be about it. If the junior Senator from Louisiana and the junior Senator from Arkansas return to the Senate, and the Senator from Virginia or any of his colleagues on the other side of the fence are not able to be here, I assure them that they will have pairs, and that if it is necessary, I will give them my own, in order that their votes may be properly cast in this body. I will not take advantage, nor would I see the existing rule violated and the usual courtesy disrupted, because, regardless of what effect it might have on the vote on the McCarran amendment, it would do more harm in the future than it would do good for the immediate purposes of the pending joint resolution.

Mr. STEIWER. Mr. President, will the Senator yield to me?

Mr. LONG. I yield.

Mr. STEIWER. If the Senator does not mind an interruption at this point, I merely wish to ask him the basis for providing $300,000,000 for the purposes of the amendment which he is now presenting to the amendment of the committee?

Mr. LONG. I propose to take $300,000,000 from the C. C. C. camps.

Mr. STEIWER. I understand that; but why $300,000,000, rather than some other figure?

Mr. LONG. I have consulted with some of the learned instructors in the large universities of this country, and they assure me that this sum of money would be probably less than a third of what might easily be expended in this direction. The meager $20,000,000 now being provided, I understand, the administration is calculating to discontinue. The institutions have been notified that this sum will not be forthcoming in the future. I was so informed by presidents of State universities.

Mr. STEIWER. If the Senator will permit me, let me say that I have been sympathetic toward the idea of providing some money for worthy, needy young people in order that they might continue their college work, and I regard with approval the program carried forward until recently by which a number of young people were provided with opportunities for pursuing college courses. It occurs to me, however, that it would be easier to secure agreement to the Senator's proposal if the amount were less.

The maximum amount permitted under the committee amendment for the Civilian Conservation Corps is $600,000,000. If $300,000,000 is taken away, as I understand the Senator's proposal, that reduces the maximum to $300,000,000 for the Civilian Conservation Corps.

It may be regarded by some as too small an amount for that Corps, and as more than is absolutely necessary in order to take care of the more worthy cases of young people who ought to be sent to the colleges of the country.

I had hoped that at some time before the vote the Senator might give consideration to the idea of reducing the amount proposed by the Senator in his amendment and increasing correspondingly the amount that might be permitted for the use of the Civilian Conservation Corps.

Mr. LONG. Mr. President, that is what I do propose. I propose to reduce the amount that may be allotted to the Civilian Conservation Corps from $600,000,000 to $300,000,000.

Mr. STEIWER. The Senator does not understand me, I think. What I am suggesting is that the Senator consider reducing the amount to be provided for education from $300,000,000 to some smaller sum.

Mr. LONG. How much?

Mr. STEIWER. I do not have sufficient information to make a good calculation as to that.

Mr. LONG. I can state to the Senator that it is just a question of how much we want to give for education. Education can use every dime of it, and the educational authorities have asked for $600,000,000 at the least. They have asked for that.

Mr. STEIWER. But inasmuch as nothing in the joint resolution is mandatory, the administrative agency would not be required to expend the money for education, even if the Senator's amendment were agreed to.

Mr. LONG. That is right.

Mr. STEIWER. Has it occurred to the Senator that we might be able to secure agreement to his amendment if it were in the figure of $100,000,000 or $200,000,000 and if the Civilian Conservation Corps provision were increased accordingly?

Mr. LONG. That is probably true.

Mr. STEIWER. I shall not insist upon the suggestion, I will say to the Senator, but it occurs to me that it is worthy of consideration.

Mr. LONG. I will say to the Senator that all I want to do is to get all the money I can for this worthy and less expensive purpose.

Mr. STEIWER. It is a worthy purpose.

Mr. GLASS. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. GLASS. I am glad to have impressed at least one Senator, meaning the Senator from Oregon [Mr. STEIWER], with the point I have insisted on over and over again, that we are just wasting time in the discussion of these matters. This provision of the joint resolution is purely suggestive except as to its limitation that none of these amounts may be exceeded. The provision is purely suggestive. Under the terms of the joint resolution the President is not obliged to spend a dollar for any of these purposes, and under its terms he may spend $1,000,000,000 for the education of the youth of the country. So we are just wasting time.

Mr. LONG. Mr. President, that is true of the whole measure. We can strike out the good-roads provision, according to what the Senator from Virginia has said. What is the use of having in the joint resolution $800,000,000 for good roads? Just as the Senator from Virginia has said, the President might spend a billion dollars for good roads without good roads being specifically mentioned in the joint resolution. What is the use of having community projects of $900,000,000 referred to in the joint resolution?

Mr. GLASS. The only use seems to have been to protract the discussion here.

Mr. LONG. That may be the purpose; but inasmuch as we are putting in these less essential things, why not put in some of the more essential ones?

I am not the author of this measure. I desire to say to my friend from Virginia that had I been writing the measure I should have written it differently; and I have no doubt in my mind that if the Senator from Virginia or some of his associates on the committee had done so we would have had a measure which I would have preferred to the one we now have.

I am not the maker of the joint resolution, however. It comes here constructed in this unusual form. It is a different form of legislation than that to which we are accustomed. I could not get by with this kind of legislation in my State. However, this is the only form we can get. I want to get votes for a worthy purpose. I want to get votes for something that will do some good.

I desire to state that this administration has never been harmed as a result of accepting any amendment that I tried to get it to accept. For many, many months I tried to get the administration to incorporate State banks in the bank law. I had a hard time getting the administration to do it, but the administration finally did it. Had it incorporated them in the law the first time I asked the administration to do so, it would have saved itself much trouble.

I was one of the few who tried to get this administration to guarantee bank deposits, and when the Senator from Michigan [Mr. VANDENBERG] finally drafted an amendment which the administration finally accepted, it brought to the administration much of the credit for what little good was done by all its policies, and undid much harm already done. Had the administration accepted that request of mine and that request of the Senator from Michigan on the 15th day of March, instead of away along in the summertime, 95 percent of all the bank trouble in this country never would have happened.

Let me state another little case in point. We could not get the administration to see the Frazier-Lemke law. When I first stood here with the Senator from North Dakota [Mr. FRAZIER] I came in and read the bill, and I heard the speech of the Senator from North Dakota, and I had no more than heard his speech than I knew he was right. I stood here with him day after day when he got only 16 votes the first time, and I stood with him when he finally got about 85 votes. The enactment of that bill has proved to be the best thing the Roosevelt administration has ever done, and the only substantial thing that has been done by this administration to relieve the better class of farmers.

Sometimes we have to be fed through the nose. Quite often patients are fed through the arteries and through the veins and through the nose, but that does not keep them from being nourished. I have been fed that way myself at times. I know it is very hard to percolate into the recesses of reasoning of an administration which has been petted along on the course it wants to follow. It hands out a mud patty pie, and it must be baked just like it is rolled to start with. They will not let you slice it out a little bit so that the heat can affect it better.

Here is a reasonable proposal. If I could get off and talk to the Senator from Virginia about this matter, and he were convinced that he had to take one or the other of these alternatives, there is not any doubt in my mind but that upon proper reflection the Senator from Virginia would say that if we are going to spend this money it would be better to spend $15 a month in universities than $50 a month in a sapling camp. I have not any doubt about that—none at all; not the slightest doubt. I may be far afield, but how would anyone here say differently?

I should like to make this one provision mandatory, as a matter of fact. I started to add something to this language that would have made it semimandatory, but I was afraid it might meet with some objection, so I followed the exact form and manner that had been provided for these other specifications.

Now we have a chance to do some good. It is the only good I see in the joint resolution. I am going to be frank with Senators. It is the only good I see here. I said publicly that I did not see how a Senator could vote for this measure when it first came in here; but if the Senate should adopt the McCarran amendment—and I think it will—if it should adopt that amendment and adopt my amendment, there is a chance of some good being done by this measure—some good; perhaps not much, but some; perhaps not enough to overcome the harm, but perhaps so, and perhaps not.

Here is a chance to do some good. Here is an opportunity to give to about 300,000 young men and young women who want to go to college a chance to go to college. Here is a chance to take them off the streets, to take them out of the ranks of the unemployed. Do not spend $50 when you can do better and do more good for $15. Do not throw money away to build bungalows, to move the men out of the bungalows, and then to tear down the bungalows and offer the lumber for sale. Do not do that kind of wasteful thing. Let us give these young folks a chance to go to school. That is what I want done.

I wish this matter could be presented to the President. I wish the President might hear of it. I wish he might hear of what I am trying to do here today. I wish he could know of this amendment. I cannot believe that it would not appeal to him. I cannot believe that he would not want it.

Mr. President, I will take what I can get. I want to be fair. I have not anything to lose. If it is not desired to give me $300,000,000 for the school boys and girls who want

to go to universities and colleges, I will take $200,000,000. If I cannot get $200,000,000 for them, I will take $150,000,000. I might even chisel that a little bit, if I could get no more. [Laughter.] That is all I want—just what I can get. I should be willing to accept that kind of a modification; and, if it were proposed by the Senator from Virginia and assured of adoption, I would be for it too quick to talk any further about it.

It is a good thing, one good, virtuous thing the Senator from Virginia could do for himself. I should hate to be in the place of my friend the Senator from Virginia. I do not know him as well as I know myself or as well as he knows himself, but there are some times in my life when I turn the looking glass toward the wall when I have gone home at night. In other words, I know my physical make-up. I have had to stand in some lawsuits sometimes when witness after witness would be brought in against me and I was nearly beaten to death, and yet I could not turn and run. It is a terrible feeling. It is one of the worst feelings a man can undergo when suddenly he is involved and enveloped in that way and is about to be punched to death and yet cannot get away.

I sympathize with my friend from Virginia, who has contended for a balanced Budget and who has contended for national security. I sympathize with him in the position he has taken in the past. I sympathize with the position in which he has been placed when he proposed $4,880,000,000 without any revenue whatever to meet it. In all my extravagances in my State——

Mr. GLASS rose.

Mr. LONG. Does the Senator wish me to yield?

Mr. GLASS. I wish the Senator to understand I did not propose it. I reported it by direction of the Appropriations Committee of the Senate.

Mr. LONG. That is the trouble. I understood the Senator did not propose it. I understood the Senator did report it at the suggestion and vote of the Appropriations Committee. That is one great trouble here. That is one great fault here.

In my wildest days of State financing, when I was Governor of my State—and no one ever had more criticism than I had—I never proposed an expenditure without a corresponding revenue. I never went before the legislature of my State in my life and proposed to spend $100 or $1,000,000 unless I had a revenue there to pay the $100 or the $1,000,000 in case they authorized me to spend it. Not only that, but when I started to sell $100,000,000 worth of bonds I had the revenue with which to meet them when they became due. My predecessor had voted $41,000,000 of bonds and had no revenue to pay them. Before I would offer those $41,000,000 of bonds I had a tax voted to bring in the revenue to retire the $41,000,000 of bonds sold by my predecessor.

This is the most peculiar kind of legislation we are now discussing. What is it? We are asked to mortgage the unborn and uneducated generations. We are borrowing from the earnings of the young men and young women of the country. We are not borrowing out of our own earnings. No; we are not taxing ourselves any more, but we are borrowing from the earnings of the young men and young women of the country who have got to pay back this money we are going to spend. That is why I insist on putting a little of it out for them. It is proposed to make these boys and girls grow up and pay off this $5,000,000,000 that is going to be spent. Otherwise there would be a revenue bill here to provide the necessary revenue. Let us give these boys and girls a chance. Do not put the load on the generations that have got to meet the indebtedness we are heaping upon them, at least without preparing them to assume the load.

Mr. TYDINGS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Maryland?

Mr. LONG. Certainly.

Mr. TYDINGS. One reason why I am not going to vote for the joint resolution, may I say to the Senator from Louisiana, is just the reason he has stated, that we are spending money when we do not even have a law laying the taxes necessary to pay the bill. I am opposed to that kind of government.

Mr. LONG. The Senator is absolutely sound. The Senator is absolutely right about that matter. It is a farcical thing not to have the courage to have a revenue bill here to pay what we are going to spend. It is absolutely unsound. This kind of legislation never would meet a responsible financial test anywhere if it did not have the United States Government behind it forcing the banks to take bonds which cannot be sold to the public.

Mr. GLASS. Mr. President, does not the Senator know the Wagner-Costigan antilynching bill has not as yet passed?

Mr. LONG. What has that to do with this matter?

Mr. GLASS. The Senator knows very well that if the Senate were to impose now the taxes necessary to meet the current indebtedness of the United States, all of us would be lynched before we would get back home. [Laughter.]

Mr. LONG. I would not go back home. They would not lynch me. [Laughter.] They would not get a chance to do it.

Mr. President, if what the Senator from Virginia says is so, how much worse is the joint resolution now before us? How much worse is it because the debt next year will be the amount carried in this measure plus 3 or 4 percent, and the following year it will be that much more. How are we going to stop this business? It is proposed to add $5,000,000,000 this year to the $3,000,000,000 appropriated last year. How are we going to stop it next year? How are we going to keep from reaching into the Treasury to get $5,000,000,000 more? How can we keep from reaching right back in there to get $5,000,000,000 more the next year and pile it on top of the debt we are now creating?

I do not even agree with the Senator from Maryland. I think he is wrong about four times out of five. [Laughter.] That has been my way of gaging him. In my opinion, the only man in this body who has been wrong more regularly than has he is the junior Senator from Virginia [Mr. BYRD].

Mr. TYDINGS. Mr. President, I think the Senator's estimate of my voting is very high commendation. [Laughter.]

Mr. LONG. I expect that is so. That is probably so. When I come into this Chamber and hear the junior Senator from Virginia holler "aye", I holler "no." [Laughter.] I never ask another question. I was surprised when I heard the Senator from Maryland [Mr. TYDINGS]. I was wondering if anybody was going to say such a thing on the floor of the Senate.

There has been some talk about Louisiana bonds. A few days ago I heard somebody criticizing Louisiana bonds. I said, "Why are you criticizing them?" He said, "I think you have too many bonds outstanding." I said, "We have no bonds outstanding where we have not the revenue coming in that will take care of the amortization of the bonds and the interest and leave a big surplus. We have not nearly as much of that condition now as we had before we voted the bonds." I said, "Compare Louisiana bonds with United States Government bonds."

The only difference between Louisiana and the Government is that we cannot say to a bank, "Take my bonds, or we will close you up or make conditions so bad you will go out of business." Louisiana bonds are solvent. They have the revenue behind them. Buy a road bond issued by Louisiana and it will be found that as against that road bond we have $2 in revenue coming in for every dollar they have to pay out. Buy a bond on the State capitol of Louisiana and it will be found that we have $5 coming in where we have a dollar to pay out, or thereabouts. Buy any other kind of a Louisiana bond and it will be found that we have more money coming in to pay that bond than we have money going out.

But buy a bond of the United States Government, and what have you back of it? If you did not have back of it the right to sandbag and blackmail the banks of the United States—and I say that charitably—you could not sell a Government bond tomorrow to save your life.

How close are we to ruin? I will tell you what the President of the United States says, and that is good authority. He says that if the McCarran amendment should be adopted,

which would cost, according to their estimate, about another billion dollars, it would break the credit of the United States. According to President Roosevelt, we are only $1,000,000,000 away from national bankruptcy and collapse. He says so. He says that if we adopt the McCarran amendment it will cost another billion dollars, and he says that will absolutely break-down the credit of the United States. Those are his words. They are not mine. That is what he says.

If the President is telling the truth—and I believe he thinks he is—if he is stating the facts about the matter, we are only $1,000,000,000 away from national collapse. That is where we are. Well, gentlemen of the Senate, if that is where we are, we had better pause a minute, because, if I were President of the United States, I should stop a little bit this side of bankruptcy. I should not go that far; and if the money is going to be paid back, who is going to pay it back?

As a result of questions that were asked me, I got into a field of discussion that I really did not intend to cover. I have wanted to say this, and I really have not had the courage to say it. I have really wanted to make these statements, and I do not believe I should have had the courage to make them if it had not just accidentally come about as a matter of circumstances and events; but, now that I have gone as far as I have gone, I desire to complete what I started to say along that line.

Who is going to pay this national debt? Who is going to pay it? I want to know.

Mr. TYDINGS. Mr. President, I shall be glad to try to answer the Senator and give him my opinion, if he thinks it is worth while.

Mr. LONG. I think it is.

Mr. TYDINGS. I think the people of the United States are going to pay all this debt with sweat and toil throughout the years to come; and I desire to point out to the Senator that the charge for interest per year on the national debt today figures about $35 per family. That is just for interest. That does not provide for a sinking fund. That does not provide for the normal activities of the Government, nor for the emergent activities of the Government, which will be with us, in my humble opinion, for many, many years to come.

If the Senator from Louisiana will bear with me a minute further, I do not believe we are going to get out of the depression by continuing the anomalous situation of being at once an exporting and a creditor Nation. Water will not run up hill; and until we adjust our political economy to take care of our new situation resulting from the war we shall have unemployment forever and ever, and we shall have to tax those who have in order to support those who have not.

Mr. LONG. Mr. President, I go a little further than the Senator does. I figure that the debt is a whole lot worse than he figures it. As you have encouraged the Government to go into debt, you have encouraged private industry to go further into debt.

Mr. TYDINGS. I know the Senator does not refer to me individually, because I have not encouraged the Government to go into debt.

Mr. LONG. Oh, no!

Mr. TYDINGS. In fact, I have incurred a great deal of enmity by trying to keep the Government from going into debt.

Mr. LONG. I meant that I go a little further than the Senator does on the line that where you encourage your Government to go into debt a dollar, you correspondingly throw on private circles a debt structure of many times that amount.

As an example, let me show what that has meant.

The Government debt structure is up to around $30,000,000,000, but the municipal debt structure outside of Government bonds is up to somewhere near $20,000,000,000 more. That makes $50,000,000,000 of debts of the Government and the municipalities. Then there is a private debt structure on top of that of around $200,000,000,000. That has been growing with the Government. This Government debt structure has merely been what we used to have in a cotton gin, a mere shaft that turns around a wheel about 10 times its own size; and today the public debt structure is up so high that correspondingly the private debt structure has gone up $200,000,000,000 more. Were not those the figures the Senator from Oklahoma [Mr. THOMAS] read here—something like $200,000,000,000?

Mr. THOMAS of Oklahoma. Mr. President, the best figures I can secure as to the total massed debts that all the people have to pay today are in excess of $250,000,000,000. I might suggest, further, that the best figures I can ascertain are to the effect that all units of Government are today spending $15,000,000,000 a year in taxes. That includes something like $5,000,000,000 to run the United States Government; it includes something like $7,000,000,000 to run the States, counties, and cities; and the balance of the $15,000,000,000 is for expenses that are not raised each year by taxation, the money being raised by bond issues. So there is $15,000,000,000 that the States and the counties and the cities and the school districts and the Federal Government are spending each year in taxes.

Then, further, it is costing the people about $10,000,000,000 a year to pay the interest on their obligations. If that is figured on the basis of 30 years, the youngsters whom the Senator has in mind, whom he is trying to educate or to give a chance to educate themselves, if they live for 30 years, must pay their part of a total overhead fixed charge that now totals $1,000,000,000,000.

That is figured in this way: The total tax charge of $15,000,000,000 a year for 30 years makes $450,000,000,000. The total interest charge of $10,000,000,000 a year for 30 years makes $300,000,000,000. Then in 30 years the debts themselves must be paid. If taxes do not increase, if interest does not increase, and if the debts do not increase, these youngsters in 30 years' time must earn and save their portion of a trillion dollars to meet the fixed charges that we older people have saddled upon them.

Mr. ADAMS. Mr. President——

Mr. LONG. I yield to the Senator from Colorado.

Mr. ADAMS. I desire to suggest what I think is not exactly an error, but a misplacement of emphasis.

I do not believe it is sound to include the private debts in the way in which apparently the Senator from Louisiana would include them. I think he has understated the national debt. I think the national obligation is considerably larger than he has stated; but the private debt is debt owed back and forth from one citizen to another. In other words, while there is the burden of debt, it is offset in part, because we might include, for instance, the deposits in the banks. They are debts owed to the depositors.

Mr. LONG. No, no; they are not debts. They are not included in those figures.

Mr. ADAMS. But even at that, let me say to the Senator from Louisiana, if we have an indebtedness secured by mortgage upon real estate, one man owns the credit, and another man owes the indebtedness, so that in a measure they offset each other so far as national assets are concerned. On the other hand, the national indebtedness is a burden coming down upon all the people, both those holding the private debts and those owing the private debts. I am afraid if we think simply in terms of total private indebtedness we overdraw the picture, and I think it is always a mistake to overdraw a picture.

Mr. LONG. Mr. President, I desire to analyze for a minute what my friends from Colorado and Oklahoma have said.

There is already $15,000,000,000 a year of taxes to be paid. That does not include paying this debt. According to the Senator from Oklahoma, there is $10,000,000,000 a year of interest to be paid. That is $25,000,000,000 a year of taxes and interest to be paid for 25,000,000 families. That is $1,000 a year for every family in taxes and interest alone, without counting the money that has to be raised to pay for such debts as we have never yet even provided for.

Mr. GLASS. Mr. President, if the Senator will yield to me to present a unanimous-consent agreement, I shall be obliged to him.

Mr. LONG. I yield to the Senator.

Mr. GLASS. If the Senator is willing that we should vote on this particular amendment of his at not later than half past 12 o'clock tomorrow, which would give him half an hour more to impress his views upon the Senate, I should like to move a recess in a few minutes.

Mr. LONG. I have no objection to that.

Mr. GLASS. I ask unanimous consent that at half past 12 o'clock tomorrow the Senate vote on the amendment proposed by the Senator from Louisiana.

The PRESIDENT pro tempore. Is there objection? The Chair hears no objection, and the agreement is entered into.

Mr. LA FOLLETTE. Mr. President, on yesterday the senior Senator from New York [Mr. COPELAND] made a statement to the effect, as I understood him, that he was opposed to the pending joint resolution because he felt that it would not provide any substantial employment to those who are referred to as the clerical or professional group. In this connection I should like to point out to the Senate that from the experience which has been obtained under the operation of C. W. A. and also under the operation of the work-relief projects which have been constructed by the F. E. R. A. it is shown that a very substantial amount of employment has been afforded to the very group which the Senator indicated he was apprehensive would not receive any benefits under this proposed legislation.

I therefore ask unanimous consent to have incorporated in the RECORD as a part of my remarks on the subject, and in order not to detain the Senate longer, a brief statement showing the number of persons of the professional and clerical groups who were given employment under the C. W. A. program, and those who have been given employment under the work-relief programs conducted by the F. E. R. A., as well as an estimate of the number of persons in those groups who could be employed under the pending measure if the amount in the tentative break-down of $300,000,000 were expended for this purpose.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Wisconsin?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

MEMORANDUM ON PROFESSIONAL AND CLERICAL WORKERS

The practicability of employing large numbers of professional and clerical persons of the "white-collar" type on a works program has been demonstrated by experience under the civil works program during the winter of 1933–34 and the work program of the Federal Emergency Relief Administration since April 1, 1934. Under the civil-works program a total of 370,000 persons were employed on public health and welfare, education, research, planning, and similar projects in January 1934. Under the work program of the Federal Emergency Relief Administration, under which the number of projects which could be operated has been limited by the amount of funds available, 225,000 persons were employed on similar projects in December 1934. The number now employed is substantially the same, even though detailed reports for February are not yet available.

The types of work which these people have done include public-welfare work; nursing, nutritional, and other public-health programs; supervision of public recreational activities; traffic surveys; assistance to State and regional planning boards or commissions; development of detailed regional or local plans; various specialized fields of education, such as adult education, literacy classes, and nursery schools; musical and dramatic activities; public works of art; research projects; surveys of the employability and occupational characteristics of the relief population, etc.

The proposed works bill would make available $300,000,000 for projects for professional and clerical persons. With this fund it would be possible to expand the number of persons now working on projects of this type to more than 350,000.

If it is found that in New York City or other centers this will not adequately take care of the professional and clerical group on the relief rolls, there will be the possibility of increasing this total under the provision making possible increases in allocations.

Mr. BYRNES. Mr. President, following the statement of the Senator from Wisconsin [Mr. LA FOLLETTE], I ask to have printed in the RECORD a statement showing the number of professional persons employed on relief in New York City, and a list of the professional persons employed in New York City and New York State through the F. E. R. A.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Professional[1] *persons on relief in New York State (week ending Dec. 20, 1934)*

Planning projects	3,747
Public welfare:	
Nursing	1,303
Nutritional	1,333
Other public-health campaigns	68
Public recreation, instruction, etc	1,966
Safety campaigns and traffic controls	526
Other	285
	5,481
Public education, arts, and research:	
Education	3,968
Research and special surveys	4,451
Public works of art	371
Records and clerical work	8,018
Music	1,157
Dramatic activities	858
Library and museum	1,239
Other	
	20,062
Total	29,290
Professional[1] persons employed on manual projects (estimated at 10 percent of workers on such projects)	11,422
Grand total	40,712
Planning—	
State	3,355
City	3,018
Public welfare, health, and recreation—	
State	4,854
City	3,605
Education, art, and research—	
State	18,486
City	13,954
Administrative—	
State	3,088
City	482
Total—	
State	29,783
City	21,059
Professional[1] persons employed on manual projects (estimated at 10 percent of workers on such projects):	
State	7,770
City	4,600
Grand total:	
State	37,553
City	25,659

NOTE.—Figures from weekly preliminary report of Project Division, New York State T. E R. A. These data are taken from the weekly pay roll records and consequently understate the number of persons employed during any given month by possibly 30 percent. This is caused by staggering employment from week to week.

PREVAILING WAGE RATE LAWS—SUPPLEMENT TO SENATE DOCUMENT NO. 27

Mr. McCARRAN. Mr. President, some days ago I had printed, after conference with the leader of the majority and others, a document now known as "Senate Document No. 27", bearing on the subject of the prevailing wage rates as affecting employment on public works.

Today the Department of Labor submitted to me a supplement to Senate Document No. 27. The supplement contains nearly as much material as did the original, but I find on examining it that it refers to recent legislation which, in all probability, the Department did not have access to at the time it prepared the former data. I should have liked to have offered this and to have had it printed with the other material, but I think it is so illuminating to the Senate, and so much worth while, that it might be worthy of being printed as a supplemental Senate document. It comes to me from the Department of Labor, and I may say that I have conferred with the Department today with reference to it. I ask that it be printed as a supplement to Senate Document No. 27.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the request is granted.

[1] "Professional" includes technical, clerical, and other nonmanual persons.

STATE, JUSTICE, ETC., DEPARTMENTS APPROPRIATIONS—CONFERENCE REPORT

Mr. McKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5255) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 26, 34, 35, 48, and 49.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27, 28, 29, 30, 31, 32, 36, 38, 39, 41, 46, and 50, and agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$67,000.00"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "$25,000.00"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: ": *Provided further*, That this limitation shall not operate to reduce the compensation of any stenographer now employed nor shall the salary of any stenographer drawing more than $2,500 per annum hereafter be increased."; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows: "the Air Commerce Act of 1926 as amended"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "$758,000.00"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$671,500.00"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,802,500"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,600,000"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Shellfish investigation: To provide for the investigation, control, and eradication of marine organisms injurious to shellfish in the Atlantic and Gulf States, including purchase of equipment and supplies, including boats and floating equipment and the maintenance and operation thereof; hire and charter of vessels and boats; pay of officers and crews and other personal services, including temporary employees (not exceeding $4,000 in the District of Columbia), as may be necessary; printing and binding; and all other necessary expenses connected therewith; $100,000, of which $50,000 shall be immediately available"; and the Senate agree to the same.

KENNETH MCKELLAR,
RICHARD B. RUSSELL, JR.,
KEY PITTMAN,
FREDERICK HALE,
GERALD P. NYE,
Managers on the part of the Senate.

W. B. OLIVER,
THOS. S. MCMILLAN,
ROBERT L. BACON,
Managers on the part of the House.

Mr. McKELLAR. Mr. President, I ask unanimous consent for the immediate consideration of the conference report. The differences were very few, and the report is unanimous, signed by all the members of the conference, both Democratic and Republican. I hope the report may be agreed to.

The PRESIDENT pro tempore. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the conference report.

Mr. McKELLAR. I move that the report be agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

EXECUTIVE SESSION

Mr. GLASS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. GUFFEY, from the Committee on Finance, reported favorably the nomination of Walter J. Rothensies of Red Lion, Pa., to be collector of internal revenue for the first district of Pennsylvania, to fill an existing vacancy.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar. If there be no further reports of committees, the calendar is in order.

JUDICIARY

The legislative clerk read the nomination of Loomis E. Cranor to be United States marshal, western district of Kentucky.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John J. Barc to be United States marshal, eastern district of Michigan.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

IN THE NAVY

The legislative clerk proceeded to read sundry nominations for promotions in the Navy.

Mr. ROBINSON. I ask that the naval nominations be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

IN THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations for promotions in the Marine Corps.

Mr. ROBINSON. I ask that the Marine Corps nominations be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

RECESS

Mr. GLASS. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 8 minutes p. m.) the Senate in legislative session took a recess until tomorrow, Thursday, March 14, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 13, 1935

RECONSTRUCTION FINANCE CORPORATION

Hubert D. Stephens, of Mississippi, to be a member of the Board of Directors of the Reconstruction Finance Cor-

poration for the unexpired portion of the term of 2 years from January 22, 1934, vice Harvey C. Couch, resigned.

Charles T. Fisher, Jr., of Michigan, to be a member of the Board of Directors of the Reconstruction Finance Corporation for the unexpired portion of the term of 2 years from January 22, 1934, vice John J. Blaine, deceased.

UNITED STATES CIRCUIT JUDGE

Clifton Mathews, of Arizona, to be United States circuit judge, ninth circuit, to succeed William H. Sawtelle, deceased.

SUPERINTENDENT OF THE MINT

Edwin H. Dressel, of Philadelphia, Pa., to be superintendent of the mint of the United States at Philadelphia, Pa., in place of A. Raymond Raff.

COLLECTOR OF CUSTOMS

A. Raymond Raff, of Philadelphia, Pa., to be collector of customs for customs collection district no. 11, with headquarters at Philadelphia, Pa., to fill an existing vacancy.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 13, 1935

RECONSTRUCTION FINANCE CORPORATION

Hubert D. Stephens to be a member of the Board of Directors of the Reconstruction Finance Corporation.

UNITED STATES MARSHALS

Loomis E. Cranor to be United States marshal, western district of Kentucky.

John J. Barc to be United States marshal, eastern district of Michigan.

PROMOTIONS IN THE NAVY

TO BE REAR ADMIRAL

John Downes.

TO BE LIEUTENANT COMMANDERS

Harvey R. Bowes	Henry S. Neilson
Paul L. Mather	Earl LeR. Sackett
Arthur W. Peterson	Warner W. Angerer
Clarence H. Pike	Richard S. Morse
Harold R. Holcomb	George A. Seitz

TO BE LIEUTENANTS

Daniel J. McCallum	Eugene D. Sullivan
Louis Roedel	Joe W. Stryker
Robert S. Bertschy	William C. Latrobe
Philip D. Compton	David A. Hurt
Elmer C. Buerkle	David M. Tyree

TO BE LIEUTENANTS (JUNIOR GRADE)

William J. Sisko
George DeMetropolis

TO BE PASSED ASSISTANT SURGEONS

Carl H. McMillan	William E. Carskadon
John L. Enyart	John P. Wood

TO BE PAYMASTER

Frank Humbeutel

TO BE CHIEF BOATSWAINS

William H. Daly	Henry K. Wombacher
George E. Cook	Raymond F. Purcell

TO BE CHIEF ELECTRICIANS

John T. McNulty	John R. Lambert
James B. Glackin	Harry A. Stafford
Elof W. Hermanson	

TO BE CHIEF RADIO ELECTRICIANS

Douglas N. Thomas	Thomas A. Garrett
James W. Anderson	Mack C. Veltman
Peter A. E. Greenwell	

TO BE CHIEF MACHINIST

Forrest G. Windsor

TO BE CHIEF PHARMACISTS

Joseph H. Bell	Allan D. Spaulding
John R. Dakin	Harry N. Trotter

MARINE CORPS

Alton A. Gladden to be major.
Richard M. Cutts, Jr. to be captain.
Frank D. Weir to be captain.
Merlin F. Schneider to be captain.
Chester R. Allen to be first lieutenant.
Lloyd H. Reilly to be first lieutenant.

POSTMASTERS

FLORIDA

Minnie H. Vick, Apopka.
George H. Stokes, Callahan.
Matye E. Mills, Cross City.
James L. Crayden, Eustis.
Alexander G. Shand, Fort Lauderdale.
Hugh M. Edwards, Mayo.
Hansel D. Leavengood, Ocala.
John P. Puckett, Perry.
James D. Pearce, St. Petersburg.
Owen L. Godwin, Sebring.

VERMONT

Charles R. Hazen, Chester Depot.
J. Clarence Nolin, Jericho.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 13, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we thank Thee that the gates of refuge stand open day and night. Our Jehovah Father, who keepeth Israel, neither slumbers nor sleeps amid the wildest winds that blow. We are grateful, blessed Father, for Thy marvelous revelation which Thou dost make of Thyself to the children of men. We believe that the future is radiant with wonderful disclosures yet to come. We pray Thee to arm us with choice of purpose and with urge of soul. O move upon our spiritual natures that we may hear Thy voice, feel Thy presence, and go forward in unfaltering footstep. Blessed Lord, may the day soon dawn in all our land when the rich and the poor shall struggle for the right of sharing the present-day burdens, and with clasped hands may they climb toward the heights where dwell contentment and peace. O hearken unto us, for our hopes, our faith, and our prayers are all with Thee. In our Savior's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 12. Concurrent resolution directing the Federal Trade Commission to make an investigation of propaganda regarding Federal legislation on the subject of holding companies.

THE BONUS BILL

Mr. EAGLE. Mr. Speaker, I ask unanimous consent to insert in the RECORD a copy of the speech I made over the radio last night.

The SPEAKER. Is there objection?

There was no objection.

Mr. EAGLE. Mr. Speaker, under leave to extend my remarks in the RECORD, I submit the following address on the Soldiers' Bonus, made by me from Washington, D. C., March 12, 1935:

Fellow citizens of the United States, let me first express my appreciation to the National Broadcasting Co. for its courtesy in tendering to me the use of this great Nation-wide facility for 15 minutes to speak on the subject of the bonus.

The precise question before the Congress at this time is whether the World War soldiers' adjusted-service certificates shall be paid

at this time in advance of their maturity date of 1945; and if so, how they shall be paid.

Such adjusted-service certificates are often referred to and designated as the "bonus."

In the proposal for the payment of the bonus there is to be no new debt created. There is no proposal to hand out a bonus or a gratuity. Already 3,550,000 World War veterans have in their possession adjusted-service certificates signed by the Government promising to pay each his certificate in the year 1945, 10 years hence, that are just as binding on the Government as the bonds of the Government now outstanding that the Government also promises to pay in 1945. Hence the payment of that so-called "bonus" at this time would be merely paying 10 years sooner than its legal due date a debt already recognized in writing by the Government according to an act passed by the Congress and signed by the President several years ago.

The first question is, Whether the bonus certificates should be paid now or payment postponed until their maturity date in 1945? My own position is that if the Government can put out, as it has done by act of Congress, billions of dollars as grants, as gratuities, as loans on doubtful security, and as blessings to corporations, to which the Government did not owe either a legal, a financial, or even a moral obligation, why not anticipate the time of payment of a real debt already existing especially when it affects 3,550,000 veterans who went to war and took the sacrifice of that noble adventure; especially when these veterans now need their adjusted pay as much if not more than any railroad or bank or insurance company or building-and-loan association or any other big business enterprise ever needed money, and are far more entitled to it than any such were ever entitled to the grants and loans and gratuities we in the Congress and Government accorded to them during the past 2 years of panic and depression?

Besides, the banking institutions of the country, which the Congress first aided and kept from going broke—when we had no legal or even moral obligation to do so—by first making eligible to rediscount almost all paper in their portfolios so that they could bring to their vaults unlimited quantities of Federal Reserve notes with which to meet all runs upon them, then by buying vast quantities of their long-term paper, then by guaranteeing their bank deposits, then by purchasing their preferred shares—so that the banking institutions thus were helped from a state of impending ruin into a state of security and safety—have not lent and are not lending to business and the public, so as to help restore the country to normal business activity. The plain truth is that in March and April 1933 there were outstanding seven and one-half billions of currency, and now there are outstanding only about five billions of currency of all of the seven forms. When the financial system of the Nation has contracted the currency by two and one-half billions of dollars in the past 2 years, and when the same financial system refuses to aid business recovery by backing business in the country with loans, which as checking accounts would take the place of currency, either the country will probably slip back into disaster and chaos with whatever follows or else the Congress must perform its duty under the Constitution with regard to money. Under the Constitution the duty is placed upon the Congress to determine the proper volume of money needed by the entire country.

Under the Gold Standard Act of March 14, 1900, requiring a 40-percent gold coverage for outstanding currency, the more than $8,000,000,000 of gold now in the Treasury would legally justify a total issuance of more than $20,000,000,000 of currency. As against such twenty billions legally possible to be issued there are outstanding only five billions. If the banks can deflate the currency at will by two and one-half billion dollars—until there is a dearth of actual money among the people, which is retarding recovery—why cannot the Congress, in the performance of its constitutional duty "to coin money and regulate the value thereof", authorize the increase of the currency by two and one-fourth billions of dollars without being accused of inflation by the financial powers and big business, which for so long have dominated the public thought and the business activity and the very destiny of the whole masses of the people?

Under the Patman bonus bill there is no proposal to create any new debt; no proposal to issue any tax-exempt, interest-bearing bonds; no proposal to levy taxes to raise such two and one-fourth billion dollars of money necessary to pay the bonus; and such additional two and one-fourth billions of currency, if and when issued, will be backed more than dollar for dollar with gold actually in the Treasury, although the law requires only 40 percent in gold coverage. There is not a single element of inflation in the proposal. The new money would not be "greenbacks", not "wheelbarrow money", not "flat money", not "printing-press money", not "baloney money."

This reasonable increase in the outstanding volume of circulating medium in the form of Treasury notes, to be paid directly to 3,550,000 veterans, in the aggregate of $2,300,000,000, not only will pay a debt recognized by the Government under authority of the Congress enacted years ago and approved by the then President, but will add a necessary increase of currency diffused uniformly throughout the country and will restore purchasing power and a large measure of prosperity.

There are two bills before the House of Representatives at this time to be considered and acted upon during the course of this present week. The first is called the "Patman bill, H. R. 1," and the second is called the "Vinson bill, H. R. 3696."

The Patman bill has been before the Congress and the whole country for some 6 years and is well understood. It was the only bill before the American Legion at Miami last year when they adopted a resolution by vote of some 5 to 1 in favor of the immediate payment in cash of the bonus. The Vinson bill has been drafted and introduced into the Congress within the last 2 months. There was no Vinson bill during the past 6 years when the veterans and the Congress and the country were considering the question of the payment of the bonus.

The differences between the Patman bill and the Vinson bill are these:

Under the Patman bill there will be immediately issued Treasury notes to the extent of about two and one-fourth billion dollars founded on gold in the Treasury even more than dollar for dollar; and such Treasury notes will be paid directly to the 3,550,000 veterans. That will cancel a debt the Government confesses it owes the veterans. Under the Patman bill there would be no bonds issued by the Government to require added taxation on the public for interest and ultimate redemption; nor would there be any taxes levied for the purpose of raising such two and one-fourth billions of dollars in lieu of a bond issue; but there would be an immediate increase in the outstanding volume of the circulating medium in the form of Treasury notes.

The Vinson bill merely recites a lot of laws and facts and has but one paragraph containing any meat in it whatsoever, and that is paragraph 5, that provides: "There is hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this act." That is to say, under the Vinson bill the veterans would get absolutely nothing. The whole substance of the Vinson bill is that it authorizes that about two and one-fourth billion dollars be appropriated for the purpose of paying such bonus certificates. If the Vinson bill were passed and approved, the veterans would be no better off than they are right now, when they already hold the Government's written obligation to pay them their certificates. It would be the beginning of years and years of struggle to have the Appropriations Committees appropriate two and one-fourth billions of dollars out of the Treasury, and of the Ways and Means Committee to levy taxes to collect in that two and one-fourth billion dollars, or of the Congress enacting that bonds should be sold to obtain such two and one-fourth billions of dollars. In the last instance the interest of such bonds during their normal life would amount to the same two and one-fourth billion dollars that would be secured by the sale of bonds at this time—so that the country would ultimately pay four and one-half billions of dollars instead of the two and one-fourth billions of dollars required for the payment of the bonus under the Patman bill.

It is perfectly obvious to any sincere and thoughtful mind that the Vinson bill does not pay the bonus, does not provide how it shall be paid, does not provide the means or machinery of its payment, but merely authorizes its payment. Then the real fight would be on for the next several years in the Congress and in the country over getting an appropriation to make that payment and over the question of whether it should be paid by the sale of interest-bearing, tax-exempt bonds or by the levy of taxes directly upon the people.

No such doubt and confusion and disappointment and injury could possibly happen if the Patman bill shall pass and become law. It provides the amount and directs the payment, the means of payment, and the method.

Under the Patman bill the veterans will actually get their bonus payments; under the Vinson bill they certainly will not get their payments.

Of course, if a Congressman or Senator votes for the Vinson bill he can then say that he voted for a bonus bill, because it is labeled "bonus bill"; and even if he does not want the veterans to be paid, he would be safe to vote for the Vinson bill, because under it the veterans certainly will not be paid

But, if men believe as I do, that this debt due in 1945 by the Government to the veterans may more justly be anticipated by payment now than the billions and billions the Congress have poured out for the benefit of the big business institutions of the land in the last 2 years, and that it is safe to issue this additional two and one-fourth billions in Treasury notes backed at par by gold direct to the veterans in payment of that debt, and that the plan of the Patman bill is sound in saving the issuance of interest-bearing, tax-exempt bonds and in avoiding the levying of additional taxes, and that such new currency based on gold in hand would be a blessing to the whole country as well as to the veterans, and that under the Vinson bill the veterans will not be paid, there will be very little doubt that the Patman bill will pass the Congress in preference to the Vinson bill.

I can think of no other class of American citizens more worthy to be treated, not with generosity but with simple justice and due consideration than that splendid group of 3,550,000 World War veterans, many of them now in dire distress, who in the heyday of their glorious youth gave their all unstintedly to the service of their country on the fields of war.

As a Member of the Congress in 1917 I voted that those young fellows enter the World War. My heart swelled with pride at their heroism and deeds of valor. They reflected new glory upon our country. They are foremost now in maintaining the best traditions of American citizenship. They are a pillar of strength in the confusion and amidst the strident voices of un-American doctrine too often heard in the land. And it will be an inspiring event when this delayed measure of appreciation and justice shall be done to as noble a band of patriots as ever carried the American banner.

Good night.

PERMISSION TO ADDRESS THE HOUSE

Mr. KNUTE HILL. Mr. Speaker, I ask unanimous consent that after the regular order of business on Friday I may be permitted to address the House for 5 minutes.

The SPEAKER. In view of the statement the Chair made the other day, he asks the gentleman to defer that request until tomorrow.

Mr. KNUTE HILL. Very well.

INTERSTATE COMMERCE COMMITTEE—LEAVE TO SIT DURING SESSIONS OF THE HOUSE

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce be permitted to sit during the sessions of the House for the next 3 weeks.

The SPEAKER. Is there objection?

There was no objection.

HOLDING COMPANY LEGISLATION PROPAGANDA

Mr. RAYBURN. Mr. Speaker, the Membership of the House has been flooded with letters of various sorts with reference to the so-called "holding companies bill." The vast majority of these letters have been denounced as propaganda in certain high places. I think it is a fair statement to say that in the vast majority of instances it is propaganda. Various letters that come to us have the same beginning, and with others there is a certain sameness about them. I hold in my hand here 23 suggested letters that one company has asked its employees to send out to their Senators and Representatives, and I ask unanimous consent at this time to insert in the RECORD the first paragraph of each one of these letters, so that Members may understand when getting letters which start with these same paragraphs where the suggestion comes from.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. SNELL. If the gentleman is going to put in part of a letter, why not put in the whole letter?

Mr. RAYBURN. I thought it would take up too much of the RECORD.

Mr. SNELL. Let us have the whole argument instead of part of it. I do not care what it is, but I do not think the gentleman should select one sentence out of somebody's argument which, standing by itself, might carry a false impression.

Mr. RAYBURN. The first sentence of these letters is not argument.

Mr. SNELL. What is the first sentence?

Mr. RAYBURN. I have received many letters containing the statement, "I have read considerable about Senate so-and-so and House so-and-so," and another one, "I have read carefully Senate so-and-so," or, "I have just written the two Senators from my State and now I am writing you."

Mr. SNELL. What is the reason for putting that in the RECORD?

Mr. RAYBURN. I simply want the Membership of the House to know and the country to know that these "canned" letters we are getting have their origin in the offices of these superholding companies.

Mr. SNELL. Then the gentleman takes the position that a man has no right to petition Congress or to write to his Senator or Representative about a matter in which he is interested?

Mr. RAYBURN. I do not.

Mr. SNELL. Why should they not do that?

Mr. RAYBURN. I am not saying they should not. I simply want to show where this "canned" propaganda comes from.

Mr. SNELL. Have they put out any more propaganda than was put out by the President in his message of yesterday, notwithstanding the fact that 2 weeks ago he said he was not going to make public utterance respecting legislation before Congress?

Mr. RAYBURN. And who told the gentleman that?

Mr. SNELL. I saw it in the newspaper.

Mr. RAYBURN. I am not responsible for that. It has always been the habit of Presidents to communicate their views to Congress upon the state of the Union and upon other matters.

Mr. SNELL. If the gentleman puts in the whole letter, I shall not object.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. RAYBURN. If I have the time.

Mr. BLANTON. If every Member who is getting these propaganda letters will just send a copy of the President's message of yesterday back to the writers of the letters I think it will enlighten a great many of them. If the gentleman from New York forces the whole instead of just a short excerpt from all of these 23 letters to be printed, then the minority leader will be responsible for this extra cost of printing.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. RAYBURN. Does the gentleman from New York object?

Mr. SNELL. I object unless the gentleman puts in the whole letter. I object to a part of it being put in.

Mr. RAYBURN. Then, Mr. Speaker, I ask unanimous consent to insert all of these 23 suggestions.

The SPEAKER. Is there objection?

Mr. SNELL. I am not going to object if the gentleman will put in the whole letter.

The SPEAKER. Is there objection?

There was no objection.

EXPLANATION OF VOTE

Mr. O'CONNOR. Mr. Speaker, yesterday I omitted to announce that my colleague from New York [Mr. BUCKLEY] had been suddenly taken ill. If he had been here, he would have voted for the Home Owners' Loan Corporation bill.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, will the gentleman from New York give us the program for tomorrow? Can the gentleman tell us whether we are going through as was expected and have the bonus bill before us?

Mr. O'CONNOR. As to the bonus bill, I may say that the Rules Committee held a hearing for 2 hours this morning and came to no conclusion as to what form of rule, if any, the committee would report out. The committee planned to meet again this afternoon, but we now find the Committee on Ways and Means has not yet reported the bill from the committee. That being the situation, of course, we cannot bring out a rule until the bill is reported. So the meeting which was scheduled for this afternoon will be postponed and the committee will meet tomorrow morning in executive session to further consider what form of rule, if any, will be brought out to consider the bonus bill. The bonus bill cannot be taken up tomorrow.

Mr. SNELL. May we take it for granted from the statement just made by the Chairman of the Rules Committee that the probabilities are that the bonus bill will not come before Congress before next week?

Mr. O'CONNOR. I think that is a fair estimate of what will happen.

Mr. TAYLOR of Colorado. And in that event we will take up the Agriculture Department appropriation bill tomorrow.

Mr. SNELL. We will start that tomorrow morning?

Mr. TAYLOR of Colorado. Yes, sir; I expect to.

Mr. SNELL. And the probabilities are we will adjourn over Saturday?

Mr. TAYLOR of Colorado. I hope we may adjourn over Saturday. However, I am very anxious to set a day for the consideration of the Private Calendar. We have over 200 bills on that calendar now, and I expected to take the first opportunity to give a day to that calendar.

Mr. SNELL. I think the gentleman should give us notice of at least a day or two before taking up the Private Calendar. As far as we are concerned, we are willing to cooperate and take it up at most any time.

Mr. TAYLOR of Colorado. I hope we can adjourn over Saturday, but if possible I want to take a day next week on the Private Calendar.

Mr. SNELL. I think that is a good idea.

Mr. O'CONNOR. Well, I hope the gentleman does not take up the Private Calendar until we have a chance to take up the proposed rule for a different method of consideration.

Mr. TAYLOR of Colorado. Oh, certainly.

Mr. SNELL. Well, when will the gentleman bring in his proposed rule?

Mr. O'CONNOR. We have been waiting to hear from the Members as to how they like it.

Mr. SNELL. I did not know the gentleman always considered the Members.

Mr. O'CONNOR. Oh, yes. [Laughter.]

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANKIN. Mr. Speaker, in reply to the gentleman from New York [Mr. SNELL], with reference to the President's message on yesterday, that message was sent here, submitting a report from the Power Policies Commission.

Now, as to the charge that that message is propaganda, I submit that on every report that has been sent here by the President there has been a message come with it, but if the gentleman from New York [Mr. SNELL] thinks that that message is propaganda he ought to read the mail that comes to my desk and the desks of other Members every morning.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. COOPER of Ohio. This bill has been before the Committee on Interstate and Foreign Commerce for 3 weeks, and we were discussing it.

Mr. RANKIN. The bill was being discussed in committee?

Mr. COOPER of Ohio. Yes. And it was unusual for the President to send in a message like that when the committee was carefully taking up the measure for consideration.

Mr. RANKIN. I hope they bring it out and let us pass it without delay. The gentleman from Ohio knows that his own President, Mr. Harding, went before the Senate on a bill after it had passed the House at one time. There is certainly nothing unusual in the President sending in a message on so vital an issue, even if it is being considered by a committee.

The SPEAKER. The time of the gentleman from Mississippi [Mr. RANKIN] has expired.

FIRST DEFICIENCY APPROPRIATION BILL, 1935

Mr. BUCHANAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 6644) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill, H. R. 6644, the first deficiency appropriation bill, with Mr. COLE, of Maryland, in the chair.

The Clerk read the title of the bill.

Mr. BUCHANAN. Mr. Chairman, I yield 5 minutes to my colleague from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, it is very evident to every posted Member of this House that there is no chance to get out of the Committee on Immigration and Naturalization any bona fide measure to restrict immigration or to stop it. So, if we expect to get a bill passed in this Congress to stop immigration and save American jobs for Americans, it must be done by the House itself and we must take that proposal away from the committee.

The Chairman of the Committee on Immigration and Naturalization has demonstrated that he is not in favor of such a plan. He admitted on the floor the other day that he had put in what he called his "deadhouse" in the last Congress all such measures. He admitted that by his vote he killed the Dies bill. He cast the deciding vote in his committee against the Dies bill, which sought to restrict immigration to 60 percent of present quotas. This is clearly shown by the colloquys I will quote from the speech of the Chairman of the Immigration Committee [Mr. DICKSTEIN] from the RECORD of February 19, 1935, page 2232, to wit:

Mr. DIES. That was on a bill introduced by myself, which provided for a reduction in quota to 60 percent and undertook to do what the gentleman from New York always said he wanted to do.

Mr. BLANTON. And his vote killed it?

Mr. DIES. That is true.

Mr. DICKSTEIN. May I say that there was a bill introduced by the gentleman from Indiana [Mr. SCHULTE]. There was also a bill introduced by the gentleman from Texas [Mr. DIES]. These two bills were considered together. They were H. R. 4114 and H. R. 8222.

* * * * * * *

The two bills were beaten by one vote in committee, and I was simply carrying out a message from the American people.

And that one vote that killed those two bills was the vote of the chairman of the committee [Mr. DICKSTEIN], who cast the deciding vote in his committee that killed this restrictive legislation proposed for so many years in said committee.

But let me quote further from Chairman DICKSTEIN'S speech of February 19, 1935:

Mr. DIES. I think the gentleman will agree that there are a number of aliens in this country illegally who ought to be out of the country.

Mr. DICKSTEIN. I agree with the gentleman.

Mr. DIES. I think our committee has found that to be a fact time and time again.

Mr. DICKSTEIN. There is no question about the gentleman's statement.

Here is another:

Mr. DIES. Is the gentleman in favor of excluding all new seed immigration if we reunite families?

Mr. DICKSTEIN. I am in favor of reuniting families.

Chairman DICKSTEIN admitted in his said speech that he caused my bill to stop all immigration for 10 years, and all the other numerous bills to restrict immigration, to be put in his "deadhouse." He said:

There were a number of bills before the committee and we unanimously agreed to put all the other bills in "the deadhouse", if that is the proper term, and take up House bill 4114, which was the Dies bill, dealing with all the questions.

Notwithstanding that Chairman DICKSTEIN represents a New York district with many foreigners in it, he admitted "that there is not a family in his district that has a relative on the other side." He shows just how liberal he has been in allowing foreigners to come into his district. He certainly has been reuniting families. Let me quote his admission from pages 2233–2234 of the RECORD:

Mr. DIES. Except I do not think the gentleman is bona fide in favor of restriction, and I do not blame him; he represents a district where 80 percent are opposed to it. We might as well be frank about it.

Mr. DICKSTEIN. Suppose I told the gentleman that there is not a family in my district that has a relative on the other side.

To which the gentleman from Texas [Mr. DIES] replied:

Mr. DIES. The gentleman always votes against anything in favor of restriction.

My colleague from Texas [Mr. DIES] served on this committee for several years, and is one of the best-posted men on the committee relative to aliens in this country, and the attitude of the committee chairman, and this is what he then said to Chairman DICKSTEIN:

Mr. DIES. Yes; there are 3,500,000 illegally in the country, but the gentleman is not offering to exclude them; he is not in favor of that; he is in favor of their becoming American citizens regardless of how they came into the country.

And just as Bruno Hauptmann did, these 3,500,000 aliens now in the United States unlawfully, violated our laws when they came across our borders, and are continuing to violate our laws by staying here unlawfully, for they are here illegally, and every one of them either has a job, taken away from some American, or else is on the relief rolls, taking relief that should go to the hungry wives and little children of American citizens.

And in addition to the 3,500,000 aliens here illegally—and in fact there are many more than that number here—there are about 6,500,000 aliens in the United States who came here lawfully but who have not thought enough of the

United States to take out their citizenship papers. And all of them either hold jobs, taken away from Americans, or else they are on our relief rolls being fed and warmed and housed and clothed by this Government, when there is not another country in the world that will do such things for aliens or allow them such privileges.

We must take steps at once to require all aliens to register, and we should immediately deport every alien here unlawfully, and we should deport all aliens who have been lawfully in the United States as long as 3 years who have not become naturalized citizens. If they are not willing to fight for our flag they should not be allowed to stay here.

This is America, not Russia. This is America, not Greece. This is America, not Italy. This is America, not Germany. This is America, not Hungary. This is America, not Czechoslovakia. This is America, not Poland. This is America, not Mexico. Yet you would not think so if you visited certain parts of our big cities, where aliens from these foreign countries speak here in their native tongues, read daily newspapers published in their native languages, maintain the customs and cook their foods as they did in their home countries.

CLEVELAND, OHIO, HAS 53 PUBLICATIONS PUBLISHED IN FOREIGN LANGUAGES

On one page of Cleveland's evening newspaper is a space edited by one of its reporters, Mr. Theodore Andrica, headed "Around the World in Cleveland", each numbered consecutively, and from its "No. 43" I quote the following:

CLEVELAND SECOND IN UNITED STATES IN NUMBER OF ITS FOREIGN-LANGUAGE PUBLICATIONS—53 MONTHLIES, WEEKLIES, AND DAILIES REPRESENT 13 NATIONALITIES

In no other American city except New York are there more foreign-language publications printed and edited than in Cleveland.

To be exact, 53 foreign publications have their editorial and printing offices in Cleveland. Of these, 12 are dailies, 23 are weeklies, and 18 are monthlies.

Thirteen language groups are represented by these publications, namely: Czech, German, Hebrew, Hungarian, Italian, Lithuanian, Polish, Rumanian, Russian, Saxon, Serbian, Slovak, and Slovene.

Seven nationality groups have dailies here—the Bohemians, Germans, Hebrews, Hungarians, Italians, Poles, and Slovenes.

REACH ABOUT 150,000 DAILY

According to the publishers' sworn statements to the United States Post Office the total circulation of all the foreign-language dailies printed in Cleveland is between 100,000 and 150,000 daily.

The average size of a foreign language paper is 6 pages. On special occasions the edition contains as high as 40 pages. In most cases the publications are official organs of fraternal or religious organizations.

Of the 18 monthlies, 10 are of religious character. Of the 23 weeklies, 4 are religious and two-thirds of the others are organs of some fraternal groups.

The dailies print, besides current world news, much news of old country affairs or of world events with special bearing on their particular nationality.

Most of the dailies take a definite stand on old-country politics.

The Socialists have 1 weekly, the Communists have 1 daily and 1 weekly, and the I. W. W. Party has 1 weekly and 1 monthly.

Is it not ridiculous to talk about deporting Communists when we allow Communists to publish daily Communist newspapers?

If aliens want to read here their daily newspaper published in foreign languages, they ought to go back to their own country and not steal jobs from Americans.

Now, I have a bill pending to stop all immigration for 10 years. That will give us a chance to assimilate the lawful aliens we already have in this country, millions of them, before we take on new ones. Are you in favor of that? If you are not in favor of it, of course, you will let things rock along, and if you are in favor of it, you will go up to the desk and sign a petition which I have placed there to take this bill away from the Committee on Immigration and Naturalization and take it up on the floor of this House and pass it. [Applause.]

We will not ever pass it in any other way. Chairman DICKSTEIN would not let us. He put my bill in his "deadhouse" in the last Congress, and he has tried to do it again in this Congress.

As soon as he learned that I was going to file a petition to discharge his committee as to my bill he hurriedly called his committee together, and with a bare quorum present, he had my bill tabled, thinking that would prevent my filing the discharge petition. But he was mistaken. That did not stop it. And I did file the petition.

If we can ever get it here on the floor of the House, we can pass this bill by a three-fourths vote. All we need is to get it on the floor and get it to a vote. All we need is to get it out of that committee. We must get it out of Chairman DICKSTEIN's "deadhouse." There is just one way on earth to get it out, and that is for 217 of you Members to sign the petition I have at the Clerk's desk.

Mr. SNELL. Mr. Chairman, will the gentleman yield for a question?

Mr. BLANTON. Certainly; is the minority leader in favor of stopping immigration?

Mr. SNELL. I asked the gentleman if he would yield to me for a question.

Mr. BLANTON. I want to ask the gentleman a question first.

Mr. SNELL. The gentleman from Texas can ask me one afterward if he wants to.

Mr. BLANTON. I want to ask my question first; then I will yield to the gentleman.

Mr. SNELL. Then the gentleman need not yield if he does not want to yield. Afterward I will answer the gentleman's question.

Mr. BLANTON. I do not want to yield to the gentleman from New York unless he answers my question first.

Mr. SNELL. I will not answer.

Mr. BLANTON. Then I will not yield.

Mr. SNELL. I asked the gentleman a respectful question, if he would yield.

Mr. BLANTON. And I answered the gentleman in a respectful manner by asking him if the minority leader of this House was in favor of restricting immigration?

Mr. SNELL. I am not on the witness stand. If the gentleman does not want to yield to me, he does not have to.

Mr. BLANTON. Then I do not yield. Mr. Chairman, I do not yield to any man who is not willing to declare his position on such a vital question as this, a question that vitally affects the best interests of every family in the United States.

Mr. MAY. Mr. Chairman, will the gentleman yield to me?

Mr. BLANTON. In just a moment I will yield to my good friend from Kentucky. There is not a country of any size, except our own, on the face of the entire earth that will permit aliens to be employed when their nationals are out of employment. The United States of America is the only country that permits aliens to come here and take jobs away from our own Americans, and take the bread and meat out of the mouths of the wives and children of American workers and give it to foreigners.

Mr. Chairman, now I yield to my good friend the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Has the gentleman read the bill I introduced in the House last week?

Mr. BLANTON. No; I regret I have not; but I know it is a good one. I am not talking about any bill except my own right at this moment, for it will stop all immigration. If the gentleman is in favor of stopping immigration, I have a petition on the Speaker's desk to discharge Chairman DICKSTEIN's committee, and will bring such a bill up and pass it. It will take it out of Chairman DICKSTEIN's "deadhouse." If you Members do not sign it, do not go home and tell your constituents that it is not your fault that immigration continues. When you go home this summer and they ask you why you did not stop immigration, do not tell them it is not your fault; tell them that you had a chance to sign a petition to discharge the committee so as to bring up a bill that would stop immigration for 10 years in this country, but that you sat in your seat and did not sign it.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes; I yield to my friend from Mississippi.

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Texas [Mr. BLANTON].

Mr. RANKIN. The gentleman will remember that when we were passing the bill to reapportion Congress I tried to

get a provision included to exclude aliens from the count. That was defeated. Then we tried to have aliens who are unlawfully in the United States registered. Is there a provision in the gentleman's bill to require the registration of those aliens who are in the United States unlawfully? If not, the bill should be amended in this respect.

Mr. BLANTON. It ought to be so amended. It ought to require every alien in the United States to be registered; and it ought to require every alien who has been here 3 years without becoming naturalized to be deported to his home country. Then millions of aliens would be taken off the pay roll of this country and these jobs given to American heads of families. I had those provisions in another bill. I am centering my efforts just now to pass a bill that will stop all immigration for 10 years.

Mr. STACK. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. STACK. Does the gentleman from Texas consider the Irish as aliens?

Mr. BLANTON. I consider an alien any foreigner who is not a naturalized American. I consider every person who has come to this country and enjoyed its privileges and benefits but who has not thought enough of our flag to take out citizenship, an alien. You cannot make him fight to protect that flag; you cannot make him fight to protect America; and unless he can be made to share the responsibilities of citizenship he ought not to be allowed to take bread and meat away from real American citizens.

Mr. STACK. Now——

Mr. BLANTON. Is the gentleman heckling or is he trying to help?

Mr. STACK. No; the gentleman is not heckling.

Mr. BLANTON. All right, then.

Mr. STACK. On next Sunday we celebrate the 17th of March.

Mr. BLANTON. Is the gentleman in favor of restricting immigration? If he is, he should go up and sign that petition; if he is not, I ask him not to bother me.

Mr. STACK. I am not in favor of keeping out of the country people who have done good to the country.

Mr. BLANTON. Then if the gentleman is not in favor of restricting immigration, I cannot allow him to exhaust my time.

I believe that the people of the United States are in favor of preserving American jobs for Americans. If they are, they should let their wishes be known to the Members of this House who represent them, and if they would petition our Speaker, Hon. JOE BYRNS, of Tennessee, to do so, I feel sure he would permit this bill to stop immigration to be called up under suspension of the rules. That is one way to pass it.

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Chairman, I have asked for this time in order that I might recommend to the Membership the necessity of this legislation, and particularly to favor the items in the bill for the Postal Service.

There is included in this deficiency appropriation bill $3,000,000 for the operation of the Post Office Department. The Members of the House will recall that when the Post Office-Treasury appropriation bill was under consideration I recommended and the House approved three amendments totaling approximately $3,000,000 additional for the conduct of the Post Office Department. The Post Office Department now comes before the Appropriations Committee and requests an additional $2,500,000 for the operation of the Department for the balance of the present fiscal year.

This is necessary because of the increased volume of postal business and also because of the fact that no item was contained in the bill last year to cover the expenses incident to the added cost of the night-differential pay. The point I want to make at this time is that the increased volume of business in the Postal Service necessitates the increased postal appropriation.

Mr. ARNOLD. Will the gentleman yield?

Mr. MEAD. I yield to the gentleman from Illinois.

Mr. ARNOLD. The gentleman is aware of the fact that the additional amount carried in this bill is not due to the increased business in the Postal Service. It is due entirely to the fact that in the estimates that were submitted for the 1935 appropriation bill the matter of money for the night differential was entirely overlooked, and the items carried in this bill are to cover that oversight in the 1935 bill. So far as the 1936 bill that we just had before us a few days ago is concerned, we could not carry that money to pay for the night differential in the 1935 bill without making it immediately available, and that was not done.

Mr. MEAD. The specific reason for this request is due to the omission of the night-differential item in the last appropriation bill; but the gentleman knows that the Post Office Department has paid the night differential from the beginning of the present fiscal year up to now, and that this appropriation for $2,500,000 for clerical hire and $500,000 for the carrier hire will not be necessary for the remaining months of this fiscal year for the night differential alone. He also knows that the Post Office Department has the right to transfer funds from one item to another up to approximately 12 percent. However, the gentleman probably does not know that the real reason for this deficiency appropriation is because of the exhaustion of funds for auxiliary hire, due to an increase in postal volume, and that this money will be used to a large extent in defraying the expenses resulting from the increased postal volume. This appropriation is vitally necessary for the conduct of the Post Office Department for the remainder of the fiscal year. It is regrettable that this item was overlooked a year ago and that an appropriation for approximately $2,500,000 was not contained in the bill. If that had happened, I may say to the gentleman, an order which was issued by the Post Office Department governing all post offices throughout the United States for the last quarter of a year would not have been issued. This order restricts postmasters in the use of appropriations for auxiliary hire, and it has resulted, and will result unless this appropriation is passed by the House and Senate, in a drastic curtailment of the service and the impoverishment of substitutes in the Service. I may say to the gentleman further that the Acting Director of the Budget, in his letter to the President, makes the following statement:

> In preparing the estimates for the above two appropriations for the fiscal year 1935, the Post Office Department states that through inadvertence no amounts were included to cover the item of 10 percent additional pay authorized by law for night work, and that such omissions were not detected until recently. Also the volume of postal business for this fiscal year has greatly exceeded that anticipated at the time the Budget for 1935 was submitted, which necessitated additional expenditures for auxiliary service. The amounts requested are necessary to provide additional funds to meet the requirements of the Postal Service under these heads for the current fiscal year.

Mr. ARNOLD. Will the gentleman yield?

Mr. MEAD. I yield to the gentleman from Illinois.

Mr. ARNOLD. Of course, the gentleman understands that by the increase in the Postal Service requiring funds that had been appropriated in the 1935 bill, it did not leave sufficient funds that they could make a transfer to pay for this night differential?

Mr. MEAD. Correct.

Mr. ARNOLD. But the money that is carried in this emergency bill is for the purpose of paying that night differential on those two items?

Mr. MEAD. The gentleman is approximately correct. When this money is available the Post Office Department will be able to return that amount which has been used up to the present time in defraying the added expense resulting from the increased night differential to the clerical and carrier funds. This transfer of funds will take care of the auxiliary service until the end of the present fiscal year. The gentleman and I are in agreement, and I merely want to bring out the point that when the appropriation bill was being considered on the floor of the House I asked for

an additional million dollars for auxiliary hire for the carrier service, for an additional million dollars for auxiliary hire in the clerical service, and for $900,000 for payment of the travel allowance which will be due to the employees of the Railway Mail Service.

Mr. Chairman, I want to point out that the auxiliary service is the service that has suffered. No one who is employed after 6 o'clock at night and before 6 o'clock in the morning has suffered, because he has received, up to date, his full night-differential pay; but the substitutes in the carrier and clerical service have suffered, and the postal patrons have suffered. That is what I had in mind when I suggested and the House approved the amendments which I presented to the Committee of the Whole when the postal appropriation bill was under consideration.

Mr. HAMLIN. Will the gentleman yield?

Mr. MEAD. I yield to the gentleman from Maine.

Mr. HAMLIN. May I ask if under this additional appropriation probably some of it will be employed in the stopping of consolidations of some of the postal rural routes? I am receiving a great number of letters from Maine relative to that matter, and I am today going to the postal authorities in reference to same. Rural routes are being combined with the object in view of saving money and these routes should not be combined. I am in favor of allowing more money for many of these rural routes so that they will not have to be combined.

Mr. MEAD. I may say to the gentleman that unfortunately no part of this money will be used for the purpose mentioned.

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. MEAD. Mr. Chairman, in conclusion I want to make the point that the postal appropriations contained in this bill are worthy of your consideration and support. They will make possible an extension of the service where curtailment has already taken place in the offices of the first and second class.

They will also provide postal substitutes with an opportunity to earn a living wage between now and the end of this fiscal year, and in this connection I offer as an exhibit with respect to substitute salaries, the salaries being paid at the Dayton, Ohio, office.

DAYTON, OHIO

Twenty-six substitutes, July 1933 to November 1934

Month	Salary, per month	Number of hours
1933		
July	$19.25	36
August	14.60	27
September	23.28	44
October	25.79	48
November	21.42	40
December	77.96	147
1934		
January	19.64	37
February	21.25	40
March	8.92	16
April	7.88	13
May	70.20	118
June	58.10	98
July	51.97	87
August	52.00	86
September	65.25	109
October	57.50	96
November	43.50	74
Total average salary	37.56	1,116

NOTE.—The above figures are averages per man.

In July 1933 the average pay of a substitute was $19.25. In January 1934 it was $19.64.

Since the curtailment order was sent out, the salaries have dropped to but a few dollars a week, and in November of 1934, before the curtailment order went out, they were only averaging $43.50 a month.

This is a fair example of the pay received by substitutes in every section of the country.

The Department's order makes it compulsory on the part of the postmaster to eliminate nearly all auxiliary hire until this money is available. Therefore, for the expansion of the service and for proper pay for postal substitutes, I hope that both of these items meet with your approval.

UNDERMANNED POSTAL SERVICE

Early in February the Post Office Department instructed postmasters that in order to stay within the appropriations available it was necessary to appeal again to all postmasters to reduce expenditures for auxiliary and overtime for the remainder of the fiscal year and to confine the estimates for auxiliary and overtime for the June quarter to the very minimum without curtailing the service. Postmasters were also informed that no expenditures "over the amount allowed could be made without authority from the Department under the penalty of the postmaster being held personally responsible for the excess expenditure."

In November 1934 the Department announced the appointment of a considerable number of additional employees to fill existing vacancies, and it was anticipated at that time that the Department would very shortly give consideration to appointing additional employees wherever it was shown that an 8-hour-day route or tenure of duty was in operation. This has not been done, as in the latter part of December the Department suddenly discontinued the filling of all vacancies on the ground that their appropriation had been almost exhausted. As a result of this policy and the letter of the early part of February already referred to, many postmasters immediately began to inaugurate a curtailed service in their cities by cutting down, and in many cases, eliminating entirely the work of the substitute. There are a large number of cases throughout the country where substitute carriers have been working on an auxiliary 8-hour route for a long time, and these men, because of lack of funds, have been prevented from securing a justified promotion to a regular position. In some cases where postmasters have requested the appointment of additional carriers, the cases were referred to post-office inspectors for investigation, who made a full and complete investigation of the conditions existing in these cities, and who before leaving informed the postmasters that they were going to concur in his recommendation for additional employees, and in some cases postmasters were told that the inspector intended to recommend additional employees above those recommended by the postmaster.

Mr. Ambrose O'Connell, executive assistant to the Postmaster General, in a radio address of March 1, stated that postal receipts had shown a decided increase during the current fiscal year and were still on the way up. Mr. O'Connell stated:

> For the first 7 months of this fiscal year ending January 21, 1935, the Post Office Department has collected $22,000,000 in excess of the collection for the same period last year. This is a notable increase, and the steady expansion indicates the need of additional employees to care for this increase in business.

With respect to the message from the Bureau of the Budget—House Document No. 131—requesting a deficiency appropriation of $2,500,000 for clerk and $500,000 for carrier hire, this relates directly to my presentation of conditions on the floor of the House on February 1, at which time we secured an increase in appropriations of $1,000,000 each for clerk and carrier hire during 1935.

The Post Office Department is withholding some 995 vacancies in many of which substitutes are employed for a full 8 hours per day.

This is an evasion of the salary laws in that the Department is securing work for $1,400 for which it should pay at the rate of $2,100 per year.

The Department, in its testimony before the House Appropriations Committee, stated that the substitutes generally were "doing quite well, indeed."

Almost coincident with this testimony bitter complaints appeared from throughout the entire country as to drastic curtailments of substitute employment.

The Department's statement in response to these complaints was that the auxiliary funds had been exhausted or

dangerously depleted in many offices and that in order to stay within the Budget for the year 1935 no extra allowances could be given postmasters. It was stated, however, that these economies must be effected without curtailment of the service.

With the regular forces depleted by failure to fill vacancies, as evidenced by the Department's own testimony, such reductions in auxiliary employment of substitutes could not occur without detriment to the Service. That this did occur is amply demonstrated by the reports coming in from all section of the United States.

Responses from 1,513 substitutes disclosed their average period of service as 6 years and 6 months. A number of these reports state that regular clerks are being worked overtime while substitutes are remaining idle. The regular clerk of the $2,100 grade, and practically all of them are now in that grade, gets 86 cents an hour for overtime. If he works between the hours of 6 p. m. and 6 a. m. he gets 8 cents additional, or 94 cents an hour. A substitute gets 61.75 cents an hour under the 5-percent pay reduction now in effect.

It was in response to complaints such as those above stated that the request for a deficiency appropriation undoubtedly had its origin.

Mr. BUCHANAN. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. FERGUSON].

Mr. FERGUSON. Mr. Chairman, at this place I ask unanimous consent to insert in the RECORD a bill introduced by myself (H. R. 6455) proposing the creation of a permanent Department of Soil Erosion.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The bill is as follows:

A bill to provide for the control of flood waters in the United States by creating a permanent Soil Erosion Service

Be it enacted, etc., That for the purpose of controlling floods in navigable waters, and of protecting agricultural lands in the United States, the Soil Erosion Service established in the Department of the Interior under the authority of title II of the National Industrial Recovery Act is hereby made a permanent agency in that Department.

SEC. 2. Out of any moneys appropriated and subject to allotment for such purposes, an amount not less than $50,000,000 shall be allotted to the Soil Erosion Service for the fiscal year ending June 30, 1936, for the purposes of this act.

SEC. 3. The Soil Erosion Service is authorized to coordinate all activities relating to the prevention of soil erosion carried on by any agency of the Government; to secure, from any agency of the Government, such information and services as may be necessary to carry out the provisions of this act; and to secure the consent of any such agency to carry on erosion-prevention work on lands under the jurisdiction of such agency.

SEC. 4. It shall be the duty of the Soil Erosion Service—

(a) To complete the erosion-prevention projects already undertaken by it and to establish other projects in areas suffering from wind and water erosion so situated as to provide, in as many such areas as possible, demonstrations of the methods of erosion prevention;

(b) To disseminate information, by printed matter and otherwise, concerning the methods of erosion prevention;

(c) To include, in the activities herein authorized, adequate provision for the prevention of wind erosion, as well as erosion by water; and

(d) To conduct research pertaining to the prevention of erosion.

SEC. 5. In connection with any erosion-prevention work on private lands, the Secretary of the Interior may enter into such agreements with farmers and other persons as he may deem necessary to carry out the purposes of this act. Such agreements may include provisions for contributions to the erosion-prevention work by the Soil Erosion Service and by any other party to the agreement in the form of labor, equipment, materials, seed, fertilizer, and otherwise, and may impose permanent or temporary limitations on the use of the land.

SEC. 6. For the purposes of this act, the Secretary of the Interior, through the Soil Erosion Service, may—

(a) Prescribe such regulations as he may deem necessary.

(b) Without regard to the civil-service laws or the Classification Act of 1923, as amended, appoint and fix the compensation of such officers and employees as he may deem necessary, and may enter into arrangements with any educational or research institution for the employment and compensation of any person of specialized knowledge or experience jointly by the Soil Erosion Service and such institution.

Mr. FERGUSON. Mr. Chairman, not very many days ago I called the attention of this House to the destructive effect of winds in the western part of the United States. This whole problem of soil erosion has faced almost every nation in history. The problem of maintaining the soil at a degree of productivity is one that is so closely aligned with the political and economic future of the country that unless a nation gives it grave consideration and takes steps to take care of its soil, that nation will not exist very long. To speak of a nation that most of us are familiar with, you will find in the Old Testament of the Bible many references made to trees and groves and pastures as landmarks and part of the social well being of those people. By the time the New Testament was written there are practically no references made to certain trees that were mentioned just a few generations before, because those people had not taken stock and had not cared for their land and after they were invaded by foreign enemies the productivity of their land, as well as their civilization, was practically ruined. We find the same thing happened in Egypt, one of the great nations of the world which was destroyed because foreign conquerors came in and destroyed the works that made it possible for that nation to exist.

At last this country has taken a definite step in attacking the problem of soil erosion. Last year out of P. W. A. funds, $14,000,000 was appropriated for the establishment of a permanent Soil Erosion Service under the Department of the Interior. This Department, in an experimental way, has accomplished a great deal. It has established some 54 camps over the United States. You can see from this map that they are widely distributed and in various types of soil.

I have introduced a bill, which I have had placed in the RECORD, which provides that this Soil Erosion Service shall be made a permanent department of the Government.

When the Government engineers consider any projects they always work out the economic justification for them. When you figure that the annual loss to the farmers of this country from soil erosion can be conservatively estimated at $400,000,000, you will realize that any program undertaken would be economically justified.

When we figure that a good portion of the legislation enacted in the last 2 years has been financed by bonds that must be paid by wealth produced from the soil, we certainly must take the attitude that nothing must stand in the way of preserving the productivity of this soil for future generations.

If we have established the fact that it is justified and something must be done, we always meet the question of what can be accomplished. We hear a great many people say that the wind has always existed, the water has always washed the soil away, what can we do to stop it. No single mechanical means will stop it. Terracing is a contributing factor when it is scientifically done, but it must be a long-term, educational program, and the beautiful thing about the work undertaken by the Soil Erosion Service is they did not have to put out propaganda to sell the farmers. They did not have to make a great effort to sell them on the idea. They have gone to these communities where an area is to be affected by a soil-conservation project and 90 percent of the farmers have signed up voluntarily to go into a program that will show them how they can save their soil for future generations.

I have in my district not less than half a dozen areas affecting from 20,000 to 120,000 acres, where as many as 3,000 farmers have signed a petition to have the Government come in and help them solve this problem. They know if it is not solved they cannot earn a livelihood on these farms. It is a beautiful thing, in this time of having to sell ideas, to have one program that the farmers and the people who are interested are asking for whole-heartedly, and they are willing to accept obligations to have it carried out.

The district I represent is composed of 12 counties; all 12 counties have petitioned the Soil Erosion Service to aid them in combating the problems of soil erosion.

I have before me a letter from Dr. N. E. Winters, regional director of the Soil Erosion Service at Stillwater. He said the following men were in his office on February 14 discussing the possibility of starting a watershed on the Chikaskia River. I read the names to show you that the men interested

are not only farmers but professional and business men of that community that realize the importance of this program to save the soil: Mr. Roy S. Johnson, chairman of the committee; Mr. L. F. Carroll, farmer, of Newkirk, Okla.; Mr. J. S. Clark, county engineer, Newkirk; Mr. W. R. Hutchinson, county agent, Newkirk; Mr. R. N. Wall, vocational agriculture instructor, Ponca City, Okla.; Mr. W. C. Baum, farmer and county commissioner, Kaw City, Okla.; Mr. E. L. Waldo, Governor Marland's chairman for Kay County; Mr. V. O. Hayes, Blackwell, Okla.; and Mr. Sam Hendershot, farmer, of Eddy.

In connection with this, I also have before me a petition, signed by Mr. Chester C. Smith, county commissioner of Garfield County, Okla., and signed by 67 farmers of the Covington community, making application to establish a Soil Erosion Service there.

Letters come in daily from Cimarron, Beaver, Texas, Woodward, Woods, Alfalfa, Nobel, Kay, Major, Grant, and Harper Counties asking my aid to secure this much-needed work for their particular areas.

Under the program conducted by the Soil Erosion Service they go to a farmer and ask his cooperation. Then a trained man goes to the farmer, after mapping out the farm, makes suggestions as to what part of his farm is eroded beyond further use and what crops will keep his farm from further erosion. He plans a scientific method and an approach that includes even the running of an embankment on this pasture land to keep the water from running off more than it otherwise would.

The farmers have gone into a cooperative agreement with the Soil Erosion Service to help them in starting this work and keeping it up even after the Soil Erosion Service is through.

I had the pleasure of spending 3 days at the Stillwater project, and the spirit of that community and the men carrying on this work is like that of the crusaders. They know that the future welfare of the country depends on the preservation of the soil for future generations. You say it is a slow process, one that has been going on for years, but in many instances we have lost as much as 5 inches of new topsoil in the West during one season of sandstorms—material that nature required 5,000 years to build.

I have before me some figures gathered by Dr. N. E. Winters. He says:

> Seventy-five percent of our cultivated fields are sloping enough to suffer serious soil losses from uncontrolled run-off rain water. Over 2,000,000 acres in the United States are annually planted to clean-cultivated crops such as corn, cotton, and tobacco, and a large percentage of this is left bare without surface vegetation cover to protect the surface soil from erosion. Most of the top soil has been washed away from 125,000,000 acres of our cultivated fields. That top soil of 12 to 18 inches in depth, which required for its development several thousand years, that part which contains the organic matter and most of the soluble plant food for crop production, is now gone from 125,000,000 acres, down our creeks and rivers, and some of it clear into the ocean.

Do you remember a few days ago when we had that severe duststorm here in Washington, Mr. Bennett reported it to be the dirt caused by the storms that originated in Oklahoma and Kansas?

Another practice that is helping to ruin lands is the annual burning of pastures. On this the Soil Erosion Experiment Station has made an experiment along that line, and the results give vividly the effect of this custom on the annual losses of soil and water. Following is a chart resulting from these experiments:

Effect of burning pastures and woods on soil and water losses annually

	5 run-off	Tons per acre soil loss
Virgin woods	0.13	0.017
Woods burned once each year	4.96	.222

Burning the woods and pastures each year multiplies the loss of run-off water by 38 and the loss of soil by 13.

Are we going to continue to accept this problem of soil erosion as something minor? Are we going to let the wind and water destroy the future prosperity of this Nation? Or are we going to tackle this problem and give the Soil Erosion Service the necessary funds to carry on this work in order that the future of this country will be insured.

The Soil Erosion Service has planned a long-time program. It is only through a long-time program that we can combat this evil. I will take this opportunity to read you a letter from Dr. Bennett, of the Soil Erosion Service, that deals with the problem of a national plan of saving the soil and the problems that confront Oklahoma.

DEPARTMENT OF THE INTERIOR,
SOIL EROSION SERVICE,
Washington, March 4, 1935.

Hon. PHIL FERGUSON,
House of Representatives, Washington, D. C.

MY DEAR MR. FERGUSON: By special messenger I am sending you a map showing the distribution of our major erosion projects along with a statement giving the number of acres involved in each and the allotments to each of these projects, together with funds used for administrative expenses and other studies and cooperative arrangements with other Government agencies.

You will note that in the western grazing regions very large areas are involved. This does not mean that we will work over the entire area, but that we will work on the critical parts of these areas such as are involved with their stabilization in the interest of the irrigation civilization dependent on these areas and the very life of the Navajo Indians.

This map shows also the location of the present 51 E. C. W. camps which have been allotted to us by Mr. Fechner, of Emergency Conservation Work. We are using these camps pretty largely for gully-control work, the construction of terrace outlets, and in some localities for the mining of limestone needed for correcting the acidity of the land so that it will produce soil-holding legumes. We could use many more E. C. W. camps to supplement our erosion projects. I think there are in the neighborhood of 200 E. C. W. camps working on erosion problems involved with agricultural lands, but most of these have been assigned to the Forest Service.

With reference to the possibilities of expansion of our program, I can only say that the possibilities are enormous. Of course, no program should be extended faster than adequate technical personnel can be trained to look after the projects, but the Soil Erosion Service is in a position to train very rapidly large numbers of men. As a matter of fact, we have something like a thousand trainees now on our rolls, and among them there will be many competent men. These trainees learn the whole erosion program by working from the very bottom (in the bottom of gullies) on up to the more intricate matter of the installation of the various protective devices employed in controlling erosion in fields and also in assisting with the making of necessary maps of farms.

It is my feeling that we should have many more demonstrational areas comprising smaller acreages and that these should be so distributed as to be within reasonable distance of the farmers of the surrounding localities. There will be need also for additional large watershed projects, and I should think from these centers, where we have demonstrated to the farmers that it is practical enormously to reduce the evils of erosion to spread out to all lands needing treatment through cooperative arrangements with the Extension Service, the colleges of agriculture, and other pertinent organizations.

We cannot develop immediately the location of all these projects. It will take serious study and a good deal of time. However, we are working on them and will soon have much additional information.

I trust this will be helpful to you in connection with your plans.

Very truly yours,

H. H. BENNETT, *Director.*

Soil erosion control projects

Project no.	Name of project	Regional director	Office location	Approximate acres	Appropriations
1	Coon Creek	R. H. Davis	La Crosse, Wis.	93,000	$360,000
2	West Tarkio River Big Creek	R. E. Uhland	Bethany, Mo.	106,000 186,000	800,000
3	Sangamon River	F. A. Fisher	Urbana, Ill.	133,000	500,000
4	Elm Creek	H. V. Geib	Temple, Tex.	207,000	350,000
5	South Tyger River	T. S. Buie	Spartanburg, S. C.	111,000	575,000
6	Wildhorse Creek South Palouse River.	W. A. Rockie	Pullman, Wash.	32,000 98,000	420,000
7	Arroyo Las Posas Arroyo Grande	H. E. Reddick.	Santa Paula, Calif.	45,000 7,000	325,000
9	Stillwater Creek	N. E. Winters	Stillwater, Okla.	177,000	410,000
10	Navajo	H. G. Calkins	Albuquerque, N Mex.	16,000,000	1,600,000
11	Limestone Creek	F. L. Duley	Mankato, Kans.	114,000	375,000
12	Deep River Brown Creek	J. H. Stallings	High Point, N. C.	139,000 60,000	750,000
13	Reedy Creek	J. S. Cutler, acting.	Spencer, W. Va	87,000	385,000
14	Salt Creek	J. S. Cutler	Zanesville, Ohio	93,000	449,000
15	Cooley Creek Cypress Creek	H. M. Mims, acting.	Minden, La.	55,000 45,000	500,000

Soil erosion control projects—Continued

Project no.	Name of project	Regional director	Office location	Approximate acres	Appropriations
16	Plum Creek	H. L. von Trebra.	Albion, Nebr.	70,000	295,000
17	East Cadron Creek	Fred C. Newport.	Conway, Ark.	116,000	320,000
18	Buck and Sandy Creeks.	R. Y. Bailey.	Dadeville, Ala.	116,000	325,000
19	Sandy Creek	Loy E. Rast	Athens, Ga.	107,000	400,000
20	Duck Creek	L. P. Merrill	Lindale, Tex.	25,000	175,000
21	Okatibbee River	C. B. Anders	Meridian, Miss	144,000	420,000
22	Banister River Sandy River, Va.	P. F. Kel	Chatham, Va.	146,000 29,000	550,000
23	Soil-erosion survey	A. L. Patrick	State College, Pa		58,200
24	do	F. B. Howe	Ithaca, N. Y.		90,000
25	Gila River	B. P. Fleming	Safford, Ariz.	12,000,000	505,000
26	Root River, Minn	R. H. Davis	La Crosse, Wis.	190,000	288,000
27	Dalhart area	H. H. Finnell	Dalhart, Tex.	126,000	85,000
28	Reedy Fork	J. H. Stallings	Greensboro, N. C.	48,000	150,000
29	Crooked Creek	A. L. Patrick	Indiana, Pa.	135,000	191,800
30	Fishing Creek	T. S. Bule	Rock Hill, S. C.	52,000	150,000
31	Corralitos	H. E. Reddick	Watsonville, Calif.	68,000	200,000
32	Raritan River	L. L. Lee	New Brunswick, N. J.	37,000	200,000
33	Shue Creek Wolsey area	H. J. Clemmer	Huron, S. Dak.	142,000 38,000	125,000
34	Rio Grande	H. G. Calkins	Albuquerque, N. Mex	11,500,000	200,000
35	Crowleys Ridge	F. C. Newport	Forrest City, Ark.	32,000	125,000
36	Cohocton River	F. B. Howe	Bath, N. Y.	150,000	135,000
37	Muckalee Creek	Loy E. Rast	Americus, Ga.	25,000	150,000
38	Pecan Creek	N. E. Winters	Muskogee, Okla.	37,000	150,000
39	Black Squirrel Creek. Smoky Hill River	A. E. McClymonds.	Colorado Springs, Colo.	150,000 169,000	125,000

DEPARTMENT OF THE INTERIOR,
SOIL EROSION SERVICE,
Washington, February 27, 1935.

Hon. PHIL FERGUSON,
House of Representatives, Washington, D. C.

DEAR MR. FERGUSON: In reply to your personal request of yesterday I am submitting herewith a general statement entitled "The Problem of Water and Soil Conservation", which briefly covers the national problem of erosion, the program of the Soil Erosion Service (beginning on p. 10) and a résumé of some of the more important accomplishments on the crop lands (beginning on p. 16), but not covering accomplishments on the large projects of the western grazing areas. Here is also a more comprehensive paper on wind erosion under the title, "Prevention and Control of Wind Erosion of High Plain Soils in the Panhandle Country", by Mr. H. H. Finnell; and a brief statement with respect to erosion in Oklahoma.

You understand, of course, that we are working with $14,000,000 allotted to the Service by the Public Works Administration. This has been apportioned to the 40 projects distributed throughout the country, 2 of which are in Oklahoma.

As in the instance of many other States, we have received applications for additional projects for various parts of Oklahoma. One came in recently for a project in Grady County in the Little Washita Basin, endorsed by the names of 3,200 farmers and landowners; another from Custer and Washita Counties for a project on the watershed of Turkey Creek, endorsed by approximately 1,000 people; and still another from Custer and Caddo Counties for a project on the watershed of Little Deer Creek with a similar heavy endorsement. These requests mean, as I construe them, that the people have been convinced of the efficacy of the program now being carried on in Oklahoma under the Soil Erosion Service and that they have been awakened to the need for extending the work to other areas. This same situation applies to other erosive lands in numerous parts of the country, that is to say, the people concerned are continuously and urgently requesting expansion of the program. Unquestionably this situation would not exist if these people did not earnestly desire this work in their localities, believing it to be the only way out of a problem which involves the saving of their indispensable agricultural lands.

Very truly yours,

H. H. BENNETT, *Director.*

EROSION PROBLEM OF OKLAHOMA BRIEFLY STATED

Oklahoma is one of the States where erosion constitutes the major economic problem confronting the people. It is estimated, on the basis of erosion surveys and measurements of the rates of soil removed by erosion, that in the neighborhood of 440,000,000 tons of soil are washed or blown out of the fields and pastures of the State every year. This is the equivalent of 1,300 farms of 160 acres each, having a depth of 12 inches of predominately rich soil material. A recently completed erosion survey of the State shows that approximately 28,000,000 acres of land of all classes are suffering seriously from wind and water erosion. Of this, about 13,000,000 acres have reached the stage of serious gullying. Something over 2,000,000 acres have been essentially destroyed. No State, community, or business could long withstand any such losses.

The Soil Erosion Service of the Department of the Interior is now carrying on two large demonstrations of practical erosion control in Oklahoma, one in the watershed of Stillwater Creek, near Stillwater, comprising 150,000 acres, and the other in the watershed of Pecan Creek, near Muskogee, comprising 40,000 acres. As rapidly as possible all erosive land within these watersheds will be treated, in accordance with the specific needs and adaptabilities of the different kinds of land, with proven practical measures of control. Already much progress has been made on the Stillwater Creek project, enough to convince those who have studied the program that this is the only practical plan by which permanent erosion control can be effected.

Obviously two demonstrations are not enough to solve the problem for a large State like Oklahoma, so seriously affected as it is. At present nothing is being done in connection with wind-erosion control in the State, although the survey referred to shows that something over 4,000,000 acres of land have already been severely damaged by wind, and that the evil is spreading to other productive areas. The physical facts involved show that there should be additional water-erosion demonstrations of the type now being carried on near Stillwater, and wind-erosion demonstrations of the type being carried on in the vicinity of Dalhart, Tex., in sufficient number to serve the various definite regions of the State, such as are determined by soil character, type of agriculture, and climatic conditions.

In connection with the problem of erosion by water, the fact should not be lost sight of that it will never be possible to bring about anything approximating permanent effective flood control until erosion is taken care of from the very crests of watersheds down to the stream channels. Erosion is the product of accelerated run-off of water, following removal of the stabilizing cover of vegetation, as trees, grass, and shrubs, and cultivation or overgrazing of ranges and pastures. Erosion control means reduction of the run-off and that, of course, means the reduction of the hazard of floods and, incidentally, the reduction of the hazard of the silting of stream channels and the covering of valuable bottom lands and lower slopes with infertile material washed down from higher lands.

In conclusion may I call attention that in order for this program to be successful it must be carried out over a period of years—not 5, 10, but 20 years. We have been letting our soils go to ruination for the past 50 years; surely we could not expect to restore our eroded lands to normal in a period of 12 months.

It must be remembered that we first must work on the soils that are still producing. Saving these soils first, then treating the lands that have eroded beyond immediate productivity by letting them heal themselves. Nature will cure her soil by just helping her along a little. By this I mean building baffles, reseeding, and keeping out livestock on this land that is so completely eroded.

I sincerely hope that the Soil Erosion Service will be allowed enough camps to carry on this work. These camps are manned by a staff of technically trained men that really accomplish their goal. It is really a pleasure to see them in action. The Government can well be proud of their soil-erosion camps.

WIND EROSION

As to the practical prevention of wind erosion, according to the program of the Soil Erosion Service, I note the following:

The intense dust storms that recently have been sweeping across the Midwest is a grim object lesson of the destructive power of wind erosion and a graphic illustration of the imperative need for its control. Continued storms of this sort can be expected until adequate steps to prevent their recurrence are taken by farmers in the Great Plains region, where improper farming methods and cultivation of certain exceptionally vulnerable soils make soil blowing a constant menace.

The significance of these recent dust storms is appalling. They mean that our conquest of America has been achieved at reckless cost in land resources. We have dealt heedlessly with our land, and have done virtually nothing to control wind erosion. Now we are threatened with a situation comparable to the "dark sea" off the north coast of Africa, where at frequent intervals sirocco dust storms originating in the Sahara have blotted out the sun and scattered desert-derived soil material over large parts of Europe.

In the dim ages of the past, vast areas of loessial soils were built up over northwestern China, composed of dust borne by wind from the Gobi Desert. Similarly, before the dawn of history, loessial soils of large content were formed

along the lower Mississippi River, in the valley of the Missouri, in the Palouse Belt of Washington, Idaho, and Oregon, and in other parts of the United States. Nothing is known of the precise conditions that caused the deposition of these great areas of wind-blown soils; their origin is rooted in the remote past.

But we do know the cause of these recent dust storms in the United States. We know definitely that they are taking place because of land misuse and failure to provide adequate protection of cultivated areas in the country west of the Mississippi. About 15 to 30 years of cultivation were required to make the soil of this region susceptible to rapid blowing into the high passageways of wind. Depletion of the soil-binding humus resulting from oxidation that goes with cultivation and the gradual blowing that follows the breaking up of ground cover of native grass have finally left the soil in a powdery condition favoring easy movement by wind. In some fields as much as 16 inches of soil and subsoil have blown away during the past 18 months. Once started, wind erosion proceeds even faster than water erosion.

Approximately 60,000,000 acres of land in the subhumid and semiarid regions of the United States have suffered severe damage from wind erosion, according to a recent survey by the Soil Erosion Service. About 5,000,000 acres have been essentially destroyed for any possible cropping purposes by the loss of topsoil or by the deposition of wind-blown sand on fertile areas.

Results of a Nation-wide reconnaissance survey of erosion conditions show that in Oklahoma more than 4,000,000 acres of once fertile country have been severely damaged by wind erosion. In South Dakota about 4,000,000 acres are in a serious condition. Eight million acres in Texas, largely in the Panhandle, have been seriously injured and in some cases essentially ruined for cultivation. In Montana about 3,000,000 acres are in a serious condition. In Colorado 9,000,000 acres have suffered severe damage. Six million acres have been affected to a serious degree in Kansas, with nearly 800,000 acres completely destroyed. In all of these States much greater areas have been moderately affected or are being threatened with danger.

Dust storms can be averted to a large extent by the maintenance of an adequate cover of vegetation on the ground and by scientific and practical methods of cultivation.

In the vicinity of Dalhart, Tex., in the Panhandle region where wind erosion has been so serious, the Soil Erosion Service is now conducting a demonstration of the most effective measures of wind-erosion control. Similar projects are getting under way in eastern Colorado and central South Dakota.

Among the measures of control being applied by the Soil Erosion Service in its wind-erosion control areas are:

Restocking the more erosive areas with some adaptable type of vegetation and treating other areas with strips of tall, wind-resistant crops, such as sorghum; planting shrubs and trees in critical positions; plowing the land in furrows more or less at right angles to the direction of prevailing wind; plowing up of clay subsoil and leaving bare land in a cloddy condition; building embankments or a specialized type of terrace along the contours of the land to intercept and hold rain water; strip cropping with grass; and leaving on the land as much stubble vegetation as possible.

At this point I wish to insert a letter from Mr. H. H. Finnell, of the Dalhart, Tex., station.

DALHART, TEX., *February 25, 1935.*

Mr. G. A. BARNES,
Soil Erosion Service, Twelfth and Constitution,
Washington, D. C.

DEAR MR. BARNES: I made a thorough inspection of our project area this morning to observe the results of the severe 3-day storm of February 22 to 24, inclusive. I am happy to report that none of our field work was damaged where it had been completed and that very little damage is apparent on incomplete jobs. Where overgrazing has been prevented in wheat fields and moisture conservation accomplished there was little damage to wheat, but a considerable area of wheat on high and sloping lands was blown out, as a result of insufficient moisture to produce an effective ground covering. Where crop residues had been conserved according to our plan there is no erosion injury whatever.

On the other hand, on much land which was abandoned last year and on which no effort has been made to recondition in preparation for the spring winds and crop planting the hummocks are piled higher than ever. It is this neglected area which gives rise to the big dust clouds traveling great distances across the country. However, I may say that the formation of high dust clouds are not always coincidental with the most severe wind erosion. It is a particular meteorological condition involving rising air currents which cause the formation of the far-traveling dust clouds. For example, the day the dust cloud reached Dalhart the average wind velocity was only 12.3 miles per hour, but it increased to 23.1 miles per hour for the 24 hours ending this morning at 7 a. m. After the passing of the storm front a straight low-sweeping wind developed and this did most of the damage experienced at this point. No dust was carried high into the air but the drifting of soil from exposed areas was very acute, blocking railways, highways, blowing away fences, and building new drifts wherever tumble weeds found lodgment.

Yours very truly,

H. H. FINNELL.

Since the Soil Erosion Service estimates 34,000,000 acres are being seriously affected in 6 western States by wind erosion, this problem does not lend itself to the program undertaken by the Soil Erosion Service drainage basins, and so forth.

This is a huge emergency program in a country where many of the farmers are facing their third and fourth crop failure. If all the contracted wheat land that is suffering from erosion as well as wheat land that has been "blown out" for this year's crop could be prepared in a manner recommended by the Soil Erosion Service and planted to the proper erosion-resisting crops, it would go a long way toward solving the problem.

These farmers must have money advanced for seed and fuel; they in turn should agree to keep such land out of productivity for a long enough time to give the ground a chance to be healed by nature. Such a program would cost millions, but it would allow farmers work at home instead of on relief, and pay dividends a hundred fold by maintaining the future productivity of the land and preventing the fields from blowing out and ruining the adjacent land.

Every service of the Government, the county agents, the extension division, the agricultural college, and so forth, should be called in to aid in this big fight. A fight to preserve the very existence of what was once the greatest wheat-producing area in the world.

Mr. BACON. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, using the vehicle of everyone's desire to protect the small investor from loss, to curb greed, and prevent the unfair accumulation of vast wealth by improper means, our President yesterday sent to the Congress a message which deserves the deepest consideration of every Member of the House.

Writing yesterday, as so frequently, in the interest of those who have been wronged, those interested in public-utility holding companies were taken sharply to task for their efforts to influence Members of Congress through propaganda coming from the home folks.

Always an admirer of the great Roosevelt, whose uncompromising fight for the things he believed to be right and for the interests of his countrymen earned for him not only popular acclaim but the deepest love and affection, many of us recall the great and incomparable Teddy, whose words, if not actions, the present occupant of the White House sometimes follows and hoped that his statements of policy might, as were Teddy's, be followed by action giving them effect.

Another Roosevelt has come to power, swept to the highest office in the gift of our people by an overwhelming popular demonstration. So great was the faith of the people in his infallibility that for 2 long years everything he suggested or proposed was accepted and the faintest breath of criticism was regarded as treason. So yesterday when in his message he told the Congress that—

We should take the control and the benefits of the essentially local operating utility industry out of a few financial centers and give back that control and those benefits to the localities which produce the business and create the wealth—

Our hearts were with him and our minds acknowledged the soundness of the proposition.

When he further stated that—

It is time to make an effort to reverse that process of the concentration of power which has made most American citizens, once traditionally independent owners of their own businesses, helplessly dependent for their daily bread upon the favor of a very few, who, by devices such as holding companies, have taken for themselves unwarranted economic power—

Those of us who had begun to despair at the disappearance of popular government, at the ruthlessness with which Congress has been stripped of its legislative functions, lifted our heads and began to wonder whether once more we were to be given our constitutional right to at least assist in the making of laws for the government of our land.

When this message informed us that the President was—

Against private socialism of concentrated private power as thoroughly as I am against government socialism—

We were carried away by the thought that this perhaps was a new declaration of independence, the birth of a new freedom, the beginning again of that era where the Government might again become a government by and for the people.

A night's sober reflection brings other thoughts. Remembering the declarations so plainly, freely, and emphatically made in the campaign of 1932, the idea then reborn that the "forgotten man" was once more to be brought to the forefront, no doubt of the President's sincerity arose, but speculation as to how far his advisers might obscure his real purpose could not be downed.

Knowing his high purpose, his heart-felt sympathy for the downtrodden, the underprivileged, we thanked God for a man with his expressed views, and then, remembering that woman of New York who desired to work in her home that she might earn sufficient to keep her family with her, but who was prevented by the operation of one of the codes fostered by the President, and who, when the President was on that vacation across the Pacific, so justly earned and richly deserved, was reached by her cabled message asking permission to continue her labor, was informed, probably not by the President, but by some under secretary, that the code was sacred, could not be violated, we realize that even the high resolves of Presidents, their broad statements of policy, give way to practical political considerations, to the creation of jobs for the faithful, as is evidenced by the work of the Postmaster General, Democratic national committeeman, and the manipulation, even down in Texas, of the Home Owners' Loan Corporation's agents, the results of which so deeply grieve the gentleman from Texas, who complains, but who answers the crack of the party whip.

The optimism, the rejoicing, and the faith in the immediate and ultimate progress of our country, inspired by this message of yesterday, with its broad principles of justice, to which we can all subscribe, is somewhat dampened by our recollection of the President's 100-percent adoption of the Democratic platform, a sound, conservative, yet progressive, statement of general principles, so speedily repudiated, although not forgotten; by the repudiation of the statement of the Democratic candidate for the Presidency, made in October of 1932, that governmental expenses should, and would, be reduced, that the Budget would be balanced, and our present knowledge that, like soldiers marching as to war, the Democratic majority, under the present leadership, has, with banners flying, successfully raided the national resources, so far as is at present discernible, solely for the benefit of the Democratic organization.

Yes; as the message of yesterday told us:

It is time to make an effort to reverse that process of the concentration of power which has made most American citizens, once traditionally independent owners of their own businesses, helplessly dependent for their daily bread upon the favor of a very few.

It is time, Mr. Chairman, to decentralize that power which has been placed over at the other end of the Avenue, the law-making, the judicial power, all tied up in one neat, little package and handed to the executive department, under the guise of the N. R. A. and other similar legislation.

The greatest holding company in the world is that officered by the "brain trusters", and no group of highbinders ever exploited the members of operating companies more thoroughly and with more disastrous results to the individual than have these gentlemen exploited the taxpayers.

Let us abolish these Delaware holding corporations, whose directors are Cabinet officers or their agents and whose business is the destruction of the enterprises of the individuals of our country, who, by their acts, come in direct competition with those who would remain independent, self-supporting, and the givers of employment to those out of jobs.

Contrary to the President's proclamation on his way through Wisconsin, when he said, "We must not rob Peter to pay Paul", they have robbed both Peter and Paul to pay the political officeholders and manipulators who endeavored, without success, to carry on the many experiments now acknowledged to be failures.

True, those in charge of the present holding companies which the President seeks to abolish are guilty of many abuses which should, and will, be corrected, and they should be deposed from their positions of power, from those positions which enable them to oppress so many. They operate for gain. That the Government holding companies operate for political gain does not lessen the evil. The "brain trusters", extending to them all charity, are exploiting America, American citizens, American industries, for the benefit of the world at large. They have more interest in Europe, Asia, Africa, and the islands of the sea than they have in American homes and American families, and, let us, while we are getting rid of the vicious holding companies, while protecting the stockholders of operating companies, wreck and throw on the scrap heap these governmental agencies which have no excuse for existence except the creation of jobs for the faithful Democrats and the laboratory for the trying out of the experiments of political quacks, many of whom would starve to death if thrown upon their own resources.

We are told that charity begins at home. Let the President start this house cleaning by the dissolution of those great holding companies, the greatest in the history of the world, organized under the laws of the State of Delaware, by Cabinet officers or those in sympathy with them, and which are throttling American business, continuing, if not creating, unemployment, putting the little fellow out of business, and hampering, if not preventing, the return of prosperity.

Take care of the holding companies created by government; we will, by legislation, take care of the others.

Mr. BUCHANAN. Mr. Chairman, I yield 2 minutes to my colleague [Mr. MAHON].

Mr. MAHON. Mr. Chairman, I come from a great agricultural district in Texas, the Nineteenth Congressional District, composed of 25 west Texas counties. I note that this deficiency bill carries an appropriation of $60,000,000 for emergency crop loans. I am quite familiar with the circumstances as they exist in that vast drought-stricken area. I know that in my portion of Texas, and I suspect in all portions of the Union, there is a great need for the immediate passage of this bill. I, therefore, rise to urge upon this House the immediate passage of the deficiency measure insofar as this $60,000,000 item is concerned. I feel that we ought to urge our Senators to see to it that it goes through the Senate immediately in order that the emergency crop loan may be available in time to serve the purpose for which the loan was originally authorized.

I am not in favor of the passage of legislation without sufficient deliberation, but our duty in this matter is plain. The people have already waited a long time for this loan. This is now the 13th day of March, and it is crop-planting time in some sections of the Nation, and shortly it will be cotton-planting time in my district. I know that this loan must be made immediately available to the people in my section if they are to make a crop. The terrible drought has brought on a critical condition. The sandstorms are racing across the areas of west Texas. The people are discouraged. The Congress cannot do a more meritorious thing than to immediately pass this measure and make these loans available to the people.

These emergency crop loans are not an experiment. They are not a gift under the guise of a loan. We have tried them

before and we have found them practicable and helpful. The farmer has proved to be a worthy risk. He has paid back these loans, in many counties almost 100 percent, even though faced with trying conditions. The integrity of our farmers has not been shaken. This appropriation will make it possible for many a farmer to produce a crop in 1935 and feed his family and retain his confidence and self-respect. In many instances it will mean the difference between expensive relief rolls and profitable employment. It is trite to say so, but it is nevertheless true that the welfare of the farmer is the most important factor in national prosperity.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MAHON. Yes.

Mr. TABER. How does the condition of the farmers in Texas compare with what it was a year ago?

Mr. MAHON. The condition of the farmers in the 25 counties in my district is much worse today than it was a year ago, because they had at that time gone through one drought; since that time they have gone through a second one, and plenty of them in these 25 counties made nothing during 1934. It is a grave situation.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. MAHON. Yes.

Mr. RICH. Does the gentleman believe that we ought to continue to restrict the farmers of the country from planting certain crops which would increase production?

Mr. MAHON. That is a very debatable question, but at any rate I feel that we must proceed temporarily along the lines we are now proceeding.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BUCHANAN. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. WEARIN].

Mr. WEARIN. Mr. Chairman, I was very much interested in and pleased with the remarks of the gentleman from Texas [Mr. MAHON] with reference to seed loans provided in this bill. In the State of Iowa we are faced with the same problem of having to secure an ample supply of seed for crop development and continuation next year. It is of paramount importance that this appropriation bill not only pass but pass in the immediate future, because the planting season in the Middle West is near at hand, and we must get ready for action. Our farmers are due to start field work now at any time the weather permits. It is often possible to prepare the ground in March. Unless that seed reaches us this month, it is going to be useless to the farmers who are destitute. Many people sow legumes in February, but it is entirely feasible to put them in later in the spring with small grain. With that thought in mind, I commend the proposal incorporated in this measure to the Congress most sincerely.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. WEARIN. Yes.

Mr. CHRISTIANSON. As a matter of fact, is it not almost too late now to get the money into the hands of the farmers for some kinds of seed?

Mr. WEARIN. In certain territories that might be true, but generally speaking no; I think the legume crops can be taken care of nicely at the present time if there is no further delay and we can get action within the next 2 weeks. I hope the Department of Agriculture and relief agencies will cooperate in rushing the work.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. BACON. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. MAAS].

Mr. MAAS. Mr. Chairman, we recently extended the Reconstruction Finance Corporation, and one of the pleas advocating the extension was that it would aid the small business man, the independent merchant and industrial concerns who could not get a commercial loan through the normal banking channels. It was certainly a worthy motive and an essential one, if we are going into the business of aiding business. The essence of recovery is the reviving of small business. The Reconstruction Finance Corporation was intended to supplement our normal banking structure, to take up the slack where banks were not in a position to do so; and yet if you can qualify for a loan under the present administration of the Reconstruction Finance Corporation you do not need a loan. You have to be in such a financial condition to successfully apply for a loan that you could loan money yourself. The Reconstruction Finance Corporation has fallen under the domination of chain banks and the Federal Reserve System. Its purpose and intent is being defeated. Its benefits are being denied to the very group for whose benefit we extended the life of the Corporation. The small business man, when he applies today for a loan from the Reconstruction Finance Corporation, is usually told to go back to his own bank and try again. He is delayed thereby, and when he comes back again to the Reconstruction Finance Corporation some time later he is delayed some more by the long-drawn-out tactics of an audit and with unreasonable time taken to report on those audits. Then the business man is called in and told how to run his business, told that everything he is doing is wrong, and told if he will do it all over a different way, which they stipulate, that they will give his application further consideration, so that it has gotten to a point where the Reconstruction Finance Corporation is of no benefit to small independent business at all. It is worse than no benefit. It holds out false hope to the small business man and misleads him. If he knew that he could not get the loan definitely, he might make some other arrangement or possibly peacefully go out of business.

That has been the greatest trouble with the present administration of the R. F. C. This is only typical of it. If we want to revive business in this day, let us give business and industry a chance to find themselves and get on their feet. If they could only know from day to day what the regulations were going to be tomorrow they could plan accordingly. If they could only know under what conditions they were going to have to operate they could proceed accordingly, but they cannot know from hour to hour as things are now. I think sometimes if we washed out the whole proposition of attempting to assist business—although I do not necessarily advocate it at the present time—it might be better. Business men could at least have some basis on which to estimate from time to time what the conditions would be in the near future, if they had to deal with only natural forces.

Mr. FORD of California. Will the gentleman yield?

Mr. MAAS. I yield.

Mr. FORD of California. From 1930 to 1933 there were no restrictions. How successful were they then?

Mr. MAAS. The restrictions were in the operation. Originally the R. F. C. was designed for the large railroads in order to save the insurance companies. Its extension was requested as part of the new deal to aid the small business man.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. MAAS. I yield.

Mr. CHRISTIANSON. Has the gentleman ascertained how many loans have been made to small business in the city of St. Paul?

Mr. MAAS. Very few of them, if any. I have not been able to find any, and I know it has been reported that out of $350,000,000 set aside for loans to small business, there has been about $7,000,000 of it up to date loaned to small business concerns.

Mr. CHRISTIANSON. I will say to my colleague that the loans in Minneapolis have been very few and very small.

Mr. MAAS. I agree with the gentleman. I have not been able to find any in St. Paul.

Mr. WOODRUFF. Will the gentleman yield?

Mr. MAAS. I yield.

Mr. WOODRUFF. The gentleman is making a real contribution to the subject he is discussing. I want to ask the gentleman this question: Is not something further demanded than loans to business, although that is the primary necessity at the present time; but must not legitimate business men of this country be given the knowledge that they can begin to operate their plants and employ our people without the fear always in their hearts that some morning

they will wake up and find a Government owned and operated business just across the street, manufacturing the same thing and competing with them?

Mr. MAAS. I think the gentleman is absolutely correct. The thing that is holding back business today is fear in the hearts of the business men. They do not dare invest their money. They do not dare put their money into expansion now because of the fear of Government competition and unreasonable Government regulation.

Mr. LUDLOW. Will the gentleman yield?

Mr. MAAS. I yield.

Mr. LUDLOW. The other day we adopted a new formula for making these loans. Has the gentleman any hope there will be more liberalization on the part of the Reconstruction Finance Corporation in the future? I agree in the main with what the gentleman has stated as to past events, but I am prayerfully hoping that under this new formula there will be a more liberalized policy.

Mr. MAAS. No, I do not, because there is a bunch of bureaucrats running the Reconstruction Finance Corporation, many of whom were failures in business, failures in private banking, and so we set them up in the Reconstruction Finance Corporation. [Applause.]

As an illustration, in Minneapolis the R. F. C. was housed in the Federal Reserve Bank. Very few loans have been granted. Now the R. F. C. is housed in elaborate and luxurious private offices in one of the leading office buildings in Minneapolis. I think that the overhead is about equal to the loans that office is making. All this at the taxpayers expense, and when every dollar is so sorely needed for relief of very real distress and actual want on the part of millions of our citizens.

How long do you expect our people to go hungry when they see the Government throw money away in this fashion?

The hard-pressed business man who can help the unemployment situation by continuing in business and perhaps expanding, if given a little helping hand now when he needs it, is treated like a ragged applicant for charity by these high and mighty bureaucrats in the safe security of their luxurious offices—at our expense. The same bureaucrats are assuming the domineering attitude that brought bankers into disrepute. They are certainly doing the same for the Government, whom they misrepresent, or maybe they do correctly represent the Government.

The purpose of the R. F. C. now is supposed to be the aid of small and independent business. It is not doing it. In fact, its only help has been given to the great powerful groups, frequently to the very detriment of the mass of average business men. Frequently the very R. F. C. loans are employed by the powerful borrowers to drive their independent competitors to the wall.

There should immediately be a complete review of the whole administration of the Reconstruction Finance Corporation. Let us see to it either that its funds are used to help business or let us abolish it if it is merely to be an arrogant bureaucracy.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. MAAS] has expired.

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. Mr. Chairman, on Monday of this week I had the privilege of presenting to the Committee for Reciprocity Information my views relative to the existing tariff rates on three major commodities of the State of Oregon and the Pacific coast, which are involved in the proposed trade agreement with Italy.

I want to tell you something about the procedure in connection with the making of these agreements under the Foreign Trade Agreement Act of 1934; the act under which the Congress of the United States surrendered all of its effective tariff-making authority to the President of the United States. And then I want to tell you something about what the treaty makers are contemplating doing under this act to three or four of the basic agricultural commodities of the Pacific coast.

There is a prevalent opinion, not only in the country but in Congress as well, that the Congress in passing the so-called "reciprocal trade agreement law" did not give up its entire power in the field of tariff making. There is an impression even in this body that it is only under certain conditions that the President can take the tariff into his own hands and reduce the rates of duty without the consent of Congress. This impression has been fostered by propaganda put out by the State Department and by the sort of propaganda contained in the speech of the Chairman of the Ways and Means Committee, the gentleman from North Carolina [Mr. DOUGHTON], which he delivered here on March 6, and the speech of the gentleman from Ohio [Mr. HARLAN] delivered on March 1.

In these speeches and others made recently on the floor of the House by Members of the majority party, the statement was made not only that the President had limited tariff-making jurisdiction under the Foreign Trade Agreement Act but also that all interested parties, including Members of Congress, were afforded full opportunity for a complete and open hearing before the committees or commissions which negotiated the foreign trade agreement. It was the contention of these gentlemen, therefore, that no worthy industry had anything to fear on the score of tariff reductions by reason of the fact that Congress had abdicated in favor of the President in the field of tariff legislation.

Now I think it is high time that gentlemen disabuse their minds of any idea that they have any power or authority whatever over tariff legislation. The Congress of the United States has no more effective authority over tariffs than has a State legislature, and it has not had any such authority since the passage of the Foreign Trade Agreement Act. The reason for this is that under that act the President, without the consent of or ratification of Congress, may enter into a trade agreement with any foreign country whenever he pleases, or may reduce any duty by 50 percent. Such a reduction if made will, of course, effectively destroy any existing tariff duty.

Let me now make clear another fact. You Members of Congress and the people you represent not only have nothing whatever to do with making these treaties, but you do not even have the opportunity of presenting your views to anyone who has anything to do with the making of the treaties. The gentleman from North Carolina [Mr. DOUGHTON], in his argument on the tariff, quoted a former Member of the House, Mr. Beedy of Maine, who had criticized the arbitrary way in which the Ways and Means Committee functioned while the Republican Party was in control of the House.

The gentleman quoted Mr. Beedy as having said that we had come to a point where the relation between the Ways and Means Committee and the House of Representatives was analogous to the relation between a king and his subjects. I was not here when the Republican Party controlled the Ways and Means Committee, and the statement of Mr. Beedy may have been true. But I say to you now that the relationship that exists between the people who make the foreign-trade agreements under the 1934 act and the people of the United States who are most vitally interested in those agreements is a more distant relationship than that existing between a king and his subjects. It has been said that even a cat may look at a king. But I challenge any Member of Congress or any constituent of any Member of Congress to say that he has ever looked at the committee for foreign-trade agreements, which is the committee which finds the facts and makes the recommendations to the President in connection with these trade agreements. I challenge the Chairman of the Ways and Means Committee or any other member to say that he has ever been given an opportunity to appear before this committee. I challenge him even to name the members of that committee, which to date has been an absolutely secret committee.

And so I say that the relationship between the Committee on Foreign Trade Agreements and the Congress or the people is more distant than that between king and subject.

It is more akin to that between the Deity and the common mortal. We can only pray to the members of that committee that they might not injure an industry in which the people we represent are interested, by destroying its tariff, but so far as having any contact whatever with any of them is concerned, we have none, either under the law itself or under any regulation made under the law. I repeat that I want to disabuse your minds of the idea, if you entertain it now, that you did not entirely and unconditionally surrender all of the effective tariff-making power of Congress to the Chief Executive when you passed the Foreign Trade Agreement Act at the last session. I say when you passed it, because I am addressing myself particularly to the members of the majority party. The act did not pass with my vote nor with the vote of a single Republican Member of Congress.

Mr. BREWSTER. Mr. Chairman, will the gentleman yield?

Mr. MOTT. I yield to the gentleman from Maine.

Mr. BREWSTER. I would inquire whether or not the gentleman was able to learn anything as to the committees which actually negotiated these agreements.

Mr. MOTT. That information is entirely secret; it is not given out. The fact finding and recommending committee is the Committee for Foreign Trade Agreements, but the personnel of that committee is to date a secret. It is not known, or, at least, it has never been announced to the public.

Mr. BREWSTER. And I would inquire further whether or not the committee before which we are permitted to appear and file briefs and make presentations has anything to do with those negotiations.

Mr. MOTT. Nothing whatever. The only committee before which we are permitted to appear is the Committee for Reciprocity Information. They are not allowed to make any recommendations; they do not even make any suggestions to the Committee for Foreign-Trade Agreements; their only function is to receive such information as an interested party may desire to give to them. That was the direct and emphatic announcement made by the chairman of the Committee for Reciprocity Information on Monday of this week upon the so-called hearing on the Italian trade agreement.

Another thing is this, and I suggest my colleagues bear it in mind, nobody has any direct right to appear even before the Committee for Reciprocity Information. If you desire to appear before that committee and state your views you may make an application in writing to the chairman of the committee for that purpose. He examines your application, and if he desires you to appear he sends you written notice that you may appear, and he also sends you a copy of the public notice, which states very definitely that the presentation of views before the Committee for Reciprocity Information is not a hearing at all and that it is not to be construed as a hearing. I repeat, therefore, that neither Members of Congress nor their constituents have any rights whatever under this act in the way of presenting their views, testimony, or arguments to anybody having jurisdiction to act upon them. They have no authorized contact, and it is absolutely impossible for them to get any authorized contact, with anybody in the executive department of this Government who has anything whatever to do with the making of these trade agreements.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. MOTT. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Is there any mandatory provision which forces this committee before which the gentleman appeared to pass the information which the gentleman or his constituents give to them along to the trade committee.

Mr. MOTT. None whatever, either by virtue of the statute or the regulations. The statement was made by the Chairman of the Committee for Reciprocity Information that it was not a fact-finding committee, and that it was not a recommending committee. The procedure, as I understand it, is this: When views or oral statements are presented to the Committee for Reciprocity Information they take these views and these statements and make a digest of them. This digest is passed on to the Committee for Foreign Trade Agreements, but not the briefs nor the oral arguments, unless these should be asked for. This committee has no contact whatever with the Committee for Foreign Trade Agreements. Let me repeat that up to this time the personnel of the committee which does the negotiating, which does the studying, and which does the recommending is a secret. Nobody to this day knows who they are. The only person whose name has ever been divulged to the public is Mr. Grady, representing the State Department. He is the Chairman of this Committee for Foreign Trade Agreements.

Now it was also stated by the gentleman from North Carolina [Mr. DOUGHTON], and likewise, I believe, by the gentleman from Ohio [Mr. HARLAN], that it was not the purpose of the executive department under the Foreign Trade Agreement Act to make agreements with foreign countries which would reduce the tariff to the injury of industries which were of any importance. This certainly is not the fact. To date these foreign-trade agreements have involved tariffs on industries, both agricultural and manufacturing, of major importance to several States of the Union, and more are to follow as rapidly as they can negotiate them.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MOTT. I yield to the gentleman from Pennsylvania.

Mr. DUNN of Pennsylvania. Does the gentleman know of any large industry that has been injured since the reciprocal tariff has been in effect?

Mr. MOTT. Yes. I did not want to discuss that phase of the matter because I would like to devote what time I have remaining to my own industries which are involved in the proposed trade agreement with Italy, but I can mention several industries off-hand which have already been injured by these agreements. They are the sugar industry, the manganese industry, the copper industry, the potato industry, the winter-vegetable industry, and several other industries, both agricultural and manufacturing. I have a complete list of commodities already involved, if the gentleman would like to examine them.

Let me tell you now a little about this proposed trade agreement with Italy. In this proposed agreement the tariffs on three major products of the Pacific Northwest and of the State of Oregon are involved. So far as my own State is concerned, the principal ones we are concerned with are the tariffs on cherries, on filberts, and on walnuts.

Mr. ENGEL. Mr. Chairman, will the gentleman yield?

Mr. MOTT. I yield to the gentleman from Michigan.

Mr. ENGEL. Has the gentleman any information as to whether or not anyone is contemplating lowering the tariff on cherries and those articles?

Mr. MOTT. Unfortunately that information is absolutely secret and there is no way in the world that a Member of Congress can obtain it. That is one of the fundamental objections I have to the Foreign Trade Agreement Act.

Mr. ENGEL. At that hearing there were people representing farmers from Michigan to California making a presentation of facts regarding a product which they did not know and could not even find out a change was contemplated.

Mr. MOTT. That is true. We must shoot entirely in the dark. On direct inquiry from the Tariff Commission I was told that it would be impossible for the Commission to give out any information as to the proposed reduction of a tariff on any particular commodity until after all the studies, which are entirely secret, have been completed. I was informed that it would not be known what tariffs would be reduced until Italy comes in and says what tariffs they would like to have reduced. Then I asked directly if it would be possible to get information as to the procedure and intention of the Committee for Foreign Trade Agreements after Italy disclosed her desires in this regard, and I was told it was not. So the fact is that outside of the privilege that is given an interested party to appear before the Committee on Reciprocity Information, which committee has no jurisdiction whatever in the making of the treaty, no interested party and no Representa-

tive or Senator in Congress has any contact whatever at any stage of the proceedings with any treaty-making body, and the entire negotiations are absolutely secret.

Mr. CITRON. Will the gentleman yield?

Mr. MOTT. I yield to the gentleman from Connecticut.

Mr. CITRON. May I ask the gentleman if he thinks that is any worse than what happened a few years ago when a gentleman from my State representing the Manufacturers' Association came into a committee and there secretly tried to connive certain things for certain manufacturers? Does the gentleman think that is a better system?

Mr. MOTT. If that was done, of course I do not condone it, but on the contrary, condemn it. Here is the difference, however. Under the system which prevailed when the Congress of the United States had jurisdiction over tariff making, anyone could appear before the Ways and Means Committee of the House at any stage of the proceeding and present his case. And he presented that case to the committee that actually framed the tariff law. Not only that, but when the Ways and Means Committee finally submitted a bill to the House, then the representatives in Congress of the people themselves had an opportunity to vote upon that tariff bill. They could accept it or amend it or reject it. Under the system which prevails now we have nothing to do with the matter. The whole thing is in the hands of men who were not elected by the people, who are not responsible to the people, and whose identity to date is not even known to the people.

Mr. BREWSTER. Will the gentleman yield?

Mr. MOTT. I yield to the gentleman from Maine.

Mr. BREWSTER. May I ask the gentleman whether or not the Congress of Brazil is now debating whether they will ratify the reductions made in our tariff duties?

Mr. MOTT. I understand that is correct. The Brizilian Congress never went so far as to abdicate its entire tariff-making power to the executive department of that country, as did the American Congress.

Mr. BREWSTER. And may I ask the gentleman whether or not the Belgium Parliament has terminated the power to negotiate agreements, which compelled the announcement in reference to the Belgium treaty at the time it was announced?

Mr. MOTT. That also I understand to be the fact, but just what authority the trade negotiators now have under the laws of Belgium I do not know, but under the laws of the United States these trade negotiators have all the power. No one else in the United States has anything to do with it.

Now, Mr. Chairman, the remainder of the time allotted me is short, and in order that you may have an opportunity of examining the situation in regard to our tariff rates on cherries, filberts, and walnuts, which are involved in this proposed trade agreement with Italy, I am going to put in the RECORD a transcript of the full statement I made on this subject before the Committee for Reciprocity Information on Monday.

Perhaps the facts which we presented to this committee will do some good. Perhaps they will be passed along to someone who has something to do with negotiating the Italian trade agreement. Perhaps that somebody will consider the facts and will not reduce these necessary existing rates on these important commodities. But the fact remains that under the Foreign Trade Agreements Act we can only hope. That is all we can do about it, because Congress by that law has surrendered its jurisdiction over the subject.

I contend, therefore, that Congress ought to recapture its jurisdiction by repealing the law, and that in this Democrats, as well as Republicans, should join. For, after all, there is no real difference in tariff theory between the Republicans and Democrats, so far as individual opinion is concerned. The only difference is an announced official policy which is put into party platforms largely for historical and traditional reasons.

I know it is true in Republican territory that when a Democrat is elected to Congress the people simply do not pay any attention to what the Democratic platform declarations may be in regard to a tariff policy, because heretofore they have known if the Democratic Party got into power it would not pay attention to that declaration of tariff policy anyway. I may say that up to this time, so far as I know, and I have tried to follow the history of the thing very closely, no Democratic Congress has ever put into effect a Democratic platform declaration on a tariff policy until the present administration. The reason has been that Democrats, individually, do not believe in free trade any more than Republicans do. Neither, as individuals, do they believe in these reciprocity trade agreements, which are nothing more than thinly disguised free-trade treaties. When you voted for that you did not vote for it because you believed in it, because none of you do. You voted for it simply because it was demanded by a popular President. I venture to say there are not 50 members of the majority party in this House who, if a secret ballot were taken, would vote now in favor of this law, any more than you would vote again for the Economy Act. You did not believe in that, and you have already repudiated it. You should do the same thing with the Foreign Trade Agreement Act.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 4 additional minutes.

Mr. MOTT. Mr. Chairman, I wish now to have inserted at this point my statement before the Committee for Reciprocity Information:

STATEMENT OF MR. MOTT BEFORE COMMITTEE FOR RECIPROCITY INFORMATION

Cherries

Mr. Chairman and gentlemen of the committee, the proposed trade agreement with Italy involves the rates of duty upon three horticultural products of major importance to the State of Oregon. These are cherries, filberts, and walnuts. Written briefs on behalf of the industries growing and marketing of these products have been filed with the Committee for Reciprocity Information; the brief on cherries by the Northwest Cherry Growers and Allied Industries Committee, on filberts by the Northwest Pacific Nut Growers Corporation, and on walnuts by the California Walnut Growers Association.

This oral statement or argument will be supplemental to the written statements contained in these briefs. Although filberts and walnuts are grown extensively in all the Pacific Coast States, and cherries in all of these States with Idaho and Utah included, I intend to direct my remarks largely to the industry in Oregon because it is in that State that I am most familiar with it.

It will be my purpose here to try to show the committee three things:

(1) That the business of growing, processing, and marketing cherries, filberts, and walnuts is a major industry of the State of Oregon and that its continuance and prosperity is essential to the welfare of the people of that State;

(2) That the industry was developed to its present proportions through the aid and protection afforded it by the tariff, and that its present existence is due largely to the imposition of the duties provided in the Tariff Act of 1930;

(3) That if these duties are reduced so as to again permit importations of them from Italy at a profit to growers in that country, the industry in the United States will suffer irreparable loss and damage to the permanent detriment of all the people of the State of Oregon.

If I am able to show to the committee by facts that these things are true, then I take it I shall have given a complete and a sufficient reason why, in the making of this proposed trade agreement with Italy, the existing duties on cherries, filberts, and walnuts should not be disturbed.

In the Pacific Coast States and in Idaho and Utah there are growing at the present time more than 4,000,000 cherry trees, a little less than 3,000,000 of which are of bearing age, and a little more than 1,000,000 are of nonbearing age. These cherries are grown upon 62,000 farms, more than 12,000 of which are devoted to the production of cherries on a commercial basis. One-quarter of a million people live on these farms, of which 50,000 are engaged in the growing of cherries on a commercial basis.

The investment involved in the cherry industry is $36,000,000. The average annual cash turnover is $14,000,000. The average annual pay roll is $5,000,000. The industry gives continuous yearly employment to 13,433 people, and the annual number of man-days labor provided by this industry is 2,790,000 man-days at $2 per day.

The State of Oregon produces about one-fifth of the cherries grown west of the Rocky Mountains. There are nearly 1,000,000 cherry trees now growing in Oregon, a number approximately equal to the population of that State.

In view of what I have just said as to the acreage, the investment, the cash turn-over, the value of the product and the pay roll, all of which facts and figures are established and elaborated in the written brief, I am assuming it is sufficiently clear to the committee that the production and marketing of cherries is a

major industry of the State of Oregon and that its profitable continuance is essential to the welfare of the people of that State.

I come now to my second proposition, that this industry was largely developed to its present proportions through the protection of the tariff, and that the industry was saved by the Tariff Act of 1930.

Up to and including the year 1929 production of cherries on the Pacific coast was almost entirely absorbed by the canning industry. In that year, due partly to competition of cheaper canned fruits, such as peaches, apricots, pineapples, etc., but due chiefly to the lack of purchasing power of the people, all canners curtailed their cherry pack, and since that year the annual pack of canned cherries, which is necessarily one of the most expensive methods of processing that product, has greatly decreased. By 1931 the demand for cherries for canning had almost disappeared and in many localities the 1931 crop was not even harvested.

Had it not been for the tariff on cherries which went into effect following approval of the Tariff Act of 1930 the cherry industry would have become virtually a ruined industry in that year. Up until 1930 Italy had been exporting to the United States an increasingly large amount of cherries in brine annually. The average annual importations from Italy for the years 1927, 1928, and 1929 was 17,500,000 pounds, while the average production of cherries in brine in the United States for the same years was 4,037,000 pounds.

The imposition of a tariff of 5½ cents per pound on unpitted cherries in brine and 9½ cents on pitted cherries under the act of 1930 enabled the American grower, who, on account of the reasons stated, had lost the major part of his canned-cherry market, to barrel his cherries in brine and sell them here in competition with the Italian product. Except for the tariff the American grower could not have done this and his market, which was and still is confined to the United States, would have been permanently lost. His $36,000,000 investment would have been sunk and the industry itself ruined.

From that time on, and solely by reason of the imposition of duty rates which made importation of brined cherries from Italy increasingly difficult, the American grower has gradually captured the American market for cherries in brine, as will be seen by the following:

In 1929 the importations of cherries from Italy, which incidentally is the only country which has competed in the United States with the domestic product, amounted to 22,289,000 pounds, practically all of which were brined cherries. By 1933 these importations had dropped to 686,000 pounds. During the same period the production and sale in this country of American cherries in brine increased from 4,037,000 pounds in 1929 to 18,750,000 pounds in 1933. This latter figure is about 1,000,000 pounds greater than the combined total average annual consumption of brined cherries in the United States for the 5 years prior to 1933.

From this it will be seen that there is no shortage of brined cherries. American growers now produce in every normal year more cherries than are consumed in this country. Once in a long while we have a short crop of cherries on the Pacific coast. We had one in 1934. Had it not been for that short crop there would now be a large surplus carried over in 1935.

The cherry crop from now on will increase rapidly on account of the new plantings made from 1923 to 1928, and these are just now coming into bearing In the entire West nearly one-half of the total number of cherry trees are still of nonbearing age while in Oregon there are about three-fourths as many trees of nonbearing age as there are of bearing trees.

This surplus which will become increasingly huge, must find its outlet, if it finds one at all, through the brined product, which is by far the cheapest method of processing and the one, therefore, through which this product must be made increasingly available to the people of the United States.

If I have made clear to you thus far the facts themselves, which since they are facts of record cannot, I imagine, be subject to dispute, then I may assume that the truth of the first two propositions advanced at the beginning of this statement, namely, that the production of cherries is a major industry of the State of Oregon and that its profitable continuance is essential to the welfare of the people of that State, and second that it owes its present existence to the existing tariff on cherries has been established. I wish to undertake now to show that without this tariff the industry cannot continue as a profitable industry, which means, of course, that without the tariff it will not continue at all.

The Tariff Act of 1922 imposed a duty of 2 cents a pound on cherries in their natural state, sulphured or in brine, and on maraschino cherries and cherries prepared and preserved in any manner, 40 percent ad valorem. Cherries in their natural state, with the exception of a few varieties, are seldom shipped to any great distance. The tariff of 2 cents a pound on cherries, sulphured or in brine, was entirely ineffective so far as preserving the American market for the American producer of this product. The Presidential proclamation, under the flexible tariff provision, which increased the duties on sulphured and brined cherries to 3 cents, was likewise utterly ineffective. Due to the low cost of production in Italy, the Italians were able to grow and process these cherries, ship them to the United States in subsidized Italian bottoms, pay the tariff, and sell them here at a profit. Products of any kind, agricultural or otherwise, can and are shipped to a foreign country and sold there only when they can be sold at a profit. Where, by reason of an increase in the tariff, or otherwise, they can no longer be sold at a profit, the importations automatically stop.

The fact that the Italians did from 1922 to 1930, while previous tariff rates were in effect, export to and sell in the United States an average annual tonnage of cherries in brine approximately equal to the total consumption of the brined product in this country, is proof in itself that no duties prior to those imposed in the 1930 act were high enough to prevent the Italian product from being imported into the United States and sold at a profit. During the last year prior to the 1930 act, the year 1929, the Italians exported to and sold in the United States the largest tonnage of brined cherries they had ever shipped to this country, namely, 23,910,000 pounds. The Tariff Act of 1930 increased the rates to a point where importation of cherries from Italy became unprofitable and, therefore, the importations ceased. The rates imposed by the 1930 act were 5½ cents per pound for sulphured cherries in brine with pits, and 9½ cents per pound with pits removed. In the year immediately following the approval of the 1930 act the importations dropped to less than one-third of what they had been the year before, and by 1933 the importations had practically ceased.

All that it is necessary now to do in order to turn over again the entire brined cherry market of the United States to the Italians is to reduce the tariff to a point where Italian cherries may again be profitably sold in the United States and Italy will immediately export 23,000,000 pounds of brined cherries a year to the United States or whatever amount may be necessary in any year to supply the American market.

It is wholly impossible, even if it were desirable, to compete with Italy in the production of cherries. We cannot compete with Italy and still maintain our standards of living and of wages any more than we can compete with the Japanese or Chinese. In that portion of Italy where cherries are grown commercially, according to the figures furnished to me by the Department of Commerce, the present wages paid to agricultural labor ranges from 8.3 cents per hour for men to 4.6 cents per hour for women and 4.4 cents per hour for boys. The agricultural worker in Italy lives in an almost primitive manner. His diet is restricted to the simplest and cheapest foods. Such items as coffee, sugar, etc., are almost entirely out of his reach. He wears clothing produced in Italy at wages and under conditions which would not be tolerated in this country. His housing costs are practically nothing. No great amount of heat is required, especially in the southern districts, and his fuel item is negligible. No American farm family either could or would live upon the same standards as the Italian farm family and the same is true as to agricultural hired labor in the two countries.

This, however, is not all. Most of the farms in Italy are so small and the average family so large that in many cases it is not necessary for the farmer to employ agricultural help at all in order to harvest and market his cherry crop and the producer, therefore, is relieved for the most part of the necessity of paying even the wages I have cited, wages, which, in this country, would be considered as starvation wages and which are not available to any American cherry grower or operator in any branch of the cherry industry in connection with the growing, processing, or marketing of his crop.

To compete with Italians in the production of cherries would obviously mean a reduction of our standards of living and of wages to a level with theirs. No one, I think, wants to do that. The point I am making here is that it is not possible. It cannot be done in the United States.

Like the producer of most other farm commodities in this country the American cherry grower is now and for several years has been selling his product at a loss. At the present time the selling price of cherries is about one-half the cost of production. Complete statistics on this subject are contained in the brief and I shall not argue them here. The reason for this is, of course, the economic depression from which we are all suffering, whether we are engaged in agriculture or in some other industry, and which, we hope, is temporary. If we thought it was going to be permanent, we would not stay in the cherry-growing business any more than we would remain in any other branch of the farming industry. The cherry producers have sustained this loss because they had to, because they cannot abandon their industry and their investment nor surrender their market which the 1930 Tariff Act enabled them to capture, pending the return of normal conditions in this country. Any reduction whatever in the tariff will simply further reduce the price at which they must sell their product and to that extent increase their losses.

Now, I want to be perfectly frank and say to you that the only kind of a tariff that will do the cherry grower any good whatever is a tariff which is high enough to make it impossible for the Italians, who are their only foreign competitors, to ship cherries into this country and sell them at a profit. On the other hand, the only kind of a reduction in tariff rates that will do the Italian grower any good is a reduction low enough to enable the Italian grower again to ship his product here, pay the tariff, and still sell at a profit. Any other kind of a reduction would be of no value whatever to Italy, and Italy therefore would have no reason for asking for it.

It is obvious, therefore, that whatever tariff rate on cherries Italy may ask for or accept in negotiating the proposed trade agreement will, of necessity, be a rate that will enable her to produce her cherries in Italy, ship them to this country, pay that tariff rate, and still sell them in the American market at a profit. Italy could have no other conceivable reason for asking a reduction in the duty on cherries. And since, as I have shown, Americans cannot compete in price with Italians in the production of cherries, that means that the Italians would recapture the American market

for brined cherries. That the loss of that market would ruin the industry in America has already been shown. I venture to state it, therefore, as a reasonably demonstrated fact that the granting to Italy of any reduction in cherry duties which she would either ask for or to accept would mean the inevitable destruction of the commercial cherry industry, with its consequent irreparable loss and injury to the people of my own State and to the entire Pacific coast.

Filberts

What I have said of the cherry industry is applicable generally to the filbert industry. There are several features connected with the growing and marketing of filberts, however, which distinguish that industry not only from the cherry industry but from every other agricultural or horticultural industry, so far as the people I represent are concerned.

The production of filberts is peculiarly an Oregon industry. It is confined almost entirely to the States of Oregon and Washington, the 2 States producing 98 percent of the entire crop of the United States. The State of Oregon alone contained 83 percent of all the growing filbert trees listed in the 1930 census, and that percentage has increased considerably during the last 5 years.

Furthermore, filbert growing is confined only to certain portions of these two States; in Oregon to the Willamette Valley and in Washington to the southwestern counties between the Columbia River and Puget Sound. The reason for this is that the soil and climate of this restricted area is the only portion of the United States where filberts can be grown commercially. In fact it is one of the few areas in the world where this highly distinctive and valuable nut thrives. The other filbert-growing areas of commercial importance are southern Italy, Spain, Turkey, and other Mediterranian countries, which up until the time the present tariff rates on filberts were imposed, supplied most of the American market with this product.

Although the filbert-growing industry on a commercial basis in Oregon is only about 15 years old we already have more than five and a half million dollars invested in it. It is the fastest growing agricultural industry in the Pacific Northwest. In this comparatively small area we have 4,400 acres of bearing trees, 4,300 acres of trees which will reach bearing age in from 1 to 4 years, and 1,250 trees which were planted this year.

The present acreage, of course, represents but a fraction of the total acreage in this favored area which is capable of producing filberts commercially. With the entire United States as a potential market for a product which in its highly developed and improved form is not equaled by the product of any foreign country, the possibilities for the future of this industry are almost limitless.

With proper tariff protection which will allow us to develop this industry and its market to the point where it is capable of being developed and where it ought to be developed, the prosperity of the farmer in western Oregon and Washington will be assured, because he will become increasingly engaged in an agricultural specialty in which there is no competition in this country, and at the same time he will be taking out of production land on which surplus crops are now grown—crops which at present come into competition with farmers in every State in the Union.

The development of the domestic market for filberts has not been coincident with the increase in its tariff protection to the same extent as obtains in the cherry market. There are several reasons for this, one being that filberts have never been given an adequate tariff protection, as have cherries since the passage of the 1930 act. The present rates of 5 cents on unshelled nuts and 10 cents on shelled are entirely inadequate to keep out the foreign product, which, on account of the low cost of production in Italy, can be sold here at a profit after paying that rate of duty. The tariff has, however, inadequate as it is, served to keep the price of the product higher than it would be without it, and it has been responsible to some extent for reducing the importations since it went into effect, thereby enlarging the American market for the American producer to the extent of the decrease in importations.

Prior to the Tariff Act of 1930, the rate on filberts was 2½ cents per pound for unshelled nuts and 5 cents per pound for shelled. Like any other ridiculously low rate on any product, this duty had no effect whatever on foreign importations. I may say in passing that the difference in cost of production of filberts here and in Italy is even greater than that of cherries. The filberts of Italy are grown with little, if any, cultivation, and with practically no standardization or grading. All the Italian does to harvest his crop of filberts is to pick them off the ground when they fall at the proper season, and take them to his own home, where he and his family crack them by hand under no supervision, sanitary or otherwise. They are not washed, dried, graded, or processed in any way, as is required under American methods or American standards. No American farmer can compete with those methods or with those standards of living.

Americans cannot grow or harvest crops in that way, whether they be filberts, cherries, or any other farm product. In the first place the Oregon farmer has an actual average investment of $666 in every acre of bearing trees, as will be seen by reference to exhibit D in the brief, and it costs him 13.7 cents per pound to produce his crop. The break-down for this will be found in exhibit B. The Italian can produce his crop for a mere fraction of this amount, probably for a cost of not to exceed 3 cents. The price to the American grower last year was from 8 to 9 cents, which on account of the low tariff is, of course, a competitive price, the American buyer having the opportunity of purchasing either the American or the Italian product. The Italian grower last year produced and sold his filberts at a cost which permitted the Italian buyer in Italy to take that product, pay the freight on it to New York, pay a tariff of 5 cents per pound, and sell it here at a profit in a market where the price was from 8 to 9 cents. If the Italian grower made a profit his total cost of production per pound could not have exceeded the actual farm labor cost of producing a pound of filberts in Oregon, and it would have been less than one-half the item of interest alone chargeable per pound of nuts to interest on his bearing-orchard investment.

I have no desire to elaborate further upon this point. As I stated in my remarks on the cherry industry, Americans cannot compete with Italians in the production of a competitive agricultural commodity to be sold in this country any more than they can compete with Japs or Chinamen, and if you are going to give Italians competitive access to American horticultural markets the American horticultural industry in those competitive products will have to cease.

The small tariff on filberts, while not sufficient to prevent the filbert grower from operating at a loss, has at least given him a chance to dispose of his steadily increasing production and to hold the market for it. He had hoped at this session of the Congress for an increase in filbert tariffs sufficient to enable him to hold that increasing market at a profit instead of a loss, and he would have received that increase had not the Congress, under the 1934 tariff act, transferred its effective tariff-making authority to the Chief Executive. Please do not construe this statement as political. I am simply stating a fact that is quite familiar to everyone in Congress. I know of no Member of that body, whether Democrat or Republican, who would have objected to this necessary increase on the filbert tariff.

I say the 1930 tariff of 5 cents per pound on unshelled and 10 cents per pond on shelled filberts enabled the American grower, by sustaining what he had every reason to believe was a temporary loss, to capture and hold the market for the increasing supply of his product, a supply which will increase rapidly from year to year as the 4,500 acres of nonbearing trees come into bearing. The nonbearing trees now exceed the bearing trees and new plantings are now being put out at the rate of about 1,000 acres a year. That it would have been impossible for him to hold this market at the 1922 rate, I think will be admitted by everyone who knows anything about the subject, because under the old rate the Italian product could have been sold here last year at 5 cents per pound, which is about 40 percent of the cost of production in the United States. Under the 1930 rate the Italians sold their product here at about 70 percent of the cost of production in America.

Prior to the time the 1930 tariff rates went into effect practically the whole American filbert market was supplied from importation from foreign countries, including Italy. Importations increased with the demand, until in 1929, the last year prior to the imposition of the new rates, there were imported into the United States 21,000,000 pounds of filberts at an average price so low no American grower could compete with them. Fortunately the supply of the American product up until that time had not been large. The year after the 1930 rates were imposed, importations dropped to 15,000,600 pounds, with an increase in the sale of American filberts. The next year importations dropped to 12,600,000 pounds and the American grower absorbed a little more of the American market. In 1933 importations had gone down to 8,100,000 and last year the importations were 7,800,000 pounds. These figures are based on importations of both shelled and unshelled nuts by a mathematical calculation which gives the equivalent of unshelled nuts.

The figures I have given include total importations from all filbert-producing countries. The Italian imports in 1929 were 5,459,000 pounds. After the 1930 rates went into effect Italian importations decreased at about the same rate as the imports from other countries, diminishing to 1,881,000 pounds in 1933.

During the same years the increase in the sale of American filberts in the United States was as follows: In 1929, 200,000 pounds; in 1931, 700,000 pounds; in 1932, 800,000 pounds; in 1933, 2,000,000 pounds; and in 1934, 2,261,000 pounds.

As our domestic production increases we desire to dispose of it and to dispose of it at a profit. Whether we dispose of that product at a profit or a loss depends upon whether we receive adequate tariff protection or not. In the case of cherries I stated that an adequate tariff was one that was high enough to keep the foreign product out of this country altogether. The reason for that, as I explained, was that the American cherry grower already was producing enough of his product to completely supply the American market. Therefore any tariff low enough to permit importation of cherries at a profit to the Italian grower is obviously an inadequate tariff.

An adequate tariff on filberts is, in my opinion, arrived at by a slightly different method, although its practical results are the same so far as the American grower is concerned. We do not produce enough filberts at the present time to supply the demand. The total American consumption last year was about 10,000,000 pounds of which the American grower supplied a little more than 2,500,000. Our production is increasing so rapidly, however, that within a very short time our production will be equal to the total consumption for last year, and from then on it will surpass it by an increasing amount each year. It should be remembered that in the last 4 years, from 1929 to 1934, our production increased from 200,000 pounds to more than two and a half million pounds, and that in 1935 there are more trees of nonbearing age than of bearing age, with new plantings averaging 1,000 acres a year.

Until our production reaches an amount equivalent to total consumption of foreign and domestic filberts, an adequate tariff is one which will assist the American producer to sell his product

in America at a profit. Such a tariff will until that time be a competitive tariff. It will not shut out the Italian for it will enable him to increase his price also while supplying that part of the market which we cannot yet supply.

Let me make this clear, however: The moment our production of filberts equals consumption, then the method by which an adequate filbert tariff should be determined changes to that proposed in my statement on the cherry tariff, for when we are able to supply the entire domestic market without importations, then the tariff should be fixed at a point below which neither the Italian nor any other foreign grower can sell his product here at a profit. In other words, the tariff then should be sufficient to shut out the foreign product altogether, and leave the entire market to the American producer. The price then will be regulated by supply and demand.

There is no reason why the American market should not in time absorb a filbert production of 50,000,000 pounds per year. Consumption of this product, which is and for some years to come will be an expensive one, is at its low stage. This is due principally to the lack of purchasing power on the part of the people, and that lack of purchasing power has affected every agricultural and horticultural product. But, as in the case of cherries, we hope and we believe, this will not always last. During the 5 years preceding the depression the average yearly consumption of filberts in the United States was about 23,000,000 pounds, practically all of which were imported.

If normal times return there will again be that consumption immediately, and if we have proper tariff protection that consumption will be supplied entirely by American growers. The annual consumption of the 5-year predepression period, however, is much less than what could be consumed or what will be consumed every year when the whole people become familiar with this product. A comparatively small portion of our population have even discovered the filbert as yet. It is a new product, particularly in its present improved form. The filbert of today is a 100 percent better product than it was in the predepression period. In the regions where it is grown it is perhaps the most popular of all nuts at the present time. As soon as the people of the country get to the place where again they can buy the things they want the consumption of filberts in the United States will not only return to its predepression high point, but it will go steadily on from there indefinitely. All the filbert industry needs now is to give it the tariff protection it is entitled to and its future will be assured.

Walnuts

I had intended at this time to cover briefly the subject of walnuts, but on account of the time already consumed, and because of the fact that two very able men from our sister State of California are here to present their arguments in behalf of that product, I will content myself by stating generally that so far as Oregon is concerned, the case of the walnut industry insofar as production markets and the tariff are involved is almost parallel with that of the cherry industry. It has the same history, it was developed in the same way, by tariff protection, it has reached a similar position with regard to supply and demand. It has the same problem in regard to foreign competition, from which it should be relieved entirely by an adequate tariff. It occupies the same position in my State as the cherry industry does, and the prosperity of that State is just as much dependent upon the profitable continuance of that industry as it is of the cherry industry.

Like cherries and filberts we are holding our walnut market by sustaining for the time being a loss, until general purchasing power is revived, and we want no reduction in our meager tariff of 5 cents per pound for the unshelled and 15 cents per pound for the shelled product, which would again permit the importation of 59,000,000 pounds of walnuts into this country every year, which was the figure for the year immediately preceding the imposition of the increased rates under the act of 1930. From the time that tariff was imposed it had the same effect upon the walnut industry as the 1930 rates had upon the cherry industry. Imports decreased from 59,000,000 pounds in 1929 to 17,000,000 pounds in 1934, and as these imports diminished the sale of the American product increased. We have now captured our own market for our own walnuts. To turn this market back to the foreign producers, who live and produce their commodity on a scale of living which we would not even tolerate, would be nothing short of criminal, and I for one refuse to believe that anyone in the executive branch of my Government is going to do that, even though by virtue of the 1934 Tariff Act they may have that power.

Gentlemen of the committee, we do not have to ruin American industry, we do not have to rob the farmers of the West coast who have put their life savings into cherry and filbert and walnut farms, we do not have to blight the agricultural future of my State and kill its hope for prosperity in order to carry on legitimate trade with Italy or with any foreign country. Italy grows and makes many products we do not produce and which we have no desire or opportunity of producing. We welcome the importation of those products. We are glad to have them and to pay fair prices for them, prices far beyond what the producer can receive in his own country.

We in turn produce many things which Italy cannot produce, or at least does not produce. We are glad to send these things to Italy and sell them there in fair competition with the producers of other nations. This is natural trade with Italy. It is the kind of trade which hurts neither of us, but which benefits both of us. Make a trade agreement with Italy in regard to these products if you must make an agreement, although in my own opinion no agreement as to these noncompetitive products is necessary either with Italy or any other country. We will carry on trade with Italy in those products whether any agreement is made or not.

But as to competitive products which are raised in both countries, products which on account of the difference in the cost of production Italians can profitably ship to the United States but which the United States cannot ship to Italy—products like cherries, filberts, and walnuts—on such products I say there is no reason upon any ground for making a trade agreement at all even if it were possible to make a fair agreement. But when such a trade agreement is proposed to be negotiated through the lowering of necessary tariff rates on such products, so as to rob the American producer of his own market, and to oblige him either to abandon his industry altogether or to reduce his standard of living to a level of that of the foreign producer, then I say the proposal is wrong, it is uneconomic, it is unpatriotic, and I repeat again that I cannot believe that any executive officer of this Government will do it.

So much, then, for the proposed trade agreement with Italy. Now, I have just been notified that the State Department has published notice that it intends to enter into a trade agreement with Canada. In that our protective tariff on lumber and on shingles will be involved. In normal times more than half of the entire pay roll of my State comes from lumber and its allied industries. My constituents, Democrats and Republicans alike, are writing me and wiring me to do everything I can to save their lumber tariff, just as they have implored me to try to save the tariff on cherries and filberts and walnuts.

Many of you have already received similar appeals from your people, and before this Congress adjourns you will all receive them, whether you be Democrats or Republicans. If Congress again had jurisdiction over the tariff, you and I know we could save our industries. You and I would have something to say about it, and we both know what we would say and how we would vote. Therefore I appeal to you, regardless of party, to join in repealing the 1934 act.

[Here the gavel fell.]

Mr. MOTT. If I may have one-half minute more, I just want to remind the House of the fact that the gentleman from Nevada [Mr. SCRUGHAM], who has introduced a bill to repeal the Foreign Trade Agreements Act, is a Democrat, a good one and real one, and I hope this bill may have the support of everybody on both sides of the House. [Applause.]

Mr. BUCHANAN. Mr. Chairman, I yield myself 15 minutes.

I wish to give the House an outline of the bill with respect to the items appearing in it for deficiencies and for supplemental purposes, and as concisely as possible, why they are necessary.

We will first take the Veterans' Administration. There is an item of $94,650,000 for pensions and compensation which is caused by several acts of Congress in liberalizing payments to veterans, including Spanish War veterans, their widows, and so forth. This was caused primarily by an amendment to the Independent Offices Appropriation Act at the last session of Congress at which time the necessary appropriation was not provided. This money is granted to cover the period from April 1 to June 30 next.

The National Archives was established by a new act last session and $50,000 has been appropriated for the fiscal year 1935. We are providing them with an operating administrative fund of $475,000, of which $75,000 is for 1935 and $400,000 for 1936. The estimate was $550,000, but we reduced the estimate $75,000.

For the exposition in California, which was authorized by a recent act, $350,000 is carried. It is necessary if the departments are to prepare, transport, and install their exhibits out there, to appropriate the entire amount which includes $125,000 for a Government building.

Next is the high commissioner to the Philippine Islands authorized by the Philippine Independence Act. There was submitted an estimate of $225,000 and we appropriated $165,000, believing this would be sufficient as the estimate was based upon a full fiscal-year basis and they will not be ready for a commonwealth status until about the first of next January. They have to draft a constitution, which has been done, they have to send it over here for the

President's approval, and it is on its way, and then it has to go back and be submitted to the people at a general election. There are many intermediate actions before the commonwealth is in existence and it probably will be the first of January before they are ready.

There is a peculiar angle about the Philippine situation. I thought that we were going to start immediately in making reductions in our appropriations with respect to our ownership of the Philippines. As a matter of fact, for the next 10 years we will be subject to an increased cost in maintaining the Philippines. We will keep whatever part of our Army and Navy we have had over there at a cost of about $13,000,000 or $14,000,000, and in addition to that, we have to maintain this High Commissioner for the next 10 years at a cost of about $175,000 a year. It is true we cease paying the Resident Commissioners from the Philippine Islands, including their clerk hire and mileage, but as a matter of fact, as a result of all the legislation on the Philippine Islands we are subjected to about $140,000 a year more expenses for the next 10 years than we have had in the past. In addition there is already agitation for the erection of a building there to accommodate the offices of the High Commissioner and his staff and also possibly as a residence for the High Commissioner with the view that after the 10 years are up it may be used for the diplomatic, consular, and whatever other representation we may have there. Perhaps, in the long run Philippine independence may be a good thing, perhaps not—who knows?

For the Forest Service there is $2,348,000 for fighting forest fires, which is the ordinary deficiency. In other words, we never appropriate in advance for the Forest Service to fight fires the amount we think they ought to have. We provide a nominal amount of $100,000 in the regular appropriation bill to carry the language govering this expenditure and the law authorizes the Forest Service in fighting fires to incur a deficit, so every year we appropriate to cover this deficit. Unfortunately, we have had an unusually large number of fires this year on account of the drought. We have had over 10,000 fires in the national forests and this is unusual. The average number is 7,000. About 600,000 acres in forest area were burned. This appropriation will leave $166,000 for emergency work during the remainder of the fiscal year, together with the $100,000 to be provided in the 1936 agricultural appropriation bill.

For the War Department there is appropriated $6,683,000 for deficiencies. Why? When we passed the War Department appropriation bill at the last session it was figured on an average cost per ration of 31.5 cents. The average price of the ration for the first 7 months of this fiscal year was 41.6 cents.

Mr. DICKSTEIN. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. DICKSTEIN. There has been an awful lot of complaint all over the country about the price of food going up. I am surprised that the price of rations did not go up more in comparison with the increase in price among the civilians. Can the gentleman explain the cause of this? Has the gentleman's committee gone into the question of why the price has jumped from 31.5 cents to 41.6 cents?

Mr. BUCHANAN. We have not gone into the economic causes for rise in the price of food. We know it has risen, we know the price of paper has risen, we know the price of many commodities has risen.

Mr. DICKSTEIN. The gentleman cannot give an opinion as to why the price of foodstuffs for the Army and the Navy has gone up to such an amount—almost 14 or 15 percent?

Mr. BUCHANAN. Can the gentleman from New York?

Mr. DICKSTEIN. I am trying to find out—I would like to find out.

Mr. WOODRUM. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. WOODRUM. The gentleman knows that it was the deliberate purpose of the Department of Agriculture to raise the price of foodstuffs. I see the gentleman from Kansas on his feet, perhaps he can tell us. That is one deliberate purpose of the Agriculture Department.

Mr. BUCHANAN. Not only the deliberate purpose of the Agriculture Department, but it was the deliberate purpose of the administration to restore the price levels of 1926. Of course, the restrictive legislation here and there on production has had the effect of increasing prices.

Mr. COLDEN. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. COLDEN. Is it not true that the Army has contracts for supplies and so is not affected by this rise of the prices of food at the present time?

Mr. BUCHANAN. That is not entirely true.

Mr. WOODRUM. The gentleman will realize that these appropriations are for contracts in the future, for 1936. What the gentleman says is entirely true as to contracts for 1935. These appropriations are to take effect next July.

Mr. BUCHANAN. The additional amount for subsistence of the Army is $3,465,000. This is the largest deficiency of the War Department. There are other amounts growing out of acts of Congress, principally the reduction in overseas duty from 3 to 2 years, and on account of increases in the price of forage and fuel.

Now, take the Post Office Department, which the gentleman from New York [Mr. MEAD], spoke about a few minutes ago; that requires $3,049,000. That was the estimate, and we allowed it. The sum of $2,500,000 of that is for the 10 percent additional for night work for clerks in the first- and second-class offices. That is authorized by law.

There is also included $500,000 for the City Delivery Service, of which $300,000 is for necessary expenditures because of the increased business during the Christmas holidays and $200,000 is for the 10 percent additional for night work. Then $49,000 is for the increase in the price of stationery. These three items make up the $3,049,000. They are all legitimate items that ought to be allowed.

Next the Treasury Department: The estimates sent to us were $1,429,504 and we allowed all except $52,000. The sum of $97,000 is to provide for the increased cost of stationery supplies. That is a necessary and legitimate item. We gave $1,332,504 for the Coast Guard. When we passed the appropriation bill last year it was based upon the theory that when we repealed the prohibition amendment, smuggling operations would decrease. Anticipating their decrease, we decreased the appropriation for the Coast Guard.

As a matter of fact that anticipation was not realized. Smuggling, instead of decreasing, probably increased and here is the cause of it. Pure grain alcohol has been smuggled into this country in enormous quantities. They smuggle it in in cases, 3 gallons to each tin container and 2 containers in a case. The amount of internal-revenue tax and customs duties which would be due the United States upon entry of one of those cases would be $80. They have been smuggling this pure alcohol, which, of course, is concentrated, into the United States in vast quantities, and it has been estimated that if all the existing tax had been paid upon the quantities smuggled into the United States it would have amounted to about $50,000,000 in revenue.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. LUDLOW. Supplementary to what my chairman says, the testimony was developed before our subcommittee, and expressed in a form of graphs, that in certain sectors of the Atlantic coast, smuggling has largely increased since the repeal of prohibition.

Mr. BUCHANAN. That is true. The situation became so acute that through consultation of the Secretary of the Treasury, the Director of the Budget, and others, the apportionment of the appropriation was waived and the Coast Guard, to prevent this smuggling, was permitted to increase its activities and its expenses. The appropriation we allow here will do nothing more than permit them to carry on the same operation they now have to the end of this fiscal year and it will be the same personnel that is provided under

the appropriation we have passed in the regular Treasury Department appropriation bill for the next fiscal year.

As a whole, the estimates that come to our committee for deficiencies and supplementary direct appropriations amount to $112,422,801.04. Your committee reduced specific items of that appropriation by about $190,500. However, we added about $38,500 on account of items for the legislative branch, and that left a net reduction of $152,000 under the estimates for this bill. It is gratifying that when we allow all these amounts, even those caused by new acts of Congress, we are still under the Budget. [Applause.]

In this bill is included $60,000,000 for crop-production loans, under a new act of Congress not anticipated when the Budget for 1936 was sent to Congress. In fact, it was anticipated by the administration that it would not be passed, but we passed and sent it to the President and he has approved it. On what ground? On the ground that it involves a relief measure and must come out of the work-relief funds, the $4,880,000,000 relief bill that we passed in the House, and which they are now considering over in the Senate. The President sent an estimate to Congress providing that the $60,000,000 should come out of the $4,880,000,000 relief fund.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. SHORT. The Senate bill really called for an appropriation of $100,000,000 for the purchase of seed, did it not?

Mr. BUCHANAN. Yes; but I am discussing the crop-production loan-authorization bill after it passed both Houses and was agreed upon in conference.

Mr. SHORT. The $60,000,000 is a very conservative estimate when we consider the seriousness of the drought.

Mr. BUCHANAN. Now, the problem presented to the committee was this: If this money was to be allocated from the appropriation in that joint resolution (H. J. Res. 117), now pending in the Senate, it would be entirely too late for seed loans in many sections of the United States. There is no telling when that resolution may finally pass. So the problem was to provide the money in such a way that it would be charged to the funds in that resolution when it finally did pass. Therefore, we appropriated $60,000,000 from the unexpended balance in the $525,000,000 drought-relief appropriation of last session, which happened to be a little over $60,000,000. That unexpended balance in the drought-relief fund has been reserved by the President and its expenditure prevented, in order that it might be available to help make up the $4,880,000,000 in the work-relief resolution. So that we have carried out the President's estimate as he sent it to this House, through the means of selecting an unexpended balance that is a part of the $4,880,000,000 fund and reappropriating it in this bill, without any increase in the estimated Budget expenditures.

I thank you and I yield back the balance of my time. [Applause.]

Mr. MOTT. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I made this afternoon and to include therein a statement which I made before the Committee for Reciprocity Information on Monday of this week relative to the tariff on cherries, walnuts, and filberts.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, I wish that time permitted a very exhaustive discussion of the matter that was just alluded to by the distinguished Chairman of the Committee on Appropriations with respect to the smuggling of alcohol. The fact is that every time 2½ gallons of proof alcohol comes into this country, smuggled from some outside source, it represents the smuggling into our country of 1 bushel of corn. Since I live in the Corn Belt, obviously I am deeply interested in corn that comes in, because it is the equivalent of defeating the 25-cent tariff that is imposed upon all corn imported into this country.

That is only a prelude after all, to what I want to say, with respect to some of the inconsistencies in the operation and administration of the Agricultural Adjustment Act. On the 25th of February there was landed in the port of Baltimore, which is only 40 miles away from the United States Capital, 3,000,000 bushels of corn which came from the Argentine. On the 6th of March 1935 there was landed in the port of New York 6,000 tons of corn from the Argentine. As you skim the daily bulletins and gradually unearth these little bits of fact, we find that rye has come from Poland and Latvia and landed in New York; it goes to Albany, it goes to Duluth, and it goes to Chicago. Oats are coming in from the Argentine. This will be of particular interest to the gentleman from Iowa. The oats are shipped by water and are being processed into oatmeal in the State of Iowa today. Think of it! Argentine oats processed into oatmeal in the State of Iowa. Two million pounds of pork, chilled and frozen, have come in from Canada, paying a duty of 2½ and 3¼ percent under the 1930 Tariff Act.

Let me submit to the Members of this House that we passed the Agricultural Adjustment Act, and pursuant thereto we took 6,200,000 little pigs off the market. Then we took 200,000 brood sows. Then we contracted and took out of cultivation 12,600,000 acres of corn land in the Corn Belt of the country—over twelve and one-half million acres. We said to the farmers, "You reduce your acreage by 20 percent and we will give you 30 cents a bushel upon the average that was not grown." We also asked them to reduce the farrowings of hogs by 25 percent, and then we paid them $5 a head on the hogs that were not produced.

Let me say that I supported the Agricultural Adjustment Act. If I had it to do over again I would do precisely the same thing, but what I want to point out is this inconsistency, that we kill our own pork and make fertilizer out of it; that we take out 36,000,000 contract acres altogether and then we permit corn and oats to come from the Argentine; we permit rye to come from Poland and Latvia, and we permit barley malt to come in and we permit pork to come in from Canada. Now, there is no way of keeping it out at the present time unless we embargo these shipments. But does it make sense? Is it consistency, when we pay out $195,000,000 to the farmers for reducing corn acreage and reducing the farrowings of hogs and then permit pork to come in from Canada?

Someone will say there is a compensating tax in the act. So there is. The compensating tax is equal to the processing tax that is imposed at the time it comes into this country. That would be 2½ cents, added to the duty, which is 5 cents altogether. With pork chops selling for 35 cents a pound how are you going to keep that pork out of this country and preserve our markets and our prices for our own farmers? With an aggregate of 5 cents for processing and compensating tax and so-called "duty", and no hog-reduction program in Canada, it will never keep that pork out. Consequently, you will find that ultimately the benefits we have sought to bestow upon the farmers of this country are going glimmering.

Mr. MOTT. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. MOTT. The gentleman would like to keep out those products he has just mentioned?

Mr. DIRKSEN. Indeed.

Mr. MOTT. Does the gentleman know that the President at the present time has authority to embargo all those products and that he has never exercised that authority up to date?

Mr. DIRKSEN. I think that is true.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. MOTT. Does the gentleman know also that in addition to all these products that are coming in over the tariff wall, paying the tariff and still underselling our own farmers, that the President has taken off entirely the tariff on hay and straw from Canada and that these products come into the United States at the present time duty free?

Mr. DIRKSEN. Let us look at the complete development of this program and ascertain just why it was devised and

enacted into law. On May 12, 1933, the Agricultural Adjustment Act became law. It was an emergency measure, extending to wheat, corn, hogs, rice, tobacco, and milk products, for the purpose of raising prices, increasing the purchasing power of farmers, and effecting a parity between the prices they must pay for the things they purchase and the price they receive for their own commodities. I supported that measure.

The mechanics of the measure was quite simple. It authorized a processing tax to be imposed upon processed commodities, and this tax was to be used to reimburse farmers for curtailing production. In substance, it asked farmers to cooperate in reducing acreage and hog production, in return for which they were to receive a benefit and rental payment, which was collected from the consumers of the Nation.

Under this A. A. A. program the farmers of the Corn Belt "contracted" with Uncle Sam to take over 12,000,000 acres of corn land out of production in the 1934 crop year. The corn farmers also reduced their hog production. For this sacrifice of production the A. A. A. paid $195,641,229 to the corn-hog farmers. Of this amount, more than twenty-four and one-half million dollars went to the farmers of Illinois. Our Illinois farmers also received a little less than $4,000,000 for reducing wheat acreage.

Now, it occurs to me that a program which seeks to remedy a condition resulting from an alleged surplus by reducing the production of corn, hogs, wheat, and other commodities and paying for that reduction with public funds which were raised by a tax which is paid by every man, woman, and child in this country who can be considered as part of the consuming public, that everything possible would be done to maintain a consistent policy by preventing the importation of commodities in direct competition with those which we produce. It seems to me the very height of inconsistency to pay cash for reducing the number of hogs farrowed and then permit pork to come in from other countries. It seems to be the very acme of inconsistency to have purchased 6,200,000 little pigs and 220,000 brood sows in order to get them off of the market and then permit pork to enter from other countries. It seems to be the very essence of inconsistency to ask farmers to reduce their corn acreage by 20 percent and pay them 30 cents per bushel for the corn they might have raised and then permit corn to come in from other countries. It seems wholly inconsistent to ask our farmers to reduce their corn acreage and pay them for so doing and then permit products which can be used to displace corn to come in from other nations. It seems not only inconsistent but also unfair to our farmers and our consumers.

To be specific, a full shipload, consisting of 3,000,000 bushels of corn from the Argentine landed at Baltimore on February 25, just 40 miles from the Nation's Capital. On March 6 the steamship *Marcella* arrived in New York from the Argentine bearing 6,000 tons of corn. Recently several million pounds of pork have been shipped to us from Canada, and you can believe it or not, but it was reported to me on March 9 that a shipment of Argentine corn is expected to arrive in Peoria, Ill., soon, in the very heart of the Corn Belt. Similarly, rye from Poland and Latvia, wheat from Canada, and oats from the Argentine have been brought into the United States. As these shipments of grain and pork tend to increase, they will offset and negative the benefits of the A. A. A. to the farmer, who in good faith cooperated to reduce the so-called "surplus" in the hope of stimulating prices.

I assumed also that if we asked the farmer to reduce production, something would be done to preserve his industrial market. It seems to be an act of sheerest folly to say to the farmer, "We are asking you to reduce your corn acreage because we have too much corn. By reducing your corn production, supply and demand will balance each other and the price will go up. But we will leave the back door open so that such commodities as tapioca starch and blackstrap molasses, which displace corn in industry, can continue to enter." What nonsense is this? Hundreds of millions of pounds of tapioca flour, which is used in the manufacture of adhesives, sizing for textiles, and so forth, came in last year duty free and robbed our farmers of a large portion of their industrial market. Blackstrap molasses, which comes from Cuba, Puerto Rico, and other offshore islands under a duty of only three one-hundredths of 1 cent per pound of sugar content, continues to enter at the rate of hundreds of millions of gallons annually and displaces corn in the manufacture of alcohol. In fact, of the 142,000,000 gallons of industrial alcohol produced in 1932, less than 5 percent was made from corn. Yet we place a tax on the consumers and ask the farmer to curtail his acreage because we produce too much.

It may be of interest to recite what the prevailing duties are on imported agricultural products. The rates are as follows: Corn, 25 cents per bushel; barley, 20 cents per bushel; barley malt, 40 cents per 100 pounds; oats, 16 cents per bushel; rye, 15 cents per bushel; wheat, 42 cents per bushel. Live cattle, 2½ to 3 cents per pound; frozen and chilled beef and veal, 6 cents per pound; live hogs, 2 cents per pound; fresh, chilled, or frozen pork, 2½ cents per pound; bacon, hams, and shoulders, 3¼ cents per pound; lard, 3 cents per pound; eggs, 10 cents per dozen. How are you going to prevent pork, corn, oats, and other competitive products from entering this country and destroying the benefits to farmers as a result of curtailment of production with such duties?

The Argentine had 42,000,000 bushels of corn available for export which it could send to this country because of a favorable price. In addition to that a new crop of Argentine corn will be available in April, and if the price remains favorable, it is to be expected that further imports of corn will enter this country and serve to put a capstone on the prices that the farmer will receive.

It has been said that these imports are necessary to take care of our feed requirements. That contention cannot be true of blackstrap molasses imported from plantations in Cuba controlled by certain sugar interests in New York; it cannot be true of tapioca flour and tapioca starch; it cannot be true of pork products. It could be true only of corn and feed wheat. With respect to pork products, it seems strange that there occurs on the floor of this House at least several speeches per week lamenting the loss of our agricultural export markets. What have the lamenters to say about the fact that the greatest corn- and hog-producing nation in the world, the one domain in which we are and have been supreme, is now importing corn and pork. But how can we justify the importation of corn even for feeding purposes? To admit that there is a feed shortage means that the farmers have failed to raise a feed crop which would be the same as money to them. It offers even more reason why they must be fully protected on the little they did raise, and to permit imports of corn and pork to enter and depress prices is at complete variance with the whole A. A. A. scheme for effecting parity prices for our farmers.

If you refer to the Corn-Hog Adjustment Handbook prepared by Mr. A. G. Black, Chief of the Corn-Hog Section of the A. A. A., note that on page 5 he states, "livestock feed requirements in 1935 would certainly be considerably below average", and that "the total number of hogs to be fed for slaughter during the 1934–35 marketing season beginning on October 1 would be at least 30 percent below the 2-year average." Mr. Black also ventures the observation that "corn prices were relatively high because of a moderate reduction in corn supplies", and then on page 58 states that "in fact, many of the emergency crops planted were more drought resistant than corn and produced more feed than corn would have produced."

If in Mr. Black's own words there is a "moderate" reduction of corn supplies and a considerably lower requirement of livestock feed, it seems difficult to justify these importations of corn unless there seems to be a desire to favor some geographical section of the country at the expense of the Corn Belt farmers.

We are up against a few stark and disagreeable facts. Drought, together with reduction and curtailment programs, have sent prices sky-high. The consumer is beginning to complain bitterly, particularly so since wages have not gone

up and the cost of necessities is out of proportion to the size of the pay check. The result is consumer resistance against high prices, which in turn is reflected in diminished sales. This causes the packer to complain. Importations of pork and other products will have a tendency to check or even lower farm prices for these commodities, giving the farmer a just cause for complaint, because he has already made his sacrifices for the benefits that he now hopes to enjoy and which were abundantly promised to him. Moreover, while gross farm income has risen, the farmer has been compelled to pay higher prices for what he buys by virtue of the effect of N. R. A., and once more we get into the vicious circle of seeking a balance and not knowing precisely where to begin. Considering that many of our farmers harvested only a half or a third of a crop of corn, prices for corn could well be higher than they are at the present time before the farmer can develop any real purchasing power.

This is equally true in the case of wheat. From July 1933 until March 1934 the North Pacific Emergency Export Association exported more than 16,000,000 bushels of wheat which it purchased at domestic prices and sold at world prices. The difference was 26 cents per bushel, and this difference was made up by the Government of the United States. Consider this fact of using Government money in order to get this wheat out of the country with the fact that we imported about 34,000,000 bushels of wheat in 1934 and that at this very moment there is stored in bond, on which no duty has yet been paid, approximately 21,000,000 bushels of imported wheat.

Grain production for 1934 plus the stocks we had on hand appear sufficient for our needs; and to permit importations of grain and pork at the expense of the American farmer, instead of effecting a proper distribution of the grain we now have from areas that have more than enough to areas that do not have enough, is short-sighted, inconsistent, and unfair to the American farmer and the American consumer alike.

If we really wish to serve the farmer and the consumer, let us quit lamenting the loss of an export market and preserve the market that is right at our door.

Mr. TABER. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. GILCHRIST].

Mr. GILCHRIST. Mr. Chairman, I wish the distinguished young gentleman from Illinois could have had more time, because he might then have pointed out that corn is not only being imported from Argentina but that it is coming to us also from China, Belgium, Rumania, and Kwantung, Mexico, Jugoslavia, Cuba, the Dominican Republic, and South Africa. It has been flowing with ease over our 25 cents a bushel tariff walls; and now there reaches this country about 1,000,000 bushels per week, according to press reports. Of course, this reflects in the markets which the farmers have at their disposal.

But I rise for a moment to talk about the seed-loan provisions of this bill. I am glad to know that crop-production loans are being taken care of. I hold in my hand a letter from one of the county agents in my district showing how necessary it is for them to have these seed loans; and I ask unanimous consent to revise and extend my remarks and to include therein portions of this letter.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GILCHRIST. The letter referred to is dated March 7, 1935, and is from Mr. Paul A. Johnson, county agricultural agent in Crawford County, Iowa, and is in part as follows:

* * * our county with its rather high land values and large quantity of livestock has been hard hit by 2 years of drought, and both producers and landlords are hard up. We have over 400 in the county on relief work who have registered as farm laborers or farmers.

In regard to feed and seed loans: We have received at our office some 180 applications for emergency feed loans. About 65 have gone through already. These are lifesavers to our farmers who are out of feed and credit. We expect to have between 500 and 600 applications for seed loans. Farmers have requested here some 31,000 bushels of Government seed oats. Ninety percent will have to be settled for by seed loans.

We have had reported to us some livestock starving to death where feed loans were not completed in time. We are going to have a tight squeeze on many farms to get through to grass. I cannot see why they are holding up the seed loans. Every day brings us nearer spring. Farmers should be getting their seed now and know their plans. We are going to have one grand scramble and pile-up here in making these loans and getting seed distributed. We surely appreciate your efforts for us * * *.

Mr. Chairman, there is no time to lose. These loans must be forthcoming at once. The statements made in the foregoing letter have been confirmed by Mr. Ernest Ullerick, chairman of the Farm Bureau out there, who tells me that the farmers in his county must have these loans in order to farm their land this spring.

I want the committee to know that Iowa seldom has a devasting drought, but last year there was an unprecedented lack of rainfall along the western fringe of Iowa and in the southwest part of the State. That drought was so intense that many of the farmers for the first time in history must now have some relief for seed and feed loans, and some of us have interested ourselves in this bill to see that they will be able to get them.

The county referred to is very productive and fruitful and produces and feeds a great number of livestock and cattle. Even last year Crawford County feeders shipped 69 carloads of prize cattle to the Chicago International Livestock Show. The 4-H clubs there have won many prizes at this great exposition. I am sure that these people will be able to repay to the Government the loans which we are about to make to them. We will lose nothing from this locality, and the whole country will derive great benefit from this particular section of the bill. [Applause.]

Mr. TABER. Mr. Chairman, I yield 4 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I am in accord with most of the provisions of this bill, but I wish to speak for a few minutes on the question of the farm-seed loans.

The fact is that these farm-seed loans are generally made available to the distressed farmers after the seeding time is past. This is particularly the true situation in the Northwest, with which I am familiar. In the making of these loans there are altogether too many restrictions and requirements never intended by Congress but made by some pencil pusher in the Farm Credit Administration who has nothing else to do but to lie awake nights to figure out new requirements for the distressed farmers. There is altogether too much passing of the buck and making of investigations, so that in many cases, when the bureaucrats get through investigating the farmer's financial standing, his politics, his religion, and his marital relations, the time for seeding is past.

The farmers, however, in a vain attempt to provide for absolute necessities, and in desperation, take this seed and plant it, although it is too late, and everyone feels that the chances for a crop are gone. That is why these farmers come back each year asking for more seed, and that is why many farmers have not paid back these seed loans, because they got them too late and did not get a crop, and for that reason could not pay. In many cases, when the crops are planted too late, the farmer does not get back even the seed that he puts in the ground, and if it were not for his desperation his better judgment would tell him not to plant it.

It is for this reason that I shall offer an amendment to this bill when it is read that, on page 4, line 19, after the figures "1935", the following words shall be added:

Such loans to farmers for crop production to be made with expedition, and without the usual redtape and delay, and without unreasonable restrictions and requirements, under unnecessary technical rules and regulations.

This will suggest to the Farm Credit Administration that Congress intends to provide feed and seed in seasonable time for the unfortunate farmers in the drought-stricken areas—and that it "don't mean maybe."

The undisputed fact remains that ever since Congress has provided for feed and seed loans, many distressed farmers throughout the Middle West were unable and did not get

these loans until seeding time was practically over. Then, in the vain hope that they might still get some kind of crop, they obtained these loans, expended their labor, and put the seed in the ground, but the result was that they harvested no crops, even though in some years the rainfall was ample and climatic conditions favorable for a good crop, had the seed been planted in time.

This amendment that I intend to offer is particularly applicable because of the late time at which this bill is being passed—seeding time is upon us, and I sincerely hope that the Chairman of the Appropriations Committee will not object to it. The amendment does not add any expense to the carrying out of the provisions of the bill, but it will cut down the useless restrictions and expenditures of investigations. It simply directs the Farm Credit Administration, charged with the responsibilities of carrying out the provisions of this bill, not to make rules and regulations too difficult or impossible of prompt compliance. For instance, under present regulations, if you are a farmer in North Dakota, and have a mortgage on part of your stock, or on your crop, you cannot get a loan unless you obtain a release from your mortgagee. Again, if you are a tenant, you are required to get a waiver from your landlord. The mortgagee or the landlord may live somewhere in the East, and by the time you correspond back and forth, and get the waiver, it is too late—planting time has passed. I sincerely hope that when this bill is read, the Committee will accept this amendment.

Mr. LUDLOW. Will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Indiana.

Mr. LUDLOW. I appreciate the gentleman's solicitude for his people out in North Dakota, but may I ask if he is of the opinion that he can abolish redtape by statute? I have had a lot of contact with Government redtape during the last 40 years, and he has got to show me.

Mr. LEMKE. Yes; I am fully aware of the fact that it is a pretty hard thing to abolish redtape in the bureaucracy that we have established here in Washington. But I still feel that if we will impress the fact upon some of these men in charge of the various departments that when Congress passes a law it intends to have its provisions administered in such a manner as to carry out its intention, that we may get some prompt results. I realize that the men making these rules and regulations act in good faith, and know no better. Some of these have never been west of the Mississippi River, and do not realize the situation that exists in the drought-stricken areas. Let us give them a mandate that they eliminate all redtape, which I am sure will do some good.

May I state to you that we had the same delay and redtape in connection with feeding the starving cattle this winter? Out in my State we have had abundant rain and snow lately, which is very encouraging, but if any Member of this House will go to North Dakota, I will guarantee that he will see hay and straw stacked mountain high at many railway stations, and yet it is an indisputable fact that thousands of head of cattle have starved to death this winter because, under the existing redtape, the farmers could not get this hay or straw to feed their stock. We imported it from Canada and paid high prices, and then because of redtape the farmers could not get it, and their horses and cattle starved to death.

I have already seen a letter from the State Federal Emergency Relief Administrator of North Dakota stating that there undoubtedly would be some of this hay and straw left on their hands when the need for it is over, and the cattle, horses, and other livestock have starved to death. He is already building up an alibi by stating that if they had had a severe winter they would have had a shortage of hay and straw. There was, and there is, no excuse for having imported this feed at the expense of the taxpayers of this Nation for the purpose of assisting the drought-stricken farmers and then permitting their livestock to starve to death.

I may also state for the information of the Members of the House that the Agricultural Rehabilitation Corporation is now making arrangements to sell livestock, such as horses, cattle, hogs, and poultry, to these distressed farmers, in place of that which, because of the redtape practiced by the bureaucracy, starved to death; and this, again, at the expense of the taxpayers of this Nation. If we had instructed them heretofore how this money was to be expended, without redtape, if we had used a little of the "hell-and-maria" language of Charles G. Dawes, we perhaps could have saved this shameful situation. First, we import hay and straw at high prices from Canada, then we deliberately permitted the livestock to starve and the hay and straw to rot, and then we replace the starved livestock by making new loans to these unfortunate farmers, exacting new mortgages from them.

Mr. Chairman, I sincerely hope the Members realize the situation. I feel the least we can do is to give these men, charged with the responsibility of carrying out the provisions of this appropriation, to understand that we want this money used for the purpose for which it is appropriated at once. At present, when we go up to the Farm Credit Administration and complain of the redtape, delays, restrictions, and requirements, they tell us: "Why, you men in Congress pass these laws, and we have to do these things in order to protect the money, and be sure it is all paid back." You want these matters handled along sound and business-like lines, when every Member knows that when we make these appropriations, we do not expect that all of it will be paid back, and that we do not desire all this redtape and restrictive rules and regulations.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I want to speak to the committee for a few minutes on two or three matters in this bill, and on one matter outside the bill. I will take up one or two general matters first.

There has grown up on the part of the Budget a habit of sending down here consolidated appropriations where they take the items for salaries, for operating expenses, and supplies and throw them together, so that they are able to manipulate the thing around and get along without turning any money back to the Treasury, if there is any to turn back. This habit has been growing and growing. With the independent offices and the new establishments that we have been creating in the last couple of years it has become a habit.

Mr. Chairman, I am very much opposed to this consolidation of appropriations, especially where salaries, operating expenses, and supplies are grouped, because it tends to destroy the Budget system and to create extravagance. That habit is especially strong with our new organizations. In one of the items in this bill it shows up where a new organization is starting in just that way. I refer to the archives outfit. There are a tremendous number of these independent establishments of the Government that are not budgeted so that we can properly control their operations through Congress. We have had the question raised by the operation of the Budget in submitting estimates this year, and we are in shape so that we can go down the line and get ready for it. I am serving notice now that next year, unless the Budget submits these things in proper shape so that the Congress can control the operations and appropriations for these departments, I am going to offer an amendment to every single page of every bill where that consolidation is apparent. I want that practice stopped, and I want to see the Congress get away from that sort of thing.

The reappropriations, the supplemental appropriations, and the deficiency appropriations involved in this bill run to approximately $175,000,000. It is my opinion, based on rumors I have been receiving, that of the ordinary expenditures of this Government we are going to have deficiencies, supplemental appropriations, and reappropriations of a half billion dollars in connection with the ordinary establishments of the Government before this Congress adjourns for the fiscal year 1935, and a much larger amount for the fiscal year 1936. It is a tremendous amount. It shows that the economy program of the administration, if there ever was one, has broken down completely.

The Post Office Department is calling for a deficiency of $3,000,000 for 1935. This $3,000,000 will add to the deficit which the Postmaster General estimated for the fiscal year 1935. The deficit in that Department, if you take everything into consideration, is going to be $35,000,000 or $40,000,000 for the year 1935.

Mr. Chairman, I want to take up for a minute or two the Archives Establishment. We are carrying for that Department in this bill approximately $500,000. They have set up a tremendous establishment. That establishment was set up and the outfit created for the purpose of preserving old and valuable documents belonging to the Government and providing a place where scholars may have access to those documents. The outfit they have set up, I believe, is entirely too large. I believe that they could get along with 75 percent of what they have set up, and I believe, after they have made an inventory of the things they want to take over, they could cut it a great deal more. On top of that they are reaching out.

May I call the attention of the committee to a couple of bills that have been introduced which relate to this organization. In the first place, there is H. R. 5703, introduced by the gentleman from Illinois [Mr. KELLER], which provides that the Superintendent of Documents shall furnish without cost copies of such past publications as may be required for official use by the National Archives establishment. This provision is so broad that they could go to almost any limit without appropriation by Congress. I want to avoid seeing this outfit set up into an organization for the distribution of pamphlets.

Mr. ARNOLD. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Illinois.

Mr. ARNOLD. The bill which the gentleman has just referred to has not been enacted into law?

Mr. TABER. No; but I am calling attention to it now so that Members may be on their guard against that sort of thing.

Mr. ARNOLD. I understand the gentleman.

Mr. TABER. That is my object. I do not want to see this Department built up to the point where it is going to be a menace instead of an asset, and I think the gentleman is of the same frame of mind.

Mr. Chairman, I want to see the old documents of the Government properly preserved, but I do not want to see this outfit turned into a pamphlet-distributing proposition. We have already set up in the Government Printing Office a Superintendent of Documents who is trained for this purpose and who has a staff that is trained in this work. He is able to efficiently handle that sort of thing. We should not set up a duplicating outfit, providing them with free pamphlets, and put them in the situation where they will not have to come before the Appropriations Committee and ask for the funds with which they are to operate. I do not like to see these automatic and permanent appropriations which run into a lot of money and which costs the country a lot of money. This should never be allowed.

Mr. MICHENER. To which bill does the gentleman refer?

Mr. TABER. I am referring to the Keller bill now. I am going to refer to the Celler bill in a moment.

Mr. MICHENER. The gentleman is not referring to the Celler bill now?

Mr. TABER. I was not, but I am going to refer to it.

Mr. MICHENER. I hope the gentleman will know more about it.

Mr. TABER. I know something about both of them. I have read both of them.

The Celler bill provides that this outfit shall have charge of gathering together and distributing the regulations and the laws with reference to the alphabetical organizations in the country.

This is a good thing and it ought to be done, but it ought not to be done by this organization, because this is an organization not for the distribution of pamphlets, and not primarily equipped with the tools and the personnel to gather together such things. The job ought to be done under the Department of Justice and the distribution of these pamphlets ought to be under the Superintendent of Documents in the Government Printing Office, without duplication and without the extra expense to which we would otherwise have to go.

Mr. KELLER. What is the number of the Celler bill?

Mr. TABER. H. R. 6323. I am not quarreling about the work that is provided for in the Celler bill being done, because it is something that should be done, but, in my opinion, this outfit is not the one to do the work.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself the balance of the time.

I now want to talk about one other thing that has not any relationship to the bill and which, to my mind, is a matter of a great deal of importance.

There is agitation going on in foreign circles designed to bring about a loan to China of $100,000,000. I am one of those Americans who has come to believe that we should not lend any more money to foreign countries. [Applause.]

In last Saturday's Herald Tribune of the 9th there was a long article telling of the lay-out; and prior to that, on the 7th, Mr. Phillips, the Under Secretary of State, was asked about it and he advised that this proposition is under consideration.

I realize that China's economic condition is in a deplorable state, due to the operations of our Treasury Department here in purchasing silver; but I cannot see any legitimate reason why we should be a party to lending all or any part of $100,000,000 to China, so that we can be involved per force in that web which is coming as a result of the oriental conflict which is almost irrepressible. We should keep out of foreign entanglements and we should not be sticking our nose in and becoming a party to lending all or a part of $100,000,000 to China and get ourselves involved in something that is not any of our business. [Applause.]

I am saying this because I hope that some such statement on the part of some of our citizenship will prevent the State Department from getting involved in this kind of situation. I hope it may be effective.

Mr. DUNN of Pennsylvania. Would the gentleman be opposed to lending China $100,000,000 if it were to feed the hungry people over there?

Mr. TABER. I would want to know what was going on and how the thing was going to work, and I would not fix it so that some other power would get the money.

Mr. SHORT. Have we not plenty of hungry people over here to feed?

Mr. TABER. Well, they are not important in the eyes of the new deal. All we need to do is to get them on relief. We only have 22,000,000 on relief now.

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Chairman, I yield 15 minutes to my colleague the gentleman from Virginia [Mr. WOODRUM].

Mr. WOODRUM. Mr. Chairman, the distinguished gentleman from New York [Mr. TABER], speaking of the method in which Budget items are submitted, complained about the habit which he says has recently grown up of submitting lump-sum estimates.

The gentleman has been on the Appropriations Committee longer than I, but if my recollection serves me correctly, and I think I am accurate, I do not think there is any different system now in submitting items in the Budget than there has been all the time.

Mr. TABER. Will the gentleman yield?

Mr. WOODRUM. Certainly.

Mr. TABER. There has been a marked increase along that line so far as my observation goes.

Mr. WOODRUM. It may be that in the inauguration of new activities where it is impossible to specify every item in a particular appropriation that it has been necessary to submit it in a lump sum. But we have had lump-sum appropriations right along all the time.

Mr. TABER. But here in the Treasury Department bill and in the Post Office bill we had a very large number of items or estimates submitted by the Budget for which there was no justification at all.

Mr. WOODRUM. I am somewhat in accord with the gentleman, but the gentleman must remember that when these appropriations carry lump sums, such as those for archives for 1936, there has been submitted by the Bureau of the Budget to the Appropriations Committee the most detailed specific estimates as to what every penny of that money is to be used for. It has been submitted to the Budget; the position of every clerk, his salary, the length of time, every item of supplies to be purchased, and every other specific detail. Those items have been submitted to the Budget and to the Appropriations Committee, and have come under the scrutiny of the members of the Appropriations Committee, and you will find them in the hearings.

Mr. SNELL. Will the gentleman yield?

Mr. WOODRUM. Gladly.

Mr. SNELL. Can the gentleman give us the whole cost of the Archives Department?

Mr. WOODRUM. Does the gentleman mean annual?

Mr. SNELL. Yes.

Mr. WOODRUM. I am going to give that in a moment. My friend must recognize the fact that this being a deficiency-appropriation bill—and he seems to express some apprehension and concern about a large deficit that we are going to have—I want to make this statement, subject to correction if there can be a correction, that there is not a single penny in this bill which increases the expenditure for the next fiscal year beyond the expenditures set up in the Budget which has been submitted to Congress.

THE NATIONAL ARCHIVES

Now, my friend, the gentleman from New York, made particular mention of the National Archives. I want to take a moment or two of my time to say something about that, not only for our own information, but for the information of those people who may be sufficiently interested in it to read the CONGRESSIONAL RECORD.

The establishment of the National Archives in 1934 brought into operation an activity and an agency of government which had been under careful consideration for 124 years and which had been the effort or ambition of every administration since 1878. When you examine the record, it is amazing.

It is generally assumed that the movement for a national archives establishment was started in 1878 with a recommendation made by the Secretary of War for the erection of a hall of records for the preservation of Government archives. However, that official interest in our national archives and concern for their preservation dates back to the earliest days of the Republic is shown by a study of the early records of Congress. As early as 1810 under the leadership of Josiah Quincy of Massachusetts a committee of the House of which Quincy was chairman was appointed to inquire into the state of the ancient records and archives of the United States, and what measures are necessary for the more safe and orderly preservation thereof. This committee after careful examination of the Government archives reported that "they find all the public records and papers, belonging to the period antecedent to the adoption of the present Constitution of the United States in a state of great disorder and exposure; and in a situation neither safe nor honorable to the Nation." The committee therefore recommended that provisions should be made without delay for the preservation and orderly arrangement of the national archives.

Accordingly a bill was introduced (H. R. 125, 11th Cong., 2d sess.) to carry out the recommendation of the committee. In the debate on this bill Quincy said that "he was desirous to pass the bill upon the ground that the public records of the country, of the War, Navy, and State offices, were in such a situation as was disgraceful to the House and to the Nation. Not only were they in disorder, and in a state of gradual decay; but all the records of the Revolutionary War lie under the eaves of this building in a condition extremely unsafe, and daily exposed to destruction by fire." The bill authorized the President to erect or purchase one additional Government building into which certain agencies should be removed from "the public building west of the President's house"; and that this last-mentioned building should be reserved for the State, War, and Navy Departments, and that the President should have caused to be built therein "as many fireproof rooms as shall be sufficient for the convenient deposit of all the public papers and records of the United States, belonging to, or in the custody of the State, War, or Navy Departments." For this purpose an appropriation of $20,000 was authorized. The bill passed both Houses, and received the approval of the President on April 28, 1810.

After this early evidence of congressional interest in the national archives, though the subject was frequently discussed, it does not appear to have received much further consideration by Congress until 1878.

I have in my hand, which I refer to, Senate Document 297 of the Sixty-second Congress, second session, presented by Senator Poindexter, which gives a history of the movement after that year. It sets out that before 1878 the construction of a National Archives Building was frequently proposed, "but not until that year was it formally brought to the attention of Congress." The Quartermaster General of the Army, in his annual report for 1878 called attention to the need for a "hall of records for preservation of the records of the executive departments not required for daily reference."

His suggestion was endorsed by the Secretary of War, and President Hayes, in his annual messages of 1878 and 1879, recommended to Congress favorable action on the Secretary's proposal "that provision be made for the erection of a fireproof building for the preservation of certain valuable records, now constantly exposed to destruction by fire."

That this danger of the destruction of valuable Government records was not a figment of the imagination is shown by a report of the fire marshal of the District of Columbia, printed in the CONGRESSIONAL RECORD (vol. 53, pt. 14, p. 1113, ff., 64th Cong., 1st sess.), which lists from 1873 to 1915, inclusive, more than 250 fires on Government property within the District.

From 1878 down to the present, practically every session of Congress, every succeeding administration, and almost every succeeding Cabinet officer considered the subject of establishing in Washington some central depository where the archives of the Government of important national interest could be deposited and preserved.

In reviewing the number of bills introduced in Congress to provide for a National Archives Building, it would seem that few other public-building projects have aroused a greater degree of congressional interest and activity. From 1880 to date there have been 69 such bills introduced, of which 41 were Senate bills and 28 were House bills. These bills were sponsored by 40 different Senators and Representatives. A number of resolutions and amendments also were introduced, and a large number of reports upon the subject were made and published as official documents by both Houses of Congress. The proposal also received strong endorsements from the several Presidents since 1878.

In 1903, as a result of this long agitation covering a quarter of a century, Congress authorized the purchase of a site for a "hall of records" and appropriated for the purpose $400,000. It directed the Secretary of the Treasury to have preliminary plans prepared for an Archives Building. The site was purchased in 1904 and tentative plans for the Archives Building were submitted to Congress in that year. In 1912 President Taft, in a message to Congress, said:

> I cannot close this message without inviting the attention of Congress again to the necessity for the erection of a building to contain the public archives. The unsatisfactory distribution records, the lack of any proper index or guide to their contents, is well known to those familiar with the needs of the Government in this Capital. The land has been purchased and nothing remains now but the erection of a proper building.

As a result of this rapidly growing interest, Congress passed the Public Buildings Act of 1913, which provided a general public-buildings program; but the outbreak of the World War and perhaps other reasons delayed its execution. After the World War interest was revived, and in 1924 Senator Smoot, Chairman of the recently created Public

Buildings Commission, in a report to Congress, urged the need for a National Archives Building. Two years later the Public Buildings Act of 1926 was passed, which provided for a well-coordinated public-buildings program. Of this program Hon. Richard N. Elliott, Chairman of the House Committee on Public Buildings and Grounds, said:

The passage of this act marked an epoch in the history of the public buildings of our country, for the reason that it was the beginning of the first comprehensive building program adopted by our Government.

In carrying out the provisions of this act, President Coolidge requested the Commission of Fine Arts to submit a report to the Director of the Budget on the need of a National Archives Building. Accordingly the Deficiency Appropriation Act, of July 1926, authorized an appropriation of $6,900,000 for an Archives Building. This amount was increased by the Appropriation Act of 1928 to $8,750,000. The building was now assured, plans were prepared, and ground was broken September 9, 1931. On February 19, 1932, the cornerstone was laid by President Hoover, who had taken a great interest in the project.

I say to my good friend from New York [Mr. TABER] that it was during the administration of his party that definite steps for the establishment of this great agency of government finally took shape, as in the arrangement of the buildings for the development of the Triangle they provided for the construction of the National Archives Building. In laying the cornerstone President Hoover said:

There is an especial significance to this ceremony, coming within 2 days of the celebration of George Washington's Birthday. The soil on which we are standing is part of the original tract acquired by President Washington for the Nation's Capital.

The building which is rising here will house the name and record of every patriot who bore arms for our country in the Revolutionary War, as well as those of all later wars. Further, there will be aggregated here the most sacred documents of our history—the originals of the Declaration of Independence and of the Constitution of the United States.

Here will be preserved all the other records that bind State to State and the hearts of all our people in an indissoluble Union. The romance of our history will have living habitation here in the writings of statesmen, soldiers, and all the others, both men and women, who have builded the great structure of our national life.

This temple of our history will appropriately be one of the most beautiful buildings in America, an expression of the American soul. It will be one of the most durable, an expression of the American character.

Devoutly the Nation will pray that it may endure forever, the depository of records of yet more glorious progress in the life of our beloved country, I now lay the cornerstone of the Archives Building and dedicate it in the name of the people of the United States.

In anticipation of the early completion of the building, the Seventy-third Congress placed the capstone on the work begun 124 years earlier by passing the National Archives Act of 1934 (Public, No. 432, 73d Cong.), approved June 19, 1934, by President Hoover's successor, President Franklin D. Roosevelt. The National Archives Establishment, therefore, is not the work of any political party; members of all parties, interested only in the safeguarding of priceless Government records and the preservation of our glorious history of which they are the evidences, have had a hand in its creation.

The National Archives Act provides for the appointment by the President of an Archivist of the United States and defines his powers and duties; it empowers him to set up an adequate staff and authorizes such appropriations as may be necessary to carry out the purposes of the act. I desire to quote here the Archivist's interpretation of the purposes of the act and his summary of its provisions, as set forth in his Budget justification presented to the House Appropriations Committee. It is as follows:

The act recognizes two fundamental objectives of the National Archives Establishment: (1) The concentration in a central depository of all the inactive archives of the Government of such administrative or historical value that they must be preserved over a long period of years, or permanently; (2) the administration of such archives so as to facilitate their use in the business of the Government and in the service of scholarship.

To enable the National Archives Establishment to attain these objectives the act places "under the charge and superintendence" of the Archivist of the United States "all the archives or records belonging to the Government of the United States (legislative, executive, judicial, and other)" which shall be approved by the National Archives Council for transfer to the National Archives Building (see sec. 3, Archives Act), and requires him to perform the following duties and functions:

(1) To appoint all persons to be employed in the National Archives Establishment, except those with salaries of $5,000 or over, who are to be appointed by the President by and with the advice and consent of the Senate. (See sec. 2, Archives Act.)

(2) To inspect and appraise, personally or by deputy, the archives of any agency of the United States Government whatsoever and wheresoever located. (See sec. 3, Archives Act.)

(3) To requisition for transfer to and to store and preserve in the National Archives Building all archives or records approved for such transfer by the National Archives Council. (See sec. 3, Archives Act.)

(4) To make regulations for the arrangement, custody, use, and withdrawal of materials deposited in the National Archives Building. (See sec. 3, Archives Act.)

(5) To exercise immediate custody over and control of the National Archives Building and such other buildings, grounds, and equipment as may hereafter become a part of the National Archives Establishment (except as otherwise provided by law), and their contents. (See sec. 4, Archives Act.)

(6) To serve as Chairman of the National Historical Publications Commission in making plans, estimates, and recommendations for such historical works and collections of sources as seem appropriate for publication and/or otherwise recording at public expense. (See sec. 5, Archives Act.)

(7) To serve as a member of the National Archives Council, which is charged with the duty of defining what classes of archival material shall be transferred from the several agencies of the Government to the National Archives Building. (See sec. 6, Archives Act.)

(8) To provide for the acceptance, storage, and preservation of motion-picture films and sound recordings pertaining to and illustrative of the history of the United States and to maintain a projecting room for showing such films and reproducing such sound recordings for historical purposes and study. (See secs. 5 and 7, Archives Act.)

(9) To make recommendations to Congress regarding the disposal of useless papers and other documents among the archives and records of the Government. (See sec. 9, Archives Act.)

(10) To direct the expenditure of all appropriations for the maintenance of the National Archives Building and for the administration of the collections and other expenses of the National Archives Establishment and of the National Historical Publications Commission. (See sec. 10, Archives Act.) * * *

The functions of the National Archives Establishment have been divided into four major activities: Two dealing mainly with internal matters (professional and administrative), and two dealing with external relations (historical publications and general public relations). This grouping is the result of careful studies and researches made in an endeavor to carry out the intent of Congress as expressed in the National Archives Act.

My friend from New York says that they are starting off too elaborately, that the National Archives is a new thing, and that they ought to go more carefully. It is not a new thing. Not an item of legislation that will be passed by this Congress has had more deliberate and careful thought and study than this one.

In 1930, President Hoover appointed a provisional committee for a national archives to make a survey of the archives of the Government to supply the architect with necessary data on which to base an estimate of the size and character of the building required to house them. This committee was composed of the following Government officials:

Department of State, Tyler Dennett, Historical Advisor.

Department of the Treasury, Louis A. Simon, Superintendent Architectural Division, Supervising Architect's Office.

Department of War, Brig. Gen. James F. McKinley, Assistant to The Adjutant General.

Department of the Interior, E. K. Burlew, Administrative Assistant to the Secretary.

Library of Congress, J. Franklin Jameson, Chief, Division of Manuscripts.

General Accounting Office, James L. Baity, Executive Officer.

On the basis of reports from the several executive departments and independent establishments this committee estimated the amount of documents, the number of personnel required for their administration, the cubic feet required to house them, and so on down the line, to the most careful detail.

The following is the committee's summary of the reports received:

Survey of provisional committee for a national archives

[Department or establishment: Master recapitulation; administrative unit: All Government departments and independent establishments]

	Character of material in cubic feet					
	(a) Document	(b) Flat	(c) Pamphlets	(d) Maps	(e) Indexes	(f) Total
1. Records to 1860	38,326.10	57,270.72	4,511.8	6,766.47	1,826.10	108,701.19
2. Records 1861 to 1916	247,283.09	488,872.15	124,204.31	33,576.68	29,318.26	923,254.49
3. Records 1917 to date	201,135.14	2,066,970.82	59,249.21	68,155.04	216,167.72	2,641,677.93
4. Total	486,744.33	2,613,113.69	217,965.32	108,498.19	247,312.08	3,673,633.61
5. Less records not of permanent or historical value	49,513.11	534,091.65	18,093.32	28,207.46	121,462.71	751,368.25
6. Total	437,231.22	2,079,022.04	199,872.00	80,290.73	125,849.37	2,922,265.36
7. Average annual increment for decade 1920–29	6,021.60	112,487.84	6,488.38	4,392.60	15,812.58	[1] 145,203.00
8. Estimated number of employees for records in lines (1) 35,854, (2) 103,781, (3) 417,907; total, 557,542						
9. Square feet of floor space now occupied by records in this file unit, 818,992.596.						
10. Field records eventually to be transferred to Washington, D. C., 282,721.2 cubic feet.						

[1] Plus 3,000 cubic feet foreign archives per year for the State Department.

Date: Oct. 2, 1930.

As a result of this information, the committee submitted a report upon which the arrangement of the space in the Archives Building was based. That report was filed November 11, 1930. It discusses the type of building desired, the form of organization and personnel that should be set up for the National Archives, and states that there will be a much smaller number of people working in this building than is usual in buildings of corresponding size. It points out that it is unlikely that the personnel employed in the completed structure will greatly exceed 600 people. This report is such an interesting and illuminating document that it ought to be preserved in permanent form. It is as follows:

ADVISORY COMMITTEE ON THE NATIONAL ARCHIVES BUILDING,
Washington, D. C., November 11, 1930.

PROGRAM PREPARED AS A BASIS FOR PRELIMINARY SKETCHES

The National Archives Building is intended to become the repository for all papers of the Federal Government which are considered worthy of permanent preservation or which for administrative reasons must be retained for a long period of years. The value of the various papers and files thus deposited will vary from such priceless documents as the original laws and original treaties of the United States to vast quantities of papers which in themselves would appear to be relatively unimportant were it not for the relation which they bear to larger questions. The completed building for the National Archives is not designed as a central filing depot for active files but for papers that have ceased to be related to current business.

To this institution will come, not only the various agencies of the Federal Government which desire to verify information or to trace the continuity of policies, but there will also come historical scholars from both the United States and foreign countries. It is probable that at least for the next half century the number of students for whom facilities for work will have to be provided will be relatively small as compared with the number of persons connected with the Federal Government who will come into the building from other Government offices in connection with current governmental work. On the other hand, many scholars are likely to make prolonged visits and should be provided with all reasonable facilities for the prosecution of their searches.

The site which has been designated for the National Archives being in the center of Washington, a building so placed would afford opportunity to make accessible to the general public exhibits of documents illustrating the various phases of the progress and development of the American Nation. The performance of this function of popular education must be so controlled that it will in no way interfere with the normal operation of the building in connection with current Government work nor should the exhibits be so arranged and managed as in any way to increase the hazard of destruction either by fire, theft, or the handling of fragile papers.

In order to maintain the functional divisions of the building, the following major divisions of plan occur: (1) Administration and operation; (2) stacks; (3) public space, and (4) circulation, public and private.

TYPE OF BUILDING

In the table of space requirements given in this program it became necessary to depart somewhat from what would theoretically be the most desirable form of building in order to meet the requirements for the architectural development of the so-called "Triangle."

It is expected that the bulk of archives initially to be deposited in the building will be relatively small, that there will be periodic transfers at intervals of perhaps 5 years, and that there will be additional transfers from time to time of quantities of papers which, while of relatively recent date, are no longer considered important or current. It is estimated that the total bulk of all of the records of the Government worthy of permanent preservation up to January 1, 1917, exceeds slightly 1,000,000 cubic feet, from which it is estimated that a total of 3,500,000 cubic feet of stack space will be sufficient to house all records of the Government prior to that date.

It is further estimated that the files of the Government which accumulated between January 1, 1917, and January 1, 1930, form approximately twice the bulk of all files for the earlier period. When all files of the Government prior to January 1, 1930, shall have been deposited in the building the total stack space required will be between nine and ten million cubic feet, with the possibility that this requirement may be increased by the occasional transfers of other papers of relatively recent date. Furthermore, the anticipated annual accumulation of 200,000 cubic feet per year will create a demand for increases of stack space at the rate of 600,000 cubic feet per year.

As a working basis it has been assumed that the capacity of a building designed to conform to the requirements of the so-called "Triangle" group would be limited to about 10,000,000 cubic feet, although some 60 percent of this is not likely to be required within the next half century.

The purposes which the National Archives Building are to serve are such that the planning thereof is subject to certain basic conditions which are mandatory and call for directness and simplicity of arrangement.

The fact that the ultimate space requirements to accommodate all the archives of the Federal Government far exceed the ultimate capacity of the main Archives Building placed on the site chosen within the Triangle area calls for a building with a very concentrated arrangement of stacks. Such an arrangement is made possible by the desirability of excluding from the stack units all natural light and outside atmosphere and supplying artificial light and conditioned air.

The fact indicated above that less than 50 percent of the building's ultimate capacity will be required for the first 50 years after it is first occupied must be taken into consideration in the conception of the design. The space requirements as given in this program are for the ultimate capacity of the building, and the preliminary sketches are to be governed accordingly. But the sketches must also indicate the means proposed for furnishing a building with from four to five million cubic feet capacity, which will probably remain of that size for 50 years after date of occupancy.

The possibility exists that a portion of what will ultimately be artificially lighted stack space might in the interim be naturally lighted for temporary use other than for stacks.

Insofar as the plan of the building is affected by the personnel to be accommodated, it should be noted that there will be a much smaller number of people working in the building than is usual in buildings of corresponding size. The subject of personnel is discussed below, but it is important here to point out that it is unlikely that the personnel employed in the completed structure will greatly exceed 600 people, and for the first 50 years a very much smaller number will be required for the efficient operation of the archives.

The personnel will be divided roughly into two groups:

(a) Those who work directly on the files and who should, therefore, be located as closely as possible to the papers upon which they work;

(b) The central administrative force which will be engaged in a variety of tasks enumerated below.

In the interests of efficient administration it is desirable that the relatively small administrative force should be located as closely together as is feasible. It is also desirable that the force which must work directly on the papers in searching, sorting, etc., shall have as favorable conditions as possible with reference to light and air. It is the further consideration that effective control of the stacks for the prevention of fire and for the safeguarding of the papers makes it desirable to exclude from the stack space all but those whose services are indispensable at that point.

With stack units arranged for artificial lighting and the introduction of conditioned air, there will be required relatively small workrooms adjacent to these stacks for the use of small groups of workers, where they may have direct access to the stacks in their charge with the minimum of delay. These centers should be located with reference to a convenient means of circulation to the main administrative unit, which will be located outside the stacks.

PERSONNEL

For the purpose of the preliminary sketches, it may be assumed that the organization of the personnel for the National Archives Building will have as its head an archivist with two principal assistants, one of whom will have general supervision of the archives work and the other of whom will be an executive assistant. The information office, the reference service, the cataloging units, and the search rooms will be operated by a relatively high-grade personnel with something equivalent to library training and experience.

There will be a considerable number of mechanical operations connected with the receiving, sorting, cleaning, repairing, and duplicating sections. These operations will require a more mechanically trained personnel, and their several functions are so similar as to suggest locating them close together, and they may be on a floor separated from the other personnel.

OPERATION

While it will no doubt be possible to arrange a schedule for transfers which will to some extent prevent the congestion incident to the delivery of very large quantities of papers at any one time, nevertheless, very ample provision should be made for the receiving of papers. The delivery of papers will be accompanied by the delivery of an inventory which will describe the papers at the moment being transferred. Before the inventory can be receipted for, it will be desirable to sort the deliveries, place them in order on the receiving floor in such a way that each item of the inventory can be checked off and receipted for and there should, therefore, be provision on the receiving floor for a large amount of shelving similar in character to that which will go into the stacks. Probably all files will be sorted and given their original and permanent classifications on the receiving floor before they are transferred to their permanent resting place in the stacks.

It is also contemplated that the papers before delivery to the stacks will be passed through a disinfecting and cleaning process which will kill all animal life and also remove to some extent the dirt. These two operations must be performed in space adjacent to the receiving floor.

After the documents have been once assigned to their place in the stacks, the principal calls which will be made for these papers will be broadly of the following characters:

(1) The request to see a single paper or a small group of papers;

(2) A request for information which will be supplied by the members of the archives staff after whatever search of the files by them is found to be necessary.

(3) A request to conduct a search of a quantity of papers by one or more persons either from a Government office or from those representing a private interest.

It will be observed that these various kinds of requests call for two kinds of service:

(1) An operation which can be performed entirely in the stacks or in the adjacent room of a stack supervisor.

(2) An operation which involves the transfer of a group of papers to a general search room where the search can be conducted under the immediate supervision of qualified archives assistants, or to a room specially assigned to a group of searchers. Separate rooms for individual searchers will not be provided.

The subdivisions of the stack space will be generally by heavy removable wire partitions extending from floor to ceiling, except that there shall be fire walls at proper intervals throughout the stack space.

Among the documents deposited in the National Archives Building there will be papers which are not to be made available to the public or to any Government office except by the express permission from the head of the office having prior custody of the papers. Provision must be made in the stacks for segregating this class of documents. The wire partitions mentioned above would serve the purpose.

Aside from the principal calls received for various papers for examination, papers may be removed from the stacks in small quantities for other purposes, viz, repairing, binding, and rebinding. Such papers would be transferred under proper safeguards to the repair room, which should be located on the floor with the other mechanical operations.

Papers also might be transferred to the duplicating room, where photostats or photographs would be made. This, however, is a short operation, involving withdrawals from the shelves for very brief periods. The duplicating rooms should be located so that they can serve their functions with the least possible delay in order that the service required of the archives staff may be performed not only efficiently but with unfailing promptness. This will require facilities for very rapid and efficient duplicating.

In the functioning of the administrative units, the center of operations will be an information unit, which will be located completely outside of the stack space, where requests by telephone or in person will be received. Obviously, this should be conveniently located with reference to the public on the one hand and the stacks on the other. It should also be so designed as to be under close supervision of the archivist and his immediate staff.

To answer requests for information it will usually be necessary to refer to the catalog. The catalog will probably consist of little more than the various items of the inventory carded separately. On these cards will be noted the location in the stacks of the files which will have to be consulted. The requests for information will then be referred to the appropriate stack unit. This unit will have adjacent to the files themselves whatever indexes were originally transferred with the papers or are subsequently made.

If files are to be consulted by someone other than a member of the archives staff they will be brought down to a charge desk and then delivered to a designated desk in a search room.

It is contemplated that there will be for official purposes a general search room and two smaller rooms. There will be another search room for the nonofficial searches. The search rooms should be so planned that additional search-room space can be provided as given in the space data.

Very many of the requests for information can be answered by reference to official publications of the Government. There is therefore provided a library which should be located as close as possible to the information unit. It is, however, not necessary that the library should be on the same floor with the information unit and search rooms. It might conveniently be placed directly above or directly below, in which case there will be required a means of direct communication by an inside stairway and an automatic lift or a small elevator.

The library will be primarily a collection of Government documents with an alcove arrangement of stacks. It should be so designed as to permit easy and rapid access to its shelves. It is not intended for use by the public, but is to be easily accessible to any of the reference staff of the archives administration, with ordinary safeguards employed to prevent the unauthorized withdrawal or misplacement of books.

The map collection of the Government, in charge of the Geographer, is very extensive and, because of the odd shapes of the maps, requires special treatment both as to shelving and as to reference service. Map files must be segregated from other files in the stacks and should be adjacent to the geographic section of the general administration. The geographic section in turn should be close both to the library and to the information office. The space for the Geographer will include provision for large tables and space for wall maps.

A distinction is to be made between the catalog which must be included in the information service and the process of catalog making which calls for cataloging unit. It may be accepted that, while many papers will be received with adequate indexes, there will be a great many papers which require further classification and cataloging. Some of this cataloging can be done under adequate supervision by the section units adjacent to the stacks, but a great deal of it will be handled in a central cataloging unit easily accessible to the stacks. This unit should be located as close as is possible to the information unit and the search rooms, since the catalogers are often in the best position to know the papers which may at any time be desired. If the library and the Geographer's office were to be located directly under the information unit and the search rooms, the cataloging unit might be located directly above the latter, thus providing the closest possible contiguity.

In view of the fact that the service rendered will center so largely in the information unit and the search rooms, it seems desirable for efficient administration that the Archivist and the Assistant Archivist be located on the same floor, possibly at one end of the administration portion of the building. The executive officer might be placed on one of the lower floors.

Very exceptional precautions will be necessary to protect the stacks from the common dangers of destruction, disintegration, and theft. To eliminate as far as possible the danger of damage by rats, mice, and vermin lunch rooms are to be provided, with the expectation that the most stringent regulations will be adopted to forbid the keeping of food of any kind in any other part of the building. The lunch rooms should be so located as to make it feasible to keep them scrupulously clean at all times. No provisions for cooking will be required.

Space requirements

ADMINISTRATION

	Square feet
Archivist:	
Private office	500
Secretary	300
Stenographers	300
Reception room (if possible serving also the Assistant Archivist and executive officer)	1,000
Private toilet, small vault	------
Assistant Archivist:	
Office	500
Private toilet	------
Secretary	300
(NOTE.—Waiting room, if not adjacent to reception room of Archivist.)	
Executive officer:	
Office	500
Private toilet	------
Secretary	300
Information and clerical (this includes space for the catalog and is to be subdivided as required)	2,000
Vault	300

Survey of provisional committee for a national archives

[Department or establishment: Master recapitulation; administrative unit: All Government departments and independent establishments]

	Character of material in cubic feet					
	(a) Document	(b) Flat	(c) Pamphlets	(d) Maps	(e) Indexes	(f) Total
1. Records to 1860	38,326.10	57,270.72	4,511.8	6,766.47	1,826.10	108,701.19
2. Records 1861 to 1916	247,283.09	488,872.15	124,204.31	33,576.68	29,318.26	923,254.49
3. Records 1917 to date	201,135.14	2,066,970.82	59,249.21	68,155.04	216,167.72	2,641,677.93
4. Total	486,744.33	2,613,113.69	217,965.32	108,498.19	247,312.08	3,673,633.61
5. Less records not of permanent or historical value	49,513.11	534,091.65	18,093.32	28,207.46	121,462.71	751,368.25
6. Total	437,231.22	2,079,022.04	199,872.00	80,290.73	125,849.37	2,922,265.36
7. Average annual increment for decade 1920–29	6,021.60	112,487.84	6,488.38	4,392.60	15,812.58	[1] 145,203.00
8. Estimated number of employees for records in lines (1) 35,854, (2) 103,781, (3) 417,907; total, 557,542						
9. Square feet of floor space now occupied by records in this file unit, 818,992.596.						
10. Field records eventually to be transferred to Washington, D. C., 282,721.2 cubic feet.						

[1] Plus 3,000 cubic feet foreign archives per year for the State Department.

Date. Oct. 2, 1930.

As a result of this information, the committee submitted a report upon which the arrangement of the space in the Archives Building was based. That report was filed November 11, 1930. It discusses the type of building desired, the form of organization and personnel that should be set up for the National Archives, and states that there will be a much smaller number of people working in this building than is usual in buildings of corresponding size. It points out that it is unlikely that the personnel employed in the completed structure will greatly exceed 600 people. This report is such an interesting and illuminating document that it ought to be preserved in permanent form. It is as follows:

ADVISORY COMMITTEE ON THE NATIONAL ARCHIVES BUILDING,
Washington, D. C., November 11, 1930.

PROGRAM PREPARED AS A BASIS FOR PRELIMINARY SKETCHES

The National Archives Building is intended to become the repository for all papers of the Federal Government which are considered worthy of permanent preservation or which for administrative reasons must be retained for a long period of years. The value of the various papers and files thus deposited will vary from such priceless documents as the original laws and original treaties of the United States to vast quantities of papers which in themselves would appear to be relatively unimportant were it not for the relation which they bear to larger questions. The completed building for the National Archives is not designed as a central filing depot for active files but for papers that have ceased to be related to current business.

To this institution will come, not only the various agencies of the Federal Government which desire to verify information or to trace the continuity of policies, but there will also come historical scholars from both the United States and foreign countries. It is probable that at least for the next half century the number of students for whom facilities for work will have to be provided will be relatively small as compared with the number of persons connected with the Federal Government who will come into the building from other Government offices in connection with current governmental work. On the other hand, many scholars are likely to make prolonged visits and should be provided with all reasonable facilities for the prosecution of their searches.

The site which has been designated for the National Archives being in the center of Washington, a building so placed would afford opportunity to make accessible to the general public exhibits of documents illustrating the various phases of the progress and development of the American Nation. The performance of this function of popular education must be so controlled that it will in no way interfere with the normal operation of the building in connection with current Government work nor should the exhibits be so arranged and managed as in any way to increase the hazard of destruction either by fire, theft, or the handling of fragile papers.

In order to maintain the functional divisions of the building, the following major divisions of plan occur: (1) Administration and operation; (2) stacks; (3) public space, and (4) circulation, public and private.

TYPE OF BUILDING

In the table of space requirements given in this program it became necessary to depart somewhat from what would theoretically be the most desirable form of building in order to meet the requirements for the architectural development of the so-called "Triangle."

It is expected that the bulk of archives initially to be deposited in the building will be relatively small, that there will be periodic transfers at intervals of perhaps 5 years, and that there will be additional transfers from time to time of quantities of papers which, while of relatively recent date, are no longer considered important or current. It is estimated that the total bulk of all of the records of the Government worthy of permanent preservation up to January 1, 1917, exceeds slightly 1,000,000 cubic feet, from which it is estimated that a total of 3,500,000 cubic feet of stack space will be sufficient to house all records of the Government prior to that date.

It is further estimated that the files of the Government which accumulated between January 1, 1917, and January 1, 1930, form approximately twice the bulk of all files for the earlier period. When all files of the Government prior to January 1, 1930, shall have been deposited in the building the total stack space required will be between nine and ten million cubic feet, with the possibility that this requirement may be increased by the occasional transfers of other papers of relatively recent date. Furthermore, the anticipated annual accumulation of 200,000 cubic feet per year will create a demand for increases of stack space at the rate of 600,000 cubic feet per year.

As a working basis it has been assumed that the capacity of a building designed to conform to the requirements of the so-called "Triangle" group would be limited to about 10,000,000 cubic feet, although some 60 percent of this is not likely to be required within the next half century.

The purposes which the National Archives Building are to serve are such that the planning thereof is subject to certain basic conditions which are mandatory and call for directness and simplicity of arrangement.

The fact that the ultimate space requirements to accommodate all the archives of the Federal Government far exceed the ultimate capacity of the main Archives Building placed on the site chosen within the Triangle area calls for a building with a very concentrated arrangement of stacks. Such an arrangement is made possible by the desirability of excluding from the stack units all natural light and outside atmosphere and supplying artificial light and conditioned air.

The fact indicated above that less than 50 percent of the building's ultimate capacity will be required for the first 50 years after it is first occupied must be taken into consideration in the conception of the design. The space requirements as given in this program are for the ultimate capacity of the building, and the preliminary sketches are to be governed accordingly. But the sketches must also indicate the means proposed for furnishing a building with from four to five million cubic feet capacity, which will probably remain of that size for 50 years after date of occupancy.

The possibility exists that a portion of what will ultimately be artificially lighted stack space might in the interim be naturally lighted for temporary use other than for stacks.

Insofar as the plan of the building is affected by the personnel to be accommodated, it should be noted that there will be a much smaller number of people working in the building than is usual in buildings of corresponding size. The subject of personnel is discussed below, but it is important here to point out that it is unlikely that the personnel employed in the completed structure will greatly exceed 600 people, and for the first 50 years a very much smaller number will be required for the efficient operation of the archives.

The personnel will be divided roughly into two groups:

(a) Those who work directly on the files and who should, therefore, be located as closely as possible to the papers upon which they work;

(b) The central administrative force which will be engaged in a variety of tasks enumerated below.

In the interests of efficient administration it is desirable that the relatively small administrative force should be located as closely together as is feasible. It is also desirable that the force which must work directly on the papers in searching, sorting, etc., shall have as favorable conditions as possible with reference to light and air. It is the further consideration that effective control of the stacks for the prevention of fire and for the safeguarding of the papers makes it desirable to exclude from the stack space all but those whose services are indispensable at that point.

With stack units arranged for artificial lighting and the introduction of conditioned air, there will be required relatively small workrooms adjacent to these stacks for the use of small groups of workers, where they may have direct access to the stacks in their charge with the minimum of delay. These centers should be located with reference to a convenient means of circulation to the main administrative unit, which will be located outside the stacks.

PERSONNEL

For the purpose of the preliminary sketches, it may be assumed that the organization of the personnel for the National Archives Building will have as its head an archivist with two principal assistants, one of whom will have general supervision of the archives work and the other of whom will be an executive assistant. The information office, the reference service, the cataloging units, and the search rooms will be operated by a relatively high-grade personnel with something equivalent to library training and experience.

There will be a considerable number of mechanical operations connected with the receiving, sorting, cleaning, repairing, and duplicating sections. These operations will require a more mechanically trained personnel, and their several functions are so similar as to suggest locating them close together, and they may be on a floor separated from the other personnel.

OPERATION

While it will no doubt be possible to arrange a schedule for transfers which will to some extent prevent the congestion incident to the delivery of very large quantities of papers at any one time, nevertheless, very ample provision should be made for the receiving of papers. The delivery of papers will be accompanied by the delivery of an inventory which will describe the papers at the moment being transferred. Before the inventory can be receipted for, it will be desirable to sort the deliveries, place them in order on the receiving floor in such a way that each item of the inventory can be checked off and receipted for and there should, therefore, be provision on the receiving floor for a large amount of shelving similar in character to that which will go into the stacks. Probably all files will be sorted and given their original and permanent classifications on the receiving floor before they are transferred to their permanent resting place in the stacks.

It is also contemplated that the papers before delivery to the stacks will be passed through a disinfecting and cleaning process which will kill all animal life and also remove to some extent the dirt. These two operations must be performed in space adjacent to the receiving floor.

After the documents have been once assigned to their place in the stacks, the principal calls which will be made for these papers will be broadly of the following characters:

(1) The request to see a single paper or a small group of papers;

(2) A request for information which will be supplied by the members of the archives staff after whatever search of the files by them is found to be necessary.

(3) A request to conduct a search of a quantity of papers by one or more persons either from a Government office or from those representing a private interest.

It will be observed that these various kinds of requests call for two kinds of service:

(1) An operation which can be performed entirely in the stacks or in the adjacent room of a stack supervisor.

(2) An operation which involves the transfer of a group of papers to a general search room where the search can be conducted under the immediate supervision of qualified archives assistants, or to a room specially assigned to a group of searchers. Separate rooms for individual searchers will not be provided.

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Aside from the principal calls received for various papers for examination, papers may be removed from the stacks in small quantities for other purposes, viz, repairing, binding, and rebinding. Such papers would be transferred under proper safeguards to the repair room, which should be located on the floor with the other mechanical operations.

Papers also might be transferred to the duplicating room, where photostats or photographs would be made. This, however, is a short operation, involving withdrawals from the shelves for very brief periods. The duplicating rooms should be located so that they can serve their functions with the least possible delay in order that the service required of the archives staff may be performed not only efficiently but with unfailing promptness. This will require facilities for very rapid and efficient duplicating.

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To answer requests for information it will usually be necessary to refer to the catalog. The catalog will probably consist of little more than the various items of the inventory carded separately. On these cards will be noted the location in the stacks of the files which will have to be consulted. The requests for information will then be referred to the appropriate stack unit. This unit will have adjacent to the files themselves whatever indexes were originally transferred with the papers or are subsequently made.

If files are to be consulted by someone other than a member of the archives staff they will be brought down to a charge desk and then delivered to a designated desk in a search room.

It is contemplated that there will be for official purposes a general search room and two smaller rooms. There will be another search room for the nonofficial searches. The search rooms should be so planned that additional search-room space can be provided as given in the space data.

Very many of the requests for information can be answered by reference to official publications of the Government. There is therefore provided a library which should be located as close as possible to the information unit. It is, however, not necessary that the library should be on the same floor with the information unit and search rooms. It might conveniently be placed directly above or directly below, in which case there will be required a means of direct communication by an inside stairway and an automatic lift or a small elevator.

The library will be primarily a collection of Government documents with an alcove arrangement of stacks. It should be so designed as to permit easy and rapid access to its shelves. It is not intended for use by the public, but is to be easily accessible to any of the reference staff of the archives administration, with ordinary safeguards employed to prevent the unauthorized withdrawal or misplacement of books.

The map collection of the Government, in charge of the Geographer, is very extensive and, because of the odd shapes of the maps, requires special treatment both as to shelving and as to reference service. Map files must be segregated from other files in the stacks and should be adjacent to the geographic section of the general administration. The geographic section in turn should be close both to the library and to the information office. The space for the Geographer will include provision for large tables and space for wall maps.

A distinction is to be made between the catalog which must be included in the information service and the process of catalog making which calls for cataloging unit. It may be accepted that, while many papers will be received with adequate indexes, there will be a great many papers which require further classification and cataloging. Some of this cataloging can be done under adequate supervision by the section units adjacent to the stacks, but a great deal of it will be handled in a central cataloging unit easily accessible to the stacks. This unit should be located as close as is possible to the information unit and the search rooms, since the catalogers are often in the best position to know the papers which may at any time be desired. If the library and the Geographer's office were to be located directly under the information unit and the search rooms, the cataloging unit might be located directly above the latter, thus providing the closest possible contiguity.

In view of the fact that the service rendered will center so largely in the information unit and the search rooms, it seems desirable for efficient administration that the Archivist and the Assistant Archivist be located on the same floor, possibly at one end of the administration portion of the building. The executive officer might be placed on one of the lower floors.

Very exceptional precautions will be necessary to protect the stacks from the common dangers of destruction, disintegration, and theft. To eliminate as far as possible the danger of damage by rats, mice, and vermin lunch rooms are to be provided, with the expectation that the most stringent regulations will be adopted to forbid the keeping of food of any kind in any other part of the building. The lunch rooms should be so located as to make it feasible to keep them scrupulously clean at all times. No provisions for cooking will be required.

Space requirements

ADMINISTRATION

	Square feet
Archivist:	
Private office	500
Secretary	300
Stenographers	300
Reception room (if possible serving also the Assistant Archivist and executive officer)	1,000
Private toilet, small vault	------
Assistant Archivist:	
Office	500
Private toilet	------
Secretary	300
(NOTE.—Waiting room, if not adjacent to reception room of Archivist.)	
Executive officer:	
Office	500
Private toilet	----
Secretary	300
Information and clerical (this includes space for the catalog and is to be subdivided as required)	2,000
Vault	300

Space requirements—Continued

ADMINISTRATION—continued

	Square feet
Section chiefs:	
10 offices located adjacent to the stacks and on alternate decks, each office 400 square feet	4,000
Adjacent to each office, local catalog, each 400 square feet	4,000
Geographer	600
Accession records	600
Central cataloging unit	4,000
Receiving	25,000
Cleaning and fumigating	600
Repairing	1,200
Binding	1,200
Vault	200
Storage for supplies (near executive officer)	400
Lunch room:	
Men (no kitchen required)	800
Women (no kitchen required)	800
Toilets:	
Men	---
Women	---
Duplicating unit (mimeographing, printing, etc.)	600
Photographic unit	6,000
Mail room	500
Relief station	600
National Archives Council (use conference room of advisory committee).	
Advisory committee:	
Conference room	800
1 office	200
Commission on National Historical Publications (use conference roof of advisory committee, 2 offices, each 200 square feet)	400
Expansion	1,000

OPERATION

Superintendent of building:		
Office		400
Vault		100
Chief engineer: Office		400
3 assistant chief engineers: Office		300
Captain of the watch:		
Office		300
Guardroom (lockers)		300
Maintenance shops:		
Plumbing and steam fitting	---	500
Carpenter	---	500
Cabinet	---	500
Electrical	---	500
Painting	---	500
Foreman of laborers	---	400
Mechanical equipment: Machinery, etc		12,000
General storage		2,000

OPERATING PERSONNEL

Day and night male laborers:	
Locker room	500
Toilet	------
Lunch room	400
Day and night female help:	
Locker room	500
Toilet	-----
Lunch room	400
Mechanics:	
Locker room	500
Toilet and showers	-----
Lunch room	400
Waste-paper room	800
Cleaning gear and cuspidor rooms each floor (100 square feet each)	800

PUBLIC SPACE

1 general search room, official (bookcases on walls)	1,000
2 search rooms for groups of officials, each 500 square feet	1,000
One search room, unofficial	1,000
Search-room expansion	2,000
Library	4,000
Librarian	600
Toilets:	
Men	-----
Women	-----
Exhibition room	1,200
Projection room	2,500

Corridors, elevators, etc., as required.

Stacks: Solid partitions as required for fire protection, separations otherwise by wire-mesh partitions extending from floor to ceiling.

Since this report was made, it has been found advisable to modify some of its recommendations and suggestions, but in every material respect it forms the basis of the plans of the Archivist upon which his budget is based.

President Hoover's committee, it will be noted, estimated that there are over 3,000,000 cubic feet of documents, important historical records relating to the activities of this Government from its very founding. They are now scattered about the city in cellars, attics, basements, and many other similar unsuitable places where they are subject to the wear and tear of passing years and other destructive agencies. They must be gone over, they must be surveyed, they must be cleaned and fumigated, and many of them repaired, before they can be filed for permanent preservation in the National Archives Building.

The importance of these archives to the Nation is clearly set forth in a discussion of the National Archives by Mr. Waldo G. Leland (S. Doc. No. 717, 63d Cong., 3d sess.), from which I quote the following paragraph on page 5:

> The archives of the Federal Government are composed of the letters, orders, reports, accounts, and other documents produced in the course of transacting the public business, whether located within the District of Columbia, or wherever the operations of the Government extend. The value of these archives may truly be said to be inestimable. In the transaction of current business those of recent date are in constant use, while those of earlier origin are frequently referred to. They constitute the chief protection of the State against unfounded or ill-founded claims. In international discussions or disputes they are the principal source from which arguments may be drawn to support the contentions of the Government. On them are based the titles to millions of acres of land and to thousands of patent rights. The actual money loss, to say nothing of the inconvenience, that would result to the Government, and to citizens as well, by the destruction of any considerable part of the Federal Archives, can hardly be calculated.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. BLANTON. Apropos of the attack made by our good friend from New York [Mr. TABER] on the archives set-up, is there not a law that prevents a parent from questioning the legitimacy of his own offspring?

Mr. TABER. But there is no law that prevents a parent from correcting his offspring.

Mr. WOODRUM. Mr. Chairman, I do not construe the remarks of the gentleman from New York so much as an attack as I do as somewhat of a criticism, and I think it is meant to be constructive, but I think it is not a wise criticism. In my judgment there is no more important thing that we can do than to carry out this great activity, and in this material day, when we are thinking so much of material things, let us not lose altogether our spiritual values and perspective. [Applause.]

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. LUDLOW. The gentleman is making a very interesting and scholarly presentation of the historical aspects of the National Archives Establishment, and I am sure all of us are enjoying it; but I should like to ask him to address himself to the suggestion of the gentleman from New York in regard to whether it should be used as a distributing agency.

Mr. WOODRUM. The gentleman is correct, and I am very glad he called my attention to that. My friend from New York quite properly says that he does not want to see the National Archives turned into an agency to distribute pamphlets. That has not been suggested by anyone. The gentleman referred to the Keller bill—H. R. 5703. The Keller bill does not suggest that the National Archives distribute pamphlets. My friend has not read the bill carefully. It provides merely for the distribution of Government publications to the National Archives "for its own use and for international exchange." There is not a word in the Keller bill which, under the wildest stretch of the imagination, could permit the National Archives to distribute pamphlets. If the gentleman can find it, let him read it. The author of the bill is sitting before me. The purpose of the bill is to permit the National Archives to receive Government publications, just as they are received by many other official governmental agencies.

Mr. TABER. That is one proposition, but the other proposition is this, and it is quite broad: The Superintendent of Documents shall furnish without cost copies of such past publications as may be required for official use by the National Archives Establishment.

Mr. WOODRUM. Why, of course.

Now, what is said there about the National Archives distributing pamphlets? They are for the official use of the National Archives in their library. Nobody has ever had any idea of distributing pamphlets. Here is a great Government institution, the official purpose of which is to house the archives of the Government. The great majority of such Government publications, if not all, are themselves archives of the highest importance. If there is any one place in the United States that ought to have a complete set of Government publications it is the National Archives. My friend has just drawn upon his imagination. I can say to him and to the House and to the country that the Archivist has no intention of distributing pamphlets, but he does need a complete set of Government publications in his library for the efficient functioning of the National Archives. Such at least is the experience of the archives establishments of other governments, including not only those of European countries but also those of the various States of this Union which have established such agencies.

Mr. TABER. I am of the opinion that the National Archivist could go a long way in getting into the other business under that language.

Mr. WOODRUM. My friend is unduly apprehensive. He has also referred to the Celler bill, H. R. 6323. I am not perfectly familiar with the detailed provisions of the Celler bill, but I am in sympathy with its general purpose.

Mr. CELLER. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. CELLER. I am able to explain the purposes of the bill, which is on the Consent Calendar awaiting the action of the House. The object of that bill is to prepare for the codification of all rules and regulations of all departments. Let me state that, for example, in the National Industrial Recovery Act there are some 11,000 pages of rules and regulations, and hardly anyone knows where all of them are. Some of them take the form of issues on mere tissue paper. Others became regulations as a result of a telegram sent to somebody in some far-distant office. Still others are mimeographed. There is no real codification, for example, of the regulations of that one bureau.

The post-office regulations comprise three volumes that are just literally loaded with obsolete regulations, which have no longer any force or effect. The Veterans' Administration has volumes of regulations. Many of them have been repealed and cross-repealed. Even those in the office of the Veterans' Administration are oftentimes in doubt as to the legal import of literally hundreds of those regulations. We now propose by this bill to have the Archivist be the responsible custodian of all rules and regulations when they shall have been codified by those in the Attorney General's office, properly selected and qualified to do the job.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. WOODRUM] has expired.

Mr. BUCHANAN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. CELLER. Shall I continue briefly?

Mr. WOODRUM. Yes; briefly.

Mr. CELLER. It covers 2 angles, in this sense: One provides for the codification of all past rules and regulations and the other provides for the codification and issuance of a Federal register for all future rules and regulations, so that anybody interested may lay his hands upon the proper rule or regulation. Provision is made that Members of Congress and the Senate and others, of course, interested in the matter shall receive a copy of the daily register so that they shall know exactly what is happening in the various bureaus and departments.

Mr. MICHENER. Will the gentleman yield?

Mr. WOODRUM. I yield briefly.

Mr. MICHENER. I am a member of the same committee as the gentleman from New York [Mr. CELLER]. There is one inherent defect in that bill, and the same inherent defect was in the bill establishing the archives set-up, that is, it is not under civil service. If there is any place on earth where we should require technical and experienced knowledge it is in that set-up. I hope when the Celler bill is passed that this House will realize that situation and remedy the mistake which it has already made in the set-up as it is down there now, where you appoint someone in a technical position simply because he has sufficient backing to get the appointment, and the appointment has no permanency. I am willing for them all to be Democrats, if they are qualified.

Mr. WOODRUM. I am glad the gentleman suggested that, and I wish to say to the gentleman from Michigan and to the House and to the country that the President has appointed as Archivist Mr. R. D. W. Connor, who for 12 years was a member of the faculty of the University of North Carolina and for the previous 18 years archivist of the State of North Carolina, a distinguished, outstanding gentleman. I know him, and I can assure the gentleman from Michigan that merit, capacity, and capability will be the guiding rules in the selection of the personnel for the archives.

Mr. MICHENER. But right there I believe that to be true, and for that reason he should be under civil service so that men of that character would not be in danger of being removed the moment the administration changed.

Mr. WOODRUM. In answer to that, I will say to the gentleman, that the gentleman knows the Congressional Library is not under civil service, yet it has never been subject to political spoils, and I anticipate the same thing will apply to the National Archives.

Mr. MICHENER. But we can make it sure and know.

Mr. WOODRUM. Perhaps we can.

Mr. HEALEY. Will the gentleman yield briefly?

Mr. WOODRUM. I yield.

Mr. HEALEY. In that connection does not the gentleman feel that the Archivist will have more latitude to select the type of personnel which the gentleman has just mentioned?

Mr. WOODRUM. At an appropriate time I could have quite an interesting discussion with my friend from Michigan as to whether, after all, you do get more efficient people by going to the Civil Service, especially in this type of personnel.

Mr. MICHENER. For certain kinds of work.

Mr. WOODRUM. For almost any kind of work.

Mr. MICHENER. So far as book knowledge is concerned, yes; and that is the archivists.

Mr. WOODRUM. The bill of the gentleman from New York has yet to be enacted into law. It is, so to speak, resting in the discretion of the House. There are no appropriations in this deficiency bill for it. When the Celler bill is taken up for discussion the House can put such provisions in it as it pleases.

[Here the gavel fell.]

Mr. WOODRUM. I ask unanimous consent to revise and extend my remarks, and to make brief quotations from these documents from which I have read relative to the promotion and progress of this movement for a National Archives. [Applause.]

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BUCHANAN. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. KELLER].

Mr. KELLER. Mr. Chairman, I want to take just about 2 minutes of the time of the House, no more, to call attention to the fact that if you will read the bill, H. R. 5703, the Keller bill, you will find no necessity for imagination there at all. You will find, I think, no indefiniteness at all; the number of books, pamphlets, and all of the publications of the Government Printing Office are set out in the bill. We are asking for two where it is not otherwise specified, and no more. There is an exception made in the Official Register of the United States; we want six copies of that, and we want one extra copy of the daily CONGRESSIONAL RECORD as we run along, just for use down there; not bound. You will find they want one copy of every bill and resolution of Congress at each stage of its consideration for the purpose of having a full and complete history of how and when changes are made in the formative stages of legislation. It is a very informative process to a man doing research.

I have had experience in this regard myself and often have wandered blindly, and without aid insofar as tracing

the various stages and changes made in the past when legislation was under consideration, in order to know what to do in a current situation. There should be some one place where we could follow the changes step by step. We ask for only one of each document here as it comes from the printing press that it may be kept as part of the great repository of the history of the country.

To illustrate, the legislation in relation to creation of our legal-tender notes, or greenbacks, during the Civil War period, is almost entirely shrouded in mystery for lack of any specific records or debates on that subject, despite the fact that this legislation is among the most important in American history. Much more can be learned from outside sources than from the Government records. The fact that the original $60,000,000 of greenbacks, not containing the exception clause, which later issues contained, maintained its parity with gold throughout its existence is hardly known to the students of that subject for lack of Government records. I made this statement on the floor of this House in the Seventy-second Congress only to be challenged by one of the ablest men and best students of this body, my friend, Dr. Oliver, of Alabama. And only after digging out the historic facts on that subject could I convince him, or this House, of this all-important fact. The document rooms of the Capitol keep the bills only for a current Congress. The general impression is that these bills and resolutions are available in the Library of Congress, but even there there is a gap of about 50 years where these things are not available. Surely this condition should not be permitted to continue. And the National Archives must be the Nation's absolutely safe repository for these invaluable historic documents.

I want to state that so far as I am concerned I am in hearty accord with the proposition that Congress should pass on the necessity of every one of these things. But this authorization must be continuous and permanent, or we will find a period of a week, or perhaps longer even when books, pamphlets, and copies of other documents which should go to this Archives Establishment will not arrive there. We want to avoid the possibility.

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Chairman, I yield myself the balance of the time.

I may state, Mr. Chairman, that the amount of the appropriation for the Archives Establishment is the result of a very searching investigation on the part of the deficiency subcommittee which consisted of 10 members of the Appropriations Committee. The estimate was $550,000. We reduced this $75,000. We figure this amount is ample for the starting of this activity. Should need for increased funds arise through additional work and they can demonstrate to Congress the necessity of this work to preserve the history of our country and instill those lessons into our posterity, we can pass on giving them the increased amount when the demonstrated necessity arises.

As to whether or not $475,000 is too much or too little, no man can tell at this stage of the game when it is actually a new set-up all around. I have this confidence, however, the Archivist, Dr. Connor, is a very intelligent, a very patriotic man, and one sincerely interested not only in the preservation of the history of our country but in cutting down appropriations as much as possible; and I do not believe he will unnecessarily put on employees and expand his organization unless there is actual necessity for it. I think, therefore, the $475,000 should be allowed.

Mr. Chairman, I ask that the Clerk read the bill for amendment.

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

For payment to the widow of Frederick Landis, late a Representative-elect from the State of Indiana, $9,500.

Mr. BUCHANAN. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BUCHANAN: On page 2, strike out lines 11 and 12.

Mr. BUCHANAN. Mr. Chairman, it was with great hesitation that I offered this amendment. The proposition was subject to a point of order; but I did not desire to make the point of order, because I felt it was a question that concerns personally every Member of this House, and they ought to have a right to pass on it. Secondly, I did not make the point of order because of the two preceding allowances, which are along the same lines but are clearly within the established precedents.

Mr. Chairman, this provision which my amendment eliminates, if adopted, will allow a year's salary to Mr. Landis' widow. It will enlarge the scope of the precedents beyond anything ever done heretofore, including other cases where we have refused to make the appropriations. I am going to state the facts in this case.

In connection with every allowance heretofore made the Member has been on the salary roll or a sitting Member of the House. He has been a qualified Member under the law as it then stood. Sometimes they have not actually taken the oath of office, but their term of office had commenced. They were drawing the salary and discharging their duty in every case heretofore allowed.

In this case, the gentleman was elected on November 6, and, unfortunately, he died on November 15. At the time he died there was a sitting Member of this House representing the same district duly qualified and drawing a salary. If both of them had died at that time you would be called upon to make two appropriations for two Members from one district. You understand that when this man died, having just been elected, his predecessor still held the office, and if the predecessor had died, his wife or dependents would have been entitled to an appropriation. Mr. Landis did not have a certificate of election. I may state that he died on November 15, and the certificates of election from the State of Indiana were not issued by the State authorities until December 1.

Mr. Chairman, those are the facts. If the Members want to enlarge the precedents and include within the scope of the precedents all Members who may or may not have been elected and who die just after election, that is your business. It is not mine. If the Members want to include those individuals who have not received their certificates of election, it is your business, not mine. When this House speaks, as Chairman of the Appropriations Committee I am expected to obey the will of the House, but I am determined that the Appropriations Committee while I am its chairman shall not itself enlarge on these precedents. Personally, I am opposed to this class of appropriations, whether within the precedents or not.

Mr. HALLECK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, first of all, may I say that I greatly appreciate the very fine attitude of the chairman of the committee, the gentleman from Texas [Mr. BUCHANAN]. I want to thank him and the committee for giving me the opportunity of appearing before a Subcommittee of the Appropriations Committee in order to present this matter in the first instance. I appreciate intensely the action that the chairman has taken in not making a point of order in respect to this particular item.

The Honorable Frederick Landis was elected to this Congress from the second district of the State of Indiana on last November 6. Frederick Landis had been a Member of Congress from the State of Indiana. He had served in the Fifty-eighth and Fifty-ninth Congresses. He had served with credit and honor to himself, to his State, and to the Nation. Possibly it does not have much to do with this particular item; but while he was here his brother, Charles Landis, was also a Member of the Congress from the State of Indiana.

Fred Landis in his lifetime gave much of his time and effort to those things which were of general interest to

the people of the land, and participated in all those activities which were for the encouragement, the enlightenment, and the education of the people of the whole land. But by the same token his activities and his business life were such that he did not accumulate that sort of an estate which many men of his ability are able to accumulate. He went through a strenuous campaign in the primary, then went into the fall campaign and before the election he was taken ill with pneumonia and died a few days after election.

If the Members of the House see fit to allow the item as asked for in this bill presented by the committee, it will not be subject to the criticism that is sometimes made as to these gratuities; that is, that the people to whom they are granted do not need the money.

I say to you that these people need the money. Fred Landis put in his effort and his time and sacrificed his life, if you please, to be elected to this Congress. I for one cannot see very much distinction between the case of a man who is elected and who has not been sworn in and dies before the term begins and a man who is elected, whose term has begun but who is not in reality a Member of Congress because he has not been sworn in. Such a distinction would be a distinction without a difference. In other words, there are precedents heretofore existing under which the dependents of individuals who have been elected were granted the gratuity when the person who was elected died before being sworn in or having taken the oath of office.

Fred Landis has left a family of six children and a widow. May I say that the people of Indiana, without regard to politics, loved Fred Landis. They love his widow and his children. A number of those children are minors, and, Mr. Chairman, I cannot believe that there is a dangerous precedent to be set here by anything that might be done today which will react unfavorably against future Congresses or so extend its precedents as to prejudice seriously the Treasury of the United States.

Why, I believe this is a wonderful custom that has grown up. It is not only afforded to the families of deceased Congressmen. It is extended to the families of those people who are employed in this building and of our people in the Foreign Service.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HALLECK. Mr. Chairman, certainly no serious detriment or dangerous precedent can arise out of the allowance of this item. The time now is short between the date of election and the date that Congressmen take office. There cannot in the future be any considerable number of deaths in that time.

I am saying to you today that if, in your kindness, as a further expression of the generosity with which this Government of ours has treated all of its people in recent years and throughout all of its history, you grant this appropriation, I am confident your action will meet with the approval not only of the people of the State of Indiana but of the country as a whole. I ask you to allow this item to stay in this bill. [Applause.]

Mr. LUDLOW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, knowing the facts and circumstances connected with this matter, I feel it my duty to support my colleague, Representative CHARLES A. HALLECK, who is the author of the legislation to pay to the widow of Mr. Fred Landis the equivalent of 1 year's salary of a Member of Congress. In doing so, I wish in a preliminary way to say that no one in this Congress has a higher appreciation than I have of the sound judgment and devotion to duty of the able Chairman of the Appropriations Committee [Mr. BUCHANAN]. I think that in ninety-nine cases out of one hundred I follow his leadership. He gives the most intensive study and application to problems of government with a view always to protecting the interests of those who have to pay the taxes and bear the burdens. He is so modest and self-effacing that few persons know the far-reaching extent of his activities in the public interest; but I know, because I serve on his committee under him, and I want to say in his presence that he is a distinct and valuable asset to the American Nation.

He is one of the most useful Members of Congress I have known in my long career as a newspaper correspondent and as a Member of this legislative body. Also I want to say that I share his concern that these gratuity appropriations shall be held within proper bounds. In that matter he is dead right. By their very nature they need to be carefully safeguarded.

Now let me state the circumstances of this particular case. Nine days after Frederick Landis was elected as Representative in Congress from the Second Indiana District, he died. As far as the earning of this death gratuity is concerned, that is a closed incident. It was earned just as much as my death gratuity was earned, just as much as yours was earned, just as much as the potential death gratuity of any Member of this House was earned. [Applause.] The only difference is that we were fortunate and lived and Fred Landis was unfortunate and died in the brief interim after he was elected and before he was sworn in. It was earned by Fred Landis himself in a hard and grueling campaign in which he spent all he had of physical energy and financial substance, a campaign in which he conducted himself as a gentleman and an honorable warrior, as he always did in every relation of life. In a campaign in which there was no taint of accusation of fraud, he won by a decisive majority of more than 10,000 votes.

To those who remember Fred Landis when he was a Member of Congress several terms many years ago, I need not describe his fine qualities. His political beliefs were utterly at variance with my Democratic philosophy, but like everyone else who knew him, I loved him. He was the kind of man who when he saw a mendicant shivering on a street corner would hand over his overcoat and after that Fred Landis would do the shivering. He was not acquisitive in any sense. A man like that is too generous to amass a fortune. He died leaving a widow and six children, and this allowance would be a veritable godsend to them.

Anyone who studies all the facts connected with this case must conclude that if we say "no" to Mrs. Landis and her children, they will be beaten out of an allowance which her husband earned, and they will be beaten out of it by the merest technicality. Year after year we pay to widows of very rich Members this death gratuity, even though they may be rolling in affluence, and as long as that rule stands I cannot bring myself to deny this worthy necessitous woman and her family of six because of a technicality. I think I hew to the line of economy as closely as anyone in this Chamber. I have voted against most of the large appropriations, and I expect to continue to vote against many, but when we are spending money in great amounts for shelter belts, to buy submarginal lands and plug up soil erosion, and similar projects, I think we would do well to inject this tiny bit of humanity into our appropriations. I trust that no Member on the Republican side will object to this appropriation, and I trust that our Democratic Members will show true sportsmanship and grant this allowance to the widow and children of a foeman who was worthy of our steel. [Applause.]

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield to my friend, the gentleman from Minnesota.

Mr. KNUTSON. I do not recall a similar case in the 19 years I have been a Member of this House. So I do not think we would be setting a dangerous precedent by allowing this gratuity, and it is my information that Mrs. Landis needs this money and needs it badly, and I hope the good Chairman of the Appropriations Committee, for whom I have the highest regard, will not oppose this item.

Mr. BUCHANAN. I may say to the gentleman that I have offered a motion to strike it out of the bill and I am going to vote for the motion because I do not think it ought to be allowed.

Mr. LUDLOW. If I may comment on the statement made by the gentleman from Minnesota [Mr. KNUTSON] we now have the "lame duck" amendment which bridges very closely the time between a Member's election and the time he takes the oath of office and this reduces very greatly the possibility that this action may become an embarrassing precedent. I venture to say that in 50 years there would not be a couple of cases analagous to this one.

Mr. BUCHANAN. Mr. Chairman, I ask unanimous consent that all debate on this paragraph close in 10 minutes.

Mr. EKWALL. Mr. Chairman, I object to that.

Mr. TABER. I hope the gentleman from Oregon will not object.

Mr. EKWALL. Very well; I withdraw the objection, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McCORMACK. Mr. Chairman, I want to join with the distinguished gentleman from Indiana [Mr. HALLECK] and my friend from Indiana [Mr. LUDLOW] in urging upon my colleagues the retention of this item in this bill.

I was profoundly impressed by the argument made by the gentleman from Indiana [Mr. HALLECK], supplemented by the always able and profund argument of my friend from Indiana [Mr. LUDLOW].

I was also deeply impressed by the position taken by the chairman of the committee, Mr. BUCHANAN. I do not think, if we keep this item in the bill, that the chairman of the committee is going to let one tear drop from his eyes. From the very expression of his face and his actions we can read his mind and see that his position is purely technical, and that if we vote to keep the item in the bill, there will be no disturbed feeling so far as he is concerned.

I think a clear case is made out. I did not know the late Representative-elect, I do not know any member of his family, but I do know there is only a slight technicality between this case entitling the widow and children to this sum and the case of the death of an actual Member.

There is only a thin line of demarcation between this case and the case of a widow of a deceased Member. I think it is a very fine thing on the part of the Subcommittee on Appropriations to place the item in this bill, and I think it was an equally fine thing on the part of the chairman not to raise a point of order in order that the House might pass upon this question. I think we can well draw the inference that, because the chairman permitted it to remain in the bill without raising the point of order, that he is not really opposed to it, that he is not opposed to what everyone would like to see so far as this item is concerned, and that the chairman will be in complete agreement with our action in keeping it in the bill. A case has been clearly made out. Only a technicality exists relating to the time of the untimely death of the Representative-elect from the standpoint of equity. I shall vote to keep this item in the bill. [Applause.]

Mr. WOODRUM. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. WOODRUM. After all, is it not a distinction without a difference? A man is elected to Congress, and when he is elected actually begins the work of a Congressman.

Mr. McCORMACK. Yes.

Mr. WOODRUM. He is given the franking privilege and, if available, office space is given to him. His constituents treat him as a Congressman and he is recognized in the departments and bureaus as a Congressman. Is it not a distinction without a difference to say if he dies one day his family will be given this consideration, but if he dies another day the same will not be received?

Mr. McCORMACK. The gentleman's contribution is not only correct and constructive but convincing.

Mr. O'NEAL. Mr. Chairman, this is a question of precedent, as I understand it, and precedent only. Right and wrong, justice and other things are not involved from the standpoint of the opposition. Our chairman, I am confident, is as sympathetic as any of the rest of us, but he considers it his duty as chairman of this committee merely to bring up the question of precedent. This is not a legal question. There is a very great distinction, in my opinion, between a legal precedent and an usage precedent. If it were a legal precedent, I do not believe that I could stand here and speak on this subject; but as a usage precedent, it is a very different matter. By a usage precedent, I mean that some other Congress, with no more authority, with no more right, has chosen to make a decision possibly different from what we have now before us. There are no two cases in which the facts are exactly the same. There are no two sets of conditions exactly the same. I say a precedent of that sort should not be considered in the same position as a legal precedent.

Let us see what would qualify, according to former actions of the House, to put a man in the class where his family could receive this gratuity. One thing is that his election had gone to the point where he had actually sat in the House one day. What difference does it make in the eyes of justice whether the man was here one day or died shortly before he had opportunity of being here? That case would plainly have come in under the precedents heretofore set, and we would have had no hesitancy in giving the gratuity to his widow. But we should remember this: That as far as being in Congress is concerned this man started and made his race, just as you and I did, during the 6 months before the election. This man spent his money and his time. He had a right, in thinking of the good of his own family, to consider that the money would come back to him should he be elected, and he was elected; and, as the gentleman from Virginia [Mr. WOODRUM] suggested, he was elected in every particular except the mere form of having that fact certified. He had the franking privilege; he had the right to an office here; he had a right to the emoluments that any other man who was elected to Congress had at that time.

Mr. MILLARD. Mr. Chairman, will the gentleman yield?

Mr. O'NEAL. Yes.

Mr. MILLARD. And, furthermore, he also served two terms in the Fifty-eighth and Fifty-ninth Congresses. He was a former Member of Congress.

Mr. O'NEAL. I was going to say that another affirmative precedent would have brought him within the rule had he served in the Seventy-third Congress. Then our former precedents would have included his case. What difference does it make whether he served in the Seventy-third or the Seventieth? He was a former Member of this House. From the standpoint of reason, justice demands that we take the same action in this case. [Applause.] But where there is no legal precedent and where there is no exactly analogous case, the fact that this man made a successful race, and except for the hand of fate would have been with us today, I say that no arbitrary rule of this sort should keep the widow and six children from having that to which they are fairly entitled. Of the six children, one, the oldest, who would help to provide for the family, is in a sanitarium. Of the other five, at least four are under age. I certainly hope this amendment, offered here as a matter of duty by our honorable chairman, will be voted down and the bill allowed to pass as it now stands. [Applause.]

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Texas.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

FARM CREDIT ADMINISTRATION

Crop production loans: To enable the Governor of the Farm Credit Administration to carry into effect the provisions of the act entitled "An act to provide for loans to farmers for crop production and harvesting during the year 1935, and for other purposes", approved February 20, 1935, including personal services and rent in the District of Columbia and elsewhere; paper, printing, and binding; supplies and services, without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5), when the

aggregate amount involved does not exceed $50; and such other expenses as may be necessary; there is hereby reappropriated and made immediately available and to remain available until June 30, 1936, for the foregoing purposes, a total of $60,000,000 from unobligated balances (to be designated by the President) under allocations from the appropriation of $525,000,000 for relief in stricken agricultural areas contained in the Emergency Appropriation Act, fiscal year 1935.

Mr. BURDICK. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BURDICK: Page 4, line 15, after the word "of", strike out "$60,000,000" and insert in lieu thereof "$100,000,000."

Mr. BUCHANAN. Mr. Chairman, I make the point of order against the amendment that it is not authorized by law.

Mr. BURDICK. Mr. Chairman, I am convinced that not only the authorization which this Congress has already passed for the expenditure of $60,000,000 will have to be reversed, but the appropriation itself if we let it stand will also have to be reversed. I have abundant proof that we made a mistake when we authorized only $60,000,000, because that is not enough; and it appears to me that while a point of order may be successfully raised on this amendment, we will be saving time by not raising the point of order and make the appropriation $100,000,000, and, if necessary, pass other legislation authorizing further expenditure.

The CHAIRMAN. As the Chair understands, this appropriation is limited to $60,000,000.

Mr. BUCHANAN. That is correct.

The CHAIRMAN. The Chair is ready to rule. The Chair sustains the point of order.

Mr. LEMKE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEMKE: On page 4, line 19, after the figures "1935", add the following: "Such loans to farmers for crop production and harvesting to be made with expedition, and without the usual red tape and delay, and without unreasonable restrictions and requirements, under unnecessary technical rules and regulations, in order to carry out the intent of Congress to provide seed and feed, in seasonable time, for the unfortunate farmers in the drought-stricken areas."

Mr. BUCHANAN. Mr. Chairman, I make the point of order that the amendment is legislation, not proper on an appropriation bill.

The CHAIRMAN. Does the gentleman from North Dakota [Mr. LEMKE] desire to be heard on the point of order?

Mr. LEMKE. Mr. Chairman, I may state that the purpose of this amendment is not new legislation but that it is simply directory. We feel that if the farmers are entitled to this money at all, they should have it before seeding time and not by harvest time. It simply suggests and directs how the appropriation shall be made and used. For instance, if we had said that the $60,000,000 should be paid in two installments, $30,000,000 at one time and $30,000,000 at another, that would not be new legislation. This is simply directory, suggesting to those in charge of this $60,000,000 how and under what circumstances and when it shall be loaned.

Mr. MICHENER. Mr. Chairman, it seems to me that this is a limitation. It seems to me that it retrenches. Of course, I have not read the amendment, and the language is a little indefinite, but it refers to redtape. I do not know just what the legal definition of redtape would be.

Mr. LEMKE. The gentleman should know by this time that rules, regulations, and redtape is all that we find in the various departments of the Government.

Mr. MICHENER. But it at least contemplates there is something being done that should not be done, which costs money. Therefore if the redtape is eliminated, the expense will be eliminated. Therefore it is limiting and retrenching, and it makes the amendment in order. If it does that, if it limits and reduces the expense, then it is in order.

Mr. BACON. Will the gentleman yield?

Mr. MICHENER. I yield.

Mr. BACON. Does not the gentleman think that the gentleman from North Dakota [Mr. LEMKE] is an optimist when he proposes to eliminate red tape from the Department of Agriculture?

Mr. MICHENER. Yes; I think that is true. We should eliminate it, however.

The CHAIRMAN (Mr. COLE of Maryland). The Chair is ready to rule. The gentleman from North Dakota [Mr. LEMKE] states to the Chair that the amendment is directory. That in itself is an admission that it is legislation. Therefore the Chair sustains the point of order.

The Clerk read as follows:

VETERANS' ADMINISTRATION

Pensions: For an additional amount for the payment of pensions, gratuities, and allowances, including the same objects specified under this head in the Independent Offices Appropriation Act, 1935, $94,650,000.

DEPARTMENT OF AGRICULTURE

Mr. NICHOLS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

On page 6, after line 6, insert: "to enable the Department of Agriculture to cooperate with State game and fish departments in the extermination of crows, blackbirds, and starlings endangering crops by destroying seed grain, $50,000."

Mr. BUCHANAN. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN (Mr. COLE of Maryland). The Chair sustains the point of order.

The Clerk read as follows:

United States penitentiary, Leavenworth, Kans., buildings: For construction and repair of buildings, including the purchase and installation of machinery and equipment and all expenses incident thereto, to be expended so as to give the maximum amount of employment to inmates of the institution, $65,410, to remain available until June 30, 1936.

Mr. OLIVER. Mr. Chairman, I offer an amendment, which I think is acceptable to the committee.

The Clerk read as follows:

Amendment offered by Mr. OLIVER: Page 9, line 15, after the figures "1936", insert: ": *Provided*, That the use of the annex by the Bureau of Prisons, Department of Justice, is hereby continued until otherwise provided by law."

Mr. BUCHANAN. Mr. Chairman, we accept the amendment.

The amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. BUCHANAN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COLE of Maryland, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 6644) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes, directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

Mr. BUCHANAN. Mr. Speaker, I move the previous question on the amendment and the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

WAYS AND MEANS COMMITTEE

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that the Ways and Means Committee may have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

KEEPING FAITH WITH THE WORLD WAR VETERANS

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. McFARLANE. Mr. Speaker, on March 4 and 5 the Ways and Means Committee held hearings on H. R. 1 and H. R. 3896 and the seven other similar bills dealing with the payment of the balance due on the adjusted-service certificates.

The hearings were thorough and covered all phases of the subject matter. Congressman PATMAN and friends of his measure presented their arguments the first day and Congressman VINSON and the four representatives of the American Legion presented their bill the second day. Seven Members of Congress, besides the author, together with 11 others, including representatives of other veterans' organizations and economists, appeared in behalf of H. R. 1. Mr. VINSON and the four representatives of the American Legion appeared in behalf of H. R. 3896.

WHAT THE HEARINGS DEVELOPED

The testimony of the representatives of the Legion clearly showed that they were strongly opposed to the Patman bill. They termed it inflationary. Their measure (H. R. 3896) authorizing an appropriation to be made later would require a bond issue or new taxes for payment. The Patman bill provides payment with new currency, with little, if any, additional expense to the Government. Printing of currency costs about 30 cents per $1,000.

WHY THE ANIMUS OF THE LEGION LEADERS?

To understand the personal enmity of the Legion oligarchy toward the Patman bill it is necessary to go back and view the background of the issues here raised and to review the politics of the Legion to understand whether or not their position is sincere at this time.

HISTORY OF ADJUSTED-SERVICE CERTIFICATE LEGISLATION

The records show that the World War veteran never asked for the adjusted-service certificates; it was Congress who recognized the justness of the obligation and originated the legislation back soon after the war. Did the representatives of the American Legion before Congress fight for the same rights for the soldier as was given to all other parties connected with the war? No; the records show that the representatives of the Legion, including the present directing legislative head, John Thomas Taylor, stood by and let the World War veteran take a licking in the form of this "tombstone" bonus payable in 1945 instead of payment in cash in 1919 and 1920 as was paid to the railroads, war contractors, and all others but the soldiers who were connected with the war. So this certificate was not what the soldier wanted or had asked for, but what a rock-ribbed reactionary Republican standpat Congress said they could have.

The soldiers' friends in Congress, recognizing that they had been given a raw deal, have tried ever since the enacting of this I O U law to do the right thing and pay off this indebtedness in cash, as was done all others soon after the close of the war.

PATMAN'S RECORD ON DIFFERENT MEASURES

Congressman PATMAN offered his first bill for payment of this indebtedness on May 28, 1929—H. R. 3493. This measure called for payment by sale of bonds. His second bill was offered on December 8, 1931—H. R. 1. This bill was an authorization bill, the same as H. R. 3896, now supported by the American Legion. On January 14, 1932, Mr. PATMAN offered his third measure, H. R. 7726, which provided payment with Treasury notes in the sum of $1, $2, $5, $10, $20, and so forth. This measure was later amended by former Senator Owens' plan, which provided payment by requiring bonds bearing 3½ percent, to be placed in the Federal Reserve banks, to be sold if necessary to stabilize the commodity price level. The next bill was introduced March 9, 1933, providing payment through issuance of currency and stabilization through withdrawal of bank currency backed by Government securities, if necessary, to stabilize prices. This present measure—H. R. 1—provides for payment through issuance of new currency, same as the bill of last session, and for withdrawal of currencies by Federal Reserve if necessary to maintain proper price level.

PATMAN SOLD THE COUNTRY ON PAYMENT OF THE CERTIFICATES

Congressman PATMAN, as stated above, submitted almost every kind of bill to the country; and out of this laboratory each successive time has made perfecting amendments to this measure at the suggestion of some of the leading economic authorities of the country; also at the suggestions made by friends of the soldier throughout the country.

WHERE WAS THE LEGION ALL THIS TIME?

Have the legislative leaders of the American Legion been working for the cash payment of this debt during this period of time? The rank and file of their organization have been demanding payment, but the leaders who have attended the national conventions have turned a deaf ear.

In 1932 at Portland, Oreg., the national convention of the American Legion passed its first resolution demanding payment of adjusted-compensation certificates by a vote of 1,167 to 109, as follows:

PAYMENT OF ADJUSTED COMPENSATION

Resolved, That the American Legion endorses and urges the full and immediate payment of the adjusted-service certificates, and that the national officers be instructed immediately to proceed before Congress toward enactment of the legislation * * *.

VETERANS' LEGISLATION

Be it further resolved, That any major changes suggested in veterans' legislation resulting from such investigation shall be referred to the next and succeeding conventions of the American Legion with such recommendations as may be appropriate.

The resolution was adopted.

LEGION LEADERS DISREGARD RESOLUTION DEMANDING CASH SETTLEMENT OF CERTIFICATES

In spite of favorable action on payment of these certificates at the convention, as shown by pages 52 and 53 of the summary of the proceedings published for said convention in the official report of the fourteenth annual national convention, not one word is said in said report about the passage of this resolution or the almost unanimous vote cast upon it. On pages 145 and 146 they do give the vote by States of the 1931 vote had at Detroit defeating cash payment. In other words, the "king makers" wanted to "smother" this matter.

The annual report for 1933 of the American Legion, page 183, by way of trying to explain why they had done nothing about carrying out the mandate of the Portland convention of 1932, had this to say:

ADJUSTED COMPENSATION

Due to the financial situation which has confronted the Federal Government during the past year, no definite and concerted action was taken in either Senate or House of Representatives looking toward passage of a measure to provide immediate cash payment of adjusted-service certificates, as advocated at the Portland convention.

During the short session of the Seventy-second Congress an executive meeting of about 60 Members of the House of Representatives who were friendly to cash payment of the certificates was held on January 16 to consider what course of action they should pursue during the session. After reaffirming their belief in the merits of the cash-payment principle, the group decided to defer House action until a decision had been reached on the question of currency inflation, the House group favoring payment of the certificates through the inflation method. Nothing was accomplished during the short session toward this end.

During the special session of the Seventy-third Congress Senator Arthur Robinson, legionnaire from Indiana, secured a Senate vote on an amendment to the inflation bill (H. R. 3835) which, if adopted, would have provided for the cash payment of the adjusted-service certificates. Senator ROBINSON'S amendment was

defeated in the Senate, 28 to 60, on April 28, 1933. * * * Following this Senate defeat of the proposal to cash the certificates, no further efforts were made toward this end during the special session.

PATMAN KEEPS ON FIGHTING

Congressman PATMAN offered his third bill, H. R. 7726, on January 14, 1932, and the Owens amendment, December term, 1932, and even though the American Legion had gone on record at their national convention favoring full cash payment, not one member of their national legislative committee appeared before the Ways and Means Committee on behalf of this legislation. Mr. John Thomas Taylor was the paid legislative counsel for the Legion at that time and has been down to date.

During the Seventy-third Congress we who favored immediate payment worked hard to secure signers to the petition to bring this measure before Congress and it took us over a year to secure the necessary 145 signers to force a vote on this measure. We had no help from Mr. Taylor or his Legion committee. He was heard to congratulate certain Members of Congress for voting against the bonus last session when we finally did secure a vote on same. This is the way these convention leaders of the Legion have kept faith with the rank and file. They seem to be more worried about inflation than they are following clear instructions from the rank and file who elected them and who are paying their salaries and expenses.

KING MAKERS PLAY POLITICS

The "king makers" of the Legion make all national conventions and make the slate for the selection of all national officers and bring about the results they want on all business transacted at these conventions as much as possible.

National Commander Belgrano and John Thomas Taylor and through little cliques would have the committee and this Congress believe in their "altruistic motives" in coming here at this late hour favoring a bill they had introduced (3896) January 14, 1935, to pay the balance due on these certificates.

Let us look at the background again.

The same group, very largely, who controlled the Legion in 1932 have controlled it since then. That convention, by a vote of 1,167 to 109, favored the cash-payment bonus, and it was a continuing resolution. PATMAN was there with other Members of Congress fighting for it; the hearings in 1932 covered 841 pages; the fight was hot; where were the Legion leaders? In 1933 at Chicago they did not permit a resolution favoring the bonus, but they did take time to pass resolutions favoring "Studying taxation", Hearst's "Buy American plan", favoring cooperation with the N. R. A., recommending "the elimination of injustices brought about by the exemption of tax-exempt securities", and also a resolution demanding a "sound dollar", as follows:

Be it resolved by the American Legion in national convention assembled, That we favor a careful study by our Government of the dangers of inflation and that we favor a sound American dollar.

SOUND-DOLLAR DEBATE AT CHICAGO CONVENTION

When the sound-dollar resolution came before the 1933 convention at Chicago, Mr. Barron, of Minnesota, objected to its consideration, as follows:

Mr. BARRON (Minnesota). Mr. Commander, members of the resolutions committee, and comrades, I think we have here a fitting example of the type of legislation that the Legion should shun. [Applause.]

I have during the course of 14 years of Legion service in my department realized the trend, and at times the almost constant trend, toward taking the Legion into the controversial field that is not truly germane to Legion purposes. Sometimes there are those resolutions which we may class as border-line resolutions, where there might be some question as to whether or not they are matters which truly and intimately concern us as an organization, but I have no hesitancy, comrades of this convention, in saying to you that from the bottom of my heart I feel that this resolution has no place on the Legion program.

I am advised that the resolution in its original form received very spirited debate before the committee. I understand that it was bitterly opposed, and that the present resolution is, in effect, a compromise. I think that the time has come when, if we are to concentrate upon the things for which the Legion stands, a rehabilitation program which is preeminent, we have got to hew to the line, and we can't permit ourselves to be drawn into controversies such as this. I therefore move you that this resolution be laid upon the table. [Applause.]

Then the "ringleaders" took charge, and the following debate was had on the adoption of the sound-dollar resolution:

Mr. VINCENT CARROLL (Pennsylvania). I rise to a point of order, Mr. Commander. I consider that the previous speaker was speaking on a motion, and I desire to present the other side of the question to this convention. If the speaker who preceded me insists on his motion to table, I will ask you, Mr. Commander, to make a ruling on it.

Mr. BARRON. I think the gentleman is correct, and I willingly withdraw my motion to allow for discussion.

National Commander JOHNSON. Both sides will be heard on all matters in this convention. The Chair would not have suffered that to go by, even if it had not been challenged.

Mr. CARROLL. I will yield to Past Commander Stevens if he desires to take the floor.

National Commander JOHNSON. Past National Commander Henry Stevens. [Applause.]

Mr. STEVENS. Mr. Chairman, my comrades of this convention, I had the happy privilege this year of serving as a member of the resolutions committee. I now have the honor of defending the conclusions of that committee before this honorable body. May I say to you at the outset that this resolution certainly had full consideration, that its every angle was fully discussed, and finally the committee decided to strike out the "whereas" of the original resolution, and this resolution, as you heard it read, was practically the unanimous opinion of your resolutions committee, composed of one man from each department in the entire Legion.

You all know me, and I certainly came from way back down yonder in the country recesses of North Carolina, an agricultural State, and when farm products don't bring anything for farmers, when agricultural conditions suffer, country lawyers have a hell of a time in North Carolina.

My friends, to my mind this is one of the big questions confronting this convention. We have here facing us an inflationary program sponsored by people yonder in Wall Street who desire to recoup their losses sustained in 1929 by manipulation of the stock market. They are for inflation, they are not for secure American currency.

And then you have heard it noised about, as I have heard it noised about, it bears an insidious influence in propaganda emanating from certain foreign governments that seek to drive the American dollar down perhaps to 10 or 25 cents, pay their war debts to us in a dollar that has no valuation whatsoever.

Back yonder, when you were in the trenches, when you were in the training camps, you sent home or you paid into the Government each month such and such a sum for an insurance policy that was to safeguard your loved ones waiting for you back at home. You paid good American dollars for that protection for your people, and if inflation became the vogue, if the dollar was run down to where it had no value and wall-paper money became the currency of our day, that $10,000 policy that you paid good, hard-earned money for would buy about $4,000 worth of stuff for your wife and your children.

Before the resolutions committee the other day we had a lot of flowery talk, but there was one fellow that spoke on this question that impressed me more than anything I have heard on it.

Our disabled men have already been cut, he said, and for God's sake don't let inflation come about and drive down the value of what little pension we have left.

My friends, I have got to talk fast, but bear this in mind, with the compensation of veterans cut, with the sole revenue for rehabilitation service and the child welfare service coming from the $5,000,000 endowment fund given to us by the people, if you pass an inflationary measure, drive down those bonds to 50 percent of their present value, you cut off your source of revenue to protect and defend these poor, disabled buddies of yours who are looking to your rehabilitation service for that protection.

I plead with you to sustain this resolution, and let's have "guts" enough to lead the fight. [Applause.]

National Commander JOHNSON. Any further discussion? Are you ready for the question?

I recognize Vincent Carroll. I recognize, and the convention will recognize, too, the right of the chairman of the convention committee to speak last.

Mr. CARROLL. Mr. Commander and comrades of the convention, the only reason I take a few minutes of your valuable time in these waning hours of this great convention is because the gentleman from Minnesota, who addressed himself to this situation, started out by saying that the American Legion should shun this. He said further, comrades of this convention, that the American Legion should not engage in any controversial matter. I am here, members of this convention, because I believe the American Legion should, irrespective of whether this is a matter of controversy, national or local, give expression on this subject. Its members, you men and women, represent every cross section of our citizenry, and I believe that a pronouncement on this matter at this time would surely result in a proper final determination of the matter; for disturbing and uncertain as the situation now is (there is, as we know, an adverse effect on business, on industry, and on finance), we heard, members of this convention, our President make a statement within the bounds of this city on Monday morning, and I believe from the statement there made by the President of the United States, our Commander in Chief, that there is a determination in his heart—and I gather it from his own expression—and in his mind as well, to keep the faith of his party with

the American people he now leads. I believe he has a determination with his own conscience—and this comes from a Republican from Pennsylvania—to keep the pledge to the American people of sound money; and, members of this convention, you should give expression on that, if for no other reason than that you received a bid from him.

Ninety dollars a month is the exact amount of compensation that the disabled man received. What would he receive in the shape of $90 per month, I ask you, were we to follow this specious theory of deflation of the American dollar? What would happen to that $90 a month, I ask you man and women legionnaires? Is it not our first obligation, and must we not express ourselves on these controversial matters where we have the interests of the disabled veteran as the first obligation of this organization? I cannot help but think that if we were to follow this specious theory of an unsound dollar we would not be holding up the hands of the Executive of this country who has made a bid for our expression. We would be turning against the man that gets $90 a month, the widow, the orphan, and the disabled man who gets an amount less than that. We would be devaluating that which has been given to him and her and those children, devaluating that; and we know there is not a chance to get that amount increased, no matter what the value of the dollar may be taken to.

Have we not a right to express ourselves on this? Have we not a right, I say, when the effort is being made by foreign governments to make us devalue our dollar so that those debts may be paid off with paper of an amount greatly less than the amount that was advanced at the time those debts were created. [Time was called.]

Mr. KNOWLES (Florida). I move to table the resolution under discussion.

National Commander JOHNSON. The Chair will not close the debate without giving the chairman of this committee the opportunity to speak, and he does not recognize Mr. Knowles, of Florida, until the chairman has spoken. I shall be glad to recognize you then. I announced a while ago the chairman of this committee would be protected and given the right to say the final word.

Mr. JOSEPH EDGAR (New Jersey). After all, this convention is merely a larger committee on resolutions, and there is no reason why you shouldn't react in the same manner as we reacted yesterday after listening to several hours of discussion.

My purpose here on this particular resolution is to give you a history, a short history, of what took place in the resolutions committee. We had all types of feeling on the matter. First we had the side as represented by Henry Stevens, to keep the money sound. Then we had the side as represented by Howell, of Louisiana, who said that the President had the right, under existing legislation, to inflate to a limit of 50 percent. Then we had the man from the Middle West, who said he was a small merchant, and told of the advantages possible of inflation, and could see no harm in inflation. Then we had the man who came from Kansas, who was a member of the American Federation of Labor. He said he thought if you had inflation it might hurt the laboring people. Then we had a banker from Utah, and he said nobody knows what it is all about.

The resolution that was argued in our committee for some 3 or 4 hours was about a page long. All at once everybody saw the light at our committee, and, lo and behold, we arrived at a resolution which, unfortunately, some of you think is for inflation, and I am afraid a lot of you think it is against inflation, but I think, if you will listen to it again, you will be satisfied, as the committee was, in the final result, and here it is:

"Be it resolved by the American Legion in national convention assembled, That we favor a careful study by our Government on the dangers of inflation, and we favor a sound American dollar."

I don't know how much the dollar will be, but a sound American dollar. In view of this explanation and what the committee arrived at, I would appreciate very much calling for the question on the adoption of the resolution. [Applause.]

There were calls for the question.

National Commander JOHNSON. I promised the gentleman from Florida that he would be given an opportunity, if he wanted to make, to make the motion to lay on the table, which seems, from the applause of the convention, would but serve to delay the convention. Do you still want to make it?

Mr. KNOWLES (Florida). I do not.

National Commander JOHNSON. The question is on the motion, which is the adoption of the resolution. All in favor will signify by saying "aye"; opposed "no." The Chair rules that the motion is adopted.

SWORN TESTIMONY BEFORE UN-AMERICAN COMMITTEE

Then we turn to the sworn testimony before the Special House Committee Investigating Un-American Activities, and what do we find?

Mr. CHRISTMAS. I think I began to discuss infistion with him (MacGuire) early in 1933. We had many discussions about it. He thought he could spare some time to do some traveling, so my thought was it would be a good idea for him to discuss this question with prominent people in various parts of the country. When I say "prominent", I mean substantial citizens in different localities; and see if we could work up any sentiment for sound currency and against inflation. If I may put it this way, there were three ways this matter could have been handled. Mr. MacGuire could have sat in his office and written letters and made telephone calls and spent very little money and would have gotten nowhere. I told him when he traveled that I expected him to travel in a way which would enable him to meet these substantial people and that he was to entertain lavishly. As I say, I think his travels began sometime in June, at which time I understand he was using his own funds, for which he was entitled to reimbursement from these funds at a later date. As I recall it, he made two or three transcontinental trips * * *.

The CHAIRMAN. Was he at the American Legion convention there?

Mr. CHRISTMAS. Yes, sir.

The CHAIRMAN. Were you there?

Mr. CHRISTMAS. Yes, sir.

The CHAIRMAN. When did the period of this entertainment end?

Mr. CHRISTMAS. The period ended, I should say, about the latter part of December 1933 * * *.

The CHAIRMAN. So the way you want to leave it is there is $65,000 or $66,000 that Mr. MacGuire received from either you or Mr. Clark, which he spent in the period between June and December of 1933 for traveling and entertainment expenses. * * *

And there are other items. Now, has Mr. MacGuire ever given you an accounting as to how he spent that $65,000 or $66,000, which is unexplained?

Mr. CHRISTMAS. No. I told him he did not need to account to me for that.

The CHAIRMAN. Who else besides Clark was interested in this sound-dollar propaganda campaign?

Mr. MACGUIRE. Mr. Frew, as I say, contributed money.

The CHAIRMAN. Who else was interested?

Mr. MACGUIRE. And Mr. Doyle was interested.

The CHAIRMAN. And who else?

Mr. MACGUIRE. Mr. Henry Stevens, of Warsaw, N. C.; Tom Bird, of North Carolina; and a number of other prominent legionnaires. I can get the names. They are all a matter of record.

The CHAIRMAN. Whom did the committee consist of?

Mr. MACGUIRE. Mr. Carroll, of Philadelphia.

The CHAIRMAN. What Mr. Carroll?

Mr. MACGUIRE. Vincent Carroll. He is the assistant prosecuting attorney in Philadelphia and a prominent legionnaire. Mr. Henry L. Stevens, Jr.; Mr. Doyle; myself; Mr. Esterbrook; Tom Bird, of North Carolina; Charlie Erskin, of—I think he is in Washington or Oregon—John Quinn; Frank Belgrano, the present national commander.

TRAVELING AND ENTERTAINING

Exhibit B.—Detailed schedule of cash disbursements of the committee for a sound dollar and sound currency December 4, 1933, to May 31, 1934, accounting for $31,000 expended:

William H. Doyle	$9,100.00
Henry L. Stevens, Jr	500.00
Dr. William Dunning, Gonzales, Tex	400.00
Tom Bird	1,098.50
Vincent Carroll	3,400.00
Charles Esterbrook	2,773.34
George Norton	626.45
Charles Erskine	300.00
Gerald C. MacGuire	1,992.67

The above amounts show partial distribution of the $31,000 distributed by the Sound Dollar & Currency, Inc., between December 4, 1933, and May 31, 1934, among these legionnaires. Of course, no attempt was made to account for the $66,000 expended by the sound-dollar committee boys before and during the Chicago Legion convention. Gen. Smedley Butler's sworn testimony before this committee may give us some light how some of this $66,000 was distributed to the "king makers" who did speak for the sound-dollar resolution:

General BUTLER. The next time I saw him (MacGuire) was about the 1st of September in a hotel in Newark. I went over to the convention of the Twenty-ninth Division. Sunday morning he walked into my room and he asked me if I was getting ready now to take these men out to Chicago, that the convention was pretty close. I said, "No; I am not going to Chicago." "Why not?" I said, "You people are bluffing. You have not got any money." Whereupon he took out a big wallet out of hip pocket and a great big mass of thousand dollar bills and threw them out on the bed. I said, "What's all this?" He says, "This is for you for expenses. You will need some money to pay them."

"How much money have you got there?"

He said, "$18,000."

"Where did you get those thousand dollar bills?"

"Oh", he said, "last night some contributions were made. I just have not had a chance to deposit them, so I brought them along with me."

The above-quoted testimony was all given under oath before the Special Committee of the House Investigating Un-American Activities. If any of the above-quoted testimony is untrue each and all of these parties so testifying should be prosecuted by the "king makers" of the Legion above mentioned for giving perjured testimony. These hearings have been printed for some time and have had a wide distribution throughout the Nation. We have heard of no

contemplated prosecution by the leaders of the American Legion now advocating "Belgrano's bankers' bonus bill" before Congress.

MONEY TALKS

In other words, it seems from the above-quoted testimony that the "Wall Streeters" had their paid lobbyists—MacGuire, member American Legion distinguished-guest committee—and other prominent legionnaires making transcontinental trips beginning early in 1933, and that they spent $153,665.86, of which about $66,000 was spent before and during the Chicago convention (1933) for "traveling and entertaining" and no accounting ever requested.

Now, my friends, do you believe that these leaders of the Legion who have been thus hooked up with the affairs mentioned are coming here opposing H. R. 1 in good faith, when we all know it is the only bill on the subject before Congress which will pay the debt without "creating any additional" debt, in keeping with the Miami resolution, without additional taxes, without any interest, without bonds, without unbalancing the Budget, and will save the overburdened taxpayers over $1,500,000,000, the amount required, if not paid now, to be set aside by borrowing from the bankers to pay the debt in 1945?

When we know further that if H. R. 3896 passes and becomes a law it will cost the Government over two billion in interest, to say nothing of the interest we will continue to be paying on outstanding bank currency which could and should be retired under the provisions of H. R. 1.

TAX-EXEMPTION RESOLUTION

I wonder why the leaders of the Legion happened to forget the tax-exempt resolution they passed at the Chicago convention following the sound-dollar resolution, as follows:

TAX EXEMPTION

Whereas the issuance of tax-exempt securities by municipalities, counties, States, and the Federal Government has reached an enormous total, thus removing much of our otherwise taxable property from the tax rolls; and

Whereas we of the American Legion are interested in the equitable distribution of the tax burden: Therefore be it

Resolved, That we recommend that an earnest consideration be directed to an *elimination of the injustices brought about by issuance of tax-exempt securities.* (Italics mine.)

For the first time the Legion leaders come before Congress with their own Legion bill calling for the payment of the balance due on the adjusted-service certificates, H. R. 3896; and they are horrified at the inflation feature of the Patman bill, H. R. 1. Their authorization bill would require payment either through bond issue or through additional taxes, and no one has ever raised his voice favoring the levy of additional taxes for the payment of this measure. Then the Legion leaders come here now advocating the payment of the balance due on the adjusted-service certificates by means of a bond issue, which is contrary to the instructions of the Chicago national convention and contrary to the resolution passed at the Miami convention, calling for the payment as follows:

IMMEDIATE PAYMENT

15. This is what we are all waiting for.

Whereas the immediate cash payment of the adjusted-service certificates will increase tremendously the purchasing power of millions of the consuming public, distributed uniformly throughout the Nation; and will provide relief for the holders thereof who are in dire need and distress because of the present unfortunate economic conditions; and will lighten immeasurably the burden which cities, counties, and States are now required to carry for relief; and

Whereas the payment of said certificates will not create any additional debt (italics mine) but will discharge and retire an acknowledged contract obligation of the Government: Now, therefore, be it

Resolved, That since the Government of the United States is now definitely committed to the policy of spending additional sums of money for the purpose of hastening recovery from the present economic crisis, the American Legion recommends the immediate cash payment at face value of the adjusted-service certificates, with cancelation of interest accrued and refund of interest paid, as a most effective means to that end.

WHY NOT KEEP FAITH WITH THE RANK AND FILE?

Why not keep faith with the above-quoted resolution passed by the national convention on the tax-exempt bond racket? Do you suppose money expended for traveling and entertaining expense has anything to do with their position on this legislation now pending before Congress? The Legion should support the Patman bill, under the resolution passed at the Miami convention above quoted.

There is no doubt but what the rank and file at the convention felt that they were voting for payment on their certificates as provided in the Patman bill. When read together, there can be no doubt in the minds of any disinterested person what the last expression of the rank and file is, as expressed on the tax-exemption resolution, when considered together with the Miami resolution calling for the payment of the balance due on the certificates which "will not create any additional debt." A one-eyed Chinaman knows that payment under H. R. 3896 will cost the taxpayers more than $2,000,000,000 in interest.

RANK-AND-FILE SENTIMENT

Mr. Belgrano, in testifying before the committee, said:

The department commanders who are today in charge of their particular departments, the national executive committeemen who represent their departments in the national organizations, are 100 percent behind the Vinson bill.

The State commander for the American Legion for Texas, Mr. Miller Ainesworth, made speeches in my district after leaving Washington last week, and was scheduled to attend the Thirteenth Congressional District Legion convention held at Quanah on March 10. I wired that convention as follows:

MARCH 9, 1935.

Mr. L. W. MORRIS,
Post Commander American Legion, Quanah, Tex.:

Re telegraph, Shall we pass H. R. 1 or 3896? The House Rules Committee will decide Monday whether or not Patman bill may be offered as substitute for Vinson bill. The National Legion executive committee should be forced to call meeting and decide whether or not they will support Miami resolution or bonus. Belgrano and Taylor at heart have never favored payment of certificates. Their dilatory fight here has been to defeat payment and will defeat payment this Congress, no doubt, unless their attitude changes. Belgrano's bank connection and past action in reappointing Taylor legislative representative confirms hostile attitude toward payment of certificates. Vinson's bill only authorizes payment requires appropriation for payment. This Congress will not vote additional taxes to pay legislation; President says will veto either bill. Patman bill complete in itself and provides payment without additional tax burden, without additional interest, without bonds; will not unbalance Budget. Should be paid now for common good of all. Please wire convention's attitude.

W. D. MCFARLANE.

There are 21 American Legion posts in my district and they were in attendance at this convention. On March 11 I received the following wire from them:

Congressman W. D. MCFARLANE,
House of Representatives, Washington, D. C.:

The Thirteenth District Convention of the American Legion Department of Texas, held in Quanah, Tex., today, March 10, passed resolution endorsing H. R. 1, and ask that you give your support to the bill; this district includes 21 posts and authorized this wire.

MILTON GAINES.
H. R. HAYES.
VICTOR NOBLES.

In addition to this, I have received dozens of letters from commanders of the American Legion posts in different parts of the Nation going on record favoring the Patman bill. Banker Belgrano apparently does not know the sentiment of the rank and file of the Legion posts in the Nation.

STAY WITH THE PATMAN BILL

In conclusion, let me say again, in gratitude to Mr. PATMAN, who has made the fight for this legislation, for the benefit of the Government, which will be saved more than $2,000,000,000 through the passage of his bill, and for the good feeling it will create among the rank and file of the ex-service men, for the good it will do for the general welfare of our country, we should enact the Patman bill and pay this long-past-due debt to the soldier.

AMERICAN FEDERATION OF LABOR DEFENDS FREEDOM OF CONSCIENCE, AND CALLS UPON MEXICO TO PRESERVE FUNDAMENTAL RIGHTS

Mr. FENERTY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a letter I wrote to the president of the American Federation

of Labor together with his reply and an enclosure which he sent me.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FENERTY. Mr. Speaker, the city of Philadelphia, in which my constituency is situated, has always been in the forefront of American cities in every movement that has to do with the happiness and rights of the people. Of this interest I need only call to your attention the gigantic mass meeting held there a few weeks ago to protest against the violation of natural rights and freedom of conscience by the present Government of Mexico.

The very fact that this gathering was attended by some thirty-five or forty thousand Philadelphians, with another 15,000 striving in vain to procure admittance, is in itself an impressive illustration of the devotion to human liberty that still exists in the city where American political freedom first found articulate expression. Remembering that it was a Philadelphia laboring group that was in the vanguard of those protesting against the suppression of religion in Mexico in 1926, I considered it my duty as a representative of a district that has a very large percentage of the laboring classes to ascertain on their behalf just what the present attitude of the American Federation of Labor is with regard to the existing Mexican policy of seeking to destroy religion in the hearts of the Christian and Jewish people of that country.

I am glad to inform you that the president of the American Federation of Labor, Mr. William Green, has responded courteously and in accord with the belief of all Americans with respect to freedom of conscience. As we in this House have repeatedly averred, and as my own resolution with regard to the Mexican situation emphasized as early as the first month of this session, so Mr. Green states that there is no desire on our part to interfere in the purely internal affairs of any sovereign people. He then reads a salutary lesson to the communistic group now misgoverning the Mexican Republic by pointing out that it is impossible for men to worship God according to the dictates of their consciences and their religious convictions unless adequate facilities be provided to enable them to exercise these rights. In view of the fact that the Government of Mexico has reduced the number of ministers of religion almost to the vanishing point, this warning comes at an especially opportune time.

Considering that Catholics have been shot and their orphanages and schools and churches wantonly defaced or confiscated, that the Southern Baptist missions have been closed because of the tyrannical laws against religion; recalling, too, that the Protestant Review, Puerto Rico Evangelico, complains that Protestants are forbidden to place crosses upon the tombstones of their dead, and that even the Mormon meeting houses have been closed, although the Mormons were in conformity with the laws on religion, and remembering as well that the lives of Mexican children have been debauched by teachings that are of such an unseemly character that I prefer not to detail them in public, the admonition of Mr. Green that "the right of men to worship in accordance with the dictates of their consciences, unrestricted and unrestrained by any force or power anywhere or in any place" has the tocsin ring of the revered bell that we cherish in Independence Hall in our old city. His concluding warning, stating the traditional American doctrine that civilization cannot endure or democratic institutions be maintained unless economic, religious, and political freedom be guaranteed to the people of all nations clothed with authority to exercise the principle of self-government, has about it the far-seeing sagacity of the Nation's founders.

I, therefore, am glad to read to you the following letters, one from myself to Mr. Green, asking him to state the attitude of the American Federation of Labor with regard to the violation of natural rights in Mexico, and the other, with its enclosure, from Mr. Green in response to my request:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 11, 1935.

Hon. WILLIAM GREEN,
President American Federation of Labor,
Washington, D. C.

DEAR MR. GREEN: Will you kindly let me know what attitude the officers of the American Federation of Labor are taking with regard to the present Mexican situation?

I have a constituency which is largely of the laboring group and of those who are extremely interested in the peaceful and satisfactory outcome of the Mexican question. Like all Americans they look with horror on any violation of the rights which in this country are guaranteed by the Constitution and upheld by the courts. I should appreciate it if you would let me know the attitude of the Federation so that I might quote it in my remarks to my constituents.

Very sincerely yours,

CLARE GERALD FENERTY.

AMERICAN FEDERATION OF LABOR,
Washington, D. C., March 2, 1935.

Hon. CLARE GERALD FENERTY,
United States House of Representatives,
House Office Building, Washington, D. C.

MY DEAR SIR: Perhaps I can best make reply to your letter dated February 11 by enclosing a copy of a communication addressed to Martin Torres, general secretary of the Mexican Federation of Labor.

I have endeavored to set forth in the letter I sent to Secretary Torres, of the Mexican Federation of Labor, the attitude of the American Federation of Labor in defense of religious freedom and of the exercise of the right of all people to worship in accordance with the dictates of conscience.

Very truly yours,

WM. GREEN,
President American Federation of Labor.

Enclosure.

AMERICAN FEDERATION OF LABOR,
Washington, D. C., March 2, 1935.

Mr. MARTIN TORRES,
General Secretary, American Federation of Labor,
Allende 24, Mexico, D. F.

DEAR SIR AND BROTHER: Please be assured that the information you transmitted in your letter dated February 1 has been given most thoughtful and careful consideration by the officers of the Pan American Federation of Labor. Furthermore, your letter was brought to the attention of the executive council of the American Federation of Labor.

The officers and members of the Pan American Federation of Labor and the officers and members of the American Federation of Labor are deeply interested in the economic, social, and industrial welfare of all the working people of Mexico. We desire to be helpful in every possible way in the elevation of social and economic standards throughout the Republic of Mexico. The right of self-government, freedom from interference on the part of one nation in the domestic affairs of another, and the preservation of all these elemental rights, such as freedom of the press, freedom of speech, economic freedom, and the exercise of the right of religious freedom, are cardinal principles with the organized labor movement of the United States of America. These principles were clearly and definitely enunciated in the opening address which I made to the Fifth Congress of the Pan American Federation of Labor, which was held in Washington in July 1927. I quote from this address as follows:

"Not only have we in mind economic freedom, the exercise of the right to organize, but we also have in mind the exercise of all other phases of freedom and liberty that are the inherent right of every man and woman in all the countries of the world. Men must be industrially free, intellectually free, and politically free. They must be permitted to give labor and service or withhold labor and service, individually and collectively, at their will or at their decision. In this respect the organized labor movement stands fairly and squarely upon these fundamental principles. There must be freedom of the press. The press in every country must be free, free to publish such articles as are not libelous, such articles as may be educational and helpful, even though they may meet with the stern opposition of special interest, plutocrats, autocrats of every country in the world. There must be freedom of conscience; the right to exercise religious freedom, the right of men to worship in accordance with the dictates of their consciences, unrestricted and unrestrained by any force or power anywhere or in any place. Men must be politically free. They must be accorded the right to participate in the affairs of Government, to exercise their political powers, their political rights, unrestrained and unopposed. Political freedom is the cornerstone of good government."

There has been some feeling of apprehension and misgivings aroused among the working people of the United States over press reports which allege that religious persecution has been directed toward citizens of the Mexican Republic in many cities and towns because they exercise the right to worship in accordance with the dictates of their conscience. Even though this disturbed state of mind does exist in a greater or lesser degree

within the United States, there is no sentiment in favor of any interference whatsoever in the domestic or internal affairs of the Mexican Republic.

The position of the American Federation of Labor upon the question of national sovereignty and self-determination was also set forth in the address which I delivered at the Fifth Congress of the Pan American Federation of Labor in the following terms:

"We believe in self-determination of nations; we believe in self-government; in the right of every nation and the people within each and every nation to work out their own destiny in accordance with their ideals and their desires and their hopes and aspirations, free from molestation by any other nation or any other country."

When working people are admitted to membership in the American Federation of Labor in the United States and Canada, they are assured that the American Federation of Labor stands uncompromisingly for the exercise of religious freedom, for the right of the individual to worship in accordance with the dictates of his conscience, and that the American Federation of Labor will utilize its economic and political power in protecting its members in the exercise of these inherent fundamental rights.

For obvious reasons, men cannot worship in accordance with the dictates of their consciences and their religious convictions unless adequate facilities are provided which will enable them to exercise these rights. I cannot believe that our civilization can endure or that free, democratic institutions can be maintained unless economic, religious, and political freedom are guaranteed to all the people of all nations clothed with authority to exercise the principle of self-government.

Because of our personal and official solicitation for the general welfare of the people of the Republic of Mexico, I express the hope, in behalf of the officers and members of both the Pan American Federation of Labor and the American Federation of Labor, that these cardinal, fundamental principles of human rights which I have enunciated will be defended and preserved by the masses of people within the Republic of Mexico.

I extend to you fraternal greetings and official assurances of cooperation and good will.

Fraternally yours,

WILLIAM GREEN,
President American Federation of Labor,
Chairman Pan American Federation of Labor.

Although, Mr. Speaker, I have already expressed my thanks to the American Federation of Labor and its president for his reply and his readily granted permission to make his letters public, I also take this opportunity to restate my appreciation of his courtesy.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To. Mr. SISSON, for today, on account of illness.

To Mr. LAMNECK, for today, on account of illness.

ADJOURNMENT

Mr. BUCHANAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 40 minutes p. m.) the House adjourned until tomorrow, Thursday, March 14, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

266. A letter from the Chairman of the District of Columbia-Virginia Boundary Commission, transmitting a report of the progress of the Commission since it began to function, April 23, 1934; to the Committee on the Judiciary.

267. A letter from the Secretary of War, transmitting draft of a proposed bill to amend the Canal Zone Code, prepared by the Governor of the Panama Canal; to the Committee on Merchant Marine and Fisheries.

268. A letter from the Secretary of the Interior, transmitting request to adjust claims of Sioux Agencies, found meritorious, for loss of personal property; to the Committee on Indian Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McREYNOLDS: Committee on Foreign Affairs. H. R. 4448. A bill to provide funds for acquisition of a site, erection of buildings, and the furnishing thereof for the use of the diplomatic and consular establishments of the United States at Helsingfors, Finland; without amendment (Rept. No. 382). Referred to the Committee of the Whole House on the state of the Union.

Mr. McREYNOLDS: Committee on Foreign Affairs. H. R. 6504. A bill to amend an act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor"; without amendment (Rept. No. 383). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON: Committee on Ways and Means. H. R. 3896. A bill to provide for the immediate payment of World War adjusted-service certificates, to extend the time for filing application for benefits under the World War Adjusted Compensation Act, and for other purposes; with amendment (Rept. No. 384). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MAVERICK: A bill (H. R. 6670) to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes; to the Committee on the Public Lands.

By Mr. KELLY: A bill (H. R. 6671) to limit the working hours of all persons working on dredges or tugs on the Great Lakes to 8 hours a day, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. KNUTSON: A bill (H. R. 6672) to amend subdivisions (a) and (b) of section 400 of the Revenue Act of 1926, as amended, relating to taxes on cigars and cigarettes; to the Committee on Ways and Means.

By Mr. McREYNOLDS: A bill (H. R. 6673) providing for an annual appropriation to meet the share of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts, and for participation in meetings of the International Technical Committee of Aerial Legal Experts and the Commissions established by that Committee; to the Committee on Foreign Affairs.

By Mr. McSWAIN: A bill (H. R. 6674) to create the Reserve Division of the War Department, and for other purposes; to the Committee on Military Affairs.

Also, a bill (H. R. 6675) to revise the promotion list of the Army; to the Committee on Military Affairs.

By Mr. MILLER: A bill (H. R. 6676) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplemental thereto; to the Committee on the Judiciary.

Also, a bill (H. R. 6677) requiring contracts for the construction, alteration, and repair of any public building or public work of the United States to be accompanied by a performance bond protecting the United States and by an additional bond for the protection of persons furnishing material and labor for the construction, alteration, or repair of said public building or public work; to the Committee on the Judiciary.

By Mr. MOTT: A bill (H. R. 6678) to add certain lands to the Rogue River National Forest in the State of Oregon; to the Committee on the Public Lands.

By Mr. RAMSPECK: A bill (H. R. 6679) extending the classified executive civil service of the United States; to the Committee on the Civil Service.

By Mr. BOYLAN: A bill (H. R. 6680) to provide for the bonding of Federal officials and employees; to the Committee on Expenditures in the Executive Departments.

By Mr. CASTELLOW: A bill (H. R. 6681) authorizing the erection of a marker suitably marking the site of the battle fought at Columbus, Ga., April 16, 1865; to the Committee on the Public Lands.

By Mr. DISNEY: A bill (H. R. 6682) authorizing an appropriation for payment to the Osage Tribe of Indians on account of their lands sold by the United States; to the Committee on Indian Affairs.

By Mr. McCORMACK: A bill (H. R. 6683) to permit classification of certain unclassified employees of the United States by noncompetitive examination; to the Committee on the Civil Service.

By Mr. MAAS: A bill (H. R. 6684) to retain the basic status and salary classification of surplused laborers in the Railway Mail Service; to the Committee on the Post Office and Post Roads.

By Mr. QUINN: A bill (H. R. 6685) to promote the public health and safety by providing for examination and registration of those who desire to engage in the occupation of beauty culture; to the Committee on the District of Columbia.

By Mr. SNYDER: A bill (H. R. 6686) for the improvement of the Youghiogheny River Watershed, Pa.; to provide flood control; and to encourage agriculture, industrial, and economic development; to the Committee on Flood Control.

By Mr. BIERMANN: A bill (H. R. 6687) to establish the Bureau of Peace and Friendship for sociological research in matters connected with war; to the Committee on Labor.

By Mr. HENNINGS: A bill (H. R. 6688) to prohibit the sale, possession, and transportation of cannabis and its derivatives and compounds; to the Committee on Interstate and Foreign Commerce.

By Mr. SUMNERS of Texas: A bill (H. R. 6717) to amend section 1 of the act of July 8, 1932; to the Committee on the Post Office and Post Roads.

By Mr. McLEOD: Resolution (H. Res. 160) providing for the consideration of H. R. 2847, to eliminate receiverships of closed banks, increase employment and purchasing power through replacement in circulation of funds now frozen in assets of closed banks, and for other purposes; to the Committee on Rules.

By Mr. MAVERICK: Joint resolution (H. J. Res. 211) to create a commission to study and report on the feasibility of establishing a national monument or monuments in the territory occupied by the Spanish colonial missions in the States of Texas, New Mexico, Arizona, and California; to the Committee on the Public Lands.

By Mr. BULWINKLE: Joint resolution (H. J. Res. 212) to investigate corporations engaged in the manufacture, sale, or distribution of agricultural implements and machinery; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS of New Hampshire: Joint resolution (H. J. Res. 213) consenting that certain States may sue the United States and providing for trial on the merits in any suit brought hereunder by a State to recover direct taxes alleged to have been illegally collected by the United States during the fiscal years ending June 30, 1866, 1867, 1868, and vesting the right in each State to sue in its own name; to the Committee on the Judiciary.

By Mr. STARNES: Joint resolution (H. J. Res. 214) to extend the period of suspension of the limitation governing the filing of suit under section 19, World War Veterans' Act, 1924, as amended; to the Committee on World War Veterans' Legislation.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Nevada; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Nevada; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Wyoming; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Michigan; to the Committee on the Judiciary.

Also, memorial of the Legislature of the Commonwealth of Massachusetts; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of Montana; to the Committee on the Public Lands.

Also, memorial of the Legislature of the Territory of Puerto Rico; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of Indiana; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the Commonwealth of Massachusetts; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Texas; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Wisconsin; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Wisconsin; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Wisconsin; to the Committee on Education.

Also, memorial of the Legislature of the State of Wisconsin; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Idaho; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Kansas; to the Committee on War Claims.

Also, memorial of the Legislature of the State of Iowa; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Texas; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Nebraska; to the Committee on Ways and Means.

Also, memorial of the Legislature of the Territory of Hawaii; to the Committee on Military Affairs.

Also, memorial of the Legislature of the State of North Carolina; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Oregon; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Oregon; to the Committee on Military Affairs.

Also, memorial of the Legislature of the Commonwealth of Kentucky; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of North Dakota; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of North Dakota; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of North Dakota; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of North Dakota; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of New Jersey; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of North Dakota; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AMLIE: A bill (H. R. 6689) for the relief of Thomas Papalian; to the Committee on Military Affairs.

By Mr. ASHBROOK: A bill (H. R. 6690) granting an increase of pension to Susan Rehard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6691) for the relief of Alexandre Barna; to the Committee on Military Affairs.

By Mr. BIERMANN: A bill (H. R. 6692) for the relief of William Cornwell and others; to the Committee on Claims.

By Mr. BRUNNER (by request): A bill (H. R. 6693) for the relief of Charles Levine; to the Committee on Claims.

By Mr. CARPENTER: A bill (H. R. 6694) for the relief of Catherine McLinden; to the Committee on Claims.

By Mr. DARDEN: A bill (H. R. 6695) for the relief of Daniel N. Farnell; to the Committee on Claims.

Also, a bill (H. R. 6696) for the relief of Bessie B. Hurd, formerly Bessie B. Fowlkes; to the Committee on Claims.

Also, a bill (H. R. 6697) for the relief of W. B. Fountain; to the Committee on Naval Affairs.

Also, a bill (H. R. 6698) for the relief of Mae C. Tibbett, administratrix; to the Committee on Claims.

Also, a bill (H. R. 6699) for the relief of Lottie May Bolin; to the Committee on Claims.

By Mr. FENERTY: A bill (H. R. 6700) for the relief of Edward Aloysius Connor; to the Committee on Naval Affairs.

Also, a bill (H. R. 6701) for the relief of Samuel J. Burger; to the Committee on Naval Affairs.

By Mrs. GREENWAY: A bill (H. R. 6702) for the relief of Annie E. Daniels; to the Committee on Claims.

Also, a bill (H. R. 6703) for the relief of Joanna Forsyth; to the Committee on the Public Lands.

By Mr. JOHNSON of West Virginia: A bill (H. R. 6704) for the relief of James Monroe Caplinger; to the Committee on Claims.

By Mr. FULMER: A bill (H. R. 6705) for the relief of James William Patterson; to the Committee on Naval Affairs.

By Mr. KIMBALL: A bill (H. R. 6706) for the relief of J. H. McLaughlin; to the Committee on Claims.

By Mr. LEWIS of Maryland: A bill (H. R. 6707) for the relief of Frank B. Worden; to the Committee on Claims.

By Mr. MAAS: A bill (H. R. 6708) to authorize the presentation of a Distinguished Flying Cross to Lt. Col. Francis T. Evans, United States Marine Corps; to the Committee on Military Affairs.

By Mr. MILLARD: A bill (H. R. 6709) for the relief of Leslie W. Miller; to the Committee on Naval Affairs.

Also, a bill (H. R. 6710) to provide for the retirement of certain enlisted men of the United States Marine Corps and of the Marine Corps Reserve who served as officers in the Garde d'Haiti; to the Committee on Military Affairs.

By Mr. MOTT: A bill (H. R. 6711) authorizing a preliminary examination and survey of Chetco Cove, Oreg.; to the Committee on Rivers and Harbors.

By Mr. ROBSION of Kentucky: A bill (H. R. 6712) granting a pension to Charles Alcorn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6713) granting an increase of pension to Charles S. Cooper; to the Committee on Pensions.

By Mr. SCOTT: A bill (H. R. 6714) to authorize the presentation of the Distinguished Service Cross to Walter H. Cobun; to the Committee on Military Affairs.

By Mr. STACK: A bill (H. R. 6715) for the relief of Harry Wainwright Hart; to the Committee on Military Affairs.

By Mr. WILSON of Pennsylvania: A bill (H. R. 6716) granting a pension to Timothy A. Linehan; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3783. By Mr. ANDREW of Massachusetts: Petition of the General Court of Massachusetts, urging that Congress provide for payment of World War adjusted-compensation certificates; to the Committee on Ways and Means.

3784. By Mr. BEITER: Petition of the Seventy-seventh Division Post, No. 1488, of the Veterans of Foreign Wars of the United States, Buffalo, N. Y., urging the enactment of House bill 1, providing for payment of adjusted-compensation certificates; to the Committee on Ways and Means.

3785. By Mr. BOYLAN: Resolutions adopted at the regular meeting of the Holy Name Society of the Church of St. Matthias, held in the Borough of Queens, city of New York, State of New York, regarding conditions existing in Mexico; to the Committee on Foreign Affairs.

3786. Also, resolution adopted by the World Trade League of the United States, regarding reciprocal trade agreements, etc.; to the Committee on Foreign Affairs.

3787. By Mr. BUCKLER of Minnesota: Petition of Mrs. Carl Lindberg, unit president, in behalf of the members of the Warren (Minn.) Auxiliary Unit of the American Legion, Department of Minnesota, of Warren and vicinity in Minnesota, praying for the passage of the Vinson bill (H. R. 3896), to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

3788. Also, petition of Katherine McDonald in behalf of the members of the American Legion Auxiliary Unit, Department of Minnesota, of Hawley and vicinity in Minnesota, asking for passage of the Vinson bill (H. R. 3896), to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

3789. By Mr. CARPENTER: Memorial of the House of Representatives (the senate concurring) of the State of Kansas, memorializing Congress to pass the Costigan-Wagner antilynching bill; to the Committee on the Judiciary.

3790. By Mr. CHAPMAN: Petition of the Legislature of the Commonwealth of Kentucky, urging the immediate passage of Senate bill 212 and House bill 2066; to the Committee on Agriculture.

3791. By Mr. DORSEY: Petition signed by 75 residents of Philadelphia, Pa., registering their determined opposition to the Wagner-Lewis bill, and urging uncompromising support of House bill 2827; to the Committee on Labor.

3792. By Mr. HOEPPEL: Petition of the citizens of Monrovia, Calif., urging enactment of the Costigan-Wagner antilynching bill; to the Committee on the Judiciary.

3793. By Mr. KENNEY: Petition in the nature of a resolution of the Slovak League of America, of Pittsburgh, Pa., being in favor of the workers' unemployment and social insurance bill (H. R. 2827); to the Committee on Ways and Means.

3794. By Mr. KVALE: Petition of 686 residents of the counties of Chippewa, Lac qui Parle, Lyon, Murray, and Yellow Medicine, State of Minnesota, urging adoption of the Townsend plan for old-age pensions; to the Committee on Ways and Means.

3795. Also, resolution of the Legislature of the State of Minnesota, memorializing Congress to authorize the States to tax sales and gross income and/or gross receipts arising from transactions in interstate commerce; to the Committee on Interstate and Foreign Commerce.

3796. Also, petition signed by business men and members of Kendall P. Post, No. 237, of the American Legion of Balaton, Minn., urging the immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

3797. Also, petition of 48 residents of the counties of Lac qui Parle and Big Stone, State of Minnesota, urging adoption of the Townsend plan for old-age pensions; to the Committee on Ways and Means.

3798. Also, resolution of the Legislature of the State of Minnesota, memorializing the Congress of the United States to enact a Federal antilynching law; to the Committee on the Judiciary.

3799. Also, petition of 974 residents of the counties of Chippewa, Lac qui Parle, Lyon, Nobles, and Renville, State of Minnesota, urging adoption of the Townsend plan for old-age pensions; to the Committee on Ways and Means.

3800. By Mr. LUCKEY: Memorial of the House of Representatives of the State of Nebraska, memorializing the Congress and the President of the United States to enact a Federal antilynch law; to the Committee on the Judiciary.

3801. Also, memorial of the House of Representatives of the State of Nebraska, memorializing the Congress and the President of the United States relative to the bushel-for-bushel seed-loan plan, and to urge overdue benefit payments of wheat and corn-hog contracts for 1934; to the Committee on Agriculture.

3802. By Mr. LUNDEEN: Petition of the Central Cooperative Association, South St. Paul, Minn., urging that interest rates on land-bank loans be reduced from 4½ to 3½ percent; to the Committee on Banking and Currency.

3803. Also, petition of the Minnesota Brewers Association of St. Paul, Minn., urging the enactment of legislation reducing the tax on beer; to the Committee on Ways and Means.

3804. Also, petition of the Common Council of the City of Rochester, Minn., urging the passage of the General Pulaski Memorial Day resolution now pending in Congress; to the Committee on the Judiciary.

3805. By Mr. PFEIFER: Petition of the Independent Pharmacists Products, Inc., Brooklyn, N. Y., urging consideration of the Mapes bill (H. R. 5062), the Wheeler Federal Trade Commission bills (S. 944, S. 1933); to the Committee on the Judiciary.

3806. Also, petition of Meyer Sambur, Ph.G., Brooklyn, N. Y., urging support of Senate bills 944 and 1933 and House bill 5062; to the Committee on the Judiciary.

3807. Also, petition of Mabel P. Schmidt, New York City, concerning the Ramspeck anti-Communist bill (H. R. 2897), and similar measures; to the Committee on the Judiciary.

3808. Also, petition of the Holy Name Society of St. Matthias Roman Catholic Church, Ridgewood, Brooklyn, N. Y., protesting against the Mexican situation; to the Committee on Foreign Affairs.

3809. By Mr. ROGERS of Oklahoma: Petition of Ernest Caha and 192 other citizen residents of Mayes County, urging enactment of House bill 2856, introduced by Congressman WILL ROGERS, embracing a national system of old-age pensions to citizens of the United States past the age of 55 and not in the field of competitive earning; to the Committee on Ways and Means.

3810. Also, petition of Rollin E. Adair and 18 other citizens and residents of Mayes County in Oklahoma, urging immediate action of Congress on House bill 2856, by Congressman WILL ROGERS, embracing a national system of old-age pensions to citizens of the United States over the age of 55 and not engaged in the field of competitive earning; to the Committee on Ways and Means.

3811. By Mr. RUDD: Petition of Henry F. W. VonSellen, 164 Himrod Street, and 18 other citizens of Brooklyn, N. Y., concerning old-age pensions, only to citizens of the United States who have been citizens for past 10 years or more; to the Committee on Labor.

3812. Also, petition of the Holy Name Society of St. Matthias Roman Catholic Church, 1861 Catalpa Avenue, Ridgewood, Brooklyn, N. Y., concerning conditions in Mexico; to the Committee on Foreign Affairs.

3813. Also, petition of Philip H. Cooper, corresponding secretary, subcommittee, Local No. 251, and 23 other citizens of Brooklyn, N. Y., favoring the passage of House bill 5445; to the Committee on the Post Office and Post Roads.

3814. Also, petition of John J. Dougherty, 104–76 One Hundred and Twelfth Street, and nine other citizens of Richmond Hill, Long Island, N. Y., concerning the Rayburn-Wheeler public-utility holding companies bills (H. R. 5423 and S. 1725); to the Committee on Interstate and Foreign Commerce.

3815. By Mr. SHANLEY: Petition of Polish National Alliance of the United States of North America, Group No. 513, 15 Prince Street, Wallingford, Conn.; to the Committee on the Judiciary.

3816. By Mr. STEFAN: Resolution adopted by the Nebraska House of Representatives, memorializing the Congress and the President of the United States relative to the bushel-for-bushel seed-loan plan, and to urge overdue benefit payments wheat and corn-hog contracts for 1934; to the Committee on Agriculture.

3817. Also, resolution of the Nebraska House of Representatives, memorializing the Congress and the President of the United States to enact a Federal antilynch law; to the Committee on the Judiciary.

3818. By Mr. SUTPHIN: Petition of the Pioneer Grange No. 1, Dayton, N. J.; to the Committee on Ways and Means.

3819. Also, petition of the New Jersey State Department of Agriculture, Trenton, N. J., urging regulation and control on the importation of milk; to the Committee on Agriculture.

3820. By Mr. TINKHAM: Petition of residents of Boston, Mass., favoring the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

3821. Also, resolutions of the General Court of Massachusetts, memorializing Congress in favor of the immediate cash payment of the adjusted-service certificates of veterans of the World War; to the Committee on Ways and Means.

3822. By Mr. TRUAX: Petition of Fairmount Post, No. 416, American Legion, Cleveland, Ohio, by their secretary, Carl Angelo, urging support of the Vinson bill to pay the adjusted-service certificates immediately; to the Committee on Ways and Means.

3823. Also, petition of the Amita Club, Bedford, Ohio, by their secretary, Anthony J. Laui, demanding, for the sake of their security, that all members of the Labor Committee vote favorably on the workers' bill (H. R. 2827), introduced by Congressman LUNDEEN; to the Committee on Labor.

3824. Also, petition of the Farm Bureau officials of Ohio, by their president, Perry L. Green, opposing legislation which shall attempt to fix a definite wage scale for those employed on public-works relief projects, which wage scale may tend to keep the unemployed from seeking permanent employment from those who sustain such employment from incomes derived from productive effort, and urging that no interpretation be placed on the above resolution which shall indicate that the Ohio Farm Bureau Federation is in any way opposed to a high wage scale obtaining for industrial or agricultural employment; to the Committee on Labor.

3825. Also, petition of the Farm Bureau legislative chairmen, presidents, and managers of county farm bureaus and cooperative associations from 80 counties of Ohio, by their president, Perry L. Green, going on record as favoring the adoption of the Wheeler amendment providing for the reduction of interest rates from 4½ to 3½ percent and opposing any effort to substitute for purposes of parliamentary evasion other bills which do not include the provisions of the Wheeler amendment; to the Committee on Ways and Means.

3826. Also, petition of Jetta Bradford and 40 other citizens of Oakland, Calif., believing that new inventions, and not relief legislation, will lift America out of the prevailing depression, and petitioning the Congress of the Unted States to immediately pass legislation establishing an inventors' loan fund, as there has been a heavy accumulation of inventions that have not been given to the world because their creators have not been financially able to have them patented; to the Committee on Patents.

3827. Also, petition of T. P. Johnston Post, No. 329, American Legion, Mount Gilead, Ohio, by their post commander, Dr. R. W. C. Francis, urging support of the Vinson bill (H. R. 3896) providing for the immediate cash payment of the adjusted-service certificates to veterans of the World War and the cancelation of past and future interest charges on loans received on these certificates; to the Committee on Ways and Means.

3828. By the SPEAKER: Petition of the city of Benld, Ill.; to the Committee on Ways and Means.

3829. Also, petition of the city of Ocean Beach, Calif.; to the Committee on Ways and Means.

3830. Also, petition of the city of Rochelle, Ill.; to the Committee on the Judiciary.

3831. Also, petition of the borough of Fairview, N. J.; to the Committee on the Judiciary.

3832. Also, petition of the city of Madison, S. Dak.; to the Committee on the Judiciary.

3833. Also, petition of the city of Fall River, Mass.; to the Committee on the Judiciary.

3834. Also, petition of the city of Ely, Minn.; to the Committee on the Judiciary.

3835. Also, petition of the city of Attica, Ind.; to the Committee on the Judiciary.

3836. Also, petition of the city of Salem, Mass.; to the Committee on the Judiciary.

3837. Also, petition of the city of Phoenix, Ariz.; to the Committee on the Judiciary.

3838. Also, petition of the county of Allegheny, Pittsburgh, Pa.; to the Committee on the Judiciary.

3839. Also, petition of the city of Moline, Ill.; to the Committee on the Judiciary.

3840. Also, petition of the city of Greenville, Tex.; to the Committee on the Judiciary.

3841. Also, petition of the borough of Cliffside Park, Bergen County, N. J.; to the Committee on the Judiciary.

3842. Also, petition of the city of Indianapolis, Ind.; to the Committee on the Judiciary.

3843. Also, petition of the city of Michigan City, Ind.; to the Committee on the Judiciary.

3844. Also, petition of the city of Ottawa, Ill.; to the Committee on the Judiciary.

3845. Also, petition of the town of East Hartford, Conn.; to the Committee on the Judiciary.

3846. Also, petition of the city of Oswego, N. Y.; to the Committee on the Judiciary.

3847. Also, petition of the city of Maplewood, Mo.; to the Committee on the Judiciary.

3848. Also, petition of the city of Lorain, Ohio; to the the Committee on the Judiciary.

3849. Also, petition of B. C. Beetham and others; to the Committee on the Judiciary.

3850. Also, petition of the city of Rahway, N. J.; to the Committee on the Judiciary.

3851. Also, petition of the city of Cicero, Ill.; to the Committee on the Judiciary.

3852. Also, petition of the city of Terre Haute, Ind.; to the Committee on the Judiciary.

3853. Also, petition of the borough of Somerville, N. J.; to the Committee on the Judiciary.

3854. Also, petition of the Nashville Wholesale Association; to the Committee on Ways and Means.

3855. Also, petition of the city of Lebanon, Tenn.; to the Committee on the Judiciary.

3856. Also, petition of the city of Wilkes-Barre, Pa; to the Committee on the Judiciary.

3857. Also, petition of the city of Frankfort, Ind.; to the Committee on the Judiciary.

3858. Also, petition of the city of Toledo, Ohio; to the Committee on the Judiciary.

3859. Also, petition of the city of Mitchell, S. Dak.; to the Committee on the Judiciary.

3860. Also, petition of the city of North Chicago, Ill.; to the Committee on the Judiciary.

3861. Also, petition of the city of Northampton, Mass.; to the Committee on the Judiciary.

3862. Also, petition of the city of Kenosha, Wis.; to the Committee on the Judiciary.

3863. Also, petition of the city of South Bend, Ind.; to the Committee on the Judiciary.

3864. Also, petition of the city of Klamath Falls, Oreg.; to the Committee on the Judiciary.

3865. Also, petition of Calumet City, Ill.; to the Committee on the Judiciary.

3866. Also, petition of the Walter J. Hatfield Post, No. 356, American Legion; to the Committee on Ways and Means.

3867. Also, petition of the Colored Men's Progressive Association of Sweetwater County, Wyo.; to the Committee on the Judiciary.

3868. Also, petition of the D. of C. Society of the Sons of the American Revolution; to the Committee on the Judiciary.

3869. Also, petition of the D. of C. Society of the Sons of the American Revolution; to the Committee on the Library.

3870. Also, petition of the Farmers' Holiday Association of New Mexico; to the Committee on Agriculture.

3871. Also, petition of McFarland Post, No. 9, of the American Legion; to the Committee on Ways and Means.

3872. Also, petition of the city of Camden, N. J.; to the Committee on Ways and Means.

3873. Also, petition of the Yuba-Sutter Bar Association; to the Committee on the Judiciary.

3874. Also, petition of the Nine County Democratic League of Southwestern Washington; to the Committee on Agriculture.

3875. Also, petition of the National Association of Tobacco Distributors; to the Committee on Ways and Means.

3876. Also, petition of the Westmoreland County Council of the Veterans of Foreign Wars; to the Committee on Ways and Means.

3877. Also, petition of the Clio Club, Denver, Colo.; to the Committee on Ways and Means.

3878. Also, petition of Group No. 2519 of the Polish National Alliance; to the Committee on the Judiciary.

3879. Also, petition of the Polish National Alliance, Group No. 2654; to the Committee on the Judiciary.

3880. Also, petition of the Group No. 96 of the Polish National Alliance; to the Committee on the Judiciary.

SENATE

THURSDAY, MARCH 14, 1935

(Legislative day of Wednesday, Mar. 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, March 13, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, one of its clerks, announced that the House had passed a bill (H. R. 6644) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Keyes	Pope
Ashurst	Copeland	King	Reynolds
Austin	Costigan	La Follette	Robinson
Bachman	Couzens	Lewis	Russell
Bailey	Cutting	Logan	Schall
Bankhead	Dickinson	Lonergan	Schwellenbach
Barbour	Dieterich	Long	Sheppard
Barkley	Duffy	McAdoo	Shipstead
Bilbo	Fletcher	McCarran	Smith
Black	Frazier	McGill	Steiwer
Bone	George	McKellar	Thomas, Okla.
Borah	Gerry	McNary	Thomas, Utah
Brown	Gibson	Maloney	Townsend
Bulkley	Glass	Metcalf	Trammell
Bulow	Gore	Minton	Truman
Burke	Guffey	Moore	Tydings
Byrd	Hale	Murray	Vandenberg
Byrnes	Harrison	Neely	Van Nuys
Capper	Hastings	Norris	Wagner
Carey	Hatch	Nye	Walsh
Clark	Hayden	O'Mahoney	Wheeler
Connally	Johnson	Pittman	White

Mr. LEWIS. I announce that the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the Senator from Maryland [Mr. RADCLIFFE], the Senator from Ohio [Mr. DONAHEY], and the Senator from Iowa [Mr. MURPHY] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness, and that the Senator from South Dakota [Mr. NORBECK] is detained from the Senate on official business. I ask that this announcement stand for the day.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

REPORT OF DAUGHTERS OF THE AMERICAN REVOLUTION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Smithsonian Institution, transmitting, pursuant to law, the Thirty-seventh Annual Report of the National Society of the Daughters of the American Revolution for the year ended March 31, 1934, which, with the accompanying report, was referred to the Committee on Printing.

REPORT OF RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the Chairman and Secretary of the Reconstruction Finance Corporation, submitting, pursuant to law, a report covering the operations of the Corporation for the fourth quarter of 1934, and from the period of its organization on February 2, 1932, to December 31, 1934, inclusive, which, with the accompanying papers, was referred to the Committee on Banking and Currency.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of North Dakota, which was referred to the Committee on Finance:

House Concurrent Resolution A-11

Memorializing Congress to enact legislation to provide funds to assist in hospitalization and care of the sick

Be it resolved by the house of representatives (the senate concurring):

Whereas the hospitals of this State are unable to meet the demands made upon them for proper care and treatment of the sick, due to the shortage of funds caused by the severe drought and failure of crops during the year 1934, over an area comprising more than three-fourths of this State; and

Whereas this condition will continue to exist for several months or until another crop is produced, and that there is no other available source from which to receive sufficient funds; and

Whereas the Federal relief set-up does not provide for hospitalization or care of the sick: Therefore, be it

Resolved, That we urge upon the Congress of the United States the enactment of all necessary legislation to provide means for relieving this and similar emergencies; be it further

Resolved, That copies hereof be mailed to President Roosevelt, to the Vice President, to the Speaker of the House of Representatives, and to Congressmen WILLIAM LEMKE and U. L. BURDICK, and to Senators LYNN J. FRAZIER and GERALD P. NYE.

WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.
A. S. MARSHALL,
President pro tempore of the Senate.
F. E. TUNELL,
Secretary of the Senate.

The VICE PRESIDENT also laid before the Senate the following resolution of the House of Representatives of the State of Michigan, which was referred to the Committee on Finance:

House Resolution 28

A resolution memorializing the Congress of the United States to pass, and the Honorable Franklin D. Roosevelt to approve, an appropriation of sufficient moneys to build a Veterans' Administration hospital in Michigan of 500-bed capacity

Whereas the fourth largest city in the United States is located in Michigan, which State ranks seventh in population, seventh in the number of men sent into service during the World War, and correspondingly high in the number of its men wounded during the World War, and that regardless of these facts there is no Veterans' Administration general hospital in Michigan; and

Whereas the State of Michigan ranks forty-fourth among her sister States in the number of general hospital beds provided for veterans, and the only Veterans' Administration hospital in Michigan is a mental institution located at Battle Creek, Mich.; and

Whereas the closest existing Veterans' Administration facilities providing care for general medical and surgical cases are located in Dayton, Ohio, Hines, Ill., and Milwaukee, Wis., which are 200 to 400 miles from the veteran's home in Michigan, thus necessitating an annual expenditure of $50,000 to transport Michigan veterans to Government hospitals outside of Michigan, and in many cases precluding the possibility of relatives visiting them or being present in case of severe crisis or death; and

Whereas the records of the Veterans' Administration at Washington show that in the country as a whole, on the average of 70 percent of each State's general hospital cases are hospitalized within that State and that of Michigan's general hospital cases only 11 percent are hospitalized in Michigan; and

Whereas the State of Michigan has been unable to secure its proportionate share of public works resulting in Michigan citizens being deprived of employment on public relief projects, and the construction of a Veterans' Administration hospital in this State would create considerable employment without any direct expense to the State of Michigan for its construction, operation, or maintenance; and

Whereas an act of Congress was passed March 4, 1931, authorizing an expenditure of $20,877,000 for the construction of Veterans' Administration hospitals, only $16,877,000 of which has been appropriated and spent, leaving a balance of $4,000,000 available, which balance or any part of it necessary could be used for the construction of a hospital in Michigan: Now, therefore, be it

Resolved by the House of Representatives of the State of Michigan, That the house respectfully memorializes the Congress of the United States to appropriate, and the Honorable Franklin D. Roosevelt to approve, sufficient moneys to build a Veterans' Administration hospital in Michigan of 500-bed capacity, at a point which will be most accessible to the greatest number of veterans of Michigan; and be it further

Resolved, That suitable copies of these resolutions be transmitted to the Honorable Franklin D. Roosevelt, the President of the Senate, and Speaker of the House of Representatives of Congress, and the Michigan Members in the Senate and House of Congress.

The VICE PRESIDENT also laid before the Senate the following resolution of the House of Representatives of the State of Nebraska, which was referred to the Committee on Agriculture and Forestry:

Resolution memorializing the Congress and the President of the United States relative to the bushel-for-bushel seed-loan plan, and to urge overdue benefit payments of wheat and corn-hog contracts for 1934

Whereas there is a serious shortage of seed grains for spring seedings in many parts of the State of Nebraska; and

Whereas, due to repeated crop failures, the farmers of this State are unable to obtain needed seed grains; and

Whereas the time for spring seeding is at hand; and

Whereas the Federal Government has already on hand and in storage millions of bushels of seed grains, which will be of little future value to the farmers of this country unless it is planted very soon: Now, therefore, be it

Resolved by the House of Representatives of the State of Nebraska in fiftieth regular session assembled—

1. That this house does hereby respectfully petition and memorialize the President and the Congress of the United States to the end that immediate action be taken to distribute these grains on hand and in storage for seed purposes to needy farmers in this State and in other States of the United States on the bushel-for-bushel plan, as introduced by Congressman KARL STEFAN and endorsed by His Excellency Gov. R. L. Cochran, or in some other manner, so that distressed and needy farmers may obtain seed grain as soon as may be for the sowing of the 1935 spring crop.

2. That this house further most earnestly petitions and requests that overdue benefit payments of wheat and corn-hog contracts for the year 1934 be made at the earliest possible moment in the State of Nebraska, so as to be of some help to farmers of this State in the seeding and planting of crops for the 1935 growing season.

3. That the chief clerk of this house be directed forthwith to forward a copy of this resolution to the President of the United States, to the Vice President of the United States, to the Speaker of the House of Representatives of the United States, to each of the Senators, to each of the Congressmen representing the State of Nebraska in the Congress of the United States, and to the Secretary of Agriculture, so that they may take such necessary steps to relieve the distress as prayed for in this petition.

The VICE PRESIDENT also laid before the Senate the following resolution of the House of Representatives of the State of Nebraska, which was referred to the Committee on the Judiciary:

Resolution memorializing the Congress and the President of the United States to enact a Federal antilynching law

Whereas there is now pending before the Judiciary Committee of the Senate of the United States a Federal antilynching bill for the prevention of lynching and mob violence in the United States of America and its territories;

Whereas there have been over 5,000 lynchings in the United States in the last 50 years, and only 5 convictions;

Whereas there have been 25 lynchings in the year of 1934; and

Whereas it is contrary to the constitutional provision that "no person shall be deprived of life, liberty, or property without due process of law"; and

Whereas lynching is inhuman, barbaric, and uncivilized, and a reflection upon the people of this great Nation: Now, therefore, be it

Resolved by the House of Representatives of the State of Nebraska in fiftieth session assembled—

1. That this house does most earnestly petition and memorialize the Congress and the President of the United States to enact a Federal antilynch law for the prevention of lynching in this Nation.

2. That the chief clerk of this house be instructed and directed forthwith to forward a copy of this resolution, properly authenticated and suitably engrossed, to the President of the United States, to the Vice President, to each of the Senators and Representatives representing this State in the National Congress, and to the secretary of the Judiciary Committee of the Senate.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Kansas, which was referred to the Committee on the Judiciary:

House Concurrent Resolution 10

A resolution memorializing Congress to pass the Costigan-Wagner antilynching bill

Whereas in many States of this United States there occur lynchings and riots by mobs resulting in the execution of persons without due process of law; and

Whereas in many of the said States the local officers cannot or will not enforce the laws protecting persons from mobs or punishing those involved in such unlawful action: Now, therefore, be it

Resolved by the house of representatives (the senate concurring therein):

SECTION 1. That the Congress of the United States is hereby requested to enact into law the measure commonly known as the "Costigan-Wagner antilynching bill."

SEC. 2. *Be it resolved*, That copies of this resolution be sent to the President and Vice President of the United States, the Speaker of the House of Representatives, and to each Kansas Member in Congress.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of North Carolina, which was referred to the Committee on Public Lands and Surveys:

Joint resolution of the General Assembly of North Carolina relating to the relief of the county of Hyde, in the State of North Carolina, by reason of its loss in taxable valuation by the purchase and/or acquirement of certain lands in said county by the Federal Government

Whereas it appearing to the General Assembly of the State of North Carolina that the Federal Government has purchased and/or acquired several thousand acres of land within the boundaries of the county of Hyde, in the State of North Carolina, as a game refuge and sanctuary for migratory water fowl, including what is known as "Lake Mattamuskeet, Bell Island", and other lands; and

Whereas it further appearing that the county of Hyde has lost from its tax books real and personal property valuation by reason of the purchase and/or acquirement of said Lake Mattamuskeet, Bell Island, and other lands, together with other personal property, the total taxable value of several thousand dollars, and that the county of Hyde has lost from its tax books the said real and personal property tax in the amount of several hundred dollars; and

Whereas it further appearing that prior to the purchase and/or acquirement of said lands by the Federal Government, the county of Hyde had issued its several bonds and the bonds of its several townships in the aggregate amount of more than $600,000, all of which indebtedness of the said county of Hyde was prior to the purchase and/or acquirement of said lands by the Federal Government; and

Whereas it further appearing to the General Assembly of North Carolina that at the time of the purchase and/or acquirement of the lands hereinbefore set out that there was no provision made for the taking care of any part of the indebtedness of the county of Hyde; and

Whereas it further appearing that the county of Hyde by reason of and on account of the loss sustained on the purchase and/or acquirement of Lake Mattamuskeet, Bell Island, and other lands within the county of Hyde has lost a large percent of its taxable valuation, which percentage would amount to several hundred dollars of the bonded indebtedness of Hyde County, and the bonded indebtedness of Hyde County being greatly in excess of $600,000, which, under present conditions, the said county of Hyde is and will continue to be unable to pay off and retire according to the terms and conditions of said bonds or any renewal thereof: Now, therefore, be it

Resolved by the house of representatives (the senate concurring):

SECTION 1. That the General Assembly of North Carolina hereby respectfully petitions and memorializes the Congress of the United States:

(a) To make an appropriation for the purpose of retiring the pro rata part of the bonded indebtedness of the county of Hyde, in the State of North Carolina, as shown by certified copies of the public records of Hyde County which reflect the pro rata part of said indebtedness or proportion of said indebtedness which would have been assessed against the lands purchased and/or acquired by the Federal Government, known and designated as Lake Mattamuskeet, Bell Island, and other lands in said county.

(b) That said appropriation be made available to the treasurer of the State of North Carolina, under such regulations as the Congress may prescribe, and that the treasurer of the State of North Carolina be instructed to use said appropriation for the sole purpose of retiring the bonds of Hyde County, in the State of North Carolina, in accordance with the pro rata part of said bonded indebtedness, as may be found to be due and chargeable against said lands had the same not been purchased and/or acquired by the Federal Government, and that the treasurer of the State of North Carolina be further instructed to turn over to the county commissioners of the county of Hyde, in the State of North Carolina, the bonds when so purchased and canceled.

SEC. 2. That certified copies of this resolution be sent by the secretary of state to the Congress of the United States and to the Senators of the State of North Carolina and to the several Congressmen of the State of North Carolina, and a further certified copy be sent to the Department of Biological Survey at Washington, D. C.

SEC. 3. That this resolution shall be in force from and after its ratification.

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of the State of Tennessee, favoring the enactment of legislation such as proposed in the bill (S. 2897) to regulate interstate commerce by granting the consent of Congress to taxation by the several States of certain interstate sales (73d Cong.), which was referred to the Committee on Finance.

(See joint resolution printed in full when presented today by Mr. MCKELLAR, p. 3590.)

The VICE PRESIDENT also laid before the Senate the petition of the Atlantic City (N. J.) Chamber of Commerce, praying for the adoption of measures to promptly restore the average values of property to the average level of the years 1921 to 1929 (the 1926 level), and to maintain the stable purchasing power of the dollar at that level, so as to avoid further inflation or deflation, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution adopted at a meeting of the Merchants and Tailors Society of New York City, N. Y., favoring the appointment of a commission to investigate and study the banking situation before any legislation is enacted by Congress looking to the establishment of a central banking system, which was referred to the Committee on Banking and Currency.

He also laid before the Senate petitions of several citizens of the States of Louisiana, Pennsylvania, and South Carolina, praying for the enactment of old-age-pension legislation, which were referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by the Five Point Branch of the Unemployed Councils, of Denver, Colo., favoring the enactment of House bill 2827, known as the "Workers' Unemployment Old Age and Social Insurance Act", which were referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Typothetae of Western Pennsylvania, Inc., Pittsburgh, Pa., protesting against the enactment of legislation establishing a 30-hour work week, which was referred to the Committee on the Judiciary.

He also laid before the Senate petitions of sundry citizens of the States of Connecticut, Delaware, Missouri, Washington, and Wisconsin, and the Territory of Hawaii, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana (Mr. LONG and Mr. OVERTON), which were referred to the Committee on Privileges and Elections.

He also laid before the Senate resolutions adopted by the Roseville Village Commission of the Village of Roseville, Mich.; the Council of the City of Monessen, Pa.; and the Common Councils of the Cities of Lorain, Ohio, Gillespie, and Peru, Ill., favoring the enactment of pending legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which were ordered to lie on the table.

Mr. WALSH presented the memorial of the chairman of the resolutions committee and members of the executive committee of the Stoneham (Mass.) Committee for Peace Action, remonstrating against the making of increased appropriations for the Army and Navy, which was referred to the Committee on Appropriations.

He also presented the memorial of members of the staff of the New England Deaconess Hospital, Boston, Mass., remonstrating against the adoption of the social-insurance features of the so-called "Wagner bill", being the bill (S. 1130) to alleviate the hazards of old age, unemployment, illness, and dependency, to establish a Social Insurance Board in the Department of Labor, to raise revenue, and for other purposes, which was referred to the Committee on Education and Labor.

He also presented resolutions of Branch No. 82, Polish Workmen's Aid Fund, of Lawrence, and the Quincy Central Labor Union, of Quincy and vicinity, in the State of Massachusetts, endorsing the so-called "Wagner bill", providing for majority rule in collective bargaining, the outlawry of company-promoted unions, etc., which were referred to the Committee on Education and Labor.

He also presented the memorial of George D. Braden and several other citizens of Southborough, Mass., remonstrating against the enactment of legislation providing for the immediate payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Common Council of Brockton, Mass., favoring the enactment of legislation permitting the payment of workmen's compensation for persons suffering injury or death while working on

E. R. A. projects, which was referred to the Committee on Finance.

He also presented petitions of sundry citizens of the State of Massachusetts, praying for the adoption of the so-called "Townsend old-age-pension plan", which were referred to the Committee on Finance.

He also presented memorials of sundry citizens of Springfield, Fall River, Swansea, and South Swansea, all in the State of Massachusetts, remonstrating against enactment of the so-called "Wheeler-Rayburn bill", providing for the control and elimination of public-utility holding companies operating or marketing securities in interstate and foreign commerce, etc., which were referred to the Committee on Interstate Commerce.

He also presented a resolution of Local Union No. 2220, United Textile Workers of America, of Jefferson, Mass., favoring the enactment of the so-called "Black 30-hour work week bill", which was referred to the Committee on the Judiciary.

He also presented petitions of several citizens of Mansfield, Mass., and Owosso, Mich., praying for the enactment of the bill (H. R. 2857) to amend an act entitled "An act granting pensions to certain soldiers who served in the Indian wars from 1817 to 1898, and for other purposes", approved March 3, 1927, which were referred to the Committee on Pensions.

He also presented memorials of several citizens of Worcester, Mass., remonstrating against the publication of personal income-tax returns, which were ordered to lie on the table.

Mr. McKELLAR presented the following joint resolution of the Legislature of the State of Tennessee, which was referred to the Committee on Agriculture and Forestry:

Senate Joint Resolution 3

Whereas the development of the natural resources of the Tennessee Valley by the construction of a series of dams in the Tennessee River and its tributaries is one of the most important measures advocated by President Franklin D. Roosevelt as part of his program of national recovery and permanent improvement of social and economic conditions in our Nation; and

Whereas the Tennessee Valley Authority, the agency by and through which this program is being carried out, has, according to statements given to the public press, included in its schedule or list of dams to be eventually constructed as part of such program a dam known as "Whites Creek Dam" in the Tennessee River near Rockwood, Tenn.; a dam in the Tennessee River near Chattanooga known as the "Chickamauga Dam"; and a dam on the Hiwassee River near Charleston, Tenn., known as the "Hiwassee Dam"; and

Whereas the President of the United States in a recent message to Congress has declared it to be the policy of the Federal Government to abandon the so-called "direct relief or unemployment dole" and in lieu thereof to give the unemployed of the Nation work relief or jobs on constructive public-works projects of permanent usefulness and value; and

Whereas in the three counties nearest to the Whites Creek Dam site there is the most wide-spread and acute unemployment and distress of any like area in the State of Tennessee, about 50 percent of the 50,000 population of that area being dependent upon public charity on account of the suspension of mining and manufacturing enterprises; and there being a great deal of distress and a large number of unemployed in the counties adjacent to the Chickamauga and Hiwassee Dam sites; and

Whereas the said dams would serve the fourfold purpose of navigation, flood control, hydroelectric power, and unemployment relief projects, and their immediate construction would operate to carry into effect the announced policy of President Roosevelt regarding the substitution of work relief for direct relief in a section of the State where ordinary work-relief projects cannot adequately absorb the existing unemployment; and

Whereas the building of said three dams would open the Tennessee River to navigation from the junction of the Clinch and Tennessee Rivers to the Ohio River, and as a result would make possible the resumption of the iron and coal industries in the Rockwood area and elsewhere in the East Tennessee Valley and bring about permanent reemployment of thousands of men in private industry who are now dependent on Government relief: Therefore be it

Resolved by the Senate of the State of Tennessee (the house of representatives concurring), That we respectfully urge and petition the President of the United States and the Directors of the Tennessee Valley Authority to give early and favorable consideration to plans for commencing actual construction work on the Whites Creek, Chickamauga, and Hiwassee Dams during the year 1935, rather than leaving said dams to some unascertained future date, and that we further respectfully urge and petition all members of the Tennessee delegation to Congress to work and vote for the enactment of any and all legislation and the passage of all appropriations necessary to insure the starting of work on said dams during the current calendar year; and be it further

Resolved, That copies of these resolutions be forwarded to the President of the United States, to the Chairman of the Tennessee Valley Authority, and to all members of the Tennessee delegation in Congress.

Adopted January 11, 1935.

W. P. Moss,
Speaker of the Senate.
WALTER M. HAYNES,
Speaker of the House of Representatives.

Approved January 11, 1935.

HILL MCALISTER, *Governor.*

Mr. McKELLAR also presented the following joint resolution of the Legislature of the State of Tennessee, which was referred to the Committee on Finance:

Senate Joint Resolution 25

Whereas necessity for property-tax relief is imperative in Tennessee as well as in other States throughout the Union; and

Whereas 26 States in an effort to afford property-tax relief and to provide revenue for essential functions of government have enacted laws imposing taxes based upon or measured by sales of tangible personal property purchased and delivered in such States; and

Whereas no less than 65 percent of the population of the United States now resides in States with such laws; and

Whereas by virtue of judicial interpretation of the Federal Constitution the States may not levy without the consent of Congress taxes based upon or measured by sales moving in interstate commerce; and

Whereas as a result of such an interpretation there is a discrimination in favor of interstate sales as against intrastate sales; and

Whereas such discrimination if permitted to continue will tend to divert business from normal channels in Tennessee and elsewhere throughout the Union, thus subjecting local merchants to unfair competition; and

Whereas it is of vital importance to the welfare of the people of the United States that all things be done to promote the stability of local business in order that the financial structure of Tennessee and other States throughout the Union may be preserved; and

Whereas it rests within the power of Congress to permit the States to levy nondiscriminatory taxes upon sales in interstate commerce; and

Whereas the Honorable PAT HARRISON, Senator from Mississippi, introduced a measure at the second session of the Seventy-third Congress designed to afford the States relief in this matter, and reading as follows:

"S. 2897

"An act to regulate interstate commerce by granting the consent of Congress to taxation by the several States of certain interstate sales

"*Be it enacted, etc.*, That all taxes or excises levied by any State upon sales of tangible personal property, or measured by sales of tangible personal property, may be levied upon, or measured by, sales of like property in interstate commerce, by the State into which the property is moved for use or consumption therein, in the same manner and to the same extent that said taxes or excises are levied upon or measured by sales of like property not in interstate commerce, and no such property shall be exempt from such taxation by reason of being introduced into any State or Territory in original packages, or containers, or otherwise: *Provided*, That no State shall discriminate against sales of tangible personal property in interstate commerce, nor shall any State discriminate against the sale of products of any other State: *Provided further*, That no State shall levy any tax or excise upon, or measured by, the sales in interstate commerce of tangible personal property transported for the purpose of resale by the consignee: *Provided further*, That no political subdivision of any State shall levy a tax or excise upon, or measured by, sales of tangible personal property in interstate commerce. For the purpose of this act a sale of tangible personal property transported, or to be transported, in interstate commerce shall be considered as made within the State into which such property is to be transported for use or consumption therein, whenever such sale is made, solicited, or negotiated in whole or in part within that State.

"SEC. 2. Receivers, liquidators, referees, and other officers of any court of the United States are required to pay all taxes and licenses levied by any State or subdivision thereof the same as corporations, partnerships, concerns, persons, or association of persons are required to pay the same." And

Whereas said measure was passed by the Senate on March 15, 1934, but was not voted upon by the House of Representatives and hence did not become law; and

Whereas need for such legislation is imperative in order to correct grave injustice in Tennessee and in all other States throughout the Union where taxes are based upon or measured by sales of tangible personal property: Now, therefore, be it

Resolved by the Senate of the State of Tennessee (the house of representatives concurring), That the Congress of the United States be, and it is hereby memorialized, to give relief to the State of Tennessee and all other States imposing taxes based upon or measured by sales of tangible personal property by immediately

providing for the regulation of interstate commerce through granting consent to taxation by the several States of certain interstate sales as provided by the measure (S. 2697) introduced by Senator HARRISON during the second session of the Seventy-third Congress; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, to the President of the Senate, and the Speaker of the House of Representatives of the Congress of the United States, to each of the Members from Tennessee of the Senate and the House of Representatives of the United States, and to the Honorable PAT HARRISON, United States Senator from Mississippi, author of the measure which would afford the States relief in this important matter.

Adopted: February 20, 1935.

W. P. MOSS,
Speaker of the Senate.
WALTER M. HAYNES,
Speaker of the House of Representatives.

Approved February 21, 1935.

HILL MCALLISTER, *Governor.*

GENERAL PULASKI'S MEMORIAL DAY

Mr. ROBINSON. Mr. President, I present for printing in the RECORD a memorial adopted by the General Assembly of the State of Arkansas asking the Congress to pass and the President to approve, if passed, the General Pulaski Memorial Day joint resolution, now pending in the Congress. Let me add that the joint resolution passed this body some days ago.

The VICE PRESIDENT. The memorial will be printed in the RECORD and lie on the table.

The memorial is as follows:

Resolution memorializing the Congress of the United States to pass and the President of the United States to approve, if passed, the General Pulaski Memorial Day resolution now pending in Congress

Whereas a resolution providing for the President of the United States to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen Casimir Pulaski is now pending in the present session of the United States Congress; and

Whereas the 11th day of October 1779 is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of Arkansas, California, Connecticut, Delaware, Illinois, Indiana, Kentucky, Louisiana, Maryland, Kansas, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, Nevada, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia, and other States of the Union through legislative enactment designated October 11 of each year as General Pulaski's Memorial Day; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observance and commemorating the heroic death of this great American hero of the Revolutionary War; and

Whereas the Congress of the United States of America has by legislative enactment designated October 11, 1921; October 11, 1931; October 11, 1932; and October 11, 1934, as General Pulaski's Memorial Day in the United States of America: Now, therefore, be it

Resolved by the Senate and House of Representatives of the General Assembly of the State of Arkansas assembled:

SECTION 1. That we hereby memorialize and petition the Congress of the United States to pass and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in the United States Congress.

SEC. 2. That certified copies of this resolution, properly authenticated, be sent forthwith to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the United States, and to Hon. Ignatius E. Werwinski, United States Commissioner of Deeds of Indiana, South Bend, Ind., by the secretary of the senate.

PREVAILING WAGES ON PUBLIC WORKS

Mr. CUTTING presented a resolution adopted by Las Vegas Typographical Union, No. 933, of Las Vegas, Nev., which was ordered to lie on the table and to be printed in the RECORD, as follows:

Whereas one of the most vital questions of the day and one which is of paramount importance to the workmen and organized labor throughout the entire Nation has been discussed by Las Vegas Typographical Union, No. 933, in meeting; and

Whereas we, as an organization, are heartily in accord with the McCarran amendment to the public-works relief bill providing for the maintenance of the prevailing rate of pay on public works, and feel that failure to establish the prevailing rate of pay for Government projects will, in a short time, force other established rates down to a level in competition with those established by the Government, thus creating a situation wherein wages will be lowered to such an extent that in the face of rapidly rising commodity prices it will be impossible for the average workman to maintain a standard of living which would permit of aught but the barest necessities of life; and

Whereas we deeply appreciate the efforts made on our behalf by Hon. PATRICK MCCARRAN, the father of said amendment: Be it

Resolved, That the Las Vegas Typographical Union, No. 933, go on record as heartily endorsing and commending the progressive and humanitarian attitude of Senator PATRICK MCCARRAN in ably supporting the efforts of organized labor in its fight to procure a living wage scale for members of the organized crafts and brother workmen; and be it further

Resolved, That a copy of this resolution be spread upon the minutes of this union, a copy sent to Hon. PATRICK MCCARRAN, and a copy given to the Las Vegas Review-Journal for publication in an early issue.

LAS VEGAS TYPOGRAPHICAL UNION, No. 933,
By WILLIAM C. WHITEHEAD, *President.*
CHARLES D. KEELER, *Secretary-Treasurer.*

REPORTS OF COMMITTEE ON CLAIMS

Mr. GIBSON, from the Committee on Claims, to which was referred the bill (S. 951) for the relief of Mrs. Guy A. McConoha, reported it with an amendment and submitted a report (No. 322) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (S. 2218) for the relief of Elsie Segar, reported it with amendments and submitted a report (No. 323) thereon.

Mr. TRAMMELL, from the Committee on Claims, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 276. A bill for the relief of Harry Layman (Rept. No. 324); and

S. 728. A bill for the relief of Elton Firth (Rept. No. 325).

Mr. BURKE, from the Committee on Claims, to which was referred the bill (S. 1872) for the relief of Guy Clatterbuck, reported it with an amendment and submitted a report (No. 326) thereon.

He also, from the same committee, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 814. A bill for the relief of John Mulhern (Rept. No. 327); and

S. 1566. A bill for the relief of Carl C. Christensen (Rept. No. 328).

Mr. BLACK, from the Committee on Claims, to which was referred the bill (S. 156) conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the city of Perth Amboy, N. J., reported it without amendment and submitted a report (No. 329) thereon.

He also, from the same committee, to which was referred the bill (S. 208) for the relief of the Consolidated Ashcroft Hancock Co., Inc., Bridgeport, Conn., reported it with an amendment and submitted a report (No. 330) thereon.

He also, from the same committee, to which was referred the bill (S. 553) to authorize the settlement of individual claims for personal property lost or damaged, arising out of the activities of the Civilian Conservation Corps, which have been approved by the Secretary of War, reported it with amendments and submitted a report (No. 331) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LONERGAN:

A bill (S. 2246) granting a pension to Rose D. Carleton; to the Committee on Pensions.

By Mr. HATCH:

A bill (S. 2247) directing the conveyance of certain lands to the regents of the University of New Mexico; to the Committee on Public Lands and Surveys.

By Mr. VAN NUYS and Mr. MINTON:

A bill (S. 2248) for the relief of James W. Emison; to the Committee on Military Affairs.

By Mr. VAN NUYS:

A bill (S. 2249) granting an increase of pension to Fannie M. McQuade (with accompanying papers); to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 2250) granting a pension to Maude Brindle; and

A bill (S. 2251) granting a pension to Samuel E. Jarvis; to the Committee on Pensions.

By Mr. HARRISON:

A bill (S. 2252) for the relief of Henry Hilbun; to the Committee on Military Affairs.

By Mr. TYDINGS:

A bill (S. 2253) to make better provision for the government of the military and naval forces of the United States by the suppression of attempts to incite the members thereof to disobedience; to the Committee on Naval Affairs.

By Mr. CLARK:

A bill (S. 2254) granting a pension to Martha J. Ward (with accompanying papers); to the Committee on Pensions.

By Mr. NEELY (by request):

A bill (S. 2255) providing for the labeling, marking, and tagging of all boots and shoes; to the Committee on Interstate Commerce.

By Mr. WHITE:

A bill (S. 2256) granting an increase of pension to Dora B. Bridges; to the Committee on Pensions.

By Mr. TRAMMELL:

A bill (S. 2257) to amend the act entitled "An act to provide additional pay for personnel of the United States Navy assigned to duty on submarines and to diving duty", to include officers assigned to duty at submarine training tanks and diving units, and for other purposes; and

A bill (S. 2258) to amend in certain particulars the act approved February 28, 1925, entitled "An act to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve", as amended, and for other purposes; to the Committee on Naval Affairs.

By Mr. BACHMAN:

A joint resolution (S. J. Res. 84) for the relief of Hal G. Saunders; to the Committee on Military Affairs.

AMENDMENT OF THE DIVORCE LAW OF THE DISTRICT

Mr. COPELAND. Mr. President, I am introducing a bill, by request of the two bar associations of the District of Columbia—the regular bar association and the women's bar association. I ask for the appropriate reference of the bill, and that the letter which comes from the bar associations be printed in the RECORD.

The VICE PRESIDENT. Without objection, the letter will be printed in the RECORD, and the bill will be received and appropriately referred.

The bill (S. 2259) to amend sections 966 and 971 of chapter 22 of the act of Congress entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended, and for other purposes, was read twice by its title and referred to the Committee on the District of Columbia.

The letter presented by Mr. COPELAND is as follows:

BAR ASSOCIATION OF THE DISTRICT OF COLUMBIA,
Washington, D. C., March 14, 1935.

Hon. ROYAL S. COPELAND,
United States Senator, the Capitol,
Washington, D. C.

MY DEAR SENATOR: Herewith we hand you a proposed bill to amend the divorce law of the District of Columbia. The principal feature of the proposed bill is the liberalization of the law so as to permit the granting of an absolute divorce for cruelty, desertion, drunkenness, and conviction of a felony involving moral turpitude. This bill is sponsored by the Bar Association of the District of Columbia, of which the undersigned, George C. Gertman, is secretary and chairman of the committee having the matter in charge, and the Women's Bar Association of the District of Columbia, of which the undersigned, Martha R. Gold, is chairman of the legislative committee.

This matter has been given very careful and earnest consideration, and it is respectfully requested that the bill be introduced in the Senate and referred to the Judiciary Committee, where we will appear and explain the features of the proposed bill.

Thanking you in advance for any courtesy extended in this matter, we are,

Very respectfully,

G. C. GERTMAN.
MARTHA R. GOLD.

HOUSE BILL REFERRED

H. R. 6644. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

WORK-RELIEF PROGRAM—AMENDMENT

Mr. BYRD submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was ordered to lie on the table and to be printed, as follows:

On page 2, line 7, to strike out "$4,000,000,000" and insert in lieu thereof "$1,000,000,000."

NATIONAL PARKS

Mr. WAGNER, Mr. ASHURST, Mr. NORBECK, and Mr. NYE jointly submitted the following resolution (S. Res. 102), which was referred to the Committee on Public Lands and Surveys:

Resolved, That the Committee on Public Lands and Surveys, or any subcommittee thereof, be, and it is hereby, authorized and directed to investigate the advisability of establishing certain additional national parks, and the proposed changes in, and boundary revisions of, certain other national parks. For the purpose of carrying out the provisions of this resolution, such committee or subcommittee is hereby authorized to sit, act, and perform its duties at such times and places as it deems necessary or proper; to require by subpena or otherwise the attendance of witnesses; to require the production of books, papers, documents, and other evidence; and to administer such oaths and to take such testimony and make such expenditures as it deems advisable.

The cost of stenographic service to report such hearings shall not exceed 25 cents per 100 words. The expenses of such committee or subcommittee, which shall not exceed the sum of $7,500, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

FRANK M. SOOP, DECEASED—WITHDRAWAL OF PAPERS

Mr. TYDINGS. Mr. President, in the consideration of a private bill (S. 3107, 73d Cong.) concerning a correction of the military record of a constituent of mine, it became necessary, in order that the committee might consider his case, that he submit certain records in his possession. The committee has disposed of his case, and I understand under the rules it is now in order and proper, by unanimous consent of the Senate, to withdraw the records which he voluntarily submitted to the committee. I therefore ask unanimous consent that in the case of Frank M. Soop, deceased, permission be granted to return the records to the proper owner.

The VICE PRESIDENT. No adverse report having been made on the bill?

Mr. TYDINGS. No adverse report having been made.

The VICE PRESIDENT. Without objection, it is so ordered.

WORK-RELIEF PROGRAM

The Senate resumed the consideration of the joint resolution (H. J. Res. 117) making appropriations for relief purposes.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Louisiana [Mr. LONG] to the amendment reported by the committee.

Mr. LONG obtained the floor.

Mr. BORAH. Mr. President——

Mr. LONG. Mr. President, I have only a few minutes this morning, as the amendment is to be voted on at not later than 12:30 o'clock, but I will be glad to yield to the Senator from Idaho.

Mr. BORAH. Mr. President, as I understand the amendment of the Senator from Louisiana to the amendment of the committee, it proposes to subtract $300,000,000 from the appropriation for the Civilian Conservation Corps and to utilize that amount for the purpose of affording assistance to students in colleges and universities. It seems to me that if we are going to subtract at all we ought to subtract from some other item than that of the C. C. C. According to my way of looking at the matter, the Civilian Conservation Corps is giving to the young men of this country a form of education and a discipline which may be, under the pres-

ent outlook, more beneficial to them in practical affairs of life than a college education. I should not want to see the subtraction taken from the item of $600,000,000. I would vote for it if it were taken from the $900,000,000 with reference to grade crossings, soil erosion, and so forth, the money for which purposes will, it is likely, be wasted, in a large measure.

Mr. LONG. Mr. President, I will say to the Senator from Idaho I am glad he has had good experience with the C. C. C. camps; that has not been our experience. I looked over to see from what particular item the amount I have suggested could be taken. It is costing from $35 to $50 a month to keep the men in the C. C. C. camps. However, Mr. President, I have concluded to reform the amendment this morning and try to get some money for the colleges. I believe the Senator from Idaho is referring to the $800,000,000 in line 13. Is not that correct?

Mr. BORAH. I was referring to the $900,000,000 item which appears on line 18, page 3.

Mr. LONG. That is the item for "public projects of States or political subdivisions thereof."

Mr. BORAH. "For public projects", probably many of which will entail a burden on the people in the way of taxes for upkeep after they are constructed, and will really be of no practical benefit at this time.

Mr. LONG. I think I will "go the Senator from Idaho one better"; and so I am going to modify my amendment as follows:

On line 18 of the joint resolution, strike out the figures "$900,000,000" and insert the figures "$800,000,000", and insert thereafter the same language now contained in the amendment, as follows:

For colleges and universities, to be used to advance money to students in need of and desiring financial assistance so that such students may pay the costs and living expenses necessary for pursuing study at such colleges or universities, $100,000,000.

Mr. COSTIGAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Colorado?

Mr. LONG. I yield.

Mr. COSTIGAN. My concern over the Senator's amendment is similar to that expressed yesterday by the Senator from Oregon [Mr. STEIWER] and partially voiced this morning by the Senator from Idaho [Mr. BORAH]. I am sorry that I did not have an opportunity to confer about it with the Senator from Louisiana before the session today began. But I am wondering if he might not consider another type of amendment.

I have been advised that approximately 50 percent of the C. C. C. workers have not had a high-school education and, therefore, are not prepared for the sort of educational opportunities to which the Senator from Louisiana refers. I am further advised that there are approximately 20,000,000 young men and women between the ages of 16 and 24, inclusive, who are out of school and that about 30 percent of them are out of work; so that we may say that 6,000,000 or more between those ages are out of work and out of school.

The Nation-wide problems suggested by those figures are distinctly grave. It occurred to me that, without particularizing separately as to amounts following the words "Civilian Conservation Corps", line 17, page 3, such language as this might be inserted "and other youth projects, services, and education."

Thus the ends which I am sure the Senator has in mind might be attained on such broad lines that part of the funds could be utilized even for those under college age.

Mr. LONG. In other words, the Senator would amend which line?

Mr. COSTIGAN. Line 17, page 3, following the words "Civilian Conservation Corps" to insert "and other youth projects, services, and education."

If the Senator could see his way to accept some such amendment as that—and I do not insist on the particular words—I shall be glad to vote for the amendment.

Mr. LONG. I shall be glad to accept that suggestion. I see no objection to it. It is wholly discretionary with the President. Will the Senator from Colorado give me that language again?

Mr. COSTIGAN. It is as follows: "And other youth projects, services, and education."

Mr. ADAMS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the junior Senator from Colorado?

Mr. LONG. I yield.

Mr. ADAMS. If I may direct an inquiry to the Senator, why not simply add the proposal as an independent separate provision and not cut down any other item? None of the provisions are appropriations. They are limitations. They merely provide that the President shall not spend more than the sum stated for a particular purpose and not more than that sum for another purpose. If the Senator is interested in having a sum made available, why not put it in as a separate and independent sentence without cutting down some other item?

Mr. LONG. I think that could be done. I have now three suggestions. All I am trying to do is to get money for education. All I want to do is to preserve the votes of the three sources from which the suggestions come. One is from the Senator from Idaho [Mr. BORAH], that it be taken out of the $800,000,000 item; a second suggestion is from the senior Senator from Colorado [Mr. COSTIGAN]; and the third is from the junior Senator from Colorado [Mr. ADAMS]. Inasmuch as these are mere limitations, I believe the suggestion of the junior Senator from Colorado is probably the best. That being true, all that need be done is to put in the joint resolution an amendment reading as follows:

For colleges and universities, to be used to advance money to students in need of and desiring financial assistance so that such students may pay the costs and living expenses necessary for pursuing study in such colleges or universities, $300,000,000.

Mr. President, I am willing to limit the amount to $100,000,000. In other words, it is a limitation that applies to no one but the President in any event. I am willing to limit the amount to $100,000,000 so as to obtain $100,000,000 for education. It seems to me that would be the most attractive and least objectionable way of doing it. If there is no objection, I shall withdraw all the amendments I have offered, and I now offer the following amendment:

On page 3, line 17, after the numerals "$600,000,000" and the semicolon, insert the provision, which I send to the desk.

The VICE PRESIDENT. The Senator from Louisiana withdraws all other amendments submitted by him and offers an amendment to the committee amendment, which will be stated.

The LEGISLATIVE CLERK. In the committee amendment on page 3, line 17, after the numerals "$600,000,000" and the semicolon, it is proposed to insert the following:

For colleges and universities, to be used to advance money to students in need of and desiring financial assistance, so that such students may pay the costs and living expenses necessary for pursuing study at such colleges or universities, $100,000,000.

Mr. COSTIGAN. Mr. President, does the appropriation cover all educational activities, even below colleges and universities?

Mr. LONG. I should have no objection to the words "or for other educational purposes." That would make my proposed amendment read:

For colleges and universities, to be used to advance money to students in need of and desiring financial assistance, so that such students may pay the costs and living expenses necessary for pursuing study at such colleges or universities, and for other educational purposes, $100,000,000.

Mr. McNARY. Mr. President, the Senator has proposed several amendments. We have to be exceedingly agile to keep up with him. I do not know where the amendment is proposed to be inserted or whether it affects any of the specifications enumerated.

Mr. LONG. I have accepted the suggestion of the junior Senator from Colorado [Mr. ADAMS] to insert a limitation of $100,000,000. All of these items are mere limitations. I in-

sert an additional sum of $100,000,000 to be loaned or which can be loaned to colleges or universities or for other educational purposes.

Mr. McNARY. This is a new item?

Mr. LONG. Yes.

Mr. McNARY. It does not deduct from the amounts in any other specification?

Mr. LONG. No; it does not deduct from any amounts in any other specification.

Mr. McNARY. Would it increase the total amount by $100,000,000?

Mr. LONG. It would increase the limitation, though the President may never have to spend a dollar of it.

Mr. McNARY. Very well.

Mr. HASTINGS. Mr. President, there is some confusion as to whether the Senator's amendment would increase the total appropriation.

Mr. LONG. It would increase the amount which might be used by the President to the extent of only $100,000,000. In other words, the President does not have to spend a dollar of the $4,880,000,000. The joint resolution allows him, if he wished to expend it all, to do so, and if the amendment were adopted he could use $4,980,000,000.

Mr. GLASS. Oh, no, Mr. President; it does not increase the total appropriation a dime. It just adds another classification.

Mr. LONG. That is still better. I thank the Senator from Virginia.

Mr. BYRNES. Mr. President, the situation is that under the committee amendment found on page 3, it is first provided in line 5—

> That except as to such part of the appropriation made herein as the President may deem necessary for continuing relief as is authorized under the Emergency Relief Act of 1933, as amended, this appropriation shall be available for—

certain classifications. Therefore, under the Federal Emergency Relief Act of 1933, the President is now advancing funds to aid students, and approximately 100,000 students have been aided in this manner.

It is proposed to continue this aid. Under the provision contained in the five lines which I have read the whole $4,000,000,000 may be spent by the President, if he sees fit, for that purpose, because it is authorized by the Federal Relief Act of 1933. Of course, there is no such intention. We proceeded to classify, and we classified the purposes in order that Congress might be advised as to the best judgment of the administration as to how the money would be used. We find among those classifications, itemizing the purposes for which the money is expected to be used, the classification "professional and clerical persons." It is the statement of the officials of the Federal Relief Administration that under this classification they would continue to aid students in the manner in which they have been aided during the past year. There is a specific classification of $300,000,000 which includes student aid.

I may say further that in the RECORD 2 days ago there was published a letter from the office of the Comptroller General, which letter refers to the activities upon which these funds would be expended under the various classifications. The office of the Comptroller General held that under the classification "professional and clerical persons", as it is contained in this section, money could be spent for student aid, so there will be available $300,000,000 under that classification.

Mr. LONG, Mr. HASTINGS, and Mr. HAYDEN addressed the Chair.

The VICE PRESIDENT. Does the Senator from South Carolina yield; and if so, to whom?

Mr. BYRNES. I yield first to the Senator from Louisiana.

Mr. LONG. According to that we do not need any classifications at all. Why have "soil erosion" as a classification? The argument of the Senator may just as well apply to the striking out of all the other enumerations.

Mr. GLASS. I have contended for 3 or 4 days that we do not need any classifications.

Mr. BYRNES. I repeat that the provision is simply an effort to comply with the request that has been made time and again on the floor to establish classifications in order to show the best judgment of the administrative officials at this time as to how the money to be appropriated will be spent. That has been stated by the Senator from Virginia 4 or 5 times during the debate.

Mr. GLASS. Mr. President, not only is what the Senator from South Carolina said true, but I again, to make it an even dozen times, call attention to the fact that under the head of "miscellaneous projects" there are provided $350,000,000 which might be applied to this particular purpose. Under the proviso at the bottom of page 3 the President is authorized to transfer 20 percent of the total amount appropriated to any one of these projects. He could, if he should please to do so, expend $1,100,000,000 for educational purposes. As the Senator from South Carolina has said, and as I have several times remarked, these classifications are mere limitations, and were put into the joint resolution in response to the insistent demand that there should be some sort of definite break-down of the $4,000,000,000 appropriation. Those who drafted that provision of the joint resolution insisted to the committee that it represented as nearly as possible a definite allocation of the funds as could be made.

Mr. BORAH. Mr. President——

Mr. GLASS. I yield to the Senator from Idaho.

Mr. BORAH. As a matter of fact, the President could expend the entire $4,800,000,000 for educational purposes or any other purpose if he desired to do so?

Mr. GLASS. Yes; he could.

Mr. HASTINGS. Mr. President, I should like to inquire what objection there is, then, to letting the pending amendment go into the joint resolution. If it does not add anything to it or take anything from it, why should we not put it in?

Mr. GLASS. The objection is that when one change is made in a measure a dozen other Senators want other changes made in it, and 2 days of the Senate's time has been wasted in discussing this abominable suggestive allocation of this fund when we know that the President can do what he pleases with the fund.

Mr. JOHNSON. Mr. President, it is quite true that as a matter of legal construction what has been said by the Senator from South Carolina [Mr. BYRNES] and the Senator from Virginia [Mr. GLASS] is absolutely correct. It is quite true that possibly the designations which have been made in this particular joint resolution as to how the money should be spent constitute no declaration at all that will be mandatory upon anybody. It is equally true, however, that the Senate, if it desires, may indicate the purposes for which it believes this money should be expended; and I think it is equally true that if the Senate thus designates what it believes the money should be expended for, the executive department of the Government doubtless would follow, generally speaking, the suggestions made by the Senate.

I understand this particular suggestion to be that $100,000,000 may be expended in behalf of education. I cannot see the slightest objection on earth to the amendment, and for that reason I am ready to vote for it. When it is argued to me that it need not be inserted in the joint resolution, or that it ought not to be inserted in the joint resolution, and that every insertion that has been made by the Senate in the joint resolution is of no consequence at all and ought to be disregarded, I say that is not entirely accurate, because the Senate's suggestions may be a guiding post, and, at any rate, we have the right of suggestion and expression in a $4,000,000,000 measure; and I am ready to express myself upon any specific item that may be presented by any particular amendment.

Mr. GLASS. Mr. President, I do not think anybody could contend that the right of expression has not been freely utilized in the discussion of this measure.

Mr. BYRNES. Mr. President, I desire to add that there are between 70 and 80 different projects for which these

funds will be spent; and if we intend to enumerate and itemize each and every one, we shall simply have 70 or 80 different classifications. That is not necessary when the classification set forth here is broad enough to include the others; and the Senator from California agrees with the interpretation of the section as it has been made by the Senator from Virginia and by myself.

Mr. JOHNSON. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. JOHNSON. If the Senator is correct—and I do not question that he is—why, then, designate any particular project or any particular mode of expenditure?

Mr. BYRNES. Because, as has been said time and again, it was the desire of the committee to comply with what I called a request and what the Senator from Virginia designated as a demand by Senators that we express in the joint resolution our best judgment as to how the money should be spent.

The VICE PRESIDENT. The Chair is compelled to call attention to the fact that the hour has arrived when, under the unanimous-consent agreement, the Senate is to vote on the pending question.

The question is on the amendment offered by the Senator from Louisiana [Mr. LONG] to the amendment of the committee, as amended.

Mr. LONG. I call for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. LOGAN (when his name was called). On this question I have a pair with the senior Senator from Pennsylvania [Mr. DAVIS], who is absent. I transfer that pair to the junior Senator from Maryland [Mr. RADCLIFFE] and will vote. I vote "nay."

The roll call was concluded.

Mr. LEWIS. I announce the absence of the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Louisiana [Mr. OVERTON], occasioned by illness.

I also announce the absence of the Senator from Wisconsin [Mr. DUFFY], the Senator from Iowa [Mr. MURPHY], the Senator from Ohio [Mr. DONAHEY], and the Senator from Montana [Mr. WHEELER] on departmental business.

The result was announced—yeas 27, nays 58, as follows:

YEAS—27

Adams	Copeland	Johnson	Schall
Austin	Costigan	Long	Steiwer
Barbour	Cutting	McCarran	Thomas, Okla.
Borah	Dickinson	McNary	Townsend
Bulow	Frazier	Murray	Vandenberg
Capper	Gibson	Neely	White
Carey	Hastings	Nye	

NAYS—58

Ashurst	Coolidge	La Follette	Reynolds
Bachman	Couzens	Lewis	Robinson
Bailey	Dieterich	Logan	Russell
Bankhead	Fletcher	Lonergan	Schwellenbach
Barkley	George	McAdoo	Sheppard
Bilbo	Gerry	McGill	Smith
Black	Glass	McKellar	Thomas, Utah
Bone	Gore	Maloney	Trammell
Brown	Guffey	Metcalf	Truman
Bulkley	Hale	Minton	Tydings
Burke	Harrison	Moore	Van Nuys
Byrd	Hatch	Norris	Wagner
Byrnes	Hayden	O'Mahoney	Walsh
Clark	Keyes	Pittman	
Connally	King	Pope	

NOT VOTING—10

Caraway	Duffy	Overton	Shipstead
Davis	Murphy	Radcliffe	Wheeler
Donahey	Norbeck		

So Mr. LONG's amendment to the amendment of the committee, as amended, was rejected.

Mr. METCALF. Mr. President, I send to the desk an amendment, which I ask to have read.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to insert the following at the proper place in the joint resolution:

Provided, That in the employment of all officials and employees paid from funds appropriated by this joint resolution preference shall be given, where they are qualified, to ex-service men.

Mr. METCALF. Mr. President, this amendment has been included in many of the bills we have passed, and I hope it will become a part of the pending joint resolution.

Mr. GLASS. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. GLASS. Is the proposed amendment subject to a point of order?

The VICE PRESIDENT. It is at the present time.

Mr. GLASS. Then, I make the point of order.

The VICE PRESIDENT. The amendment is not in order at present under the order of the Senate that committee amendments shall be considered prior to the consideration of any other amendment. The Senator from Rhode Island will have the right to offer his amendment when the consideration of committee amendments shall have been completed.

Mr. GLASS. A further parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. GLASS. We are operating under a unanimous-consent agreement of the Senate that all committee amendments shall be acted on first, are we not?

The VICE PRESIDENT. The Senator is correct.

Mr. GLASS. Does that mean that there can be no amendment to a committee amendment?

The VICE PRESIDENT. It does not.

Mr. GLASS. I make the inquiry for the reason that I have been asked repeatedly this morning when it will be in order, if at all, to offer an amendment to the joint resolution, for example, reducing the total amount of $4,000,000,000, as indicated in line 7 on page 2.

The VICE PRESIDENT. Such an amendment would be in order after the consideration of committee amendments had been completed. The provision to which the Senator refers being an original provision in the bill, an amendment could not be offered to it until after the committee amendments had been disposed of.

The question is on agreeing to the committee amendment as amended.

Mr. STEIWER. Mr. President, I desire to address a few remarks to the pending committee amendment to the joint resolution.

Mr. GLASS. Mr. President, will the Senator yield to me while I make a request for unanimous consent?

Mr. STEIWER. I am very glad to yield.

Mr. GLASS. In order to quiet the fears and apprehensions of Senators as to how the money proposed to be appropriated may be expended, I ask permission to have inserted in the RECORD an official statement of the number of projects, with their estimated cost, from all of the States, with the single exception of Pennsylvania, which has not yet furnished its list. I want to have this statement inserted in the RECORD as a part of my remarks. I may state that the projects number 59,658, and the total estimated cost of them is $8,589,510,578. So there will be no paucity of projects, but there may be of money.

The VICE PRESIDENT. Is there objection to the request of the Senator from Virginia?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

States	Number of projects	Estimated cost
Alabama	2,981	$168,459,830
Arizona	46	53,805,537
Arkansas	1,468	241,928,362
California	970	130,064,410
Colorado	351	32,710,350
Connecticut	477	44,301,033
Delaware	65	14,550,763
Florida	1,833	115,034,410
Georgia	725	32,251,518
Idaho	824	76,112,540
Illinois	149	14,340,200
Indiana	316	47,664,337
Iowa	1,267	35,925,165
Kansas	1,619	158,401,414
Kentucky	2,021	267,847,114
Louisiana	217	147,011,950
Maine	108	42,079,100
Maryland	892	131,095,250
Massachusetts	425	94,293,101

States	Number of projects	Estimated cost
Michigan	4,505	$646,438,052
Minnesota	705	43,528,638
Mississippi	3,330	260,262,973
Missouri	469	26,197,301
Montana	1,139	170,863,823
Nebraska	474	31,974,920
Nevada	166	8,595,481
New Hampshire	463	43,001,212
New Jersey	1,754	1,408,722,364
New Mexico	611	51,917,132
New York	742	1,267,645,177
North Carolina	675	66,204,613
North Dakota	1,090	14,635,862
Ohio	3,870	540,854,794
Oklahoma	1,692	184,418,071
Oregon	2,102	460,237,888
Rhode Island	369	79,581,938
South Carolina	163	11,695,841
South Dakota	597	29,357,038
Tennessee	4,813	357,055,671
Texas	3,025	247,899,093
Utah	1,547	74,950,540
Vermont	532	42,317,445
Virginia	1,586	106,641,501
Washington	2,820	261,440,163
West Virginia	653	69,616,850
Wisconsin	2,624	176,574,815
Wyoming	328	41,080,751
Total	59,658	8,589,510,578

Mr. STEIWER. Mr. President, I first offer an amendment to the pending amendment, which I ask to have stated.

The VICE PRESIDENT. The clerk will state the amendment to the amendment.

The CHIEF CLERK. In the committee amendment it is proposed to strike out the proviso commencing in line 21 on page 3 and to insert in lieu thereof the following:

Provided further, That the President may, in his discretion, in order to effectuate the purpose of this joint resolution, increase the allocation for any one or more of the classes or projects specified in this section by an amount not to exceed 20 per centum of the amount allocated for such classes of projects; and to provide such increase the President may reduce the allocations hereinabove set forth in an amount not to exceed 20 per centum of the amounts provided for any such classes.

Mr. STEIWER. Mr. President, I am one of those who find reason to support the committee amendment appearing upon page 3 of the joint resolution. I voted for it in the committee. I commend it to Senators, upon the ground that it provides certain broad limitations to the general scope of the joint resolution, and to the powers proposed to be conferred upon the President in the designation of projects and the allocations of money appropriated.

There has developed in the debate a considerable difference of opinion as to the meaning of the joint resolution, and apparently a difference of opinion as to the effect of the amendment now pending. The Chairman of the Committee on Appropriations has repeatedly said that under the joint resolution the President could expend the money in almost any way he might desire to expend it, and that the effect of the committee amendment to which I now address myself would be merely to create certain maximum limitations beyond which the President might not go with respect to the several classes of projects enumerated.

On the other hand, the senior Senator from Vermont [Mr. AUSTIN], who at one time seemed to be very much at variance with the purpose of the joint resolution, stated to the Senate that he regarded the committee amendments as of the utmost importance. As I understood him, he said in effect that they changed the character of the joint resolution from a grant of money to a person to an appropriation to a use or uses. I obtained from his remarks the impression that that which he had regarded as foreboding and almost monstrous on account of its lack of limitation, had been transformed by the committee amendments until it had become wholly lovely, a thing to be embraced and commended.

Mr. GLASS. Mr. President, will the Senator yield to me?

Mr. STEIWER. I yield.

Mr. GLASS. The Senator did not give all of my statement. I said that there might be added to any one of these limitations, by the provision now being discussed and proposed to be amended by the Senator, $800,000,000, or 20 percent of the entire $4,000,000,000 fund.

Mr. STEIWER. The Senator's statement is accurate, Mr. President. I did not intend to misstate the position of the chairman of the committee. Indeed, he has upon different occasions made several statements, and I think upon some occasions did make reference to the proviso to which he now alludes, and, of course, in that he is correct.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. STEIWER. I yield to the Senator from South Carolina.

Mr. BYRNES. The Senator from Oregon voted for the adoption of this amendment in the committee, did he not?

Mr. STEIWER. I did; and I shall vote for it here, whether or not the Senate, in its judgment, accepts the amendment which I have sent to the desk and now offer for the consideration of the Senate. Under any view which may be taken of the amendment, I think it is altogether better that it be agreed to, and that the resolution, upon its final enactment, may contain the committee amendment found upon page 3.

Mr. President, I do not desire to detain the Senate at length, but for a few minutes I want to point out what I believe to be the significant features of this amendment and to define, if I may, just what the amendment amounts to in terms of restraint or limitation upon the spending agency. In the first place, I want to announce my agreement with the chairman of the committee when he says that the amounts stated with respect to the various classes are merely maximum limitations, subject as he has just now pointed out, to the proviso at the end of the amendment, which permits an increase of these limitations.

The language of the amendment is in effect that the moneys appropriated shall be available for certain classes or categories of expenditures and that they—I now quote:

Shall not, except as hereinafter provided, exceed the respective amounts stated.

That, Mr. President, is only the beginning of the effect of the amendment. There are at least three other factors to be considered in connection with it.

In the first place, it ought to be recognized that a separate amendment appearing on page 4 of the joint resolution very effectively destroys the normal effect which would be given to the language of the amendment upon page 3. Upon page 4 it is provided that the—

Funds made available by this joint resolution may be used, in the discretion of the President, for the purpose of making loans to finance, in whole or in part, the purchase of farms lands—

And so forth.

There is no limitation in the amount in the amendment to be found upon page 4, and it would appear to me that because there is no limitation the President may very well, if in his discretion he should determine to do so, expend the entire amount of the appropriation under the authority conferred upon him by the separate amendment found upon page 4, and, inasmuch as the amounts named with respect to the several categories on page 3 are merely maximum limitations and are in no sense mandatory, that there is no requirement upon the President to expend anything under these various classes of projects, he could, of course, expend the whole amount in furtherance of the purposes which are suggested in the amendment upon page 4. That makes one of the factors which very substantially changes the effect of the amendment on page 3 if the amendment upon page 4 is agreed to.

Another factor of the utmost importance is the exception at the beginning of the amendment upon page 3. It is there provided, and I now quote:

That except as to such part of the appropriation made herein as the President may deem necessary for continuing relief as authorized under the Federal Emergency Relief Act of 1933, as amended, this appropriation shall be available—

And so forth.

It will be seen that the President may, so far as the question of power is concerned, divert the whole appropriation provided under this joint resolution to the purposes of the

Federal Emergency Relief Act of 1933. I do not suppose that he will do so. I am speaking now merely of the power which is conferred by this committee amendment, and say merely that he may do so if he desires.

Moreover, if that act, the act of 1933, is to be extended, as was suggested here a day or two ago by the Chairman of the Committee on Appropriations, it might very well continue for the time of the effective period of the pending resolution. So it would appear that, concurrent with the power of the President to expend money for the various categories of projects named in this resolution, there would be the power to expend money, and all of it, in the President's discretion, under the terms and conditions of the Federal Relief Act of 1933.

Those are two of the important factors which govern the effect of this committee amendment.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. STEIWER. I yield.

Mr. HASTINGS. If I understand the Senator correctly, the effect of his amendment would be to limit the President in the transfer of money to the Federal relief agency, to be expended under the Federal Emergency Relief Act of 1933, to 20 percent of the total hereby appropriated, and likewise would limit him to 20 percent under the last paragraph of section 1.

Mr. STEIWER. That is not exactly my purpose. My purpose is not to deal in any way with the exception at the beginning of the committee amendment, the one commencing upon line 5 of page 3. My purpose is to deal only with the categories of projects and the question of diverting money from one to the other under the proviso at the end of the amendment.

Mr. HASTINGS. But is not the effect of the Senator's amendment to deal with it?

Mr. STEIWER. I do not think so. I shall be glad if the Senator will point out to me wherein that would be true. I do not think so. The language is that the President may increase the allocation for any one or more of the classes of projects, and that language was suggested by the legislative counsel with the idea of catching those enumerated classes of projects and not with the idea of reaching the excepted powers which are provided at the beginning of the amendment.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

Mr. STEIWER. I yield to the Senator from Michigan.

Mr. VANDENBERG. In line with the discussion he has just pursued, would his amendment in any degree affect the authority of the President to use such portion of this total sum as may be found necessary for direct relief, as differentiated from work relief?

Mr. STEIWER. It does not take away from the President the power to divert money for direct relief. It would appear to me that the discretionary power of the President to use money for direct relief is a primary power in this joint resolution, and unless there is specific reference to it, that nothing in this amendment or in any other would subtract from any part of that power. To answer the Senator's question categorically, I think it would not take away from the President the power to divert money for direct relief.

Mr. GLASS. Mr. President, will the Senator yield?

Mr. STEIWER. I yield to the Senator from Virginia.

Mr. GLASS. Of course, that is technically true if we are going to take the bill textually, but I have been somewhat puzzled by this situation: If the Senate is willing to trust nearly $5,000,000,000 to the President of the United States to be expended in his discretion and under his direction, why can we not believe the President when he says he is going to use most of it for work relief; and he has so stated, and I have so stated, not only on the floor of the Senate but I have stated it over and over again in the Appropriations Committee.

Mr. STEIWER. I remember that the Senator did so; but, if the Senator's question implies an argument, it would be an argument against the committee amendment on page 3 in its entirety, and there would be no necessity of setting forth any classes of projects or any categories of expenditures at all. However, the committee, upon reflection, did not take that view of the matter, but has agreed to the committee amendment which the Senator from Virginia and I are both supporting at this time.

Mr. GLASS. And the result of not taking that view of the matter has been to waste about 3 days of the Senate's time.

Mr. VANDENBERG. Mr. President, will the Senator further yield?

Mr. STEIWER. I yield.

Mr. VANDENBERG. I want to be very sure of the net result. I think it can be demonstrated that when the President finally confronts his problem as a whole it will be absolutely impossible to spend the various large sums upon work relief, because the necessity for direct relief, the primary necessity for direct relief, will be so great; and I want to be very sure that the language which the Senator from Oregon is now suggesting does not invade the authority primarily to take care of the direct-relief situation, which, after all, is the starting point of our situation.

Mr. AUSTIN. Mr. President——

The PRESIDING OFFICER (Mr. ROBINSON in the chair). Does the Senator from Oregon yield to the Senator from Vermont?

Mr. STEIWER. I yield.

Mr. AUSTIN. I ask the Senator whether the first exception to which he has addressed himself is not in fact a specification which improves the joint resolution and transforms it from an unlimited grant to a person into a conditional grant for specific uses? I call attention to that exception—

> That except as to such part of the appropriation made herein as the President may deem necessary for continuing relief as authorized under the Federal Emergency Relief Act of 1933—

When one turns to that act of 1933, does he not find therein a perfect specification to specific uses, so that the grant, if it were entirely taken up under that first exception, would have to be expended for the uses mentioned in the act of 1933? That is my question.

Mr. STEIWER. Of course, it would have to be expended under the terms of the act of 1933 to the extent that the President in his discretion determined to expend it in that way.

Mr. AUSTIN. Very well. If he made the determination that direct relief was necessary, as mentioned by the Senator from Michigan, he would find in section 4 of the act of 1933 a specific allotment of funds for that purpose, would he not?

Mr. STEIWER. And in other sections.

Mr. AUSTIN. And in other sections of that act?

Mr. STEIWER. Yes; he would.

Mr. AUSTIN. Therefore, this amendment is not subject to the criticism that the first exception in the amendment totally destroys the specification of the second exception in the amendment, is it?

Mr. STEIWER. No; I think it is not subject to the criticism which the Senator just made; but I also believe that the exception with which we are dealing does not transform this act from something which is entirely vague to something which is entirely definite.

Mr. AUSTIN. I shall be very glad to hear the Senator's remarks on that point.

Mr. STEIWER. We had just as well know what we are doing by the enactment of the pending legislation, and we had just as well, in plain terms, find out what it is that is authorized by it.

The exception to which the Senator from Vermont has referred, and concerning which a question was asked by the Senator from Michigan, is, of course, of the utmost importance, because the extent to which it will be employed in the expenditure of the appropriation rests entirely in the discretion of the President. The language is:

> Except as to such part of the appropriation made herein as the President may deem necessary—

And so forth.

Mr. President, if the President finds, as is suggested by the Senator from Michigan, that there is a great difficulty in providing projects for work relief, and that there is a telling and immediate necessity for direct relief, he may, of course, use the whole appropriation under the terms of the Federal Emergency Relief Act of 1933. The only possible limitation upon his power in that regard is that the act by its terms expires on May 12 of this year; but if it is to be extended, as we were told by the chairman of the committee, then its life, as extended, would run concurrently with the effective period of the pending joint resolution, and the power of the President to divert this money to direct relief would continue throughout the life of the joint resolution.

Mr. GLASS and Mr. VANDENBERG addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Oregon yield; and if so, to whom?

Mr. STEIWER. I yield first to the Senator from Virginia.

Mr. GLASS. The Senator is now discussing an impossibility. Does he think, in view of the fact that I have inserted in the RECORD a list of 59,000 projects in the various States, involving an expenditure of eight and a half billion dollars, that the President will experience any difficulty in the world in finding projects upon which to expend the money?

Mr. STEIWER. He will experience no difficulty in having projects submitted; I agree thoroughly with the Senator from Virginia on that score; he will be literally submerged; he will be overwhelmed with projects. The planning commission has already accumulated a vast array of projects, and among them are some meritorious projects. However, projects require engineering services. Many of these projects are not immediately ready for construction. Some of them will have to be let to contract. The operation of letting to contract takes time. The time necessary for professional investigation, for doing the engineering work or the architectural work, as the case may be, and in providing arrangements for contracts, and other incidentals, even though the President is overwhelmed with projects, is going to take a very considerable time. I find little reason for the belief that in 30 days or 60 days or 90 days the three and a half million unemployed will be placed upon work relief. It occurs to me that, for many months to come, a large portion of the three and a half million will be cared for by direct relief.

Mr. VANDENBERG. Mr. President——

Mr. STEIWER. I yield to the Senator from Michigan.

Mr. VANDENBERG. The situation discussed by the Senator from Virginia [Mr. GLASS] is not the situation which disturbs me. I quite agree that there is no lack of projects; on the contrary, the projects have vastly multiplied beyond any possibility of meeting them. My fear is that, even under the most optimistic prospectus of the most zealous advocates of the joint resolution, it can be demonstrated that three or four hundred thousand people in my State of Michigan, for example, will be outside and beyond any assistance under the work-relief program. My concern is that, regardless of the work-relief program, and even though it operates to a maximum of benefit, the President will ultimately find himself inevitably faced with the need of using perhaps half the sum for direct relief; and what I want to be perfectly sure of is, if that situation shall develop, that there will be no limitation upon the President with respect to that sort of subdivision of the fund.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Idaho?

Mr. STEIWER. I yield.

Mr. BORAH. Mr. President, I think the outlook as indicated by the Senator from Michigan probably forecasts the situation which will really confront us, but does not the pending joint resolution give the President ample power to use this fund, and all of it, if necessary, to take care of the people who need relief? If he cannot find projects—and I do not think he can right away—nevertheless he will have the power under the joint resolution to utilize the money to relieve the people who are out of employment. Is not that true with reference to the joint resolution?

Mr. STEIWER. I agree with the Senator thoroughly. It seems to me that there is no limitation upon the authority of the President to use any part of the appropriation for direct relief.

Mr. BORAH. Mr. President, the one feature with regard to this measure which induces me to think favorably of it—speaking now of its final disposition—is the fact that I am convinced that we are not going to liquidate unemployment within any reasonable time. In my judgment, we are going to have next year an unemployment situation as serious as that which now confronts us. Therefore, we are really appropriating this money to take care of the people who have no work, and who will not be able to find work, and we are simply voting, in a large measure, to feed these people for another year. That is what we are doing. Let me say, before I conclude, that we must make provision—there is no alternative—for the people must be taken care of; and I would not have any hesitancy at all in voting for any adequate sum of money to enable the President to feed the hungry; and that is really what we are doing. If it were not for the relief matter, I certainly would look differently upon the bill.

Mr. GLASS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Virginia?

Mr. STEIWER. I yield.

Mr. GLASS. It has been estimated by the administration that $880,000,000 will be required for direct relief. The other primary purpose of the bill is to take people off the direct relief roll and to restore, if possible, their self-respect and their morale by putting them on work relief, and for that purpose $4,000,000,000 is proposed to be authorized.

Now I wish to call to the attention of the Senator from Oregon that the preliminaries are not in the chaotic state that one might infer from his remarks. When Secretary Ickes appeared before the committee having in charge the pending measure, he said:

> We have pending now, in Public Works, non-Federal projects totaling about $2,000,000,000. Since February 28 we have not received any new projects, because we saw that we were shortly to run out of funds, and it did not seem fair to the municipalities to encourage them to submit projects when we could not do anything about it.
>
> Senator ADAMS. What is the status of those projects?
>
> Secretary ICKES. They are pending.
>
> Senator ADAMS. Have they been investigated or are they under process of investigation?
>
> Secretary ICKES. These have come through our State engineers. They have been investigated so far the State engineer is concerned. Many of them have also been investigated by our organization here.

So it seems to me there will be experienced no difficulty whatsoever in expending this money.

Mr. BORAH. Mr. President, will the Senator from Oregon permit me another interruption? Then I will not interrupt him again.

Mr. STEIWER. I yield.

Mr. BORAH. The President has expressed his desire to take men off the relief roll and to put them to work; I presume everybody is in sympathy with that idea, and I have no doubt that the President of the United States will undertake to do that if it is possible to do it; but when we consider, Mr. President, that we now have from eighteen to twenty million people on the relief roll, and from ten to eleven million people unemployed, I am convinced that $800,000,000 will not take care of these people during the time in which it will be necessary to take care of them, before we can possibly put any considerable number of them to work.

Therefore, the part of the joint resolution which appeals most to me is that part which gives discretion to the President to continue to take care of and to feed the people who are going to continue to be unemployed.

Mr. GLASS. It does give him that authority.

Mr. BORAH. Exactly; and that is what appeals to me.

Mr. VANDENBERG. Mr. President, may I ask the Senator from Oregon a further question?

Mr. STEIWER. I yield to the Senator.

Mr. VANDENBERG. If I understood him correctly, the Senator from Oregon depends upon the subsequent reenactment of the 1933 law for the authority which he asserts the President would have to make this diversion for direct relief. Is that correct?

Mr. STEIWER. Not entirely. That law is in effect at this time, and the President, of course, could act under it when the pending joint resolution shall have been enacted.

Mr. VANDENBERG. When does that law expire?

Mr. STEIWER. By express limitation, it expires on May 12, I think.

Mr. JOHNSON. Mr. President, if the Senator from Oregon will pardon me, the law under which Mr. Hopkins is administering relief will expire on the 12th day of May.

Mr. STEIWER. That is correct.

Mr. JOHNSON. The P. W. A. law will expire sometime in June. The exact date escapes me for the moment.

Mr. STEIWER. It expires on the 16th of June, being a part of the N. I. R. A.

Mr. VANDENBERG. Will the Senator tell me, then, is it his view that, after those expiration dates, the authority of the President to use this money for direct relief will cease except as those particular statutes shall be extended?

Mr. STEIWER. His authority to use it after May 12 would cease under the terms of that act in the event that law is not reenacted. The Senator must remember that in the first part of the section, at the beginning of the joint resolution, it is provided that "in order to provide relief and work relief" this money is appropriated. I think the argument might very well be made that the President would have the authority to use the money for direct relief in any event; but the act to which we are referring is an act both for relief and for work relief. He could not, therefore, after May 12, continue work relief under the act of 1933, unless that act is extended.

Mr. VANDENBERG. In the judgment of the Senator, is the expenditure of money for direct relief under the joint resolution contingent in any degree upon the ultimate reenactment of other laws?

Mr. STEIWER. Not for direct relief but it is contingent upon the reenactment of the Emergency Relief Act of 1933 in order to enable the President to use the appropriation for the other purposes including work relief, unless the work is on projects enumerated in these categories. The principal effect of the failure to reenact the Emergency Relief Act of 1933 would be to leave the President with no spending powers except under the authority of the pending joint resolution. He would then be empowered to extend direct relief and to provide work relief under the provisions of the committee amendment on page 3 of the resolution, but not under the provisions, of course, of an act or a law which had lapsed.

It makes very considerable difference because under the Emergency Relief Act of 1933 there were no limiting provisions restricting the President to certain amounts of expenditures for certain classes of projects. That was an act which permitted grants to States for relief and work relief without any limitation at all as to the character or class or location of the projects which were to be undertaken.

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from New York?

Mr. STEIWER. I yield.

Mr. COPELAND. The Senator is expressing much the same thought I mentioned to the Committee on Appropriations, that there should be a limitation of 20 percent on each individual item in the joint resolution.

Mr. STEIWER. That is correct.

Mr. COPELAND. Does the Senator interpret the language on page 3, about the cut of 20 percent, as applicable also to the $880,000,000 for direct relief?

Mr. STEIWER. Does the Senator mean the proviso commencing in line 21?

Mr. COPELAND. Yes.

Mr. STEIWER. Unless my amendment shall be adopted the proviso applies to the entire appropriation.

Mr. COPELAND. I may say that as the Senator knows and as the Senate knows, my great concern is with the unemployed in the cities. When I made my plea the other day, a Senator, I believe the Senator from South Carolina [Mr. BYRNES], called my attention to the fact that the $300,000,000 for professional and clerical workers might be used for the relief of some of the city unemployed.

It is interesting in this connection to observe the comment in last evening's New York Sun. It is very brief, or I should not presume to interrupt the Senator to read it:

> Although the administration's work-relief bill, now before the Senate, embraces an appropriation of $300,000,000 to provide employment for professional men and women who are destitute, the President was unable today to suggest any type of public project that might offer suitable occupation to such persons.
>
> Laughingly he declared that he knew what he would like to do with some doctors and lawyers.
>
> "Put them to work on the rock pile?" suggested a helpful correspondent.
>
> Chuckling heartily, the President nodded in apparent assent.
>
> Becoming serious, the President admitted frankly that he could not think at the moment of any project that might be undertaken under the new public-works bill that would provide suitable employment for professional persons, and he characterized the question as a tough one.

There can be no question, and it is the whole objection that I have to the measure, that there is no provision in the joint resolution for the class of unemployed, so numerous in my city, that I mentioned the other day—milliners, dressmakers, manicurists, nurses, clerks, as well as doctors, lawyers, and engineers. There is no provision in the joint resolution which will help them.

Despite the fact that $300,000,000 are proposed to be provided, the President, according to the statement which I have read from the New York Sun, concedes that it is a "tough question" as to what should be done about it. That $300,000,000, under the terms of the joint resolution as now written, might be taken away in its entirety to build elevated structures or do some other work in my city or some other city.

I am in full sympathy with the Senator's idea that if we have to have such a break-down as is proposed, and if we must appropriate what to my mind is an outrageous sum, there should certainly be some limitation upon the amount which should be or could be taken from any specific project, particularly the one to which I have referred in the aid of professional and clerical workers.

There ought to be some limitation as to the amount which could be taken from a given project because it is a "tough question" as to what may be done with these workers. There must be found some way to furnish employment or to afford relief to this great group of workers who cannot engage in building roads or elevated structures or grade separation, who are not suited by training or by physique to do that sort of thing. In many instances—I think perhaps the majority—they are women who certainly will not be benefited by the joint resolution as it is now written.

Mr. BYRNES. Mr. President, will the Senator from Oregon pardon me for an interruption at this point?

Mr. STEIWER. In just a moment. First, let me reply to the Senator from New York.

In the language of the amendment it is that—

> To provide such increase the President may reduce the allocations hereinabove set forth in an amount not to exceed 20 percent of the amounts provided for any such classes.

Whether that is the best method of correction or whether that is the correct percentage, I do not know, and I do not want to be too dogmatic. It is the one that occurred to me. It does provide some degree of protection against doing away entirely with any of the categories and leaves an assurance that there shall be a substantial sum of money which may be devoted to the purpose in which the Senator from New York is so greatly interested.

Mr. COPELAND. I am in full agreement with the Senator from Oregon because, as he knows, I offered an identical amendment in the committee. It seemed to me then that the amount of money provided in this break-down, except

in this one item, has no possible value to the relief of unemployment in the great centers like New York City.

Mr. BYRNES. Mr. President, will the Senator now yield to me?

Mr. STEIWER. If the Senator from New York has concluded, I yield to the Senator from South Carolina.

Mr. COPELAND. I have concluded.

Mr. BYRNES. I simply want to call to the attention of the Senator from New York the fact that yesterday, while he was not in the Chamber, the Senator from Wisconsin [Mr. LA FOLLETTE] placed in the RECORD a statement showing the number of professional and clerical workers employed on relief projects in the city of New York and the State of New York, and showing also the manner in which they are employed. I think the Senator would be very much interested in that statement, which appears in the RECORD of this morning, at page 3541, and shows exactly the number of nurses and others who are engaged in public-health work. It also gives the Senate the assurance that if this section should be approved the number could be extended to a considerable extent. I know the Senator will be glad to read the statement.

Mr. COPELAND. Mr. President, if the Senator will permit me, I do not need to read any figures. All I need do is to go to New York, and there in my own office interview scores of persons of the type mentioned. There is no possible work for them at the present time; and, so far as I am concerned, I cannot see how this $300,000,000, if it were to be used, would help the country. That sum alone would not be more than enough to take care of this class of persons in my city alone during the period covered by the joint resolution.

So, regardless of statistics, the human element enters into the equation; and I wish to see the Senate, if it will, enact some sort of legislation which will make provision for those human beings who need help and who must be helped, besides the building of projects in remote sections of the country which will not help the industrial centers.

If the Senator from Oregon will bear with me for just a moment further, I have no objection to the various activities proposed here. I should be glad to have some of this money, indeed, a large part of it, spent in my State; but far more important than these permanent structures is the relief of human suffering and the restoration of morale.

I desire to say again that the very Government to which we subscribe and in which we believe is threatened by the situation as it exists today. If I thought the expenditure of this vast sum would give the relief for which we hope, I should be glad to vote it, although it does strain the Treasury; but there is not in the joint resolution, as I see it, relief for such communities as my own.

Mr. STEIWER. Does not the Senator see the necessity for direct relief for the people about whom he is so concerned?

Mr. COPELAND. I can see no hope for them except by direct relief. The Senator from Oregon is seeking to preserve the possibility of that direct relief by what he is proposing, and I shall vote for his amendment because it helps a little; but even then it does not do what we hope for, although it is a step in that direction.

Mr. STEIWER. Mr. President, first let me say that I am not a very earnest defender of this joint resolution in its present form, as the Senator knows; but, whatever may be its faults, it does provide adequate money for direct relief, as was suggested by the Senator from Idaho; and I think every Member of this body wants it to provide adequately for direct relief.

Now, let me summarize what I believe to be the proper understanding of this section as affected by the pending committee amendment.

In the first place, it leaves in the President an unrestricted right to expend, within his full discretion, as much as he may desire from the entire fund for direct relief.

Second. It gives to the President discretionary power, during the life of the Federal Emergency Relief Act of 1933, and during its continued life, if it is continued, to expend the full amount of this appropriation for the purposes enumerated in that act.

After those two purposes shall have been exhausted, if there is money left, it may be expended for the several categories set out in the committee amendment.

In answer to the proposition that the amended joint resolution contains no limitation upon the right of the President to expend, and realizing that those limitations are nebulous and uncertain, I nevertheless insist that the joint resolution does provide some limitation. The President may deal in terms of direct relief; he may spend money under the Federal Emergency Relief Act of 1933; or he may expend money for any of the several categories named in the committee amendment found upon page 3. In addition to that, he may expend under the separate provision contained in the amendment upon page 4. But after the President has exhausted the possibilities of these several powers, he will then come to the end of the powers conferred upon him by the joint resolution; and although the boundary may be out beyond the horizon, and may be difficult to define and hard to understand, nevertheless it is true that there is some sort of a boundary, and there is some support for the viewpoint of the Senator from Vermont [Mr. AUSTIN] that the joint resolution is no longer a grant of money to a person to be used entirely in the discretion of that person. The argument which I presented on an earlier day that the President could in his discretion nationalize the railroads or the electrical utilities under the powers of the pending resolution is no longer tenable. Power so to do is not included in the broad authority delegated under the terms of the committee amendments.

Mr. President, I make no quarrel with the exterior boundaries of powers which the amended resolution confers upon the President. If it is sound policy to resort to work relief, and to tap the Treasury of the United States for this enormous sum of money, I suppose it is inevitable that we give to the President powers within a very wide scope in which to expend the money. I do, however, find some reason for criticism of the committee amendment upon page 3 for its distribution of powers within that boundary. That is to say, I find some criticism of the latitude which is allowed in changing money over from one use to another use; and that brings me immediately to the proviso at the bottom of page 3, and to the amendment which I have sent to the desk.

That proviso, as Senators know, is to the effect—

> That not to exceed 20 percent of the amount herein appropriated may be used by the President to increase any one or more of the foregoing limitations if he finds it necessary to do so in order to effectuate the purpose of this joint resolution.

The 20-percent latitude allowed to the President under that proviso is in itself a very considerable sum of money. It is, I think, $941,000,000. In that connection, probably I ought to say at this point that the joint resolution is no longer a joint resolution for $4,880,000,000. That was the amount it provided at the time it was introduced in the House of Representatives; but, inasmuch as the total sum was made up of an appropriation of $4,000,000,000, together with certain unexpended balances providing the other $880,000,000, we find that those balances have been reduced since the joint resolution was introduced in the House of Representatives. They have been reduced by the diversion of money for relief purposes under Executive order of the President. I am advised by Mr. Bell, the Acting Director of the Bureau of the Budget, that up until yesterday the total amount diverted to those uses was $175,000,000. Today, I think, or possibly tomorrow, it is expected that $80,000,000 more will be diverted from these unexpended balances. So at this time, instead of providing $4,880,000,000, the joint resolution provides $4,705,000,000, and that amount may be reduced, as I have just said, by $80,000,000 under Presidential order.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER (Mr. BAILEY in the chair). Does the Senator from Oregon yield to the Senator from Virginia?

Mr. STEIWER. I do.

Mr. GLASS. I confess that the chairman of the committee was not given as much information about the joint resolution as he might have been given, and as he, with his sensitive

nature, thought he should have been given; but he was told by the President, and he in turn told the committee, that it was the purpose of the President to pay back the money that had been thus diverted to the agencies from which it was diverted.

Mr. STEIWER. That, I think, is true; but that will not increase the amount of the appropriation. That will reduce the amount of the appropriation to an additional extent, because the appropriation is determined by the amount that is added to the $4,000,000,000 from the unexpended balances. If they are no longer available, the appropriation then becomes smaller in amount; and if, in addition to that, the Executive finally takes out of the appropriation enough to repay some moneys that have been diverted, it is clear to me that the appropriation ultimately will be still further reduced, but I am not too sure about that.

The information I have received from the Bureau of the Budget is to the effect that $57,000,000 of the $175,000,000 diverted was taken out of the item of $899,675,000, which is referred to in line 23 of page 2 of the joint resolution, and $118,000,000 of the $175,000,000 was taken out of the item of $3,300,000,000 found in line 18 of page 2 of the joint resolution. Senators, of course, will recognize the last amount as the sum provided for the P. W. A. under the act of June 16, 1933.

Mr. HASTINGS. Mr. President——

Mr. STEIWER. I yield to the Senator from Delaware.

Mr. HASTINGS. If I understand correctly the explanation which the Senator has made of his amendment, it is, first, that the President may transfer the whole sum and administer it under the Federal Emergency Relief Act of 1933, and that the Senator's amendment does not in any way affect that.

Mr. STEIWER. That is true.

Mr. HASTINGS. Secondly, that the President may use it as is provided on page 4, in the last paragraph of section 1, to the effect that—

> Funds made available by this joint resolution may be used in the discretion of the President, for the purpose of making loans to finance, in whole or in part, the purchase of farm lands * * *.

As I understand, the Senator's amendment would not in any way affect the right of the President, as I have said, first to transfer all the money appropriated by the joint resolution to the Federal Emergency Relief Administration; and, secondly, to use it all in financing the purchase of farms, and so forth; but in case he does not use more than the original $880,000,000 for each of those purposes he will have $4,000,000,000 distributed and allocated as is provided on page 3. The purpose of this amendment, assuming that $4,000,000,000 is to be used for these particular items, is that not more than 20 percent may be taken from any one of them, and not more than 20 percent may be added to any one of them; and in that way the Senator proposes, if you please, to compel the President to spend all of the $800,000,000 for roads.

Mr. STEIWER. No; but may I interrupt there? The President still is not compelled to expend it. He could leave it unexpended if he desired to do so.

Mr. HASTINGS. But if he shall spend it for public works, certainly it is intended that he shall expend it for the purposes mentioned.

Mr. STEIWER. Yes.

Mr. HASTINGS. Therefore, if he were going to spend it for public works, he would be compelled to spend $800,000,000 for highways, less 20 percent, if the Senator's amendment should take effect. Is not that true?

Mr. STEIWER. He could expend for highways $800,000,000 plus 20 percent if he desired to do so, or he could expend $800,000,000 less 20 percent if he desired to do so, or he need not expend it at all.

Mr. HASTINGS. Would he still be in a position to leave out public highways entirely, and not be compelled to spend anything on them? I thought that under the amendment he would be compelled, if he used $4,000,000,000 of this money for work relief, to spend the entire $800,000,000 for that purpose, with the reduction of the 20 percent. If that be not true, it seems to me the amendment is not as effective as I had hoped it would be.

Mr. STEIWER. I know of no way of compelling any executive department to expend money. Any moneys appropriated for the War or the Navy Department or for any other department may not be expended if the spending agency shall determine not to make the expenditures, and I did not want to undertake the responsibility of providing a mandatory provision that the President should spend money for projects which he might not consider worthy.

Mr. AUSTIN. Mr. President, will the Senator yield to me?

Mr. STEIWER. I yield.

Mr. AUSTIN. I ask the Senator from Oregon whether he has considered that there is a limitation on the amount which may be expended under the amendment on page 4, namely, $500,000,000, plus approximately 20 percent of the $500,000,000, if the Senator's amendment should be adopted? Has the Senator considered that there is such a limitation, in view of the language "funds made available by this joint resolution"? That is to say, looking back into the joint resolution, we find that the only funds made available for the category of work mentioned in the amendment on page 4 are "rural rehabilitation and relief in stricken agricultural areas, $500,000,000", in lines 13 and 14, on page 3 of the joint resolution.

Mr. STEIWER. The history of the amendment found on page 4, to which the Senator now refers, as I recall it, is that it was not offered as a part of the amendment on page 3, but it, or something substantially identical with it, was agreed to in committee when the joint resolution was first in the Committee on Appropriations. It was agreed to separately. It had no relation at all to these categories referred to on page 3, and therefore the reference to money which is available means the money which is provided by appropriations under section 1 of the bill.

Mr. AUSTIN. Mr. President, will the Senator permit another question?

Mr. STEIWER. I yield gladly.

Mr. AUSTIN. When the joint resolution shall be engrossed and the parts stricken out by the amendment shall be entirely deleted, and this paragraph shall be put together with the preceding paragraphs, I ask the Senator whether he does not think that any executive officer, or any judicial body called upon to interpret the act so put together, will find that that use was limited to a maximum amount of money?

Mr. STEIWER. My judgment upon that score is no better than is the judgment of the Senator from Vermont; but inasmuch as the language is ambiguous, and there is no definite reference to what is intended by the phrase "funds made available", it has seemed to me that it would become somebody's duty to look up the history of the joint resolution and find out what the legislative purpose was.

Mr. AUSTIN. Then the Senator would not construe the word "funds" in exactly the same way that he would construe the word "fund"?

Mr. STEIWER. I think it means the entire appropriation provided by the joint resolution.

Mr. AUSTIN. And the word "funds" and the word "fund" would not be given the technical meaning found in jurisprudence?

Mr. STEIWER. I do not think so; but I do not pretend to be an authority to that extent.

Let me hasten along now in order that I may conclude what I am saying. I just concluded the statement that the joint resolution in its reduced form provides $4,705,000,000. Twenty percent of that amount is $941,000,000. Let us see what it is we are doing if we agree to the committee amendment without the change which I have proposed.

It means, in effect, that we provide for highways, roads, streets, and grade-crossing elimination, a sum stated at $800,000,000; but it may be increased by Executive order to the extent of $941,000,000, or there may be a total of $1,741,000,000.

The practical effect of that kind of situation is that the President need not expend any money for highways, but he might expend any amount between $1 and $1,741,000,000.

The same kind of calculation may be made with respect to the other items of the category. With respect to rural rehabilitation and relief in the stricken agricultural areas the President might, if he saw fit, under the amendment as it is now proposed by the committee, add the $941,000,000 to the $500,000,000, and expend a total of $1,441,000,000.

The same is true of rural electrification. Instead of spending $100,000,000, the President might, if he desired, spend $1,041,000,000.

For housing, instead of expending $450,000,000, he could expend $1,391,000,000.

For the projects in which the senior Senator from New York [Mr. COPELAND] is so much interested, the projects for professional or clerical persons, the President could expend, instead of $300,000,000, a total of $1,241,000,000.

For the Civilian Conservation Corps he could expend a total of $1,541,000,000.

For public projects of States and political subdivisions he could expend the grand total of $1,841,000,000.

For forestation, flood-control, and miscellaneous projects he could expend a total of $1,291,000,000.

Mr. President, I have not enough confidence in the ability to find worthy projects to believe that the President would see fit to make any of these expenditures in the amounts that are here named, but I do suggest to the Senate that if we seek by appropriate language to break down expenditures under the joint resolution, and turn it from a grant to a person, as described by the Senator from Vermont, to an appropriation bill under which the Congress fulfills its mission and performs its function, we will have to make the expenditures within narrower limitations than those I have just read; and that is the purpose, and the entire purpose, of the amendment which I have offered.

I am most certain that the amendment would not affect the power of the President to divert money for the purpose of direct relief. It would not affect his power to use the money under the Emergency Relief Act of 1933. It would have only one effect—that is, to the extent that the President is able to use the money in work relief on projects, instead of giving him a latitude of $941,000,000 in diverting money from one class of projects to another, it would give him a latitude of 20 percent of the amount which the Congress appropriates for any particular class of project. That is to say, the President could increase any of these maximum limitations by 20 percent of themselves and, in doing so, he could decrease any other of the categories by the amount of 20 percent of itself.

I offer the amendment only in the interest of certainty and for the purpose of defining, within some reasonable terms, that which the spending power is to undertake to do. I offer it merely to get away from the charge that the joint resolution creates almost a boundless power, that it leaves to the Executive almost unrestricted discretion, and in order that the Congress may take its share of the responsibility and, by enactment in terms that are at least reasonably definite, provide a formula as to the spending powers of our Government and require a program to which the Executive may adhere.

Mr. HASTINGS. Mr. President——

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Oregon yield to the Senator from Delaware?

Mr. STEIWER. I yield.

Mr. HASTINGS. Mr. President, I am wondering what would be the situation if the Senator's amendment were adopted and the President, instead of spending $705,000,000 for relief, should find it necessary to spend a billion seven hundred and five million. Would not that automatically reduce the various amounts allocated to the items specified?

Mr. STEIWER. It would.

Mr. HASTINGS. Does that in any way affect the Senator's amendment?

Mr. STEIWER. No; my amendment would not affect that situation at all. My amendment would not affect the power of the President to provide direct relief at all or to determine how much money should be expended for direct relief. It merely provides that, for the purpose of increasing the appropriations for these several categories of work projects, the President may not decrease another category by more than 20 percent; and if the Senator will read the language of the proposal which I have sent to the desk, he will find that it relates to these classes of projects set forth on page 3, and these classes only, and does not refer to any other part of the joint resolution.

Mr. HASTINGS. In other words, if the total appearing on page 3 were reduced to $3,000,000,000 instead of being $4,000,000,000, or by 25 percent, the amendment would be as effective as though the amount were four billion?

Mr. STEIWER. I so intended.

Mr. HASTINGS. I thank the Senator.

Mr. VANDENBERG. Mr. President, in the course of the able discussion of my distinguished friend the Senator from Oregon [Mr. STEIWER], I interrupted him to inquire about the direct-relief factor which would remain in the joint resolution in the event the limitation proposed by him were voted. I wish very briefly to demonstrate by these supplementary observations the thing that is in my mind, because it seems to me that it lays a challenge to the Senate which is by far the most fundamental criticism that can be made in respect to the insufficiency of this empty promise to take care of the victims of the depression. I mean all the victims, and not just a favored portion of them.

Mr. President, there is no doubt in my mind whatever about the availability of sufficient so-called "work projects" upon which to spend $4,000,000,000. That is in no sense the point I am raising. Of course, there are sufficient so-called "projects" upon which to spend $4,000,000,000 and many times this giant sum. Indeed one of the vices of this situation is the fact that it is unwittingly deceiving thousands of local American communities into an empty belief that they have a chance to get some kind of a work project and to share in this program, when, in truth, never in this world is it going to be possible in most of the instances involved.

Mr. GLASS. Mr. President, would not the Senator be willing to add that they ought not to get it?

Mr. VANDENBERG. I entirely agree with the Senator from Virginia under existing circumstances. Federal work-relief projects should be of a nature permanently and usefully contributing to the public values. But the point I am stressing——

Mr. GLASS. For example, I may say to the Senator from Michigan that there are projects from my own State the estimated cost of which will be five times the present indebtedness of the State.

Mr. VANDENBERG. Mr. President, that is precisely what I am saying, and I will give the Senate a kindred exhibit from my own State of Michigan. I have in my hand an Associated Press dispatch from Detroit under date of March 10, which announces that 12,000 ambitious Michigan projects already have been listed for this public-works program. In every one of these instances some local group or committee has been given to believe or to hope that there is some sort of a chance that their particular project is going to be the beneficiary of the President's judgment when this potluck appropriation purse is divided up. Twelve thousand projects, totaling a billion and one-half dollars in one State!

Mr. President, if Michigan were to get its pro rata share of this fund on a population basis, that would be 4 percent of the fund. Four percent of $4,000,000,000 is $160,000,000. If we were to get our pro rata share of the fund on the basis of the unemployment census, we would get 6 percent of the fund. That would be $240,000,000. There is not a Chinaman's chance that we will get our pro rata share of the fund under either heading, because we never do, as a matter of cold reality.

Furthermore, the immediate situation is further complicated by the fact that the Public Works Administrator is

requiring of our State legislature that it pass certain State laws before we can qualify for our share of the Federal benediction, and the attorney general of Michigan is asserting that many of the laws he is asking violate the constitution of the State of Michigan.

But even though all these incidental hazards are removed, I repeat, if we could get our full proportionate share of the $4,000,000,000 it would be, at the outside, $240,000,000 worth of public works. It would probably be in the neighborhood of $160,000,000 worth of public works at a maximum. Yet here listed at the moment and held out to the people of my commonwealth as a prospectus upon which they have a right to hopefully lean, is a suggestion that 12,000 Michigan projects, involving the expenditure of one and one-half billion dollars, are just around the corner where prosperity is supposed to have been lurking so many months and years.

That is an unwitting deception. Whether it be a deception or not, it means an ultimate cruel disillusionment on the part of thousands of our citizens and thousands of our communities. Worse, it will mean a bitter disillusionment to hundreds of thousands of our unemployed.

We talk about investigating the propaganda which is bringing protests to us against the holding-company legislation. How about the propaganda under official impulse which is misleading these local communities all over the country to believe that there is some chance for them to participate in the fashion indicated in this grand division of this great prize? The Senator from Colorado [Mr. ADAMS] told us recently that fourteen billions of projects already are listed in Washington, with only four billions of money proposed.

There is no danger of any lack of projects. That is not the point I was stressing when I interrupted the Senator from Oregon. My fear is—and I think it is a demonstrable fear—that even when the $4,000,000,000 Public Works program has gone into operation under the full and complete promise of its most optimistic advocates, it will leave three or four out of five of the victims of this depression outside the pale of its jurisdiction. What becomes of them?

That is the thing I want to bring to the attention of the Senate, because it seems to me it is an utterly serious challenge. We all agree that we must in the final analysis be responsible for all of our people in respect to this relief problem. There is no particular class to which we are more responsible than to another. Now, I want to show the Senate what would happen in the State of Michigan under the most optimistic prospectus of the most zealous advocate of this bill.

I cannot ask the Senate to consider a problem of this nature in terms of localized State application. But, after all, the sum total is merely the aggregate of the various sectors of the Nation and the clinical exhibit which may come from one individual and perhaps typical State, is significant in respect to the total problem.

What do we find with respect to my own State of Michigan? I am submitting to the Senate information coming in part from the Michigan State Planning Commission, which, in my observation, is one of the most dependable and effective instrumentalities which have been created in this emergency.

Mr. President, follow me for just a moment. If there are 10,000,000 unemployed in the United States—and there probably are nearer 11,000,000, according to the statistics of the American Federation of Labor—if there are 10,000,000 unemployed in the United States, and the unemployment census shows that 6 percent of them are in the State of Michigan, our unemployed total 600,000 persons. The unemployed who are on the relief rolls at the present time total approximately 350,000 persons.

Now exhibit A: The only persons for whom work relief is to be provided under the plan of this joint resolution are persons who are now on direct relief. Therefore, the first classification which we confront in the State of Michigan outside the pale of this relief is the difference between 350,000 and 600,000, or 250,000 unemployed persons. That is exhibit A. These are the unemployed who are still fighting their battles on their own fast-disappearing resources, and who soon must themselves have help.

Exhibit B: If we receive our 4 percent pro rata share of the employment produced out of this promised program, which in sum total is supposed to put 3,500,000 men to work—if we get our 4-percent share based upon our relative population, we would have an employment of 140,000 of our unemployed who are now on relief. Very well. When you employ 140,000 who are now on relief you have left 210,000 unemployed who are on relief at the present time. So these two classifications represent 210,000 plus 250,000, or 460,000 persons, who fall outside the pale of this legislation. What, I repeat, shall happen to them? How can we pretend that this bill answers our problem when it answers no problem for this great group of innocent victims of the depression?

Mr. STEIWER. Mr. President, will the Senator yield at this point?

Mr. VANDENBERG. Permit me to finish my computation.

Then there is a third classification. The Michigan Planning Commission reports that in 18 percent of the families on relief in Michigan at the present time there is no employable person. So, Mr. President, we thus have these three classifications, which are not included to be served by this joint resolution, even under the most optimistic prospectus of its most zealous advocate—namely, 250,000 persons unemployed who are not on relief, 210,000 unemployed persons who are on relief, and 18 percent of all the relief families in Michigan among whom there are no employable persons whatever.

I now yield to the Senator from Oregon.

Mr. STEIWER. Mr. President, I did not follow the Senator in his calculations. He used the figure "210,000." Do I understand him to say that there are 210,000 persons in Michigan today on direct relief who would remain on direct relief under the assumption which he makes that Michigan would get her share of this fund in accordance with population?

Mr. VANDENBERG. That is correct; and therefore it is the climax in calamity to contemplate the withdrawal of this relief, as planned by this program.

Now, Mr. President, one other element in the calculation must be the so-called "contribution" which is to be made by the indirect employment of persons as the result of this expenditure. But a careful study of the classification and the geography of our unemployed in Michigan reduced to a minimum the possibility of this collateral employment.

Mr. GLASS. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Virginia.

Mr. GLASS. I do not care to answer the Senator's conclusion, but I am a little anxious to know if he is in favor of increasing the total amount to $12,000,000,000 in order to take care of situations of that kind.

Mr. VANDENBERG. No, Mr. President; because it would crack the public credit and end all promise of recovery for anybody. I think we are driven to certain irresistible conclusions, whether we like them or not, and I think that my conclusions will substantially agree with those of the Senator from Virginia, if I may be permitted to reach them in just a moment.

Mr. President, in contemplation of the fact that the joint resolution, even when operating as a work-relief measure at the maximum of its efficiency, as prophesied and promised by its advocates, cannot hope to take care of, let us say, conservatively, more than 2 out of 5 of the unemployed in Michigan, I want to know what is going to happen to the other 3 out of 5 in Michigan? Is it contemplated that the other 3 out of 5 shall be returned to direct relief, dependent upon local resources—State resources, city resources? If it is, that is a broken reed to lean upon, because these local resources, in many instances, are exhausted by specific charter or constitutional limitations, or for other reasons. We cannot shake off the 3 out of 5 from participation in the Federal sustaining power which it is proposed to direct

to what is promised as the concluding chapters of this depression. We cannot escape our responsibility to the 3 out of 5. It is precisely the same responsibility as that which we confront in respect to the 2 out of 5. So I come to the conclusion, Mr. President, that we cannot hope to rely primarily upon a work-relief program in order to meet this situation. It is a physical impossibility, in the face of the census of the unemployed which we confront. I do not believe the situation in Michigan greatly differs from the situation in other large States where the bulk of unemployment exists.

It is not a question of whether or not we would like to substitute work relief for direct relief. I think we would all most enthusiastically substitute work relief for direct relief if we could see our way through. But I am asserting that, in the face of facts submitted to me by the Michigan Planning Commission, I cannot escape the conclusion that our primary reliance must be upon direct relief, and that our emphasis must be transferred from work relief to direct relief. The paradox is that direct relief cares for more persons at less expense, and thus stretches our dwindling Federal resources over the largest field of aid.

Mr. KING. Mr. President——

Mr. VANDENBERG. I yield to the Senator from Utah.

Mr. KING. I do not think the Senator intended by his statement—and I do not want to misunderstand him—to mean that there is no obligation resting upon the States or local communities to make contributions for relief in this critical situation?

Mr. VANDENBERG. Oh, no, Mr. President; I meant to indicate nothing of that cort.

Mr. KING. So that the responsibility rests, in part at least, upon the States?

Mr. VANDENBERG. Oh, yes, indeed. My reference was to the unescapable physical fact that the local resources in many instances are exhausted.

Mr. President, if the situation in the State of Michigan is different from the situation in other States, that is our misfortune. But I think we are typical. The senior Senator from New York [Mr. COPELAND] similarly seems to think that there is a particular localized necessity confronting him in the State of New York. I am inclined to think that in all the large and more populous States there is a particular and specific problem involved which is singular to each State. In the face of such circumstances—first, circumstances demonstrating that each State does necessarily have a peculiarly individualistic problem to meet; second, that in many of the States the problem cannot be met by work relief as a primary reliance and that we must continue to maintain direct relief as our primary reliance—it seems to me that the suggestion of the Michigan Planning Commission is absolutely justified, namely that we should take whatever sum we are willing to dedicate out of the Federal Treasury to this problem, allocate it to the States on the basis of the unemployment census, and permit each of the States to dedicate its share of the fund to whatever direct-relief and work-relief program may best fit the problem of the individual State where the problem arises. Thus we shall conquer realities.

If that were done, it would seem to me that the logical thing to do would be to divide the appropriation, which is now a 2-year appropriation, into a 1-year appropriation, so that we can feel our way as we proceed, appropriating half of it for the purpose indicated, direct relief plus work relief, allocate it to the States on the basis of their unemployment census, and administer it by a Federal-State commission in each of the States. I am merely repeating the plan recommended by the Michigan State Planning Commission. This would permit the allocation within the State to be made to fit the particular conditions which may be disclosed within each State. It would permit all persons to be cared for.

Mr. President, in conclusion I want to read, by way of verification, a very interesting letter, which came to me today from the Detroit chapter of the American Association of Social Workers.

Mr. STEIWER. Mr. President, before the Senator does that will he permit an interruption?

Mr. VANDENBERG. Certainly.

Mr. STEIWER. The Senator from Michigan just stated that he did not know whether or not the situation in his State was typical of that in the other States of the Union, and then alluded to the situation in New York. May I call his attention to the fact that it was disclosed in the hearings upon the pending joint resolution that one-third of all the destitute on the relief roll are found in four States, namely, New York, Pennsylvania, Ohio, and Illinois; that one-half of all those on the relief rolls are found in nine States, and that Michigan is numbered among the nine States? So it is quite apparent, from the standpoint of securing projects or not, and from the standpoint of the people realizing their expectation or being disillusioned, as suggested a little while ago by the Senator from Michigan, that Michigan is probably much better off than other States that have less unemployment. In many States of the Union, in the other 39 States that make up the other 50 percent of the relief roll, there is going to be a most tragic disappointment to those people who are looking forward to a great wealth of projects which never can materialize, because the President will be compelled to expend the money in such a way as to achieve his objective, namely, to take 3,000,000 people off the relief rolls and to place them upon work relief; and therefore he will be compelled to put the projects where they will accomplish his object. It seems to me, therefore, that if Michigan is not typical of the other 39 States, it is because, from the standpoint of getting projects, it is better placed than are the other 39 States of the Union.

Mr. VANDENBERG. I thank the Senator for his analysis. As a matter of logic, Michigan always has been entitled to the consideration which he defines; as a matter of practice, we have never been able to get one tithe of any such consideration. Therefore we are unable to proceed in optimistic anticipation.

Mr. STEIWER. It might be better if Michigan were less logical and more practical.

Mr. VANDENBERG. That is the necessity.

Mr. President, I wish to read the letter to which I have referred which comes from a source which anyone would have to respect. It is signed by Mr. Harold Silver, chairman of the Detroit Chapter, American Association of Social Workers. These are the people who are in day-to-day contact with these problems; these are the people who are in the front-line trenches of the battle against the depression; these are the people who know what the problem is at first hand, rather than theoretically from a Washington mahogany desk. Now I read Mr. Silver's letter addressed to me under date of March 11 from Detroit:

> We see danger in the plan of the administration to withdraw from Federal participation in relief by providing a works program to take care of the "employables." It is our opinion that the number who will still require relief will be too large for the States and local communities to provide for, even on the meager basis on which relief is at present being given.

That is precisely the conclusion which I undertook to sustain by the mathematics I submitted. Continuing the letter:

> It seems to us that the first consideration of real security for the unemployed must be an adequate relief program. Such a program cannot be adequate without Federal participation in it.
>
> We approve heartily of a public-employment program, but we believe that it should be quite separate from the relief program, and that it should offer work to all unemployed, regardless of whether or not they are at present on the relief rolls. Work should be in real jobs, paid for at prevailing rates, and workers should be selected on the basis for fitness of work rather than on the basis of need. Otherwise it is bad relief and bad work.

I want to emphasize that phrase; that is precisely what it is. It is either bad relief or bad work. We want neither. Continuing the letter:

> We urge, therefore, that House Joint Resolution 117 be amended so that not less than $2,880,000,000 shall be made available through the F. E. R. A. or its successor as grants to the various States for general relief and assistance purposes. We would welcome also a large additional appropriation for a public employment program.

Mr. President, in the face of this and other testimony from those who are in first-hand contact with the realities of our relief problem, and the presence of the testimony of Mr. Hopkins at page 105 of the committee hearings, I am greatly distressed by the contemplation of what is before the Senate. The testimony to which I refer is as follows:

Mr. HOPKINS. It is not the intention of the President to do anything but liquidate the Federal Emergency Relief Administration at the earliest possible time.

Senator HALE. And leave no Federal agency to take care of direct relief.

Mr. HOPKINS. That is right.

Mr. President, under any such planning as that there will remain in the State of Michigan, and I venture to assert in many other populous States in this country, a problem which will be a heart-breaking one; and there will be cruel disappointment to those who have been led to believe that this joint resolution is some sort of a ticket to the millenium in their behalf. We will not only break their hearts, but we will create in the States a social, if not a governmental, problem which will be far more serious than any which has as yet been confronted.

Mr. ADAMS. Mr. President——

Mr. VANDENBERG. I yield to the Senator from Colorado.

Mr. ADAMS. I wonder if the present situation of the joint resolution is not somewhat different than that which existed when Mr. Hopkins testified it was the intention to liquidate the Federal Emergency Relief Administration. At that time the joint resolution provided that the President could create any new agencies and define their functions and authority and delegate his powers. It occurs to me the testimony of Mr. Hopkins, perhaps, is to be construed in the light of his expectation that there would be created a brand-new agency, which could not be done under the joint resolution as it has been reported to the Senate from the Committee on Appropriations.

Mr. VANDENBERG. The Senator from Colorado may be right. At any rate I cannot escape the conclusion that the joint resolution in its present form pretends to promise $4,000,000,000 worth of work relief for the country. I cannot escape the contemplation that $4,000,000,000 worth of work relief will not patch one side of our problem. Therefore I am driven to the conclusion that we must rely fundamentally not upon work relief but upon direct relief, not only because this will reach the larger field but also because this will conserve the public credit and the public resources to a large degree. For that reason I believe the appropriate course would be to split the joint resolution, and take one-half of it, inasmuch as it is a 2-year measure, and let each State, after receiving its allocation of its share of the fund on the basis of its proportion of the unemployment, use its share to meet its own problem in the way that particular problem exists in reality and on the spot.

One other phase I touch briefly in behalf of such an allocation as I propose. Such an equitable distribution would obviate much of the spread heretofore apparent in the treatment accorded different States by the Federal Government in its relief contributions. For the last 21 months the Federal Emergency Relief Administration has been making grants to States. As reported in the CONGRESSIONAL RECORD for February 22, this Federal contribution to local relief widely varied. It went above 95 percent, for example, in Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, New Mexico, South Carolina, and Tennessee, as compared with 65.6 percent in continental United States as a whole. This Federal contribution was between 80 percent and 95 percent in Arizona, Idaho, Kentucky, Montana, Nevada, North Carolina, North Dakota, Oklahoma, Oregon, South Dakota, Virginia, Washington, West Virginia, and Wyoming. It was between 70 percent and 80 percent in Colorado, Michigan, Minnesota, Missouri, Utah, and Wisconsin. It was between 60 percent and 70 percent in District of Columbia, Illinois, Indiana, Kansas, Maryland, Nebraska, Ohio, Pennsylvania, and Texas. It was between 50 percent and 60 percent in California, Iowa, New Hampshire, and New Jersey. It was between 40 percent and 50 percent in New York, Rhode Island, and Vermont. It was between 30 percent and 40 percent in Connecticut, Delaware, Maine, and Massachusetts. While we must, in a large sense, fit our distribution to whatever needs exist, wherever they exist, there should not be this wide variation in the Federal contribution to the States. Put differently, there should not be this wide variation in the amount of State and local responsibility as compared with the Federal responsibility accepted by the National Government in these local jurisdictions.

Mr. HASTINGS. Mr. President, will the Senator yield to me for a question?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Delaware?

Mr. VANDENBERG. I am indeed glad to do so.

Mr. HASTINGS. I am wondering whether there are likely to be other disappointments under the terms of the joint resolution. I assume that those persons, for instance, who are interested in funds for their particular State are led to believe that $800,000,000 is to be appropriated for highways, roads, streets, and grade-crossing eliminations; that for rural rehabilitation, if they are particularly interested in that subject, they are expecting $500,000,000; for rural electrification, $100,000,000; for housing, whatever that may mean, $450,000,000; and so on. I wonder if they appreciate that there is no assurance of their having any of these things under the terms of the joint resolution?

Mr. VANDENBERG. Of course, there is no assurance, and yet I am certain the net result of the pending proposal is to pretend a certainty which does not exist. It simply keeps the word of promise to the ear and breaks it to the hope. It is a snare and a delusion.

Mr. GLASS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Pope
Ashurst	Costigan	La Follette	Radcliffe
Austin	Couzens	Lewis	Reynolds
Bachman	Cutting	Logan	Robinson
Bailey	Dickinson	Lonergan	Russell
Bankhead	Dieterich	Long	Schall
Barbour	Donahey	McAdoo	Schwellenbach
Barkley	Duffy	McCarran	Sheppard
Bilbo	Fletcher	McGill	Shipstead
Black	Frazier	McKellar	Smith
Bone	George	McNary	Steiwer
Borah	Gerry	Maloney	Thomas, Okla.
Brown	Gibson	Metcalf	Thomas, Utah
Bulkley	Glass	Minton	Townsend
Bulow	Gore	Moore	Trammell
Burke	Guffey	Murphy	Truman
Byrd	Hale	Murray	Tydings
Byrnes	Harrison	Neely	Vandenberg
Capper	Hastings	Norbeck	Van Nuys
Carey	Hatch	Norris	Wagner
Clark	Hayden	Nye	Walsh
Connally	Johnson	O'Mahoney	Wheeler
Coolidge	Keyes	Pittman	White

The PRESIDING OFFICER (Mr. CLARK in the chair). Ninety-two Senators having answered to their names, a quorum is present. The question is on the amendment of the Senator from Oregon [Mr. STEIWER] to the committee amendment.

Mr. HASTINGS. Mr. President, I desire to offer an amendment to the amendment of the Senator from Oregon.

Mr. GLASS. That would be an amendment in the third degree.

The PRESIDING OFFICER. The Chair sustains the point of order. Does the Senator from Delaware desire to have his amendment stated?

Mr. HASTINGS. How does the Senator from Virginia or the Chair know it is in the third degree until it has been read?

The PRESIDING OFFICER. The amendment will be read for the information of the Senate.

The LEGISLATIVE CLERK. It is proposed to insert at the proper place in the amendment of the Senator from Oregon the following:

If the amount for work relief as above provided shall be reduced below the sum of $4,000,000,000, then each of the above-mentioned items shall be reduced in amount in the same proportion.

The PRESIDING OFFICER. Does the Senator from Virginia make the point of order?

Mr. GLASS. I do. It is an amendment in the third degree.

Mr. HASTINGS. I shall explain it, anyway.

The PRESIDING OFFICER. If the Senator desires to be heard on the point of order, the Chair will hear him.

Mr. HASTINGS. Mr. President, I have given careful consideration to the amendment offered by the Senator from Oregon [Mr. STEIWER] to the amendment of the committee. I think the amendment has real merit, but would have very much greater merit if he would precede the language of his amendment with the language which I have proposed.

The particular objection, as I see it, or one of the many objections to the committee amendment now under consideration is that there is nothing definite in it. As I undertook to point out the other day, there is nothing that compels the President to spend any of the money for work relief on any of these projects. If, however, the Senate should accept the amendment which I have proposed together with that offered by the Senator from Oregon, the President would have to do one of two things: He would have to transfer the whole fund and administer it under the Federal Emergency Relief Act of 1933, which authority the Steiwer amendment would not take away from him, or, if the Steiwer amendment were adopted, he would be compelled to use the money for the various purposes mentioned.

The purpose of my amendment is merely this: If the President should conclude to transfer to the Administration under the Federal Emergency Relief Act $2,000,000,000 of this $4,000,000,000, what I desire then to do is to cut down these amounts 50 percent, and let the Steiwer amendment operate on them. Then we should find the President in a position where we would be reasonably certain that he would administer the act in accordance with this provision. He would either do that, or he would turn the money over to the Federal Emergency Relief Administrator, or he would loan it to farmers as provided by the last paragraph of that section, neither of which is affected by the amendment I offer, nor by that offered by the Senator from Oregon.

I repeat, if my amendment should be adopted and the President should spend $1,000,000,000 of this fund for direct relief, or $2,000,000,000, or $3,000,000,000, these amounts would then be cut down by 25 percent, 50 percent, or 75 percent. He would still have the right under the Steiwer amendment to take 20 percent of the amount as it was reduced and add to it to that extent, and take it away from some other amount, which it seems to me ought to be a reasonably satisfactory point of view for the administration.

If the chairman of the committee makes the point of order that this amendment is not in order at this time, I will take the opinion of the Chair with respect to it; but I think the amendment makes the Steiwer amendment a little clearer.

The PRESIDING OFFICER. There is no question in the mind of the Chair that the amendment is an amendment in the third degree. Since the Senator from Virginia has made the point of order, the Chair sustains it.

The question is on the amendment offered by the Senator from Oregon [Mr. STEIWER] to the amendment of the committee, as amended.

Mr. GLASS obtained the floor.

Mr. STEIWER. Mr. President, will the Senator yield to me?

Mr. GLASS. Yes.

Mr. STEIWER. I merely desire to make a suggestion to the Senator from Delaware, in case he should be interested in considering it.

The amendment which the Senator sent to the desk is in the third degree, because it is an amendment to the amendment to the amendment; but, of course, it would be in order as an amendment to the committee amendment, regardless of the vote which may be had upon the amendment now pending, which I have offered. After my amendment shall have been disposed of, the proposal made by the Senator from Delaware will be in order as an amendment to the committee amendment.

Mr. GLASS. Mr. President, I merely desire to say a word.

Mr. NORRIS. Mr. President, will the Senator from Virginia permit the pending amendment to be stated from the desk before he makes his argument?

The PRESIDING OFFICER. Does the Senator from Virginia yield for that purpose?

Mr. GLASS. I have no objection.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. On page 3, it is proposed to strike out the proviso commencing in line 21 of the committee amendment, and to insert in lieu thereof the following:

Provided further, That the President may, in his discretion, in order to effectuate the purpose of this joint resolution, increase the allocation for any one or more of the classes of projects specified in this section by an amount not to exceed 20 percent of the amount allocated for such classes of projects; and to provide such increase, the President may reduce the allocations hereinabove set forth in an amount not to exceed 20 percent of the amounts provided for any such classes.

Mr. GLASS. Mr. President, I will say to the Senator from Nebraska [Mr. NORRIS]—I imagine he does not need to be enlightened, but I will say to him—that the amendment proposed by the Senator from Oregon simply applies the 20-percent increase in any of these classifications to the respective classifications, rather than to the total appropriation of $4,880,000,000.

In other words, under the joint resolution as reported from the committee, the President is authorized to transfer to any one of these classifications as much as $880,000,000. Under the amendment, the 20-percent authorization applies to the classifications and not to the total amount; and there is added authority to the President to reduce the respective amounts in the sum of 20 percent.

I merely desire to say to the Senate—I feel that I may with propriety say this—that the amendment reported by the committee to the joint resolution did not originate with the President. It was framed in response to the rather insistent criticism here that there was no break-down of this total amount of $4,880,000,000; that there was nothing to indicate in the slightest way how the money was to be spent; so this break-down was devised by the proponents of the measure and presented to the President. The President approved it only upon condition that the proviso reported by the committee should be added to these suggestive allocations; and I may say that the Executive was intent and insistent upon that proviso, and was disposed to insist that his whole purpose in having this appropriation and these authorizations made would be very much interfered with if that proviso should not be embodied in the joint resolution.

I hope the amendment of the Senator from Oregon will be voted down.

Mr. STEIWER. Mr. President, I desire to make a brief statement that the Senate may know the position in which some of us on the committee find ourselves.

The chairman of the committee did not disclose to the committee at any time when I was present the statement which he now makes to the Senate. The disclosure which he has now made to the Senate is the first intimation I have had that the proviso at the bottom of page 3 was insisted upon by the President. Up until this time I had not the remotest idea as to its origin.

I do not make that statement in criticism of the chairman of the committee, who was, of course, within his rights in withholding the information from the committee.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Louisiana?

Mr. STEIWER. I do.

Mr. LONG. Is it quite parliamentary for us to take it for granted that that is the President's order, or ought not another word, "desire", to be used? Of course, we know that that is what it is.

Mr. STEIWER. Mr. President, I hope the Senator from Louisiana will not try to encumber me with suggestions of that sort.

Mr. LONG. No; I will not.

Mr. GLASS. No; and I hope the Senator from Louisiana will not undertake to encumber me with getting orders from anybody. It was not an order. It was merely the expression of the view of the Executive.

Mr. STEIWER. I take it, then, Mr. President, that inasmuch as it is not an order, we are all privileged to act in accordance with our judgment.

Mr. GLASS. We would be privileged to do that if it were in the nature of an order—at least, I would.

Mr. STEIWER. I merely desire to suggest—and I have no spirit of partisanship at all in this matter—that it is better legislation to include a reasonable limitation of this kind than to accept this joint resolution upon the theory that the President may increase these maximum limitations by a total sum of $941,000,000 each.

It seems to me that if there is anything at all in the criticism to which the proponents of the measure yielded, namely, that the joint resolution was too loose and too lacking in the expression of legislative purpose, that criticism may still be made against the joint resolution if we permit so great a latitude as an increase of $941,000,000 with respect to these various categories. Twenty percent of the amount appropriated for each category is itself a very magnificent sum, and in some cases will provide an increase which will exceed $150,000,000 or $160,000,000. It must be remembered that this appropriation is available for expenditure until June 30, 1937; that Congress will be in session during much of the intervening period, and that if these limitations are too severe, there will be every opportunity to relax them. We owe it to ourselves to enact this legislation in a way that has some semblance of ordinary parliamentary and legislative procedure.

Mr. GLASS. Mr. President, the Senator is perfectly aware of the fact that this very proposition was very earnestly discussed in the committee by various members of the committee, and that the committee did not act in ignorance of what it was doing.

Mr. STEIWER. That is true and I do not suggest anything to the contrary. I may have been absent from the committee—I was, I think, for a short time—but I can say most positively that I heard no statement from the Senator from Virginia or from anyone else as to the President's interest in the proviso at the bottom of page 3. Does the Senator from Virginia understand the fact differently from the Senator from Oregon? Did the Senator from Virginia advise the committee of the President's interest in this proviso?

Mr. GLASS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Virginia?

Mr. STEIWER. I do.

Mr. GLASS. The Senator from Virginia did not find it necessary to advise the committee, because the committee was overwhelmingly for the proviso.

Mr. STEIWER. I take it, Mr. President, that the Senator from Virginia now sees a greater necessity, and therefore has played his trump card by advising this body of the President's insistence on a latitude of $941,000,000 in each category of projects.

Mr. GLASS. I am not playing any trump card. I am dealing openly and fairly with the Senate, just as I did with the committee, as far as I was informed about these matters.

Mr. STEIWER. There is no doubt about that; and yet the requirement of the President was not disclosed to the committee. Now it is disclosed here at the moment of the vote, and it puts some of us in rather an embarrassing position. Had I known of the President's desire and that the Senator from Virginia had yielded to it, I should not have detained the Senate for the past hour.

I take it that my amendment will be voted down, but I have performed my duty with respect to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. STEIWER] to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment reported by the committee.

The next amendment of the committe was, on page 3, line 25, after the word "resolution" and the period, to strike out the words "The specific powers hereinafter vested in the President shall not be construed as limiting the general powers and discretion vested in him by this section."

Mr. GLASS. Mr. President, this amendment has previously been passed on by the Senate. It was agreed to before the bill was recommitted.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment of the committee was, on page 4, after line 2, to insert the following:

Funds made available by this joint resolution may be used, in the discretion of the President, for the purpose of making loans to finance, in whole or in part, the purchase of farm lands and necessary equipment by farmers, farm tenants, croppers, or farm laborers. Such loans shall be made on such terms as the President shall prescribe and shall be repaid in equal annual installments, or in such other manner as the President may determine.

Mr. RUSSELL. Mr. President, in view of the fact that the Senate has just adopted the amendment allocating certain funds, or dividing them, I am of the opinion that this amendment should be modified to designate the specific funds from which moneys might be taken to finance the purchase of farm lands. I therefore move, on line 3, after the word "resolution", to insert the words "for rural rehabilitation and relief in stricken agricultural areas."

Mr. ROBINSON. Mr. President, I call the Senator's attention to the fact that under the amendment without the modification which he proposes funds from any of the allotments might be used for the purpose indicated by him, and since it is a very essential and necessary purpose, I wonder whether the Senator persists in the desire to limit it.

Mr. RUSSELL. Mr. President, in view of the statement of the Senator from Arkansas, I withdraw the amendment.

Mr. LONG. Mr. President, I do not think that cures the case at all. Again we come right back to the same situation we have had before, whether or not we are going to allocate $600,000,000 for one purpose and $800,000,000 for another, and then, when we turn to page 4, find a provision for farm relief, and do not provide any limit at all.

Of course it can well be argued that the President could take 20 percent away from the other projects and put it into this project, and then use the miscellaneous funds and all that, but at the same time there is not a dollar written into the joint resolution so that it appears that there is any money to be given to the farmer at all. There is not a dollar in the joint resolution for him at all.

Of course this is back-handed legislation, as the Senator from Virginia well says; it is just a mere matter of letting the President have power and not have to do anything unless he wants to. He does not have to spend this money for these other projects if he does not want to do so. But at the same time $800,000,000 is set out as the limit he can spend for soil erosion, $900,000,000 he can spend for public projects in the States, but when we get to the farmer we do not find any amount of money allocated at all. In other words, the President might well say to them, "Well, this amount is here; I am supposed to spend $900,000,000 for these industrial projects and for these municipal projects, and I have only $900,000,000 left from that."

Mr. BORAH. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BORAH. Does not the provision for "rural rehabilitation and relief in stricken agricultural areas, $500,000,000", cover that?

Mr. GLASS. Oh, yes; not only does that cover it——

The PRESIDING OFFICER. Does the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. GLASS. Not only does that cover it, but there is authority given to the President to transfer nearly a billion dollars; and I will say to the Senator from Louisiana that if we go into specifications, there will be no end to the thing.

Mr. BORAH. And nothing would be accomplished by it, either.

Mr. LONG. Very well.

Mr. HASTINGS. Mr. President, may I inquire of the Senator from Virginia whether he understands that the entire fund may be used under this particular paragraph?

Mr. GLASS. I do not imagine the President would be senseless enough to do anything of that sort.

Mr. HASTINGS. That is not my question.

Mr. GLASS. I think the President could do almost anything with this fund, under the limitations of the amendment we have already adopted on page 3; and the Senator knows as well as I do that those limitations do not amount to a great deal.

Mr. HASTINGS. As I understand, under the joint resolution the President may use all of the funds anywhere he wants to use them, in any State where he wants to use them, in any particular locality where he wants to use them.

Mr. GLASS. Yes.

Mr. HASTINGS. For the benefit of farmers, farm tenants, croppers, or farm laborers.

Mr. GLASS. If it is farm relief or work relief, he may use the amount in any State where he pleases to use it, or in any city where he pleases to use it.

Mr. LONG. Mr. President, will the Senator from Virginia yield to me?

Mr. GLASS. I yield.

Mr. LONG. Then, as I understand, under the amendment on page 4, on which we are about to vote, it would be possible to spend the entire amount set forth on page 3. All of it could be spent. In other words, the specification on page 3, whereby somebody may be expecting to get road work or flood-control projects, would not amount to anything if the President wanted to spend the money under the amendment on page 4.

Mr. GLASS. Yes; but he is not going to want to.

Mr. LONG. I do not know. The Senator from Virginia knows more about that than I do.

Mr. ROBINSON. Mr. President, will the Senator from Virginia yield to me?

Mr. GLASS. I yield.

Mr. ROBINSON. The provision is merely directory, like other provisions in the joint resolution, and I do not understand why any Senator who would like to see the purposes of this paragraph executed should wish to limit it. Of course, as a practical question, there is no possibility of expending the entire amount carried in the joint resolution, or even a large part of it, for this particular purpose, but it would not be possible for anyone within my knowledge to specify what amount might be desirable or necessary for "the purchase of farm lands and necessary equipment by farmers, farm tenants, croppers, or farm laborers." It is a very wholesome purpose, it is very essential, and I think there should not be a limitation imposed, in view of the other provisions in the joint resolution.

Mr. LONG. Mr. President, will the Senator from Virginia yield to me?

Mr. GLASS. I yield.

Mr. LONG. The point is that we ought to know what we are voting on. There is confusion on confusion.

My friend the senior Senator from Vermont [Mr. AUSTIN] well said the other day that he was under the impression that this gave a specification which would enable him to vote a certain way on the joint resolution. He said that was his belief, and I was somewhat persuaded by the argument of the Senator from Vermont, not having gone into the recesses of the joint resolution. But now we are informed that all my friend from Vermont took a day to reason out is thrown into the ash can, it does not amount to anything, that the President can turn over to page 4 and can throw it all in this item, and that nothing in the joint resolution, none of the specifications, means a thing on the living earth that assures anyone of receiving any projects or any attention under any item specified in the measure.

If possible, I should like to know what we are voting on. I want farm relief, but I wish we knew what the vote was to be about. My friend the Senator from Vermont will be bound to be confused again by what the Senator from Virginia has said. I know I am. It throws the confusion all back again.

Mr. ROBINSON. The Senator from Vermont will probably be more confused by what the Senator from Louisiana is saying. [Laughter.]

Mr. GLASS. Yes; except that I do not think the Senator from Vermont is confused at all.

Mr. AUSTIN. Mr. President, I do not think he is either. I wanted to inquire whether the Senator from Louisiana was present in the Senate during the debate when the Senator from Vermont asked the Senator from Oregon [Mr. STEIWER], who was addressing the Senate, whether he believed that by the ordinary rules of construction the provisions of the amendment, on page 4, do not refer back to and are not limited by the language on lines 13 and 14, on page 3, which relate to the same subject matter? They are pari materia; they are the only things which are pari materia with this amendment; and my opinion, which, unfortunately, seems to differ from the opinions of some of those who have spoken on the same subject, is that any executive officer paying out money for the United States would be limited to $500,000,000, with a possibility of the proviso being used in that connection. Therefore, I have no confusion in my own mind; and should anybody look back into the RECORD to see how Senators voted on these provisions, he would find me consistently claiming that there is a limitation without the adoption of the amendment offered by the Senator from Georgia [Mr. RUSSELL].

Mr. GLASS. Mr. President, the Senate has already adopted the amendment.

Mr. LONG. Oh, no; it has not adopted the amendment.

Mr. GLASS. Oh, yes; it was adopted before the joint resolution was recommitted.

Mr. LONG. Yes; but the point I am trying to get straight is this: The Senator from Arkansas says he could not understand why anyone interested in the rural areas would object to the language of the joint resolution. Perhaps my friend from Vermont [Mr. AUSTIN] may not need a repetition of my remarks, but I will say that the remarks of the Senator from Virginia [Mr. GLASS] and of the Senator from Arkansas [Mr. ROBINSON] very clearly show that there is nothing in the joint resolution which prevents the President from refraining from spending a single cent under one of these items, or from spending it all under this item. In other words, the Senator from Arkansas, who goes the Senator from Virginia one better, says, "Sure, sure; it can all be spent under this item."

That is going to lead to confusion. It is bound to lead to misunderstandings and hard feelings. Over here we have items such as highway construction, flood relief, rivers and harbors, which have been written into the joint resolution; yet none of them means anything. According to the Senator from Virginia—and he is right, and so is the Senator from Arkansas—we are fooling ourselves. We should be better off if we struck out these provisions altogether. They do not mean anything at all; and I dislike to see my colleagues misled in the belief that there are specifications here, when I have been told by the leaders sponsoring this measure that there are no specifications.

Mr. GLASS. There are suggestions here which have been approved by the President.

Mr. LONG. I do not know whether they are suggestions or not. The Senator from Virginia is giving them a better color than he has heretofore given them when he says they are suggestions.

Mr. GLASS. No, Mr. President; I have said all along they are merely suggestions; that is all.

Mr. LONG. The suggestion is that the President cannot spend any more than so much money under this item, and still that he does not need to spend it all under that item, and can put it somewhere else. In other words, to put it in common parlance, I suggest that the situation is something like this: "I cannot spend any more money in this item than I want to, and I cannot want to spend more than $800,000,000, and I do not have to want to do that, and I can spend it under some other item."

Mr. GLASS. Mr. President, I ask for a vote on the pending committee amendment.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, one of its clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 5221) to amend the Agricultural Adjustment Act with respect to rice, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 426. An act for the relief of Jacob Santavy;

H. R. 593. An act for the relief of Fred C. Blenkner; and

H. R. 3266. An act authorizing the maintenance and use of a banking house upon the United States Military Reservation at Fort Lewis, Wash.

WORK-RELIEF PROGRAM

The Senate resumed the consideration of the joint resolution (H. J. Res. 117) making appropriations for work relief.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

The next amendment of the Committee on Appropriations was, in section 2, page 4, line 12, after the word "use", to insert "only"; in line 12, after the words "Territories and", to strike out "possessions, including the Philippine Islands" and insert "possessions"; on page 5, line 5, after the word "shall", to strike out "not"; and in line 7, after the word "is", to strike out "less" and insert "more", so as to make the section read:

SEC. 2. The appropriation made herein shall be available for use only in the United States and its Territories and possessions. The provisions of the act of February 15, 1934 (48 Stat. 351), relating to disability or death compensation and benefits shall apply to those persons receiving from the appropriation made herein, for services rendered as employees of the United States, security payments in accordance with schedules established by the President: *Provided*, That so much of the sum herein appropriated as the United States Employees' Compensation Commission, with the approval of the President, estimates and certifies to the Secretary of the Treasury will be necessary for the payment of such compensation and administrative expenses shall be set aside in a special fund to be administered by the Commission for such purposes; and after June 30, 1936, such special fund shall be available for these purposes annually in such amounts as may be specified therefor in the annual appropriation acts. The provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) shall apply to any purchase made or service procured in carrying out the provisions of this joint resolution when the aggregate amount involved is more than $300.

The amendment was agreed to.

The next amendment was, in section 3, page 6, line 1, after the word "tenure", to strike out "and, without regard to the Classification Act of 1923, as amended", and insert "and"; so as to make the section read:

SEC. 3. In carrying out the provisions of this joint resolution the President may (a) authorize expenditures for contract stenographic reporting services; supplies and equipment; purchase and exchange of law books, books of reference, directories, periodicals, newspapers, and press clippings; travel expenses, including the expense of attendance at meetings when specifically authorized; rental at the seat of government and elsewhere; purchase, operation, and maintenance of motor-propelled passenger-carrying vehicles; printing and binding; and such other expenses as he may determine necessary to the accomplishment of the objectives of this joint resolution; and (b) accept and utilize such voluntary and uncompensated services, appoint, without regard to the provisions of the civil-service laws, such officers and employees, and utilize such Federal officers and employees, and, with the consent of the State, such State and local officers and employees, as may be necessary, prescribe their authorities, duties, responsibilities, and tenure, and fix the compensation of any officers and employees so appointed.

Mr. COUZENS. Mr. President, I should like to ask the chairman of the committee what was intended when that language was stricken out of the section by the committee.

Mr. GLASS. The committee supposed that with that language in the section the President could fix any salary he pleased without reference to the Classification Act. The committee did not desire him to do that.

Mr. COUZENS. So I understand that the elimination of those words means that the President is to follow the Classification Act of 1923.

Mr. GLASS. We think so.

Mr. COUZENS. That is the Senator's interpretation?

Mr. GLASS. Yes.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 6, to strike out section 4, beginning at line 5, to and including line 12 on page 7, and to insert in lieu thereof a new section, as follows:

SEC. 4. In carrying out the provisions of this joint resolution the President is authorized (within the limits of the appropriation made in sec. 1) to acquire, by purchase or by the power of eminent domain, any real property or any interest therein, and improve, develop, grant, sell, lease (with or without the privilege of purchasing), or otherwise dispose of any such property or interest therein.

Mr. GLASS rose.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the Senator from Virginia [Mr. GLASS], the Chairman of the Committee on Appropriations, who is in charge of the joint resolution and is claiming the floor.

Mr. LONG. A point of order. I had risen and asked for recognition.

The PRESIDING OFFICER. The Chair will state to the Senator from Louisiana that the Senator from Virginia was on his feet; and being the Chairman of the Committee on Appropriations, and in charge of the joint resolution now before the Senate, he is entitled to recognition by the Chair. It has been the practice for many years that the Senator in charge of the bill under consideration should be recognized when he asked for recognition.

Mr. LONG. Very well, Mr. President. I do not want a vote taken, however, before I have an opportunity to be heard.

The PRESIDING OFFICER. The Senator from Virginia has the floor.

Mr. LONG. Mr. President, will the Senator from Virginia yield to me?

Mr. GLASS. I yield to the Senator, if he desires to make an inquiry.

Mr. LONG. No; I want the floor in my own right.

Mr. GLASS. I ask the Chair to put the question on the amendment. The Senate has already adopted this amendment.

Mr. LONG. Mr. President, I ask for the floor in my own right. A vote is just what I was trying to prevent.

The reason why I am bringing up this point now is that we are dangerously close to the next page of the joint resolution, where the McCarran amendment comes in. I am informed that there is no pair desired now except by the junior Senator from Arkansas [Mrs. CARAWAY]. I am informed that arrangements have been made by which a pair will be secured for my colleague from Louisiana [Mr. OVERTON], and I wish to thank the Members of the Senate and the pair clerks for having accommodated my colleague in that way. Naturally I worked very hard to secure the pair. My first concern was that a pair should be arranged for my colleague from my own State. I thank the Senate and I thank the pair clerks for the assistance which enabled us to arrange a pair for my colleague in accordance with the rules of the Senate, which have been in effect here ever since I have read anything about the United States Senate.

Mr. President, this leaves only the lady Senator from the State of Arkansas without a pair. Today I took it upon myself to make inquiry of the secretary of the junior Senator from Arkansas, and I was assured that it was not reasonable to ask her to come here to vote today. Her secretary told me, however, that she desires to be paired. I had hoped, prior to this time—because I know many Members of the Senate have been concerned in seeing a pair arranged—that she might be paired with some Member of this body who is not at this time temporarily so unfortunate as to be absent and not able to vote on this amendment.

I want it understood, Mr. President, that I should like to see the decision on the McCarran amendment expedited. I do not believe many votes are going to be changed by the arguments pro or con on the McCarran amendment. I think we all have our minds pretty well made up. The amendment may be voted in or it may not be voted in. It was only a question of one vote which decided the matter the last time, however; and, if we assume that the votes are now as they were then, this right of labor will be lost because of the temporary disability of the little lady Senator from the State of Arkansas.

Mr. President, on yesterday I said that I wanted every Senator to be registered on this important question, and that if by any chance there was some Senator present then who would not be present when the vote should be taken on the McCarran amendment, and who wanted to be paired as being against the amendment, I should be glad to volunteer to pair with such a Senator, if through disability he should not be here at the time of the vote. I know that the Members of the Senate would not desire to have any less courtesy shown to the lady Senator from the State of Arkansas. I do not believe that those who have the joint resolution in charge for a moment desire a result that will not truly reflect the vote of the entire Membership of the Senate. I do not believe that any Senator here would desire that the important questions involved should be decided through the absence of some Senator who could not be here for the roll call.

Others beside myself have been undertaking to arrange this pair, and I hope it has been arranged. I hope it may be arranged, because I should like to see the controversial feature of this amendment decided with as little delay as possible. I should like to see the entire amendment disposed of at the very earliest possible moment—if possible, this afternoon—and we could expedite the matter if the common courtesy which has heretofore prevailed should be accorded to the junior Senator from Arkansas.

I regret to see that this particular amendment has taken the turn it has, but it is a little bit out of the customary parliamentary status. I do not recall that at any time since I have been in this body there ever was an occasion when Senators were unable to find pairs when they necessarily must be absent. I do not recall such a case. I remember that when I first came here the Senator from Rhode Island who is no longer here, Mr. Hebert—"ay-bare", he would be called in the southern part of my State—always accommodated me whenever I was absent, and I accommodated him when he was absent. I knew that he and I, as a general rule, opposed one another on nearly all measures; and I am sure the junior Senator from Arkansas has accommodated more Senators with pairs than has anyone else in this body. I may be mistaken about that, but I believe that the lady Senator from Arkansas in the matter of allowing her vote to be paired with that of other Senators, so that they might absent themselves in order to go home and attend to business or visit the departments has been more accommodating than perhaps any other Member of the Senate. Her willingness to protect other Senators who might not be able to be here has been of great benefit. Day after day she has announced pair after pair in order that some other Senator might not be inconvenienced and his position not made known on a roll call.

Gentlemen of the Senate, I do not think it is the proper thing for us to proceed here to consider the so-called "McCarran amendment" today without this protection having been accorded to the junior Senator from the State of Arkansas. Her vote is the same as that of any other vote of the body, and I want to say that I am a little bit astonished at this situation.

Mr. ASHURST. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Arizona?

Mr. LONG. I yield to the Senator from Arizona.

Mr. ASHURST. I have no desire to take the Senator off the floor, and I seek not a controversy with him, but I should say something at this juncture. I do not want to trespass too long on the Senator's time, and, if it is not agreeable to him, I will not proceed at this moment.

Mr. LONG. It is perfectly agreeable to me.

Mr. ASHURST. I believe that the senior Senator from Arkansas [Mr. ROBINSON] would reply to the criticism or suggestion of the Senator from Louisiana except for the peculiar state of circumstances. The esteemed junior Senator from Arkansas [Mrs. CARAWAY], who thus far is not paired, is, of course, as we all know, the worthy colleague of the distinguished leader on this side, the senior Senator from Arkansas. I may justly say that the Senate and the country know with what charm, with what grace, and with what gentlemanly courtesy the senior Senator from Arkansas has always treated his colleague. This is his habit as to all his colleagues, but he recognizes a particular noblesse oblige upon him toward his colleague from Arkansas. So the senior Senator from Arkansas [Mr. ROBINSON] would, above all in this Senate, seek to assist in securing a pair for his colleague; and if he refused to assist, he would, for the first time, be violating that gentle courtesy which so characterizes him, particularly with reference to his lady colleague.

The Senator from Louisiana has the right to insist that there shall be no vote until the junior Senator from Arkansas shall have been paired, but the Senator from Louisiana has no right legally, parliamentarily, or otherwise, to insist that any Senator shall pair.

Mr. President, pairs are, in parliamentary bodies, contra bonos parliamenti; in other words, a pair is contrary to good parliamentary law. Our rules do not mention pairs. Pairs are a matter of negotiation and arrangement. Pairs are objected to by many constituents. Pairs are looked upon by many of our constituents as a subtle way of avoiding responsibility.

While I have no criticism of any Senator who pairs with another, yet during my entire service here I never was paired but once; that was for half an hour; and I was very uncomfortable during that time. I prefer to vote just as I please upon any question without regard to some other Senator's being absent or present.

I admit the right of the Senator from Louisiana to delay the proceedings by parliamentary strategy, of which he is a master; but he is not on sound, tenable ground, he is not on what we would call in legal parlance on technical moral grounds when he insists that some Senator, whom he does not name, should pair with some Senator who is absent.

There is no way, let me say to the Senator from Louisiana, by which he can force a Senator to pair. It is contrary to the morals of parliamentary proceedings to pair at all. Then, why should he complain that Senators do not see fit to pair, and claim that they must be made to pair, as if they had done some injury to the Senator or to the working man, or some injury to the Senate, and had performed some act of discourtesy to the Senator from Louisiana because, forsooth, they refuse to do that which it is their right to refuse to do?

Yesterday the impression went forth from the speech of the Senator from Louisiana to the effect that Senators had done something wrong and that the Senate had been discourteous to the able Senator from Louisiana because it had refused to assist him in securing a pair.

This is not intended to be a lecture to the Senator from Louisiana, because if I had any attitude of censoriousness, I would not choose the Senator from Louisiana as the recipient of the lecture; but, in my judgment, something ought to be said, so that the country may know that if a Senator cannot secure a pair the Senate is not to blame and

no individual Senator is to blame. I thank the Senator for permitting me to trespass upon his time.

Mr. LONG. I thank the Senator from Arizona, and I should be glad to be lectured by him for as many hours as he might be willing to inconvenience himself, because what he says is always relished very much by me; and he is one of the genuine, true friends I have always appreciated in this body. The Senator is probably on safe ground as regards himself; in other words, the Senator has been one of those who have seldom asked any other Senator to give him a pair; he has always remained here at his desk. He has not been nearly so much of a patronage solicitor as others of us have been; that is, until I found out there was not any use of my soliciting patronage, I was on the list. The Senator from Arizona has attended very scrupulously to the parliamentary functions, but he is a little bit wrong in his allusion to the effect that pairs are contra bonum parliamenti, I believe he said.

Mr. ASHURST. Not "bonum", but "bonos."

Mr. LONG. Contra bonos parliamenti.

Mr. ROBINSON. I suggest that the Senator use English; he may be familiar with that.

Mr. LONG. I was trying to get the language of the Senator from Arizona for fear that I would not use the English that would properly translate the term. "Contra bonos" means against something that is good and therefore is bad—bad parliamentary practice, of course. I am trying to put it in language so that the other Members of the Senate, as well as the Senator from Arizona, will understand it. [Laughter.]

It may be bad practice, but, if so, we have all been schooled in a very ill class, because following that practice has been one thing here that I was led to believe would constitute the proper kind of Senator. One of the first things I was asked when I came to this body by the gentleman whom we have made the Secretary of the Senate, Mr. Halsey, was, "Will you give a pair to Senator So-and-So?" One day he came to me, when I was just outside the Chamber, and said, "May I rely upon you for a pair for one of the gentlemen on the Republican side?" I said, "Oh, any time, Mr. Halsey, you need my name for a pair, go right ahead and use it, because sometimes I will be away, and I want other Senators to protect me when I am not here." So at all times when I was away my vote was counted in the Senate just as though I had been here, and I profited by it. I have been paired with various Members of the body, but most often, as I have said, with the former Senator from Rhode Island, Mr. Hebert, who is no longer here.

We have all followed this practice for years and years. For instance, my friend from Pennsylvania, Mr. Reed, who is no longer in this body, was permanently paired with the senior Senator from Arkansas [Mr. ROBINSON]. Quite frequently Mr. Reed would go to his home in Pittsburgh, but always did my good friend, the senior Senator from Arkansas, protect him by announcing that he had a pair with the senior Senator from Pennsylvania, Mr. Reed, and so Mr. Reed was given a vote whether he was here or not. Year in and year out that went on here. Quite frequently did I hear the then senior Senator from Pennsylvania, Mr. Reed, rise in his seat when the senior Senator from Arkansas was absent, and say, "I have a pair with the senior Senator from Arkansas", and thereupon the vote of the Senator from Arkansas would be counted just as though he were here. That practice went on and on and on. It has been the practice we have followed, and it has been the precedent we have been taught to follow as being a good one, as being good senatorial politics, good conduct for a Senator, good sportsmanship, and a proper method of legislation. It has been followed here, to my knowledge, long before I came here and ever since I have been here.

I am not undertaking to censure any particular Member of this body. On the contrary, I want to assure my friend from Arizona that I have no intention of picking out any particular Senator and hurling at him any direct insinuation that he should be the particular person selected for a pair. Only naturally I appeal to the leadership in charge of the pending measure, the leadership on both sides of the Chamber; only naturally do I do that, Mr. President, that in the rather embarrassing position in which we find ourselves I may do what I consider to be a fair and rightful thing by a Member of the body who has always made available her vote for a pair, so that no discourtesy may be shown to a colleague. This is an unusual case, I may say to my friend from Arizona.

Mr. ASHURST. Will the Senator yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Arizona?

Mr. LONG. I yield.

Mr. ASHURST. What I wish to emphasize is that there is here in the Senate a higher rule than even the rules printed in our manual, and that is the rule of courtesy; and no discourtesy is to be implied in any way because a Senator declines to arrange a pair. No evidence of any discourtesy can be drawn from the refusal of a Senator to pair, because there is no rule of parliamentary law, there is no rule of noblesse oblige, there is no rule of courtesy, there is no rule whatever that requires a Senator to pair.

The Senator from Louisiana said a moment ago that he did not want any discourtesy to be shown an absent Senator. I assert, that under the most strained construction of language, not even an inference of discourtesy is to be drawn from the fact that a Senator declines to pair.

Mr. LONG. I do not undertake to say that any particular Senator is discourteous. I do not undertake to do that; but under the rules which have prevailed in this body I say to the Members of the Senate that the lady Senator from Arkansas, the choice of her people, by reason of temporary accident or disability, is not allowed to cast her vote here as she ordinarily would if present. I am talking about the rule and the practice. Ordinarily, ninety-nine and one-half times out of one hundred, nine hundred and ninety-nine times out of one thousand, this matter would long since have been disposed of. The vote would have been protected the same as other votes are protected when Senators are not present in this body.

Let us be frank with one another. I do not know how the vote stands today. I only know what it was the last time. If the vote today is the same as it was, and I know of no reason why anyone should have changed, then it is a vote that is even without the vote of the junior Senator from Arkansas. We already have one vote that is not qualified. The Senator-elect from West Virginia [Mr. HOLT] cannot qualify. Therefore the opposition has that vote. We give you one vote advantage. I do not know how he would vote, but I know the man. I know his record back home. I believe if he were here he would cast that vote with us, so we lose that vote. Now it is proposed that we shall lose another vote. We have the vote here, therefore, 47 to 47.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Kentucky?

Mr. LONG. I yield.

Mr. BARKLEY. Waiving any question of courtesy or lack of courtesy on the part of any Senator toward any other Senator present or absent, is it not the first duty, the first obligation, of every Senator in this Chamber to represent his people, to vote for his people on the floor if he is present and able to vote? If he is present and able to vote and feels that his obligation to his people is greater than to any absent Senator with whom he declines to enter into a pair, is that to be construed as a discourtesy toward that Senator? Is that to be construed as a lack of proper consideration for a colleague? Is that to be construed——

Mr. LONG. How many questions is the Senator going to ask me?

Mr. BARKLEY. The Senator can answer all of them as one. Is that to be construed as neglect of duty on the part of a Senator who is here and able to perform that duty, because he is not willing to nullify his representation of his people by entering into a pair with some Senator who is absent?

Mr. LONG. All I know is that the Senator from Kentucky was absent the last time we voted on this very amendment and was protected by a pair. That is just what happened the last time.

Mr. BARKLEY. The Senator and I will not agree as to the last part of his statement. I was absent and had a pair, but, according to my interpretation or understanding, my vote was not protected. However, I am not going to enter into that question with the Senator from Louisiana. According to the newspapers, he was largely responsible for the fact that my vote was not protected.

Mr. LONG. On the contrary, I was helping to protect the Senator. The facts are that the Senator was paired with the Senator from Iowa [Mr. DICKINSON], who transferred that pair to another absent Senator who would vote as the Senator from Kentucky would have voted, as has been done here under the custom for many years.

Mr. BARKLEY. Inasmuch as the Senator has mentioned that matter, if there is any controversy between anyone and myself as to the way in which my pair was handled on the former vote, that controversy is not between the Senator from Louisiana and myself.

Mr. LONG. I thank the Senator.

Mr. BARKLEY. If any controversy arises or any comment is to be made upon it, I shall give to the Senate my version of it so that it can be its own judge as to whether my vote was protected.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. Certainly.

Mr. McCARRAN. I understand the matter now pending—and I ask for the guidance of the Chairman of the Appropriations Committee—is section 4.

Mr. GLASS. Yes; section 4, on page 7.

Mr. McCARRAN. Then, it seems to me quite plain what the situation is. I do not think we need throw any cloud over ourselves. It seems to me quite plain that section 6 of the joint resolution as reported back from the committee is the controversial matter. Am I correct?

Mr. GLASS. Yes. I have been trying to dispose of the noncontroversial matters before we came to that controversial question.

Mr. McCARRAN. I should be entirely content to go to a vote right now if the entire vote were represented and if there should be a liberality as to pairs. I think those who are detained from the floor of the Senate may, if they wish, ask for pairs. I do not propose to hold up the Senate because there may be those who tomorrow might support the other side or support this particular amendment. If we are going to wait forever we will never get to a vote here. I am entirely content to go to a vote in the Senate at any time so long as there is complete fairness with those who desire pairs.

I never have asked for an advantage, and I do not ask for one now. I do not want any advantage taken against me, and I do not believe anyone on the other side of this question is requiring or requesting an advantage. I have been dealt with fairly all the way along, so far as I know, by the Chairman of the Appropriations Committee, by the leader on this side of the Chamber, and by the other side of the Chamber as well. I am entirely content if they want to set an hour or a time, either today or tomorrow, to vote on the substitute which I shall offer for section 6 of the joint resolution, to agree that that shall be the hour at which we shall vote. If I cannot get my votes here, well and good, but if I can get them here, I shall work with every ounce of energy in my body to have them here, even though they may come on stretchers. That is my position, and I want it understood. I shall not stand behind anything that will delay legitimate and honest consideration of the joint resolution. In order that my position may be clearly understood, I make that statement.

I do not want to go against the theories which are being advanced by the Senator from Louisiana. I understand exactly what he wants. That is exactly what I want. I want every Senator who desires a pair to be paired if a pair is available. I want every Senator to come on the floor and vote according to his conscience. That is all I have ever asked, and that is all I shall ask. If the question is brought to a vote today, I am not afraid of the amendment. Bring it to a vote tomorrow, and I am not afraid of the amendment. Fix an hour, if that is the desire, but let us give our whole attention to the matters we are discussing today and then let us devote our time to section 6.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Kentucky?

Mr. LONG. Certainly.

Mr. BARKLEY. There is nothing new in the situation which makes it impossible for absent Senators to secure a pair. That situation arises every day and every week and at every session of Congress. This is the first time since I have been in the Senate when any Member made a mass appeal to all the Members of the Senate, any one of whom could be persuaded to enter into a pair with some other Senator.

I can understand why the junior Senator from Louisiana [Mr. OVERTON], who has, unfortunately and to our great regret, been absent during the whole session, should want a pair on a measure of this kind. It is my understanding that during his absence he has been paired and is paired, as has been announced over and over again during his absence on account of illness. I can understand why the distinguished and charming lady Senator from Arkansas [Mrs. CARAWAY] should want a pair.

But if there are Members of this body—and I include myself as one of them—who regard their duty to their State as greater than they regard their duty to any Senator, and are unwilling to enter into a pair with any other Senator who is absent, then I insist that they are not guilty and I am not guilty of any discourtesy, and I am not denying to any State representation here, because no State will criticize any Senator, man or woman, because he or she cannot vote because of absence on account of illness. Therefore it is not to be charged up to the Senate that because we do have some regard for our duty here, and are unwilling to nullify our votes by entering into pairs, we are subject to the criticism of being discourteous or lacking in consideration to any absent Member of this body.

What I desire to ask the Senator is whether he thinks, because of the absence of any Member of the Senate on either side of the amendment he will offer, that a vote on the matter ought to be indefinitely delayed? Either side ought to be willing to take chances on it when we reach a vote, regardless of absentees and of pairs.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Nevada.

Mr. McCARRAN. I think this is a national problem. I think every Senator is under his oath. I think every other Senator in his action is just as conscientious as am I. I am wedded to this amendment. I am going through with it because I believe it is right. Other Senators may be against me, but I believe they think they are right when they vote against me. I am never going to say that a Senator votes against me simply because he desires to defeat me.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Kentucky?

Mr. LONG. I do.

Mr. BARKLEY. I desire to say that I entirely reciprocate the very generous attitude of the Senator toward me which he has just expressed. I not only have never expressed but I have never even thought that in any action the Senator from Nevada has taken, on this or any other question, he was acting in any other way than in a most sincere desire to advance that in which he believed.

Mr. McCARRAN. Now, I desire to make a suggestion, if I may, with the permission of the Senator from Louisiana.

The PRESIDING OFFICER. Does the Senator from Louisiana further yield?

Mr. LONG. I yield to the Senator, if I may. I do not want to lose the floor.

Mr. McCARRAN. I am addressing myself, if I may, largely to the leader of the majority and to the leader of the minority as well, because on both sides of the aisle there are votes in favor of and against my amendment. I am wondering if an hour may not be fixed at which we shall take a vote, either today or tomorrow. Not every Member can be here all the time. The hand of God is placed upon us all now and then. What are we going to do? Perhaps a Senator does not desire to pair, even though he may be sick; or perhaps there are Senators on the floor who do not desire to pair, as I would not desire to pair many a time, as long as I could be here.

I do not care for a pair when I can be here. I would rather cast my own vote when I am here. All I ask is just fair play, just a "break", just an opportunity. If the time be fixed tomorrow at 5 o'clock or 4 o'clock, let us vote and have the matter over. Let the voice of the Senate speak as the voice of the Nation.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Virginia?

Mr. LONG. I yield to the Senator from Virginia.

Mr. GLASS. If the Senator will yield, I will prefer a unanimous-consent request.

The PRESIDING OFFICER. Does the Senator from Louisiana yield for that purpose?

Mr. LONG. Mr. President, I should like to have a chance to talk with my colleague from Nevada a little on that subject. Pardon me just a moment. Let us think this thing over. There is not any use of whipping the devil around the stump. I know what the Senator from Virginia is going to offer. I know he is going to offer to set a time certain for a vote.

Mr. GLASS. Yes.

Mr. LONG. Just a moment. Let us tell the facts about this matter.

We know that the sick bed where the little lady from Arkansas lies contains the deciding vote on the amendment. Let us not be traded out of this thing. The vote that will decide the McCarran amendment is on a bed in a hospital right now. That is where it is.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. Just one moment. When the afternoon comes and we find out that we can bring this little lady in here on a stretcher, if that can be done, I shall be ready to vote tomorrow. If it cannot be done, I do not want to vote tomorrow any more than you would want to give her a pair and vote today. I am not going to have you put any gumdrops in my mouth. We might just as well say what the facts are. The facts are that we know that win, lose, or draw is to be decided by the vote that is in a bed in a hospital. That is the fact of the matter. That is all there is to it. I do not want to be traded out of it.

I have only one vote interest in the McCarran amendment, but I have a double interest in the fact of the junior Senator from Arkansas having her vote cast. I have my general interest in the rights of the workingman. I believe as I do, and I give to my opponents the credit for good motives and for voting their own convictions the same as I am voting mine; but I do not want us to come here tomorrow at 5 o'clock, if we cannot get the junior Senator from Arkansas here, and lose because of the absence of that one vote.

Extraordinary strategy is being used against us. I am not saying that it is discourtesy. I do not say that. I will not have anybody put that expression in my mouth; but extraordinary strategy is being used against us in declining pairs. That is the sole question that is involved. I do not say that any Senator ought to yield a pair. I am not making any appeal on that ground.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Nevada.

Mr. McCARRAN. Out of all this picture I desire to express one view. Perhaps after that I shall be through for the time being.

I desire to pay the secretary of the majority, Mr. Biffle, the compliment of saying that during the past 2 days he has worked with me consistently to bring about pairs. I do not wish to have any reflection made on a man who has worked with me right straight along. I will never win by that road.

Mr. ROBINSON. Mr. President, if the Senator from Louisiana has concluded, I should like to take the floor for a few minutes.

Mr. LONG. I have not concluded, but I will yield to the Senator.

Mr. ROBINSON. No; I do not care to ask the Senator to yield.

Mr. LONG. Then I yield the floor in order that the Senator from Arkansas may have it.

Mr. GLASS. Mr. President, I desire to prefer a unanimous-consent request involving two suggestions.

First, I desire to suggest that the Senate give unanimous consent to pass by temporarily section 6 of the joint resolution in order that we may complete the other sections, which are noncontroversial, and which have been passed on by the Senate.

Then I desire to ask further that it be unanimously agreed that tomorrow, say at 1 o'clock p. m., if that be agreeable, we shall proceed with the consideration of section 6 of the joint resolution and vote on it.

Mr. ROBINSON. And all amendments that may be offered thereto.

The PRESIDING OFFICER. The Senator from Virginia asks unanimous consent that section 6 of the pending joint resolution be passed by temporarily; that the Senate proceed to the consideration of the other sections of the joint resolution; and that at the conclusion of the consideration of the other portions of the joint resolution, and not later than 1 o'clock p. m. tomorrow, the Senate proceed to the consideration of section 6 and all amendments thereto.

Mr. McCARRAN. Mr. President, I trust the Senator from Virginia will yield to me.

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Nevada?

Mr. GLASS. I yield.

Mr. McCARRAN. I think perchance in the interim other amendments may be offered that may entail some considerable time. I take it that the substitute I shall offer for section 6 as it came from the committee will take some time for consideration. I do not wish to cut off any Senator from a legitimate, fair discussion of the amendment that bears my name. It is only a question of fairness. I have never found the Senator from Virginia to be other than fair, and I believe now his disposition is consonant with the spirit of fairness; but I am not so experienced in these matters as is the Senator from Virginia, the Chairman of the Appropriations Committee.

I am entirely content that at some hour the discussion of this amendment may commence, and that it may end at some time, because this measure, or some measure that will grow out of it, whatever it may be—whether it be a limitation of half of the amount, or the entire amount—must eventually go forward. I do not believe the Senate should be tied up. I desire to go forward. I would rather lose in this all-important matter to me and to those who stand behind me than to have it said that we are tying up the Senate of the United States, and I am not going to support any such movement.

Mr. BONE. Mr. President——

Mr. GLASS. Mr. President, responding to what the distinguished Senator from Nevada has said, it was because he had signified his willingness to vote at any hour tomorrow that I ventured to make the unanimous-consent request.

So far as parliamentary strategy is concerned, or any other sort of strategy, the only strategy the chairman of the committee has had in mind was to get through with the joint resolution. I have not engaged in any parliamentary strategy, and I should not know how if I were to start at it. I should bungle the whole thing. All I desire to do is to get through with the joint resolution, so that I may direct my attention to matters of quite as much im-

portance if not more importance than those involved in this joint resolution. I do not wish to cut off any Senator. If any Senator wishes to make a reasonable discussion of the so-called "McCarran amendment", I am perfectly willing to sit here and hear what he has to say.

If 1 o'clock tomorrow is too early an hour, what hour would the Senator suggest?

Mr. McCARRAN. Mr. President, this is rather thinking out loud, if I may so express myself. I wonder if, say, tomorrow at a given hour we might commence the consideration of section 6, and close its consideration at a given hour. I should be willing to go on into the night. It does not make any difference to me.

Mr. GLASS. I am perfectly willing to go on tonight if the Senate wishes to vote tonight.

Mr. BONE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Washington?

Mr. GLASS. I do.

Mr. BONE. I did not understand the Senator from Virginia to suggest any hour tomorrow at which a vote might be taken. Might not that with propriety be included in the request the Senator makes? I do not think an hour was fixed.

Mr. McCARRAN. That is correct.

Mr. BONE. One o'clock was suggested as the hour for beginning the argument; but may we not have a vote on the McCarran amendment by 5 o'clock or thereabouts?

Mr. GLASS. I suggest that we begin the consideration of section 6 upon the convening of the Senate tomorrow—and devote how many hours to the discussion?

Mr. McCARRAN. I respectfully suggest—and I wonder if this may meet with approval—that not later than 5 o'clock tomorrow the vote be taken on the so-called "McCarran amendment."

Mr. McNARY. Mr. President, I do not wish to cut short any of the debate on this question by agreeing that any certain time shall be set for a vote, but I would not object to a limitation on debate. That is a fair way to meet an issue of this kind. From time to time we have experienced this situation, that a time would be set for a final vote, with only a few hours intervening, and some one Senator might occupy most of the time. In order to be fair to all who might wish to be heard, I should have to object to any such request as that now pending.

The PRESIDING OFFICER. The Senator from Oregon objects to the request of the Senator from Virginia.

Mr. ROBINSON. Mr. President, I think this is the first occasion when it has been suggested or insisted that it was the function of the Senate to enter into the arranging of pairs, or that it was an action subject to the control of the Senate. From time immemorial the making of pairs has been regarded as a purely personal arrangement.

Contrary to, and in contradiction of, the statement of the Senator from Louisiana [Mr. LONG] there have been numerous occasions when Senators who were absent have found themselves unable to arrange pairs.

No Senator has the right to insist upon a pair for himself or for another, even though that other happens to take the same view of the subject in controversy which he takes.

There has been a custom prevailing in the Senate for many years under which Senators have entered into pairs, and, in my judgment, if the Senator from Louisiana had been content to permit the author of the McCarran amendment to manage it, if he had not pursued the extraordinary course of coming into the Senate 2 days in advance and announcing that unless certain pairs could be arranged no vote would be permitted as long as he could conduct a filibuster, this issue never would have arisen.

The Senator from Nevada has demonstrated a very proper spirit in the matter. He has recognized the fact in his statement just made that no one has the right to demand that a Senator who does not wish to pair, who is not willing that someone who is not present may nullify his vote, shall enter into a pair. The Senator from Nevada recognizes the right which all other Senators possess, of determining for themselves, and not at the dictation of the Senator from Louisiana or any other Senator, when and whether a pair shall be arranged.

I repeat, if the Senator from Louisiana had done what any other Senator would have done—that is, if he had left the Senator from Nevada to manage his own amendment—there probably would not have been any difficulty about pairs.

I am saying now with emphasis that it is not in the power and it is not in the right of any one of us to insist that before the others shall act there must be a response to his demand that someone who is absent shall be paired.

I anticipate that if such an agreement as has been suggested by the Senator from Nevada and the Senator from Virginia should be entered into, there would be experienced no difficulty whatever.

To my good friend the Senator from Oregon I should like to suggest that it would be a very provident and wise thing if a time could be fixed for a vote on the amendment relating to wages and on all amendments which may be offered thereto. It would serve the convenience of many Senators.

If the subject had not been pretty fully debated on a previous occasion, there would be force in the suggestion that we should proceed to limit debate and not attempt to fix a definite time for the vote. But this issue relates to a controversy which has been sharp and decisive, and every Senator wishes to vote. That is the reason why difficulty has been experienced in making pairs. It may make it difficult hereafter before the vote to arrange pairs for Senators who may find it necessary to be absent.

I wonder whether the Senator from Oregon, in view of the request of the author of the amendment, would not be willing to agree on a time for a vote on the committee amendment, section 6, and all amendments which may be offered to it.

Mr. McCARRAN and Mr. McNARY rose.

The PRESIDING OFFICER. Does the Senator from Arkansas yield; and, if so, to whom?

Mr. ROBINSON. I yield first to the Senator from Nevada.

Mr. McCARRAN. I address myself to both the leader of the majority and the leader of the minority. I wonder whether it would be agreeable to all that we vote this afternoon at 5 o'clock. So far as I am concerned it seems to me that I can limit any expression I may have to make within that time.

Mr. GLASS. Yes; that would be fine.

Mr. ROBINSON. It would suit me exactly, if the Senator from Oregon would agree to it.

The PRESIDING OFFICER. Does any Senator prefer a request?

Mr. ROBINSON. The Senator from Nevada has suggested that we proceed to vote on section 6 and on all amendments which may be offered thereto at not later than 5 o'clock this evening.

The PRESIDING OFFICER. If the Chair understands correctly, the Senator from Arkansas requests that the other provisions of the joint resolution be passed over and that the Senate immediately proceed to the consideration of section 6 and that the vote on section 6 and on all amendments proposed thereto be taken at not later than 5 o'clock p. m. today. Is there objection?

Mr. THOMAS of Oklahoma. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from Oklahoma reserves the right to object.

Mr. THOMAS of Oklahoma. We have just been informed that this matter of pairs is unusual and an outgrowth of the procedure of the Senate extending over many years. I now propose a counter unanimous-consent request and, if that shall be granted, my action will be governed by such grant.

I ask unanimous consent that the rules be considered suspended and that the Chair appoint a committee of three to wait upon the absent and ill Senator from Arkansas [Mrs. CARAWAY] and ascertain her wishes as to the way she wants to vote upon the roll to be called upon the motion to adopt

the so-called "McCarran amendment", and when the roll is called, that this committee, when the Senator's name [Mrs. CARAWAY] shall be reached and called shall announce her vote as she may direct and that such vote so announced be counted as if she were present in the Chamber and voting in person.

Mr. ROBINSON. Mr. President, that would be such an extraordinary proceeding that I do not believe the Senator from Oklahoma would wish to insist upon it. I do not think the Senate would be willing to establish the precedent of voting by proxy, or by committee. It would seem to me the most extraordinary thing that was ever attempted.

I will say to the Senator that if the Senator from Nevada is willing to proceed I think those who are interested in his amendment should let him have the privilege of doing so, and for my part I feel that he would make no sacrifice by pursuing that course.

Mr. THOMAS of Oklahoma. Mr. President, do I understand the Senator from Arkansas to object to my unanimous-consent request?

Mr. ROBINSON. Oh, yes, Mr. President. If I did not object to it every other Senator would.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Arkansas?

Mr. THOMAS of Oklahoma. I object.

The PRESIDING OFFICER. The Senator from Oklahoma objects.

The question is on agreeing to the committee amendment on page 6, beginning at line 5.

The amendment was agreed to.

The next amendment was on page 7, line 20, to change the number of the section from "6" to "5"; and in line 23, after the word "exceed", to strike out "$5,000" and insert "$1,000"; so as to make the section read:

SEC. 5. The President is authorized to prescribe such rules and regulations as may be necessary to carry out this joint resolution, and any willful violation of any such rule or regulation shall be punishable by fine of not to exceed $1,000.

The amendment was agreed to.

The PRESIDING OFFICER. The next committee amendment will be stated.

The CHIEF CLERK. On page 8, line 1, it is proposed to insert a new section, as follows:

SEC. 6. The President is authorized to fix the rates——

Mr. McCARRAN. Mr. President, I offer as a substitute for the committee amendment, section 6, as it appears in the bill, the amendment submitted by me and now on file, and ask that it be stated.

The PRESIDING OFFICER. The Chair will say to the Senator from Nevada that the committee amendment has not as yet been stated. The clerk was about to state the committee amendment.

The CHIEF CLERK. On page 8, line 1, it is proposed to insert the following new section:

SEC. 6. The President is authorized to fix the rates of wages of all persons compensated out of the funds appropriated by this joint resolution and may fix different rates for various types of work, which rates need not be uniform throughout the United States.

In the event the President, or such official or agency of Government as he may select, shall determine after an investigation that the rate of wages paid is affecting adversely or is likely to decrease the prevailing rates of wages paid for any work of a similar nature in any city, town, village, or other civil division of the State in which the work is located, or in the District of Columbia, the President, or the official or agency designated by him, shall immediately fix the rate of wages at an amount not less than the prevailing rate of wages paid for work of a similar nature in such locality.

Any and all contracts which may be entered into under the authority contained in this resolution shall contain stipulations which will provide for the accomplishment of the purposes of this section.

Mr. RUSSELL. Mr. President, I desire to offer an amendment in the nature of a substitute for section 6, which I ask to have stated.

The PRESIDING OFFICER. The Senator from Georgia [Mr. RUSSELL] offers an amendment to the amendment, which will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out section 6, as reported by the committee, and to insert in lieu thereof a new section 6, as follows:

The President shall require to be paid such rates of pay for all persons engaged upon any project financed in whole or in part, through loans or otherwise, by funds appropriated by this joint resolution, as will, in the discretion of the President, accomplish the purposes of this act, and not affect adversely or otherwise tend to decrease the going rates of wages paid for work of a similar nature.

The President may fix different rates of wages for various types of work on any project, which rates need not be uniform throughout the United States: *Provided, however,* That whenever permanent buildings for the use of any department of the Government of the United States, or the District of Columbia, are to be constructed by funds appropriated by this joint resolution for which rates of wages are now determined in accordance with the provisions of any law of the United States or any code, the President shall fix the rate of wages upon such public buildings in accordance with such laws and codes.

Mr. RUSSELL and Mr. McCARRAN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Nevada?

Mr. RUSSELL. I yield to the Senator from Nevada.

Mr. McNARY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McNARY. I thought an effort was being made by the Senator from Nevada to offer his proposal as an amendment to the text of the joint resolution. Later, the Senator from Georgia was recognized, and now an amendment has been presented by him which is similar to the one which was heretofore offered, before the joint resolution was recommitted to the committee. Did the Senator from Nevada neglect to take advantage of his rights?

The PRESIDING OFFICER. The Chair will state to the Senator from Oregon that the clerk was about to state the committee amendment which begins on top of page 8. Before the committee amendment had been stated by the clerk, the Senator from Nevada claimed the floor to offer an amendment, which the Chair stated was out of order at the time, because the committee amendment had not been stated. At the conclusion of the reading of the committee amendment the Senator from Georgia claimed the floor for the purpose of offering an amendment in the nature of a substitute for the committee amendment, and was recognized for that purpose. The Chair assumes that there cannot be two substitutes pending at once, although the Chair is not deciding the nature of the application without having had a chance to examine it.

Mr. McNARY. Mr. President, it is merely a question now of what occurred. I thought the Senator from Nevada, when he rose and was recognized, offered his proposal as a modification of and substitute for that which is found in the joint resolution.

The PRESIDING OFFICER. The Chair will state that it was not a question of the text of the joint resolution. It was a question of stating the amendment reported by the committee, which had not yet been stated. Therefore, an effort to offer a substitute was clearly out of order at the time the Senator from Nevada claimed the floor for that purpose.

Mr. McNARY. That was because the clerk had not read the committee amendment.

The PRESIDING OFFICER. The Senator's statement is correct.

Mr. McNARY. But was not the Senator from Nevada recognized for the purpose of proposing his amendment when the reading of the committee amendment was concluded by the clerk?

The PRESIDING OFFICER. The Chair will state that at the time the Senator from Nevada was recognized the Chair had no intimation of what the Senator from Nevada intended to do. Certainly the Chair would not have permitted the interruption of the reading of the committee amendment for the purpose of offering an amendment at that time.

Mr. McNARY. I do not want to quarrel with the Chair——

Mr. McCARRAN. Mr. President, will the Senator from Oregon yield for a moment?

The PRESIDING OFFICER. The Senator from Georgia [Mr. RUSSELL] has the floor. The Senator from Oregon was recognized for the purpose of propounding a parliamentary inquiry.

Mr. RUSSELL. Mr. President, I yield to the Senator from Nevada. The Senator from Oregon previously desired to present a parliamentary inquiry and I yielded to him. I yield now to the Senator from Nevada.

Mr. McCARRAN. Mr. President, knowing the present Presiding Officer of this body as I do, and believing in him as I do, I cannot now believe, and I am not going to believe, that he is going to take any advantage of the spirit of fairness which I tried to show here this afternoon.

I sought the floor and was recognized. My amendment has been printed and has been lying on the table for weeks. I am not now going to take a position out of harmony with the spirit I have tried to evince here this afternoon, when I could have taken another position. I do not believe that this body is going to put my amendment, which has been broadcast all over the country, in the status of an amendment in the third degree. I do not believe there is a spirit prevalent here which will permit me to be taken off this floor when an amendment is offered by the learned and the honorable Senator from Georgia which has not even been known or heard of heretofore. If Senators want to put that to a vote, let them try it once!

Mr. THOMAS of Oklahoma. Mr. President——

Mr. McCARRAN. Fair play is all I have asked for here. I will yield in just a moment.

Mr. RUSSELL. Mr. President, I have the floor. I yielded to the Senator from Nevada.

Mr. McNARY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McNARY. I insist that my position is correct, and I desire to have the Chair reconsider the matter.

When the Senator from Nevada was recognized, as I think the Chair will agree he was, and offered his proposal, the Presiding Officer at that time stated that the Senator's amendment was to be withheld until the committee amendment had been stated by the clerk.

The PRESIDING OFFICER. The Chair said that a motion to offer an amendment was out of order at that time——

Mr. McNARY. Exactly.

The PRESIDING OFFICER. Which was unquestionably true.

Mr. McNARY. It was unquestionably true; but, at the same time, the Senator from Nevada had the floor.

The PRESIDING OFFICER. The Senator from Nevada did not have the floor because he obtained it improperly.

Mr. McNARY. He had indicated his purpose to offer the amendment as soon as the clerk had stated the committee amendment. Therefore, he was entitled to the floor. He was entitled to first consideration of his amendment.

I submit to the Chair that that is a correct statement of the situation which developed here his afternoon.

The PRESIDING OFFICER. The Chair will again state that it is not the business of the Chair to determine, as between claimants of the floor, how long their respective amendments have been pending. The clerk began stating the committee amendment, on page 8. Before the clerk had had an opportunity to state the amendment, the Senator from Nevada interrupted. The Chair, being unaware of the purpose of the Senator from Nevada, recognized him, whereupon the Senator stated that he desired to offer an amendment to the committee amendment; and the Chair stated that that was out of order because the committee amendment had not been stated.

Mr. RUSSELL. Mr. President——

The PRESIDING OFFICER. Just a moment.

At the conclusion of the reading of the committee amendment the Senator from Georgia rose and claimed recognition, and was recognized by the Chair. So far as the Chair is concerned, it is not the business of the Chair to determine as to prior right, or how long an amendment has been pending. The Senator from Georgia claimed the floor, and was recognized by the Chair.

Mr. JOHNSON, Mr. NORRIS, and Mr. ROBINSON addressed the Chair.

Mr. RUSSELL. Mr. President, I have the floor.

The PRESIDING OFFICER. The Senator from Georgia [Mr. RUSSELL] has the floor.

Mr. JOHNSON. I ask the Senator if he will yield for a question?

Mr. RUSSELL. I yield to the Senator from California.

Mr. JOHNSON. Is this amendment the same amendment which was presented before by the Senator from Georgia, which was embodied in the joint resolution, and as to which controversy arose?

Mr. RUSSELL. It is not. It is materially different in some respects, as I was undertaking to explain to the Senate when the present controversy arose.

Mr. JOHNSON. I see. It is a different amendment in reality than the one which was originally presented?

Mr. RUSSELL. In some particulars it is different.

Mr. JOHNSON. Mr. President, if the Senator will yield a moment more——

Mr. ROBINSON. Mr. President, will the Senator from Georgia yield to me to submit a unanimous-consent request?

The PRESIDING OFFICER. Does the Senator from Georgia yield; and if so, to whom?

Mr. RUSSELL. I yield to the Senator from Arkansas.

Mr. ROBINSON. Mr. President, I ask unanimous consent that the rule be suspended and that it be declared in order for the Senator from Nevada [Mr. McCARRAN] to offer his amendment as a substitute for the amendment of the Senator from Georgia [Mr. RUSSELL].

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas?

Mr. RUSSELL. Mr. President, I have no desire or inclination to object to the unanimous-consent request. I should like to make it clear that there is no intention on my part of being unfair to the Senator from Nevada or any other Member of this body. I have been sitting here all day waiting for section 6 to be reached for the purpose of offering this substitute. As the author of the original section 6 contained in the joint resolution, I feel that I have some right to offer a substitute myself. I was the author of the committee proposal embodied in section 6. I have no desire to do anything that might even smack of unfairness. I shall not object to the request of the Senator from Arkansas, but I wish to assure the Senate that I have not sought to take advantage of the Senator from Nevada or anyone else. As a general proposition, the author of an amendment should have the first opportunity to amend his own amendment so as to perfect it. Such has been the custom heretofore in this body.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

Mr. McCARRAN. Mr. President, I now offer as a substitute for section 6, as the joint resolution came from the committee, my amendment, which is now on the table.

The PRESIDING OFFICER. Under the unanimous-consent order just made, the Chair will state to the Senator from Nevada that his amendment should be offered as a substitute for the proposed substitute of the Senator from Georgia. It will be an amendment in the nature of a substitute, but the substitute amendment of the Senator from Nevada will be voted on first.

Mr. McCARRAN. I do not care what the order is. My only desire is to have a vote on my amendment.

The PRESIDING OFFICER. The Chair was merely trying to keep the parliamentary situation straight. The clerk will state the amendment offered by the Senator from Nevada [Mr. McCARRAN], in the nature of a substitute for the amendment of the Senator from Georgia [Mr. RUSSELL].

The LEGISLATIVE CLERK. In lieu of the amendment proposed by Mr. RUSSELL it is proposed to strike out all of section 6 of the committee amendment and to insert in lieu thereof the following:

SEC. 6. The President is authorized to prescribe, and shall give full publicity to, rules and regulations necessary to carry out the purpose of this joint resolution: *Provided, however,* That (a) such rules and regulations shall stipulate that the rates of wages paid to all laborers and mechanics employed by any contractor or subcontractor or by the public officer in charge for the United States or for the District of Columbia, for work done under this joint resolution, whether by contract or otherwise, involving the expenditure of any money appropriated by the resolution, need not be uniform throughout the United States, but shall not be less than the prevailing rates of wages paid for work of a similar nature at the time of the approval of this resolution in the city, town, village, or other civil division of the State in which the work is located, or in the District of Columbia: *Provided, however,* That nothing in this section shall apply to the administration of the Civilian Conservation Corps; (b) rules and regulations prescribed under this section shall not abrogate any existing law.

Mr. RUSSELL. Mr. President, under the unusual parliamentary situation which obtains, there are now pending two substitutes for section 6 of the printed joint resolution relating to the very vexing and highly controversial question of the wage scale which shall be fixed in the joint resolution for work to be carried on under its provisions.

The original section 6 was offered by me as an amendment in the Committee on Appropriations. It will be remembered that as the joint resolution came from the House it contained no reference whatever to the rate of wages which should be paid for work done under the terms of the joint resolution. It was generally understood that the President would fix what is commonly referred to as a security wage, a wage described by him in his first message to the Congress as being greater than the dole now being received by those on the relief rolls, but at the same time not an amount sufficient to make employment under the program so attractive that the workers would not take advantage of any opportunity for employment in private industry. In other words, a wage sufficient to maintain in a decent manner the families of those now on the relief roll, and yet slightly below the prevailing wage.

There were two schools of thought on this question in the committee, and the question of wages was thoroughly discussed. One of those held to the theory that there should be no reference whatever to wages in the joint resolution, that the entire matter should be left in the discretion of the President. The other school of thought held to the theory of the Senator from Nevada [Mr. MCCARRAN] in the belief that the prevailing rate of wages should be paid for all work done under the joint resolution without regard to where the work was located or the nature thereof.

This wide cleavage between no mention whatever of wages and no restriction as to conditions and wages, on the one hand, and a requirement of the payment of the prevailing wage on all projects, on the other hand, left a rather wide field for compromise.

There should be a common ground, somewhere, which will enable the Congress to so word the provisions of this measure relating to the wage structure as to make it possible for the President to pay the so-called "security wage" and at the same time protect the wage structure of the country and avoid doing anything that might tear down the prevailing-wage standards. The original amendment was proposed in an effort to give the President a free hand, unless and until the existing wage scale appeared to be in danger. If this occurred, it made it mandatory upon the President to pay the existing scale.

It was my belief, and is yet for that matter, that the original amendment fully protected the existing wage structure. I was strengthened in this belief by the personal assurance of the President, contained in a letter read by the able Chairman of the Committee on Appropriations on the floor of the Senate, that he would assume personal responsibility for not injuring the existing wage structure. It appears to me to be almost fantastic to apprehend that the present President of the United States would willfully permit anything to be done that was likely to injure the existing wage structure, when we consider that the major objectives of his administration have been to establish better working conditions, shorter hours, and higher standards of pay for labor.

The amendment which I have offered goes somewhat further than my original proposition on the subject. It imposes upon the President the duty of requiring payment of such rates of pay as will permit him to effectuate the purpose of the joint resolution, and yet at the same time will not affect adversely or otherwise tend to decrease the going rates of wages paid for work of a similar nature.

It provides, however, that in the construction of permanent buildings for the use of any department of the Government of the United States the existing law or prevailing code shall regulate the wages to be paid. In other words, the proviso has the effect of accepting the provisions of the Davis-Bacon Act and the wage rates of any prevailing code insofar as the construction of permanent public buildings for the use of the Government of the United States is concerned.

It appears to me that the amendment presents a fair settlement of this controversial question. It amply protects labor in preserving the wage structure which those who toil have been so long in building. It provides against any dislocation of or detriment to industrial employment which would follow if we make the work relief so attractive as to lure those from private employment. It assures a high degree of efficiency and more permanent value for the future in projects carried on from the expenditure of the funds provided in the joint resolution.

I have every reason to believe that the amendment will be approved by the President if it be enacted into law. Its adoption will, therefore, avoid all the difficulties and confusions which are assured us if the original McCarran proposal should be adopted.

We were told by the Chairman of the Committee on Appropriations that he had substantive reason to believe that the joint resolution would encounter an Executive veto if the McCarran amendment were adopted by the Senate. This amendment has been offered after a series of conferences with members of the Appropriations Committee and others who had been endeavoring earnestly and honestly to arrive at some fair and satisfactory settlement of this problem. I have been reliably advised on good authority that it has been submitted to the junior Senator from New York [Mr. WAGNER], who found serious objection to the original proposal and that he finds this solution of the matter to be satisfactory.

I doubt whether any lengthy discussion of this subject would serve any useful purpose. The amendment is clear and speaks for itself. It protects the wage scale throughout the United States. It recognizes the principle of the Davis-Bacon Act and all existing codes insofar as the construction of permanent buildings is concerned, and, in my judgment, is about as fair a compromise of the two widely divergent schools of thought on this subject as it would be possible for the Senate to obtain.

The PRESIDING OFFICER (Mr. POPE in the chair). The question is on the amendment of the Senator from Nevada [Mr. MCCARRAN] in the nature of a substitute for the amendment of the Senator from Georgia [Mr. RUSSELL] to the amendment of the committee.

Mr. JOHNSON. Mr. President, if we are about to take a vote upon this question, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Harrison	Murphy
Ashurst	Connally	Hastings	Murray
Austin	Coolidge	Hatch	Neely
Bachman	Copeland	Hayden	Norbeck
Bailey	Costigan	Johnson	Norris
Bankhead	Couzens	Keyes	Nye
Barbour	Cutting	King	O'Mahoney
Barkley	Dickinson	La Follette	Pittman
Bilbo	Dieterich	Lewis	Pope
Black	Donahey	Logan	Radcliffe
Bone	Duffy	Lonergan	Reynolds
Borah	Fletcher	McAdoo	Robinson
Brown	Frazier	McCarran	Russell
Bulkley	George	McGill	Schall
Bulow	Gerry	McKellar	Schwellenbach
Burke	Gibson	McNary	Sheppard
Byrd	Glass	Maloney	Shipstead
Byrnes	Gore	Metcalf	Smith
Capper	Guffey	Minton	Steiwer
Carey	Hale	Moore	Thomas, Okla.

Thomas, Utah	Truman	Van Nuys	Wheeler
Townsend	Tydings	Wagner	White
Trammell	Vandenberg	Walsh	

Mr. LEWIS. Mr. President, I rise to reannounce the absence of Senators as previously announced by me.

The PRESIDING OFFICER. Ninety-one Senators having answered to their names, a quorum is present. The question is on the amendment offered by the Senator from Nevada [Mr. McCARRAN] in the nature of a substitute for the amendment offered by the Senator from Georgia [Mr. RUSSELL] to the amendment of the committee, which constitutes section 6 of the joint resolution.

Mr. McNARY. Mr. President, I desire to call the attention of the Senator from Nevada [Mr. McCARRAN] to the fact that the Chair has announced that a vote is about to be taken by the Senate on his amendment. Is the Senator from Nevada prepared to have the vote taken at this time? [A pause.] Mr. President, may we have some statement of the conversations that are taking place on the other side of the Chamber?

Mr. ROBINSON. Mr. President, with the indulgence of the Senator from Oregon, I desire to state that the Senator from Nevada [Mr. McCARRAN] and I were discussing the possibility of attempting to fix a time for a vote on this amendment. I ask the Senator from Oregon to be good enough to give us his ear while we submit a request.

I ask unanimous consent that tomorrow, at not later than 4 o'clock p. m., the Senate proceed to vote on section 6 of the joint resolution and all amendments that may be pending or may be offered thereto.

The PRESIDING OFFICER. Is there objection?

Mr. THOMAS of Oklahoma. I object, Mr. President.

The PRESIDING OFFICER. Objection is heard.

Mr. McNARY. Mr. President, I stated earlier in the day that I share the views of the Members who desire an early vote upon the pending amendment. From years of experience I have reached a state of mind where I believe that better results are obtained, and fairer consideration is given to amendments and other proposals, if there is a limitation of debate rather than a time fixed for a vote.

Over and over again, when a time has been fixed for a vote, I have seen some one Senator or a group of Senators occupy the full time. It is much fairer to prescribe a limitation and give every Senator an opportunity to be heard if he so desires. I have no objection to having a limitation take effect today at 4:30 o'clock, though I should prefer that the Senate now take a recess and start in at 12 o'clock tomorrow with a limitation of 15 minutes, and if that course is followed, in my judgment we will come to a vote before 4 o'clock tomorrow. But under such an order no one could take advantage of the situation.

Mr. President, I am willing to make this proposal, if I may have the attention of the Senator from Arkansas and the Senator from Nevada: I propose that the Senate take a recess now until tomorrow at 12 o'clock, that at 12 o'clock tomorrow the unfinished business be laid before the Senate, and that no Senator be permitted to speak longer than 15 minutes or more than once on the pending amendment.

Mr. McCARRAN. Mr. President, I never take a great deal of time, and I hope that my last expression may be the last expression until my amendment shall be adopted. Would the leader of the majority and the leader of the minority agree to make the limitation 20 minutes?

Mr. ROBINSON. I think that is a fair suggestion.

Mr. McNARY. Whether it be 15 minutes or 20 minutes or 22 minutes does not particularly matter.

Mr. ROBINSON. Mr. President, I will submit a request. I ask unanimous consent that when the Senate completes its labors today it take a recess until 12 o'clock noon tomorrow, and that after that hour no Senator shall speak more than once or longer than 20 minutes on the pending amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. NEELY. Mr. President, I desire to suggest an amendment, which I intend to propose to the pending joint resolution, which I ask to have read, printed, and lie on the table.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 10, line 3, after the word "agencies", it is proposed to insert the following:

SEC. 10. (a) Not less than $500,000,000 of the sum appropriated by this act shall be utilized for the construction, preservation, or improvement of schoolhouses and buildings used exclusively or principally for educational purposes.

The PRESIDING OFFICER. The proposed amendment will be printed and lie on the table.

DECLINE IN THE PRICE OF COTTON

Mr. SMITH. Mr. President, I offer a Senate resolution, which I send to the desk to be read, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will read the resolution.

The legislative clerk read the resolution (S. Res. 103), as follows:

Resolved, That the Committee on Agriculture and Forestry, or any duly authorized subcommittee thereof, is authorized and directed to investigate the causes of the rapid decline of the price of cotton on the cotton exchanges on or about March 11, 1935. The committee shall report to the Senate, at the earliest practicable date, the result of its investigations, together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth Congress, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Carolina for the immediate consideration of the resolution?

Mr. McNARY. Mr. President, the Senator from South Carolina ought to know that it would violate the statutory rules and practices of the Senate to allow this to be done. The resolution must be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. SMITH. I am perfectly willing to have it take that course.

Mr. McNARY. Then, how can the Senator ask for immediate consideration at this time?

Mr. SMITH. I have asked for immediate consideration because I do not believe that in the history of all the industrial affairs of this country such an unwarranted break in the market as occurred last Monday has ever been known. The Government had pegged the price of cotton at 12 cents, and without rime or reason it broke to 10 cents, involving a loss of millions and a total discrediting of all the efforts we have made up to this time to try to aid the situation. I thought that every Senator here, on both sides, would be perfectly willing to have an investigation in order to ascertain where this unwarranted break in the market originated; that is all.

I do not wish to violate any statutory rule of the Senate, but I thought that, perhaps, in view of this disastrous tragedy which has broken the stock market, the bond market, and every market which affects the cotton industry, a disaster which has affected them all, we ought to investigate to find out why the break occurred.

Mr. McNARY. Mr. President, I do not wish to argue about the break in cotton, which was indeed too bad, but that does not affect the rules of the Senate or statutory law. The Senator knows that when a standing committee brings in a resolution of this nature it must be referred to the Committee to Audit and Control the Contingent Expenses of the Senate before any action can be taken, whether by unanimous consent or otherwise.

The VICE PRESIDENT. Let the Chair see if he understands the parliamentary situation. The Chair understands that the Senator from South Carolina has offered a resolu-

tion providing for an investigation. Ordinarily the resolution, unless there were unanimous consent otherwise, would go to the Committee on Agriculture and Forestry. If that committee should report it, then the Committee to Audit and Control the Contingent Expenses of the Senate would consider the proposed resolution and report its recommendation to the Senate.

Mr. McNARY. Mr. President, that is exactly correct.

The VICE PRESIDENT. That would be the status of the matter, as the Chair understands it.

Mr. SMITH. Mr. President, of course, if the Senate insists that it shall take that course, which is the ordinary course, I shall not object. I was aware that I should have to ask unanimous consent for the immediate consideration of the resolution, which I did. I am perfectly willing to allow it to take its ordinary course, but I thought the circumstances were so extraordinary that it should have immediate attention.

Mr. McNARY. Mr. President, I again say that the Senator from South Carolina does not understand the rules of the Senate. It is not a question of unanimous consent at all; it is a question of statutory law, which cannot be waived or modified or repealed by unanimous consent.

Mr. SMITH. I may not understand parliamentary law——

Mr. McNARY. I am sure of that.

Mr. SMITH. But I do understand common sense, which suggested to me to ask unanimous consent to waive the rule of the Senate.

Mr. McNARY. Which cannot be done by unanimous consent at all.

Mr. SMITH. We can do anything by unanimous consent; and the Senator knows it; I know it, and all of us know it.

The VICE PRESIDENT. There is objection.

Mr. SMITH. Let it take its regular course.

The VICE PRESIDENT. The resolution will be referred to the Committee on Agriculture and Forestry.

WORK-RELIEF PROGRAM—CIVILIAN CONSERVATION CORPS

Mr. WALSH. Mr. President, in view of the discussion yesterday over the merits and demerits of the appropriation of funds for C. C. C. camps, I ask that a letter from the director and other data relating to the work under the C. C. C. and a magazine article be published at this point in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

EMERGENCY CONSERVATION WORK,
OFFICE OF THE DIRECTOR,
Washington, D. C., February 8, 1935.

Hon. DAVID I. WALSH,
United States Senator, Washington, D. C.

DEAR SENATOR WALSH: Receipt is acknowledged of your letter of January 26 requesting information regarding the number of enrollments in the Civilian Conservation Corps and the cost of maintaining the corps.

Up to the present time a total of approximately 943,972 men have been enrolled in the corps since its organization in April 1933. This figure is subject to the following break-down:

Total enrollments up to date of latest report (Dec. 31, 1934)	837,972
Additional enrollments completed during the month of January	68,000
Total number of Indians	32,000
Aggregate number of men engaged in emergency conservation work in the outlying possessions	6,000
Total	943,972

The authorized strength of the corps is 353,225, including 290,000 young men between the ages of 18 and 25, a quota of 33,225 war veterans, and 30,000 local experienced woodsmen. In addition the employment on emergency conservation work projects of 14,400 Indians and 4,297 residents of the outlying possessions of Hawaii, Puerto Rico, Alaska, and the Virgin Islands was authorized. The average total strength of all units doing emergency conservation work runs around 360,000 men.

The total obligations up to November 30, 1934, are estimated by the Office of the Chief of Finance of the War Department at $554,000,000.

A copy of this letter is enclosed for your use.

Very truly yours,

GUY D. MCKINNEY,
Director of Publicity.

From the beginning of emergency conservation work through December 31, 1934, enrollees in the Civilian Conservation Corps have completed the following work:

New telephone lines	miles	29,020
Telephone lines maintained	do	40,774
Fighting forest fires	man-days	1,687,544
New firebreaks	miles	35,304
Roadside and trailside clean-up, fire prevention	do	26,716
Fire hazards reduced	acres	967,896
New look-out houses		2,035
Forest-stand improvement	acres	1,572,692
New truck trails	miles	47,240
Truck trails maintained	do	68,727
Trees planted		257,751,000
Rodent control	acres	10,584,305
Tree- and plant-disease control	do	3,663,591
Insect-pest control	do	4,959,000
Erosion-control check dams		969,331

These represent merely a few of the more than 100 types of work being done by the Civilian Conservation Corps.

The following is an excerpt from a letter written by Col. John S. Chambers, quartermaster for the Eighth Corps Area headquarters, Fort Sam Houston, Tex., in which the colonel outlines the advantages to be obtained by enrollment in the C. C. C.:

"When you stop to think that every C. C. C. enrolee has a nice, warm, comfortable, well-lighted barrack to live in; plenty of bedding to keep him warm; that his food is of the best, plentiful in quantity and variety, well cooked, with plenty of calories and vitamins, and includes milk, butter, eggs, vegetables, meats, bread, cake, pies, and ice cream; that he has plenty of warm clothes in the winter and cool clothes in the summer; that he has books and magazines to read; a nice big room, where they have in many companies games of all sorts, pianos, and radios; that he has an educational instructor in the camp and can take any course from his A B C's up to the equivalent of a Ph. D. in a college course; that he gets an opportunity to move around to different sections of the country and see some of the United States; and that he has money to spend and money to send home, perhaps you can begin to realize some of the benefits to the men in these C. C. C. camps. In addition to that, he has an Army officer to look after the housekeeping and homekeeping of the camp, a doctor to take care of him when he is sick and to keep him well. If he is ambitious to become a 'Babe' Ruth or a 'Red' Grange, they have baseball, football, basket ball, etc.; or if he likes the tamer sport of pitching quoits, he can pitch horseshoes."

Consolidated statement of estimated total obligations for emergency conservation work, Apr. 5, 1933, through Jan. 31, 1935

(Furnished through the Office of the Chief of Finance)

1.	Pay, members	$192,217,059.11
2.	Pay, civilians	52,736,110.64
3.	Shelter	35,109,879.34
4.	Clothing	70,876,553.68
5.	Subsistence	73,892,282.58
6.	Medical	10,142,631.64
7.	Supplies, materials, etc	78,573,026.85
8.	Travel of persons	23,935,910.78
9.	Transportation of things	15,485,306.36
10.	Utilities	3,538,638.80
11.	Miscellaneous	32,534,567.26
	Total	589,042,585.04
	Land purchases	24,110,033.73
	Grand total	613,152,618.77

Of the above obligations, approximately $329,000,000 has been obligated for all of the goods, supplies, materials, and equipment needed to operate emergency conservation work. Approximately $260,000,000 has been obligated for all salaries and wages, and approximately $24,000,000 for the acquisition of new national-forest and national-park lands.

From the national viewpoint, an impressive array of industries has benefited through the $329,000,000 obligated for the purchases necessary to carry on emergency conservation work. Broken down to local viewpoints, the benefits to business and industry have been as vital as those accruing to industry as a whole.

Hundreds of communities have discovered that a Civilian Conservation Corps camp is a bright spot on the business map for the individual community. A camp in a community has meant a local market for between $3,000 and $5,000 worth of goods and services per month. When a camp was constructed, it provided work and wages for local skilled and unskilled mechanics. Indirect benefits have accrued to many communities due to visitors to the camp proper or visitors to projects on which enrollees were working or had completed.

Most communities have been quick to recognize the commercial benefits of a Civilian Conservation Corps camp and have done many things to facilitate work projects and to promote social interests between townspeople and Civilian Conservation Corps enrollees. Communities have opened their schools, churches, and homes to enrollees and in many other ways worked for the mutual well-being of enrollees and townspeople.

The obligations under the land-acquisition item are particularly interesting in that they represent the furtherance of a long-time

program through which the United States has been and is continuing to acquire forest and park lands as reserves against the probable needs of both the near and distant future. And in connection with land acquisitions it is significant to note that since emergency conservation work was inaugurated—and as a result thereof—many States have acquired substantial new park and forest lands, both by gift and purchase, to serve as a further reserve against future needs.

Through February 28, 1935, approximately 980,000 men had passed through the Civilian Conservation Corps, the Indian camps, and the outlying territory camps or were still in these camps.

From the beginning of emergency conservation work through January 31, 1935, enrolled men had allotted home to needy dependents about $148,000,000, thus contributing to the lightening of other relief loads—Federal, State, and local.

The value of the work done by Civilian Conservation Corps enrollees and Indian enrollees from April 5, 1933, through September 30, 1934, approximated $291,758,443.22.

There will be a substantial increase in this when December 31, 1934, valuation figures are received.

[From America of Mar. 16, 1935]

UNEMPLOYMENT AND THE C. C. C.

By Floyd Anderson

The President has often expressed his interest in the work of the Civilian Conservation Corps, and the gap that it fills in his scheme of social reconstruction—the employment of young men. He has often publicly expressed this interest. In his message of January 4 to the Congress, speaking of necessary public projects, he includes the "extension and enlargement of the successful work of the Civilian Conservation Corps." Last October, he wrote to Robert Fechner, Director of Emergency Conservation Work (official title of the C. C. C.):

"This kind of work must go on. I believe that the Nation feels that the work of the young men is so thoroughly justified and, in addition, the benefits to the men themselves are so clear, that the actual annual cost will be met without much opposition or much complaint.

A wide-spread agreement with this statement has been evident throughout the Nation. Confirmation comes recently from New York State and the Virgin Islands. On February 13, the head of the New York State Department of Conservation asked for 30 new C. C. C. camps to care for 15,000 jobless youths. On the same date, it was announced that two C. C. C. camps will be established in the Virgin Islands to aid economic rehabilitation there. Out in Douglas County, in Wisconsin, the county itself has established a camp for 28 young men, run on C. C. C. principles, where they will learn the rudiments of reforestation, according to the Evening Telegram, of Superior.

The C. C. C. grew out of the problem of unemployment, which has stared President Roosevelt in the face ever since he took office 2 years ago. To relieve unemployment, the President instituted the N. R. A., the P. W. A., the C. W. A., the C. C. C., and many other agencies. One of the principal reasons for the National Recovery Administration was to get men back to work, and to enable the employers to pass the slightly higher prices on to the customers. The only purpose of the Public Works Administration was to stimulate the building industry, which had been in the doldrums too long for the welfare and economic health of the Nation. The Civil Works Administration was an invaluable emergency aid last winter in helping the unemployed.

President Roosevelt set the C. C. C. to work on April 5, 1933, when he appointed Robert Fechner Director of the C. C. C. Congress, 6 days before, had authorized this, providing for the use of United States citizens, now unemployed, "in the construction, maintenance, and carrying on of works of a public nature in connection with the forestation of lands." The principal purpose of the act was to relieve "the acute condition of wide-spread distress and unemployment", while at the same time restoring the depleted natural resources of the country and advancing a program of public works.

Because reforestation is close to the President's heart, the C. C. C. has been one of his pet projects. During its first 18 months, it planted more than 150,000,000 trees over denuded forest areas, or on lands endangered by soil erosion. And by removing undesirable trees, etc., it has developed and improved more than 1,000,000 acres of forest lands.

But the brightest spot in the C. C. C.'s work has been the employment it has given. Thousands of young men, most of them recently out of school, have been put to work in a healthful, wholesome environment. They had come out into the business world when there were no jobs even for experienced workmen—their case was almost hopeless from the start. Providing them with work has saved many from that moral deterioration which might have followed a long, enforced idleness.

The original number of men to be enrolled in the C. C. C. was set at 250,000. Enrollment was open to citizens, between 18 and 25 years of age, physically fit, unemployed, unmarried, and with dependents to whom they would allot a part of their cash allowance. In almost every case, the C. C. C. reports, the jobs have gone to men willing to allot five-sixths of their $30 monthly allowance to their families or dependents.

The enrollment requirements were later extended to provide for needy World War veterans, Indians, and 50,000 young men from cities, towns, and villages in the 22 drought States. This has brought the authorized enrolled strength of the C. C. C. up to 369,838, although the actual number in the camps is below that, since there have been day-by-day discharges to allow the men to accept private employment, etc.

The stipulation that the men must allot part of their allowance to their families and dependents has reduced considerably the relief rolls. About $113,000,000 of the $136,000,000 paid the C. C. C. men has been sent home. From the early summer of 1933 to July 1, 1934, these relief allotments reached an average of 300,000 families each month, and later the number has been as high as 350,000. If the enrollments are maintained at this level, it is estimated that $7,500,000 each month will be sent to 350,000 families on relief rolls. And that represents a large saving to needy municipal and State relief organizations, while at the same time preserving the self-respect of these families.

But the C. C. C.'s contribution to the relief of unemployment has not stopped with those enrolled in its ranks. On camp supervisory and administration staffs, it has employed some 70,000 experienced foresters, technical men, construction experts, Reserve officers, and school teachers. And it has spent $256,000,000 in purchasing supplies, materials, etc., all of which goes toward the general stimulation of employment.

The half-billion dollars representing the cost of the first 18 months of the C. C. C. has had many results beneficial to the Nation. Here are some of the major accomplishments claimed for it by the Emergency Conservation Work officials:

It has constructed some 40,000 miles of truck trails through forests and parks, opening up hitherto inaccessible areas, and strengthening the forest-fire-control system; and has constructed 23,000 miles of firebreaks, which will help control the spread of forest fires. It has conducted campaigns to reduce or eradicate the destructive activities of rodents over 7,000,000 acres, insects over 2,700,000 acres, and tree-attacking diseases over 1,000,000 acres. It has constructed 700,000 check dams in gullies, stopping soil erosion and reducing flood losses.

More than 5,000,000 acres of timberland have been added to the national forests administered by the United States Forest Service because of the C. C. C. program. Sixty-seven thousand acres have been added to the national parks, and several hundred thousand acres of new State park lands have been acquired. The C. C. C. workers are being used, under the supervision of the Forest Service and the park services of the various States, to develop these additional parks. These workers have also developed thousands of acres of new recreational areas in national parks, State parks, and national forests.

Four departments of the National Government and the Veterans' Administration have cooperated in the C. C. C. program. Through State agencies the Labor Department selected all the men except the war veterans, who were chosen by the Veterans' Administration. The men were enrolled, fed, and clothed, and camps established and operated under the direction of the War Department. The Department of the Interior and the Department of Agriculture have supervised the men at their work in the field.

There have been no cries of "politics" rising against the C. C. C., as against some other governmental organizations, during the last elections. An amusing instance of this lack of political partisanship is the story of the President Coolidge Memorial Highway. It runs from Brule—where he spent a summer—to Lake Nebagamon, Wis., and I have been told that the C. C. C. men were used to improve the road. It would have been easy to change it to the President Wilson Memorial Highway, or some other non-Republican name, as has been done with other governmental works, but the name remains unchanged.

Altogether, the work of the Civilian Conservation Corps has been one of the most beneficial results of the new administration. The Forest Service has estimated that its work has advanced the forestry programs from 5 to 15 years. The outdoor, wholesome employment has improved the men themselves. A check of 15,000 men, selected at random by the Office of the Surgeon General of the War Department, showed an average gain of more than 7 pounds per man. Some of them had gained as much as 15 to 25 pounds.

And the spiritual welfare of the men has not been neglected. An article in America (Feb. 3, 1934), by Thomas J. Malone, tells the story of a chaplain of the C. C. C. in upper Minnesota, and there have been other articles, in the Sign and elsewhere.

There is every indication that the important C. C. C. work will be continued, and that there will be no objection to this continuation.

[From the New York Times for Feb. 24, 1935]

STUDY PLAN OF THE C. C. C.—HUGE EDUCATION PROGRAM HELPS 145,000 YOUTHS PREPARE FOR JOBS

(By Kenneth Holland, Educational Adviser, First Corps Area of the C. C. C.)

The largest educational program in the world conducted under the direction of one individual is that of the Civilian Conservation Camps. Here, according to the latest figures of the Office of Education, Department of the Interior, are about 145,000 men in 1,500 camps, voluntarily carrying on studies, individually or in groups. This is about one-half of the young men between the ages of 18 and 25 in the units. The United States Commissioner of Education has recently stated that President Roosevelt is personally interested in this program and will encourage its expansion in the next few months.

Education in the camps is carried on with a small amount of equipment, practically no textbooks, and a barracks or mess hall for a classroom.

When education is first mentioned in the camps most of the boys show little interest. To them formal classes, the textbook, and maiden ladies seem indissolubly bound up with education. Many of the C. C. C. enrollees have benefited less from formal education than any other group in the United States. Tests show them to be normal in intelligence but retarded about 2 years in formal education.

The C. C. C. camps were set up in April 1933, as an emergency project. At present the C. C. C. is composed of about 370,000 officers, foresters, educational advisers, and enrollees.

EDUCATIONAL PROGRAM

The War Department is responsible for the educational program which has been in operation a little more than a year. The Office of Education, Department of the Interior, acts in an advisory capacity. The education staff consists of a national director of education, Dr. C. S. Marsh; 9 educational advisers to the corps area commanding generals; about 1,500 educational advisers to the camp commanders; and 1,500 assistant educational advisers selected from among the men enrolled. The officers and foresters also assist with the organization and conduct of the educational program.

According to the handbook prepared by the Office of Education and approved by the Secretary of War, the dominant aims of the educational program are:

1. To develop in each man his powers of self-expression, self-entertainment, and self-culture.
2. To develop pride and satisfaction in cooperative endeavor.
3. To develop as far as practicable an understanding of the prevailing social and economic conditions, to the end that each man may cooperate intelligently in improving these conditions.
4. To preserve and strengthen good habits of health and of mental development.
5. By such vocational training as is feasible, but particularly by vocational counseling and adjustment activities, to assist each man better to meet his employment problems when he leaves camp.
6. To develop an appreciation of nature and of country life.

GROUPINGS BY AGE

When an educational adviser begins his program, he first becomes acquainted with the 200 men in his camp and tries to discover their needs and interests. There are two age groups in the camp—young men between the ages of 18 and 25 and veterans of the World War of an average age of 41. (Since the veterans are in the minority and are a special problem from an educational standpoint, this article is limited to a consideration of the educational program for young men.)

The needs and interests of the 200 enrollees in a camp vary considerably. Some of them have only attended grammar school through the second or third grade. The majority have had some high-school training, while a few have had some college training. As a group, they average about first year high school. In meeting the needs of men with such a variety of background, it is necessary to develop a broad and informal program. This entails the organization of classes in many different subjects with only a limited number of instructors and a small amount of equipment.

OCCUPATIONAL ADJUSTMENT

Almost all of the enrollees have one thing in common—the problem of occupational adjustment. The first duty of the adviser is to assist the enrollee in solving this problem.

In developing an educational program the adviser first attempts to help the enrollees find out what they are best qualified to do. This is accomplished largely by vocational counseling and guidance. Books and moving pictures on the different vocations, trips to nearby factories and industries help the men understand the requirements of different jobs. At the same time the educational adviser is analyzing the individual and helping him decide what his abilities are. Often speakers from outside the camp are called in to discuss the different jobs.

After considering the various types of vocations the enrollee decides upon one. For the most part the youths hope to become foresters, mechanics, electricians, carpenters, railroad employees, and the like.

Having helped the young man find the work for which he is best qualified, the next step is to give him as much training as possible for that job. In some cases the enrollees need instruction in the basic subjects, such as reading, writing, and arithmetic, but instead of teaching these subjects out of textbooks they are taught in project form. If a man wishes to learn to write, he is given a job on the camp newspaper, where the material he writes is actually used. About one-half of the camps have newspapers.

Some training for vocations can be given in the camps, notably forestry, agriculture, auto mechanics, radio, surveying, and so on, but sufficient facilities are not available to give a thorough course in all trades. The advisers therefore resort to night schools, trade schools, or other institutions in the vicinity of the camps.

Having given the enrollee as much training as possible for the job of his interest, the educational adviser then instructs him in job-getting technique by giving suggestions as to how to find a job and why one applicant receives appointment over another. The enrollees are taught to write letters of application and answer advertisements. The advisers also supply information on reliable State and Federal employment bureaus.

About 19 percent of the enrollees leaving the camps at the end of the first 6-month period obtained jobs, approximately 40 percent at the end of the second 6-month period, while 22 percent obtained jobs at the end of the third enrollment period.

The adviser also teaches the enrollees job-keeping technique, showing why one individual keeps his position and receives promotions while another one leaves his position or remains on the same level over a long period of years. It is pointed out that technical skill is not the sole requisite for keeping a job. Attitudes toward the employer and work are just as important.

The educational adviser also assists the enrollees in developing interests which will constructively utilize their leisure time.

EXECUTIVE SESSION

Mr. GLASS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. TRAMMELL, from the Committee on Naval Affairs, reported favorably the nomination of Brig. Gen. James C. Breckinridge to be a major general in the Marine Corps, from the 1st day of February 1935.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

RECONSIDERATION OF CONFIRMATION OF GEORGE H. STOKES

Mr. McKELLAR. Mr. President, I ask unanimous consent that the vote by which the nomination of George H. Stokes, to be postmaster at Callahan, Fla., was confirmed on March 13, be reconsidered, and that the nomination be recommitted to the Committee on Post Offices and Post Roads. I have spoken to the Senator from Florida [Mr. TRAMMELL] about it. The Post Office Department is making an investigation of the nominee, and desires this action taken.

The VICE PRESIDENT. Without objection, the vote by which the nomination was confirmed is reconsidered, and the nomination is recommitted to the Committee on Post Offices and Post Roads.

The calendar is in order.

COLLECTOR OF INTERNAL REVENUE

The legislative clerk read the nomination of Walter J. Rothensies to be collector for the first district of Pennsylvania.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. ROBINSON. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The VICE PRESIDENT. Without objection, it is so ordered, and the nominations are confirmed en bloc.

This completes the calendar.

RECESS

Mr. GLASS. As in legislative session, and in conformity with the unanimous-consent agreement, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 35 minutes p. m.) the Senate, in legislative session and under the order previously entered, took a recess until tomorrow, Friday, March 15, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 14 (legislative day of Mar. 13), 1935

COLLECTOR OF INTERNAL REVENUE

Walter J. Rothensies to be collector of internal revenue for the first district of Pennsylvania.

POSTMASTERS

ALASKA

James H. Gilpatrick, Sitka.

ILLINOIS

Amy S. Beirne, Alpha.
Benjamin H. Gardner, Ava.
Roger M. Tippy, Carterville.

Roy Ansel Brooks, Carthage.
Ace C. Parris, Champaign.
Allene R. Adkins, Elkville.
Roy M. Cocking, Erie.
Fred J. Bohnenkemper, Germantown.
Grace Reichert, Grand Chain.
George G. Vaughan, Hurst.
Richard C. Patterson, Johnston City.
Floyd E. Keller, Jonesboro.
Augustian P. Pope, Kane.
William H. McAlpin, Marion.
John S. Browning, Royalton.
Reuben C. Thomason, Tamms.
Scott W. Hershey, Taylorville.
Maude B. Youart, Thebes.
Aaron McLain Akin, Thompsonville.
Charles F. Loeb, Urbana.
Frank Breycha, Villa Park.
Harry C. Strader, Westfield.
William E. Berry, Zeigler.

KANSAS

Bertha B. Maichel, Overbrook.
John L. Larson, Randolph.
Mary A. Neff, Winona.

MAINE

Helen L. Swan, Hampden Highlands.
Winnifred J. Libby, Ocean Park.

MARYLAND

George M. Mowell, Glencoe.

MASSACHUSETTS

Mary E. O'Toole, Leominster.

MISSOURI

Wallace L. Talbot, Fayette.
John F. Vermillion, Salisbury.

NEW MEXICO

Virginia M. Cason, Mosquero.
Felix D. Valdes, Taos.

NEW YORK

Fuller F. Cornwall, Alexandria Bay.
Mary F. Villamil, Florida.
William J. Hartnett, Fulton.
William McNeal, Montgomery.
Gordon E. DeVille, Ontario.

NORTH DAKOTA

Mildred B. Johnson, Ashley.
George Christensen, Beach.
George J. Boley, Carrington.
John B. DuRand, Ellendale.
Levurn R. Church, Haynes.
Jay J. Eaton, Medora.
Clifton G. Foye, Steele.

OKLAHOMA

Clarence D. Hull, Carnegie.
Leonard C. Peterman, Davis.
Luther C. Dobbs, Davidson.
Joe B. Steele, Ringling.
Bradford M. Risinger, Sand Springs.

PENNSYLVANIA

Samuel U. Marbarger, Auburn.
Leo F. Matthews, Brackenridge.
William C. Storer, Brownsville.
Edward W. Coley, Cochranton.
Tilghman S. Cooper, Coopersburg.
Harry C. Beck, Cressona.
Robert C. Laird, Downingtown.
Raymond D. Kehrer, Eagles Mere.
Walter M. Bauscher, Fleetwood.
Michael J. Glenn, Ford City.
Charles A. O'Donnell, Frackville.
Jennie D. Seltz, Galeton.
Patrick H. Kearney, Hawley.
Albert C. Beard, High Spire.
Charles M. Howell, Lancaster.
Daniel E. Walter, Lebanon.
James W. Byers, Mercer.
Kate H. Haydon, Midland.
William B. Johnston, Philipsburg.
Joseph M. Hathaway, Rices Landing.
E. Belle Luce, Saegerstown.
John N. Zimmerman, Sunbury.
Maurice J. McGee, Troy.

RHODE ISLAND

Edward F. McCarthy, Wakefield.
Thomas J. Durand, West Warwick.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 14, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed is the name of the Lord our God, who hath spoken and called the earth from the rising of the sun unto the going down thereof. Let everything that hath breath praise the Lord. We rejoice, our Heavenly Father, that Thou hast healing in Thy heart for the heartaches of the world and cleansing in Thy blood for the sins of all mankind. May we pray to Thee, not from despair but from the heights of vision and rapture. We beseech Thee to increase the power of our faith, make it stalwart and compelling: when we look into the sky may we see more than the night. Inspire us with the belief that Thou hast Thy finger on the pulse of the world and art thinking wisely of the home of the suns. We thank Thee that Thy mercies are new every morning and as fresh as a springtime rainbow. Open our eyes that we may see the rifts in the sky; open our ears that we may hear the voices that call. Blessed Lord, deepen the wisdom of all our fellow citizens, and may they add brighter luster to the day. In our Savior's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 426. An act for the relief of Jacob Santavy;

H. R. 593. An act for the relief of Fred C. Blenkner; and

H. R. 3266. An act authorizing the maintenance and use of a banking house upon the United States military reservation at Fort Lewis, Wash.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5221. An act to amend the Agricultural Adjustment Act with respect to rice, and for other purposes.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 28. An act for the relief of R. B. Miller;

S. 43. An act for the relief of Lucile A. Abbey;

S. 148. An act for the relief of the estate of Donnie Wright;

S. 283. An act for the relief of Beatrice I. Manges;

S. 365. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Elmer E. Miller;

S. 391. An act for the relief of Ralph E. Woolley;

S. 685. An act for the relief of the Sanford & Brooks Co.;

S. 707. An act to amend the act of May 19, 1926, entitled "An act to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the governments of the Latin American republics in military and naval matters";

S. 712. An act for the relief of A. H. Marshall;

S. 896. An act for the relief of Anna W. Ayer, widow of Capt. Asa G. Ayer, deceased;

S. 906. An act for the relief of Chellis T. Mooers;

S. 931. An act for the relief of the Concrete Engineering Co.;

S. 935. An act to authorize the Secretary of War and the Secretary of the Navy to lend Army and Navy equipment for use at the national jamboree of the Boy Scouts of America;

S. 1055. An act authorizing adjustment of the claim of Frank Spector;

S. 1079. An act authorizing the Secretary of the Treasury to execute a certain indemnity agreement;

S. 1386. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim, or claims, of Duke E. Stubbs and Elizabeth S. Stubbs, both of McKinley Park, Alaska;

S. 1850. An act to amend an act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever", approved February 28, 1929, as amended, by including Roger P. Ames among those honored by said act;

S. 1854. An act giving jurisdiction to the Court of Claims to hear and determine the claim of the Cherokee Fuel Co.;

S. 1856. An act for the relief of Arthur Smith;

S. 1860. An act for the relief of the Tampa Marine Co.;

S. 1863. An act for the relief of Trifune Korac;

S. 1940. An act to fix the value of subsistence and rental allowance under the Pay Readjustment Act of June 10, 1922; and

S. J. Res. 65. Joint resolution to extend the period of suspension of the limitation governing the filing of suit under section 19, World War Veterans' Act, 1924, as amended.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5255) entitled "An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes."

COMMITTEE ON AGRICULTURE

Mr. DOXEY. Mr. Speaker, I ask unanimous consent that for the remainder of the week the Committee on Agriculture may be permitted to sit during the sessions of the House.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1936

Mr. SANDLIN, from the Committee on Appropriations, submitted a privileged report on the bill (H. R. 6718) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes (Rept. No. 385), which was read a first and a second time and, with the accompanying report, referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. THURSTON reserved all points of order on the bill.

RIVERS AND HARBORS COMMITTEE

Mr. FIESINGER. Mr. Speaker, I ask unanimous consent that the Rivers and Harbors Committee may be allowed to sit today during the session of the House.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. MICHENER. Mr. Speaker, reserving the right to object, what is the committee going to consider?

Mr. FIESINGER. River and harbor projects.

Mr. MICHENER. General projects?

Mr. FIESINGER. General projects.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

HOLDING COMPANY LEGISLATION PROPAGANDA

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to take up Senate Concurrent Resolution No. 12, passed by the Senate yesterday, which calls upon the Federal Trade Commission to investigate the propaganda with reference to the holding-company matter. May I say in explanation that the Senate thought it had the right to pass the resolution itself, but it later developed it had to be by a concurrent resolution. I may say further that the resolution was brought up in the Senate by unanimous consent and passed unanimously.

Mr. SNELL. Mr. Speaker, reserving the right to object, as I understand the gentleman's request, is to take this resolution up and pass it by unanimous consent?

Mr. RAYBURN. Yes.

Mr. SNELL. Perhaps we should have the resolution reported.

The Clerk read the concurrent resolution, as follows:

Concurrent Resolution 12

Resolved by the Senate (the House of Representatives concurring), That the Federal Trade Commission be, and it is hereby, directed to make an investigation and report its conclusions to the Congress as to the propaganda which is now going on over the Nation regarding Federal legislation on the subject of holding companies, and to inform the Congress the origin, magnitude, purpose, methods, and expense of said propaganda.

Mr. SNELL. Mr. Speaker, reserving the right to object, has the gentleman taken up this resolution with the members of his committee?

Mr. RAYBURN. The resolution would not have gone to the Committee on Interstate and Foreign Commerce in my opinion. I think it would have gone to the Rules Committee.

Mr. SNELL. Has it been taken up with the Rules Committee?

Mr. RAYBURN. No.

Mr. SNELL. It seems to me a matter as important as this ought to be taken up with some committee and should have some little consideration. I do not know that I shall object, but I really think if it is a matter that should go to the Interstate and Foreign Commerce Committee that the ranking minority member of that committee should have an opportunity to be here, or at least have been notified before it was brought out on the floor.

Mr. RAYBURN. It is my impression it would not go to that committee.

Mr. SNELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SNELL. What committee would this resolution naturally go to?

The SPEAKER. The Committee on Interstate and Foreign Commerce.

Mr. SNELL. The Speaker thinks it would go to the gentleman's committee. I believe that would be the proper place to refer it. I wish the gentleman would withhold his request until some of the minority members of that committee are on the floor in order to have an opportunity to discuss the resolution.

Mr. RAYBURN. I see several members of the minority over there.

Mr. SNELL. The gentleman from Ohio [Mr. COOPER] is not here, and I think he should be consulted with regard to a matter of that importance. How much money is involved?

Mr. RAYBURN. I am doing this because I think it should be done at this time, and I think it is a courtesy due the Senate. In the beginning the Senate thought it had the right to pass this resolution and have this investigation without a concurrent resolution. It developed under their rules they could not do it that way, and they had to do it by a concurrent resolution. I do not know that there is anything that the Committee on Interstate and Foreign Commerce should consider. It is a question of whether or not the Congress wants to call on the Federal Trade Commission to make this investigation.

Mr. SNELL. How much money is involved in this investigation?

Mr. RAYBURN. I do not think there is any called for.

Mr. SNELL. No money?

Mr. RAYBURN. Not a specific amount. May we have the resolution reported again?

The Clerk again read the concurrent resolution.

Mr. RAYBURN. It calls for no appropriation.

Mr. SNELL. I got the impression somewhere that it involved an appropriation of $750,000, but I know that eventually it will cost a considerable amount.

Mr. RAYBURN. Oh, no. The gentleman is thinking of the investigation with reference to the telephone matter.

Mr. SNELL. I do not know whether I have any particular objection to investigating holding companies, if there is any real need for it, but I had supposed that the gentleman's committee was taking that up in connection with pending legislation.

Mr. RAYBURN. We are not investigating the propaganda. I may say to the gentleman also that we have men before us who have been waiting for a hearing, and only this morning we were able to reach the people who are in opposition to the bill or who have suggestions to make in reference to amendments and so forth. We have a witness to put on this afternoon who is a very busy man and wants to get away.

Mr. SNELL. I appreciate all of that.

Mr. RAYBURN. This is a simple resolution and calls for no appropriation.

Mr. SNELL. We know the appropriation will come afterward and will be large enough.

Mr. RAYBURN. I think, in all probability, although I do not know for certain, that the Federal Trade Commission will have funds with which to conduct this investigation.

Mr. SNELL. As careful a legislator as the gentleman from Texas is, does he really think that matters of this importance should go through the House without any consideration whatever?

Mr. RAYBURN. Well, this matter is so simple——

Mr. SNELL. No; it is not a simple matter so far as that is concerned, and it is not without considerable political significance.

Mr. RAYBURN. It simply directs them to do one thing, and that is to investigate this propaganda and its sources.

Mr. KVALE. Mr. Speaker, will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. KVALE. Is it not true that the Federal Trade Commission has an experienced staff and may have a considerable amount of this information already available or, if not, they would know where to get it at the least possible expense?

Mr. RAYBURN. I think that is true.

Mr. SNELL. I agree that if the investigation is to be made the Federal Trade Commission is the proper body to make it. The only question is that this is a very important matter, and no one seems to know anything about it; and yet you want us to take the responsibility of putting it through without any consideration whatever.

Mr. RAYBURN. I think the conversation between the gentleman from New York and myself would constitute some consideration.

Mr. SNELL. Not very much, because the gentleman admits he does not know very much about it, and I know that I do not.

Mr. RAYBURN. I know the purpose of the resolution.

Mr. SNELL. Certainly; but you have not presented any real argument for its passage.

Mr. BLANTON. Mr. Speaker, I reserve the right to object to ask a question. My colleague yesterday presented to the House the form of 23 different letters that one company was getting up for its employees to send Members of Congress as propaganda letters.

Mr. RAYBURN. And friends.

Mr. BLANTON. Yes; for their employees and friends to sign. What more information could the Federal Trade Commission get of any importance or value than the very same evidence which our colleague, the Chairman of the Committee on Interstate and Foreign Commerce, produced yesterday and which he got permission to put into the RECORD? I think that covers the whole case.

Mr. RAYBURN. The Senate does not think so.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. RANKIN. Let me say to the gentleman from Texas that a lot of this propaganda, in my opinion, violates the Federal postage laws, and other Federal laws. I think I have material on my desk that I could submit to the Federal Trade Commission and a proper investigation would reveal this to be the fact.

Mr. BLANTON. Mr. Speaker, I have the floor under my reservation of objection.

Mr. RANKIN. Very well, I will reserve the right to object later and get the floor in my own right.

Mr. BLANTON. While, in one morning's mail, I received 89 such letters mailed at Houston which had been properly stamped, still some of these propaganda letters mailed to me from Houston were mailed there without any stamps on them, and the postmaster wrote me and asked me to send the postage down there in order to get these propaganda letters. Of course I did not send the postage, but got them in another way.

Mr. RANKIN. Mr. Speaker, I want to say to the gentleman from New York [Mr. SNELL] that, in my opinion, a great deal of this propaganda flagrantly violates the postage laws and flagrantly violates other Federal and State laws. I have a great wealth of matter, if it may be called wealth, I should like to turn over to the Federal Trade Commission just as soon as this resolution passes, and I trust the gentleman from New York will not object.

I have had called to my attention instance after instance where employees of the operating companies have been compelled to write letters, copies of which have been prepared by the representatives of the holding companies, sign them, stamp them, and then turn them over to their employers to be opened and censored by the representatives of these utilities.

If this is not unlawful racketeering in human liberty, I do not know what you would call it.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, I think the gentleman from New York [Mr. SNELL] has failed to mention the fundamental question involved here which, to my mind, is whether we are going to dignify every propaganda movement in these United States, whether we are going to pay any attention to them or go along doing our own business, irrespective of what they may think of us.

Mr. SNELL. I agree with what the gentleman has said; and if we do start to investigate all the propaganda being sent out at the present time, including what the executive branch is sending out, we will have some job on our hands, and will cost some money.

Mr. MICHENER. Mr. Speaker, reserving the right to object, right along the same line, does this resolution contemplate investigating propaganda in reference to a particular thing or does it contemplate propaganda in general? We are receiving hundreds and thousands of letters and telegrams——

Mr. RAYBURN. No; I think not.

Mr. MICHENER. There are farmers' organizations from which we are receiving thousands of letters and old-age-pension organizations, from which we are receiving thousands of letters, all of which is propaganda, pure and simple. Are we going to establish a policy here to prevent the folk back home from writing to us regarding pending legislation? If this is to be a general investigation of propaganda in general, that is one thing; but it would be very dangerous, because we must be mighty careful about preventing the people back home writing us, even though they receive the inspiration for their letters from their Washington representatives or lobbyists.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. Yes.

Mr. RANKIN. This is not to prevent people from writing their Congressmen. This is to investigate the corruption in this propaganda in which they are said to be spending millions of dollars and coercing people into writing, signing, stamping, and then submitting to them various letters for

them to send on to their Congressmen. There never has been such a saturnalia of corrupt propaganda coming to this Congress as you are receiving today with respect to this proposition.

Mr. MICHENER. Anything that is corrupt ought to be investigated.

Mr. RANKIN. That is why we want to investigate it.

Mr. MICHENER. But we know that the incentive for these thousands of letters and telegrams we are receiving with respect to the matters I have heretofore mentioned comes largely from a propaganda organization for or against the matter that is before the Congress. I do not want to do anything that is going to make it impossible or is going to cause any of my constituents to feel a little hesitant when they want to write to the Congress, even though they personally do not know all about the subject matter.

Who has a better right to warn a Member of Congress against proposed legislation than the person to be affected? Who has a better right to urge the passage of legislation than the citizen to be most affected by the legislation? We should court rather than condemn this expression of the peoples' views. The President goes to the people with his views; why should not the peoples' attention be called to the other side by those interested? I am opposed to holding a threat of investigation over any person or organization having the temerity to question the policy or efficacy of any legislation. I do not know who pays for all this propaganda. I do know that the Government maintains publicity or propaganda agents to sell the numerous activities of the Government to the people. The people should know both sides. He who opposes bad legislation is a public benefactor. I have too much faith in the intelligence and courage of this body to believe that unwholesome propaganda will control. Let us never discourage our constituents from giving us their notions about legislation.

Mr. RANKIN. If the propaganda is corruptly inspired, it ought to be investigated.

Mr. RAYBURN. I may say to the gentleman from Michigan that there is no one in this House who is further from any wish to deny the right of petition to Congress than myself.

Mr. SABATH. And this would not deny that right.

Mr. SNELL. Under this resolution, will both sides of the matter be investigated?

Mr. RAYBURN. That is my understanding. It states "propaganda with reference to holding companies."

Mr. EATON. Mr. Speaker, if the gentleman will yield for an observation, I am profoundly impressed by the horror expressed by the majority on the subject of propaganda, when it is well known that this entire administration originated in propaganda, and from the point of view of propaganda was conceived in sin and born in iniquity.

Mr. RAYBURN. Let me say that the former administration made it unnecessary for propaganda in 1932.

Mr. EATON. If it were unnecessary, why did Mr. Raskob put up $225,000 for use by the brilliant propagandist Michaelson in carrying out the orders of the Chairman of the Democratic National Committee to "smear Hoover"?

Mr. SNELL. I should like to make one more statement under the reservation to object. I appreciate the fact that the responsibility is on the majority. Personally, I think this matter should be carefully considered, go to some committee, even the gentleman's own committee, and receive the consideration that it is entitled to.

Personally, I am not going to take the responsibility of objecting to any propaganda in this country that you want to, but I want to impress on you that all the responsibility is yours; and if you want to put it through, go ahead. But I want to add this comment: I think it mighty poor sportsmanship for an administration that has put out more propaganda favorable to itself and at the taxpayers' expense, than any administration in the history of the Government to cry "wolf" just because someone is putting out some propaganda that it does not like.

It is quite evident there are two kinds of propaganda—good and bad. If it is put out by the administration or is favorable to it, it is good. If it is not fulsome praise of the administration and its policies, it is bad and should be stopped by a Federal investigation.

The administration is about as consistent about this as it is about every other controversial question before us.

Mr. COOPER of Ohio. Reserving the right to object, as a member of the committee, I do not know anything about the resolution. While I am willing to overlook the fact that the chairman of the committee never mentioned it to me I am not willing to overlook the fact that this matter ought to go to a committee. I do not want to object to a resolution coming from the chairman of the committee——

Mr. RAYBURN. It did not come from the chairman of the committee.

Mr. COOPER of Ohio. It ought to go to the committee, and this is not the way the chairman has conducted himself in the past. However, I am not going to object to the resolution. But I think it is an unfair method of procedure.

Mr. RAYBURN. I do not think it is unfair.

Mr. DUNN of Pennsylvania. Reserving the right to object, I believe this resolution if adopted will do a great deal of good. I have received many letters from my district, some of them saying that if I voted for this I was going to be defeated in the next election. I wish I had the opportunity to vote for it a hundred times.

Mr. MOTT. Reserving the right to object, I have no doubt that there is a considerable amount of propaganda going around the country not only on this subject but on many other subjects of legislation that have been proposed here in Congress. My own mail is full of such propaganda daily.

As I understand it, this resolution proposes that the Federal Trade Commission shall investigate, not the propaganda in regard to utility holding companies, but propaganda directed against this particular legislation; that is to say, propaganda against the enactment of the pending utility holding company bill. I do not know whether it is proper for the Federal Trade Commission to investigate propaganda either for or against any pending legislation in Congress. It seems to me that the investigation, if we are to have one, should be made by the Committee on Interstate and Foreign Commerce, for I think that committee is in a better position to investigate it than is the Federal Trade Commission.

Mr. RAYBURN. The Committee on Interstate and Foreign Commerce has no authority to investigate.

Mr. MOTT. It could have such authority by a resolution if one were offered for that purpose and adopted. I do not know that it is proper for us to authorize an agency of the Federal Government—an executive branch of the Government not elected by the people and not responsible to the people—to investigate propaganda directed against pending legislation in Congress and then ask that executive agency to report to Congress telling us what they think about the propaganda and suggesting to us what we had better do about it.

I have no more use for the racketeers who operate certain classes of holding companies than the gentleman has. As corporation commissioner of my State I have prosecuted 14 of these holding-company racketeers and have put 12 of them in the penitentiary. I am familiar with their kind of propaganda and can instantly detect propaganda inspired by them. So also can other gentlemen here. Why, then, should we call in the Federal Trade Commission to detect it for us?

I think that is the wrong way to go about it. If any investigating is to be done, let us do it ourselves. Like the minority leader, I do not like to take the responsibility of holding up by one objection a thing which the Chairman of the Interstate and Foreign Commerce Committee thinks is proper, but I doubt very much the propriety of the thing; and I think that the chairman of the committee should reconsider the procedure he proposes to follow and take the resolution back before his own committee, make a preliminary investigation, and report to the House his findings, and let us act on them accordingly.

Mr. BLANTON. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is, Is there objection?

Mr. RICH. Mr. Speaker, I reserve the right to object.

The SPEAKER. The regular order is, Is there objection?

Mr. BLANTON. I withhold my demand for the regular order.

Mr. RICH. Mr. Speaker, if we are going to have an investigation of propaganda, then it seems to me that we are trying to curb free action and free speech and the free working of the individual mind of the people of this country. This administration has tried to curb in every way possible things that the people of this country would like to do, it seems to me. Why an individual who holds stock in a holding company or public-utility corporation has not the right to say to the Membership of Congress whether he would like to have certain legislation passed which pertains to his interest is beyond my comprehension. Why should we try to curb free speech and freedom of action? If the holding companies are doing something wrong they should be punished under the law. I consider the individual back home has as much right to come before Congress and give us his views on a matter of interest to him as the President of the United States has to send a message in here objecting to these people sending propaganda to Members of Congress. When did we get a dictator? I feel they have a right to do it. I know they have that right under the Constitution. We should eliminate every phase of this dictatorship from our present Congress. I am not going to object to this request, although I feel I should.

Mr. TABER. Mr. Speaker, I reserve the right to object. The matter before this House and before this Congress is whether or not that utility bill which has been submitted, now under consideration by the Interstate and Foreign Commerce Committee, is right or wrong. If this House cannot determine for itself whether that bill is right or wrong and has to try to create a smoke screen to cover up the merits or demerits of the bill, then we are in a sorry state. I object.

IS THE SENATE DILATORY IN LEGISLATING?

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address delivered on March 12 over the National Broadcasting Co. by the gentleman from Wisconsin [Mr. CANNON].

The SPEAKER. Is there objection?

Mr. WITHROW. Mr. Speaker, I reserve the right to object. I do not want to object, but is the gentleman from California sure, in view of the remarks made at the last session by the gentleman from Wisconsin [Mr. CANNON], that he wants the gentleman to insert his remarks in the RECORD.

Mr. HOEPPEL. I made the request that I may be permitted to insert his remarks in the RECORD.

Mr. WITHROW. Does the gentleman from Wisconsin know that the gentleman from California is doing this?

Mr. HOEPPEL. I reserve the answer to that question.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOEPPEL. Mr. Speaker and Members, under leave to extend my remarks in the RECORD I include therein an address delivered by my friend, the Honorable RAYMOND J. CANNON, of Wisconsin, Tuesday, March 12, 1935, which, in my opinion, contains statements of paramount importance at this time. Mr. CANNON has presented a résumé of pertinent facts which I believe merit consideration and their presentation will be invaluable indeed if it serves to allay the verbal duel now taking place over the radio.

Although I also deplore the delay on legislation having for its objective the alleviation of distress, it is my opinion, as expressed in an editorial I wrote several years ago, that our Senate is the last bulwark of liberty and for that reason, I personally have always respected and honored the procedure of the United States Senate. The House, in my opinion, is cumbersome and topheavy. The Membership should be reduced to not more than 300 and the rules liberalized so that undigested legislation would not be placed upon the doorstep of the Senate, which would make possible more expeditious action in that body and thus remove the basis for much of the criticism which is today directed against it.

The address of Mr. CANNON is as follows:

More than 2 months have passed by since Congress convened. Notwithstanding the fact the whole Nation anxiously awaits the passage of constructive legislation, with 11,000,000 unemployed men walking the streets, and 60,000,000 others worried, concerned, and harassed over present conditions, not a single bill has Congress passed to relieve the distressed and the suffering masses.

Let me call your attention to the manner in which the most important bill that has ever been presented to a Congress is being kicked around. The four billion eight hundred million public-works bill was presented to the House of Representatives on the 23d of January and passed on the 24th, the debate did not consume over 2 hours. This very same bill has now been jockeyed around by the Senate for more than 40 days.

The unnecessary delay would be comical and amusing if it were not for the tragic and pathetic situation of millions of our poor people. The Senate is the chief offender, because they permit lengthy speeches to be made daily concerning matters not germane to the business before the Chair. Their rules permit a Senator, once he is recognized by the Chair, to speak days or weeks on any subject. For instance, when an important measure is before the Senate concerning the destinies of the people of the Nation, a Senator is permitted under the rules to talk days and days. He can talk, if he desires, about the Bushman of the barbaric forests of Africa, or the Eskimos of the frozen fields of the north.

The responsibility rests with the Senate itself for permitting such a condition to exist. With exceedingly pressing problems of the Nation's welfare before it, the Senate spent 3 weeks of precious time in discussing the conduct of Postmaster General Jim Farley.

On one occasion when the important Army appropriation bill was up for discussion before the Senate, a few days ago, Senator BORAH obtained recognition from the Chair and made a lengthy speech about the N. R. A. Senator NYE then arose and devoted much time to a discussion about Father Coughlin. Senator LONG devoted the rest of the day to a discussion on the multiplicity of sins, and not one word was said about the important bill before the Senate. Senator LONG is not the first, nor will he be the last, to shackle the proceedings of the world's greatest deliberative body. While the Senate clings to its present rules any bold, resourceful Member can accomplish the same result.

By revision of its rules the Senate could withdraw the power from a single Senator, but the Senate will not do so, because everyone of the 96 want to reserve the right to use this power with the thought that the necessity some day may arise for him.

Freedom of speech has balked every substantial reform in the rules sinces the foundation of our Republic. Senate rules in the books of procedure are one thing, but their rules in application are another.

Two weeks ago I introduced a concurrent resolution barring the public from the gallery of both Houses, because if you remove the incentive for sensational speeches, they will cease, as no Member receives any kick out of talking to an empty gallery. I introduced a bill in the Seventy-third Congress, also in this Congress, prohibiting either House from conducting investigations during the sessions of Congress. If we must hold investigations, let us hold them during the recess of Congress, so as not to interfere with the consideration and passage of pressing legislation.

If my resolution and bill, closing the galleries to the public and prohibiting investigations while Congress is in session, were in effect during the past month, the Senate especially would have devoted its time during these critical days in solving the Nation's gigantic problems and would have passed constructive legislation to aid the poor, oppressed, and suffering, instead of week in and week out conducting a 3-ring circus to the amusement of crowded galleries in a sickly discussion whether Jim Farley should be removed as Postmaster General because he gave away a few unperforated stamps, or because he received a dividend check from some New York building-materials company.

What do the unemployed and starving people of this Nation care whether Jim Farley gave away a few stamps or received a dividend check? What they want and what the 11 million unemployed want is food and work, and what the 60 million who are worried and concerned want is quick constructive action to lead us out of this tragic depression. The people of America are getting mighty tired of this continuous horseplay and schoolroom antics on the floor of the Senate. The Senators themselves are to blame. Recently while these clownish tactics were being performed on the floor for the amusement of the gallery, I inquired of a Senator why some crack-down methods were not employed to put a stop to this nonsense. His reply was that the Senators were at fault for sitting idly by, day by day listening to, and permitting such performances.

Two years ago I publicly criticized the Senate because they did not adopt a rule providing that no Member, except by unanimous consent, could speak on extraneous matters while important measures were pending before the Chair. If this rule were in force during the past month the Public Works bill would have been disposed of long ago. I do not oppose investigations of public officials, and HUEY LONG can talk from the platform or over the air until he is blue in the face. But I do object, and the

people of this Nation object, to any Senator handcuffing and obstructing the important business affecting the Nation by continuously, day after day, making long speeches concerning matters irrelevant to the business before the Chair. If this continues, the United States Senate, sometimes referred to as the greatest deliberative body in the world, will soon be known as "the greatest time-wasting body."

Some Senators say it is beneath their dignity to fight back and insist that the problems of the country and the business before the Chair be dispensed with before the curtain rises for the burlesque. I warn them now that the millions of people over whose homes there has been cast a pathetic shadow of sorrow and sadness do not care about dignity—and they are becoming mighty sick and tired of this constant delay. I thought at times I may be a little harsh and severe in my criticisms of Congress, but I want to call your attention to an article appearing in a late edition of a Washington paper, which has just been called to my attention. Dr. Edmond A. Walsh, S. J., vice president of Georgetown University, said in a lecture last night:

"The curve of public confidence has plunged downward with a sickening thud. The last week saw the United States Senate turned into a one-ring circus with invective and abusive repartee flying indiscriminately and merrily through the Chamber, while the bread lines increased outside, and a general break-down of reconstruction is tacitly admitted even in administrative circles. When the sorely tried patience of the masses will reach bottom, and upon what desperation it will then embark is hidden in the unpredictable future. But one thing would appear to be certain. The point of recoil cannot be far off. It is a fearful responsibility he takes, be he general, Senator, or other molder of public opinion, who splits the unity of an embattled people."

Senator ROBINSON said the other day that HUEY LONG was arrogant, insolent, and ignorant, and that it was about time that manhood of the Senate asserted itself, and that the innuendos, insinuations, and threats cannot longer prevail, unless the Senate has descended to the level of degenerates.

The Senate has a rule which would prevent the confusion and disrespect, and eliminate a large number who frequent the galleries looking for amusement day after day, and eliminate giggling and laughter, reminding one of a school picnic, if only the rule were enforced. The people of America love a "wise cracker", and especially "wise cracking" Senators, providing their wise cracks are not made when problems are before the Senate affecting the very existence and liberties of millions of suffering people.

General Johnson exploded a political bombshell the other day in a radio attack upon Father Coughlin and Senator LONG. His speech was plainly in the interests of President Roosevelt's political future and was obviously a forceful attempt to head off the formation of a new political party, which might threaten the Democratic Party in 1936. To some people he was on sound ground, and they will approve and applaud him vigorously, that is those who understand the complicated nature of our governmental and economic structure. However, the general opened up a line of attack that is not so strong when he questioned the right of Father Coughlin to preach his doctrine and remain a priest of the Catholic Church. Ministers of the gospel and of every faith and creed have expressed themselves again and again from their Sunday pulpits on political and economic subjects, without divesting themselves of their church connections. Freedom of speech is as much the right of Father Coughlin as it is of General Johnson. The attack on the radio priest will not succeed on this basis. It would have a better chance of success, if some of the ideals and principles which are championed by Father Coughlin were defeated in fair and open debate, if this is possible. We need plain talk in these times. Our problems, economical and political, must be discussed with utmost freedom. They cannot be hushed because of any faith or creed, anymore than they were hushed when Bishop Cannon made his political attack against the religion of Gov. Al Smith. If I have not misjudged Father Coughlin, I do not believe he is the kind of a man to hide behind ecclesiastical cloth to dodge the rough and tumble of the political arena.

Until the Roosevelt administration creates conditions which will make the proposals of men like Father Coughlin and Senator Long unattractive to the 11,000,000 unemployed and the 22,000,000 in the bread lines, it cannot hope to prevent the attacks and counterattacks and bitter denunciations. General Johnson said that both Father Coughlin and Long appealed to the emotions instead of reason, and that they ignore logic and the experience of sound economics, but their doctrine is interesting in periods when there is drifting and wavering in the national administration.

LONG is a dangerous opponent. Rules mean nothing to him. "Senatorial courtesy" supposed to govern the conduct of that exclusive body, flies out the window when Huey comes in. He has had a lot of investigations and is gifted with a fertile memory that gives him an ace in the hole with almost every Member of the Senate. Let anyone cross Mr. LONG and if there are any skeletons in the closet of his personal or political life, LONG'S spotlight quickly brings them out. Officials of high rank do not know how to meet the challenge of Father Coughlin or Long. Fireside radio chats by the President have been considered, but aside from that there appears to be no personality capable of the job. Donald Richberg was mentioned, but the kind of language he talks would make a Philadelphia lawyer dizzy. Where will this fight lead us to, and what effect will it have on the country?

I do not agree with Father Coughlin and Long on everything that they have said, but when they contend as they have, that the tremendous wealth of this country should be more equitably shared for the benefit of masses of the people, I heartily agree with them. I agree heartily with Father Coughlin, when he points out the abuses that have come from control of the money and credit by big private-banking interests, and I agree with him in his contention that everybody who wants to work is entitled to a decent living wage. You can't diffuse the wealth of the United States and at the same time concentrate it. But what has Johnson done to stop this terrific concentration of wealth into the hands of the few?

You cannot suppress Father Coughlin and Long by calling them demagogues and termites. It is much better that they be answered with facts, if that is possible, and an honest attempt made to remedy the conditions that everyone knows to be wrong. Father Coughlin and Long persist for two reasons. They are right about some things and they are not answered on points of fact on others. HUEY LONG consumes the Nation's time with talk which is beneath the dignity and importance of the Senate, and which I contend has no place when important problems are under discussion before the Senate, but I do say that some of his talk is not altogether footless or meaningless. The Senate ought to see this.

LONG is no joke. He is no Tom Heflin, whose tirades used to empty the Senate and the press galleries. There are only two men of the Nation today who successfully divide attention with the President of the United States, and they are Father Coughlin and Senator Long.

Two weeks ago we heard a rather amusing statement come from the lips of none other than Eugene Grace, president of the Bethlehem Steel Corporation. He said that his war-time bonuses, exclusive of his big salary, totaled $3,690,000, paid from the Steel Corporation war profits. By the way, Mr. Grace was Charles Schwab's favorite lieutenant for many years when Mr. Schwab controlled the destinies of that Steel Corporation, and I remember now that Mr. Schwab was head of the Government Emergency Fleet Corporation in Washington during the war, when Mr. Grace obtained for the Bethlehem Steel Corporation ship-building contracts from the United States Government. The records show that the net yearly profits of the Bethlehem Steel Corporation immediately before the war were $6,000,000, and that during the war their profits jumped to fifty million yearly. An examiner's report held that these enormous profits conclusively showed that their contracts with the Government were unconscionable and against public interest.

When Mr. Grace was on the witness stand the other day, he admitted receiving over $12,000,000 in bonuses in addition to his salary since the war, and when he was questioned about the soldiers' bonus, and why there should be such a tragic contrast in dealing with life and dealing with property, he said that the soldiers should not make a demand for the bonus when the country is in distress, and that it was unfortunate that organized forces should make such a demand. In one breath he tells about 12 millions in bonuses paid him over and above his fat salary, and in the next he condemns the ex-service man of the Nation whose war-time income amounted to $1 a day. Service men who suffered the tortures of hell in the front-line trenches, subjecting themselves to the horrors of modern warfare, while millions and millions were pouring out of the United States Treasury into the pockets of Mr. Grace, as profits and bonuses on unconscionable contracts. His attitude and statements give the public an inside glimpse of the workings of a big business man's mind. He favors the drafting of man power in time of war, but naturally like all millionaires, he takes the position that industry and wealth should be exempt from conscription. In other words, it is perfectly legitimate and proper to force the flower and youth of the Nation's manhood to face the terrible horrors of modern warfare at $1 a day, while he and the rest of the munition and steel makers are safe and secure within the confines of their palatial homes and offices, reaping millions in profits and bonuses out of the sufferings of American boys, while their blood came oozing back to our shores from the battlefields of France.

I oftentimes question the mercy of the Almighty God Himself, when men like that are permitted to go on year after year enjoying the luxuries of life from the sufferings and miseries of others. Why, he even had the nerve to say that big corporations making hundreds of millions in war-time profits, should not be subject to high taxes, because he says, that taking the profits out of war would ruin the efficiency of big men and big steel plants and industries. The war veterans of this Nation now seeking immediate payment of the soldiers' bonus, which God knows they are entitled to, will find in the disclosures made by Mr. Grace, the best possible argument for the demands which they are making.

Mr. Grace also seems to be very much concerned about the effect the payment of the soldiers' bonus will have upon Federal finances, but he wasn't concerned about our monetary system when he and his steel corporation were raking in hundreds of millions in profits on unconscionable Government contracts. He or his ilk were not concerned about the gigantic war-spending hysteria by the Federal Treasury, piling up a tremendous debt upon the backs of the American taxpayers and upon millions yet unborn.

Therefore, as a result of the utterances of Mr. Grace, we conclude that there is only one kind of a war bonus—a bonus for the Graces, the munitions and steel makers, but nothing for the youth of America, who gave their lives, their strength, their health, and their blood, that others may become rich, great, and powerful.

DEPARTMENTS OF STATE, JUSTICE, COMMERCE, AND LABOR APPROPRIATION BILL, 1936—CONFERENCE REPORT

Mr. OLIVER. Mr. Speaker, I present a conference report upon the bill (H. R. 5255) making appropriations for the

Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, and for other purposes, for the fiscal year ending June 30, 1936, for printing under the rule.

GRAND COULEE DAM PROJECT

Mr. KNUTE HILL. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. KNUTE HILL. Mr. Speaker, 2 weeks ago today a colloquy arose between the gentleman from New York [Mr. CULKIN] and myself. It is found in the RECORD of Friday, March 1, 1935, pages 2797 and 2798. I stated that the State Grange of Washington and Marshall Dana were in favor of the Grand Coulee Dam. The gentleman from New York took exception to that and he said he would find out. I now read to the House proof of my contention. I read first the following telegram from Ervin E. King, master of the Washington State Grange:

STATE CAPITOL,
Olympia, Wash., March 14, 1935.

KNUTE HILL,
Congressman, House of Representatives,
Washington, D. C.:

The Washington State Grange has been actively supporting for 3 years full and complete development of Grand Coulee high dam project. We favor reclamation in practical units as needed. We have opposed the reclamation project by gravity because of the exorbitant cash which would be chargeable to land.

WASHINGTON STATE GRANGE,
ERVIN E. KING, *Master.*

I next read a letter written to Mr. CULKIN by Mr. Dana:

MARCH 4, 1935.

Hon. FRANCIS D. CULKIN,
House of Representatives, Washington, D. C.

MY DEAR MR. CULKIN: Press dispatches quote you as saying that the writer is opposed to the construction of the Grand Coulee high dam at this time and that I believe it is not needed within the next 25 years.

You are advised that I believe it desirable and essential that the plan for the Grand Coulee project should be changed from a low dam, exclusively for power development, to a high dam, as a unit of a land and resettlement project at once.

In amplificaion I refer you to a statement made by the writer on December 22, which also was adopted as its own expression by the Pacific Northwest Regional Planning Commission at a meeting in Spokane, Wash., on that date.

It reads as follows:

"Conversion of the Grand Coulee (Wash.) project from the present plan for a low dam primarily for power development to the high-dam plan, with units of land reclamation and of power production as required, is in harmony with national, regional, State, and local conditions and needs. It is in harmony with the principles of national, regional, State, and local planning. It also accords with past investigations, studies, and plans for the Columbia Basin project."

"Authority for the change in the dimensions of the dam, if granted at once, will permit the construction of the high dam to proceed without break in continuity. Every immediate step necessary to insure the conversion of the project without undue difficulty, delay, extra cost, or other waste in design, construction, and use is highly desirable.

"The recent recommendation of the National Resources Board to the President for 'detailed engineering, social, financial, and legal studies' of drainage basins, including 'the Columbia Basin in relation to the Grand Coulee high dam irrigation and power project, to be started as promptly as possible and prosecuted vigorously', is supported."

On the occasion of the Pacific Northwest Regional Planning Conference, in a report as chairman, the writer also made the following statement:

"Studies of the past months have indicated certain conclusions. The present dimensions of the Grand Coulee project should be changed to allow for the high dam and reclamation of adjacent land in units proportional to demand. This will fit the project to the nature of the area in which it is being built and give a necessary assurance of its success. I am confident that united representation of the larger and more logical development of Grand Coulee cannot but receive satisfactory response from the President and the national administration."

May I add that there can be no doubt of the immediate employment and long-range development value of the Columbia Basin development, which includes the Grand Coulee project, and which will be particularly valuable for use as submarginal areas are withdrawn from unprofitable production and as resettlement is undertaken of families from blighted and congested districts.

In view of the above, it was unnecessary for you to be in any doubt as to the writer's attitude on the Grand Coulee development or as to the place of reclamation in Federal policy and in a rational land program for the United States.

Very truly yours,

NATIONAL RECLAMATION ASSOCIATION,
MARSHALL N. DANA, *President.*

Lastly, I read the following extract of letter from John W. Haw, director of the agricultural development department of the Northern Pacific Railway:

Hon. KNUTE HILL,
Congressman, House Office Building,
Washington, D. C.

DEAR CONGRESSMAN HILL: I have read the CONGRESSIONAL RECORD of February 28 and March 1, and I wish to compliment you on your able reply to Congressman CULKIN in defense of reclamation. I do not believe I have ever read a more inaccurate and scurrilous attack than his upon any policy of the Federal Government. It is just possible that his obvious bias and his misstatements will have the effect of helping rather than harming reclamation. I note his reference to a call which Marshall Dana and I made upon him, and his reference to our conversation is as inaccurate as the balance of his statements. I think it is a waste of time to attempt a contradiction.

I have read the foregoing into the RECORD to show that I was right when I stated that the State Grange of Washington favors reclamation and the high dam, and that Marshall Dana, who is president of the National Reclamation Association and chairman of Northwest Regional Planing Council, is in favor of the high Coulee Dam. This shows that Mr. CULKIN was in error. As I stated then, if he does not know any more about reclamation and irrigation than he knew when he was talking about Marshall Dana and the State Grange, he knows nothing.

AGRICULTURAL ADJUSTMENT ACT—RICE

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table H. R. 5221, to amend the Agricultural Adjustment Act with respect to rice, and for other purposes, with Senate amendments, and concur in the Senate amendments.

This bill passed the House and the Senate with certain minor amendments. If any information is desired, I will be glad to give it.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 10, strike out "March 15" and insert "April 1."
Page 2, line 2, strike out "March 15" and insert "April 1."
Page 2, line 17, strike out "March 15" and insert "April 1."
Page 3, line 23, strike out "livestock and" and insert "livestock,".
Page 3, line 24, strike out "for the" and insert "directly for a."
Page 4, line 3, after "for" insert "by application then pending."
Page 4, strike out lines 18 to 24, inclusive, and insert:
"SEC 7. Subsection (1) of section 8 of the Agricultural Adjustment Act, as amended, is amended by inserting at the end of the first sentence thereof the following new sentence: "'In the case of rice, the Secretary, in exercising the discretion conferred upon him by this section to provide for rental or benefit payments, is directed to provide in any agreement entered into by him with any rice producer pursuant to this section, upon such terms and conditions as the Secretary determines will best effectuate the declared policy of the act, that the producer may pledge for production credit in whole or in part his right to any rental or benefit payments under the terms of such agreement and that such producer may designate therein a payee to receive such rental or benefit payment.'"
Page 5, line 7, after "tax" insert ", and provided no tax payment warrant has been previously issued with respect thereto or previously applied for by application then pending."
Page 5, line 8, after "thereof" insert "at the rate in effect at the time of such issuance."
Page 5, line 10, strike out "March 15" and insert: "March 31."
Page 5, line 10, after "to" insert "or at the direction of."
Page 5, lines 11 and 12, strike out "March 15" and insert "April 1."
Page 5, lines 13 and 14, strike out "(and with respect to which no tax payment warrant has been previously issued or applied for)."
Page 5, line 17, strike out "he" and insert "such processor or other person."
Page 5, line 23, strike out "March 15" and insert "April 1."
Page 6, line 5, strike out "March 15" and insert "April 1."
Page 6, line 8, after "cover" insert "the tax on."

Page 6, line 9, after "rice" insert "at rate in effect at the time title was so transferred."
Page 6, line 16, strike out "and redemption."
Page 6, line 24, after "1934;" insert "and."
Page 7, strike out lines 1 to 5, inclusive..
Page 7, line 6, strike out "(3)" and insert "(2)."
Page 7, lines 10 and 11, strike out "purchases, or redeems" and insert "or purchases."
Page 7, line 11, after "warrant" insert "or the right of any person thereto."
Page 8, line 18, strike out "use, and/or redemption" and insert "and/or use."
Page 8, line 23, strike out "redemption" and insert "transfer."
Page 9, line 11, after "commodities" insert "; and (2)."
Page 10, line 3, strike out all after "paid;" down to and including "Revenue", in line 7, and insert "and with respect to any refund authorized under this section, the amount scheduled by the Commissioner of Internal Revenue for refunding shall be paid, any provision of law notwithstanding."

The SPEAKER. Is there objection to the request of the gentleman from Louisiana [Mr. DEROUEN]?

Mr. HOPE. Reserving the right to object, as I listened to the reading of the amendments, they seemed to be merely formal and clerical, but I would like to have the gentleman from Louisiana, who is familiar with the amendments, explain whether or not they materially change the bill as it passed the House?

Mr. DEROUEN. No; they do not, except in one phase. That particular phase is this, that it permits the producer to pledge his benefit payments, or any part, for production purposes only. It is a peculiar situation, that out of all commodities rice was the only one where the producer was not permitted to borrow on his benefit payments.

Mr. HOPE. The gentleman means borrow from Government agencies, or from private lending agencies?

Mr. DEROUEN. From the Government agencies.

Mr. HOPE. And that is the only material change?

Mr. DEROUEN. That is the only change in the bill except possibly clerical corrections.

Mr. HOPE. The balance are clerical or perfecting in character?

Mr. DEROUEN. Yes.

Mr. HOPE. I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana [Mr. DEROUEN]?

There was no objection.

The Senate amendments were agreed to.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1936

Mr. SANDLIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6718) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1936, and for other purposes; and pending that I suggest to the gentleman from Iowa [Mr. THURSTON] that general debate run along this afternoon not later than 5 o'clock and then close, the time to be divided equally between the gentleman from Iowa and myself.

Mr. THURSTON. That would be approximately 2 hours on a side?

Mr. SANDLIN. Yes.

Mr. THURSTON. I think that is satisfactory, under the requests I have at this time.

Mr. SANDLIN. Mr. Speaker, pending the motion I ask unanimous consent that general debate on this bill be concluded not later than 5 o'clock, the time to be equally divided between the gentleman from Iowa [Mr. THURSTON] and myself.

The SPEAKER. The gentleman from Louisiana [Mr. SANDLIN] moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 6718, and pending that motion the gentleman from Louisiana asks unanimous consent that general debate be completed not later than 5 o'clock today, one-half the time to be controlled by the gentleman from Louisiana [Mr. SANDLIN] and one-half by the gentleman from Iowa [Mr. THURSTON]. Is there objection to the request of the gentleman from Louisiana?

Mr. CANNON of Missouri. Reserving the right to object, the gentleman does not expect to begin the reading of the bill before 5 o'clock this afternoon?

Mr. SANDLIN. No.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Louisiana [Mr. SANDLIN].

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 6718, the Department of Agriculture appropriation bill, 1936, with Mr. COOPER of Tennessee in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

There was no objection.

Mr. SANDLIN. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. FULLER].

Mr. FULLER. Mr. Chairman, I rise not for the purpose of speaking on the Department of Agriculture appropriation bill but to discuss an effort to form a third party.

In a recent issue of the Associated Press I discover that Representative PAUL KVALE and a few others are dissatisfied with the Democratic rule and they have formed a bloc for the purpose of controlling legislation hereafter. Not being content with their own party, which at one time was the Republican Party, and with which party they could not get along, they are now seeking to break into the Democratic Party and convert some of our Democratic Members to their way of believing.

Mr. MOTT. Will the gentleman yield?

Mr. FULLER. Yes; I yield.

Mr. MOTT. Did I understand the gentleman to refer to my colleague [Mr. KVALE] as a Republican?

Mr. FULLER. Certainly.

Mr. MOTT. I thank the gentleman.

Mr. FULLER. The gentleman is nothing else but a Republican; in fact, never has been anything else but a Republican.

Mr. MOTT. The gentleman's information on that is about as accurate as usual.

Mr. FULLER. If the gentleman will remain in the Chamber, I will reach him later. [Laughter.]

The reason I rose to speak today is because of the fact that the publicity that has been given to these meetings is not fair, especially to the Democratic Members of this bloc. All they got in the newspapers was the printing of their names, whereas this great leader of this great host had his picture published, and the leader of the policy committee had his great policy outlined as to what he was going to do next Saturday to the leading Democrats here in this House. The other members of the policy committee are SCHNEIDER, Progressive, of Wisconsin; KELLER, Democrat, of Illinois; LEMKE, Republican, of North Dakota; MAVERICK, Democrat, of Texas; MAAS, Republican, of Minnesota; and GILCHRIST, Republican, of Iowa. For the purpose of letting the people of the Nation really know who these Moseses are who are going to lead us to the promised land and are going to save us from distress and ruin, I want to read into the RECORD the names of the 30 people who are named as forming a political bloc to control the destinies, the hopes, and the aspirations of Democrats and Republicans alike for this great Nation of ours

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield.

Mr. KVALE. I am unable to listen to all the gentleman's speech, because I have an appointment at 1 o'clock; but I wish him well, and I want to say that that list of 30 is not complete; that a few have complained of the fact that their names were inadvertently omitted.

Mr. FULLER. I wish the gentleman, in order to keep the record complete, would insert their names in the RECORD.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield.

Mr. RICH. The people on that list certainly cannot be Republicans, because the Republicans now in the House always have been Republicans and always will be Republicans. So the names must come from the Democratic side.

Mr. FULLER. I think there is a good deal in what the gentleman says. But known Republicans are named in the group.

Mr. KVALE. With the gentleman's indulgence, let me tell the gentleman from Pennsylvania who is speaking that he is referring to quite another list.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield.

Mr. RANKIN. Did I understand the gentleman to say that the reason there were not a hundred Republicans on that list was because there were not a hundred Republicans in the House?

Mr. FULLER. No; he did not say that. My friend from Pennsylvania is a pretty good fellow; he is harmless; he means all right. [Laughter.]

Among those who attended the meeting were HOEPPEL, Democrat, of California. [Applause.]

Mr. HOEPPEL. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield, but just for a question.

Mr. HOEPPEL. I would like to say to the gentleman that I am not afraid to be associated with any group or organization which is endeavoring to bring liberal legislation on the floor of this Congress; and this organization met for no other purpose than that. At the first meeting they read a letter in which they praised the President of the United States. Does that appear in the clipping?

Mr. FULLER. No; it is not in it, and never will be in the clipping.

Mr. HOEPPEL. If the gentleman were interested in the relief of the unemployment and the distress of the citizens of our Nation, he, too would join such a bloc.

Mr. FULLER. Oh, no. I do not blame the gentleman from California for having joined this bloc. I will read the rest of the list:

SCOTT, Democrat, of California; CARPENTER, Democrat, of Kansas; ENGEL, Republican, of Michigan; ZIONCHECK, Democrat, of Washington; BURDICK, Republican, of North Dakota—there is one that slipped on you [laughter]—RYAN, Democrat, of Minnesota; GEHRMANN, Progressive, of Wisconsin; WALLGREN, Democrat, of Washington; WELCH, Republican, of California; BUCKLER, Farmer-Laborite, of Minnesota; DUNN, Democrat, of Pennsylvania.

Mr. BUCKLER of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. FULLER. No; not now. MARTIN SMITH, Democrat, of Washington; BINDERUP, Democrat, of Nebraska; ECKERT, Democrat, of Pennsylvania; AMLIE, Progressive, of Wisconsin; WOOD, Democrat, of Missouri; STEFAN, Republican, of Nebraska; KNUTSON, Republican, of Minnesota. [Applause.] LUNDEEN, Farmer-Laborite, of Minnesota; FERGUSON, Democrat, of Oklahoma.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. FULLER. Yes.

Mr. KNUTSON. I think a brief statement is due; it is not required; but it is due. On the day the conference was held I received a telegram that required an immediate answer, but before answering it I wished to talk to the gentleman from North Dakota [Mr. BURDICK], who will bear me out in this. I went to his office and was informed that he was at this conference. I went over to consult with him. [Laughter.] I took no part in the meeting; I do not think I stayed there to exceed 2 minutes. [Laughter.]

Mr. FULLER. I want to say that I have investigated and I believe that what the gentleman from Minnesota said is true. I have found him to be one of the most hard-boiled Republicans I ever knew in my life; and he told me he was sorry that he got in bad company, and I am willing to take his word. [Laughter.]

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield.

Mr. RICH. I would merely like to make this observation, that as the gentleman called off the names there were 12 Democrats, 5 Republicans. It is almost 3 to 1, practically the same ratio as the majority the Democrats have in the House. So, if things are not done right, it will still be the fault of the Democrats.

Mr. BUCKLER of Minnesota. I would like to ask the gentleman a question.

Mr. FULLER. What is the name?

Mr. BUCKLER of Minnesota. BUCKLER is the name; BUCKLER from Minnesota.

Mr. FULLER. Yes; indeed.

Mr. BUCKLER of Minnesota. I belong to the Farmer-Labor Party and am proud of it.

Mr. FULLER. I know it.

Mr. BUCKLER of Minnesota. I used to be a Democrat, but I left the Democrats because of their reactionary leadership. [Applause.]

Mr. FULLER. Now, my good Democratic friends, you can see with whom you are associating. That is one of your leaders whom you are going to follow in order to do away with the administration of the Democrats here in the House, led by that great southerner, that great statesman, Hon. JOE W. BYRNS. You leave him for those not in sympathy with the administration and follow those who seek the destruction and ruin of Democracy. [Laughter.]

Mr. CARPENTER. Mr. Chairman, will the gentleman yield?

Mr. FULLER. Yes.

Mr. CARPENTER. I do not yield in my loyalty, respect, and admiration for our Speaker, Mr. Joseph W. Byrns, to any Member in this House, and I do not yield in my loyalty or my respect and admiration for the President of the United States or the Democratic Party; but I wish to say to my good, loyal friend, the gentleman from Arkansas [Mr. FULLER], that I do not easily bluff; I cannot be bluffed in this sort of manner.

If it be treason to assemble together with Members of this Congress—Democrats, Republicans, Progressives, Farmer-Laborites, whoever they be—to discuss progressive legislation for the benefit of the people of this country—I say, if this be treason, then make the most of it. [Applause.]

[Here the gavel fell.]

Mr. SANDLIN. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. FULLER. Mr. Chairman, I do not want my remarks to be construed as censuring these gentlemen who have joined in this movement. They have a right to do that if they want to. I have the greatest admiration and respect for the gentleman from Kansas. I think he knows he has made a great mistake. I think he knows, as does every Democrat whose name I have called, that he could not possibly have been elected the last time and could not be elected again except by running on the coat tail of Franklin D. Roosevelt. He is a good Democrat and excellent Representative. [Applause.]

Mr. Chairman, I believe in a two-party Government. I believe in a Republican Party or a Democratic Party, and I am not in favor of these radical movements. There is nothing in the world back of all this except some people want to get a little notoriety by trying to start a third party movement. Whoever heard of a hopeless minority ruling anything, any time, anywhere in the world? You cannot do it in Congress either. The only way we accomplish anything here is by our committee work. It is done by working together, and on many occasions—in fact, most occasions—the Democrats and Republicans sit down together and work these propositions out for the welfare of the country as a whole.

[Here the gavel fell.]

Mr. FULLER. May I ask the gentleman for an additional 10 minutes?

Mr. SANDLIN. Mr. Chairman, so that there will be no misunderstanding, the time has been limited to 4 hours and 20 minutes. I have allotted my part of the time to other gentlemen in the House, and I cannot yield the gentleman additional time unless other gentlemen release their time.

Mr. FULLER. If the gentleman cannot give me time, I will get it from the Republicans.

Mr. THURSTON. Mr. Chairman, I yield the gentleman from Arkansas 5 additional minutes.

Mr. FULLER. Mr. Chairman, what I mean to say is that these Members whom I have mentioned are following false gods. I have seen two marches on Washington in my life time. One was under the leadership of General Coxey when he brought an unemployed army here, consisting of a lot of unemployed many years ago; another one was at the time the misguided veterans came here in reference to the bonus matter, but neither succeeded, and this movement does not have the one-hundredth part of a chance of success that either of those movements had.

I really do not blame the gentleman from California [Mr. HOEPPEL] nor the gentleman from Pennsylvania [Mr. DUNN]. You cannot blame those two gentlemen, because they do not deny that they were former Republicans before they came to Congress, and held office under Republican administrations immediately before coming to Congress. That is just their way of believing.

Methinks I can see the gentleman from California [Mr. HOEPPEL], the gentleman from Pennsylvania [Mr. DUNN], the gentleman from Wisconsin [Mr. BOILEAU], and the gentleman from Minnesota [Mr. KVALE] all in a huddle with their arms around one another. HOEPPEL leans over and says to BOILEAU, "BOILEAU, who is sweet?" and KVALE promptly replies, "We are all sweet. We all belong to the same party. We all believe in the same objects and purposes, and that is to break down the two great major parties of this country and create a new one."

Mr. HOEPPEL. Will the gentleman yield?

Mr. FULLER. I yield to the gentleman from California.

Mr. HOEPPEL. I should like to state to the gentleman that if he will only rehearse these same tactics and travel all around the United States, he will get sufficient funds for the contemplated third party so that they can really get ahead.

Mr. FULLER. Why does not the gentleman join it then? I am not censuring these two Democratic gentlemen because they are trying to do better.

Mr. SCOTT. Does the gentleman speak for the Democratic Party of the United States now?

Mr. FULLER. No. I will leave that for the gentleman from California. Did I call your name?

Mr. SCOTT. Yes.

Mr. FULLER. I will leave that for you. I am speaking for myself. Personally, I think the gentleman a good liberal Democrat and not at heart in sympathy with such a movement. [Applause.]

Representative KVALE makes the statement in the morning papers that—

> If Democrats try to be legislators, the powers are going to withhold filthy lucre and radio speakers as well as patronage privileges or other polite bribery used as a bait to keep people within party lines.

What a statement for a self-styled leader. Oh, no; we have no idea of taking patronage away from these Democrats. We just feel sorry for them. We feel that since they did not get any publicity, as Representative KVALE got all the headlines, and his picture on the front page, possibly their names should be inserted in the RECORD. This is especially true, as most of them had no idea the meeting was called to form the nucleus of a third party and disrupt and destroy the Democratic and Republican organizations of the House. It was a selfish movement, originated and dominated by the three Farmer-Laborites and a few Progressive Republicans of the House.

Mr. MILLARD. Will the gentleman yield?

Mr. FULLER. I yield to the gentleman from New York.

Mr. MILLARD. Suppose the President loses the coattail; what will become of all these Democrats?

Mr. FULLER. He is not going to lose his coat nor the tail; but should such a calamity happen they will be like they were before they came to Congress.

The news article says:

> Representative BOILEAU, the Progressive from Wisconsin, as chairman of the policy committee, will have another meeting next Saturday with his faithful followers.

At that time policies and procedure will be formulated for the purpose of showing Representatives BYRNS, BANKHEAD, and SNELL how the third-party originators intend to rule the Nation.

It is all a huge joke—an effort of the tail to wag the dog.

The morning Post quotes Representative KVALE, referring to Speaker BYRNS, as saying:

> We'll have a show-down real soon. The statement (of BYRNS) shows that such an organization is needed.

We will welcome this "show-down" and demonstration of leadership from the gentleman from Minnesota.

My good friend KVALE—and we all like Paul; he is a good fellow, a good mixer, an organizer. He is a good Representative for his people or constituency. Methinks I can see him as he sits back there in the rear, in his accustomed place, on the Republican side, where he rightfully belongs, with Republican BOILEAU, and as he thinks about the great glory he has brought upon himself and he walks down the aisle to make a speech to his camp followers, with an air as to say:

> All hail the power of KVALE's name,
> Let voters and legislators prostrate fall.
> Bring forth the royal diadem,
> And crown PAUL KVALE boss and dictator of them all.

[Laughter and applause.]

Mr. IGOE. Mr. Chairman, will the gentleman yield?

Mr. FULLER. Yes.

Mr. IGOE. I understand one of the names the gentleman read off in that roll of honor was the gentleman from Minnesota [Mr. KNUTSON].

Mr. FULLER. Yes.

Mr. IGOE. And I understand the purport of this organization is for the formation of a new party.

Mr. FULLER. Yes.

Mr. IGOE. As I recall the press of Washington during the last few weeks, this same Mr. KNUTSON appeared with much publicity as the campaign manager for the new Presidential candidate of the Republican Party, Mr. FISH. [Laughter and applause.]

Mr. FULLER. They misquoted him, I am sure. [Laughter and applause.]

Mr. HOEPPEL. Mr. Chairman, will the gentleman yield?

Mr. FULLER. Yes; I yield.

Mr. HOEPPEL. I should just like to thank the gentleman for the speech which he has made. He does not realize that my district is Republican in sentiment, and he has really helped me in the next year's campaign.

Mr. FULLER. Fine—I am glad to do it. [Applause.]

Mr. SANDLIN. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. LANHAM].

Mr. LANHAM. Mr. Chairman, I wish to use this time in discussing certain policies and conditions which now prevail and their particular effect upon that section of the country in which I live.

We are all aware of the fact that just a few years ago business in the United States had become practically stagnated, that millions of men were out of employment, and that standards of living were considerably lowered. We realize that these unfortunate conditions had many causes, some of which were the results of the aftermath of the war, the paralysis of international trade, the foreign debts, and the improvident speculations and investments of the people generally. We have been seeking recovery from these ills which have afflicted every branch of our commerce and every pursuit of our citizens.

The question which confronts us is, How shall we get out of this peculiar situation finally? Two or three theories have been advanced in this regard. One is that we should make ourselves self-sustaining in America and cultivate an intense nationalism. Another is that we should resume our former place in international trade and cooperate with the nations of the world to keep commerce flowing. A third theory, which occupies a middle ground between the other two, suggests that, while cultivating nationalism, we should also have some appropriate place in international dealings.

Personally, I have never believed that we can prosper permanently by fostering a policy which would result entirely in our isolation. It is scriptural that "No man liveth unto himself alone", and I think this truth applies quite as forcefully to nations, which are aggregations of men, as to an individual. Through the progress which we have seen in invention and the development which has been made in transportation, the world in its human contacts and commercial relationships has been reduced to a fraction of its former size.

There are many present, perhaps, who can remember when Nelly Bly established her record on a trip around the world. My recollection is that it required 2 months or more for her to accomplish this then outstanding feat. Today, by reason of our progress, all nations are drawn closer together and it is impossible to isolate ourselves.

There is an old fable which has to do with the rebellion of certain members of the body against the stomach. The eyes, the arms, the legs, and the mouth concluded that they had been serving the stomach long enough. The eyes said, "I have been constantly looking for food for the stomach, and I am going to quit." The legs said, "I have been running errands for it to get the food and I am going to stop that." The arms said, "I have been reaching for the food and taking it to the mouth in order that it might get to the stomach, and I am going to cease acting as such conveyor of food." And the mouth said, "I will stop chewing and swallowing the food, so the stomach will perish." But after a while, by reason of their concerted effort and the consequent weakening of the stomach, the eyes began to grow dim, the legs began to get weak, the arms were flabby, and the mouth was dry, and so they all decided that for their own safety they had better return to their old job of feeding the stomach.

Not only do we have this interdependence among nations, but of necessity we have it among various sections of our own country.

I feel we must all agree that the surest way of getting back to normal conditions of prosperity is to get back to natural and normal operations of trade and commerce, operations which will send abroad our surplus products of both field and factory. Ours is a productive country and the nations of the earth in normal processes have need for our wares.

It is true that in recent years international commercial intercourse has been hindered and interrupted by several barriers; barriers of tariff, barriers of exchange, barriers of depreciated currencies in many lands. We had all hoped that the London conference would result in something more tangible as a basis for mutual international cooperation, but unfortunately that result was not achieved. Realizing that in the anomalous condition of the world's affairs we could not have a general tariff policy uniform in rates and other respects with reference to all the nations of the earth, we then resorted to the enactment of a law making provision for reciprocal tariffs mutually entered into by this country and the respective countries of the world. In my judgment, this legislation should have been enacted a year before it was, but necessarily at best it is a slow and inadequate method of accomplishing the results intended. And so, to quote the well-known saying of President Cleveland, "We are confronted with a condition and not a theory."

The war changed the international financial status of this country. We became a creditor nation. I think it will be generally recognized as sound economic doctrine that it is imperative that a creditor nation be deeply interested in various angles of foreign trade. It is seriously handicapped by a failure to promote it. Now, I wish to discuss briefly an economic policy of the last administration affecting our exports. I shall not speak of it in any partisan sense. I wish to discuss it solely from an economic angle, because I believe that in our efforts to restore prosperity we all desire to be Americans rather than partisans. The tariff policy of this country has had a very deleterious effect upon the agricultural south.

We had the Fordney-McCumber Tariff Act; then, in spite of the fact that we had become a creditor nation and it was more necessary than ever for us to trade with the nations of the world which owed us large sums of money, there was adopted the Smoot-Hawley Tariff Act. If the rates of the Fordney-McCumber Act were foothills, the rates of the Smoot-Hawley Act were mountains. As a consequence, more than 40 foreign nations raised retaliatory tariff walls against this country. It became impossible under those circumstances for the farmer to get his goods over those retaliatory walls. Citing cotton, by way of example, our great surplus of this crop was backwashed upon us, and in view of the fact that domestic consumption of this commodity falls far short of domestic production, naturally the price of cotton descended to new low levels.

The possessor of capital in this country interested in industry had an advantage over the producer of raw material, because money and credit can do what cotton and corn and wheat cannot. Money and credit can be more or less ubiquitous and go where they please. The consequence was that when these tariff walls were raised against us American capital sought and found investment in mills and shops and factories within those foreign tariff walls where it could manufacture products and sell them without the necessity of scaling those walls. It will be readily conceded that a great many American manufacturers did establish their shops and factories in other lands, notably in the realm of our beloved neighbor of the north, Canada. Employment was thus afforded for the nationals of other countries while our own people were walking the streets asking for work.

It will be seen, therefore, that under the Smoot-Hawley Act there was an advantage to the larger industries that agriculture and the smaller industries did not have. Consequently, when by reason of changing world conditions it became necessary temporarily to resort to artificial stimulation within our own borders, agriculture was in even greater need of it than industry. But our hopes and efforts must now be directed to permanent recovery of both agriculture and industry and not to permanent and uneconomic artificial stimulation.

In the light of present conditions, I wish to bring to your attention some of the problems which confront the South and Southwest with reference to cotton. In normal times the State of Texas produced one-third of the cotton of the United States and one-fourth of the cotton of the world. One-third of our people live on cotton farms, and many more are dependent upon cotton in various ways for their livelihood. Formerly 90 percent of the cotton that was raised in Texas found its way to foreign markets. With reference to other Southern States, I think the statement is accurate that about 60 percent of their cotton was exported.

The South necessarily fared better when we were a debtor nation than it has since we have become a creditor nation, because then we had ready access to the markets of the world and it was a common saying that the United States paid its foreign obligations with cotton.

Permanent prosperity of the South and Southwest must necessarily depend upon cotton exports. We have long been an agricultural people and we cannot quickly shift into all the ramifications of industrial life. Any such transition, if desirable, must necessarily be gradual. We have diversified in many ways, but cotton remains the money crop of our farmers.

Now, the Government adopted a policy of curtailing the production of cotton through a decrease of acreage. Do not understand me to complain about the money that has been paid to the farmers in the plow-under campaign and program, because they were quite as much in need of aid as others who participated in the Government's bounty, but I do think that this money could have been paid to them in a way more conducive to our permanent recovery. I believe it could have been expended without drastic curtailment of the crop and that some system could have been devised whereby a great part of the surplus could have been used to retain our foreign markets. For the South their

retention is necessary for permanent prosperity. The reduction of output necessarily reduced also the opportunity for employment. Planters, cultivators, pickers, ginners, compressors, buyers, shippers, and all the various persons and classes of persons who have to do with cotton in its growth and harvesting and marketing have suffered greatly through the lack of labor for their hands to perform. I think you will find, therefore, and I greatly deplore it, that perhaps the percentage of people on the relief rolls today is greater in the southern and southwestern States where cotton is grown than in other sections of our country. But from the standpoint of our permanent welfare, the most deplorable effect seems to be the marked decrease in the exports of our cotton and the loss of our foreign markets. The conditions indicate that we have invited, almost importuned, other nations to enter into competition with us, and the way has been made relatively easy for them to wrest our markets from us.

By way of example, let us consider Brazil, perhaps at present the most striking example. Much of its land is adapted to the growing of cotton, and it is not overlooking its opportunity. It is enjoying a cotton boom, and in that country the fleecy staple is referred to as "white gold." It is a fitting designation, the same kind of white gold with which we used to pay our foreign debts when we were a debtor nation. It has stepped in where we stepped out. It has doubled its output and is planning to increase it. It is giving labor and inviting capital that might well be given and invested in the cotton industry in this country of ours. It is sending its crop to markets which we have largely surrendered.

This is not a temporary but a permanent threat to the commercial prosperity of a large part of our Nation. Is it not an equal threat to the prosperity of the manufacturing North and East? Brazil is in the market for machinery to be used in every phase of the cotton industry. Where will it buy? It is as natural as human nature itself that Brazil will buy from the nations to which it sells its cotton. Surely that may be accepted as an axiom of trade. So there is nothing sectional in this argument. The industrialists of the North, with their manufacturing plants, will lose their trade as the South loses its markets.

Mr. TARVER. Will the gentleman yield?

Mr. LANHAM. I yield.

Mr. TARVER. Has the gentleman's attention been called to this feature of the problem? I understand that certain American manufacturers, and particularly the Goodyear Manufacturing Co., are now in the act of locating a plant in Brazil for the purpose of manufacturing their goods needed by the South American trade.

Mr. LANHAM. My attention has been called to that, and I understand that American capital is going to Brazil for the purpose of supplying that trade. That is another instance of the advantage of money and credit over the raw material.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. THURSTON. Mr. Chairman, I yield the gentleman from Texas 5 additional minutes.

Mr. LANHAM. I wish to thank my friend from Iowa. It is a disturbing situation when American capital is forced for its own protection to leave our shores and seek investment to the detriment of a great American enterprise. It has a serious and harmful effect upon every phase of our cotton industry. These large manufacturing concerns can hardly be blamed, for they must realize that if Brazil cannot buy its supplies within its own borders, it will make its purchases from countries where it sells its output. And so it is perfectly natural for them to establish plants in Brazil.

I have cited Brazil by way of example, but other countries also are growing cotton, countries which formerly were in the market for our cotton. And as our policies encourage them to raise more and more of this staple we thus diminish their permanent demand for our product. This is naturally true with reference to all the other cotton-growing nations even if they raise no more than they need for their own domestic demand. And let me bring it to your attention that other South American countries either are producing or can produce cotton and divest us of the markets we have acquired through the long years. There are several sections of the world where climatic conditions are adapted to cotton culture.

What I have said with reference to cotton has similar application to many agricultural commodities and to many industries. For our general national welfare it behooves us to give prompt and careful consideration to the elimination of the causes which are bringing about so rapidly the elimination of the foreign markets upon which for permanent prosperity we must in large measure depend. Let us give thought to the removal of the barriers which have blocked our normal progress. Let us seek to stimulate some spirit of international cooperation that will restore our commerce to its natural course. Unfortunately, the reciprocal tariff act is not sufficient, for by tariffs our cotton trade has been hindered rather than helped. In an illuminating document entitled, "Agriculture's Interest in America's World Trade", prepared in the Division of Information of the Agricultural Adjustment Administration of the Department of Agriculture, I find the following question and answer:

What may cotton growers gain from reciprocal-tariff negotiations?

Inasmuch as the demand for American cotton depends primarily on the ability of foreign consuming countries to pay, and their ability to pay rests largely upon the imports this country is willing to accept, cotton is likely to be benefited more by the use of tariff bargaining for the general restoration of foreign trade than by reciprocal trade agreements specifically involving cotton. Pending such revival, cotton exports are unlikely to increase, and might even decrease.

Cotton exports have already decreased to an alarming level.

Let me cite another question and answer in this document:

If the former level of exports is unlikely to be reached, what will become of the farm surpluses for which foreign markets seem likely to be permanently lacking?

If the American farmer is to receive satisfactory prices for what he does produce, such surpluses must not be grown. The agricultural adjustment programs have kept off the market goods for which the outlet abroad has been closed and which have no place either in the domestic market or as part of the normal domestic carry-over.

Not a very encouraging statement for the cotton farmer with reference to his money crop. These surpluses formerly went abroad. Surely the peoples of the world still have need for this commodity. If there is no market for it, how does it happen that Brazil and other countries are finding profit in increasing their production? They must find it in the markets that we relinquish. The advice that no surplus must be grown presents a gloomy prospect to the cotton-growing farmer. He has formerly produced such surplus and profited by it. What shall he do instead, and what shall the millions of our people do who have made their livelihood in the cotton industry? How has the outlet abroad been closed to them and opened to others?

Surely there is statesmanship which can devise an outlook more encouraging. Let us think on this subject with a willingness to solve the problem and insure a prosperity that will be enduring. For our permanent prosperity such solution seems imperative.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. THURSTON. Mr. Chairman, I yield 15 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, while the Agriculture appropriation bill is before Congress, I want to point out in the few minutes allotted to me and in my extension of remarks, the great difficulty that the people of the Northwestern States have in transacting any business whatever with any Government institution established in our area, concerned with the distribution of Government finances. I can make the assertion this afternoon without the slightest fear of contradiction that there never has been from the year 1917 to the present moment a single financial institution set up in the Twin Cities to service the Northwest with

Government finances that has not been at all times and is not now under the control of the private bankers of the Twin Cities. I simply want to refer to some of the institutions that have been built. In 1917 the Federal Reserve bank of the ninth district was established in the city of Minneapolis, State of Minnesota, and from that moment to the present time that institution has been largely under the control of the First National Bank of Minneapolis, the Northwestern National Bank of Minneapolis, the First National Bank of St. Paul, and other financial institutions of the Twin Cities.

When we look into the personnel of the men who direct the affairs of these so-called "Government institutions", we find at the head of the Federal Reserve bank today John N. Patton, Federal Reserve agent, a Republican, former president of the Pioneer National Bank of Duluth, and the one responsible for the sale of the stock of the Northwest Bank Corporation in the State of Minnesota and elsewhere.

I say to you that those banks organized in 1929 a holding company known as the "Northwest Bank Corporation." They invested $1,000 in that institution, contributed largely by the officers of the Northwest Bank Corporation, and from that investment of $1,000 they sold to the people of the Northwest $50,000,000 worth of stock. During that time in the sale of that stock, they took over in the Northwest, 116 banks which they received and paid for by the delivery of stock in the Northwest Bank Corporation, with an investment of $1,000. Today they control deposits amounting to $391,000,000. The officers of that corporation at this very moment, Mr. Chairman, we find in the Federal Reserve bank of the ninth district. We find them in the Federal Land Bank of St. Paul. We find them, in the years gone by, operating and controlling absolutely the War Finance Corporation. We find them in the intermediate credit bank. We find them in the Reconstruction Finance Corporation set-up in the Twin Cities. We find these men in the Production Loan Corporation, established February 23, 1932.

Mr. Chairman, I ask unanimous consent at this time to insert in the RECORD, as a part of my statement, a list of officers who control those Government institutions, and a list of men who built up the Northwest Bank Corporation and the First Bank Stock Corporation, which acquired 214 banks, with a total deposit of $751,000,000, with an investment of a few thousand dollars. I want to show the connection between that institution and every Government institution intended to finance the people of the Northwest.

I herewith submit the following list indicating the Government financial agencies, and the personnel of the officers and directors and their association with the Northwest Bancorporation and the First Bank Stock Corporation:

CROP PRODUCTION LOAN OFFICE—MINNEAPOLIS

L. J. Paulson, regional manager, present resident of Minneapolis, Minn.; former officer Freeborn County National Bank, Albert Lea, now member First Bank Stock Corporation. Reactionary Republican.

G. W. Banning, chief, division of operation, resident of Minneapolis; former official First National Bank, Minneapolis, credit department, member First Bank Stock Corporation. Formerly with F. M. Davies Grain Co. Republican.

Frank S. Kremer, attorney.

Fred E. Hodgson, chief of collection division, former Fergus Falls, Minn., banker. Member Northwest Bancorporation.

R. E. Dunnell, chief, fiscal division.

DEPOSIT LIQUIDATION COMMITTEE—MINNEAPOLIS

C. T. Jaffray, chairman, Minneapolis, director First National Bank, Minneapolis Trust Co., First Securities Corporation, First Bank Stock Corporation. Conservative Republican capitalist.

John W. Barton, secretary, Minneapolis; former head of Regional Agricultural Credit Corporation; former employee Northwestern National Bank, Minneapolis, member Northwest Bancorporation; former director Northwest Bancorporation; also director N. W. Morris Plan, Minneapolis. Republican.

W. A. Smith, chief examiner, Minneapolis; former examiner in charge of liquidation, Minnesota State Banking Department. Republican.

FEDERAL RESERVE BANK—MINNEAPOLIS

John N. Peyton, Federal Reserve agent, Minneapolis; former president Pioneer National Bank, Duluth. Minnesota State Banking Commissioner 1931–32 and to May 15, 1933. Mr. Peyton and his banks were one of the few who refused to pay State tax. Responsible for sale of bonds during bank's reorganization period. Republican reactionary.

F. M. Bailey, assistant Federal Reserve agent, Minneapolis; former St. Paul banker. Has held assistant Federal Reserve agent's position for a long period of time. Republican.

E. W. Swanson, assistant Federal Reserve agent; former deputy to State banking commissioner, John N. Peyton. Republican.

O. S. Powell, statistician and secretary, board of directors. Carried over from old War Finance Department set-up. Republican.

Banking department

W. B. Geery, governor, St. Paul; former head of Capital National Bank, St. Paul. Reactionary conservative Republican.

Harry Yaeger, deputy governor, Great Falls, Mont. Banker.

H. I. Ziemer, deputy governor and cashier; formerly associated with First National Bank, discount department. Republican.

F. C. Dunlop, controller; former auditor First National Bank, Minneapolis. Republican.

H. C. Core, assistant cashier; formerly with First National Bank, Minneapolis.

A. R. Larson, assistant cashier, formerly with Merchants National Bank, St. Paul.

W. E. Peterson, assistant cashier, formerly Atwater, Minn., banker.

Sigurd Ueland, counsel, former attorney for Midland National Bank, a member Northwest Bancorporation. Republican.

Rolf Ueland, assistant counsel, former attorney for Midland National Bank, a member Northwest Bancorporation. Republican.

FARM CREDIT ADMINISTRATION—ST. PAUL

Directors Federal Land Bank

Sam A. Rask, Blooming Prairie, Minn., president First National Bank, Blooming Prairie, a member First Bank Stock Corporation. Reactionary Republican, on board since 1930.

Frank R. Coit, Hudson, Wis. Republican.

Garfield Farley, Albion, Mich. Republican, appointed 1934.

Gotfried S. Johnson, Manistique, Mich., vice president State Savings Bank. Republican.

Charles E. Parker, Wausau, Wis. Republican.

John C. Smith, Mandan, N. Dak. Republican.

Samuel Torgerson, Grand Forks, N. Dak., former cashier Northwestern National Bank, Grand Forks. Very conservative.

J. P. Riordan, general agent, former Wisconsin resident. Democrat.

Roy A. Nelson, president; former South Dakota banker; later connected with Northwestern National Bank, Minneapolis, a member Northwest Bancorporation; former receiver Southern Minnesota Joint Stock Land Bank. Reactionary.

Frank G. Wanek, vice president and secretary; former Wisconsin banker.

Samuel Torgerson, vice president, Grand Forks, N. Dak.; former cashier Northwestern National Bank, Grand Forks. Reactionary.

G. S. Gordhamer, vice president and treasurer; former Kerkhoven, Minn., telegraph operator and banker. Republican.

John Thorpe, general counsel; former North Dakota attorney. Very strong Republican.

Federal intermediate credit bank

F. H. Klawon, president; former vice president Wheaton National Bank, member First Bank Stock Corporation. Republican.

P. L. Klyver, secretary-treasurer; former North Dakota banker. Republican.

Harry Olmstead. Lansing, Mich.; operator of chain banks in Michigan. Republican.

A. E. Sevareid, assistant treasurer and secretary; former Hutchinson, Minn., banker; has been in department a number of years. Very strong Republican.

C. G. I. Reimstad, attorney; former North Dakota attorney.

Production Credit Corporation

George Susens, president; former secretary Minnesota Bankers Association. Not independent. Home, Alexandria. Sold his bank to group and has very friendly attitude toward group banks. Republican.

E. C. Johnson, vice president, St. Paul. Associate professor of economics at University of Minnesota. Republican.

Joseph S. Montgomery, secretary, St. Paul. Manager Central Cooperative Association. Formerly with Federal land bank; appointed 1930. Republican.

Fred D. Elliott, Marion, Mich. Vice president Marion State Bank. Republican.

Bank for cooperatives

Hutzel Metzger, Fargo, N. Dak., president. Graduate, North Dakota Agricultural College. Entered Federal service in 1926 with Federal Farm Board. Republican.

Walter Oby, vice president and treasurer, Detroit Lakes. Former banker at Detroit Lakes. Democrat.

C. F. Munroe, secretary-treasurer. Agricultural extension work in North Dakota State College. Republican.

RECONSTRUCTION FINANCE CORPORATION—MINNEAPOLIS

Ben Maynard, acting manager, formerly with Lane Piper & Jaffray, First National Bank & Trust Co., and First Securities Corporation, Minneapolis. Republican.

George C. Power, acting manager.

S. H. Fetterson, acting manager.

Advisory committee

T. F. Wallace, Minneapolis, chairman; president Farmers & Mechanics Savings Bank, Minneapolis; director, First National

Bank & Trust Co.; a member First Bank Stock Corporation. Republican.

Elmer E. Adams, Fergus Falls, Minn.; president First National Bank, Fergus Falls; director, First Bank Stock Corporation. Reactionary Republican.

E. S. Bice, Marquette, Mich.; first vice president First National Bank & Trust Co., Marquette. Republican.

Otto Bremer, St. Paul banker. Democrat.

Charles A. Chase, Superior, Wis.; president National Bank of Commerce, Superior. Republican.

Pierre Clemens, president Northern & Dakota Trust Co., Fargo, N. Dak.

E W. Decker, Minneapolis; formerly with Northwest Bancorporation. Retired this year from position as head and active manager. Very reactionary Republican.

Blanding Fisher, Devils Lake, N. Dak.; president Ramsey County National Bank, Devils Lake.

C. C. Holmberg, Minneapolis.

C. T. Jaffray, Minneapolis, director, First National Bank (Minneapolis), Minneapolis Trust Co., First Securities Corporation, First Bank Stock Corporation; chairman Deposit Liquidation Committee; also vice president Minneapolis-Trust Joint Stock Land Bank. Republican.

H. R. Kibbee, Mitchell, S. Dak., president Commercial Trust & Savings Bank (Mitchell). Republican.

John Oace, St. Paul, vice president First National Bank (St. Paul); director, First Bank Stock Corporation; director, First Trust Co. Republican.

REGIONAL AGRICULTURAL CREDIT COMMITTEE—MINNEAPOLIS

George Susens, Minneapolis, president; also president Production Credit Corporation; former secretary Minnesota Bankers Association. Reactionary.

D. J. Murphy, executive vice president and manager; former Minneapolis banker; has been in this department since its inception; appointed by previous administration; now placed as general manager and executive secretary. Reactionary Conservative Republican.

T. E. Gallagher, secretary.

L. E. Streater, treasurer.

Harold Stevens, assistant manager.

Walter Russell, assistant manager.

L. J. Van Brunt, St. Paul, head of the Federal Deposit Insurance Corporation; former national bank examiner. Republican.

Directors

N. K. Garnes, South St. Paul, livestock dealer. Republican.

Axel Hansen, Minneapolis.

James Hessburg, Minneapolis, harness dealer. Democrat.

John D. Jones, Milwaukee.

A. B Larson, Faribault, president Farmers State Bank & Trust Co., Faribault. Republican.

R. E. Macgregor, Minneapolis, president Third Northwestern National Bank, member Northwest Bancorporation, vice president Northwestern National Bank & Trust Co., Minneapolis, Northwest Bancorporation, president Second Northwestern State Bank, Minneapolis, member Northwest Bancorporation. Reactionary Republican.

W. A. Moscrip, Lake Elmo, Minn., livestock breeder. Republican.

D. J. Murphy, Minneapolis, formerly with Minneapolis-Moline Plow Works. Republican.

Timothy O'Connor, Renville, president O'Connor Bros. State Bank, Renville. Democrat.

E. A. Purdy, officer of Wells-Dickey Co., Minneapolis, Minn., which concern handled the sale of stock of the First Bank Stock Corporation.

J. C. Rosseau, Crosby, N. Dak.

Harry Lee, Long Prairie, Minn., banker. Republican, who refused to accept the position.

INDUSTRIAL ADVISORY COMMITTEE, FEDERAL RESERVE BANK—MINNEAPOLIS

Sheldon V. Wood, chairman, president Minneapolis Electric Steel Casting Co., director Third Northwestern National Bank, Minneapolis, a member Northwest Bancorporation. Republican.

John W. Barton, manager. Northwest Bancorporation director. Director Central National Bank Board. Republican.

Advisory committee

C. O. Follett, Fargo, N. Dak. President Smith, Follett & Crowl (wholesale dry goods). Director Northwest Bancorporation. Republican.

Harvey C. Jewett, Aberdeen, S. Dak. President Jewett Drug Co. Republican.

Albert L. Miller, LaCrosse, Wis. President Miller Broom Co. Republican.

John M. Bush, Hegaunee, Mich. The Cleveland-Cliffs Iron Co.

About the time the Northwest Bank Corporation was created the First National Bank of Minneapolis and its friends organized what is known as the "First Bank Stock Corporation", the articles of incorporation of which were filed just 1 day later than the articles of the Northwest Bank Corporation that I spoke of this afternoon. This was organized without money. This institution sold its stock by the millions of dollars' worth to the people of the Northwest, until at this very moment they control 87 banks in the agricultural Northwest; they control deposits this very moment of $360,000,000; and I call attention to the fact that the officers of this institution, the First Bank Stock Corporation, have its men and its own directing officers on all the boards I have mentioned of these governmental institutions. We find them on the Federal Reserve Bank of the Ninth District; we find them on the Federal Land Bank of St. Paul; we find that they were instrumental in not only the old War Finance Corporation but the intermediate credit bank, the Reconstruction Finance Corporation, the Production Loan Corporation, the Farm Credit Administration, the Depositors' Liquidating Committee, and several other institutions of minor importance.

The men who were most concerned with the organization of the Northwest Bank Corporation, who sold its stock at a par value of $50, and whose stock rose to $90—and they acquired all these banks by trading off stock at $90 per share, which at this very moment is worth $4.25 per share; this other institution that organized and fixed the value of its stock at $25, which stock rose to $50, and finally as high as $100, is now worth at this moment $8.125 per share; and the millions and millions of dollars' worth of this stock which was sold to the people of the Northwest is an entire loss at this very moment; yet the men who organized those institutions have been in control of the Government finances through the Republican organizations and have been left there under the Democratic organizations.

There seems to be in this country a power stronger than party fealty or the power which makes men form third party groups, as has been announced in this House this morning. There is a power over the people of this country stronger than any party can exercise. There is a closeness of union of purpose and intent amongst the financiers who control our destinies that is stronger than the power ever developed by any political party, and they are in control today. When we apply for a farm loan we have to apply to the Federal land bank; and when we apply to the Federal land bank we find that Roy A. Nelson is president of that institution, a Republican formerly connected with the Northwestern National Bank, connected with the Northwestern Bank Corporation, who is in charge of the loan department. He is the president of that institution; Frank G. Wanek, a Republican, vice president and secretary, appointed by Hoover; so strong were the financial interests of the country that he is still there.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield.

Mr. McFARLANE. It may be of interest to the gentleman to know that practically all of the departments of the Government, both old and new, are overwhelmingly controlled in all the key positions by Republicans at the present time, and the President knows this.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield.

Mr. KNUTSON. Is not that probably due to the fact that the Republicans are more efficient? [Laughter.]

Mr. BURDICK. I am speaking for the American people and the people who live in the agricultural belt. To me party makes no difference when it comes to the control of financial institutions that hand out the necessities of life to people who are hungry, that hand out feed loans, that make loans to save the homes of the country—I am not concerned about party. I speak of this to show that the financial control of this institution, starting away back in 1917, is still existing and still going on.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield further?

Mr. BURDICK. I yield.

Mr. McFARLANE. In regard to the remarks of the gentleman from Minnesota [Mr. KNUTSON], let me say that may be the line of thought that prevails among the different departments of the Government, but it is not the feeling of the Democrats, either of the House or the Senate, as expressed by the leadership of both branches of Congress. We believe that we have in the United States Democrats

well qualified to fill these important key positions, as well as all other positions of the Government; and we believe that under a Democratic administration Democrats should fill the important positions, as Republicans have filled them throughout all the history of this country during Republican administrations.

Mr. BURDICK. I think there is no question but what the gentleman is right. The Democrats ought to have backbone enough now to control these institutions that are serving the people of America, because the responsibilty rests on them.

A year ago the farmers of North Dakota objected to the manner in which the Federal land bank was handled under the direction of Mr. F. H. Klawon. In 1934 he was removed and for the next 2 days we lost sight of Klawon. Two days later we found him across the street with his feet cocked up on the desk as president of the intermediate credit bank, and he is there yet. The only change that was made in 1934 was to put Klawon across the street and call in a member of the Northwest Bank Corporation, connected with the bank corporation that sold all its spurious stock to the people of the Northwest. They put him in as president of the Federal land bank, and he remains there today.

If we are not satisfied with Mr. Decker as director of the Federal Reserve bank, all we can do is to put Decker out and put Grandgaard of the First National Bank of Minnesota in his place. If we are not satisfied with Grandgaard, we can take Jaffray, former president of the First National Bank of Minneapolis and now president of the Soo Railroad Co.

No matter what changes are made, I say to the Members of this House, and to the Democrats in particular, that every Government-financed institution in the control of Government money for the people of the Northwest is under the control of these two groups. It is not my purpose, Mr. Chairman, to read into the RECORD the names and locations of all these banks that they stole from the people of the country, because I do not want to injure the banks. The work has been done. The damage has been done. To any Member of the House who is interested in finding out the information and in finding out the affiliates with which these institutions are connected, I will be glad to furnish the information.

Mr. RYAN. Will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Minnesota.

Mr. RYAN. The gentleman from Minnesota [Mr. KNUTSON] asked a question as to the efficiency of these gentlemen you have spoken of. I take it from the gentleman's remarks that he has made quite a careful investigation of these men and the efficiency they have shown. I should like to have an answer from the gentleman as to the question asked by the gentleman from Minnesota as to the efficiency of these people.

Mr. BURDICK. Well, their efficiency, so far as their own interests are concerned, has been extremely efficient.

Mr. BUCKBEE. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BURDICK. Mr. Chairman, I ask unanimous consent that in extending my remarks in the RECORD I may have the privilege of extending my remarks on each one of these institutions separately, giving all the facts and figures as to each.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from New York.

Mr. FITZPATRICK. In appointing a man as the head of a banking institution, is it not necessary to get a man with financial experience to qualify?

Mr. BURDICK. Not always necessary; no.

Mr. FITZPATRICK. Does the gentleman think a man ought to be placed in there without any qualifications?

Mr. BURDICK. No; I do not say that. I say there are a lot of business men in the Northwest who are just as competent to pass upon loans to be made to farmers as are the bankers and especially those bankers who enter into a combination to sell $50,000,000 worth of stock to people on an investment of $1,000.

Mr. Chairman, here is the record of the War Finance Corporation. Where is the War Finance Corporation today? It is over in the Treasury Department. It was pretty difficult to find out where it was. Now, let us see who operated the War Finance Corporation in 1920–21.

On the 18th day of May 1920, the Federal Reserve Board in this city passed a resolution demanding a pay-up scheme, and everybody had to pay. The people of the entire country from one end to the other were broke because of this forced payment. This was felt by those banks as well as the people, and it became necessary to organize some kind of institution under the Republican organization at that time that would save these banks. Here is the thing that came to their rescue. They organized the War Finance Corporation, and I will tell you the gentleman put in charge of it. His name is Paul J. Leeman, of the First National Bank of Minneapolis. E. I. Hanson, of the First National Bank of St. Paul; M. O. Grandgaard, of the First National Bank of Minneapolis; and R. A. Brownell were named directors with Mr. Leeman.

Mr. Grandgaard remained on the board for 7 years, Leeman for 7 years, Hanson for 6 years, and McGregor, who is now functioning on the Reconstruction Finance Corporation in Minneapolis, remained on the board for 8 years. Jaffray, president of the Soo Railroad Co. and former president of the First National Bank of Minneapolis, remained there for 2 years. Oace, of the First National Bank of St. Paul, remained for 6 years.

Mr. Chairman, let me tell you what happened as soon as the Federal Reserve Board brought on this policy of contraction. This institution was organized in the fall of 1921, long after the crop ceased coming in. For the next 5 months, from December 1921 until May 1922, the banks that controlled that institution and the Reserve Board and controlled every Government-financed institution in the Twin Cities, began to collect from the farmers of the Northwest, and in 5 months, without any crops to speak of coming in at all, those banks paid off $28,000,000 that they owed the Federal Reserve bank of the ninth district. You see what can be done to save them when it is necessary, but at the same time what was done for the farmers of North Dakota?

Mr. Chairman, I communicated with one of the gentlemen who handled the liquidation of this war finance institution which in the Northwest was used to save the big banks of the Twin Cities, and we find its losses were enormous. We find that not a dollar of that money was loaned to individual farmers in North Dakota or Minnesota, although that was the intent of the act. Who did they loan that money to? The loans went to banks owing money to the banks in the Twin Cities and Duluth.

[Here the gavel fell.]

(Mr. BURDICK asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. BURDICK. Mr. Chairman, the Federal Reserve System was created in 1914, and under the act itself 12 districts were set up and designated. The Ninth District Reserve Bank was established in the city of Minneapolis, State of Minnesota, in the last few months of 1914.

The actual business of setting up the Minneapolis bank was done here in Washington. In October 1914 the sponsors of the act held a meeting for the purpose of organizing the system. At that meeting two names which have already appeared before in connection with Government finance agencies of the Twin Cities appear again at this meeting. Theodore Wold, of the Northwestern National Bank, took part in the proceedings and was named governor of the bank. E. W. Decker became class A director. C. T. Jaffray, of the First National Bank of Minneapolis, became the advisory council member from the Minneapolis Federal Reserve Bank.

On this advisory council were 12 men, each representing a district. J. P. Morgan represented district no. 2 and C. T. Jaffray represented district no. 9. At that meeting J. P. Morgan was elected chairman of the executive committee.

With the very start of this bank we find Decker and Wold, of the Northwestern National, the originators later of the Northwest Bancorporation, and C. T. Jaffray, of the First National Bank of Minneapolis, and the originator later of the First Bank Stock Corporation in control of the very first set-up. The present officers are:

John N. Peyton, Federal Reserve agent, Republican, former president Pioneer National Bank, Duluth; Minnesota State bank commissioner 1931 to 1933. Responsible for sale of stock of Northwest Bancorporation and First Bank Stock Corporation.

F. M. Bailey, assistant Federal Reserve agent, St. Paul banker, Republican.

E. W. Swanson, assistant Federal Reserve agent, former deputy State bank commissioner under John N. Peyton, Republican.

O. S. Powell, secretary, connected with the old War Finance Corporation, Republican.

BANKING DEPARTMENT

W. B. Geery, governor, St. Paul banker, Republican, connected as former president Capitol National Bank of St. Paul; became governor in 1926.

M. O. Grangaard is vice president of the First National Bank of Minneapolis and connected with the First Bank Stock Corporation; a Republican. He also served years on the War Finance Corporation and has always been the handy man for C. T. Jaffray. Since March 12, 1934, he has been and still is class A director of the Federal Reserve bank of the ninth district.

Harry Yaeger, deputy governor, banker, Great Falls, Mont.

H. I. Ziemer, deputy governor and cashier, formerly with First National Bank of Minneapolis and one of the builders of the First Bank Stock Corporation.

F. C. Dunlap, comptroller, formerly auditor for First National Bank of Minneapolis, originator of First Bank Stock Corporation. Elected assistant cashier of the Federal Reserve in 1917.

H. C. Core, assisant cashier, formerly with First National Bank of Minneapolis, originator of the First Bank Stock Corporation.

A. R. Larson, assistant cashier Merchants National Bank, St. Paul.

Siguard Ucland, attorney for Northwest Bank and Bancorporation.

ADVISORY COUNCIL

Sheldon Wood, chairman, formerly connected with Northwestern National Bank and Northwest Bancorporation of Minneapolis.

John W. Barton, manager-director, Northwestern National Bank and Northwest Bancorporation connections. Was secretary of Deposit Liquidating Committee and officer of Regional Agricultural Credit Corporation.

C. O. Follett, director, Northwest Bancorporation.

Let us look into the past and see who were the officers and directors of this great Federal Reserve bank.

E. W. Decker, director from the beginning to 1919. Founder of the Northwest Bancorporation.

G. H. Prince, one of the principals in the organization of the First Bank Stock Corporation. Member of the Reserve Bank Council 1922, 1923, 1924, 1925, 1929.

Theodore Wold, president Northwest Bancorporation and one of the organizers of the Northwest Bancorporation. Became the first governor of the bank in October 1914, and remained in that position until 1919, when he became a class A director. Acted as class A director and on the Reserve Council of the Federal Reserve bank from 1919 to 1930.

C. T. Jaffray, became a member of the Federal Reserve Council in December 1914, and remained in office until he was succeeded by Theodore Wold in 1919. In 1917 Jaffray was elected acting governor during the absence of Wold. Was one of the organizers of both bank holding companies and is now president of the Soo Railroad Co.

For concrete proof of these many signs of danger ahead, let us pause for a moment in the Nation's Capitol and see the sinister and subtle influence which this group of men have exercised toward all Government finance institutions ever designed to aid the people of the great Northwest. Let us see how they have used these institutions for their own advantage, while the people have been left to shift for themselves.

Having such a strong membership in and control over the directorates of the Federal Reserve Board from its very inception until the present moment, it can readily be seen how they, the movers of the two stock-holding companies, were in a position to favor their own institutions, and how, on the contrary, the Federal Reserve bank of the ninth district could be used by these men to deny loans to banks which refused to enter the two stock-holding companies. When the Federal Reserve would refuse to extend credit to a country bank there was not much left for that bank to do but to join the chain under the direction of the very men operating and directing the Federal Reserve bank. Testimony by the volume can be had anywhere in the Northwest testifying to the fact that hundreds of banks faced this situation. Some of them capitulated and joined the chain, others stood out against the system, but were swept away in the flood created by withdrawn credit, and a few stood out against the system and are still doing business under the banner of such banking organizations as the Independent Bankers Association of Minnesota. No institution in financial America has rendered the valuable service to the people of the Nation as has the Independent Bankers Association of Minnesota under the leadership of Harry Lee, Robert D. Beery, and Ben DuBois. They have preserved the integrity of their member banks; they have exposed the system of the Twin City Bank Stock Holding Corporations, and have pointed out that no corporation has ever been set up in the Twin Cities to handle Government finance, which was not sooner or later put under the absolute control of this band of financial racketeers.

The following abstract of the positions occupied on Government finance institutions by those prominently connected with the building of new bank empire, namely, those associated with the Northwest Bancorporation and the First Bank Stock Corporation, is presented as proof of the fact that these interests have not failed to get and keep control of every institution dealing in any form of Government credit. It is, I think, well known in the Northwest that C. T. Jaffray is nothing more or less than the errand boy for J. P. Morgan, and if anyone doubts there is such a thing as big business, it might be well to explain why it was that almost every business interest in the Northwest of any size became interested in the new financial empire conceived and started by C. T. Jaffray and E. W. Decker. Every railroad servicing the Northwest is interested in either one or both of the bank stock-holding companies, every large distributor, every lumber operator, and it does not appear that any business of large dimensions escaped being directly connected with this bank scheme.

Through the control of all the best banks in the Northwest this organization could control the deposits of the people. Most of these so-called " chain banks " became milking stations among the people—milking out deposits to be loaned not in the locality but to be used in the purchase of bonds offered by the house of Morgan and others. The record is already before this Congress of the sale of billions of dollars of foreign and domestic bonds which are now almost worthless. It was a scheme to get the people's money with which to operate in a big way.

Having once obtained a foothold in Government finance institutions like the Federal Reserve and the War Finance Corporation, these banking interests have seen the benefits to be derived by keeping control of all of these institutions. It pays them; it helps them collect their poor paper; it makes them stronger in the general plan to finally become masters of the finances of the people in the Northwest, and through their hook-up with the East to finally control absolutely and with a dictator's iron hand the destiny of the American people. Land feudalism is dead, but private financial feudalism has taken possession of the land. This organization is strong enough to create, through the press, a state of public opinion that prevents the American people

from freeing themselves. People generally feel that we have not sufficient money in circulation to do the business of the Nation. That feeling is true to the facts. But the moment anyone suggests a replacement of our money the cry immediately goes up, "Inflation!" If the American people would quit reading newspapers and begin to think, they would realize that there never can be, there never was, any inflation or deflation in this or any other country, unless the control of money rests with private interests. Government control eliminates inflation and deflation. All the people now ask for is "replacement", or "reflation"—a putting back of that which has been taken away. If this Government would take away from banks the power to issue money and do its own issuing, and extend Government credit to all the people instead of the special interests, it would not take us long to see that we do not have a sufficient amount of money in circulation. We would immediately put some money into circulation, and no one would be talking inflation. But the people of this country do not control their Government; they will never control it until they take this power to issue money away from private bankers.

Lincoln saw the danger ahead when he said:

I see in the near future a crisis arising which unnerves me and causes me to tremble for the safety of my country. The money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until the wealth is aggregated in a few hands and the Republic is destroyed. I feel at this time more anxious for my country than ever in the midst of war.

Jefferson sounded the warning long before Lincoln's time, when he said:

I believe that banking institutions are more dangerous to our liberties than standing armies. Already they have raised a money aristocracy that has set the Government at defiance. The issuing power should be taken away from the banks and restored to the Government and the people to whom it properly belongs.

Is there any question but what J. P. Morgan was in on the ground floor when the Federal Reserve Act was passed. The law that was passed was not the law that was first presented to Congress. The law that was finally passed was the one which had the okay of the international bankers. At the very first meeting of the Advisory Committee of the Federal Reserve banks, we find J. P. Morgan there and find he was named chairman of the executive committee of this Advisory Committee, the policy board of the Federal Reserve bank.

When the depression was started out on the morning of May 18, 1920, by the Federal Reserve Board against the repeated protests of such patriots as John Skelton Williams, we should be convinced that it was a move to further enslave the American people financially.

When will we end this nightmare? When will we have another Jackson who will line the bankers up and keep them lined?

We will soon be paying interest on $45,000,000,000 of Government debt, paying it to banking interests, when we would not have to pay a cent. We could pay the soldiers their bonus without any danger if this Congress had the courage to drive the bankers out and let the people in. It is not because this Congress does not know enough; it does. It is informed to the last minute; but courage sometimes is a more valuable asset than knowledge.

I have presented the whole Northwest set-up in Government finance institutions and have shown the names of the men in control—the men who were in control under Coolidge and Hoover and are still there today. Up to the present the Democratic administration has not had the courage to clean house. I have only tried to expose the situation as it is. I am not talking against the men as individuals, as I am sure that they are, personally, affable and agreeable men. I am hitting at the system. I am hitting at what is back of the evidence which we can plainly see.

The bill introduced by Hon. WILLIAM LEMKE, of North Dakota, and Hon. T. A. GOLDSBOROUGH, of Maryland, both have the plan of placing the Government money and Government credit back in the hands of the people by creating a central system of Government control of money. Will this Congress act upon these measures? The facts are all here, but the necessary courage is not. Individuals are frightened when the public press turns on streams of criticism against inflation.

All other questions before Congress now, or which can possibly come before another Congress, are insignificant compared with the question of regaining control of this Government to be run in the interest of the people. The people must drive the money changers out of the temple before there will be any peace there for them.

Read their records:

C. T. Jaffray: (1) Originator of First Bank Stock Corporation; (2) on Federal Reserve Advisory Council; (3) governor of Federal Reserve bank; (4) director, Reconstruction Finance Corporation; (5) chairman Depositors Liquidating Committee; and (6) director, War Finance Corporation.

Theodore Wold: (1) President Northwestern National Bank of Minneapolis; (2) one of the originators of Northwest Bancorporation; (3) first Governor of Federal Reserve Board; (4) member of Advisory Council of Federal Reserve Board; and (5) class A director, Federal Reserve bank, ninth district.

E. W. Decker: (1) Former president Nortwestern National Bank, Minneapolis; (2) builder of the Northwest Bancorporation; (3) class A director, Federal Reserve Board; and (4) director of Reconstruction Finance Corporation.

Paul J. Leeman: (1) Vice president First National Bank, Minneapolis; (2) builder of First Bank Stock Corporation; (3) class A director, Federal Reserve Board; (4) director, War Finance Corporation; and (5) director, Regional Agricultural Credit Corporation.

G. H. Prince: (1) President First National Bank of Minneapolis; (2) associated with the First Bank Stock Corporation; and (3) on Federal Reserve Advisory Council.

M. O. Grangaard: (1) Vice president First National Bank of Minneapolis; (2) associated with First Bank Stock Corporation; (3) class A director, Federal Reserve Board; and (4) director, War Finance Corporation.

Fred H. Klawon: (1) Formerly connected with the Wheaton National Bank, a member of the First Bank Stock chain; (2) Federal Land Bank of St. Paul; (3) Intermediate Credit Bank Corporation; (4) in 1934 a change was made in the Federal land bank. Klawon was put out and Roy A. Nelson, a Republican, was put in. Nelson was an exponent of the Northwest Bancorporation, so in the change effected by the Democratic administration the bank gang won again. Klawon went out of the Federal land bank, but went immediately back to the intermediate credit bank, where he still is. This is a sample of the changes made by the Democratic administration.

R. E. McGregor: (1) Vice president, Northwestern National Bank of Minneapolis; (2) organizer of the Northwest Bancorporation (see p. 3677, CONGRESSIONAL RECORD); (3) director, War Finance Corporation; (4) director, Regional Agricultural Credit Corporation. Is still holding this position under the Farm Credit Administration.

Joan Oace: (1) Republican; vice president, First National Bank, St. Paul, affiliated with First Bank Stock Corporation; (2) director, Reconstruction Finance Corporation; (3) director, War Finance Corporation.

John W. Barton: Republican; (1) former employee of the Northwestern National Bank of Minneapolis, director of the Northwest Bancorporation; (2) secretary, depositors liquidating committee; (3) executive vice president and manager, Regional Agricultural Credit Corporation.

L. J. Paulson: (1) Republican; formerly officer of Freeborn County National Bank, Albert Lea, Minn., now a member of First Bank Stock Corporation; (2) director, Crop Production Loan Corporation; (3) present manager, Emergency Crop and Feed Loan Division. Responsible for the negligence and carelessness in handling feed relief in the Northwest. Responsible for demanding crop mortgages on 1935 crop for all past advances. Serving under appointment of the Farm Credit Administration.

Mr. TARVER. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. MCFARLANE].

Mr. McFARLANE. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD and to include certain excerpts.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

JUST TO KEEP THE RECORD STRAIGHT ON H. R. 1 AND H. R. 3896

Mr. McFARLANE. Mr. Chairman, I rise to speak at this time in favor of the passage of H. R. 1, commonly known as the "Patman bill", and to answer the weekly propaganda broadcast Nation-wide to the American Legion posts throughout the Nation by the coupon clippers of this country as set forth in their weekly bulletin no. 3, released by the national legislative committee of the American Legion on March 9, through the so-called "leaders" of the American Legion.

This bulletin starts out by making a willful and malicious misstatement of fact as follows:

The Ways and Means Committee ordered the Vinson-American Legion bill favorably reported by the overwhelming vote of 23 to 1, on March 6.

The vote of the Ways and Means Committee was 24 to 1 to report some kind of a bonus bill. Then on motion of Representative COOPER of Tennessee that the committee express its preference for the Vinson or Patman bill the vote was 14 to 11 for the Vinson measure which has the backing of the American Legion, whose representatives were the only ones appearing before the committee in its favor, besides the author of the bill.

The committee next voted 14 to 9 instructing the chairman, Representative DOUGHTON, of North Carolina, to seek a special rule which would permit the House to make a choice between the two measures.

PATMAN BILL MAY BE SUBSTITUTED

I understand the Committee on Rules this afternoon has just voted for a rule that will bring about this result. So the propaganda of this weekly bulletin is of no avail insofar as it applies to the Rules Committee, for the Patman bill under the rule will be germane and may be substituted for the Vinson bill.

Mr. HOFFMAN. Will the gentleman yield?

Mr. McFARLANE. I yield to the gentleman from Michigan.

Mr. HOFFMAN. If the Patman bill does not pass, is the gentleman in favor of the Vinson bill?

Mr. McFARLANE. The gentleman is asking me that question?

Mr. HOFFMAN. Yes.

Mr. McFARLANE. In reply let me say I will cross that bridge when I get to it. I certainly do not want to force a $4,000,000,000 additional debt upon the taxpayers of the Nation unless the Wall Street lobbyists, through their propaganda, force us to pursue that course. In my opinion this is a better answer than any of the so-called "leaders" of the Legion gave to anyone before the Ways and Means Committee.

Mr. HOFFMAN. Does the gentleman want the boys to have the bonus?

Mr. McFARLANE. Yes; I want the boys to have the bonus, and I am not passing the buck nor hunting a storm cellar to avoid giving it to them. I have always fought and voted for everything that it seemed would bring about cash payment of the balance due on the adjusted-service certificates.

Mr. WITHROW. Why does not the gentleman ask him if he wants them to have the bonus?

Mr. McFARLANE. The gentleman's question indicates that he does not know what it is all about.

Mr. HOFFMAN. Why does not the gentleman answer the question as to whether he is in favor of the passage of the Vinson bill if the Patman bill does not pass?

Mr. McFARLANE. In answer to that, may I say that I am not in favor of the coupon clippers of this country running the country and forcing upon the backs of the already overburdened taxpayers of the country more than $4,000,000,000 in additional taxes, as already stated.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. RANDOLPH. When the vote upon these two pending bonus bills comes before the House, if we do have an opportunity to vote on both of them, as I understand we are going to have, is there any doubt in the gentleman's mind as to which measure will receive preference at the hands of the Members of the House?

Mr. McFARLANE. No, sir; and there is no doubt in the mind of the gentlemen who wrote this bulletin which bill will pass, and that is the Patman bill. In their anxiety and desire to stop a vote, which will mean an expression of this House on the Patman bill, they are asking the members of the Legion, Nation-wide, to wire Members of Congress to vote against the Patman bill.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I am sorry I have not time to yield further now.

Here is what they say:

The American Legion believes the Ways and Means Committee's favorable report of 23 to 1 on the Vinson bill gives us the right now, more than ever before, to insist that our Congressmen support the Vinson bill.

They further say here:

It is absolutely necessary for us to defeat the Patman bill when it is thus presented as an amendment before Congress.

They are unwilling to even let you vote on the Patman bill. I know, and you know why—because they fear if the House gets to vote on the Patman bill it will pass it by an overwhelming vote. And they are just like the Negro passing the graveyard at night, whistling to keep his courage up. They know passage in the House means passage in the Senate.

IS MONEY ISSUED UNDER H. R. 1 SOUND MONEY?

The supporters of the Vinson bill would have you believe that the United States notes issued under the Patman bill are not sound money. They have termed this money as "green backs", "printing press money", "inflationary money", and so forth.

This colloquy between Congressman HANCOCK, and Governor Eccles, Chairman of the Federal Reserve Board occurred this afternoon before the House Banking and Currency Committee:

Mr. HANCOCK. Then, Governor, on the question of soundness, which, in your judgment, is the more sound, a Federal Reserve note, issued against United States Government bonds, or a United States note issued against certain gold reserve?

Mr. ECCLES. I think they are equally sound.

Mr. HANCOCK. I asked that because I think, within the next few days, it is going to be quite an issue. I do not want to involve you in any other legislation, but there are two measures of great importance pending before Congress at this time, involving the payment of money. One is known as the Vinson bill, and the other the Patman bill, and under the former, bonds would be used to secure the currency, whereas, under the latter, it would be paid with United States notes. Certainly I am glad to get your opinion.

From the above statement of Governor Eccles, it is very evident that another untrue pet argument of the "Wall Streeters" is exposed.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. RANDOLPH. I may say for the boys in the Legion posts in my district, comprising 15 counties, they are not demanding of me that I vote for the Vinson bill.

Mr. McFARLANE. If you will read my extension of remarks in this morning's RECORD, beginning at page 3578, I believe you will get therefrom some very fundamental reasons why the so-called "king makers" of the Legion are unwilling for you to express your honest opinion upon these two measures. And let me say here that I received Monday the following telegram from the district convention of the American Legion held in my district at Quanah, Tex., on March 10:

Congressman W. D. MCFARLANE,
House of Representatives, Washington, D. C.:
The thirteenth district convention of the American Legion, Department of Texas, held in Quanah, Tex., today, March 10, passed resolution endorsing H. R. 1, and ask that you give your support to the bill. This district includes 21 posts and authorized this wire.

MILTON GAINES.
H. R. HAYES.
VICTOR NOBLES.

Why have "four horsemen" of Legion forgotten these Legion resolutions?

The "king makers" of the Legion seem to be concerned with the motives causing Members of Congress to support the Patman bill. This bulletin states:

Inflationists who have no special interest in the veteran have seized upon it as a means to accomplish a change in our monetary system.

Since when have the motives of the legislative committee of the American Legion been considered "lily white"? Maybe we can determine what motive has brought them to fail and refuse to advocate before Congress the resolutions enacted by the national conventions of the Legion the past several years.

TAX-EXEMPT RESOLUTION

I wonder why the legislative committee of the Legion has forgotten the tax-exempt resolution passed at the Chicago convention in 1933, which is their last expression on this subject, as follows:

TAX EXEMPTION

Whereas the issuance of tax-exempt securities by municipalities, counties, States, and the Federal Government has reached an enormous total, thus removing much of our otherwise taxable property from the tax rolls; and

Whereas we of the American Legion are interested in the equitable distribution of the tax burden: Therefore be it

Resolved, That *we recommend that an earnest consideration be directed to an elimination of the injustices brought about by issuance of tax-exempt securities.* (Italics mine.)

I wonder why they have also forgotten the resolution passed last year at the Miami convention as follows:

IMMEDIATE PAYMENT

Whereas the immediate cash payment of the adjusted-service certificates will increase tremendously the purchasing power of millions of the consuming public, distributed uniformly throughout the Nation, and will provide relief for the holders thereof who are in dire need and distress because of the present unfortunate economic conditions, and will lighten immeasurably the burden which cities, counties, and States are now required to carry for relief; and

Whereas the payment of said certificates will not create any additional debt [italics mine] but will discharge and retire an acknowledged contract obligation of the Government: Now, therefore, be it

Resolved, That since the Government of the United States is now definitely committed to the policy of spending additional sums of money for the purpose of hastening recovery from the present economic crisis, the American Legion recommends the immediate cash payment at face value of the adjusted-service certificates, with cancelation of interest accrued and refund of interest paid, as a most effective means to that end.

AMERICAN LEGION AGAINST FURTHER ISSUANCE OF TAX-EXEMPT BONDS

This committee has never advocated before Congress cash payment of the bonus until this session of Congress, when they offered H. R. 3896. When they came to this Congress, they did so with instructions from their organization to—

recommend that an earnest consideration be directed to an elimination of the injustices brought about by the issuance of tax-exempt securities.

Under the immediate-payment resolution above, passed at Portland as well as at Miami, they were further instructed to advocate immediate payment of the certificates through a method which—

will not create any additional debt but will discharge and retire an accepted contract obligation of the Government.

FORGOT THE RANK AND FILE

They have turned their backs upon these instructions; and realizing that inactivity and silence on their part on these questions which has been their program of the past would not defeat the Patman bill, now demanded by the rank and file of the veterans and the Nation generally, and which would be enacted by this Congress unless they can prevent it, they now come forward with a bill offered in the House by Mr. VINSON, advocating payment of the certificates through a bond issue which they know will cost the taxpayers of the Nation more than $2,000,000,000 in interest, for they nor any one else has ever advocated the only other method of payment under their bill, which is by levying additional taxes.

MORGENTHAU SAYS VINSON BILL REQUIRES BOND ISSUE

Hon. Henry Morgenthau, Secretary of the Treasury, in response to a question regarding section 5 of the Legion bill, as to whether or not this section would render unnecessary additional legislation authorizing the issuance of bonds to carry out this legislation replied:

Section 5 of the bill in question is an authorization of an appropriation and would, of course, need to be followed by an appropriation. If such an appropriation were made, the money would come out of the general fund of the Treasury which is added from time to time, as expenditures require, by the sale of Government securities under the general statutory authority for such sale.

Of course this committee has known their program all along would require a bond issue. They have known all along that they have in the past and all along have disregarded the resolution on this subject enacted at the Miami national convention; but what does that mean to them when a bonus to the bankers of more than $2,000,000,000 is involved?

HE WHO COMES INTO A COURT OF EQUITY SHOULD COME WITH CLEAN HANDS

This committee questions the motive back of the Members of Congress for supporting the Patman bill. There is a rule of equity that "he who comes into court of equity must come with clean hands."

The Chicago convention also passed a sound-dollar resolution, as follows:

Be it resolved by the American Legion in national convention assembled, That we favor a careful study by our Government of the dangers of inflation and that we favor a sound American dollar.

Mr. Vinson Carroll, a Philadelphian, Mr. Henry Stephens, of Warsaw, N. C., and Mr. Joseph Edgar, of New Jersey, all spoke earnestly advocating this resolution.

It may be of interest to Members of Congress and the Nation generally and I am sure will be of interest to the rank and file of the Legion to understand the motives prompting the offering of the sound-dollar resolution.

SWORN TESTIMONY BEFORE UN-AMERICAN COMMITTEE

Then we turn to the sworn testimony before the Special House Committee Investigating Un-American Activities, and what do we find?

Mr. CHRISTMAS. I think I began to discuss inflation with him (MacGuire) early in 1933. We had many discussions about it. He thought he could spare some time to do some traveling, so my thought was it would be a good idea for him to discuss this question with prominent people in various parts of the country. When I say "prominent", I mean substantial citizens in different localities; and see if we could work up any sentiment for sound currency and against inflation. If I may put it this way, there were three ways this matter could have been handled. Mr. MacGuire could have sat in his office and written letters and made telephone calls and spent very little money and would have gotten nowhere. I told him when he traveled that I expected him to travel in a way which would enable him to meet these substantial people and that he was to entertain lavishly. As I say, I think his travels began sometime in June, at which time I understand he was using his own funds, for which he was entitled to reimbursement from these funds at a later date. As I recall it, he made two or three transcontinental trips * * *.

The CHAIRMAN. Was he at the American Legion convention there?

Mr. CHRISTMAS. Yes, sir.

The CHAIRMAN. Were you there?

Mr. CHRISTMAS. Yes, sir.

The CHAIRMAN. When did the period of this entertainment end?

Mr. CHRISTMAS. The period ended, I should say, about the latter part of December 1933 * * *.

The CHAIRMAN. So the way you want to leave it is there is $65,000 or $66,000 that Mr. MacGuire received from either you or Mr. Clark, which he spent in the period between June and December of 1933 for traveling and entertainment expenses. * * *

And there are other items. Now, has Mr. MacGuire ever given you an accounting as to how he spent that $65,000 or $66,000, which is unexplained?

Mr. CHRISTMAS. No. I told him he did not need to account to me for that

The CHAIRMAN. Who else besides Clark was interested in this sound-dollar propaganda campaign?

Mr. MACGUIRE. Mr. Frew, as I say, contributed money.

The CHAIRMAN. Who else was interested?

Mr. MACGUIRE. And Mr. Doyle was interested.

The CHAIRMAN. And who else?

Mr. MACGUIRE. Mr. Henry Stevens, of Warsaw, N. C.; Tom Bird of North Carolina; and a number of other prominent legionnaires. I can get the names. They are all a matter of record.

The CHAIRMAN. Whom did the committee consist of?

Mr. MACGUIRE. Mr. Carroll, of Philadelphia.

The CHAIRMAN. What Mr. Carroll?

Mr. MACGUIRE. Vincent Carroll. He is the assistant prosecuting attorney in Philadelphia and a prominent legionnaire. Mr. Henry L. Stevens, Jr., Mr. Doyle, myself, Mr. Esterbrook, Tom Bird, of North Carolina; Charlie Erskin, of—I think he is in Washington or Oregon—John Quinn, Frank Belgrano, the present national commander.

TRAVELING AND ENTERTAINING

Exhibit B.—Detailed schedule of cash disbursements of the committee for a sound dollar and sound currency December 4, 1933, to May 31, 1934, accounting for $31,000 expended:

William H. Doyle, past department commander, Malden, Mass	$9,100.00
Henry L. Stevens, Jr., past national commander, Warsaw, N. C	500.00
Dr. William Dunning, past department commander, Gonzales, Tex	400.00
Tom Bird	1,098.50
Vinson Carroll	3,400.00
Charles Esterbrook	2,773.34
George H. Norton, Somerville, Mass	626.45
Charles Erskine	300.00
Gerald C. MacGuire	1,992.67

The above amounts show partial distribution of the $31,000 distributed by the Sound Dollar & Currency, Inc., between December 4, 1933, and May 31, 1934, among these legionnaires. Of course, no attempt was made to account for the $66,000 expended by the sound-dollar committee boys before and during the Chicago Legion convention. Gen. Smedley Butler's sworn testimony before this committee may give us some light how some of this $66,000 was distributed to the "king makers" who did speak for the sound-dollar resolution:

General BUTLER. The next time I saw him (MacGuire) was about the first of September in a hotel in Newark. I went over to the convention of the Twenty-ninth Division. Sunday morning he walked into my room and he asked me if I was getting ready now to take these men out to Chicago, that the convention was pretty close. I said, "No; I am not going to Chicago." "Why not?" I said, "You people are bluffing. You have not got any money." Whereupon he took out a big wallet out of hip pocket and a great big mass of thousand-dollar bills and threw them out on the bed. I said, "What's all this?" He says, "This is for you for expenses. You will need some money to pay them."

"How much money have you got there?"

He said, "$18,000."

"Where did you get those thousand-dollar bills?"

"Oh," he said, "last night some contributions were made. I just have not had a chance to deposit them, so I brought them along with me."

The above-quoted testimony was all given under oath before the Special Committee of the House Investigating un-American Activities. If any of the above-quoted testimony is untrue, each and all of these parties so testifying should be prosecuted by the "king makers" of the Legion above mentioned for giving perjured testimony. These hearings have been printed for some time and have had a wide distribution throughout the Nation. We have heard of no contemplated prosecution by the leaders of the American Legion now advocating "Belgrano's bankers' bonus bill" before Congress.

MONEY TALKS

In other words, it seems from the above-quoted testimony that the "Wall Streeters" had their paid lobbyists—MacGuire, member American Legion distinguished-guest committee—and other prominent legionnaires making transcontinental trips beginning early in 1933, and that they spent $153,665.86, of which about $66,000 was spent before and during the Chicago convention (1933) for "traveling and entertaining" and no accounting ever requested.

Now, my friends, do you believe that these leaders of the Legion who have been thus hooked up with the affairs mentioned are coming here opposing H. R. 1 in good faith, when we all know it is the only bill on the subject before Congress which will pay the debt without "creating any additional" debt, in keeping with the Miami resolution, without additional taxes, without any interest, without bonds, without unbalancing the Budget, and will save the overburdened taxpayers over $1,500,000,000, the amount required, if not paid now, to be set aside by borrowing from the bankers to pay the debt in 1945?

When we know further that if H. R. 3896 passes and becomes a law, it will cost the Government over two billion in interest, to say nothing of the interest we will continue to be paying on outstanding bank currency which could and should be retired under the provisions of H. R. 1.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. DONDERO. Does the gentleman believe that the vast majority of the American Legion posts are interested in the manner in which this is paid so long as it is paid?

Mr. McFARLANE. Yes; I think they are just like any other great cross section of taxpayers in the United States. The World War veterans do not want the Government robbed by being forced to pay to bankers $2,000,000,000 just to pay them their debt of about $2,000,000,000. They are interested in making right the master of might. It is a very fundamental question as to which measure we adopt for this reason. The Vinson bill is nothing but an authorization bill. It would require a separate bill containing an appropriation passed by the Congress later on; and if we should get into a squabble and make the mistake of taking that course, we would wind up here in the middle of the summer and would not have any legislation at all, whereas if we passed the Patman bill, it is sufficient in itself to insure the payment of this indebtedness which is long past due; and I will say further that there is also this fundamental difference. The Vinson bill as above stated calls for a bond issue and this means more than $2,000,000,000 of additional taxes thrust upon the overburdened taxpayers of this country. Not only this, it means that if this is not paid now and we get into a squabble and get no legislation, the Government will be forced to pay $1,500,000,000 between now and the time these certificates are paid in 1945.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. BLANTON. I am going to support the Patman bill (H. R. 1). The Rules Committee, as the gentleman knows, is going to give us a rule that will let us vote on the two bills, and let all Members say whether they want the Patman bill or the Vinson bill. My judgment is the House will pass the Patman bill; but after we pass it, that action alone is not going to get it enacted into law. It is going to be stopped somewhere else, where it always stops, and the Vinson bill would be stopped somewhere else, if it were passed. If we want to pass this Patman bill into law, we ought to put it as a rider on the legislative appropriation bill that will come in here shortly and then we will get it passed, if we stand pat. I have a petition on the Clerk's desk to make the Patman bill in order on the legislative appropriation bill. That is the way to enact it into law.

Mr. McFARLANE. In answer to my colleague, I would say that that is his opinion and we all have our own opinions on all of these matters. I have signed my colleague's petition seeking to bring about the result he suggests. Personally, I want to shoot every barrel to get payment at this session of Congress. Let us cross the creek as to what someone else will do when we get to that bridge.

I would say now it is the sentiment of this House overwhelmingly that we pass the Patman bill. As to what some other body may do or some other department may do, let us let every tub stand on its own bottom and require each department to assume its own responsibility. Let us do what we think is best for our constituents and for the taxpayers of the country.

Mr. KNUTSON and Mr. DONDERO rose.

Mr. McFARLANE. I yield first to the gentleman from Minnesota.

Mr. KNUTSON. It so happens that I voted to report out the Patman bill on the theory that there is a shortage of money in the country. If there had not been a shortage of money in the country, it would not have been necessary to have resorted to scrip money in hundreds of communities in

every part of the land. This indicated to me there is a shortage of money, and we have got to have a mild currency expansion in order to meet this shortage and I thought the Patman bill would offer a better vehicle, in fact the only vehicle, we have before us except the farm-refinancing bill that is proposed by Senator FRAZIER and the gentleman from North Dakota [Mr. LEMKE]. Another thing, if we pay off the bonus with a bond issue, it is going to cost $60,000,000 a year in interest and we are paying too much interest now.

Mr. McFARLANE. According to recent information I have, our currency has been contracted by the bankers of the country more than $2,000,000,000 during the past 2 years, and the same financial masters have failed and refused to extend to business the necessary credit to carry on our commerce and industry. New currency is badly needed at this time and should be immediately placed into channels of trade. The Patman bill is the proper measure to fairly and evenly distribute same throughout the Nation. It is now costing our Government more than $825,000,000 per year in interest we are paying on the public debt. The statement was made during debate on the floor of another body on yesterday that interest charges alone are costing the people of the Nation about $10,000,000,000 a year on their obligations and $15,000,000,000 a year to pay their taxes. Thus, we find that each of the 25,000,000 families in the United States has an average burden for taxes and interest alone of $1,000 per year.

There is something radically wrong with a system of government that has permitted its people, who are recognized as the superior of all others in earning capacity, to have generations yet unborn to be burdened with such a debt.

Mr. JOHNSON of Oklahoma. Mr. Chairman, the gentleman has been interrupted several times, and I hope the gentleman will yield him 5 additional minutes.

Mr. McFARLANE. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. BLANTON. Mr. Chairman, my only purpose is to observe the rules of the House——

Mr. TARVER. Mr. Chairman, I make the point of order that the time is in control of the gentlemen in charge of the bill on the two sides of the House, and the time has already been allocated.

Mr. MICHENER. Mr. Chairman, the time was fixed in the House, and we are now in Committee.

The CHAIRMAN (Mr. LLOYD). The point of order is sustained. The time of the gentleman from Texas has expired.

Mr. TARVER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. DICKSTEIN].

Mr. DICKSTEIN. Mr. Chairman, there has been quite some discussion in the public press concerning the proceedings which our Department of Labor saw fit to institute for the deportation of an alleged English Communist, Evelyn John Strachey.

Public opinion is divided on this question, and quite a bit of printer's ink has flown through the newspapers both praising and blaming our Commissioner General of Immigration. People seem to forget that we have definite statutes on our books barring from this country any person who is "a member of or affiliated with any organization, association, or group that believes in, advocates, or teaches" forcible overthrow of the Government. Communists are such a group. Their platform seeks to overthrow the Government. There is no question that Strachey is a Communist. He says so. He admits it. While in this country he delivered a number of lectures based on the philosophy of communism.

"Free speech" does not authorize an alien to advocate the overthrow of the Government, and the sooner we can make aliens understand that this country is not a battleground for people coming from foreign shores to advocate principles unfair to our people, the sooner will we get to the bottom of the whole situation.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. MARCANTONIO. I have a great regard for the splendid work that the gentleman from New York has done with reference to the immigration question in this House. However, can the gentleman point out to this House any statement by Mr. Strachey wherein he advocated the overthrow of the Government of the United States by violence?

Mr. DICKSTEIN. Perhaps he has not stated that he came for that purpose, in so many words, but we know what communism is, and we cannot ignore the fact that Strachey is advocating communism, which seeks to destroy the very thing our fathers built for all these years. I do not believe that any alien who comes here has the right to advocate anything that is inimical to our form of government. [Applause.]

Mr. MARCANTONIO. Will the gentleman yield further?

Mr. DICKSTEIN. Yes.

Mr. MARCANTONIO. Does not the gentleman think that the curtailment of civil liberties is more inimical to our form of government?

Mr. DICKSTEIN. Had Congress seen fit to pass the bill which I introduced to the effect that it shall be permissible for the Secretary of Labor to curtail the stay of any alien admitted to the United States for a temporary visit, this whole hub-bub would have been unnecessary, and there would be no need for deportation proceedings here to determine Evelyn John Strachey's fitness to remain in the United States.

I wish it distinctly understood that I have always believed that Americans have the right to change their form of government by a vote and advocate any changes in our form of government by constitutional means. No one has the right to advocate a revolution, and aliens least of all. We have enough of our home-grown agitators and do not need any "assistance" from men of the type of Evelyn John Strachey.

[Here the gavel fell.]

Mr. THURSTON. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, we have under consideration today the agricultural-appropriation bill, so I think it entirely pertinent to make some reference to the agricultural situation in this country. As we all know, insofar as agriculture is concerned, the depression set in in October 1920, and I doubt if we have had a Congress since that time when there has not been a strong demand for some form of farm relief. In that period we have spent billions of dollars in trying to aid agriculture, and yet agriculture is in worse shape today than it was when we started to help it. I have come to the conclusion that about the only real relief that we can give to the American farmer is legislation that will permit him to refinance his indebtedness at a rate of interest that he can pay. We must do something along that line or agriculture is going to collapse. It is almost bankrupt now. In fact, in many sections of the country it is bankrupt. Mr. Chairman, we should legislate to refinance agriculture, and give that legislation right-of-way over all other measures, because the need is so imperative. There is no use in our trying to cure the situation with bread poultices. It will take more than that. If we had only had the foresight to face the situation as it really existed when it first arose, I believe we would have been out of this depression long ago.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. McFARLANE. I would like to have the gentleman's ideas of what the remedy should be.

Mr. KNUTSON. I think that the solution lies in the Frazier-Lemke bill. True, it is going to cost eight or nine billion dollars.

Mr. McFARLANE. I favor this measure and have signed the petition to discharge the committee so that this measure may come before the House for a vote.

Mr. KNUTSON. So have I. While I have not computed the amount that we have already spent in aiding agriculture, I am satisfied that the grand total today amounts to at least four or five billion dollars, and notwithstanding agriculture is worse off today than when we started to help it out.

Mr. SAUTHOFF. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. SAUTHOFF. Does the gentleman agree with me that one of the best methods that we can devise to assist agriculture will be to pass some legislation that will prevent any agricultural product coming into this country until the price of the domestic product has reached the cost of production, plus a fair return. [Applause.]

Mr. KNUTSON. Mr. Chairman, I am glad to welcome my friend from Wisconsin into the Republican ranks. More power to him. I hope more recruits will come to us. The gentleman is absolutely right. It is not enough that we refinance agriculture, but we must give agriculture a price that will represent the cost of production, plus a reasonable profit.

Mr. McFARLANE. If we should pass proper legislation which would guarantee the farmer the same rate the railroads, the utilities, and all of the big-business firms have, in keeping with the Democratic platform, the farmer would have his rights, would be not? I led that fight last session. I led the fight for the cost-of-production amendment of Senator NORRIS last session when this measure was before the House. On cost of production the 1932 Democratic platform reads as follows:

The enactment of every constitutional measure that will aid the farmers to receive for their basic farm commodities prices in excess of cost.

Mr. KNUTSON. I certainly hope that the gentleman from Texas [Mr. McFARLANE] does not expect me to make his party live up to its platform.

Mr. MARCANTONIO. And if the gentleman from Texas keeps on preaching that way, he will be rated as a Communist and might be deported.

Mr. BUCKLER of Minnesota. Or a radical.

Mr. MARCANTONIO. Yes.

Mr. McFARLANE. What does the gentleman mean? Deported from what to what? I have kept faith with the national Democratic platform and with my own platform upon which I became a candidate.

Mr. MARCANTONIO. I do not know, perhaps back to Texas.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. THURSTON. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, for the last 6 years wheat producers in the United States and every wheat-producing country have been in distress not through any fault of their own but very largely because world governments have not given wheat and wheat producers fair play. Ever since 1928 there has been an unusually large world carry-over of wheat, notwithstanding the fact that there has been an almost continuous decline in world production since that time. The difficulty arises because of a marked decline in world consumption, the chief cause of which appears to be governmental restrictions, such as tariffs, import quotas, milling restrictions, pegged prices, embargoes, and monetary uncertainties.

These restrictions have been imposed by importing countries for various reasons, including protection for their own farmers, the desire to encourage domestic production so as to provide self-sufficiency in time of war, lack of foreign exchange with which to make purchases, and in Great Britain, the policy of empire preference. The net result of these restrictions has been to increase prices to the consumer and force the use of substitutes, so that consumption has been reduced in a marked degree. If the world had consumed wheat since 1928 at the same rate as during the years immediately preceding, there would today be a world shortage of that commodity. While these restrictions may be unfortunate from the standpoint of the exporting countries, yet from the standpoint of the importing nations there may be an apparent justification for it. In other words, whether the effect has been good or bad, these restrictions have been imposed for the purpose of benefiting their own wheat producers or to serve some other national purpose. It has remained for the United States, however, to become the only surplus wheat-producing country in the world whose Government has deliberately adopted the policy of discouraging the consumption of this great staple food product.

It is impossible to imagine anything more inconsistent than the situation we have today, when one branch of a great governmental department is paying producers of wheat to grow less for the purpose of reducing the surplus, while at the same time another division in the same department is disseminating propaganda urging the people to increase the surplus by consuming less wheat. Yet that is what is going on in the Department of Agriculture. While the wheat section of the Agricultural Adjustment Administration is urging farmers to produce less wheat and is paying them for taking acres out of production, the Planning Division of the same Administration and the Bureau of Home Economics are distributing books and circulars and sending out radio and platform speakers to carry the message that wheat is an undesirable food and urging that in the interest of health less of it be consumed.

Our average annual per capita consumption of wheat flour, according to figures issued by the Department of Agriculture, is approximately 170 pounds. That figure has been fairly stable since the war period, although the amount varies from year to year, and on the whole there has been a slight decline. This is a smaller consumption than in most civilized countries. The Bureau of Home Economics, however, takes the position that 170 pounds of wheat flour per capita is excessive and through its publications is doing everything possible to reduce that quantity. Two publications of the Bureau, Circular 296, issued in November 1933, and Miscellaneous Publication 183, issued in December 1933, definitely urge a smaller consumption of wheat and all cereal products. These circulars suggest four different diets, arranging them in the order of their supposed desirability from a health standpoint. The least desirable of these diets is what is known as "restricted diet for emergency use." This diet calls for 168 pounds of wheat flour per capita, or 2 pounds less than we are consuming now. The next diet is what is known as "an adequate diet at a minimum cost." This calls for an annual per capita consumption of 157 pounds of wheat flour, or 13 pounds less than we are consuming at the present time. The next diet in the order of preference is what is known as "adequate diet at moderate cost", which calls for 122 pounds of wheat flour. Next comes the ideal diet known as "the liberal diet", which calls for an annual per capita consumption of 76 pounds of wheat flour, less than half of our average per capita consumption today. Not only do these diets of themselves encourage the use of less wheat, and give the impression that our present per capita consumption of wheat is undesirable, but the inference is carried all the way through these publications that public health would be improved if we consumed less wheat, and that the adoption of a diet containing less wheat would not only be desirable from a health standpoint but from the standpoint of land utilization. A typical statement on this subject is found on page 2 of Circular 296, as follows:

The general use of either of the two diets at the higher levels of nutritive content—

Meaning the "liberal diet and adequate diet at moderate cost"—

would not only improve the health and efficiency of the population but, at the same time, would foster the type of agriculture which represents wise utilization of land for the country as a whole.

Another typical statement is found on page 4 of Miscellaneous Publication 183, where it is stated:

Whenever possible, the quantities of vegetables (except potatoes), fruits, dairy products, eggs, and lean meats should be increased, and the quantities of cereals, flour, and dried legumes decreased.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. Yes.

Mr. HARLAN. Does the gentleman question the scientific statement contained in the bulletin, or does he contend that if it is true it ought not to have been published?

Mr. HOPE. I shall shortly come to that. I do question the scientific statements contained in the bulletins, and a little later I expect to call the attention of the committee to the views of a number of men who are recognized as experts on nutrition and dietary matters. I would not have any objection to these statements if they were true and were based upon sound dietary information.

It must be remembered that these publications are not issued as scientific studies or as a contribution to a subject upon which there are many differences of opinion even among experts. Instead they are frankly propaganda, published to be put in the hands of extension agents, home-economic teachers, social workers, relief agencies, and others with a view of inducing the public to accept the views expressed as the last word in dietary information. It is true that food faddists and promoters of the use of various food products are guilty of issuing the same type of propaganda, but the public has a chance to apprise such efforts at their true worth and to consider them as merely propaganda, whereas the documents in question are issued as Government publications and carry with them the worth and value which people have the right to attribute to publications prepared by governmental agencies. There is no subject under the sun which has produced so many freaks and faddists as the subject of diets; and while the theories of some of these freaks and faddists are perhaps perfectly harmless, it is a distressing and unfortunate situation when these faddists are able to take over an institution like the Bureau of Home Economics and force their ideas upon the people by means of governmental publications and through the Extension Service of the Department of Agriculture. Not only are these theories being advertised and exploited by means of the publications referred to but representatives of the Bureau of Home Economics and its Extension Service are going about the country making addresses on the platform and over the radio in which the same ideas are expressed.

The Bureau of Home Economics is not the only bureau in the Department of Agriculture which is guilty of such practices, because representatives of the Agricultural Adjustment Administration in their publications and in public addresses have frequently referred to these dietary suggestions as being desirable and have coupled with such suggestions the thought that their adoption would be helpful from the standpoint of agriculture and would assist in carrying out the adjustment program.

There is not time today to make as extensive a statement as I should like in order to show the falsity of this type of propaganda both from the standpoint of health and nutrition and as an agricultural program. I do, however, want to point out that the leading experts on nutrition in this country do not agree with the position of the Bureau of Home Economics. I presume that there is a general agreement that Dr. E. V. McCollum, of Johns Hopkins University, is at least one of the world's leading experts on nutrition. I know of no one whose opinion on that question could possibly have any greater value. Listen to this statement from Dr. McCollum:

Bread, in my opinion, should form the principal source of energy in the American diet. I say this because any system of diet must be sound from the agricultural standpoint as well as sound physiologically. The United States has a large territory which is preeminently suited to the growing of wheat, and the well-being of many farmers can best be achieved through wheat culture. Wheat should, therefore, remain our principal bread grain.

All of our natural foods are deficient or lacking in one or more nutrient principles, but the keynote of successful nutrition is not in eating a single food which is complete and adequate nutritionally, but in making such combinations of our best agricultural products as will provide in one what is lacking in another.

In my opinion, the American diet should consist of about 40 percent wheat flour, 20 percent of dairy products, daily servings of leafy vegetables, and an adequate supply of fruits.

Dr. LaFayette B. Mendel, professor of physiological chemistry, of Yale, is universally recognized as a great authority on nutrition. Listen to what Dr. Mendel says in reply to an inquiry as to the part which wheat flour should play in the ordinary diet:

In your letter of April 30 you have asked me whether in an assumed intake of 3,000 calories by adult man an allocation of 900 calories (30 percent of the intake) to white-flour products would be excessive. You indicated this as a part of a dietary made up essentially as follows:

	Calories
White flour	900
Cereals	200
Milk	600
Vegetables and fruits	300
Other foods	1,000
	3,000

I am of the opinion, based on the well-known experience in many parts of the world, that a total intake of cereals that does not exceed one-third of the food-fuel or calorie consumption is in no way excessive; in fact, it is decidedly below the actual intake of the populations of many civilized countries.

I note that in your tentative proposal for the relative participation of the various types of foods in the daily regimen you allow 900 calories to white flour. I find no objection whatever to this, particularly as you have recognized the liberal use of milk, fruits, vegetables, and other foods (1,000 calories) in your proposals. I assume, of course, that the latter will be selected with some discrimination and common sense, as may be expected in these days of food consciousness in the United States.

It should be stated that the diet mentioned above based upon 900 calories of wheat flour would mean an annual consumption of 195 pounds of wheat per person, or 25 pounds more than the average consumption at the present time. Recently there was submitted to a number of leading authorities on physiological chemistry in this country the question, "In your opinion, is there any physiological reason for recommending the decreased consumption of wheat products?"

In reply to that question there were received letters from a number of the most eminent dietary authorities in this country, including Dr. R. Adams Dutcher, head of the department of agriculture and biological chemistry of the Pennsylvania State College; Dr. William C. Rose, professor of physiological chemistry of the University of Illinois; Dr. R. A. Gortner, of the University of Minnesota; Dr. Kenneth D. Blackfan, of Harvard Medical School; Dr. A. J. Carlson, of the department of physiology of the University of Chicago; Dr. A. W. Homberger, professor of physiological chemistry and nutrition in the school of medicine of the University of Louisville; Dr. Walter C. Alvarez, of the Mayo Clinic; Dr. Thurman B. Rice, of the Indiana University School of Medicine and hospital.

Without exception all of these eminent authorities stated there was no physiological reason for discouraging the consumption of wheat products. Most of them deplored the fact that there was so much misleading dietary propaganda being foisted on the public today. I have in my hand original letters from all of the above and, if time permitted, would be glad to read them into the RECORD at this time. A few extracts from these letters, however, will suffice to show their general tone. Replying to the question, "Is there any physiological reason for a decrease in the consumption of wheat products?" Dr. R. A. Gortner replied as follows:

My answer to that question is that I know of no adequate physiological reason for advocating a decrease of wheat consumption. Wheat has been used by man from time immemorial, and I know of no reason why such use should not continue. A very large proportion of the food which we eat is used for its calorific value, and it is my impression that one can obtain calories more cheaply from bread than they can obtain the same number of calories from almost any other source.

Dr. Homberger, of the School of Medicine of the University of Louisville, replied as follows:

I can see no reason why the consumption of wheat products should be decreased. Wheat products certainly have a very definite part of our dietary program and constitute, it seems to me, one of the most staple products for our people.

Dr. Rice, of the Indiana University School of Medicine, replied as follows:

In answer to your letter of January 8, I am expressing it as my opinion that there is no physiological reason for decreasing the consumption of wheat products. It is also my opinion that there is being published in the present day entirely too much on the subject of diets and that a great many of the statements are quite unscientific. It is my opinion that we would do better to take a fairly liberal portion of protective food, such as milk, vegetables, and fruit, and then add almost anything else that we might choose.

As stated before, all of the other replies were of the same import and if time permitted I should be glad to read them in full. Without going into further tedious details, it seems to me quite apparent that the leading nutritional experts of this country do not agree with the propaganda which is being put out by food faddists in the Bureau of Home Economics.

Let me dwell briefly on the matter of the alleged benefits which it is stated might accrue to the agricultural industry if less wheat and more of some other crops were produced. The theory upon which it is suggested that agriculture would benefit by a reduction in wheat production is that it might be possible by such a shift to put more acres of land in cultivation. That, of course, is entirely in the realm of theory because no one knows what would be done by those forced out of wheat production or by the farmers who would be forced to adopt some other means of earning a livelihood.

Even if we assume that the shift from wheat to fruits, vegetables, and livestock products would increase the number of acres in cultivation, there is nothing to show that this would in any way benefit the individual farmer. He might cultivate many more acres and still have less income than is the case at present. Those who urge this shift in production cannot produce any evidence to show that the farmer either as an individual or a class would benefit from the change. In many parts of the country wheat is used as a rotation crop. In other parts it is the principal crop and can be grown more easily and economically than any other crop. In either case, to do anything which cuts down the consumption of wheat is bound to inflict a great hardship on the farmer who is not producing that commodity. The matter has been very well stated by Dr. C. H. Bailey, professor of agricultural biochemistry of the University of Minnesota, as follows:

Farmers engaged in wheat growing have an interest in sustained demands for their product aside from nourishing the bread-eating public. They are business men who have built an industry that they can ill afford to have destroyed abruptly and arbitrarily. The protection of their markets has as genuine an economic significance as the maintenance of a demand for the products of other industries. To brush aside their interests with the calm assertion that they can devote their acreage to other crops involves an assumption that is unwarranted by practical experience. For they cannot always find substitute crops and cropping systems suitable to this end. To be sure, individual farmers can and have made such shifts at times in the past and will continue to do so in the future. But when a mass adjustment involving millions of bushels of wheat is contemplated, as, for example, would be involved if we reduced our per capita wheat consumption in the amount of 10 or 15 percent and substituted the equivalent of the energy and nutrients thus represented in the dietary by other foods, then the wheat producers as a whole may well exhibit some concern over the program.

Furthermore, assuming that there would be an increased demand for other farm products if the production of wheat were reduced, there is nothing to show that such a program would be of benefit to the individual dairy, livestock, or fruit and vegetable producer, because it must be assumed that any increased demand for these products will result in an increased number of producers of such commodities, including those who have been forced out of business as wheat producers.

Now, it may be asked, What effect will this propaganda be in reducing the consumption of wheat? In other words, is there a real danger confronting the wheat producer? I think that there is. The effect of propaganda upon the consumption of a particular food product can well be illustrated by what happened to wheat during the war period—during and immediately after. Figures compiled by the Department of Agriculture show that our average per capita consumption of wheat for the years from 1909 to 1913 was 5.3 bushels, whereas the average for the 10 years from 1923–24 to 1932–33 was 4.8 bushels. In other words, it has been approximately 10 percent less during the period succeeding the war than it was for the 5-year period preceding it. It should be stated that these figures are for total consumption, including that used for human food and animal feed and includes an unusually large percentage for animal consumption during the period of low prices from 1930 to 1933. Were it not for this fact the difference would probably be greater. Applying these figures, however, to the present population, it can be seen that if our consumption of wheat in this country was equal to that prior to the war we would annually consume approximately 60,000,000 bushels more than we are using today. If we should adopt the so-called "liberal diet" urged by the Bureau of Home Economics, our annual per capita consumption of wheat flour would be almost 100 pounds less than it is today; or, translating it into terms of bushels of wheat, it would mean that our consumption for human food would be 280,000,000 bushels less than it is today. The adoption of the so-called "adequate diet at moderate cost" would result in the consumption of 143,000,000 bushels less wheat; and the so-called "restricted diet for emergency use", which is not recommended at all, would result in the consumption of 2 pounds less flour per capita than we are consuming today.

One of the great resources of this country is its capacity of wheat production. It is an asset which is envied by most of the civilized nations. Since the war practically every European nation has expended vast sums in subsidies to secure an increase in wheat production, because they realize its value as a great national resource, yet the policy which seems to have been adopted by at least a part of our Department of Agriculture will, if put into effect, mean throwing away this great advantage which we have over most other nations. The Agricultural Adjustment Administration has been attempting to secure a balance between supply and demand as far as wheat is concerned by reducing the supply and thus getting rid of our surplus. I think this program has been generally successful and in connection with the drought it has succeeded in reducing the wheat surplus to a point where it is not at this time burdensome. Vast sums of money have been paid to wheat producers in consideration of their cooperation with the program and producers generally have been most loyal in cooperating with the Government in bringing about this adjustment. That program, however, will have been an utterly vain and useless thing, as far as getting rid of our wheat surplus is concerned, if other bureaus in the Department of Agriculture are going to destroy what has been done by decreasing the consumption and thus again building up the surplus. Such an inconsistent position is incomprehensible.

When the hearings were held upon the pending agricultural bill a number of the Members of Congress representing wheat-producing areas appeared before the subcommittee in charge of the agricultural appropriation bill, and urged that that committee insert a provision in the bill which would prohibit the Bureau of Home Economics and other bureaus in the Department of Agriculture from carrying on this campaign against the use of wheat. The committee has inserted an amendment in the bill, but as it now stands it is of no value whatever, as far as curbing the activities of the Bureau of Home Economics is concerned, because it still permits them to publish the diets and dietary lists, which is the method which the Bureau is using in forcing this propaganda on the public. In the interest of agriculture generally and the wheat producers of this country, who have loyally cooperated with the Government's wheat adjustment program, this committee should strike from the amendment that part of it which permits the use of funds appropriated by Congress to be used for the dissemination of propaganda through the use of the diets in question. At the proper time an amendment will be offered to carry out this purpose.

Mr. THURSTON. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. THURSTON. Could not all this matter be corrected by a simple order to be issued by the Secretary of Agriculture?

Mr. HOPE. It could be, but I will say to the gentleman that, although the matter has been brought to the attention of the Secretary of Agriculture, so far no action has been taken.

Mr. CRAWFORD. Will the gentleman yield?

Mr. HOPE. I yield.

Mr. CRAWFORD. Could the gentleman tell us what the consumption of wheat is in other places in the world which

rank close to the consumption per capita in the United States?

Mr. HOPE. I cannot give the gentleman the figures, but the consumption of cereals per capita in practically every civilized country is greater than it is in the United States.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. HOPE] has expired.

Mr. HOPE. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include excerpts from the letters I mentioned.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. THURSTON. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, I want to direct attention for a little while to some considerations in connection with the payment of the adjusted-service certificates.

It occurs to me that in all logic it becomes necessary to go back to the World War, because the bonus is nothing else except an inheritance of the war. It becomes necessary to go away back to 1914 when that carriage, bearing the royal coat of arms and bearing the princely person of Archduke Ferdinand was rolling down the mountain sides in the Balkans and finally came to that little town nestling in the valley that is known in history as Sarajevo. It was there that this student drew a pistol and killed the archduke. It was there that he fired a shot that was heard around the world. We have an amazing and complete capacity for forgetfulness, and only to refresh the memory of the Members of this House, let me say that the name of that student was Princeps. By virtue of that shot there came a series of ultimatums and mobilizations that ultimately crystallized in the World War. There is one thing I want to impress on you, and that is a statement made by Colonel House, who had been sent to Europe by President Wilson, about a month before that shot was fired. It was Colonel House's observation in his report to President Wilson that because of the activities of the lending and development nations of Europe that this international friction was caused that ultimately resulted in the World War.

I think the rest of it is more or less first-hand history to the Members of this House, for after a series of exchanges and torpedoings, beginning with the *Lusitania* in 1915, we found the President of the United States coming to the Congress, we found an intensity of feeling, we found a declaration of war, and then we found the President calling upon the people of the United States to act as a great team, every man doing his part, fitting in his particular place in order to carry on this war in behalf of democracy.

One of the singular things that happened in connection with this war is this, and it has not happened in any other era in history: That is, that in December 1917, when we were engaged in this conflict, it remained for the Bolsheviks in Petrograd to break open the sacred archives and there steal the proof, showing that there was a definite alinement and signed agreement between France, Great Britain, Japan, and Russia to apply the old Roman principle, "Woe to the vanquished and to the victor the spoils."

You know it is rather amusing and laughable to have a distinguished gentleman like Patrick Hurley, from Oklahoma, former Secretary of War, appear before a committee of the Senate and talk about making the world safe for democracy. The gentleman who presided in the Cabinet as Secretary of War, and who probably inspired the orders that were issued to evacuate the first bonus army from Washington, is the gentleman who speaks of having made the world safe for democracy, when the tangible proof was thrown in the faces of everybody who was informed that France, Japan, Great Britain, and Russia were going to get the spoils of war. The documentary proof is on record today.

Thank some strange destiny for the Bolshevik revolutionists, who gave us that proof. [Applause.]

Came the war! Our soldiers marched away. I was one of them. I spent 18 months over on the other side. Let me say that I have seen some of the hideousness of war—of young troops in great windrows marching into the withering fire of machine guns mounted on swivels behind concrete emplacements. I have seen those "G. I. cans", as the soldiers call them, 240-millimeter shells, come over and tear a hole in the soil big enough to bury an average-sized cottage. I have seen balloons up in the air brought down by some German plane, and as it came down suddenly fired tracer bullets bringing down the balloon bag in flames. I saw some of those things. After the war was over and the heat and passion of controversy had spent itself, these gentlemen, whom they designate as adjutants general of the armies of the world, went in to evaluate the cost; and we found that it cost us approximately $22,000,000,000, plus $11,565,000,000 that we loaned our Allies, a debt that is still over there and apparently uncollectible.

We spent almost $33,000,000,000 to prosecute that war, and when you consider that amount and how generously we gave without quibbling or without niggardliness it seems altogether strange that today there should be any quibbling at all about $2,200,000,000 to pay the bonus which is a proper cost of the conflict. [Applause.] That bonus is directly chargeable to the war and is an item of war expense. Oh, we paid $18 to $20 for shrapnel and high-explosive shells; we paid for rifles and machine guns; we paid for shoes and food; we paid for thousands of Army trucks; we paid for thousands of Liberty motors to be installed in pursuit planes over there in the airplane factories of France; we did not quibble about cost; we proceeded on a cost-plus basis and permitted manufacturers to dig generously into the Federal Treasury, never kicking whatsoever, because ostensibly it was all in the interest of democracy. If it is all right to pay for shrapnel and shell, for trucks and airplanes, for ammunition, and for food and shoes, some of which had paper soles, and all that sort of thing, then is it not in good logic the proper thing to charge personal services in the Army as an item of war expense and do it without quibbling or niggardliness? Is not service the equivalent of and perhaps transcendent to munitions and ammunition and that sort of thing? Of what good are munitions without men to use them?

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. WOODRUFF. The records disclose the fact that we expended something like $750,000,000 for airplanes and never put a fighting plane on the front.

Mr. DIRKSEN. The gentleman is correct.

Mr. WOODRUFF. That is a sample of the efficiency with which that war program was administered.

Mr. DIRKSEN. The gentleman is correct. Now, there always will be a lot of reluctance, shall I say, about paying bills like the bonus. It has ever been thus. If you want to read something liberal, go back to the records and read the memorandum filed by CARTER GLASS with the select committee of the House on the 4th of October 1919 considering the bonus. Do you know what he said? Why, in the very first line he said: "They are supporting a measure on the floor of Congress that will imperil the fiscal stability and the credit of the United States of America." Do you want to read another splendid memorandum? Read the memorandum filed by Newton D. Baker. He said: "They contemplate paying a bonus which will probably encourage a lot of returned soldiers into idleness." If you want to read anything more, read the statement filed by WILLIAM GIBBS MCADOO and others when we were determining the fiscal policy of the country. Oh, you have the same old hoary argument, advanced for 15 years, that if you pay the bonus you will impair the fiscal stability of the country. Whether times are good or bad, whether it be in adversity or prosperity, it is all the same.

I am very happy that the Governor of the Federal Reserve Board came before the Banking and Currency Committee of the House this morning—and it was an open meeting, I am not telling any tales out of school—and in response to the question of my good friend from Massachusetts, Mr. GIFFORD, the Chairman of the Federal Reserve Board said he was not afraid of a national debt of $40,000,000,000. If he is speak-

ing for anybody in authority, then we should have no hesitancy or reluctance about paying this bonus, for apparently there is no apprehension about a debt of that size.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. HEALEY. I observe that the gentleman mentioned merely names of prominent Democrats who were opposed to the payment of the bonus.

Mr. DIRKSEN. Mr. Chairman, I do not yield for such a statement.

Mr. HEALEY. I wish the gentleman would include, also, the names of the Republicans who for 12 years have opposed payment of the bonus.

Mr. DIRKSEN. Mr. Chairman, I decline to yield. I have not injected partisanship into this question, and I do not want it to be injected by somebody else.

Mr. HEALEY. The gentleman included only Democrats.

Mr. DIRKSEN. I gave the name of the distinguished Mr. Hurley just a few moments ago. The last thing I want to do is to inject partisanship into this discussion. This bonus should be paid because, I believe, it will be the greatest incentive to peace and the greatest deterrent to war that we can find. In the interest of peace they come in here with such bills as the McSwain resolution, ostensibly to take the profits out of war. That resolution is a lot of tommyrot, and everybody knows it—to permit the President of the United States to establish a date, the prices which obtain on that date not to be raised in case of an emergency or a war, and then to permit adjustments up and down afterwards by the President of the United States, and probably turn control over to a military and naval board. Do not be misled into believing that that will solve the problem of war. It is the sheerest kind of hypocrisy. The only thing we really appreciate is a good, swift jolt in the pocketbook. When you hit the people of any country in the pocketbook they can understand that and begin to regard war as a personal matter. If we will pay this bonus—and sometimes I think it ought to be infinitely larger—we would be more responsive to these rumblings that we hear everywhere on the international horizon which may one day soon project us into war. A kick in the vulnerable spot of the national pocketbook may make us more conscious of the importance of peace. Is not the stage set for it? Think of the internal pressure in our country at the present time.

If the newspapers of Washington came out tomorrow with large headlines to the effect that war is declared, we would forget the bonus, we would forget relief, we would forget unemployment, we would forget the Budget, we would forget the national debt, and the money problems that beset us. In fact, the sudden hysteria of war, monstrous as it may seem, would open up vistas of relief from the problems which now repose on the national doorstep.

There is a pressure not only in this country but in other countries that have similar problems that may plunge us into that thing which could deflect the immediate attention of our people and transpose it to some other subject matter. Consider also the external pressure. Oh, there is Italy sending troops to Abyssinia for the purpose of banishing the conquering lion of Juda and the elect of God for some bit of frippery that took place there in connection with the barbarism of the Abyssinian troops. But that is not the real reason. The real reason is the oil under the ground. Abyssinia is rich in oil and minerals underground. There is the economic external pressure. Japan is interested in Manchukuo. Why? Because they grow cotton there; in fact, better cotton than we grow below the Mason and Dixon's line. You all understand that kind of pressure. Then there is the island of Japan with its 63,000,000 people. They must have an outlet, and there is that ethnical pressure which makes new territory desirable.

We read about the rebellion in Greece. You can look across the entire international frontier, and you will see the external pressure, and finally we find every nation forging the weapons of war. Our own Budget calls for over a billion dollars. Did you notice what happened in England a week ago? Ramsay MacDonald felt that they needed 28 more warships. He said, "Let us raise our armament budget, because we are afraid of the insecurity that exists in Europe."

Spain and France have raised their budgets. Japan is raising her budget. All of the large nations of the world are forging the weapons and getting ready for the spark that may take them as well as ourselves into war.

Mr. Chairman, it is high time that we develop a peace consciousness in order to stop the next war, that, in the words of H. G. Wells, will come before 1940 and be more deadly and disastrous than the conflict of 1917 and 1918.

When we learn to count the total and complete cost of war, when we include every item of expense and learn to appreciate how costly, by continuing, and how ghastly the expense of war really is, then will we have a true conception of the benefits of peace, and so today I advocate the payment of the bonus as an honest and proper element in the expense of the last war, because it may be the instrument by which we come to the appreciation of the benefits and beauties of peace among all mankind and the spirit of good will on earth.

Mr. THURSTON. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, it is rather difficult to speak often on the floor of the House without being compelled to admit that sometimes we may appear to be a little partisan, but I rise today to speak in behalf of the textile interests of New England. Certainly we need to protest against present-day conditions, even though we may be powerless to accomplish results by actual legislation. We should certainly keep those conditions ever before the Congress and keep up hope that something may yet be done to remedy them.

By an impressive majority, the voters of my textile city in the last election pinned their faith on the Democratic Party and President Roosevelt. Today, with the unfortunate condition of that industry, I cannot help wondering whether they do not feel disappointed. There was an enthusiastic parade, headed by the mayor, to give expression to the city's hope in, and loyalty to, the N. R. A. All were anxious to conform and do their part under the act, and eagerly hoped for its success. They now seem to be forced to admit that it has failed to relieve the situation. A processing tax has been imposed on our textile mills which we would indeed be willing to pay in order that the southern farmer may prosper if, as was intended, this tax could have been handed on to the consumer. The textile mills have found that under the present condition of the market they have to absorb practically the entire processing tax, which tax is greater than the other Federal, State, and municipal taxes combined and which, in most cases in the textile mills, have more than absorbed their entire profits. It is amounting to about 10 percent of what is paid to labor. National legislators now are confronted with an appeal from the textile interests, especially of New England, to take immediate and effective action.

Formerly our textile industries prospered under our tariff system and believed generally in the principles of the Republican Party. Somehow hope was held out to them that under the N. R. A. we might force our competitors to come to a higher and more equal scale of wages, and that we would have a code of fair competition.

Mr. Chairman, at this time I ask unanimous consent to revise and extend my remarks in the RECORD and to include certain definite statements that may be more convincing than mere informal remarks on this subject.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. GIFFORD. Mr. Chairman, I asked for this time today because I might be unable to secure time when the bill authorizing the extension of the processing tax is brought before the House, probably next week. Not only are we greatly disappointed by the lack of anything in the bill to help manufacturers, but we may well fear certain suggested amendments that are likely to be offered, such as the license feature

and the suggested plan of making a lucrative processing tax on one commodity pay and make up the deficiencies in others. After the 2 years' experience which we have had, are we not willing to recognize that the industrial part of our community needs some attention and relief? The Farm Credit Act takes care of your farm mortgages. The intermediate credit bank, your production credit loans, and your seed loans take care of the farmers' expenses of operation. Under the R. F. C. the Government is obligated to the sum of nearly a billion dollars to loans made largely on cotton at 12 cents a pound, thereby guaranteeing a fair price for that product. What have we done for industry? Are there any production loans by the Government for industry to help it carry on its operations?

Is there Government mortgage relief for industry? Yes; but exceedingly small, if we depend upon the R. F. C. to lend only on sufficient and adequate security. Very few loans, Mr. Chairman, have thus far been granted. Having abdicated, we must explain to our people that any remedial action rests almost entirely with the President. We have delegated the remedial power to him. We can do little about the matter. The N. R. A. codes are now presented to the President for approval and their enforcement rests with him. If we desire a code of fair competition whereby industrial plants over the entire country shall pay practically the same wage, we must depend on him and those to whom he delegates the power both to approve and to execute.

When this bill is presented to the House, I assume that if any amendment should be offered in the way of benefit to the industrial sections of the country, such amendments would probably be ruled out of order as not being germane to any particular sections of the bill. Its title recites three purposes: to continue the Cotton Control Act; to exempt a limited quantity of cotton in order to take care of the share-croppers and the tenant farmers; and, thirdly, to provide for the better administration of the act; and as we look through the act we might wish to find even slight amendments as to a better administration of the refunding of taxes by the Government in cases where manufacturers are entitled to recover.

Months and months go by before many of these concerns can retrieve from the Government that which they have already paid. There are long delays because of the Treasury not having proper blanks to furnish or because the Treasury Department will wait for the Department of Agriculture to pass upon claims or to be supplied with full information upon which to formulate its blanks to be executed. We maintain that many small plants have actually been forced out of business by this failure of reimbursement, while others have even refused to export to Cuba and other places because of the length of time involved and the doubt about the recovery of the money to which they would be entitled by law for goods exported.

It would seem that a part of this processing tax might be granted to labor employed in manufacturing the product. Why give it all to the farmers?

This supersales tax on just a few articles should be distributed, of course, in a general sales tax. Some time the unfairness of it will awaken the people to a realization of how it actually operates. Do you know that bagging has gone from 18 cents to 36 cents a pound? And that even in the southeastern States, where they should be using cotton bagging, they are forced to use paper bags, jute bags, and other similar things, because of the high prices for goods manufactured of their own cotton? These higher prices have brought about a condition whereby, although we are manufacturing 20 percent less of cotton goods, we are constantly increasing the stocks of such merchandise. There is a point, Mr. Chairman, beyond which we cannot go, and that is the consumers' ability to buy. And then we make the futile attempt to assess processing taxes against possible substitutes, such as paper, jute, and the like. These materials are now being used for all sorts of purposes, for which cotton was formerly employed.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. CRAWFORD. I would like to ask the gentleman two or three brief questions. Does the gentleman know that the sugar industry of the country has packed more sugar during the past season in paper bags than ever before in its history?

Mr. GIFFORD. I know it full well, Mr. Chairman. I am in a peculiar position to know, and the dread is that having found so durable these sugar bags and these wheat bags made of paper, they will never go back to cotton. In this lies a real danger to cotton.

Mr. CRAWFORD. I would also like to ask if the gentleman heard the gentleman from Texas [Mr. LANHAM] make the statement a while ago that a great many of the people, perhaps greater than in any other part of the country, in the cotton districts of the South are now on welfare relief; and if this is true, just where are these processing tax funds going?

Mr. GIFFORD. Mr. Chairman, the cotton farmer seems to know how to get relief. In this bill the share-cropper and the tenant farmer are probably to be taken care of. There is to be an exemption of two bales and, of course, the processing tax greatly benefits the larger producers of cotton.

Amusing, indeed, are many of the stories of the processing tax as applied to hogs. One of our historians, James Truslow Adams, a man whose integrity cannot be questioned and upon whose statement one is supposed to be able to place reliance, recently recited many things in an article which I wish I had before me now, to show you how very ridiculous it is in its application, in many instances. We have heard about a man who paid $1,000 for a New Hampshire farm and who did not intend to raise any hogs, as the former owner had done, but a Government agent called around and said: "This place raised a lot of hogs last year, and if you will decrease your production by so many hogs you will get a check for $1,100." He said that he did not intend to raise hogs, and this man said, "Don't clutter up our books—you are entitled to it, take it." So, on a farm for which he paid $1,000 he got $1,100 for not raising hogs.

Many such stories are told about this processing tax in its relation to hogs.

Mr. NELSON. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. NELSON. I am interested in the gentleman's statement about the farmer who got money for raising no hogs. Can the gentleman give us the name and address of that farmer?

Mr. GIFFORD. I think I could get it, but I am glad to refer the gentleman to James Truslow Adams, for whom, I am sure, he must have great respect.

Mr. NELSON. I would refer my colleague to the fact that that statement has been officially denied by the Secretary of the Department of Agriculture, stating that this story, like others of a similar kind, has been challenged. We have reason to believe there is nothing whatever to such stories and if my colleague can supply the names and addresses of persons who have been so benefited, I shall greatly appreciate it.

Mr. GIFFORD. Mr. Chairman, the story I told came to me from a very reliable party. I shall be pleased to write to him about it, and shall be glad to send the gentleman Mr. Adams' statement, which is even more to the point.

I wonder if the gentleman would care to hear about the farmers around the city of Boston—not real farmers but collectors of swill—and who got large sums for not raising hogs?

Such payments disgust our citizens, especially in view of the price of pork today.

But I did not intend to discuss hogs. I am speaking against this cotton-processing tax, the entire burden of which is placed on an industry that cannot assume it longer and continue to exist.

Is there no interest on the floor of Congress in the matter of giving needed relief to industry? Is it to be all for the benefit of farmers? We desire that they shall receive these benefits. But a plan must be devised under which the consumers of the country will pay, as was originally proposed, rather than have the entire burden continued upon the manufacturer.

We cannot escape the suspicion that New England is at a disadvantage because of a feeling which seems to be running in the minds of some of those who hold key positions in the Government, that the activities of the mills of New England should be transferred to some other section of the country.

I stand here to protest, with all the strength I have, against it. [Applause.]

[Here the gavel fell.]

Mr. GIFFORD. Under permission to extend my remarks I now present a few pertinent quotations from certain of our New England writers on textile matters relating to the processing tax and to a code of fair competition which I hope will receive from the Members of the House the thoughtful consideration which I feel they merit:

The processing-tax plan burdens cotton for home consumption $105,000,000 at the source. This added cost to the raw material of a manufacturer cannot escape being pyramided through the progress from mill to selling house, bleachery, printer, garment manufacturer, jobber, and retailer. It has been estimated by cost accountants that this increases the cost of a work shirt 11 percent and a pair of overalls 20 percent. If this estimate is correct, this means that the traffic has not only had to bear the needed $105,000,000, but has had to pass on to the consumer many more millions because of the results of the pyramiding.

There are numerous other objections to this tax. The processing tax is, in fact, a disguised sales tax and confined principally to food and textiles. We are all familiar with efforts in the past to enlist the interest of Congress in the passing of a general sales-tax law. While these proposals never received great support, nevertheless all discussion was prefaced by the demand for exemption of the necessities—food and clothing—from such a tax. Yet the amount which the consumer ultimately must pay in the cost of articles made from commodities which now bear the processing tax is at a rate much in excess of what would be tolerated in the event that a general sales tax were imposed. For instance, on coarse cotton-work garments it is calculated that from 10 to 20 percent of the retail sales price is indirectly attributable to the processing tax.

Processing taxes are refunded on any goods exported, but Washington, in making these refunds, has been slow. One of the largest exporters, who, by the way, operates three mills in Alabama, and who is fighting desperately to salvage some part of this business, from October 1933 to May 1934, had accrued refunds of $237,225, of which only 5½ percent had been paid by May, and it was not until last month that he got the last of his money. We appreciate the difficulties.

Before the processing tax and N. R. A. cost applied to certain cloth for bag purposes, it was selling for about 18 cents per pound. Today that same bag cloth is selling for 36 cents per pound. This change has come about from several reasons. First because of increase in the price of cotton from 6 cents to 13 cents, and in addition to this because of the processing tax of 4.2 cents, and because of the increase in labor cost, which is nearly double because of N. R. A. and the increased cost of every item of supplies because of N. R. A. costs adding into the figures of the people from whom we buy our supplies.

For evidence of the cumulative effect of all these handicaps upon the farmer, manufacturer, finisher, and consumer one need only to refer to the domestic cotton consumption for the past 2 years. In 1933 we consumed 6,210,000 bales while in 1934 the consumption shrunk to a total of only 5,412,000 bales.

The consumption of cotton in American mills is running at a rate of 20 percent under last year and even though we are spinning that much less cotton our inventories of manufactured goods are increasing tremendously in our mill warehouses.

The cotton manufacturer is constantly exploring every field for new uses, constantly fighting to maintain his present position, but finds himself constantly in conflict with manufacturers of competing substitutes. The paper manufacturer in the conduct of his business is fighting to substitute paper bags, strings, gum tape, window shades, towels, napkins, and other things, for your cotton. * * *

One of the largest flour manufacturers in the country wrote me, We are now doing a great deal of business in the Southeastern States; most of our shipments have been in cotton bags, but paper bags are being introduced into that territory, and if continued will probably replace some additional 75,000,000 yards of cotton goods per year. Against our will, we are being forced to adopt paper bags, too, and the trade is rapidly switching from cotton to paper. Our sales of flour packed in cotton goods has fallen off to almost nothing since we have lost our Chinese export trade.

The perilous position of the textile workers and textile communities in New England cannot be overemphasized.

Relating to a code of fair competition, as outlined by the President in his code plans of 1933, I wish to insert certain quotations from communications prepared by chambers of commerce and other interested organizations in certain of our textile cities. The four essentials suggested were:

First. To put more men and women at work.

Second. To establish a reasonable minimum wage.

Third. To recognize that the more skilled and efficient workers should rightfully receive fairly graded pay above the minimum wage.

Fourth. To establish a basis of fair competition in business and industry.

Every right-thinking man or woman must recognize that a code to provide fair competition should be written in clear and definite language; that the provisions be so presented that there can be no misunderstanding; and that labor be classified in a definite way. That such a code, in the President's declared spirit of all together, must be made to operate effectively, its provisions followed faithfully.

But when wage scales in the higher brackets of labor are mentioned in indefinite terms, or not mentioned at all—there is bound to be a wide difference of pay and operating cost, according to varying interpretations of the spirit of the code, or in varying recognition of employees.

We submit that such an indefinite code, even though complied with to the letter, cannot justly be labeled a code of fair competition.

Supposedly codes were not planned to put any one section of industry out of business; nor to increase unemployment in any one section; nor to cripple legitimate progress of industry and business in any one section.

We see our industry in New England definitely menaced.

We see continued liquidation of our cotton textile plants.

We see communities in New England in distress; people out of employment and plants permanently closing that have been operating under a code, supposedly of fair competition.

Federal Government is responsible for the suggestion and adoption of the codes—and we support both the Government and the code ideal.

But when in the name of national recovery and the spirit of all together, the cotton-textile industry of our section of the country is worse than threatened, then in the name of our people we urgently seek relief. We request Government relief from the burdens of unfair foreign competition and the cotton-processing tax, an equitable correction of overproduction evils, and by code amendments the elimination of sectional labor cost differentials, and that wage scales in the higher brackets of labor be understandingly defined. * * *

Our critics say we must not blame certain favored sections of the industry (geographically speaking) in the matter of wage differentials for our plight.

We do not.

But we do criticize a code bearing the label of fair competition that carries a wage differential to any one section's advantage, and therefore obviously to other sections' disadvantage.

And that's just what the cotton-textile code does.

In reading over the full report of the Bureau of Labor Statistics, some things caught our eye.

We quote:

"The evidence of this wage study points conclusively to the importance of an examination of the conditions under which the industry has been working quite as much as to the question of enforcement"—and again—"Though industrial relations and the stability of the industry require a still more complete enforcement of the wage provisions of the code," etc. * * *

The Bureau of Labor Statistics Report also says in effect, that in August 1934, in a section of the country other than ours, 44 percent of male help and 58.1 percent of female help were paid less than $13 for a 40-hour week, which is our code minimum here, and we want to say that does not necessarily mean the code is violated, and we do not make the assertion, but again we ask, is it a code of fair competition?

In the Bureau of Labor Statistics Report the difference in labor cost in various sections of the country is not fully revealed, for the difference in work load is not figured into the difference of wage received, but New England is referred to as the high-wage area.

And so we ask these questions.

Should there be high- and low-wage areas?

Or should a code of fair competition, for an industry, spread over our country, but making identical goods and selling them in the same competitive market, have hours of work, and wage rates for the various classes of workers employed, definitely designated; fair to the industry, fair to the workers, but uniform throughout the country with sectional differentials eliminated?

We say a code of fair competition should, and that the cotton textile code does not.

Mr. SANDLIN. Mr. Chairman, how does the time stand?

The CHAIRMAN. The gentleman from Texas has 1 hour and 23 minutes, and the gentleman from Iowa 45 minutes.

Mr. SANDLIN. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Chairman, on the 4th day of February of this year I made some remarks in the House on the urgent necessity of immediate amendments to the Bankhead Act for cotton control. Legislation for that purpose, instead of having been reported from the Committee on Agriculture in the early part of the month of January and considered by Congress before this time, as it should have been, has only reached the House through a report of the committee within the last few days. A rule has been granted for its consideration.

The bill H. R. 6424, introduced by my colleague, Mr. DOXEY, of Mississippi, was reported on the 8th of March from the Committee on Agriculture, and has at last some prospect of receiving consideration by the House of Representatives.

I wish I could be more positive in my statement that it will be considered. But, unfortunately, it appears that there are some gentlemen in the House who do not feel that any legislation should be enacted by Congress at this time changing in any particular the provisions of the Cotton Control Act, although the cotton farmers of the country were assured when they voted for the continuance of the act for the next season that amendments would be brought about. Their attitude is in accord with that of authorities of the Department of Agriculture, who do not wish to risk any sort of congressional consideration of this matter at this time.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. TARVER. Not at this time. One of the amendments promised, and only one, because there were several, either expressly or impliedly promised just before the vote on the Bankhead Act, had to do with the amount of reasonable exemption of tax-free cotton which should be provided to the individual farmer. Such exemption manifestly cannot be provided except by legislation. The Department of Agriculture, the triple A part of that Department, which is handling this problem, have not arrived at a conclusion in their own minds, or had not when their representatives last testified before congressional committees, as to whether or not they have the authority under existing law to provide for the small 2-bale exemption which had been promised by the President of the United States a few days before the vote on the Cotton Control Act was had.

It seems to me that any man who can qualify as a competent lawyer, if he would read section 7 (3) of the Cotton Control Act under which they have this authority, if they have it at all, must necessarily arrive at the conclusion that no such authority exists under the law on the part of these administrative officials, and that no sort of an exemption can be provided for the small farmer or the small farm unless additional legislation is enacted by Congress for that purpose. However, waiving that question, it appears from the testimony of Mr. C. A. Cobb, director of the cotton section, delivered before the Subcommittee on Agriculture of the Committee on Appropriations, which reported the bill now before the House, that these administrative authorities have no purpose to provide for an exemption to the individual farmer, but that their purpose is to provide for a two-bale exemption only to the individual farm. On the individual farm there may be and will be in many cases more than one farmer, so that the small exemption of two bales thus secured, if the policies of the triple A are carried out, will have to be in many instances divided between two or more farmers. Not only that, Mr. Chairman, but I had the pleasure or, rather, the sadness of listening to the testimony of Mr. Cobb before the Committee on Agriculture, which reported H. R. 6424, and I was surprised to hear him say at that time—I do not know whether his statement appears in the hearings or whether the hearings have been published—that no man is a farmer unless he owns land, that the thousands of tenants and share-croppers who constitute the majority of the agricultural population of my section are not farmers. According to the definition of a farmer given by Mr. Cobb, namely, each owner of a farm unit, I was surprised to find that I, who have for many years lived in a city and been engaged in the practice of law, by reason of the ownership or control of five small farms am, in effect, five farmers, but that these tenants and share-croppers who have during these years been cultivating those lands are not farmers at all. It is something which indicates, regrettably, the lack of sympathy for the small farmer which exists on the part of some of those who are in charge of this compulsory program. Their attitude must be corrected by the Congress or the thousands of injustices which were done to the poor tenants and other small farmers in the South during the last year will be repeated and perhaps in a harsher way during the ensuing marketing season.

Mr. Chairman, in view of the fact that there is hope for an early consideration of H. R. 6424, I ask unanimous consent to include in the RECORD at this point, as a part of my remarks, the testimony delivered by Mr. Cobb, director of the cotton section of the triple A, before the Subcommittee on Agriculture of the Committee on Appropriations, relating to the cotton-control program for the present year, and the intention of the administrative authority as to the methods of its enforcement.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

OBJECTIVE OF 1935 PROGRAM

Mr. TARVER. Mr. Cobb, you are the director of the cotton section?

Mr. COBB. Yes, sir.

Mr. TARVER. I would be glad if you would give the committee a picture, first, of what is contemplated in reference to the voluntary acreage-reduction program for the present year, and what steps are being taken to carry it on. Give us, with as much brevity as you can, a picture of the program that you have in mind.

Mr. COBB. The objective of the 1935 voluntary program is to further reduce the carry-over, which at the present time is approximately eight and a half million bales, by another million bales, by August 1, 1936. To enable us to do that it would be necessary to achieve a reduction in the basic acreage of approximately 35 percent. Our aim last year was 40 percent, and we actually took out between 38 and 39 percent. This year we will try to bring about a reduction of 35 percent. Payments up to 35 percent will be at the rate of 3½ cents rental per pound of cotton taken out and kept out of production, and 1¼ cents per pound parity payments.

On an average that will represent approximately $8.60.

Mr. TARVER. You are using for that purpose some contracts that were executed last year which do not have to be renewed, and you are also seeking additional contracts from those who were nonsigners last year?

Mr. COBB. The rental benefits I have just referred to will be paid under 1934 and 1935 contracts that are now in force and any new contracts that will be taken this spring.

Mr. TARVER. What opportunity is being afforded to those who did not sign last year to secure the benefits of these contracts for the year 1935?

Mr. COBB. They will be permitted to sign contracts this year.

Mr. TARVER. Is that program being carried on now by submitting such contracts to them for signature?

Mr. COBB. The contract forms are going to the field this week for that purpose.

Mr. TARVER. You expect to give the opportunity to any of these nonsigners to join the program within a short period of time?

Mr. COBB. Before planting time. Every producer who has not signed a contract will have the opportunity to sign a contract between now and planting time.

Mr. TARVER. There is one thing which I wonder whether you are giving sufficient consideration to. The expense to the farmer does not begin with planting time. It begins with the time, oftentimes several months before planting time, when he begins the preparation of his land for cultivation. There are many farmers in the South who today are engaged in turning the soil and placing it in proper condition for cultivation.

Ought not steps have been taken, and if they have not been taken, ought they not now be taken as promptly as possible, to afford these men an opportunity to sign these contracts before they have proceeded too far with their preparations for the crop in 1935?

Mr. COBB. Steps are being taken as rapidly as possible to give them an opportunity to sign contracts at the earliest possible date. This should be said, that for a considerable period of time the cotton producers throughout the entire Cotton Belt have known of the essentials of the program, and what, under the contract, they would be able to do in 1935, and they have had, as a source of information, the local committeemen who are entirely familiar with the contract, and the county committeemen who are also familiar with the contract.

Mr. TARVER. You are speaking of the voluntary acreage-reduction contract, but your remarks might be broad enough to be considered to mean that they know what they would be permitted to produce under the Bankhead Act.

I was interested in listening to your remarks before the Committee on Agriculture this morning, and I reached the conclusion that not only the farmers do not know what they will be permitted to do, but you do not know what they will be permitted to do, so far as the enforcement of the Bankhead Act is concerned.

You stated that you had arrived at no definite conclusion with reference to your authority to provide for exemptions. You stated you were hopeful of working out your plan and the amount, but apparently the details of that have not been perfected. There were other features of the problem as to which you expressed hope and confidence as to being able to effect a solution of the difficulties that have arisen in connection with the conditions we have.

But I judged from your remarks that you are not yet ready to present to the cotton farmers of the South a statement of exactly what will be required of them during the present year; is that true?

Mr. COBB. The fact is this, Judge TARVER. When the President made his commitment that there would be a minimum two-bale allotment, we went to work on that basis, and the producers throughout the South do understand, and have since that time understood ,that there was going to be a minimum two-bale allotment, and we have proceeded on the basis that there would be a minimum two-bale allotment. We have set up our entire program with that in prospect. We think we can do it without additional legislation.

Mr. TARVER. But you are not sure?

Mr. COBB. So far as we are concerned, we are reasonably sure. We are going to do it, and if we get in jail for doing it, we will have to ask you gentlemen to get us out of jail.

Mr. TARVER. But you cannot do it without legal authority to do it.

Mr. COBB. We think we have the legal authority.

Mr. TARVER. Who told you that you have the legal authority?

Mr. COBB. The solicitor, Seth Thomas, would be the authority in that case.

Mr. TARVER. Has he advised you that you have the authority under section 7 (3)?

Mr. COBB. He has not advised us that; we do not have the authority, but he wishes to explore the matter a little bit further.

Mr. TARVER. In other words, he has not yet arrived at a decision?

Mr. COBB. The decision that the cotton section has arrived at is that we are going to make a minimum two-bale allotment.

Mr. TARVER. Whether you have the authority to do so or not?

Mr. COBB. We are going to have the authority. If we do not now have the authority, I take it that Congress wants us to have it, as there seems to be a unanimous agreement that we should have it, and that they will give us the authority. We are going ahead and we will be ready long before planting time to carry the thing out.

Mr. TARVER. You have not any basis for concluding that Congress will be in favor of a two-bale exemption rather than a three-bale exemption, have you?

Mr. COBB. I take it that Congress would give us the authority to go ahead with that amount.

Mr. TARVER. Sometime.

Mr. COBB. Sometime.

Mr. TARVER. Of some type.

Mr. COBB. Yes; of some type.

Mr. TARVER. The section of the Bankhead Act upon which you rely as your authority provides that—

"Upon such basis as the Secretary of Agriculture deems fair and just, and will apply to all farms to which the allotment is made under this paragraph uniformly within the county, on the basis or classification adopted."

It seems clear to my mind that you have no authority under this section to provide for the exemption of a certain type of farm from the provision made applicable to an entire State or to the entire Cotton Belt. There would certainly be a lack of uniformity, and I cannot conceive of any competent attorney who would say you have the authority under this provision.

Mr. COBB. I think under this provision we do have authority, but that is a matter of law which I am not competent to argue.

Mr. TARVER. You speak of a 2-bale exemption in the statement of the President. The statement that the President issued shortly before election on the Bankhead Act was, it would seem, indefinite as to whether or not this exemption would apply to the farmer or to the farm. There are many farms which might have a base average in a 5-year period of 2 bales or less upon which there might be located 2, 3, or 4 families of tenants. An exemption for that farm of 2 bales of cotton to be divided among 2, 3, or 4 tenants would not be a remedy for the distress that has arisen among the small cotton producers of the South in the administration of this act. But you have in mind, I take it, an exemption to the farm alone, without regard to how many families may live on the farm.

Mr. COBB. That is right; our allotment would be 2 bales to the farm, which would work out, not merely as affecting 2-bale producers, but it would affect all producers from 2 bales up to 3 bales. If you would like to know how it works out in that way, I will be very glad to tell you.

Mr. TARVER. Yes; I wish you would.

Mr. COBB. If a 2½-bale producer is the signer of a contract, and he is required to take out 35 percent of his acreage, that percentage of his acreage would reduce his allotment below 2 bales of cotton. If it reduces the allotment below 2 bales of cotton, and we refuse to give him 2 bales, we would be placed in the position of giving a much smaller producer an allotment of tax-free cotton beyond that of the larger producers.

So you go beyond 2 bales into a brand new field of production in such an allotment limit. How far we would go in that we ourselves do not yet quite know. We are making tabulations on that now. Mr. Gaston can give you more detailed information on that point.

Mr. TARVER. I heard his statement this morning.

You are proposing also to set up appellate procedure; I heard your discussion regarding that and will not ask you to go over that.

Mr. COBB. To set up what?

Mr. TARVER. An appellate procedure for the producers that are dissatisfied with the allocation made by the county committee.

Last year, while I am not sure as to the exact number of complaints which I transmitted to the State allotment board of Georgia for constituents of mine, my opinion would be that they would run in excess of a thousand.

Assuming that that might be a fair average for every congressional district in my State, a total of 10,000 appeals might be expected. It would be humanly impossible for the State allotment board, which you state under your plan would constitute an appellate board under the provisions of the Bankhead Act, to dispose of that large number of appeals, even if they consider only the written records and do not undertake to make an investigation, de novo, as you stated was in contemplation.

And assuming that you did provide appropriate appellate procedure so that all appeals might receive consideration within a reasonable time, we have now arrived at the last week in the month of February. These allocations cannot possibly be made for, I should say, a couple of months; would that be a reasonable length of time for the county committees to act?

Mr. COBB. By the middle of April; that would take care of everybody in the belt.

Mr. TARVER. Appeals that might be instituted, if instituted in the volume which I have indicated as possible, would clog the appellate machinery to the point where decisions by the appellate authority might not be expected in all cases until probably late in the summer.

Mr. COBB. On that point——

Mr. TARVER (interposing). In the meantime, the farmer has to prepare his land and plant his crop. He does not know how much cotton will be finally allocated to him. He is proceeding absolutely in the dark.

Do you not think there ought to have been greater speed on the part of your agency in promulgating your regulations which you wish to promulgate under the authority of the Bankhead Act, and in making these allocations?

In other words, Mr. Cobb, I am taking the position that the cotton farmer—this act having been signed and made effective on April 21, 1934—is entitled to know, not only before he plants his crop but before he prepares his land for planting, what allocation has been given him for the year 1935. The program which does not give him that information until long after he has gone to the expense and labor necessary to prepare the ground and plant, and at least partially cultivate his crop, seems to me to be unduly lagging.

Mr. COBB. On that point let me say this: That our program had to be worked out, first, in the light of what the carry-over would be as of August 1, 1935. And it had to be worked out in the light of the consumption possibilities here and the consumption possibilities abroad. We could not get the exact data in time to develop the facts upon which we had to base our 1936 program before the end of the year. We developed those facts as quickly as it was possible, and even then not having full information, and in order to get in the field at the present time we have had to use the best estimates, in some cases, that were possible.

As to the question of the appeals, we have from now until ginning time to correct any problem that may be involved.

When a producer knows what his acreage will be, when he knows what he can get, tax free, under the Bankhead Act—and that his tax-free ginnings will approximate or equal the permitted production on his farm—he will know when he signs his contract, or the day his contract is amended, if it is amended, what his allotment will be.

Mr. TARVER. At that point, when he signs his voluntary acreage-reduction contract, he does not have any idea what will be allowed to market.

Mr. COBB. He will be told what his allotment will approximate, what he is permitted to produce under his contract.

Mr. TARVER. He was told that last year, but it did not turn out to be that way.

Mr. COBB. The allotments were not worked out in connection with the voluntary program last year. That program had been in effect many months before the Bankhead Act became law.

Mr. TARVER. I am surprised by your statement that the farmer does not need to know until ginning time about the results of his appeal.

Mr. COBB. I did not say that.

Mr. TARVER. How can he know, unless he knows in advance that his appeal will be disallowed, what his allotment will be?

Mr. COBB. He knows at planting time that his allotment will be approximately what he has in his contract. If he is not satisfied with that, if he feels like taking an appeal from the decision of the county committee, he has from now until the time they commence ginning to argue the thing out, because the ginning tickets will not be issued or needed immediately.

Mr. TARVER. How about the farmer who does not sign a contract; how will he know anything about it?

Mr. COBB. He knows that his Bankhead allotment will be arrived at in the same manner as if he were under contract. They all know that.

Mr. TARVER. In the light of his experience last year—and I know that is the theory—he would not know that that is an actual fact, by any means, because in many hundreds of cases called to my attention that procedure was not followed.

Mr. COBB. Only a new producer would not know that, but even he will be given an opportunity to know that as early as possible.

Only the man who did not produce cotton last year and who did not last year make application for a Bankhead allotment will be the man who does not know; but it will all be worked out by ginning time at least.

Mr. TARVER. I was interested in your statement before the Committee on Agriculture this morning with reference to your not having had an appellate procedure last year.

I communicated with the office of the Secretary of Agriculture a number of times with regard to the proper procedure in submitting complaints of those who were dissatisfied with the allocations made to them, and was advised that those complaints should be submitted to the State allotment board in Georgia.

The chairman of the State allotment board called me over the long distance phone and advised me to send these complaints to him and assured me that they would have consideration.

I sent to him, as I stated a while ago, perhaps something over a thousand of these complaints, setting out the various reasons why those producers felt that an injustice had been done them.

Not until some months later was I informed that there was no appellate procedure, that nobody except the county committee had anything to do with correcting injustices.

Was that procedure generally followed throughout the South, of advising people to submit complaints, and then thereafter advising them that nothing could be done with their complaints, however justified?

Mr. COBB. There was no machinery set up last year. As I stated this morning, there was no appeals board, and there was no appeal system worked out, and those appeals were settled with the best information and the best judgment that could be used, in the very limited time we had.

I think that in this discussion we will have to keep in mind the fact that the Bankhead Act became a law long after most of the crop had been planted; and, relatively speaking, we had no time in which to get the operation under the Bankhead Act under way and get the details of its operation out to the field. We therefore did not have the time like under most normal circumseances we should have had and that, in my judgment, we must have in the future to make appeals and to work those appeals out in a manner that would do justice to everyone concerned.

Mr. TARVER. Then, why should the people have been advised, as I was advised, that the proper procedure was to submit those complaints to the State allotment boards, when the State allotment boards had no authority to rectify errors?

Mr. COBB. You were correctly advised.

Mr. TARVER. Did those boards have authority to rectify errors?

Mr. COBB. Those boards had authority to rectify errors that could be demonstrated to be errors, but there is a difference between a complaint and a demonstrable error. Now, there were just millions of complaints, very few of which were based on demonstrable error.

Mr. TARVER. Now, I must assume, in view of the fact that they did not correct any of the complaints in the more than a thousand cases, which, according to my recollection, I submitted to them, therefore, in none of those cases was there demonstrable error.

Mr. COBB. Are you sure, Mr. TARVER, that no error that was submitted from your district was corrected?

Mr. TARVER. If any error that was reported in any of those cases was ever corrected, I was never advised to that effect.

Mr. COBB. I would just like to have the definite information on that, because I would like to know more about it, so that we will be able to work it out.

Mr. Gaston is here from the State allotment board, and I will be glad to have him make some statement in that connection.

COTTON CARRY-OVER

Mr. TARVER. I would like to have you give us information with regard to the cotton carry-over from last year.

Mr. COBB. The 1932–33 carry-over, as of August 1, 1933, was 10,600,000 bales.

The carry-over as of August 1, 1934, was approximately 8,500,000 bales. As of August 1, 1933, the carry-over was 10,600,000 bales. That was the world carry-over of American cotton.

Mr. TARVER. As of this time?

Mr. COBB. For this year, Judge TARVER, to give the complete story, as of August 1, this year, the carry-over will be approximately 8,500,000 bales.

Mr. SANDLIN. You mean as of August 1, 1935?

Mr. COBB. That is as of August 1, 1935, it will be 8,500,000 bales.

Mr. SANDLIN. The carry-over at that time will be approximately 8,500,000 bales?

Mr. COBB. That is right. That is the prospect.

ALLOCATIONS UNDER PRESENT PROGRAM

Mr. TARVER. Now, about the time that the vote was had on the Bankhead Act, a statement was given to the press by the Secretary of Agriculture, indicating that he thought the crop for 1935 should be fixed at about 13,000,000 bales.

I assume, of course, that the opinion expressed by the Secretary of Agriculture was based upon information given to him through your agency; and I would like to know what new facts came to the attention of the Department between the time of the issuance of that statement and the time that the crop was fixed at ten and a half million bales, which caused the reduction of two and a half million bales from the amount which had been previously indicated by the Secretary of Agriculture as the probable fixation for 1935.

Mr. COBB. I do not recall, Judge TARVER, that the Secretary made precisely that statement, that——

Mr. TARVER. I am not sure I recollect it in detail, but that is my recollection, substantially, of what was in the news item I saw in the papers. Of course, the Secretary may not have been responsible for that.

Mr. COBB. There was this discussion, which I think perhaps you have in mind: That, if we did not take out a greater percentage of reduction than that written into the contracts, 25 percent, that there might be in prospect a yield that would run around 13,000,000 bales.

Mr. TARVER. Was the opinion not also expressed that 25 percent would be sufficient percentage to take out of production?

Mr. COBB. No, sir. I do not know of anybody who had made that statement authoritatively.

Mr. TARVER. I think that the news item I saw stated that the opinion was expressed that 25 percent would be sufficient. I will not be positive in that statement, because I do not have the news item before me.

Mr. COBB. I think that the Secretary said that that was the maximum that we could take out under the contract, that we could require under the contract; and it would be something like the result.

Mr. TARVER. I am receiving hundreds of letters from constituents in my district who state that they have been refused the privilege of rerenting lands from the landlords for the present year, by reason of the fact that the landlords have decided to produce what cotton is allocated to their farms by themselves, and to use hired labor; and that, while they are not dissatisfied with their relationship with the tenants, yet, for this reason, they have found it impossible to rent them any land for 1935; and that, due to this fact, these tenants, by the hundreds, have been put in the bread lines and on the relief rolls; and they are, as you will readily understand, in very distressful circumstances.

Now, would it not be possible to effect some change in the operations under the Bankhead Act by which there might be an allocation of cotton, at least partly, to the man instead of altogether to the land, so that there might be some inducement to the landlords to continue to rent some of their cotton lands to these tenants, and thereby afford them a means of making a livelihood for themselves and their families?

So long as the allocation is altogether based upon the land, it puts a premium on the conduct of unconscionable landlords in ousting their tenants in order to receive these benefits for themselves alone.

Mr. COBB. Our examinations, Judge TARVER, do not bear out the statements that thousands and thousands of tenants are being dispossessed by their landlords in order to obtain these benefits.

We had a similar statement from North Carolina, only they claimed that it was 10,000, I believe. When the report was run down, we found that there was something less than a thousand of those men who had been growing cotton in 1933. On the whole, I think there will be more tenants on the cotton farms this year than last because of the increased number of tenants in the Cotton Belt. Our examinations, almost without exception, indicate that there will be a net increase rather than a net decrease in the number of tenants on cotton farms.

Mr. TARVER. That condition does not exist in my section. I made the statement a while ago that I have had tenants communicate with me along the lines indicated, advisedly. I know whereof I speak; and, so far as my section is concerned, your statement that there will be more tenants on the cotton farms this year than there were last year is not well founded.

Mr. COBB. You do not believe that is true, that there are more tenants?

Mr. TARVER. No, sir. Is it not possible to accord a 50-percent consideration to the man and 50-percent consideration to the land in making these allocations of cotton?

Mr. COBB. I might say, Judge TARVER, that the administration has sympathetically explored that possibility, and we have found no way administratively to handle allotments on such a basis, no administrative answer to the problems that would arise under that sort of scheme.

Mr. TARVER. Would it not be just as easy for your county committees to estimate the 5-year base average of the man as it is for your county committees to estimate the 5-year base average of the land? They have to depend entirely upon the statements made to them by the farmers anyway in fixing the allotment.

Mr. COBB. That could be done after a fashion, Judge TARVER, but you would have this, and your section would lose by it. If the history went with the man, then the man that had—those who have these millions of acres of land, that they would like to bring into cotton, could bring in these producers, who have cotton history on all lands, and in that way open up a vast new acreage that would destroy the result of our program.

Mr. TARVER. If the total amount of production was limited to a certain stated amount, I do not see how that consequence would follow.

Mr. COBB. They could go outside, to the noncooperating land. That is the first big problem.

Mr. TARVER. But if the benefit of the tax-exemption certificates issued by the Government was only for 10,500,000 bales, it would not make any difference what land was in cotton, because any cotton produced in excess of 10,500,000 bales would not have the benefit of the tax exemption.

Mr. COBB. But then you would be taking it away from the man who has cotton history and giving it to the man who has no cotton history. The land is the only fixed basis for reaching a decision, and when you move away from a fixed basis for a decision, why, you introduce problems for which we have been entirely unable to find an answer.

Mr. TARVER. I have seen so much distress during the past year on the part of men who had received allocations of 70, 150, 250 pounds of cotton. At times the allocations were justified; that is true; and they had been fixed under the machinery that was provided.

I have been very deeply interested in the making of some effort, either through your agency or through Congress, to remedy that condition. We must realize that these men who are suffering are not, as a rule, influential men. They, as a rule, do not have the influence with the county committees that the more prominent farmers and landowners have, although they may be in a very great minority, and although there may be, instead of thousands, a much smaller number of them. Whether large or small in number, they are entitled to protection.

Mr. COBB. We have a great deal of sympathy for their position.

Mr. TARVER. If there is policy of the Government, it seems to me, that fails to take into account their situation and brings about the imposition on them of great and severe hardships—that lack of sympathy ought to be corrected in some way.

Mr. COBB. The Agricultural Adjustment Administration is most sympathetic with those particular individuals that you have in mind; and it is for that reason that we felt it desirable to make a minimum allotment, although it involves administrative difficulties that are almost insuperable.

Mr. TARVER. That minimum exemption does not help the tenant farmer. The minimum exemption, as you contemplate it, applies to the land only and it does not in any way benefit the tenant farmer, who represents the majority of the farmers of my district. They are not materially helped by that. The landlords will get all the benefit of that—the men who own the land. And the man who owns no land, but yet has, throughout his life, made his living by raising cotton, will be cast into outer darkness, unless some provision is made to allocate at least a part of the benefits to the man.

Mr. COBB. A bale of cotton including seed last year, after the tax was paid on it, was worth approximately $60; and that is to be compared to a bale of cotton including seed that was worth approximately $37 in 1932 and $56 in 1933. So that, after they, with purchased excess certificates, paid their taxes on their cotton, they still had a better bale of cotton by some $4 than they had in 1933 without this program and the Bankhead Act. I cannot quite see how a man can be ruined when he is enjoying the resulting better opportunities due to increased income, whether he is a tenant or whatever his classification may be.

Mr. TARVER. He also has to pay very much higher prices for his meat, on account of the hog-processing tax; and he has to pay much higher prices for his bread, on account of the corn- and wheat-processing taxes. He has to pay higher prices for all other necessities of life, because of the increase which has occurred in the value of industrial products. So that, after all of these things are taken into consideration, the 8 cents per pound to which you made reference will have dwindled very materially.

EFFORTS BEING MADE TO CORRECT INJUSTICES

I wish to make it clear that I feel that great benefits have been enjoyed through the operation of the Agricultural Adjustment program; and the remarks that I am making are not made in an effort to discredit that program, but because I feel that there are features of it which are unjustifiable and which ought to be corrected, for the common good.

Mr. COBB. We recognize that, Judge TARVER, and just as practically, just as rapidly, as we know how to find the ways and means to correct these injustices, we are attempting to do that.

Now, let me say further, about your tenants——

Mr. TARVER. May I say further, in that connection, just at this time, I think that, so far as these mistakes in allocation, to which I have made reference and which I am sure have existed by the many hundreds, if not thousands, in my district alone—they are not on account of the fault of any administrative agency. I feel that most of our county committees have done the best they could to be fair, but they have not found it humanly possible to arrive at the correct facts. They have not the facilities. One farmer comes in and reports his production for the 5-year base period at twice as much as he has actually produced; and I am sure that has been done in many instances. The committee has no authority to call witnesses and determine the facts. So they make an allocation to him on the basis of his report. Another man comes in and makes an honest report on his production for that same period and he receives an allocation of half as much in proportion on the basis of his honest returns.

When the county committee has made all the allocations, a report is then made to the State board, which, in effect, says to the county committee, "You have allocated cotton-exemption certificates in excess of the total amount allocated to your county, by 17, 20, or 25 percent. Therefore, we will cut down every allocation by 17 or 20 or 25 percent, as the case may be." In some cases in my district that figure ran as high as 30 percent; and the result has been to inflict a terrible hardship on the man who has made an honest report, although the man who has made a dishonest report still gets a larger allocation than he is fairly entitled to receive. In my judgment, it is not humanly possible to fully correct that.

Mr. COBB. Do I understand you to say that our troubles grew out of the dishonest reports on the part of your constituents down there?

Mr. TARVER. It is not in my district alone but throughout the Cotton Belt, in part due to the dishonesty of some of them; and you have got them in every State. You are from Georgia, and you know we have some of them down there. We have honest men and dishonest men, just like there are everywhere else in the world. Therefore, it is necessary to take that into account, and it adds to the difficulties of the situation.

Now, you did not work out a plan last year, and I believe that it was not humanly possible to work out a plan, by which you could arrive at justice in all of these cases. But I did hope that you would be able to work out something better for this year, which would correct many of these injustices.

Mr. COBB. We think that we are doing that. We recognize that there have been inequities. We recognize that there have been injustices, and some of them grew out of the very thing that you have been talking about.

I want to say this in connection with the matter of dishonest reports, that most of this is due to a memory bias and not absolute dishonesty. When producers have no actual figures to go on, a memory bias actually pushes their estimates above the point at which their figures would rest if they had actual, accurate figures. We realize that and we have done the best that we could to make proper correction, under almost insuperable difficulties. We have time this year that we did not have last year, and we are now doing all we can to correct these errors. Our people know something about it this year, which they did not know last year; and, knowing something about it, there is not only an earnest desire but an honest attempt to correct these injustices; and many of them will be corrected

I did want to say this about the tenant situation a while ago, that many of the tenants got the free use of the Government land this year, to produce their corn and other crops that you were talking about a while ago.

Mr. TARVER. A great many of them did not. A great many of the farmers who signed the acreage-reduction contracts refused to let the tenants have the use of these lands. Some tenants did not in fact have the use of the land and it did not seem to be possible to do anything about it in these cases called to my attention.

Mr. COBB. In some of the cases it was not possible to do anything about it; but generally, I think, those who have signed contracts have carried out their contracts with reasonable faithfulness. This year we are making a second rental payment, as we did last year. If these tenants are being dispossessed, as you say they are, then, when these farmers come to swear to their compliances in the middle of the summer, they are going to have to state the truth about them, or else they and their neighbors who make up these communities will have to swear to deliberate falsehoods. Our compliance system will, in a measure, correct the difficulties you point out; and, as a result of that, we think there is going to be a minimum movement of tenants.

I think those of us who are familiar with the system know that there is a normal movement of tenants every year. Now, under this program, I think that most of that movement is credited to the program rather than to the normal movement of tenants.

PROBLEMS CONCERNING THE MANAGING-SHARE TENANT

Mr. TARVER. I wish to discuss a provision in your contract which requires a payment to managing-share tenants of one-half of the rentals received from the Government. There has been in some instances a disposition on the part of some of the landlords to avoid their responsibilities in that matter.

As stated in the contract, the managing-share tenant is the man who furnishes his own stock and equipment, and many tenants of that character in my district have been refused by their landlords participation in the rental benefits received under the cotton acreage reduction contract. Now, when that matter has been called to the attention of the Agricultural Adjustment Administration, relief has been afforded in only a very few instances.

But what I have in mind, however, is not so much what was done last year along that line as what may be done this year. A farmer, for example, may have rented to his neighbor's tenant for this year and may have contracted with him that he should only plant a certain number of acres in cotton. That farmer in a great many instances will claim that no cotton was taken from this tenant's crop for rental to the Government. He was rented 5 acres of land; that was the first contract with him, for planting in cotton, and he has been permitted to plant that; and therefore he is not entitled to receive any rental benefits.

What will be the policy of the Agricultural Adjustment Administration and what consideration will they give to such an instance as that?

Mr. COBB. I think you would have to put that in writing, Judge, probably to get it clearly before us. If I understand the question, the same definition for a managing-share tenant will be used this year as was used last year, which is to this effect, that a managing-share tenant is a tenant who furnishes the livestock and the implements and manages the operation of the farm; which means—as if he were the sole owner.

Mr. TARVER. Well, suppose he only has part of the farm rented and suppose that no land has been actually taken from his crop, because he was only rented a certain number of acres for planting in cotton, would he get an allowance?

Mr. COBB. I think that I would have to have that plotted, so that I could get it.

Mr. TARVER. I do not think that any adequate steps have been taken to protect the interests of the managing-share tenant arising under these contracts. The landlords are always, at least they are usually, men of greater influence than the tenants on their farms; and the administration of these matters is left to the county committees; and injustices frequently result; and there ought to be some method of appeal from the decisions of the county committees in such matters.

Mr. SANDLIN. Is it not a fact that the Administration is compelled to, in a large extent, depend upon the honesty and integrity and fairmindedness of the local people?

Mr. TARVER. I think that is necessarily true.

Mr. SANDLIN. And is it not extremely difficult for the Administration here in Washington to handle such problems?

Mr. TARVER. It is very difficult for the Administration in Washington to handle such problems. But, while possible mistakes occur, there ought to be some power to remedy those mistakes.

Mr. SANDLIN. You have to depend on folks to tell you the truth about it and act fairly. If those folks are not truthful and honest you cannot do it.

I would like for Mr. Oscar Johnston to put into the record, before he goes, a statement showing by whom this surplus cotton was sold.

Mr. COBB. I just want to say this before we close, that I would like to have Judge TARVER understand, as well as the rest of you, that we are entirely sympathetic with any suggestion in the world that will help us to administer the program more equitably and more fairly, in any manner that will do more quickly and more effectively the thing that we have set about to achieve, and that is to increase the purchasing power of the farmer.

Mr. THOM. Outside Judge TARVER'S district, is there a lot of complaint of distress growing out of the cotton-reduction program, in the way of unemployment of hired hands and losses to croppers and tenants, and so forth?

Mr. COBB. We have not been able to discover it in the examination that our workers have made and that the relief workers have made in Mr. Hopkins' department.

I will say this: That at the present time we are engaged in making a check-up of every cotton-growing community in the Cotton Belt to see exactly what truth there is in these statements.

Mr. THOM. Was not a survey of that made by Mr. Hoover, of the Duke University? I think I read a synopsis of a survey that he had made as to the displacement of workers resulting from the cotton-reduction program and that it was slight.

Mr. COBB. I believe his conclusion was that there had been no great displacement.

Mr. TARVER. Did you see a report made by some Government agent in which she compared the conditions in Arkansas to those resulting in Belgium when the Germans were going through that territory—of people who were out on the roads and had no homes?

Mr. COBB. I did not see those reports and, if there have been cases of that kind——

Mr. TARVER. There are said to have been right in that territory.

Mr. COBB. I do not think they have, and, at any rate, I think we are getting into something that does not relate to the cotton-reduction program——

Mr. TARVER. Wait a minute. All I know is, as Will Rogers says, what I see in the newspapers. Now, I have been reading where in Arkansas there has been a threat of serious rioting due to the discontent of the sharecroppers.

Mr. COBB. In every case where we have made an examination there has been an increase rather than a net decrease in the number of tenants.

Mr. TARVER. Have you given any particular consideration to the Arkansas situation?

Mr. COBB. What particular situation or area do you have in mind?

Mr. TARVER. I have no particular area in mind. All I have in mind is the newspaper report which I have seen.

Mr. COBB. All I can give you is actual facts that have been reported; and with regard to the actual facts, they do not bear out the proposition that there has been a net decrease in the number of tenants.

Mr. TARVER. My questions have been directed to the general situation in the South, with which I am more or less familiar, and not entirely to the situation in my district; and all I have been asking is with no other view than to contribute something to the solution of certain serious problems that undoubtedly exist.

Mr. THOM. When I asked the question, I had in mind your testimony that certain conditions existed in your district; and I made a very fair inquiry as to whether that was the general condition outside of the district to which you referred. I am interested in correcting any condition that unfavorably affects your farmers.

Mr. COBB. Mr. J. Phil Campbell has made a very wide survey throughout the South in connection with the rural relief people, and the only single case that would apparently indicate any net displacements of tenants is in your State, Mr. SANDLIN, and I think that probably some hundred or more tenants in the entire State are displaced, though I do not know that that is a fact.

STATISTICS ON COTTON HOLDINGS

Mr. SANDLIN. Mr. Johnston, will you please put into the record a statement showing cotton held under this surplus measure, and by whom?

Mr. JOHNSTON. The surplus as of August 1, 1934, being the beginning of the present cotton-marketing fiscal year, and using 478-pound bales, was, in round figures, 10,600,000.

Up to January of this year, and giving consideration to the ginnings, and related only to the cotton in America—and that I just gave you was the world carry-over—the carry-over was 7,547,700 bales.

The production of the ginnings from the current crop of 1934 up to January 16, 1935, was 9,380,000 bales, which makes a total supply at that time of 16,928,000 bales.

There have been exported from the United States, up to that date, 2,864,000 bales.

There have been consumed, in American mills, of American cotton, 2,612,000 bales.

There were reported on hand in consuming establishments 1,149,000 bales.

That gives a net stock of cotton on hand of 6,626,000 bales.

Of the Government-financed cotton, in the producers' pool, there were on hand for the month of January 1935, 1,552,000 bales. That is in the 1933 cotton-producers' pool, under the management of the manager of the cotton pool, under the direction of the Secretary of Agriculture.

Mr. TARVER. How much was there in the pool?

Mr. JOHNSTON. There were 1,552,000 bales.

The legal title to that cotton is in the Department of Agriculture. The beneficial interest in that cotton was in approximately 450,000 or 400,000 producers, to whom there had been advanced 4 cents per pound. The cotton had been sold to them at 6 cents per pound, on credit, and a lien retained by the Secretary to secure the collection of 6 cents. Four cents additional had been borrowed against the cotton and advanced to the producers, so that there was a total lien of 10 cents per pound; and since that time 2 cents per pound additional has been borrowed.

From that there had been deducted 2 cents carrying charges from February 1, 1934, to October 1, 1933, amounting to $2.40 per hundred; and the difference of $7.60 per hundred, most of it, about 90 percent, has been remitted, and the balance of 10 percent is now in the process of being remitted, as they send in their certificates under the 10-cent loan.

Cotton, of which we hear a good deal is the 1933 crop, against which the Government advanced 10 cents per pound by way of a loan to the producer.

There were 109,800 bales under that law.

Under the 12-cent loan of 1934, against which the Government, through the Reconstruction Finance Corporation, has advanced 12 cents per pound, there were 3,941,000 bales.

That gives a total of cotton in the pool, upon which the Government holds a lien on account of loans, of 5,602,000 bales.

That left a total of free cotton in America, for the open market, against which there are no liens, of 4,699,000 bales in January 1935.

There is an apparent supply aggregating 11,901,000 bales of American cotton in America to carry over for the next 9 months until the 1935 crop comes into existence.

Mr. THOM. What is the gold price of cotton in London now?

Mr. JOHNSTON. Have you a figure on that? It's about 7½ cents. I think that will be as close as you can get to it.

Mr. TARVER. If there are no further questions, we thank you.

Mr. TARVER. Mr. Chairman, I call the attention of Members of the House, and especially those from the cotton-producing sections of our country, to the fact that we are going to have to make a fight if we even secure the privilege of having the House pass upon this proposed legislation. Our only chance for the immediate future will be for this House to complete the bill which it now has under consideration tomorrow, and then remain in session on Saturday. I know that the Members of the House like to have a Saturday holiday, but I certainly hope that in view of the distressful condition of thousands of the cotton farmers of this country, and on account of the millions of people who are interested in this question, the House may be willing for 1 week-end to forego its Saturday vacation, to meet here for the purpose of considering necessary amendments to the Cotton Control Act.

Mr. MOTT. Mr. Chairman, will the gentleman now yield?

Mr. TARVER. Yes.

Mr. MOTT. Does the gentleman recall the information or the statement sent out by the Secretary of Agriculture to the cotton growers at the time of the plebescite taken for the purpose of indicating whether the cotton growers were in favor of the continuance of the Bankhead Control Act, and whether the Secretary of Agriculture stated at that time to those farmers that small farmers—those raising un-

der a minimum amount—would not be affected by the operation of the Bankhead cotton bill?

Mr. TARVER. I will not undertake to quote the Secretary of Agriculture in detail, but I do recall that county agents throughout the South, in expressing to the farmers themselves the purposes of the administration with regard to the continuation of this act, clearly indicated to the farmers that legislative amendments would be adopted by the Congress which would take care of the unfortunate situation of the small farmer, the tenant farmer and sharecropper; and the failure of Congress to enact legislation in accordance with the promises made apparently with administrative authority would be, in my judgment, a serious breach of trust.

Mr. MOTT. That was my understanding. Will the gentleman answer this, if he knows?—Is it not a fact that it was largely upon this statement given out to the cotton farmers by the Agricultural Department that the vote resulted in favor of a continuance of this legislation?

Mr. TARVER. Except for the assurance of the President with reference to the 2-bale exemption, which the farmers construed to mean an exemption to the farmer and not to the farm alone, except for the assurances which were issued by Secretary Wallace and by the thousands of county agents throughout the South as to the correction of injustices brought about in the administration of the Bankhead Act, no question exists in my mind that the farmers of the South would never have authorized the continuance of the act another year.

Mr. MOTT. That was my understanding.

Mr. TARVER. Now, do not misunderstand me. I am in hearty accord with the efforts of the administration to be of assistance to the farmers of the country, not only the cotton farmers but the wheat farmers, the hog farmers, and all other farmers. I desire that the program shall be successful, and I think that in many respects it has been successful, but I think these manifest errors which have resulted in cruelties to the small cotton producers of the country, to the tenants and share-croppers especially, should be corrected, and that those who are endeavoring to bring about their correction are the real friends of the administration.

Mr. MOTT. The gentleman has stated the facts to be as I thought they were. Would the gentleman answer this question?—In the gentleman's opinion, did the Secretary of Agriculture have any authority to promise or to represent to the small cotton farmers of the South that the Congress of the United States would take any action on that bill by way of exempting them?

Mr. TARVER. Of course, no administrative official of the Government is authorized to make any promise as to what may be done by the legislative branch, but having made the statements to which the gentleman refers, it does seem to me that the Secretary of Agriculture should be interested in doing anything that lies within his power to see that the promise made to those cotton farmers is given full credit by the Congress, and that the Congress does enact legislation along the lines which he indicated would be followed.

Mr. MOTT. I want to say that I am in favor of helping those small cotton farmers. I voted against the Bankhead cotton bill in the first place, because I thought it was wrong, and I am still opposed to it, but I think the Secretary of Agriculture is to be condemned for making statements to those small cotton farmers, telling them what the Congress of the United States would or would not do.

Mr. TARVER. The only thing in which I am interested at the present time is in the bringing about of some legislation which will relieve the distressful conditions in the South affecting so many of our people. The matter has been too long delayed. In many sections of the South the farmers are already beginning planting of the cotton crop for the present year. Before long, planting will have begun in all sections.

Those men are entitled to know, even before they begin the preparation of their lands for planting, just what they may depend on for the year 1935, and at the time that Mr. Cobb appeared before the Subcommittee on Agriculture of the Appropriations Committee, of which I am a member, he was not himself in possession of the details of the program contemplated for the present year. Although the public press indicates that he may have come to a definite conclusion concerning that program since that time, he has delivered no statement to any committee of this House indicating that such conclusion has been reached. So he himself is in doubt even as to his authority to provide for a 2-bale exemption to each farm, and the doubt ought to be legislatively dissolved so that the cotton farmers of the country will be advised as to just what is expected of them, and it ought to be done at the earliest possible moment.

[Here the gavel fell.]

Mr. SANDLIN. Mr. Chairman, I yield 8 minutes to the gentleman from Ohio [Mr. THOM].

Mr. THOM. Mr. Chairman, as a member of the subcommittee of the House Appropriations Committee dealing particularly with the supply bill for the Department of Agriculture, I desire to address myself to a discussion of the new role which the Department now plays in its treatment of agricultural problems.

In approaching this task, it is well to make plain that I am not a farmer, although I live in a district where agriculture is practiced with a high degree of intelligence and where farm lands create much wealth, if not much profit, to the individual farmer. As to farming methods, therefore, I cannot speak. My interest in agriculture arises because, as a city-bred man, I have discovered that there is an interrelationship between the farm and the industrial city, and that the unemployed who fill our cities owe their plight in part to a steady decline over a period of years in the values of farm products and the consequent decrease in the purchasing power of the 30,000,000 people directly or indirectly dependent upon the farms.

In the dark days of the early part of 1933, when the effects of the depression had almost destroyed the courage of the American people, I left my home to enter the Seventy-third Congress with a distinct feeling that the first essential legislative step was to increase the prices of farmers' staple crops. In all of the surveys of the economic situation that came to my notice, there seemed to be substantial agreement that the tide would turn as soon as the basic crops showed an upward movement of prices. This idea I readily embraced, and freely joined in support of any legislation that seemed to move toward that end. Crop prices have risen, and I believe that the most encouraging element in our business situation at this moment is the improved status of agriculture. In the spring of 1933, as soon as wheat began rising, all processors who were users of great volumes of raw materials immediately sensed that in order to protect themselves they must enter the markets and purchase ahead for future manufacture. This gave an entirely new tone to the business atmosphere. Now on all hands we see agricultural buying reviving such industries as supply farm needs.

Now, the part the Department of Agriculture has had in bringing about the improved status of agriculture reflects, it seems to me, an entire change in its outlook. Until the old Farm Board experiment was undertaken, the Department was concentrating its energies and thought on production. It was pursuing the idea of the classical economist that the increase of wealth was the prime and only consideration. This idea had come down from the days when the Malthusian theory was prevalent that hungry human mouths would increase faster than food production, with the cruel corollary that production could be balanced with consumption by an occasional war that would reduce the sum total of human beings. This doctrine, due to the scientist, inventor, and skill of the agriculturist, had long ago been knocked into a cocked hat, and of course I do not wish to imply that the Department of Agriculture had embraced it in these later days. But nevertheless it was concerned only in increasing agricultural production.

With the conclusion of the World War, the problem of increasing agricultural production was no longer a source of

concern. Plowing up of 50,000,000 additional acres of land in the United States to feed and clothe the Allies in the World War left us at the end of this conflict with huge farm surpluses over and above our normal domestic needs. The excess supplies were stored up in our bursting warehouses without customers in sight, because our foreign buyers, once released from war, returned to their normal business of supplying their own food. Moreover, the nations that had in the past absorbed our surpluses were now afflicted with overindebtedness, and they set out purposely to encourage farming by the payment of bonuses and by the guaranty of prices so as to make themselves self-sufficient so far as food was concerned.

Under the law of supply and demand, the inevitable happened. The great surpluses of cotton, wheat, and hogs drove the farmers' prices to such levels that agriculture was headed straight for national bankruptcy. We, therefore, had this contrast: that in the Malthusian days the problem was to cut down consumption, and now we were presented with the need of curbing production.

The Department of Agriculture, with a promptness and a most commendable courage immediately with the accession of the Roosevelt administration into power, proceeded to apply the doctrine of a balanced production and consumption in order to cure the ruinous-price situation. The agricultural agent, curiously enough, long trained to promote production, suddenly found himself assigned to the opposite task of reducing or controlling production.

This altered program instantly provoked bitter charges that an attempt was being made to provide an economy of scarcity—a baseless charge, for at all times it was intended that we should have a sufficiency of farm staples for our own use, plus an amount adequate for available foreign markets and for carry-over against the next crops.

Another criticism was that we had entered upon a program of subsidizing the farmer and that the farmer should, by means of his own efforts and initiative, extract himself from his bankrupt situation free of any guiding help from the Government. His prices, the critics said, should follow the law of supply and demand uninterfered with by any crop-allotment schemes. Now, the irony of it all was that this last criticism proceeded chiefly from the mouths of those wedded to the doctrine of a protective tariff, under which this country had operated during almost its whole existence, and by the mechanics of which the prices of thousands of industrial products were artificially increased through the exclusion of foreign competition. Moreover, the cotton farmer, the hog and wheat producers, by reason of surplus crops, had at all times to accept in the domestic market the London price and then found themselves compelled to buy their industrial products in a protected market where artificial price fixing had long been practiced. In all good conscience, if we set up a national policy to insure labor a higher wage in industry, what inequity could there be if we attempted by crop-allotment plans and the imposition of a rental payment in lieu of a tariff tax to increase the wage of the farmer by giving him a fair price? There was but one set of men, absolute free-traders, who deny the usefulness of a protective tariff, who were on solid ground when they objected to any control of farm prices. They at least were logical and obviously fair as between industry and the farm, for their plea was an open market for both without any Government protection for either.

Many managers of industry exhibited particular antagonism to the crop-restriction program. It had escaped their consideration that with the advent of the depression and the loss of their customers these industrial managers themselves forthwith reduced their output any way from 20 to 80 percent as a means of maintaining their prices. All the while it was the farmer who kept on producing and who supplied the food which has carried us through the depression and saved us from possible revolution. He reduced his production during the 1929–33 period by 6 percent and suffered a price reduction of 63 percent.

It is rather fashionable for some of my colleagues to assail, in and out of season, the efforts of our governmental administrators, and oftentimes they forget their real and lasting achievements. I want here and now to applaud the Department of Agriculture for leading us out of the bitter days of 1933, when in the farm regions of the Middle West a judge was threatened in the exercise of his usual duties incident to mortgage foreclosure, and when judicial sales of mortgaged property were thwarted by arrangements to depreciate bidding. Only a quick rise in prices and the relief that came through the Farm Credit Administration altered a situation that promised a break-down of our system of judicial administration. A despairing agricultural population had lost patience with the depths of their degradation and with failure of the industrial cities to recognize the unfair basis on which they had been operating. Members who have sat on the floor of the House of Representatives can well recall the bitter speeches that came from the Representatives of agricultural sections. They have since died out because of the efficacy of the agricultural-adjustment program.

I believe it is one of the triumphs of our society that it was possible to organize the millions of cotton, wheat, and hog farmers in such a brief space of time in order that they might take advantage of crop-allotment programs. At the outset the task of having these thousands of producers understand the programs inaugurated by the Department of Agriculture and have them go through the process of signing up contracts seemed to be almost insurmountable. However, this was accomplished without appreciable friction and undoubtedly will stand as the greatest cooperative effort on the part of the American farmer since the founding of this country. The county councils organized to supervise crop-allotment programs have been in effect a revival of the New England town meeting idea, and out of these gatherings the farmer has at last realized that he must look beyond the confines of his farm to ascertain how and where his bountiful crops may be disposed of. Heretofore he has been occupied with the severe drudgery of farm work and has failed to understand his market problems.

There are weak spots in some of these agricultural programs, especially with reference to cotton; but, on the whole, the immediate need of an increased scale of farm prices has been achieved until we have such an outstanding business commentator as Roger Babson, under date of January 26 last, telling us in his weekly business review: "The highlight of 1934 was the recovery on the farm." He is opposed to crop-allotment plans, but rejoices in their effect. His attitude is typical of a lot of confused thinking on the subject. What is best, the American people now see that so long as the income of the American farmer is curtailed so long will his class and those dependent upon him remain outside of the market for factory products. Whether we shall continue to insure a fair price for farm products through the present methods of control is more than can be prophesied, but, as far as I am concerned, so long as we maintain a protective tariff, I propose to help see that the farmer is not a victim of its workings. Time only will tell whether the American farmer can recover his foreign markets and thus do away with the artificial acreage control now in existence. [Applause.]

Mr. SANDLIN. Mr. Chairman, I yield 15 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, in all of our well-meant efforts to promote recovery I believe we are overlooking one of the greatest factors of potential importance, and that is the necessity of doing something in a sound and constructive way, more than has yet been done, or devised, to revive the multiplied thousands of small and medium-sized business and manufacturing concerns that are now prostrate and idle. If we can do something to bring about stabilized normal business through an extension of Government credit to those concerns the battle, in my judgment, will be nearly won.

The honest-to-goodness business man and the honest-to-goodness manufacturer are, to my mind, two of the most "forgotten men" of the present day. If, while we are helping so many others, we can help them to get on their feet, reemployment will start, and we shall soon have signs of a real recovery sweeping over the country.

Through the leadership of President Roosevelt, great principles of social justice and social security have been forged, or are in process of being forged, into our social structure, and there they will remain forever, to confer ceaseless blessings on our own and future generations, such as the elimination of child labor, the shortening of the work week, the abolishment of evil cutthroat practices in business, the protection of innocent investors from the rapacity of blue-sky swindlers, the granting of old-age pensions to make life sweet and peaceful when the evening shadows fall. If to these splendid social achievements we may now add a revival of business and industry through proper encouragement, it is not painting an impossible picture to envision a new era of prosperity and happiness that will encompass all that we have hoped for in our fondest dreams.

To bring this about I believe we must adopt something more effective than any authority we have so far delegated to the Reconstruction Finance Corporation. We all remember the statesman who gave expression to the sententious utterance, "The way to resume is to resume." The way to put out loans to business and industry is to put them out. They should be put out in such a way that the effect may be Nation-wide and simultaneous, and they should not be put out in dribbles by the slow and ineffective methods that have so far been followed under the rigid lending requirements of the Reconstruction Finance Corporation.

Under a bill I have introduced today I am presenting for the consideration of the House a plan to which I have given much thought, and which I believe if approved would be a call to the colors to American business and industry to take over the task of finding employment for the millions now idle, and I would like to see it substituted for the gigantic public-works bill which, after passing the House, has encountered difficulties in the Senate.

Under the bill I have introduced, 40,000 business firms and manufacturers throughout the United States would receive loans in the average amount of $50,000, and a fund of $2,000,000,000 is appropriated for that purpose, to be loaned through the Reconstruction Finance Corporation. No loan would be made in excess of $200,000. Loans would run for 5 years at 5 percent interest, with privilege of renewal for 2 years.

The bill provides that within 10 days after the passage of the act the chairman of the Reconstruction Finance Corporation shall summon to a conference at Washington, D. C., the officials of business and industrial organizations and accredited spokesmen of business and industry for the purpose of receiving advice and working out a plan to spread these loans over the country in a way that would restore normal employment as soon as possible. Under the terms of the bill loans shall be made on the basis of the applicant's willingness and demonstrated capacity to furnish employment.

The purpose of the bill is indicated by its title, "A bill to relieve unemployment and to promote recovery by a system of loans to business and industry." Business firms and manufacturers all over the country are starving for working capital. My bill proposes to lend that capital to them on their distinct pledge that they will resume operations and take up the labor slack.

My bill would really accomplish what we had in mind last June when Congress passed the bill appropriating $300,000,000 for loans to industries. That law has proved a disappointment partially on account of the rigid way it was administered. Of the amount appropriated, only $7,647,487.82 has been disbursed, and not a dime has been disbursed in the State of Indiana and other States.

Under this new bill money would flow out to revive the life stream of business and industry. Workingmen who are sick and tired of having no jobs, or synthetic jobs which are here today and gone tomorrow, would get what they are longing for—real jobs. The whistles would blow and the furnaces would roar as in former years. This is a workingmen's bill, but it is more than that. By saving $4,000,000,000 it would save the country from a heavy debt burden and a large recurring annual interest charge and would hasten the day when the Budget can be balanced.

It is not a bill in the interest of big business in any sense or degree. On the contrary, the beneficiaries would be 40,000 small and moderate-sized business concerns, the purpose being to diffuse the benefits of Government loans throughout the entire country and into every small city and small town and village. I estimate that $2,000,000,000 distributed in these loans would at once give employment to 4,000,000 or 5,000,000 people and would furnish the priming that the pump needs to bring about speedy recovery and prosperity on a Nation-wide scale.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. CHRISTIANSON. I am very much interested in what the gentleman is saying; but what machinery does he provide for the determination of who shall be entitled to receive these loans?

Mr. LUDLOW. The thought I had in mind is that the Reconstruction Finance Corporation would be the agency of the Government, but it would be under obligation first of all to confer with hard-headed business men who know what business is and how to effectuate the purposes of this act in a conference here to mature and work out a plan for the distribution of this money on the basis of starting normal Nation-wide operations and thus bringing about reemployment.

Mr. CHRISTIANSON. I fear that if the Reconstruction Finance Corporation, in the administration of the gentleman's bill, and its agents would be as hard-boiled as they have been in passing out loans from the $300,000,000 fund which was provided a year ago the gentleman is too optimistic in assuming that the small business man would derive very much benefit.

Mr. LUDLOW. In justice to the Corporation, let me say that I believe it has felt that it did not have authority under former acts to exercise any liberality. Now, let us give it a law under which it can function. In order to safeguard against the very possibility which the gentleman anticipates, I have tried to make the language of the proposed act specific, so that it would be mandatory rather than permissible on the part of the Reconstruction Finance Corporation.

Mr. CHRISTIANSON. I hope the gentleman has succeeded in that effort.

Mr. LUDLOW. To illustrate how it would operate, I will cite the fact that last summer some gentlemen came to Washington to ask for a loan of $150,000 from the Reconstruction Finance Corporation for working capital for a manufacturing plant at Connersville, Ind., which had physical property worth $500,000. The visitors brought with them actual orders for goods which would have enabled them to pay off the loan and make a nice profit. From the public-welfare standpoint, their application had a tremendous appeal to me, as they promised to employ 1,400 men and take them off of the relief rolls. The application was rejected because the company could not show that it had been "in the black" during the last few years.

Mr. CHRISTIANSON. If it had been in the black during the last few years it would not have needed a loan?

Mr. LUDLOW. That is absolutely correct. In that event it need not have come to Washington for any funds. If $150,000 asked for by the Connersville firm would have given employment to 1,400 as promised, the sum of $2,000,000,000 by the same ratio would give employment to nearly 19,000,000.

A change from Government public works to a revival of private enterprise must come soon or there will be danger that the country will be hopelessly sunk in debt. In order to match Government hand-outs, States and cities and other political subdivisions have been mortgaging the future for generations to come. In grabbing for the Government's dollars they are overlooking the fact that they are sinking themselves in a bottomless bog of debt.

I have fixed the interest rate on these Government loans to industry at 5 percent because the Government can easily borrow money at 3½ percent and the extra 1½ percent will cover all administrative costs and leave a handsome margin besides. In other words under my proposal the Government makes no gifts of the taxpayers' money. It simply extends the credit of the Government to enable business and industry to resume operations and to employ people in regular jobs.

The text of my bill is as follows:

Be it enacted, etc., That in order to relieve distress caused by widespread unemployment and Nation-wide prostration of business, industry, and agriculture, there is hereby appropriated the sum of $880,000,000 from unobligated moneys in unexpended balances of appropriations heretofore made. The President is authorized and directed to designate the balances to be drawn upon and the amount to be drawn from each in order to effectuate the purpose of this section.

SEC 2. There is hereby appropriated out of any money in the Treasury not otherwise appropriated the sum of $2,000,000,000 as a fund from which the Reconstruction Finance Corporation shall make loans for working capital to business concerns and manufacturing industries. The plan of lending said sum of $2,000,000,000 shall be based, as nearly as practicable, on an average loan of $50,000 to 40,000 business and manufacturing firms, and the aggregate of loans of any one firm under this act shall not be in excess of $200,000.

SEC. 3. Within 10 days after the approval of this act the Chairman of the Reconstruction Finance Corporation shall summon to a conference to be held at Washington, D. C., officials of recognized national and State business, manufacturing and other industrial organizations, and outstanding leaders in the business and industrial world. The purpose of said conference shall be to assist officials of the Reconstruction Finance Corporation in devising a systematic plan for the lending of said fund of $2,000,000,000 in such a way as to aid in restoring normal employment throughout the country as soon as possible. Loans shall be made on the basis of the applicant's willingness and demonstrated capacity to furnish employment. Loans shall be granted whenever there is reasonable assurance that the applicant will be able to repay the amount borrowed. Loans shall be for a period of 5 years at 5-percent interest, with the privilege of renewal for 2 years if the conditions of the loan are meanwhile satisfactorily complied with.

SEC. 4. Coincident with the approval of this act all public works financed in whole or in part by the United States Government (except construction for exclusively Federal purposes) shall be suspended and said public works shall not be resumed except insofar as may be necessary to carry out existing commitments or to salvage works partially constructed.

Mr. THURSTON. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. ENGLEBRIGHT].

Mr. ENGLEBRIGHT. Mr. Chairman, on page 9 of the report on the pending Agriculture Department and Farm Credit Administration appropriation bill for the fiscal year 1936, under the title "Farm Management", is set out an allocation of $50,000 for the operation of the Institute of Forest Genetics, near Placerville, Calif., an existing institution heretofore maintained by private funds, which the Agriculture Department is acquiring by gift.

In 1925 the Institute of Forest Genetics was established by James G. Eddy, of Seattle, Wash., a public-spirited lumberman, who realized the need of an experiment station for the purpose of propagating and developing higher and more useful types of timber. He had faith that genetics could develop trees along the lines of the success of the remarkable work of genetics with plants and animals.

In setting out to improve forest trees Mr. Eddy simply applied to trees modern scientific knowledge of how, by selection and hybridization, superior strains of plants and animals have been developed for hundreds of years. The changes the institute expected to bring about and has brought about in pine trees, for example, are just as attainable as the changes that have been brought about in the development of the present highly improved varieties of fruit trees, grains, and vegetables from the original, inferior wild strains. Timber trees are subject to the same fundamental laws of heredity as is every other living thing. They can be hybridized; there are wide variations between species; and the institute has demonstrated that there are great variations within a species.

Just as certain varieties of fruits have been developed for their shipping qualities and other varieties for local canning, it will be possible to breed different improved strains of timber trees for different uses. Structural work demands wood of great strength. Planing mills want wood that is easily and quickly worked. Box manufacturers want wood that takes nails without splitting. The wood-pulp industries are interested in length and quality of fiber. There is a general need for trees that will resist insects and disease and in arid regions there is special interest in ability to withstand drought.

The location of the station was made after very careful research, and is located in the foothills of the Sierra Nevada Mountains near Placerville, Calif., where a moderate climate, deep and uniform soil, and water supply permit the growing of trees from practically all latitudes. It has now growing in its arboretum the most complete collection of pine trees gathered together in any one place in the world, having a total of over 100 species in variety. The institute searched the entire Northern Hemisphere to bring together this collection of pine trees. Foresters everywhere gave willing cooperation. The New York, Madrid, Moscow, and other famous botanic gardens lent their aid. United States consuls joined in the quest for exotic species. India, Palestine, Spain, China, Guatemala, the Canary Islands—40 countries in all—sent seed of their native pines. For most of the species, seed was obtained not from one source only but from five or six different places within the natural range of the species, so that a comparison of geographic strains might be made.

In the first important planting, 58 species were put to the test. In the following year there were 87 species growing side by side in one nursery. Never before has there been a species test of timber trees that approached this one in comprehensiveness or in scrupulous attention to details. Every effort has been made to have conditions of environment uniform. Annual height, diameter, and branch measurements of the individual trees were taken and systematically recorded, and at the end of 2 years vigorous and normal trees of each species were selected for transplanting to the arboretum, where their development is followed year after year.

So striking are the differences noted in vigor and habit of growth that it is already apparent that general application of even the elementary principles of seed selection will be of incalculable value in the Nation's reforestation program. Progeny of certain individual trees have been found to grow so much more rapidly than the average that it is safe to predict substantial reductions in the growing time of a planted forest as the result of scientific selection of seed sources. Vigorous trees located through the progeny tests provide a seed source of immediate value, and to provide superior seed in large quantities for future reforestation, plantations of rapid-growing strains will be established in localities where there is no danger of pollination from unselected trees.

The Institute of Forest Genetics near Placerville, Calif., is the only station of its kind in the world, and its location in the United States is of great value to our problem of reforestation. Through the use of Mr. Eddy's personal fortune, the work that the station has been carrying on up to date represents an investment of over $250,000. No profit has been derived from this station. It was started and has been operated purely from a scientific viewpoint and as a contribution to hitherto unsolved problems relating to the genetics of timber trees.

Since its beginning the United States Forest Service has been greatly interested in the work and states that the institute has been successful in developing important rapid-growing and hardy types of pine and other trees. We have hundreds of experiment stations dealing with the genetics of agricultural crops, yet this is the only station of its kind dealing solely with the problem of forest trees. Due to the collapse of the personal fortunes of the public-spirited men who have been carrying on this work, the station last year would have been closed, with a complete loss to the scientific world of all of the living and growing records and new species of trees that have been developed, had it not been for an allocation of funds from the Public Works Administration. Private enterprise cannot carry on this work with the breadth and scope necessary to fit the needs of the Nation in its program of reforestation. The station should

be operated and the experimental work continued under the United States Forest Service.

The originators of this valuable work are willing to turn over to the United States Government, without any compensation, their entire grounds, buildings, and nurseries in order that the work may be continued. The taking over of this station by the Federal Government and the provision of an appropriation to carry on the work is an important step in this Nation's program of reforestation and will prove an investment that will return to the country many thousandfold the small amount required for this work. It was my privilege to appear before the Appropriations Committee and bring the matter to their attention and urge that the Institute of Forest Genetics at Placerville, Calif., be taken over by the United States Department of Agriculture and operated for the good of all of the people of this country. I am, therefore, happy to explain to the House the purpose of the $50,000 included in the present appropriation bill, and the valuable results that will accrue therefrom by the Government taking over this experiment station.

This station is the only one of its kind in the world so far as I know, and its location in the United States is of great value in connection with the question of reforestation and the preservation and growth of timber for posterity. Through the use of Mr. Eddy's personal fortune he collected from all over the world species of pines, and his investment in the station at present is about $250,000. No profit has been derived from this station. It was started and has been operated purely from a scientific viewpoint.

The United States Forest Service has always been greatly interested in the work of this station and states that the institute has been successful in developing important rapidly growing and hardy new types of pine timber and hardwood timber.

Mr. BUCKBEE. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. AMLIE].

Mr. AMLIE. Mr. Chairman, I wish to recur at this time to the speech made earlier in the afternoon by the gentleman from Arkansas [Mr. FULLER]. I sometimes feel that the House does not sense the change that is taking place in public psychology. I suppose in my district that of the people who have voted for me during the last three elections, at least 75 or 85 percent voted for President Roosevelt in 1932. I notice a very distinct change in my correspondence coming from the district during the past 6 weeks. With very few exceptions at this time the people who write to me express the most profound discouragement about the national administration and its program.

I want to talk about the thing that I feel is in the mind of the public. About a year ago I was very much interested in trying to get Federal funds for a survey of this country's potential producing capacity. The funds were made available for a survey which was known as the "national survey of potential products capacity." This agency, with some 70 engineers, carried on a survey which lasted for about 8 months; and the conclusion they reached was that where we actually produced an income—that is, in terms of goods and services—of about $90,000,000,000 in 1929; that had we operated our plants at approximate capacity, we could have produced an income of about $135,000,000,000 during that year. The people are aware of this fact; they are thinking in terms of potential abundance. They realize that a national income in terms of goods and services of about $135,000,000,000 a year would give an average income of about $4,400 for the average family in this country. They are watching Congress to determine what is being done to bring about this abundance that they fully believe is possible; and I want to say that I have every degree of confidence in the validity of the survey made by this group.

The results of this survey and the method used in arriving at these results are fully set forth in a book entitled "The Chart of Plenty" recently published by Mr. Harold Loeb, director of the survey and his associates, Mr. Walter Polakov, Mr. Felix Frazier, and others.

We, as legislators, are confronted with the fact that today the people are rapidly becoming aware of this potential abundance. They are demanding not that goods be destroyed but that goods be produced. They are demanding that they be given an opportunity to contribute their efforts toward the production of goods. This is the challenge which confronts us and the gentleman from Arkansas will discover that people have but little sympathy with the idea of finding a solution for our problem by achieving an artificial scarcity in the necessities of life. The American people are rapidly awakening to the fact that this is the fundamental program of the present administration. The people who have gathered together in this independent progressive group believe that the solution for our difficulties is not to be found in the field of the creation of artificial scarcity, but only in the operation of our production plant at full capacity.

About a month ago—February 8—Senator BLACK, of Alabama, made a speech in the Senate which, in my opinion, contained so much significant information that I paid to have reprinted several thousand copies for distribution in my district.

This speech is largely based on the findings of the National Survey of Potential Products Capacity and also on the studies of the Brookings Institute on America's Capacity to Consume. Senator BLACK, in his speech, pointed out that since the depression began we have produced goods and services to the value of $405,000,000,000 but that if we had operated our production plant to approximate capacity we could have produced during this same period goods and services to the extent of $692,000,000,000. In other words, we have failed to produce since the depression began about $287,000,000,000 in terms of goods and services. This is approximately 50 percent more than the total valuation of everything in the United States at the present time.

[Here the gavel fell.]

Mr. BUCKBEE. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. MAVERICK].

Mr. MAVERICK. Mr. Chairman, this morning the House was regaled with some oratory from the gentleman from Arkansas [Mr. FULLER]. The gentleman got up here and referred to certain other gentlemen who have associated with certain other people in a discussion of economic principles, and it seems that he objects to the people with whom we associate and the people that we listen to. I do not know whether he mentioned me directly or not; however I did attend a meeting of several gentlemen who discussed economic principles; in fact, it was the same group he mentioned. So I desire that the RECORD show that I was included.

He referred to that group in one portion of his speech as similar to Coxey's army and he used other similar and uncalled-for epithets. What could he possibly accomplish by this silly harangue? He made an attack which I consider a particularly cowardly attack, because it was made principally upon certain new Members of the House. I want the gentleman to know, and I do not think he is the spokesman for the Democratic Party, that I can take care of myself in any part of the United States. [Applause.]

Mr. Chairman, I noticed particularly that the gentleman did not mention Mr. HUEY LONG who at this time seems to be the most particular critic and enemy of the Roosevelt administration. Why did he not attack HUEY LONG? Why, because HUEY LONG would go over to the State of Arkansas and skin him alive like he has done other people. [Applause.] That is the reason he did not attack HUEY LONG and other people.

I have never made a personal attack on any Democrat or on the Democratic Party since I have been a Member of the House. Of course, I have not been here very long. I will never attack a Democrat unless he attacks me or some group of persons with whom I associate, and I think that I have the right to associate with whom I please. I have a right to study, attend open forums, discussion groups, lectures—and to improve my mind if I want to.

As a particular example of the courage of the gentleman from Arkansas, one of the men he attacked was the blind Member of Congress from Pennsylvania, Mr. DUNN, who was not here at the time he made the attack. Then he

says about one of the other Members, Mr. SCOTT, of California:

I think he knows, as does every Democrat whose name I have called, that he could not possibly have been elected except on the coattail of Franklin D. Roosevelt.

Now, I think that is not only not the truth in the case of every Member of the House on the Democratic side, but I think it is rather improper and crude language. He seems to be the spokesman of the administration; that is to say, he has elected himself to speak for the administration. I do not believe that he represents this administration any more than I do, and I do not think he has any higher standing with Mr. Roosevelt that I have, although I doubt if Mr. Roosevelt has ever heard of either one of us. [Laughter.]

Then the gentleman from Arkansas said:

Whoever heard of a hopeless minority ruling anything, anytime, anywhere in the world.

I will tell you of a hopeless minority that led this country, and I refer to the founders of our Republic—Thomas Jefferson, George Washington, Benjamin Franklin, and the other patriotic men who were responsible for the establishment of this Republic and the creation of this great country. I can name any number of them. Among those who belonged to a hopeless minority was Franklin D. Roosevelt himself, and with him we finally ran the Republicans out. Mr. BYRNS, our distinguished Speaker, was a member of a hopeless minority. Now he is Speaker of this House. I could go on and give you a list of hopeless minorities that would take all day long to read, including great philosophers, scientists, soldiers, sailors, statesmen, martyrs, and religious leaders, and among the religious leaders, the humble Carpenter of Galilee. But I am not a member of a minority. I am a member in good standing of the majority.

Mr. Chairman, while I am on this subject I want to say that I was elected to Congress to serve my district. I did not come here to be loud-mouthed; I did not come here to talk all the time, but I think it is necessary on this occasion to say something. I have followed the workings of Franklin D. Roosevelt all the way through, and for every progressive thing that Roosevelt stands for I am with him. I have not heard the gentleman from Arkansas get up here and denounce the Power Trust. I have not heard him get up here and defend the Rayburn bill. I have not heard him say anything about the conservation of the national resources and the natural resources of this Nation. I have not heard the gentleman say anything progressive since I have been a Member of this House.

[Here the gavel fell.]

Mr. BUCKBEE. Mr. Chairman, I yield the gentleman 4 additional minutes.

Mr. MAVERICK. Mr. Chairman, as a demonstration of his great standing with the Democratic Party I quote the following. When Mr. SANDLIN, of Louisiana, explained to the gentleman from Arkansas that the time was short, he said: "I will get time from the Republicans."

Of course, I cannot criticize him for that, because I have a little Republican time, too. "Yes," he said in an irate manner, "if the gentleman cannot give me time, I will get time from the Republicans." Then Mr. SANDLIN stated: "If the gentleman has not sense enough and the courtesy to understand my position, I will not try to explain further."

Now, that was a Democrat talking. Mr. FULLER then begged the Republicans for 10 minutes—and got 5. Of course, I cannot say anything about the Republicans; so that with the additional time granted it will come with good grace.

The gentleman from Arkansas further stated: "The Members whom I have mentioned are false gods and nothing but camp followers." I have not seen anything in the RECORD where he was in the Army or where he was even a camp follower in any army. He at least gave us the credit for being camp followers, but he is not even as good as a camp follower.

He said to Mr. SCOTT, a new but intelligent and courageous Member from California: "You got here on Roosevelt's coattail. You will not come back if you do not go down the line with him."

Now, that is brave talk. That is what they call "muy bravo" down in our part of the country. "Muy gallo" means rooster—one that struts around just like this. He talks about the new Members in that way.

The gentleman from Arkansas, who is "muy gallante", states further: "On Saturday Mr. BOILEAU is going to have a meeting." I had not intended to attend that meeting, but if I am invited or if I can get in I will do so.

Mr. LUCAS. Will the gentleman yield?

Mr. MAVERICK. I yield to the gentleman from Illinois.

Mr. LUCAS. Do I understand from the remarks of the distinguished gentleman from Texas that he took the gentleman from Arkansas [Mr. FULLER] seriously this morning?

Mr. MAVERICK. Well, I am really a little bit ashamed of myself—I should not have taken him seriously. [Laughter.]

It is utterly ridiculous for anyone to state that because a Democrat favors liberal legislation, or happens to associate with Farmer-Laborites, Progressives, Republicans, or members of any other party, that he is helping a third-party movement. When anyone says that, he is aiding a third-party movement and not the person who tries to inform himself on his legislative duties. Franklin D. Roosevelt is a liberal and a progressive—and the fact that the progressives of the Northwest adopted the name "progressive" as the label of their party does not make a progressive Democrat a member of the Progressive Party.

When Franklin D. Roosevelt was a member of the Legislature of New York, I believe a senator, he gained his position by being an independent thinker and a courageous man. He maintained his position as a Democrat, and yet he was not a rubber stamp and did not do "what he was told." His career is a brilliant one, because he has always been a courageous man and because he has stood on the side of the people.

Certain reactionaries have attached themselves to the Roosevelt kite, and think they can fly high with Mr. Roosevelt, but all they are doing is trying to pull the kite down. What I would like to see is the Roosevelt kite fly high in the brilliant sunlight of truth and not be dragged down by reactionaries.

Now, Mr. Chairman, I want to say these final words: The Roosevelt administration and the Democratic Party came here with a promise to the people of America. They did not come here to hear dog fights, either over the radio or in this Chamber. I think it is undignified to have dog fights in this Chamber; and, of course, we cannot filibuster in this branch of the Congress; but I am going to mention the name of the gentleman from Arkansas once, and I am not going to mention him again after today, but if he mentions me I shall take care of myself.

When the Democrats came to Congress, and I want the older Members to pardon me if I say this, because I am not lecturing you—at least, when I came to Congress I came here to help in putting into effect the liberal things that Roosevelt professes to be a part of the program of the party, and in all these liberal things I expect to follow Mr. Roosevelt and the Democratic Party. I expect to follow him on the Tennesse Valley Authority and on all those progressive statements he has enunciated—to the horror of some of my Republican brethren. I expect to follow him in the reforestation program, and I expect to follow him in the power program and in the abolition of holding companies. I shall tell how I stand, and there will be no question about it. I stand with Roosevelt, and I am not saying this for the reason I want to curry favor with Mr. Roosevelt or with the administration. The Democratic Party was put in because the people had faith in Roosevelt and the Congressmen whom they elected. [Applause.] What do we want to do? Do we want to waste time talking about all kinds of multifarious issues that have not anything to do with the economic problems of this country?

[Here the gavel fell.]

Mr. SANDLIN. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. MAVERICK. Do we want to waste all our time talking about things that do not concern us?

I say to you that the Democrats, as well as the Republicans, have the duty to get down to fundamental legislation and put the unemployed back to work. [Applause.] We cannot stand around here for the rest of our lives, and have personal controversies, and waste time. Now, so far as I am concerned, I am willing to call this a draw and not say anything more about it, and get down to the really necessary legislation so desperately needed for the welfare of the people.

I have about a minute left if anyone wants to ask me a question.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. Yes.

Mr. DUNN of Pennsylvania. Is it not a fact that the gentleman from Arkansas [Mr. FULLER] has also built himself up an organization? He practically controls a great deal of patronage, and many of his relatives are on the pay roll.

Mr. MAVERICK. I understand that is true, and also there is an implied threat there. So they threaten to take my patronage away from me! That would be terrible—to take all the patronage I have away from me! [Laughter and applause.]

Mr. HOEPPEL. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. HOEPPEL. Is it not true that the gentleman from Arkansas [Mr. FULLER] is a banker and speaks for the international bankers the same as Hugh Johnson?

Mr. MAVERICK. I think we are giving too much attention to the gentleman from Arkansas [Mr. FULLER], and I will not answer that question. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. THURSTON. Mr. Chairman, I yield 1 minute to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I ask unanimous consent to insert as a part of my remarks very valuable information contained in this material and a letter from the Department of Labor, and one from the Department of Commerce that deals with Japanese competition of industry in the cotton and woolen trades and textile machinery.

I wonder how many Members realize the tremendous competition that Japan has given the United States in the matter of looms. They have invented a remarkable loom that competes to our disadvantage in the textile industry. We view with great alarm Japanese competition, which is proving so detrimental to American trade. Something must be done to prevent it.

Following is the matter referred to:

DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, February 15, 1935.

Hon. EDITH NOURSE ROGERS,
House of Representatives, Washington, D. C.

MY DEAR MRS. ROGERS: In compliance with your request, I am submitting the following production figures for cotton and woolen goods in Japan:

Cotton cloth produced in Japan, 1929-32:

Year:	*Yards*
1929	1,548,249,000
1930	1,208,422,000
1931	1,404,668,000
1932	1,532,851,000

Woolen goods produced in Japan, 1929–33

Year	Muslin	Serge		Worsted goods
		For Japanese clothes	For foreign clothes	
	Yards	*Yards*	*Yards*	*Yards*
1929	165,572,608	28,081,652	19,553,971	6,877,099
1930	154,455,043	31,596,444	20,087,431	5,371,316
1931	161,762,860	39,267,238	21,513,041	7,214,227
1932				9,719,498
1933				8,276,644

Source: The Japan Year Book, 1933, pp. 550-581.

Wages in the textile industry in Japan, according to the most recent data available, are given below:

Occupation	Average wage per day	
	Japanese currency	United States currency
	Yen	
Silk reelers, female	0.67	$0.20
Cotton spinners, female	.74	.22
Silk throwers, female		.23
Weavers, female:		
Cotton, motor	68	.20
Silk, hand	80	.24
Hosiery knitters		
Male		.47
Female		.23

These figures on the textile industry in Japan were taken from the June 1934 issue of the Monthly Labor Review, page 1470.

Please be assured of our readiness to be of service to you.

Cordially yours,

ISADOR LUBIN,
Commissioner of Labor Statistics.

DEPARTMENT OF COMMERCE,
BUREAU OF FOREIGN AND DOMESTIC COMMERCE,
Washington, February 12, 1935.

Hon. EDITH NOURSE ROGERS,
House of Representatives, Washington, D. C.

MY DEAR MRS. ROGERS: In response to your telephone request made to Mr. Carman yesterday I am pleased to enclose tabulations showing total Japanese exports of cotton piece goods for a number of years, and also the United States figures covering imports of cotton cloth from Japan.

I am also sending a digest of a rather comprehensive report on the Japanese cotton industry which makes reference to Japanese development of the long-draft spinning frames and the Toyoda high-speed loom. It is reported that this loom is capable of being operated at speeds considerably higher than looms now used in this country or Great Britain. Great Britain is said to have imported several thousands of these looms which are now set up and operating in England.

I trust that this material will be useful to you and if at any future time I can be of assistance do not fail to call upon me.

Very truly yours,

CLAUDIUS T. MURCHISON, *Director.*

The following paragraphs are abstracted from a very comprehensive report "The Cotton Industry in the Nagoya Consular District", submitted by Vice Consul Joseph E. Newton, Nagoya, under date of October 19, 1934:

"The focal point of the cotton industry in central Japan is Aichi Prefecture, of which Nagoya is the leading city. Aichi Prefecture and Osaka Prefecture, together, produce about half the Japanese output of cotton textiles, production being about equally divided between the two prefectures. The imporance of Aichi Prefecture as a textile center is little known because the local industry was developed by Osaka capital and companies, and the products are exported largely through Kobe and Osaka. The spinning mills in the Nagoya consular district are mainly branch plants of the great Japanese spinning companies and have almost completely automatic machinery installed. Most of these operate their own weaving sheds in addition to supplying yarn to the important local weaving industry, which consists of numerous small weaving establishments. Nagoya is the center of textile machinery manufacture in Japan, and the Toyoda products (which will be discussed later in this report) are well known.

Cotton spinning mills in the Nagoya consular district are among the most modern in Japan, as many were built recently. It appears that the large new mills have almost entirely substituted Japanese machinery for foreign; in the older and in the smaller mills the spinning machinery is largely British.

The spinning machinery made locally covers a long and varied range of products. Mention may be made of a certain Simplex fly frame manufactured in Nagoya. Its characteristic feature is the application of a high-draft system to the fly frame. A saving in cost is said to be effected through the elimination of one or two preliminary processes by the use of the Simplex fly frame.

The big mills spend from their plentiful reserves for new spindles, and 1933 saw the heaviest additions in the history of the industry. Installations are all the most modern in design and consist almost entirely of high-draft ring spindles. The two greatest spinning and weaving machinery manufacturers in Japan are the Toyoda Model Loom Works and the Toyoda Automatic Loom Works, located in Kariya, Aichi Prefecture, and Nagoya, respectively. These firms reported orders already accepted as totaling 1,200,000 spindles and orders being negotiated for an additional 800,000 in October 1934. Japanese-made machinery in recent years has been exported to Asiatic and other countries, where it is competing seriously with foreign products.

Practically all of the larger weaving mills are equipped with automatic weaving machinery, the most prominent installations being the products of the afore-mentioned Toyoda Model Loom Co., Nagoya, and the Toyoda Automatic Loom Works, Kariya. The Toyoda looms are made in 38-, 42-, 44-, 50-, and 58-inch widths.

The average local girl operative is reported to tend from 30 to 40 of these automatic looms, running at the rate of 190 to 210 picks per minute for the 38-inch width.

In some mills the 38-inch loom is run as fast as 250 picks per minute and the 44-inch loom as high as 220 picks per minute. On 55-inch looms Toyoda-trained girls average 205 to 210 picks, but ordinary hands working 20s to 60s yarn average a little over 190 picks per minute. Other excellent looms are manufactured by the Hiraiwa Machine Co., the Okuma Iron Works, and the Nogami Loom Factory, all of Nagoya. Winding, warping, sizing, and other machinery also is made in Nagoya.

In the medium-sized mills modern and old equipment may be found side by side. Many of these mills are little more than expanded household shops and lack the capital to invest in good machinery, but the tendency is to eliminate many of these mills and to equip the remainder with modern automatic machinery. However, thousands of hand looms still are used in the domestic shops, although in some homes there are common power looms which are surprisingly modern and efficient, these looms being installed by larger weaving mills or rented out by jobbers, who take the output of the particular domestic workshop.

The leading feature of the cotton industry in the Nagoya consular district is its progressive "rationalization", which takes two directions: One aim is to cut down production costs by improved management and machines, and the other is to control production through trade associations. Under the control of the Japan Cotton Spinners' Association, spinning is carried on in comparatively few establishments, which are well capitalized and have large reserves and which eliminate commissions paid to middlemen by engaging not only in spinning but in weaving and finishing. Since spinners make their major profits from the sale of yarns, they are said not to stress profits on the fabrics produced in their subsidiary weaving mills. The thorough-going unification of spinning and subsidiary weaving is reported to effect considerable savings.

Japanese exports of cotton piece goods, 1928–34

Year	1,000 square yards	Value in 1,000 yen
1928	1,418,798	352,218
1929	1,790,560	412,707
1930	1,571,825	272,117
1931	1,413,780	198,732
1932	2,031,722	288,713
1933	2,090,228	383,215
1934	2,569,000	

NOTE.—The figures given for 1928 to 1933, inclusive, are from official foreign trade statistics and the 1934 total was received by radiogram from Agricultural Commissioner O. L. Dawson, Shanghai, by the Bureau of Agricultural Economics. Value for 1931 not available to date—Feb. 12.

United States imports of cotton cloth from Japan

	1922		1923		1924	
	Square yards	Value	Square yards	Value	Square yards	Value
Cotton cloth:						
Unbleached	12,499	$8,349	213,195	$40,947	47,016	$7,560
Bleached	625,347	172,536	589,700	107,529	209,012	32,004
Printed, dyed, or colored	8,843,179	2,207,762	9,974,589	1,735,162	8,979,264	1,402,223
Total	9,481,025	2,388,647	10,777,484	1,883,638	9,235,292	1,441,787

	1925		1926		1927	
	Square yards	Value	Square yards	Value	Square yards	Value
Cotton cloth:						
Unbleached	59,682	$8,444	31,117	$3,952	104,772	$11,470
Bleached	266,789	38,648	372,779	47,623	356,634	29,634
Printed, dyed, or colored	5,051,216	744,217	1,862,875	277,742	1,400,821	218,861
Total	5,377,687	791,309	2,266,771	329,317	1,862,227	259,965

	1928		1929		1930	
	Square yards	Value	Square yards	Value	Square yards	Value
Cotton cloth:						
Unbleached	48,004	$4,408	2,103	$546	817	$100
Bleached	186,541	23,005	170,308	17,517	47,624	5,042
Printed, dyed, or colored	1,475,569	229,032	1,038,473	170,505	967,068	113,539
Total	1,710,114	256,445	1,216,884	188,568	1,015,509	118,681

United States imports of cotton cloth from Japan—Continued

	1931		1932		1933	
	Square yards	Value	Square yards	Value	Square yards	Value
Cotton cloth:						
Unbleached			455	$121		
Bleached	100,266	$11,554	51,397	3,629	256,624	$12,184
Printed, dyed, or colored	669,942	94,787	737,392	52,941	859,089	66,324
Total	770,208	106,341	789,244	56,691	1,115,713	78,508

	1934	
	Square yards	Value
Cotton cloth:		
Unbleached		
Bleached	6,043,845	$252,215
Printed, dyed, or colored	1,243,172	110,986
Total	7,287,017	363,201

United States imports of cotton piece goods from Japan

Year	Unbleached		Bleached		Printed, colored, etc., or woven figured	
	Square yards	Value	Square yards	Value	Square yards	Value
1928	48,004	$4,408	186,541	$23,005	1,475,569	$229,03
1929	2,103	546	170,308	17,517	1,038,473	170,50
1930	817	100	47,624	5,042	967,068	113,539
1931			100,266	11,554	669,942	94,787
1932	455	121	51,397	3,629	737,392	52,941
1933			256,624	12,184	859,089	66,324
1934:						
January			3,960	242	26,418	2,240
February			72,529	3,684	13,929	1,636
March			266,215	11,035	67,320	6,060
April			482,056	18,024	55,286	5,561
May			641,681	23,691	182,251	17,976
June			179,948	6,868	132,225	13,832
6 months			1,646,389	63,544	477,429	47,325
1934:						
July			295,603	12,903	90,940	8,442
August			332,360	12,416	56,312	5,294
September			589,432	23,740	93,870	9,525
October			372,311	14,917	194,703	15,919
November			812,507	35,748	114,836	8,145
December			1,995,243	88,947	215,082	16,336
Year			6,043,845	252,215	1,243,172	110,986

Mr. THURSTON. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. KVALE].

Mr. KVALE. Mr. Chairman, I had intended to make a response this afternoon to the statement made by the gentleman from Arkansas, but the gentleman from Texas who just preceded me was doing so splendidly that I asked my colleague in charge of the time to yield to him 4 minutes of the time that had been promised me. Then, too, the gentleman is not in the Chamber at this time. For that reason I am going to defer my reply to the gentleman from Arkansas.

Let me only say now, while I am on my feet, that if the remarks of the gentleman from Arkansas were meant to be a threat, it could not affect any of those who are named in this group except those upon his own side of the aisle, and I have seen enough of them, who have spoken to me, to know that if he is trying to threaten them, he is attacking the wrong group. He will soon discover that.

Mr. SCOTT. Will the gentleman yield?

Mr. KVALE. Yes.

Mr. SCOTT. Is there anything in party principles which says that a member of one party cannot attend a meeting where Members of the opposition party are in attendance?

Mr. KVALE. The gentleman and I are in agreement. The gentleman from Arkansas I think would not feel hurt in the least if I characterized him as a reactionary. The gentleman from California, on the contrary, would.

As far as meeting the personal reflection and abuse and ridicule and epithets of the gentleman are concerned I shall only say now, that as a progressive in politics since 1920, I have become well accustomed and completely indifferent to such treatment, and it cannot hurt me at all.

Mr. MORITZ. Will the gentleman yield?

Mr. KVALE. Certainly.

Mr. MORITZ. There is no harm in discussing liberal economic principles, is there?

Mr. KVALE. Why, of course not. This, as I see it, is only an effort to serve as Members of this body in an effort to get us off dead center and overcome our inertia and begin to consider some of the liberal legislation we were led to believe was contemplated by the new deal.

Mr. MORITZ. And our people send us here to look after liberal legislation, do they not?

Mr. KVALE. That is my understanding.

Mr. SCOTT. Does the gentleman consider the fact that because I signed the Patman petition it is putting me in a veterans' bloc?

Mr. KVALE. I would not so regard it.

Mr. MAVERICK. The gentleman's picture was mentioned in this speech, and is it not a fact that in order to elevate the gentleman and add a handsome man to the picture I went up there and stood with him? [Laughter.]

Mr. KVALE. That is correct; nor did we get permission from the gentleman from Arkansas to do it.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. BUCKBEE. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. BUCKLER].

Mr. BUCKLER of Minnesota. Mr. Chairman, I have been trying for several days to get a few minutes to address this House, and I happen to have gotten 5 minutes through the graciousness of the Republicans, and that is not long enough to make a speech. I would not have attempted to appear today under the circumstances, but I do so because my name was mentioned by the gentleman from Arkansas—FULLER, I understand his name is—who called me a radical, which I resent. I claim that the gentleman from Arkansas should not have taken advantage of me here in the House today, because I have just as much right to my belief as he has. He has mentioned these Democrats as affiliating with the Farmer-Laborites. Why have not the Democrats a right to affiliate with the Farmer-Laborites? I am a Farmer-Laborite, and I am proud of it. We have affiliated together as a progressive group to right these conditions. We affiliated together to give the farmers more of the wealth they produce and to give the laboring men more of what he produces. They are the two classes in this Nation that have produced the wealth of the Nation.

Mr. MORITZ. Mr. Chairman, will the gentleman yield?

Mr. BUCKLER of Minnesota. Yes.

Mr. MORITZ. And is it not true that the State the gentleman comes from is the birthplace of progressiveness?

Mr. BUCKLER of Minnesota. Yes; Wisconsin and Minnesota. We have to get away from the reactionaries, no matter whether they are Republicans or Democrats. I have been a Democrat perhaps longer than Mr. FULLER. Not only have I been a Democrat longer than he but I have been a progressive Democrat, and I joined the Farmer-Laborite Party because it is progressive. Conservatives such as Mr. FULLER have ruined the Democratic Party. They are reactionary, and I want to defend the progressive Democrats on this side because they had the courage and guts enough to come out for the farmer and stand up for the farmer. I say again that it is such party members as he who have ruined the Democratic Party, and it is such reactionary partisans who have put the Republican Party in the minority.

I am a farmer, was born on a farm, and still live on a farm, and I am not ashamed of it. I belong to the class that produce the wealth of this Nation and have none, and then he calls me a radical. Mr. FULLER may perhaps be more of a radical than I am. Am I a radical because I own 1,280 acres of land and farm it and farm it with my own hands? The farmers are no more radical than any man. The farmer has not done half as much to bring this country to destruction as has a reactionary such as the gentleman from Arkansas, and we have to protect the farmers of this Nation. Again, I resent his calling me, a farmer, and the other farmers of this Nation, radical. We are not radical, but we demand a part of the wealth that we produce. You understand, my friends, Mr. FULLER has not produced any wealth, as far as I can find out, for a long time, but he stands here and wants to cut off the hand that feeds him and the rest of this Nation. He never produced any wealth. The people that produce the wealth of this Nation are the farmer and the laboring man, and you cannot deny it. [Applause.]

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. BUCKLER of Minnesota. I wish I had more time to discuss this matter, but I will try to get time on another occasion. I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MAVERICK. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to state that I invited Mr. FULLER here to listen to my speech, but he did not accept the invitation.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. SANDLIN. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Chairman, a great deal has been said in the course of this debate with regard to the work that has been accomplished by the present administration and by the present and preceding Congress.

I fear that when we are too close to an object it is difficult for us to give it its true appraisal. Sometimes I believe we find a more proper estimate of values when the perspective permits us to see the entire operation.

I reside close to the international boundary, and north of my district is one of the districts that has representation in the Canadian Parliament. Down here there is a lot of talk about the failure of the experiments of the new deal; we hear a great deal of talk about foreign nations and how well they are coming along with the experiments they are undergoing; we do hear some criticism of the innovations being tried out by Italy, Germany, Russia, and other nations; but to find out how we are progressing, whether or not we are on the right road, and what the other fellow really thinks about us is something, of course, that is rather difficult to ascertain. The Dominion of Canada is becoming a forum where the new deal is receiving more attention even than it is receiving in this country. The district north of mine is rife with political discussion in which the name of President Roosevelt and the new deal takes paramount importance. I believe that all the candidates for election to Parliament in that particular district will laud the new-deal policy of the President of the United States. I am saying this not in a spirit of partisanship, but for this reason: I believe the American economic plan will prove to be the best plan for the solution of the world's economic ills.

This plan of ours, the work of the administration, the Congress, the contribution of the Democratic, Republican, and Progressive Parties, is by far the best plan in operation in any nation on earth today. We copy neither after the Nazi, the Fascist, and Communist. Here our people enjoy personal, political, and religious liberty. There they deny not only the right of private property, in some instances, but races and creeds are denied liberties that are theirs in the United States under our form of government. Mr. Chairman, in this country we are developing a new economic order to meet the social revolution that is taking place throughout the world. It is thoroughly an American plan and in keeping with the fundamental principles of our Constitution. The proof that the American method of approaching a solu-

tion of this question is by far the best and most lasting can be found in the developing political campaign in that nation to the north of us, the Dominion of Canada.

Mr. THURSTON. Will the gentleman yield?

Mr. MEAD. No. I do not have time. I only have 10 minutes. If the gentleman would give me some time, I will be glad to yield.

Mr. THURSTON. I have yielded too much already.

Mr. MEAD. There are two great political parties in Canada. Mr. R. B. Bennett, who is Prime Minister, is the leader of the Conservatives, the so-called "Reactionary Party." His party is in power at this time. Up until a few months ago it looked as though he did not have a chance to be reelected. Mr. Mackenzie King is leader of the Liberals, the party that is similar to our Democratic Party; it is the Progressive Party.

Mr. Mackenzie King was almost conceded the election up until a short time ago. In a series of speeches delivered recently on the radio by the Conservative Mr. Bennett, who came out for a program that is in most part identical with the program of our own new deal we find the situation has changed considerably. Mr. Bennett recommends unemployment insurance, health insurance, a revised system of old-age pensions, Federal enforcement of uniform minimum wages, and uniform maximum working time per week, the termination of child labor, amendment of the income-tax law to correct inequalities as between earned and unearned income, legislation to prevent stock watering and to prohibit no-par-value stock, regulation of concentration in production and distribution, the prevention of unfair trade practices, and appointment of an economic advisory council. This program has put the Conservatives back in the running again.

This program is extraordinary only when viewed in the light of being fostered by the Conservative or Capitalistic Party of the Dominion of Canada.

If my distinguished colleague from the State of New York [Mr. SNELL], whom we respect very highly, would take the floor of this House and denounce the attitude of the Republican Party and embrace, with all the enthusiasm which he can when he wants to, the tenets of the new deal, the progressivism of President Roosevelt, it would not be any more astounding to our population than was the pronouncement of Mr. Bennett to the members of his party in the Dominion of Canada.

Not only that, but listen to his utterances on the radio:

> Capitalism must change to meet the changed conditions of the New World if it is longer adequately to serve you.

He was speaking to his own people, to his own Conservative Party.

> The profit motive has served the people these many years and it will continue. But could you leave it unrestrained, uncontrolled, free to do as it pleases? That is license.
>
> We must now have a social ideal as distinguished from what we conceived to be individual right.
>
> I am for reform, and reform means Government intervention. It means Government control and regulation. It means the end of laissez-faire. There can be no permanent recovery without reform.

It sounds as though the President of the United States was delivering that talk. You can find all the economic political philosophy underlying the principles of the new deal in Mr. Bennett's speech. You can find our social security program, our securities legislation, and our N. R. A. policies.

You can find there, Mr. Chairman, a replica of the new-deal program that has been adopted by this Congress and by this administration. Not only is the new deal proving itself an effective instrumentality for the defeat of the depression in Canada, but we have a leading English statesman, former Premier Lloyd George, starting out on a campaign to win a victory for his party in England, and his platform is a new-deal program. Not only in England and Canada, but in France as well the new deal is receiving the attention of political leaders, and the time will come when other nations will adopt the economic policies of the United States just as they adopted, after 1776, the political form of government of the United States. [Applause.]

Mr. THURSTON. Mr. Chairman, I yield 4 minutes to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Chairman, we are discussing, or going over, a 1,700-page report covering the needs of the agriculture of the country, and I think it is timely that I rise to tell you something about a bill I introduced in the House on January 3—calendar day, January 4—H. R. 2899, a bill authorizing the appointment of a commission to study the farm dollar.

I am very sorry I have but a few minutes in which to discuss the farm dollar. You will recall that a famous Democrat once said:

> Destroy our farms, and grass will grow on the streets of every city in the country.

We are in the throes of the greatest economic depression this country has ever known. More than 5 years have elapsed since it began. Today there are more families on relief in my State than at any time during the duration of the depression. In July 1933 there were 9,833 families on relief in Nebraska and on January 24, 1935, 16 months later, there were 52,607 families on relief, with a total of 210,607 people getting relief. That gives us something to think about—210,607 people out of a total population of 1,330,000. Now, let us add to that total the State employees, county employees, city employees, school employees, and the population of our 17 State institutions. That does not leave many of us to dig up the wherewithal to meet the situation. The facts are we are not meeting it. What little property and income the rest of us have left is being slowly but surely confiscated.

Nebraska is purely an agricultural State. What industries we have are very definitely tied into the processing of farm produce. When the farmer is hurt in Nebraska every citizen in the State feels the pain. Our farmers in Nebraska are hurt. They are hurt in every agricultural State in these United States.

Farming occupies 50 percent of our total population in the United States. Add to this the people employed in processing agricultural products and you have a major proportion of the population dependent upon farming. I mention these facts to show that if prosperity is to be restored that it must be through a restoration of purchasing power to that great majority of our citizenry.

We have tried to restore that purchasing power by various methods. While I do not say that they have all been miserable failures, it must be conceded that the agricultural people are still without the needed buying power to start the wheels of commerce. Once you restore ability to consume articles to that large majority and you will have given the momentum that will reopen closed factories, put unemployed on the pay rolls at living wages, and your relief problem will disappear like a snowball on the Fourth of July.

This, then, is the problem we have to face. How shall we restore the buying power of the farmer? How can we best do it?

I represent, in the third Nebraska district, one of the finest agricultural districts, not only in the United States, but in the whole world. The soil is as fine as any known. It is annually visited by abundant rains with only periodical exceptions. It is very close to three great primary markets—Omaha, Sioux City, and Kansas City. Yet these farmers find themselves fighting for their very existence. Why should this be true? I say to you gentlemen that this is due to a cause that has been entirely neglected during the time efforts have been made to solve our economic ills, and that that cause can be remedied by equalizing and stabilizing the farm dollar. I have introduced a bill, H. R. 2899, which aims to accomplish that very thing. I am asking this Congress to pass that bill so that we can start at the place we should have started in the beginning—the restoration of purchasing power to the majority of the people. This can and will be accomplished by the establishment of an honest farm dollar.

Since 1920 the farmer has been doing business with a depreciated dollar. The ratio between what the farmer has to sell and what he has to buy is so great that the only way

he can compensate for this difference is to buy less of the particular commodity than he would normally do. This cut in his consumption left factories and businesses with vast amounts of unconsumable goods on their hands and was the most definite factor in bringing us to our present situation.

We have been told that the amount of gold in the dollar can be regulated to accomplish the same end. I must take issue with all those who so affirm. What the farmer needs—and he is the large majority in this country—is a dollar, so adjusted and so regulated that when he produces by the sweat of his brow an honest dollar's worth of produce that he may then take that produce to market and secure for it an honest dollar's worth of the materials he needs. This he has not been able to accomplish. To reach this end is the purpose of the bill I introduced. If you will give the farmer 100 cents for his dollar he will in turn use those 100 cents and buy the many things he now needs but cannot now buy because he does not have them.

It must be recognized that the farmer is not only a capitalist but also a laborer. His produce costs him time, labor, and a reasonable return on his investment. What he is entitled to have is a dollar so fixed and so determined that when he goes into his field and does an honest day's work that he will receive for that work a reasonable wage and a reasonable return on the use of that investment which is required before he has that field in which to work and the materials with which to work it. That can be fixed by the United States Government under its power to regulate the currency. Money is only a medium of exchange. When it is so adjusted that it does not accomplish a fair exchange it fails to perform its natural functions. We have multitudes of figures and statistics which we can use to determine what is a reasonable price for his day's labor. We can determine what is a reasonable return on his investment, taking into consideration a fair depreciation. We can also from our figures determine what the materials are which the farmer has to purchase.

The purpose of my bill, H. R. 2899, is to restore the farmer to his normal place as the largest consumer of manufactured goods in the country. When you do this it will be necessary to start the factories going to manufacture the goods he needs. These cannot now be purchased by him. It is elemental that business stagnates when conditions are such that the future does not offer the business man some assurance that he can stock his shelves with wares and merchandise and expect by the dint of his industry to translate that merchandise into a fair return. The farmer finds himself in that same stagnation today.

He cannot be lifted out of that stagnation by bribing him to destroy his surplus. There is not now and I say there probably never will be any real farm surplus. The real trouble is poor distribution. My plan will do away with this maldistribution. It will enable the farmer to get his goods in the hands of those who need them. It will enable him to get those things which he so badly needs. And when he goes into the store to buy those things someone will be occupied in selling him what he has to have. And someone will be employed in transporting those materials to that store. Before that someone will be engaged in a factory preparing them for him. Before that someone has been engaged in bringing the raw material to the factory. Someone has been working in the mines or in the forests gathering the raw material. I could go on almost indefinitely mentioning the different labor that he can call into play to get these things to him.

When the farmer's dollar was at par, or a little above as it was back in 1919 and 1920, we were experiencing one of the great eras of the United States. Your farmer never has been a hoarder. He buys to the extent of his means. That buying always produces prosperity not for the farmer alone but for the whole country.

The farmer has been always the builder of the Nation. He has been patient and long suffering in the most trying of conditions. He is the most loyal of citizens and a conservative at heart. He will endure conditions as long as it is humanly possible for anyone to endure hardships and trials. Unless we immediately take steps to remedy the situation the farmer as such faces the setting sun. Destroy our agriculture and you have destroyed the Government itself. Keep the farmer prostrate and we will stand in the twilight of the Republic. No nation ever lived long after it reduced its farmers to the status of peasants and serfs. The United States of America cannot hope to reverse this inexorable law of nations. Let us then see to it that this wrong is righted; that the farmer is again restored to his proper place as the cornerstone of the Republic. This we can accomplish if we will restore his purchasing power. This can be restored if we will so legislate that he will be given an honest dollar for his toil and for his investment. This is all the farmer needs and all he wants. You who represent manufacturing districts will be the most immediate beneficiaries of this procedure. Your factories will again begin to hum. Your railroads will again go to work. Your idle millions will no longer line up at the relief offices for charity and doles. Mortgage foreclosures and the loss of homes will cease. The terrific burden of taxation will be lifted from the backs of all and this Nation, the last great hope of the lovers of liberty and the oppressed, will go forward to a new age of prosperity and happiness such as the world has never known.

[Here the gavel fell.]

Mr. STEFAN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein a short bill I have introduced touching the farm problem.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The bill referred to follows:

A bill to authorize and request appointment of a commission to study the "farm dollar"

Be it enacted, etc., That the President is hereby authorized and requested to designate a special commission, he to fix the number of members thereof and to select the members from among representatives of existing agencies of the Federal Government and/or otherwise, in his discretion, for the purpose of conducting an inquiry into the material factors contributing to the disparity between the prices commanded by agricultural commodities and the prices of commodities which must be purchased from the proceeds of the sales of agricultural commodities, with resultant impairment of the purchasing power of the so-called "farm dollar."

SEC. 2. That upon the completion of such inquiry and investigation to determine the causative factors, the said special commission shall formulate a report of its findings, together with recommendations of ways and means to restore and maintain an equitable and a stable purchasing power of the "farm dollar", legislative and/or otherwise.

SEC. 3. That the said special commission shall complete its investigation and submit its report and recommendations to the Congress as promptly as practicable.

Mr. SANDLIN. Mr. Chairman, I yield myself such time as I may need.

Mr. Chairman, a great many people believe that the appropriations for the Agricultural Department are very large. The facts are, however, that this bill which carries a total of $126,566,000 contains but $28,242,750 of direct benefits to agriculture. Fifty-eight percent of this amount is for public roads and the remainder is for items of benefit to the public, such as the Weather Bureau, meat inspection, tuberculosis eradication, Forest Service, Biological Survey, and Food and Drug Administration. The amount carried in this bill for direct benefit to agriculture, therefore, is much less than what it would cost to build a battleship.

The other table which I will insert in the RECORD gives a concrete picture of the amounts recommended in this bill: Appropriations for 1935; Budget estimates for 1936; amount recommended by the committee; the committee recommendations compared with the 1935 appropriation, increase and decrease.

This table shows that of the total set-up for expenditure in 1936, 58 percent, or $73,408,963, is for road funds and for payments to States, including payments to States on account of experiment stations, extension service, cooperative forestry activities, payments to States out of forestry receipts, and Federal-aid highways, and construction of roads on public lands. The remaining ordinary activities comprise 42 percent of the whole, of which 19.68 percent is for work which is of general public benefit, leaving but 22.32

percent of the whole, or $28,242,750, to be expended for the more direct benefit of agriculture.

Item	Amount	Percent
Payments to States for agricultural experiment stations, extension work, and special forestry activities, including forest-fire prevention; also funds for Federal-aid highways and forest roads and those accruing from national-forest receipts and from private contributions for forestry purposes	$73,408,963	58.00
Ordinary activities:		
(a) Of benefit to the general public:		
Weather Bureau $3,429,204		
Meat inspection 5,355,135		
Tuberculosis eradication 2,631,616		
Forest Service (exclusive of forest roads and trails, allotments to States for forest-fire cooperation and for distribution of forest-planting stock, and amounts derived from national-forest receipts and as contributions from private cooperators) 9,818,165		
Ordinary activities—Continued.		
(a) Of benefit to the general public:		
Biological Survey 1,945,184		
Food and Drug Administration (exclusive of amount for enforcement of Insecticide Act) 1,735,457		
Total item (a)	$24,914,761	19.68
(b) Of more direct benefit to agricultue (being the remaning services)	28,242,750	22.32
Total	126,566,474	100.00

The following table sets forth, summarily, the amounts recommended in the accompanying bill, together with the Budget amounts set up under the permanent annual appropriations, as compared with the 1935 appropriations and the Budget estimates for 1936.

Group	Appropriations for 1935	Budget estimates for 1936	Amount recommended by committee for 1936	Committee recommendation compared with 1935 appropriation increase (+) or decrease (−)	Committee recommendation compared with 1936 budget estimates, increase (+) or decrease (−)
1. Ordinary activities:					
(a) Of primary benefit to agriculture:					
Annual appropriations	[1] $22,654,280	[2] $27,694,446	[3] $28,242,750	+$5,588,470	+$548,304
Permanent appropriations	34,490			−34,490	
Total, item (a)	22,688,770	27,694,446	28,242,750	+5,553,980	+548,304
(b) Of general public benefit:					
Annual appropriations	18,462,982	24,404,761	24,164,761	+5,701,779	−240,000
Permanent appropriations	3,000,000	750,000	750,000	−2,250,000	
Total, item (b)	21,462,982	25,154,761	24,914,761	+3,451,779	−240,000
Total, ordinary activities	[3] 44,151,752	52,849,207	53,157,511	+9,005,759	+308,304
2. Payments to States (exclusive of road and forestry receipt funds):					
Annual appropriations	10,044,915	10,057,011	10,057,011	+12,096	
Permanent appropriations	4,676,096	4,686,096	4,686,096	+10,000	
Total, item 2	14,721,011	14,743,107	14,743,107	+22,096	
3. Forestry receipts and special funds:					
Annual appropriations		2,007,500	2,007,500	+2,007,500	
Permanent appropriations	2,754,900	1,016,500	1,016,500	−1,738,400	
Total; item 3	2,754,900	3,024,000	3,024,000	+269,100	
Total, items 1–3	[3] 61,027,663	70,616,314	70,924,618	[4] +9,296,955	+308,304
4. Road funds (including forest roads and trails):					
Annual appropriations (regular)	9,530,000	55,641,856	55,641,856	+46,111,856	
Annual appropriations (emergency)	112,500,000		[5]	−112,500,000	
Total, road funds	122,030,000	55,641,856	55,641,856	−66,388,144	
Total, items 1–4, above:					
Annual appropriations (regular)	60,692,177	119,805,574	120,113,878	+59,421,701	+308,304
Annual appropriations (emergency)	112,500,000			−112,500,000	
Permanent appropriations	10,465,486	6,452,596	6,452,596	−4,012,890	
Total, Department of Agriculture, exclusive of Agricultural Adjustment Administration	[3] 183,657,663	126,258,170	126,566,474	−57,091,189	+308,304
5. Agricultural Adjustment Administration:					
Advances under sec. 12 (b), act of May 12, 1933 (payable from processing taxes)	831,022,428	570,000,000	570,000,000	−261,022,428	
General expenses, act of May 25, 1934 (Jones-Connally Act)	150,000,000			−150,000,000	
Total, Agricultural Adjustment Administration	981,022,428	570,000,000	570,000,000	−411,022,428	
Grand total, Department of Agriculture	[3] 1,164,680,091	[3] 696,258,170	[3] 696,566,474	−468,113,617	+308,304

[1] Includes $2,354,893 for grasshopper control.
[2] Includes $2,500,000 for chinch-bug control (H. Doc. 94) and $480,000 for screwworm control (H. Doc. 87).
[3] Exclusive of $1,746,837 for 5-percent salary adjustment (to 95 percent).
[4] Includes $3,562,426 for salary adjustment (90 to 100 percent).
[5] The bill includes an allotment for this purpose of $100,000,000 of the appropriation provided in H. J. Res. 117.

I shall take no more of the time of the Committee now, but when the bill is read for amendment, if there is any explanation of any portion of the bill that I can give I shall be pleased to do so.

Mr. Chairman, I reserve the balance of my time.

Mr. THURSTON. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, first, on behalf of the members of the subcommittee having this bill under consideration, I want to express our appreciation of the patience and the perseverance of the able chairman of the subcommittee, the gentleman from Louisiana [Mr. SANDLIN], who was patient almost beyond mention. When you observe the printed volume containing the hearings held by this committee, and find that they constitute a volume comprising almost 1,700 pages, covering a period lasting about 5 weeks, you will have some measure of the time and industry the subcommittee devoted to its subject; but, of course, this is the most important subject with which a legislative body can deal, that which concerns the production of food. While clothing and shelter are also highly important, yet the subject concerning the production of food should command first consideration from

the people of our country. A sound agricultural policy will do more to reestablish normal conditions in our country than any other action which might be taken.

Although this bill carries a total of nearly $140,000,000, yet the greater portion of it is devoted to highway purposes. For agriculture exclusively only about $28,000,000 is provided, and when we break that amount down further and take out $8,000,000 allotted to forestry, it leaves something less than $20,000,000 for agriculture.

When we know that a first-class battleship or a first-rate cruiser costs more than $40,000,000, then we can measure the limited appropriations devoted to this great subject.

Mr. Chairman, because of the demand made today for time by Members, of course, it will be impossible thoroughly or adequately to analyze the bill that we now have under consideration. There are, however, a few items to which I should like to direct the attention of the House.

First, it is manifest to everyone who will examine the hearings on this subject, or the bill under consideration, that there is a duplication of administration on the part of the Department of Agriculture and the Department of the Interior.

In many instances the activities and the work of these two branches of the Government coincide if there is not duplication, and it would be a fine constructive piece of work if the executive branch of this Government would bring about a consideration of this subject to the end that useless activities could be eliminated. The President now has the authority to make such a consolidation.

There is another subject which I believe should claim the attention of the Members, particularly those from the agricultural States, and that is the apparent effort to erect or construct a superexperimental station at Beltsville in nearby Maryland, and the constant increases of support and likewise funds for expanding the buildings and personnel there makes it apparent that there is a well-organized effort gradually to increase the functions of this experimental station. Mr. Chairman, I contend that experiments relating to tobacco, corn, cotton, wheat, livestock, or dairying could best be made and conducted in the regions where these products are produced rather than to make experiments in a section of the country where the plant life can only grow through the aid of fertilizers. How much more sensible it would be if these experiments would be confined in the main to the agricultural stations and experimental stations that we have established in each State throughout the country rather than to have them tried out here, where we do not have the facilities, the soil, or the personnel properly to make the investigation.

Just a few words about the policy regarding public roads. We all know that the main arterics of commerce, excepting the railroads, are the highways in our country which have been paved or provided with a hard surface. A considerable portion of the funds to be allocated in the public-works program is going to be used for the construction of overpasses in order to eliminate grade crossings. Much may be commended in regard to this subject, but an overpass costs from $50,000 to $100,000, whereas a paved road can be built for about $15,000 to $20,000 per mile, or a secondary road may be built at a cost of $2,000 or $3,000 per mile. This program could be expanded so that many miles of permanent highways for the public could be provided unless too great a proportion is diverted to the purpose mentioned. The gentleman from Missouri [Mr. CANNON] made some remarks in committee upon this subject which should claim the attention of the Members who are in favor of an expansion of the farm-to-market highways in this country.

There is another subject, not highly important, but one that is of some interest to the Members, which I wish to discuss. That is, we made more farm bulletins available to each Member, increasing the annual allotment from 5,000 to 10,000 bulletins. When we reach our offices each morning we find them almost inundated with booklets, pamphlets, papers, and circulars from the executive branches of the Government, which, of course, proves that they have greatly expanded and increased the sums that they have available for their purposes, whereas the meager, few publications available to the Members whether it be a wall map, an agricultural year book, or a farm bulletin, have been sharply diminished, notwithstanding the increased attention that is now being given to agriculture and all related activities. So this slight increase at a very modest cost was included in this measure.

Mr. Chairman, we are bringing in a bill here in which we have made some deductions and some changes from the recommendations as made by the Budget and the Department of Agriculture, and, of course, the recommendations made to the Budget were made by persons employed in the Department of Agriculture. I cannot believe that they should have the last word, or that they are endowed with all the wisdom pertaining to a sound agricultural policy. So far as I am concerned, I am willing to receive and accept the views of Members who come from the different regions of this country as to what would be the best policy to apply in a fruit section, for instance, or in a section where tobacco and cotton or corn and wheat and other important products are now being produced.

[Here the gavel fell.]

Mr. SANDLIN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. THURSTON. Mr. Chairman, last year the most devastating situation that ever faced the agricultural section of this country was brought about through a drought that extended over a great portion of the upper Mississippi Valley and because of a lack of moisture the preceding year, with almost no rainfall during the growing months of the year 1934, the fall or autumn found this great granary of the country with a limited production of grain and foodstuffs to the extent that some entire counties and some considerable areas in the States in that region did not produce as much as 5 or 10 percent of the normal output of grain and forage for livestock. This brought about a very perplexing situation to our people. A fine and constructive piece of legislation was passed yesterday when loans to the extent of $60,000,000 were made available to the farmers who need funds in order to purchase seed and grain for the coming crop year.

The hearings upon this subject show that in the main the States which have had fairly adequate crops in the past have repaid the sums that were advanced from time to time on these seed and crop loans; and if these farmers can be financed this year in these respects the net result will be a benefit to the consumers of this country, because it is manifest that a restricted or small crop will continue to bring unduly high prices to the consumers of this country. So this is a mutual arrangement, and profit will not only inure to the farmer and to the grower of grain and foodstuffs but this benefit will likewise be reflected to the consumers.

Then, because of lack of a heavy rainfall, which usually decimates insect life, great quantities of a bug known as the "chinch bug" appeared in the same region. Countless billions of these insects infested this area and the sight was almost beyond description. As they moved forward to a field, whether it had growing wheat or oats or corn, within a few days the vegetation on such land was withered and, as a result, between the drought and these insects, the corn and small grain production in this area was reduced from 10 percent to as high as 80 or 90 percent. Therefore, a modest appropriation of $2,500,000 is carried in this bill to supply the farmer with funds so that he can purchase the crude oil to place around the crops before the bug develops into a fly, which will act as a barrier and protect the grain in the section where this scourge prevailed last year. Now that these funds will be available at a time prior to the crop season, it is expected and believed that good results will come from this appropriation.

Mr. SNELL. Mr. Chairman, will the gentleman yield for a question?

Mr. THURSTON. Yes.

Mr. SNELL. Is there any way of telling whether you will have them again this year or not?

Mr. THURSTON. No definite statement, I believe, can be made in that respect, but those who have studied this question for years say it will probably depend upon one factor more than any other. If we should have an adequate or heavy rainfall, it is very likely these insects will not materially affect the crops this coming year, but no one I have heard of, or read about, cares to appear as an expert on this question.

Another item carried in this bill in which there is a rather heavy increase, which possibly is justified in view of developments, is for the Farm Credit Administration. Because of the inability or lack of desire upon the part of the investing public in our country, particularly the life-insurance companies and farm-mortgage loan concerns, limited funds are available for farm-loan purposes, and because of this situation the demand upon the Federal land banks, not only for primary loans but secondary loans to finance the farmer and his undertaking, has increased very heavily, and correspondingly the personnel in charge of this additional burden must necessarily be increased.

I know we all feel that every time we create a Government agency, no matter what function it may operate, at the next session of the Congress those in charge come to the Congress asking for additional employees. This is the general rule, and it is my experience that it is a rare instance where any branch of the Government is willing to reduce or materially limit its field of activities. [Applause.]

[Here the gavel fell.]

Mr. SANDLIN. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut [Mr. CITRON].

Mr. CITRON. Mr. Chairman, there has been a great deal said here about the decline in the foreign and domestic textile market for American textile goods, and various reasons have been advanced for this.

It has been said in some places that American capital has been going into Canada and other foreign countries. Other reasons given are concerned with the processing tax and the declining cost of electric power in various sections of our country. There are many other reasons given, and I believe this matter is so important that it would bear investigation and study, and for this reason I am introducing a bill whereby the President shall appoint a commission of five, who are duly representative of this industry, to study the whole subject and find ways and means whereby it can be improved, and then bring back a report to the Congress.

New England, particularly, has witnessed the decline of this industry, one of the most important to this section of the country.

I submit some interesting statistics concerning this industry.

In 1919 there were 28,451 establishments manufacturing textiles and their products in this country, with an average number of wage earners for the year of 1,610,003, and producing $9,210,933,000 worth of products. In 1931 there were 23,750 establishments, 1,420,808 workers, and the products were worth $5,849,032,000.

As for textile-mill products, the following are interesting statistics: In 1923 there were 7,816 establishments, 1,164,638 wage earners, and $5,527,558,000 for the worth of their products. In 1931 there were 6,111 establishments, 886,979 wage earners, and the value of their products was $2,964,-558,000. (Statistics taken from U. S. Department of Commerce, Statistical Abstract of United States, 1934.)

I believe this industry should be given study. Allegations and charges as to its condition and the cause of its illness are of no value, but a thorough examination and diagnosis of its illness may show us the necessary remedies. I hope Congress has the opportunity to consider this whole subject.

A bill to create a commission to study and report on certain phases of the textile industry in the United States

Be it enacted, etc., That a commission is hereby created to be known as the "Federal Textile Commission" (hereinafter in this act referred to as the "Commission") to be composed of five members to be appointed by the President. Two members of the Commission shall be representative of the interests of textile workers, two members shall be representative of the interests of manufacturers of and dealers in textile goods, and one member shall represent the public. The President shall select a chairman from among the members of the Commission. Any vacancy in the Commission shall be filled in the same manner as an original appointment. The members of the Commission shall serve without compensation, but their actual necessary traveling and subsistence expenses, while engaged in the performance of their duties under this act, shall be paid from funds appropriated for the purposes of this act.

SEC. 2. The Commission shall study the present condition of the textile industry in the United States with a view to ascertaining the causes of the decline in the domestic and foreign market for products of the American textile industry and to devising means by which such markets may be restored. The Commission shall, as soon as practicable but not later than ----------, report its findings and recommendations to the President and to the Congress. Upon making its report to Congress, the Commission shall cease to exist.

SEC. 3. The Commission, with the consent of any board, commission, independent establishment, or executive department of the Government, may avail itself of the use of information, services, facilities, officers, agents, and employees thereof, in carrying out the provisions of this act.

SEC. 4. For the purposes of this act, the Commission may act as a whole, by committee, or otherwise, at such places in the United States or elsewhere as it deems advisable, and is authorized to hold hearings, administer oaths, and provide for the attendance and testimony of witnesses or the production of books, papers, documents, or other evidence, or the taking of depositions before any designated individual competent to administer oaths.

SEC. 5. The Commission is authorized, without regard to the civil-service laws and the Classification Act of 1923, as amended, to employ and fix the compensation of such officers and employees as it deems necessary to the performance of its duties. The National Park Service of the Interior Department shall provide the Commission with adequate space in one of the public buildings in the District of Columbia.

SEC. 6. The Commission is authorized to incur such expenses, not in excess of amounts appropriated therefor, as it deems necessary in carrying out this act, which shall be allowed upon vouchers approved by the Commission.

SEC. 7. There are authorized to be appropriated such sums as may be necessary to carry out this act.

Mr. SANDLIN. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

Mr. SAUTHOFF. Mr. Chairman and gentlemen of the Committee, in view of what was said this morning by the gentleman from Arkansas [Mr. FULLER] I want to presume upon your time for a few moments in order that I may demonstrate to you briefly how much the Democratic administration owes to Wisconsin, both to its support by its leaders and in addition to the ideas we have furnished to the present administration.

Far more distinguished men than the gentleman from Arkansas can ever hope to be, have been satisfied to take from Wisconsin much of her progressive program.

In that connection I want to give you briefly some of the outlying things that Franklin D. Roosevelt has taken from the Wisconsin program and used for the new deal.

Phil La Follette was the first Wisconsin Governor to recommend a State-wide old-age-pension system. Franklin D. Roosevelt now recommends such a plan for the whole United States.

Phil La Follette was the first Wisconsin Governor to recommend a public-power development to cheapen electricity on the farm and the home and for manufacturing and for business men. He brought to that service one David Lilienthal, and President Roosevelt took that same David Lilienthal out of the State and made him one of the Commissioners of the T. V. A., and adopted the same program that we have adopted in Wisconsin for the national program in the development of electricity for the home, for the farm, and for the factory.

Phil La Follette was the first Wisconsin Governor to recommend and to establish minimum-wage law for labor to cover the entire State. Franklin D. Roosevelt used the identical same machinery to protect labor in public-works program.

Phil La Follette was the first Governor of any State to recommend and obtain a State labor code giving legal sanction to labor's right of organization. This code was later adopted by Congress for the whole United States under title of the Norris-LaGuardia Act.

Franklin D. Roosevelt used this code in setting up the N. R. A. bargaining power for labor.

Phil La Follette was the first Governor of any State to recommend unemployment insurance, and Roosevelt now recommends such an act for the whole United States.

Phil La Follette recommended reforestation for the State of Wisconsin. The President has recommended the same policy for the entire country.

Phil La Follette, when Governor, recommended the establishment of forestry camps to take young men, unemployed, up to the age of 30, and give them out-door self-respecting work and President Roosevelt has followed the same policy for the Nation, namely, the C. C. C. camps.

Phil La Follette, when denied Federal funds by Hoover, frankly stated that higher income taxes would have to bear the relief as long as the Federal Government under Hoover adopted the policy of not one dollar for relief. Franklin D. Roosevelt, as Governor of New York, adopted the same policy in New York State, and later pursued the same liberal policy of relief as President of the United States. In short, the Roosevelt progressive national policies are almost exactly the same policies recommended and pursued by Phil La Follette when he was Governor. [Applause.]

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. SANDLIN. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN of Pennsylvania. Mr. Chairman, I thank the Chairman of the Committee for granting me 3 minutes, but that is insufficient time in which to answer the gentleman from Arkansas [Mr. FULLER] for the attack he made on me today on the floor of the House. I shall rise to a question of personal privilege tomorrow.

Mr. SANDLIN. Mr. Chairman, I ask that the Clerk read the bill for amendment.

The Clerk read the first paragraph of the bill.

Mr. SANDLIN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 6718, the agricultural appropriation bill, and had come to no resolution thereon.

ORDER OF BUSINESS

Mr. MILLARD. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. FISH] be allowed to address the House for 15 minutes on Monday next after the reading of the Journal and the disposition of the business on the Speaker's table.

The SPEAKER. The Chair announced a few days ago that owing to the pressure of business he would ask that all such requests be made the day before or the day of the address. The Chair requests the gentleman to withhold his request.

ACCEPTANCE OF STATUES OF CAESAR RODNEY AND JOHN M. CLAYTON

Mr. LAMBETH. Mr. Speaker, by direction of the Committee on Printing, I offer the following Senate concurrent resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

Senate Concurrent Resolution 5

Resolved by the Senate (the House of Representatives concurring), That there be printed with illustrations and bound, in such form and style as may be directed by the Joint Committee on Printing, 2,200 copies of the proceedings in Congress together with the proceedings at the unveiling in the rotunda of the Capitol, and such other matter as may be relevant thereto, upon the acceptance of the statues of Caesar Rodney and John M. Clayton, presented by the State of Delaware, of which 200 shall be for the use of the Senate, and 500 for the use of the House of Representatives, and the remaining 1,500 copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of Delaware.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these proceedings.

The SPEAKER. The question is on agreeing to the resolution.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. LAMBETH. Yes.

Mr. SNELL. Is it usual to have illustrations in these publications?

Mr. LAMBETH. The only illustration is a picture of the statues. That is customary.

Mr. SNELL. This is the usual resolution?

Mr. LAMBETH. Yes.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

ST. PATRICK'S DAY

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point an address delivered today by the gentleman from New York [Mr. O'CONNOR] and broadcasted over the National Broadcasting System and associated stations at 1 o'clock. The occasion was a luncheon of the Cosmopolitan Club of Washington, at which 17 speeches, each speech being limited to 17 words, were made in an anticipated celebration of St. Patrick's Day. Naturally, the substance of most of the distinguished speaker's remarks lauded the great accomplishment of the reverend saint in driving the snakes out of Ireland.

Mr. O'CONNOR's speech was, in full, as follows:

Would that St. Patrick be reincarnated right here. He could lead a similar drive in public life.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I think that address should be printed.

The SPEAKER. Is there objection?

There was no objection.

TEXTILES, COTTON, AND NEW ENGLAND

Mr. CITRON. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a copy of the resolution which I have introduced for a study of the textile industry.

The SPEAKER. Is there objection?

There was no objection.

Mr. CITRON. Mr. Chairman, under leave to extend my remarks concerning H. R. 6721, a bill to study the textile situation, I submit further interesting data about this industry, particularly of importance to my own State of Connecticut and the other New England States.

I have looked into this subject and have found that this industry means more to New England than any other single industry.

It is generally considered that the general economic depression began about 1928 and was in full effect by 1931. In New England textile manufacturing was long considered as the basis of its industrial prosperity. Its output exceeded that of other industries; its great number of workers, though not so well paid as in some other industries, found steady employment; and the gross wages and expenditures maintained the large purchasing power of this region.

Even before the World War, changes in this industry were in evidence, and readjustments were taking place. Artificial substitutes, shifting of capital, overcapacity to produce, due to expansion during war days, changes in domestic and world markets, differences in styles and tastes as to the finished goods, world effects upon the cotton-growing of the South and wool-growing of the West, were all some of the many factors that became in evidence as the textile industry, particularly in New England, reached a state, such as now exists, that may necessitate radical relief. Before the general

economic depression the trend in the textile industry, particularly the textile-mill industry, or what is called the primary textile manufacturers, engaged in spinning, weaving, and processing fabrics from the raw yarn or fiber—was downward.

I submit some interesting data for studies and comparisons at this point:

Manufactures in the United States[1]

	Wage earners (average for year)	Wages	Based on census figures for total in the United States, value of products[2]
1914[3]	6,895,000	$4,067,000,000	$23,975,000,000
1919[3]	8,998,000	10,460,000,000	62,000,000,000
1921[4]	6,947,000	8,202,000,000	43,653,000,000
1925	8,382,000	10,727,000,000	62,718,000,000
1929	8,839,000	11,021,000,000	70,435,000,000
1931	6,523,000	7,186,000,000	41,350,000,000
1933	[5] 6,055,736	[5] 5,261,576,029	[5] 31,358,840,338

[1] Figures taken from the U. S. Department of Commerce Statistical Abstracts of the United States
[2] Based on estimates of 16 general groups of industries.
[3] Factories, including establishments with products valued at less than $5,000 and over $500.
[4] Excluding establishments with products valued less than $5,000. After 1921 the census did not include establishments with products valued less than $5,000.
[5] Preliminary figures.

TEXTILES AND THEIR PRODUCTS

Considered as one of the 16 general groups of industries, this group consists of, first, textile-mill products, such as cotton goods, silk and rayon goods, woolen goods, and so forth; second, wearing apparel; and, third, other articles made from purchased fabrics.

Textile-mill products in the United States[1]

	Wage earners (average for the year)	Wages	Value of product
1914	950,880	$404,606,000	$1,935,344,000
1921	993,557	896,373,000	3,896,449,000
1925	1,110,209	1,066,262,000	5,342,617,000
1929	1,096,163	1,052,971,000	5,043,171,000
1931	886,979	744,568,000	2,964,558,000
1933	954,757	651,110,000	2,673,216,000

[1] In New England this particular division is predominant. (See tables I, II, and III)

Raw cotton grown in the United States[1]

	Bales (500 pounds gross)	Farm value
1928	14,477,000	$1,302,040,000
1930	13,932,000	659,047,000
1931	17,095,000	483,000,000
1932	13,001,000	424,000,000
1933	13,047,000	633,266,000

[1] Source Bureau of the Census, Cotton Production and Distribution, Bulletin 171, p. 5

In 1932 production dropped off from 1931, 35 percent, and the value dropped off for aggregate only 12 percent. In 1933 production over 1932 increased by about thirty-six one-hundredths of 1 percent, but the value by 49 percent.

Cotton exports from the United States[1]

	Quantity (excluding linters), in thousands of running bales	Value (including linters), in thousands of dollars
1926-7	10,927	$922,737
1928-9	8,044	820,105
1932-3	8,419	339,940
1933-4	7,534	342,699

[1] Source: Bureau of the Census

COTTON MANUFACTURES—PRODUCTION, EXPORTS

Consumption of cotton by New England mills decreased from 2,397,000 bales in 1920 to 678,000 bales in 1932, but increased to 985,000 bales in 1934.[1]

Based on the consumption of 2,049,000 bales in 1923, the consumption of cotton by New England mills in 1934 amounted to 48.1 percent.

The consumption of cotton by Connecticut mills decreased from 137,000 bales in 1910 to 52,000 bales in 1932, but increased to 59,000 bales in 1934. The 1934 cotton consumption by Connecticut mills amounted to 47.2 percent of the 1923 consumption of 125,000 bales.

The total number of active spindles decreased from 36,260,000 in 1923 to 27,742,000 in 1934, a decrease of 8,518,000. The maximum number of active spindles in New England amounted to 18,388,000 in 1921, although the maximum number in place amounted to 18,390,000 in 1923. The number of active spindles in New England mills decreased from 18,388,000 in 1921 to 8,557,000 in 1934, a decrease of 9,821,000. The active spindles in Connecticut mills decreased from 1,362,000 in 1920 to 839,000 spindles in 1934, a decrease of 523,000. For details, see table IV.

Many assertions have been made as to the condition of our textile industry and methods for improvement. It is needless to reiterate them. Claims merely prove the need for further factual findings and remedial suggestions based on these findings. Foreign exchange, gold and silver, tariffs, embargoes, trade relations, retaliatory tariffs, exports, quotas, improved machinery, fixed charges, labor costs here and abroad, substitute materials and goods, movement of capital, processing taxes, all are factors to be considered. While the total imports of textiles in 1934 were about the same as 1933, the progressively increasing share from Japan and the extremely low prices of Japanese products have become a potential menace to the industry. Do tariff walls present a sufficient barrier to the influx of merchandise made under wage levels and standards of living which are far below those of all other textile-producing countries, or can relief be granted in the form of quotas based on the average of years prior to 1933?

When the textile-manufacturing industry in the Northeast is depressed, the cotton- and wool-growers and the farmers are affected; and when the latter find their industry depressed, their purchasing power drops and in turn affects the manufacturers. This whole subject is not sectional, it is national in scope.

[1] Source: Bureau of the Census.

TABLE I—*Textile manufactures of the United States. Principal industries, showing number of establishments and wage earners, wages paid, and value of products*

	Number of establishments						Number of wage earners					
	1914	1919	1923	1927	1931	1933	1914	1919	1923	1927	1931	1933
Textiles and their products—total (a, b, and c)	23,364	28,473	26,763	26,843	23,750	19,266	1,505,912	1,610,067	1,715,293	1,694,416	1,420,808	1,474,325
Textile-mill products (a)	5,942	7,159	7,816	7,244	6,111	5,648	950,880	1,052,327	1,164,638	1,119,733	886,979	954,757
Wearing apparel, etc. (b)	14,953	18,778	16,904	15,486	13,837	10,642	510,595	507,700	499,413	501,656	472,168	462,557
Other articles (c)	2,469	2,536	2,043	4,113	3,802	2,976	44,437	50,040	51,242	73,027	61,661	56,712
Details of (a):												
Cotton goods	1,179	1,288	1,375	1,347	1,140	1,057	379,366	430,966	471,503	467,596	339,962	378,823
Knit goods	1,622	2,050	2,323	1,869	1,706	1,574	150,520	172,572	194,244	190,283	178,011	185,699
Silk and rayon goods	902	1,369	1,598	1,048	1,211	1,087	108,170	126,782	125,234	127,643	109,225	110,322
Woolen and worsted goods	799	852	851	759	621	568	168,692	166,787	194,552	154,361	119,537	129,199
Dyeing and finishing textiles	507	628	713	743	666	625	48,467	55,985	63,414	73,851	67,603	66,309
Hats, wool, and fur felt	254	216	184	151	147	126	22,567	19,958	18,672	18,009	15,627	14,116
Cotton small wares	108	164	228	220	174	172	6,598	9,396	16,387	14,958	12,826	13,237
Cordage and twine	105	120	121	116	117	110	15,769	17,622	16,382	15,084	11,087	11,145
All other textile-mill products	574	620	423	391	329	329	67,329	61,655	64,250	57,948	43,101	45,902

TABLE I.—*Textile manufactures of the United States: Principal industries, showing number of establishments and wage earners, wages paid, and value of products*—Continued

	Number of establishments						Number of wage earners					
	1914	1919	1923	1927	1931	1933	1914	1919	1923	1927	1931	1933
Details of (b):												
Clothing:												
Women's	5,564	7,711	7,046	7,588	7,046	5,350	168,907	165,649	133,195	154,459	173,890	159,832
Men's, boy's (except work)	4,830	5,258	4,607	3,562	2,945	2,219	173,747	175,270	194,820	146,099	121,964	119,273
Work				556	468	558				40,612	33,088	55,281
Shirts	792	896	934	907	781	585	51,072	39,603	51,672	57,216	57,755	53,816
Millinery	3,767	4,913	4,317	1,148	1,134	834	115,969	127,178	119,726	33,311	26,612	22,574
Furnishing goods, men's				534	573	363				25,183	24,034	16,676
All other wearing apparel				1,191	890	1,291				44,786	34,825	35,425
Details of (c):												
House furnishings, not elsewhere classified	370	467	452	548	914	708	6,935	7,853	8,708	11,691	14,195	14,677
Bags, other than paper not made in textile mills	138	216	169	181	189	169	9,358	10,756	11,548	11,164	11,985	10,543
Embroideries				1,099	732	547				8,964	5,561	4,652
Linoleum	[1] 18	[1] 21	7	7	6	5	[1] 4,428	[1] 5,414	6,261	5,364	2,895	2,821
Waste, processed [2]	79	98	88	118	132	124	3,082	2,810	2,745	3,494	3,153	3,036
All other	1,850	1,734	1,327	2,190	1,829	1,423	20,631	23,207	21,980	32,350	23,872	29,983

	Wages (thousands of dollars)						Value of products (thousands of dollars)					
	1914	1919	1923	1927	1931	1933	1914	1919	1923	1927	1931	1933
Textiles and their products (total) (a, b, and c)	675,782	1,481,183	1,743,798	1,759,958	1,238,179	1,017,301	3,444,810	9,210,933	9,462,282	8,950,473	5,849,032	4,811,218
Textile-mill products (a)	404,606	910,048	1,122,752	1,099,735	744,568	651,110	1,935,344	5,481,884	5,527,557	4,933,282	2,964,558	2,673,216
Wearing apparel, etc. (b)	250,111	526,955	568,139	578,152	433,473	322,813	1,207,273	3,198,147	3,443,940	3,391,881	2,488,861	1,797,548
Other articles (c)	21,063	44,180	52,908	82,071	60,138	43,377	212,195	531,159	490,785	625,310	395,613	340,453
Details of (a):												
Cotton goods	146,130	355,475	396,603	380,910	219,680	216,384	676,569	2,125,272	1,901,126	1,567,401	805,792	861,170
Knit goods	59,758	125,200	168,272	188,163	149,589	132,030	258,913	713,140	848,177	816,620	585,677	498,350
Silk and rayon goods	47,109	108,226	126,849	140,054	97,409	74,110	254,011	688,469	761,322	750,124	422,772	290,578
Woolen and worsted goods	75,953	168,109	222,985	173,822	117,583	101,888	379,484	1,065,435	1,062,559	817,979	496,213	457,849
Dye and finishing textile	21,872	57,190	72,525	91,697	76,577	58,423	109,292	323,908	366,623	406,047	322,187	278,942
Hats, wool and fur felt	12,671	21,031	23,536	25,045	17,928	13,199	39,295	89,485	83,895	107,992	65,018	44,959
Cotton, small wares	2,825	7,162	15,957	15,333	11,617	10,059	11,525	40,897	73,223	64,820	41,991	38,890
Cordage and twine	6,996	14,700	15,148	13,674	8,627	7,373	59,762	133,366	88,283	89,172	47,557	38,714
All other textile mill products	30,487	60,117	80,877	71,037	45,558	37,644	158,018	312,749	342,348	313,127	177,291	163,723
Details of (b):												
Clothing:												
Women's	92,574	195,296	176,446	211,350	189,187	127,418	473,888	1,208,543	1,406,684	1,494,401	1,292,253	846,390
Men's and boys' (except work)	86,828	197,822	207,252	184,613	115,041	92,266	458,211	1,162,986	1,016,722	932,182	551,416	445,220
Work				20,946	20,452	26,071				147,289	88,569	135,336
Shirts	19,170	25,834	37,943	42,998	33,152	26,113	95,815	205,327	241,331	241,650	166,840	119,717
Millinery	51,542	108,003	118,263	46,788	32,565	20,313	269,359	621,291	617,210	209,495	114,575	77,347
Furnishing goods				22,070	17,339	9,521				145,474	98,918	59,659
All other wearing apparel				40,387	25,737	20,481				221,390	146,290	117,969
Details of (c):												
House-furnishings, not elsewhere classified, not made in textile mills	3,306	6,444	8,454	10,947	12,047	9,787	26,453	60,212	69,333	87,677	86,821	84,723
Bags, not of paper	3,789	7,757	9,361	9,548	9,111	6,977	79,049	214,060	151,676	162,950	104,991	92,115
Embroideries				10,962	6,330	3,874				32,419	20,224	12,194
Linoleum	[1] 2,604	[1] 6,518	8,376	8,177	3,595	2,800	[1] 17,602	[1] 52,673	52,527	47,442	22,984	19,008
Waste, processed	1,239	2,225	2,468	2,853	2,049	1,686	17,959	30,084	33,701	33,477	16,344	14,708
All other articles	10,125	21,236	21,249	39,584	27,006	18,253	71,132	173,530	183,548	261,445	144,249	117,578

[1] Includes asphalted felt base floor coverings.

[2] Includes oakum 1914, 1919, and 1923.

TABLE II.—*Textile industries of Connecticut*

	Number of establishments						Number of wage earners					
	1914	1919	1923	1927	1931	1933	1914	1919	1923	1927	1931	1933
All industries, including textiles	4,104	4,872	3,130	2,877	2,811	2,410	226,264	202,672	263,232	240,806	192,151	184,332
Textile-mill products:												
Cotton goods	50	47	48	35	28	20	15,466	15,647	14,865	12,639	10,165	9,697
Cotton small wares		5	16	18	15	15		108	3,049	2,733	2,163	1,977
Cotton lace goods		5	5	6	4	(1)		728	866	459	(1)	(1)
Knit goods	25	21	25	15	12	14	2,904	2,649	2,154	1,367	993	1,230
Silk and rayon goods	44	41	39	35	37	36	10,668	11,254	12,404	9,183	9,662	8,527
Woolen goods	53	35	38	29	28	27	7,350	5,351	6,153	5,938	3,739	4,813
Worsted goods		9	12	11	10	10		2,447	2,643	3,055	2,350	2,026
Felt goods, wool, hair, and jute		3	4	4	3	3		334	372	309	148	213
Hats, fur-felt	58	41	40	34	36	26	5,461	4,580	4,916	5,548	5,649	5,565
Cordage and twine	10	9	14	13	13	12	316	348	442	332	268	295
Dyeing and finishing textiles	12	16	16	20	20	21	1,764	1,918	2,524	2,551	2,074	2,459
Wearing apparel made from purchased fabrics:												
Clothing (except work clothing), men's, youths', and boys', not elsewhere classified	20	69	27	16	16	16	391	611	925	878	791	759
Clothing, work, men's				3	3	(1)				74	65	(1)
Clothing, women's	19	60	49	48	73	55	1,337	2,058	1,702	2,404	3,964	4,596
Shirts	8	10	13	19	23	22	914	582	1,303	1,823	2,891	3,148
Furnishing goods, men's	17	15	6	11	12	7	3,142	3,426	476	870	953	876
Suspenders, garters, etc			6	7	6	5			137	286	396	374
Hats, caps, except felt and straw, men's	9	10	8	9	5	4	94	137	72	83	37	74
Corsets and allied garments	21	19	19	17	16	18	7,208	5,616	4,542	3,138	2,813	2,844
Millinery	7	10	11	5	(1)	5	117	139	204	(1)	(1)	78
Other articles made from purchased fabrics:												
Awnings, tents, sails, covers	20	29	22	26	22	17	39	68	91	91	91	67
Hat and cap materials, men's	15	15	11	13	18	13	400	682	516	1,025	662	618
House-furnishing goods, not elsewhere classified	5	8	8	8	10	(1)	1,233	874	825	806	989	(1)
Total recorded textiles	393	477	437	402	410	346	58,894	59,557	61,211	55,592	50,863	50,036

[1] Not separately recorded.

TABLE II.—*Textile industries of Connecticut*—Continued

	Wages paid					
	1914	1919	1923	1927	1931	1933
All industries, including textiles	$125,220,000	$324,082,000	$314,828,741	$304,503,907	$190,370,226	$157,607,614
Textile mill products:						
Cotton goods	6,982,000	14,783,982	15,285,494	13,140,400	8,768,767	7,023,626
Cotton small wares		78,390	3,094,312	2,965,200	1,952,933	1,558,033
Cotton lace goods		785,635	884,995	533,832	(1)	(1)
Knit goods	1,206,000	2,226,923	2,153,216	1,421,319	767,699	1,050,135
Silk and rayon goods	5,606,000	11,523,047	14,724,636	11,400,520	10,208,016	7,048,732
Woolen goods	3,731,000	5,955,985	7,764,231	7,265,284	3,842,183	4,288,824
Worsted goods		2,611,470	2,938,082	4,397,185	2,873,828	1,848,189
Felt goods, wool, hair, and jute		304,621	458,031	369,691	188,102	215,810
Hats, fur-felt	3,057,000	5,099,015	6,021,731	7,998,771	7,520,836	5,732,462
Cordage and twine	102,775	225,948	298,130	272,771	196,432	135,324
Dyeing and finishing textiles	923,404	2,253,708	3,084,828	3,255,786	2,287,287	2,019,589
Wearing apparel made from purchased fabrics:						
Clothing (except work clothing), men's, youths', and boys', not elsewhere classified	143,500	658,573	1,207,668	832,984	683,069	512,403
Clothing, work, men's				61,609	44,281	(1)
Clothing, women's	464,991	1,316,631	1,441,283	2,222,707	2,725,388	2,127,575
Shirts	404,936	408,474	1,031,094	1,392,598	1,935,531	1,673,507
Furnishing goods, men's	1,395,131	3,331,721	344,080	936,113	696,492	576,522
Suspenders, garters, etc.			110,044	278,848	324,952	262,398
Hats, caps, except felt and straw, men's	55,610	178,642	89,133	117,341	41,101	55,345
Corsets and allied garments	2,795,764	4,155,629	3,659,741	2,804,576	1,986,970	1,774,973
Millinery	42,830	74,323	133,415	(1)	(1)	72,059
Other articles made from purchased fabrics:						
Awnings, tents, sails, covers	23,409	60,714	98,000	106,516	104,201	66,233
Hat and cap materials, men's	160,395	610,700	466,000	806,086	790,989	410,097
House-furnishing goods, not elsewhere classified	573,137	808,210	811,000	696,459	743,043	(1)
Total recorded textiles	27,759,002	57,432,345	66,100,043	63,276,656	48,682,133	38,451,824

	Value of products					
	1914	1919	1923	1927	1931	1933
All industries, including textiles	$545,472,000	$1,392,432,000	$1,288,280,767	$1,284,738,503	$797,483,537	$634,704,845
Textile-mill products:						
Cotton goods	30,809,000	101,551,071	61,067,126	49,177,763	23,257,366	20,140,903
Cotton small wares		415,773	13,629,323	13,460,110	7,054,074	5,447,347
Cotton lace goods		3,087,539	2,890,180	1,474,903	(1)	(1)
Knit goods	5,222,000	9,332,776	8,748,653	5,181,152	2,267,434	3,853,033
Silk and rayon goods	30,502,000	68,053,429	74,674,044	47,498,321	36,736,232	23,241,445
Woolen goods	17,129,000	32,357,090	30,796,995	27,841,649	12,783,797	15,072,434
Worsted goods		18,928,293	14,810,093	22,103,275	11,692,438	9,613,275
Felt goods, wool, hair, and jute		2,528,676	3,191,492	2,182,222	1,204,124	1,337,289
Hats, fur-felt	9,476,000	23,152,468	22,594,283	37,758,465	25,708,649	17,576,963
Cordage and twine	666,093	1,932,997	1,925,357	1,803,103	897,987	644,424
Dyeing and finishing textiles	3,503,139	8,350,098	12,205,833	11,779,105	8,967,617	8,923,215
Wearing apparel made from purchased fabrics:						
Clothing (except work clothing), men's, youths', and boys', not elsewhere classified	483,793	2,709,511	3,907,130	3,231,540	1,738,669	1,535,232
Clothing, work, men's				172,320	87,945	(1)
Clothing, women's	1,596,888	7,426,967	5,447,523	8,191,746	7,496,331	8,083,551
Shirts	2,144,356	3,292,190	6,095,400	5,727,994	5,486,449	5,473,856
Furnishing goods, men's	6,134,933	16,965,529	1,978,243	5,370,032	4,768,422	3,235,705
Suspenders, garters, etc.			916,452	2,123,297	1,726,673	1,334,450
Hats, caps, except felt and straw, men's	248,165	898,545	413,618	633,758	193,019	232,534
Corsets and allied garments	12,935,805	20,674,864	19,460,413	15,198,789	13,168,122	11,126,467
Millinery	285,278	851,793	1,151,636	(1)	(1)	280,591
Other articles made from purchased fabrics:						
Awnings, tents, sails, covers	113,081	289,503	487,000	479,179	430,088	286,804
Hat and cap materials, men's	1,593,895	4,031,487	2,487,000	5,803,465	3,830,791	2,309,310
House-furnishing goods, not elsewhere classified	3,818,969	4,673,198	5,594,000	4,940,384	5,085,015	(1)
Total recorded textiles	127,092,398	332,403,787	294,501,742	272,192,602	174,611,355	139,945,032

[1] Not separately recorded.

TABLE III.—*Trend of production, 1923-33*

[1933 as compared with 1923]

	Percent of 1923 figures							
	Total United States				Connecticut			
	Number of establishments	Number of wage earners	Wages paid	Value of products	Number of establishments	Number of wage earners	Wages paid	Value of products
Textiles and their products (total)	72.0	86.0	58.3	50.8				
(a) Textile mill products	77.0	82.0	58.0	48.4				
Cotton goods	76.9	80.3	54.6	45.3	41.7	65.0	45.9	33.0
Knit goods	67.8	95.6	78.5	58.8	56.0	57.1	48.8	44.0
Silk and rayon goods	68.0	88.1	58.4	38.2	92.4	68.7	47.9	31.1
Woolen and worsted goods	66.7	66.4	45.7	43.1	74.0	77.8	57.3	55.7
Dyeing and finishing textiles	87.7	104.6 / [1] 89.8	80.6	76.1	131.8	97.4	65.5	73.1
Hats, wool, and fur felt	68.5	75.6	56.1	53.6	65.0	112.5	95.2	77.8
Cotton small wares	75.5	80.8	53.3	43.1	93.8	64.8	50.4	40.0
Cordage and twine	90.9	68.0	48.7	43.9	85.7	36.4	45.4	33.5
Felt goods, wool, hair, and jute / Cotton lace goods / Other textile-mill products	77.8	71.4	41.6	47.8	75.0	62.6	47.0	41.9

[1] 1927 = 100.

TABLE III.—*Trend of production, 1925–33*—Continued

	Total United States				Connecticut			
	Number of establishments	Number of wage earners	Wages paid	Value of products	Number of establishments	Number of wage earners	Wages paid	Value of products
Textiles and their products (total)—Continued.								
(b) Wearing apparel, etc., made from purchased fabric	63.0	92.7	56.8	52.2				
Women's clothing	75.9	120.0	72.2	60.2	112.2	270.0	147.6	148.5
Men's clothing (except work)	60.3	89.6	57.1	57.1	[2]84.7	[2]88.5	45.7	[2]43.9
Men's clothing (work)								
Shirts	62.6	104.1	68.8	49.6	169.2	241.6	162.3	80.8
Men's furnishing goods	57.6	62.4	42.5	40.7	116.7	184.0	167.6	165.3
Millinery					45.5	38.2	54.0	25.1
Suspenders, garters, etc					83.3	243.8	238.5	145.6
Men's hats (except felt and straw)					50.0	102.8	62.1	59.2
Corsets and allied garments					94.3	62.6	48.5	57.2
All other wearing apparel								
(c) Other articles made from purchased fabrics	145.7	110.7	82.0	68.4				
	72.4	77.7	52.9	54.4				
House furnishings, not elsewhere classified	156.6	168.5	115.6	122.2				
			89.4	96.6	(3)	(3)	(3)	(3)
Hat and cap material	142.6	98.8	75.6	60.7	118.2	119.8	88.0	92.9
Awnings, tents, sails, covers, etc						60.3	50.9	39.8
					77.3	73.6	67.6	58.9

[2] Approximate. [3] Not separately recorded

TABLE IV.—*Cotton spindles of the United States, total, New England and Connecticut (thousands), cotton consumed and exports*

Year	United States		New England		Connecticut		Cotton consumed (thousand bales), excluding linters			Exports of domestic cotton (United States)	
	In place	Active	In place	Active	In place	Active	United States [2]	New England [3]	Connecticut [4]	Total (thousands of bales)	Value (thousands of dollars)
1890		14,384		10,934	939	934	2,518	1,502			
1903		19,472		13,171	1,064	1,031	3,873	1,909			
1910	28,929	28,267		15,735	1,282	1,279	4,622	1,995	137		
1915	32,841	31,964	17,526	17,101	1,335	1,320	5,597	2,149	133		
1920	35,834	35,481	18,543	18,287	1,393	1,362	6,420	2,397	136		
1921	36,618	36,017	18,734	18,388	1,389	1,351	4,893	1,614	95	6,184	
1923	37,409	36,260	18,930	18,054	1,367	1,326	6,665	2,049	125	5,656	
1925	37,929	35,032	18,333	15,975	1,239	1,163	6,193	1,639	96	8,051	
1927	36,696	34,410	16,872	14,995	1,167	1,121	7,190	1,675	104	7,510	
1929	34,820	32,417	14,519	12,537	1,105	1,065	7,091	1,448	111	8,044	847,409
1931	32,673	28,980	12,168	9,655	1,071	900	5,263	937	75	6,760	420,972
1932	31,709	27,272	11,374	8,566	1,067	855	4,866	678	52	8,708	339,940
1933	30,893	26,895	10,810	8,205	975	871	6,137	884	58	8,419	342,690
1934	30,942	27,742	10,582	8,557	957	839	5,700	985	59	7,534	421,495

Source: Bureau of the Census, Cotton Production and Distribution.

[1] 19.6 equals 10,927 bales.

[2] 1923 equals 100 percent, 1934 equals 85 percent; 1927 equals 100 percent; 1934 equals 79.3 percent.

[3] 1923 equal 100 percent; 1934 equals 48.1 percent.

[4] 1923 equal 100 percent; 1934 equals 47.2 percent.

FIFTY-FIFTY DIVISION OF REGULAR ARMY OFFICERS

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of officer material for the Army as coming from the Officers' Reserve Corps, and to include a letter from Major General Rivers, retired, and extracts of letters from other Reserve and Regular officers.

The SPEAKER. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, I wish to state briefly some of my views with reference to the source of officer material for the Army. For several years practically all commissions have gone to the graduates of the Military Academy. There is now considerable sentiment from certain quarters to increase the number of cadets at the Military Academy at West Point so that there may be a larger number of graduates and, therefore, a sufficient number to fill all vacancies caused by retirement, death, resignation, discharge, and other causes from the Regular Army. If this should come about, it would, in my judgment, be unfortunate, because detrimental to the higher interests of the Army and of the country as a whole.

INDIVIDUALISM, NOT GOOSE STEP, IS SECRET OF AMERICA'S GREATNESS

The genius America calls for is individuality, initiative, and variety of views and talents. I do not discount the value of the education, both general and in elementary military science at the Military Academy. It is undoubtedly a thorough school in the academic branches. Of course, it is also very elementary so far as military education is concerned. All persons who have studied educational problems agree that no school nor college nor university can give ability, talents, or personality to the students. Some of the greatest men our Nation has produced never went to college, and at least one President of the United States never went to the most elementary school. Yet Andrew Johnson was a man of fine education and of unswerving principle. In like manner, many of the greatest soldiers in American history never received any elementary military training in any sort of military school. Some of the greatest scientists never went to any technical school. Some of the greatest journalists never went to any school of journalism. Many of the greatest lawyers never attended any law school. So that schools are not essential but only helpful.

SCHOOLS CANNOT CREATE, BUT MERELY HELP TO DEVELOP MEN OF CHARACTER AND ABILITY

So that I cannot concur in the sentiment indulged by some that merely because a young man graduates at the Military Academy he possesses independent inherent qualifications to make him a great officer if the opportunity arises. I can agree that every graduate has in himself the potentialities of a General Lee, or of a General Grant, or of a General Pershing, or of a General Liggett, or of a General Bullard. I have often visited the Military Academy, and I admire the sternness of the discipline, the rigidity of the courses of study, and the thoroughness of instruction. But I also visited many other schools, and much is to be said in favor of the system of election of studies inaugurated

in America by Thomas Jefferson at the University of Virginia. I am persuaded that the system of election assists in the development of individuality and initiative and independent thinking and planning.

DO NOT PERMIT INTELLECTUAL INBREEDING—CROSSBREEDING PRODUCES A BETTER TYPE

Furthermore, consequently, I am contending with great earnestness that not over one-half of the commissioned officers of the Regular Army should be graduates of the Military Academy, and that the other half should be selected from the graduates of our high-grade military schools and colleges and from the recently commissioned reserve officers from the R. O. T. C. units in our various colleges and universities. There are being commissioned from these several sources each year approximately 7,000 second lieutenants in the Reserve Corps. In addition to these there are some very fine young men in the National Guard who would like a chance to apply for a commission in the Regular Army. Furthermore, I am thoroughly convinced that there should be an open door to the enlisted men of the Regular Army to obtain commissions. From these sources we obtain such valuable officers as Maj. Gen. James G. Harbord and Maj. Gen. Preston Brown, and many others whom I could mention. To say that these officers are not the equal of the average officers graduating from the Military Academy is to assert something in the face of the manifest facts. Only about 40 percent of the officers now in the Regular Army are graduates of the Military Academy and I am willing to increase this percentage up to 50 percent, but I refuse to agree that a larger percentage than one-half of the Regular Army officers should be graduates of the Military Academy.

THE HUMAN PROBABILITIES ARE AGAINST THE THEORY OF ABSOLUTE SUPERIORITY OF WEST POINT GRADUATES

My argument is based upon a simple mathematical proposition. I assert that it is against the human probabilities that every one of the graduates of the Military Academy, being about 250 a year, is superior in natural ability and in leadership and in personality and in education to all of the 7,000 graduates of our good military schools and colleges and R. O. T. C. units. Surely there are at least 250 out of the 7,000 who are equal in the essentials of leadership and character and education to the 250 graduates from the Military Academy. If by law we make it possible for these recent graduates in the R. O. T. C. units to obtain commissions in the Regular Army, then all who wish such commissions will apply for same. All these applications will be considered carefully by the War Department. If only 2,500 such reserve officers apply for commissions each year, then if the War Department selects 10 percent of that number, to wit, only 250 to equal the average class of the Military Academy, then they will be rejecting the applications of 90 percent of those who apply.

Surely out of the 2,500 who apply they can find 250 that have the necessary qualifications to make first-class officers in the Army. I do not believe that any person who is familiar with such good military schools as Virginia Military Institute, Culver Military Academy, The Citadel at Charleston, S. C., and the R. O. T. C. units in so many of our State universities and in our land-grant colleges and in our private and denominational universities and colleges will assert that none of these young men graduating in these institutions is the equal of the lowest graduate in the Military Academy. If any Member of Congress is willing to take a position that the graduates of these various private military schools and State colleges and R. O. T. C. units are inferior in the qualities necessary to make an officer in the United States Army to the most inferior graduate of the Military Academy, then I shall be greatly surprised.

LEAVE THE DOOR OF OPPORTUNITY OPEN TO EVERY YOUNG MAN IN AMERICA TO BECOME AN OFFICER IN OUR ARMY

Since this is the fact, if we will offer these young Reserve officers the prospect of a commission in the Regular Army, they will take greater interest in their studies while in the R. O. T. C. course. It will, therefore, improve these various units. It will stimulate the young men to greater interest in military matters. It will, therefore, help all of the 7,000 and not merely the 250 who may get commissions. All of the 7,000 will during the 4 years of training be thinking of the prospects of getting a commission in the Army. But it will do more than this. There are enrolled in the various R. O. T. C. units in 228 institutions and colleges annually about 100,000 young men. It is true that only about 7,000 of these graduate each year. But 93,000 others have obtained military training. Whatever influences have operated to improve the 7,000 will also improve the other 93,000. Therefore, my suggestion will stimulate interest in each one of the 100,000 young men in the R. O. T. C. units. We are investing annually just about as much money in these young men as we are expending all told upon the Military Academy at West Point. While it costs about $15,000 to graduate a young man at the Military Academy, it costs the Federal Treasury an average of less than $1,000 to graduate a young man in one of the R. O. T. C. units. If we can get 250 young men costing us less than $1,000 apiece equal to the 250 graduates of the Military Academy each year that have cost us $15,000 apiece, then why should we practically double the expense of training officer material when we can get just as good officers without the increased expense?

A GENEROUS RIVALRY BETWEEN TWO GROUPS WOULD HELP ALL OFFICERS IN ARMY

Furthermore, this variety of education for the officers of the Army will benefit the Army. Modern military science calls for a great variety of talent and training. It would be unwise to drill all officer material through the same groove. There would spring up a sort of intellectual inbreeding that would stagnate progress. Furthermore, upon a 50-50 basis, as suggested, there would undoubtedly be a generous rivalry between the two groups in their work and training and fighting. Each group would have the stimulus of competition to provoke ambition and arouse energy. Every officer in the Army who reads these remarks will silently confess that when he was commissioned a second lieutenant he was unfit for the responsibilities of the office. Every officer who has attained the rank of general will freely confess that the study and effort put forth by him after he was first commissioned is what accounts for his advancement, and not the education that he received prior to his commission. The officer who thinks that he is thoroughly educated when commissioned a second lieutenant, and puts forth no more effort and energy and simply drifts upward with his classmates, will never become a general officer. This is why I am strongly in favor of the class B provisions of the law and in favor of their strict enforcement.

I am opposed to selection for promotion, because it would undoubtedly lead to favoritism. I am strongly in support of eliminating those who lack ambition and lack ability and lack aptitude and lack character. They should be eliminated just as soon as possible and make room for worthy, ambitious, and deserving young men. We should have no sympathy for the officers who misbehave and neglect their duties and expect advancement by clinging onto the promotion list. With the officers evenly divided between graduates of the Military Academy and the other sources indicated, every officer will feel that he has a personal obligation to make good, not alone for himself but to make good for the group to which he belongs. This is a proper rivalry. It will promote the interest of the Army and it will be reflected in more capable officers to train our civilians in peace time and to lead our armies in time of war. This is all that I am interested in. Personally I would favor taking from Members of Congress the power to appoint cadets to the Military Academy. Too often this power of appointment is exercised to promote political interest, or to serve friends, or even to appoint relatives. We know instances of where the sons of Members of Congress have been appointed to the Military Academy by a sort of exchange and swapping of appointments among Members of Congress.

I think that the selection of the appointees should be taken out of the discretion of the Members of Congress and put on a competitive basis to be conducted by either a fair and impartial board set up in the War Department or by the Civil Service Commission. Personally I have never exercised

my power to designate a particular individual to either the Military Academy or the Naval Academy. I have always given public notice that the Civil Service Commission would conduct an examination at a given place and at a given time to fill all such appointments. I have invariably appointed as principal the young man who made the highest marks and appointed the alternates in the order of their marks as reported by the Civil Service Commission. I believe that this is not only the fairest way but the best way to get good officer material. The character of the young man in the high school and college is reflected largely by his fidelity to his duties as a student, and certainly his abilities are reflected by his examination paper. The young men that I have appointed for the last 15 years at these two academies have given good account of themselves, and I believe that I have best served my country by ignoring my political interests and refusing to yield to the importunities of friends and relations and have appointed young men who made the highest marks in a fair, open, competitive examination conducted by the United States Civil Service Commission.

A BETTER METHOD OF SELECTING CADETS FOR THE TWO SERVICE ACADEMIES

It might be better if this examination were conducted by a board of Army officers. In the event of such examination, other qualifications than mere scholarship could be considered. While it would be difficult to ascertain and to read the merits of young men as to leadership, personality, character, and so forth, yet a rough estimate might be submitted. If scholarship could be rated for 75 percent, and character, personality, and leadership rated for 25 percent, better results might be obtained. I know Members of Congress who hug this power of appointment to their hearts with great affection, but I believe that upon sober reflection they will realize that the first consideration is the welfare of the Army and the Navy and the welfare of the country as reflected through the Army and the Navy. At any rate, I am giving my colleagues the benefit of my personal observations and experiences for whatever they may be worth, and I am merely asking for a fair, disinterested, and patriotic judgment upon these proposals.

SOME VOICES FROM THE CIVILIANS WHO WORK, PAY TAXES, AND THINK FREELY AS DISINTERESTED PATRIOTS

I am now appending herewith by permission of the House some extracts from letters and resolutions recently received concerning my stand for giving the Reserve officers a chance to obtain commissions in the Regular Army:

LETTER FROM SUBMERGED OFFICER

It was, of course, a bitter disappointment to all officers in similar position to mine, that, through no fault of yours, your efforts were not successful. However, many of us will always be lastingly grateful, and we have always felt that as long as you occupy your present high position we older officers have a friend at court. Since that time and up to now, we have done our best to be loyal and faithful to the trust imposed in us, and shall, of course, continue to do so regardless of what may turn up. However, you will recall that last summer there was a wholesale elimination of officers, supposedly of those who were not efficient. I do not question the wisdom of this, but I do know that many of those who were forced out of the Army last summer were men who had given the best years of their life in subordinate grades. I will not weary you with a repetition of this hard-luck story, for I am sure that you are already only too familiar with it. However, if the gentlemen of your committee could only realize the heartaches and discouragement suffered by the officers over age in grade, because of the uncertainty attached to their future, I fully believe that they would at least save us the further uncertainty and humiliation incident to a repetition of last year's catastrophe.

I have reference to the same clause in the Army appropriation bill for 1935–36 that was included in the same bill for 1934–35.

You will note that General MacArthur is apparently against this forced attrition, as he realizes full well the terrible effect on the morale of all officers of the Army. As long as conditions of this kind exist, all officers (both old and young) are terribly upset. They do not know where the ax will fall next. Those of us who were fortunate enough to escape last year had just begun to breathe a little easier, hoping that the threat of forced elimination was past and that the new promotion bill would at least insure those of us who have been forced to remain in subordinate grades for so many, many years a chance for promotion in the near future. Even with this new promotion bill being given favorable report it seems that we are again threatened with being eliminated. Is there any way in which this threat can be eliminated?

"It would appear that the Army cleaned house last summer. Therefore, the only ones left from which to make future reductions are those who are unfortunate enough to be over age in grade. It would also appear that in the keen desire to afford promotion to the youngsters who have graduated from West Point since 1920, the services rendered during the war by the older officers are apparently forgotten. It would appear that they are to be sacrificed for no more apparent reason than that they (who have also served in subordinate grades for many years) must make way for younger men.

"I feel so deeply on this subject, Mr. McSWAIN, that I could write on and on indefinitely, but I feel that you, who have been our friend for so long, will do whatever you can to allow those of us who have demonstrated our proficiency, to enjoy the remaining years of our active service in peace."

RESOLUTIONS ADOPTED BY THE CHARLOTTE CHAPTER OF THE RESERVE OFFICERS' ASSOCIATION OF THE UNITED STATES, FEBRUARY 28, 1935, AT CHARLOTTE, N. C.

Whereas it has come to our attention that the Honorable J. J. McSWAIN, Member of Congress from South Carolina, and Chairman of the Military Committee in the House of Representatives, has advocated to the President that at least 50 percent of the new officers in the Regular Army be appointed from recent graduates of the Reserve Officers' Training Corps, and who are now members of the Officers' Reserve Corps, in the event of an increase in the Regular Army; and

Whereas such a recommendation appears to us just and equitable and in accordance with the best interests of the Army as a whole: Now, therefore, be it

Resolved by the Charlotte Chapter of the Reserve Officers' Association of the United States in meeting assembled, That we do commend the Honorable J. J. McSWAIN for his stand in this matter and for his recommendations in the interest of the Officers' Reserve Corps; and be it further

Resolved, That a copy of this resolution be spread upon the minutes of the chapter, that copies be forwarded to the State department and national headquarters, and that a copy be sent to the Honorable J. J. McSWAIN, House Office Building, Washington, D. C.

(Moved by First Lt. William F. Gaffney, Eighth Infantry, Davidson, N. C.; seconded by Lt. Col. Walter G. Craven, finance department, Thirtieth Division, 109 E. Fifth Street, Charlotte, N. C., and unanimously adopted.)

FRANCIS J. BEATTY,
Major, Three Hundred and Twenty-second Infantry, President.
RUFUS G. COLDWELL,
Captain, J. A. G. Reserve, Secretary-Treasurer.

RALEIGH, N. C., *February 23, 1935.*

Hon. J. J. McSWAIN, M. C.,
Chairman Military Affairs Committee,
United States House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN McSWAIN: It is with much gratitude that I learn of your stand upon the matter of the commissioned personnel for the Regular Army as you express in your letter to the President, on February 20, 1935.

The proposal to increase the commissioned strength of the Regular Army by increasing the number of appointments to the academy allowed each Member of Congress is by all respects a discrimination against those of us who desire to gain a commission from our Reserve commissions, and from the Reserve Corps. As the situation now stands, there can be but one result from such legislation. This is that within 15 years the whole American Army will be commanded entirely by West Point graduates.

On the face of such legislation it can be clearly seen that the results would be most detrimental to the Army, both as an organization and to its usefulness as a Government agency. For success in any endeavor a proper balance must obtain. Such a balance will be impossible where the guiding and directing authority initiates from one single clique, and by men who have been trained from one viewpoint. No college or university in existence would elect to its faculty only those who had graduated from its courses. This would not be fair to the students. What would be the result if all the Members of the Congress of the United States were graduates from any one college or university? This same axiom holds just as firmly in respect to the United States Army as it does for any agency of our Federal Government. The Army in peace times is a business just the same as the post-office function is a business and it must be run in a business way.

Since the spring of 1930, entrance into the line of the commissioned personnel of the Army has been by but one avenue, the Military Academy. Please do not read into this any animosity for the Military Academy or for the Cadet Corps. The reverse of such is intended. Everyone that is familiar with the past and present of this institution can do nothing but admire it because of its outstanding graduates. It is a sorrow of my life that I was unable to attend this fine school. This was politically impossible for me.

Success as an Army officer or efficient service to our Government is in no manner hinged to or assured by a diploma from West Point. A review of the retired list of the United States Army will substantiate this statement. There are many of my class who desire commissions. Several times we have forwarded to the War Department application for a regular commission, but each time

we were informed that there were no vacancies. This condition never existed for the West Point classes, and June of each year always found enough vacancies to care for all the graduates of this institution. The 1935 class from the Military Academy will put into the Regular Army as commissioned officers men who were in high school at the time that my class were already commissioned officers, and many with active duty to their credit. This certainly puts one institution in our country on a pinnacle and reflects on the training of all other colleges and universities.

If the men who were graduated from the Reserve Officers Training Corps with the commission of second lieutenant are not up to standard and not equal to the duties of a second lieutenant of the Regular Army in peace times, is it not quite true that such men would be of very little value in a time of an emergency when individual mistakes are so costly?

For these reasons, Congressman MCSWAIN, will you please intercede for those of us who are 1930 to 1934 R. O. T. C. graduates, and in your wisdom make your recommendations that the new law be retroactive in effect so as to include us and thus right this injustice to us. We do not feel that the United States Government is obligated to the academy graduates in any larger extent than it is any other college graduate. In fact, the academy-educated man has been given an excellent education with pay and at public expense, while men of my class worked their way, many borrowing money to pay for their education.

If the commissioned personnel is to be increased by 2,000 officers, why could not 1,000 of these men come from the Officers' Reserve Corps? In this way no additional expense would be needed to obtain the extra officers, and it certainly would be keeping faith with many men who desire military careers and who could not attend the United States Military Academy.

Your aggressive intercession in our behalf will be most appreciated by my group, and I am confident that your stand on the subject of the commissioned personnel of the Army is the object of much praise from the Reserve officers of the United States Army.

This letter is not intended to express an official view of this Department, but is entirely the viewpoint of those Reserve officers of my class who feel that we have not been given a chance to work at our life choice.

With the very greatest respect, I am,

Very truly yours,

WILLIAM F. GAFFNEY,
First Lieutenant, Infantry Reserve.

The paper was received through the mail but there is no means of tracing or identifying its author:

INCREASE ARMY EFFICIENCY BY ACT OR AMENDMENT

1. Any commissioned officer promoted or detailed to the grade of brigadier general of the line, or any branch or staff corps of the United States Army, unless retired for any cause previous thereto, will hold this grade not longer than 4 years, at the end of which term of service, unless promoted to the grade of major general, he will be retired with the retired pay of his grade, according to previously approved acts of Congress.

2. Any major general of the line, or of any branch, service, or staff corps of the United States Army, unless retired for any cause previous thereto, will hold this grade not longer than 4 years, at the end of which term of service, unless selected for Chief of Staff, or Deputy Chief of Staff of the Army, will be retired with the retired pay of his grade, according to previously approved acts of Congress.

3. Any general officer promoted to or detailed as Chief of Staff, or Deputy Chief of Staff of the United States Army, unless retired for any cause previous thereto, will hold this grade or detail not longer than 4 years, at the end of which term of service, he will be retired with the retired pay of his grade, according to previously approved acts of Congress.

4. The selection of commissioned officers for promotion or detail to the grade of general officer of any branch, service, or Staff Corps of the United States Army, in addition to limitations according to previously approved acts of Congress, is hereafter limited to commissioned officers who have been commissioned and served in that particular branch, service, or Staff Corps of the United States Army for 8 years immediately preceding the effective date of such promotion.

5. The provisions of this act will apply to all commissioned officers of the United States Army now holding, or who have held, the grade of general officer since the effective date of the end of the World War.

6. The provisions of this act will be inoperative (or suspended) for the period of any war, effective immediately on declaration of war.

LETTER FROM A RESERVE OFFICER

I have always heard that if the Army had a friend in Washington, it was Congressman MCSWAIN, and that Congressman MCSWAIN was a great champion of Reserve officers. Because of this, and because I know of the invaluable aid you gave to Captain ——— in his recent trouble, I should like to ask if you would help me solve a problem I have struggled with in the darkness of ignorance with no success.

I am a graduate of the 1934 class of the University of ———, and am now 23 years of age. I hold a second lieutenant's commission in the Reserve Corps, and have completed my work up to the grade of captain in less than 2 years. I am rather proud of the short record I have been able to attain in the corps.

During my senior year at the university and up to the present I have served as instructor in the military department of the University of ——— entirely on my own initiative and with no pay, merely to increase my efficiency as an officer. While this means nothing toward promotion, nor helps my military record, I think I am better for having done it, and I believe I can say without boasting that the Regular Army officers on duty at the university would give a good report on me. I have many recommendations from Army officers under whom I have served which I can submit with pride at any time.

More than anything else in the world, I want to be an officer in the Regular Army, and would gladly do anything necessary to obtain a commission if I only knew what was required and how to go about the affair. I have written the War Department about it, and they tell me that only West Pointers are appointed in the Regular Army. I feel certain that there must be some way for a person who is as much interested in the Army as I am to do something about it.

UNIFIED AIR FORCE—COORDINATION OF ARMY AND NAVY CORPS IS DISCUSSED

To the EDITOR OF THE NEW YORK TIMES:

May I say a word about your recent editorial in which you express approval of the fact that the Federal Aviation Commission (the Howell board), like the Baker board, "refused to be drawn into any chimerical proposition for a united national-defense system."

Lieutenant General Bullard, who commanded a division, a corps, and a separate Army in France, and is now president of the National Security League, says: "There should be a separate, unified air force, equal in rank and importance with the Army and Navy, and the three services should be united under a single department head."

The Chairman of the House Military Committee, JOHN J. MCSWAIN, long a student of national defense, following his own war experiences, discussed this subject at length under the title, "National Defense—Reorganization of Departmental Control." After analyzing the objections, Representative MCSWAIN gave his "conclusions that all the fighting forces of the Nation, organized solely for the defense of the Nation, in order to accomplish economy, in order to accomplish effective cooperation in training and in fighting, must be under a single authority, and in a single department."

INVESTIGATION URGED

Your comments were written previous to the issue of the 250-page pamphlet of the report of the Howell board. While this subject was not in the references of either of the two boards, it is interesting to see how its importance pressed upon both, developing evident anxiety about the matter. The Howell committee states: "While this matter lay beyond our scope, we have considered it so serious that we recommend that the whole problem of military organization and of interservice relationships be made the subject of extended examination by some appropriate agency in the near future."

In a large percentage of this board's 36 specific recommendations about Army and Navy aviation, the earnest desire to provide for better coordination in the work of the two forces stands out.

The Baker board states that the Army and Navy should "each be free to concentrate on its normal and customary missions rather than to adopt a system based on occasional and short-lived joint operations." The same board reports that all the primary and secondary functions of the two services are satisfactorily defined, "with the exception of aviation."

COORDINATION NEEDED

Is it not precisely this new and powerful engine of war, aviation, that has brought the subject of coordination so prominently to the front? Among many other matters there is the training of air forces, the use of aviation, including the power of one man quickly to reinforce the air contingent of Navy or Army in war, depending on which may be involved in the more serious problem for the moment. Is it the definition in time of peace of the functions of the Army and the Navy that is difficult, or a plan that will insure this arrangement being executed in war at a distance, with two powerful leaders in command of separate and distinct military forces?

Are joint operations always short-lived and are they ever unimportant? Witness Vicksburg, Gallipoli, Santiago, and much of the work of fleet and land troops in our Civil War. Even in those relatively simple war days, Lincoln had difficulty enough in getting Stanton and Wells to see eye to eye on several occasions.

WILLIAM C. RIVERS,
Major General, U. S. A. (retired).

NEW YORK, *March 5, 1935.*

LEAVE TO ADDRESS THE HOUSE

Mr. BOILEAU. Mr. Speaker, I ask unanimous consent that tomorrow, immediately after the reading of the Journal and the disposition of business on the Speaker's table, I may address the House for 10 minutes.

The SPEAKER. Is there objection?

Mr. BUCHANAN. Mr. Speaker, this will be the first time I ever objected to that sort of request, but we have the Department of Agriculture appropriation bill, and we are meeting at 11 o'clock to try to get through with that tomor-

row so that another very important bill, in which there is a great emergency, can be taken up and we can get through with that before striking the bonus legislation. I hope the gentleman will withdraw his request until next week until those two bills are passed.

Mr. BOILEAU. Mr. Speaker, this is my third term in Congress and this is the first time I have ever made a request to speak out of order in the House. I want to say, further, that this afternoon I was referred to in the remarks of the gentleman from Arkansas [Mr. FULLER], and I hope the gentleman will not see fit to object to my request.

Mr. BUCHANAN. I will not object to this request, but I will object to any others.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. BOILEAU]?

There was no objection.

THE NEW FINANCIAL EMPIRE OF THE NORTHWEST AND HOW IT CONTROLS ALL GOVERNMENT FINANCE AGENCIES ESTABLISHED TO AID THE PEOPLE

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BURDICK. Mr. Speaker, generally speaking all of the Government financial set-ups to service the Northwest were placed either in Minneapolis or St. Paul, and the men put in charge were, in almost every instance, selected from the ranks of the so-called "group banks." These group banks were organized, in the first instance, by officers and directors of the First National Bank of Minneapolis, and the machinery for grouping banks was put in motion by two organizations, the First Bank Stock Corporation and the Northwest Bancorporation.

Just a glimpse into the method of these organizations, both in the organization and operation, is necessary to convey to Congress and the country what sinister attachments these groups have had on the funds of the Government loaned through the various Government agencies established in the Twin Cities.

The Securities Division of the Department of Commerce for the State of Minnesota conducted an investigation concerning the organization and operation of this institution, and the testimony hereafter quoted is testimony adduced at this hearing. These hearings began in April 1933.

E. W. Decker, formerly president of the company and former president of the Northwestern National Bank of Minneapolis, testified that the officers of the Northwestern National Bank planned this scheme in the spring of 1928. The officers who took part in the discussions which 3 months later resulted in the organization of the company are: Theodore Wold, now president Northwestern Uational Bank, Minneapolis, Minn.; W. D. Durst, president of the Minnesota Loan & Trust Co., Minneapolis, Minn., affiliated with the Northwestern National Bank; J. C. Thomson, vice president of the Northwestern National Bank (Minneapolis), and now president of the Northwest Bank Corporation; R. E. McGregor, vice president of the Northwestern National Bank, Minneapolis; H. D. Thrall and D. R. West, officers and directors of the Minnesota Co., affiliated with the Northwestern National Bank, Minneapolis.

As to the purpose of organizing the corporation, Mr. Decker testified that in 1920 and 1921 he and C. T. Caffray, director of the First National Bank of Minneapolis, and now president of the Soo Line Railroad, borrowed $50,000,000 for the purpose of loaning to country banks, and about at the same time they "took in" several of the important banks in the outlying districts of Minneapolis. They operated these as branches. The purpose of the Bancorporation was "to absorb by ownership the capital stock of Northwestern banks."

At a meeting on August 8 and 9, 1929, E. W. Decker called the directors of this new financial empire together and outlined to the various subordinate officials, who functioned under him in the chain banks, the theory under which the chain-banking institution would be conducted so far as agriculture was concerned. I here quote verbatim what he said at that time:

Mr. Kenniston made a remark here the other day that perhaps was a little extreme, and yet there was a good deal of sense in it. He said, "You know, Decker, a farmer hasn't any business to borrow any money of a commercial bank", but today I would qualify that. If he is feeding stock and is going to turn it off in the fall, that is legitimate. But a farmer doesn't belong in a commercial bank to any great extent because his loans are not liquid—that is, to loan a farmer money in the hopes that he is going to get a crop, that is pretty risky. To keep on carrying farmers year in and year out, hoping that some day something is going to turn up, and they are poor farmers, is a detriment to the country, to the farmer, and to the bank. If a farmer is no good he may as well get out. It is a case of the survival of the fittest, and I do not propose to hold an umbrella over the banks up here and the farmers."

The above statement was made by the emperor of the new financial empire, and was carried out without objection by the chain bankers.

At that time the sway of that emperor was supreme. He was receiving $60,000 annual salary from the Northwestern National Bank, $7,000 from the street railway company, and a further small stipend of $30,000 for acting as a receiver for the Minneapolis & Ontario Paper Mill Co. Decker, as chairman and director of the Minnesota Loan & Trust Co., of Minneapolis, sold stock in the Minneapolis & Ontario Paper Co. to men, women, widows, and orphans. This he did to make good on a loan of one million to this concern which was almost a total loss. This loss, or a great part of it, was absorbed by the men, women, widows, and orphans who purchased this stock, only to find it a financial failure.

The minute book of the Northwest Bancorporation shows that three dummy directors incorporated this corporation in the State of Delaware. Their names were A. V. Lane, C. S. Peabbles, and L. E. Gray. The first meeting of the board took place on January 30, 1929; and at that time John C. Benson, Paul Christopherson, and Glen S. Stiles, who were partners and employees of the law firm of Cobb, Hoke, Benson, Faigre & Krouse, became the directors of the corporation. This firm of attorneys acted as the attorneys for the corporation. The dummy directors at that meeting were paid the sum of $1,000 for all rights to the corporation under the charter and for the 20 shares of stock authorized by the corporation. This stock was thereupon issued as follows: 12 shares to E. W. Decker (he kept control himself), 1 share to Hanford MacNider, 1 share to E. J. Weiser, 1 share to Robert E. McGregor, 1 share to H. D. Thrall, 1 share to D. R. West, 1 share to W. A. Durst, 1 share to Theodore Wold, and 1 share to W. G. C. Bagley.

The above-named men became directors of the corporation. The 20 shares of stock held by them had a par value of $50 each, or $1,000. There were no other subscriptions to stock of the corporation prior to the exchange and sale of stock in the amounts hereinafter mentioned. At that meeting on January 30, 1929, the dummy directors, Benson, Stiles, and Christopherson, resigned, and E. W. Decker, Hanford MacNider, and E. J. Weiser were elected as directors, and E. W. Decker became chairman.

The three directors then held a meeting and amended the bylaws to increase the number of directors to 35, and thereupon R. E. McGregor, H. D. Thrall, D. R. West, W. A. Durst, Theodore Wold, and W. G. C. Bagley were added to the board of directors, each owning a $50 share of stock. This board organized and E. W. Decker became president; Robert E. McGregor, first vice president and treasurer; Hanford MacNider, vice president; E. J. Weiser, vice president; H. D. Thrall, vice president; D. R. West, secretary.

This meeting of the board then passed the following significant resolutions:

(1) That a bank account be opened with the Northwestern National Bank of Minneapolis, the First National Bank & Trust Co. of Fargo, N. Dak., and the Minnesota Loan & Trust Co., of Minneapolis.

(2) *Resolved*, That the dividends be declared and paid quarterly and that the dividend be declared as of April 1, 1929, be 45 cents per share if the earnings of the company be sufficient therefor; that said dividends shall be payable to stockholders of record on March 20, 1929.

(3) *Resolved*, That the officers of this corporation be, and they are hereby, authorized and empowered to issue and sell not to

exceed an aggregate of $5,000,000 par value of the capital stock of the corporation, and to sell the same at said par value plus a sum equivalent to accrued and unpaid quarterly dividends at the rate of 45 cents per share, and to receive subscriptions to said stock, subject to allotment to said subscribers in such amounts, proportional or not proportional, to said subscriptions as said board of directors or the executive committee of this corporation shall determine.

When all this official action was taken it must be remembered that only $1,000 had been invested by these men in the corporation.

While the investment still stood at $1,000, another resolution was passed by this board [reading]:

The stock of the Northwestern National Bank is fairly and reasonably worth $400 per share; the capital stock of the First National Bank of Mason City, Iowa, is fairly and reasonably worth the sum of $300 per share; and the capital stock of the First National & Trust Co., of Fargo, N. Dak., is fairly and reasonably worth the sum of $10 per share. That the capital stock of the First National Bank of La Crosse, Wis., is fairly and reasonably worth the sum of $275 per share.

The set-up had now been completely made, and we can now watch the operation of the building of the new financial empire, having only an investment of $1,000. They placed a value on their own stock of $50 per share, to be exchanged for the bank stock valued arbitrarily by them. With $5,000,000 of their stock manufactured out of an investment of $1,000, we can now see what was done with the artificially created wealth of $4,900,000 by bankers who know how to operate under our present financial system.

At the time this new field was opened up and into which we are presently to look, Mr. Decker, under oath, stated that the Northwest Bancorporation had no assets and no liabilities.

The first act of the corporation on its road to success was the passage of a resolution authorizing the issue of 600,000 shares of common stock at a par value of $50 each, to be exchanged for bank stock. The men who carried on the campaign to sell this stock were J. Cameron Thomson, A. D. Thrall, and D. R. West.

The first bank taken over by the corporation was the Northwestern National Bank of Minneapolis. This was easily accomplished, as many officers of the corporation were also officers of the bank. The promoters of the stock sale were instructed by the corporation "to give special emphasis to the depositors of the banks to be taken over."

The money came in in streams from the depositors who bought the corporation stock. As the campaign opened the corporation stock was acceptable to the "line of banks" as collateral for loans. Before the campaign ended the control of 115 banks in the Northwest passed to the possession of this corporation. Even employees of the "line banks" were compelled to buy the corporation stock, and at the end of each month the forced-stock subscriptions of employees of the banks were deducted from salary checks.

The factors which made the sale of this worthless stock easy were:

First. The fact that the public at that time was in a speculative mood.

Second. The corporation was reporting and paying large dividends—when, in fact, there were none.

Third. The corporation's stock continued to advance in the Chicago Stock Exchange by "window dressing" advertising.

Fourth. The fact that the men operating the corporation were also the heads of the large banks of the Twin Cities and the surrounding territory.

Fifth. The press items which advanced the idea of group banking as a substitute for banking which had seen the closing of so many banks in the territory.

Some idea of the fictitious dividends paid out can be judged from the fact that on April 1, 1930, dividends were voted to the amount of $752,000, while the report of earnings on file that day reported earnings of only $11,000. On June 25, 1930, another dividend was declared, showing dividends paid out in excess of earnings of $105,836. Again, in October 1930, when the next dividend was voted and paid, the excess of dividends over earnings amounted to $192,671.13. All this took place with a report before the directors showing the actual condition of the company.

In 1931 the losses of the company were $4,461,000, yet the corporation reported to its stockholders a profit of $5,700,000. The stock advanced from $50 par value per share to $100.25 per share, and during this time the insiders offered and sold their own stock. D. R. West admitted under oath that they "dressed the market", that is, made the stock more valuable by favorable publicity.

Not satisfied with their plan to control all the valuable banks in the Northwest, this corporation and its sister organization, launched by the First National Bank crowd of Minneapolis, known as the "First Bank Stock Corporation", decided to get favorable legislation in Washington to legalize branch banking. These concerns, with others in the East, had representatives before Congress to further this idea, and one expense bill filed by this corporation shows a legislative expense of $18,059.44. The report says:

We have done a great deal of entertaining, and, of course, an enormous amount of telephoning.

Fifty million dollars was collected from residents of Minnesota on the sale of this stock, and in North Dakota alone over $1,000,000 was paid by buyers of this stock. Many North Dakotans with stock in good banks like the First National Bank of Fargo traded in their bank stock and accepted Bancorporation stock at $50 per share, only to find in 1933 that this stock was worth only $6.25, and the present quoted market price is $4 to $4.25.

The present financial status of the Northwest Bancorporation is as follows:

One hundred and twenty-seven banks and trust companies and nine investment companies in the Northwest have been absorbed by this institution, and today this institution controls deposits in the amount of $391,000,000.

The present assets of these bank affiliates is about $18,000,000, and on that amount of security the Reconstruction Finance Corporation has advanced a loan of $22,000,000. Without the Reconstruction Finance Corporation assistance this part of the great financial empire would be but another page in the history of the destruction of the people and their Government by the private banking interests of the country. Here follows the formal report of the condition of the Northwest Bancorporation:

NORTHWEST BANCORPORATION

The Northwest Bancorporation through its affiliates has borrowed over $22,000,000 from the R. F. C. This is represented by collateral consisting of preferred stock in the individual units. As of December 31, 1931, approximately 1,600,000-and-some-odd shares were in the hands of the public in the States of Minnesota, North Dakota, Montana, Wisconsin, Iowa, Nebraska, and Washington. This stock was either sold to the public or was exchanged for stocks in the various affiliates which they took over. The par value of Northwest Bancorporation stock was set at $50 per share and was later changed in November 1932 to stock of no par value. This stock sold on the Minneapolis-St. Paul Stock Exchange and the Chicago Stock Exchange at prices ranging from $62.50 to $100 a share, and is today selling at $4.25 on the Minneapolis-St. Paul Stock Exchange. The Northwest Bancorporation had 139 affiliates in 1931, serving 115 distinct communities, consisting of 127 banks and trust companies, 9 investment companies, 3 livestock-loan companies. It ranked sixteenth in size among financial institutions in the United States and seventh outside of New York. Northwest Bancorporation as of December 31, 1931, had 17,605 stockholders, who owned 1,679,501 shares. The balance sheet of the Northwest Bancorporation as of December 31, 1931, showed assets of $90,587,693.34. In 1932 this amount was reduced by $39,000,000 of goodwill. The present assets of banks are about $18,000,000.

THE FIRST BANK STOCK CORPORATION

At about the time this Northwestern Bancorporation was being organized, the First National Bank crowd of Minneapolis were also busy. Through the efforts of C. T. Jaffray, chairman of the board of directors; P. J. Leeman, vice president; George Prince, president; M. O. Grandgaard, vice president; and other officers of the First National Bank of Minneapolis, a second corporation was organized for the same purpose. This organization was called the "First Bank Stock Corporation." The organizations were similar, in that no money was put into them by the organizers; they never had any assets, but sold fictitious stock and secured control of a great number of banks by trading in this stock.

FIRST BANK STOCK CORPORATION

Incorporated in Delaware with articles of incorporation dated April 1, 1929.

This April 1 date is quite a coincidence.

The First Bank Stock Investment Co. was organized April 2, 1929.

Originally incorporated as First Bank Stock Investment Co., whose incorporators were S. L. Mackey, J. Shaivan, H. Kennedy, Wilmington, Del. Capital authorization 1,000,000 shares, no par value. Filed articles of incorporation August 31, 1929. Articles amended at meeting held August 26, 1929, at which time the name was changed to First Bank Stock Corporation. Changed authorized capital stock to 10,000,000 shares of par value of $25 per share.

The names of the organizers of the First Bank Stock Corporation, officers, and directors, and their positions at the time were as follows:

DIRECTORS' PRESENT POSITIONS, 1929

Shreve M. Archer, president Archer-Daniels Midland Co., Minneapolis.
Julian B. Baird, vice president Merchants Trust Co., St. Paul.
J. C. Bassett, chairman of the board Aberdeen National Bank, and president First State Savings Bank, Aberdeen, S. Dak.
Russell M. Bennett, mineral lands, Minneapolis.
F. R. Bigelow, president St. Paul Fire & Marine Insurance Co., St. Paul.
Ralph Budd, president Great Northern Railway Co.
E. L. Carpenter, president Shevlin, Carpenter & Clarke Co., Minneapolis.
F. A. Chamberlain, chairman executive committee First National Bank in Minneapolis.
Hovey C. Clarke, treasurer Crookston Lumber Co., Minneapolis.
Franklin M. Crosby, vice president General Mills, Inc., Minneapolis.
N. Paul Delander, president First St. Paul Co., St. Paul.
S. W. Dittenhofer, president The Golden Rule, St. Paul.
Charles Donnelly, president, Northern Pacific Railway Co.
L. O. Evans, general counsel, Anaconda Copper Mining Co.
E. T. Foley, president, Foley Bros., St. Paul.
Harry P. Gallaher, president, Northwestern Consolidated Milling Co., Minneapolis.
Charles W. Gordon, president, Gordon & Ferguson, Inc., St. Paul.
Theodore W. Griggs, president, Griggs, Cooper & Co., St. Paul.
William Hamm, Jr., vice president, Theo. Hamm Brewing Co., St. Paul.
Isaac E. Hansen, vice president, First National Bank, St. Paul.
Harry J. Harwick, secretary-treasurer, Mayo Clinic, Rochester, Minn.
John H. Hauschild, president, Charles W. Sexton & Co., Minneapolis.
Horace M. Hill, president, Janney, Semple, Hill & Co., Minneapolis.
L. W. Hill, chairman of the board, Great Northern Railway Co., and chairman of the board of the First National Bank, St. Paul.
N. L. Howard, president, Chicago Great Western Railroad Co.
Louis K. Hull, president, Western Pacific Land & Timber Co., Minneapolis.
Charles G. Ireys, vice president-treasurer, Russell-Miller Milling Co., Minneapolis.
Horace H. Irvine, Pine Lands & Lumber, St. Paul.
C. T. Jaffray, president, Minneapolis, St. Paul & Sault Ste. Marie Railway Co.
John Junell, attorney, Minneapolis.
Charles O. Kalman, Kalman & Co., St. Paul.
P. J. Kalman, president, Kalman Steel Co., St. Paul.
Cornelius F. Kelly, president, Anaconda Copper Mining Co.
William P. Kenney, vice president, Great Northern Railway Co., St. Paul.
Horace C. Klein, managing partner, Webb Publishing Co., St. Paul.
P. J. Leeman, vice president, First National Bank in Minneapolis.
R. C. Lilly, president, First National Bank, St. Paul.
A. C. Loring, president, Pillsbury Flour Mills Co., Minneapolis.
Sumner T. McKnight, president S. T. McKnight Co., Minneapolis.
T. A. Marlow, president National Bank of Montana, Helena, Mont.
B. V. Moore, vice president, First Minneapolis Trust Co., Minneapolis.
W. G. Northrup, president North Star Woolen Mills Co., Minneapolis.
J. A. Oace, vice president, First National Bank, St. Paul.
E. B. Ober, president Minnesota Mining & Manufacturing Co., St. Paul.
A. F. Pillsbury, vice president, Pillsbury Flour Mills Co., Minneapolis.
C. S. Pillsbury, vice president, Pillsbury Flour Mills Co., Minneapolis.
J. S. Pomeroy, vice president, First National Bank in Minneapolis.
F. M. Prince, chairman of the board, First National Bank in Minneapolis.
George H. Prince, chairman First National Bank, St. Paul.
George W. Robinson, president Tri-State Telephone & Telegraph Co., St. Paul.
John D. Ryan, chairman of the board, Anaconda Copper Mining Co.
Fred W. Sargent, president Chicago & North Western Railway Co.
H. A. Scandrett, president Chicago, Milwaukee, St. Paul & Pacific Railroad Co.
Sam Stephenson, president First National Bank, Great Falls, Mont.
L. E. Wakefield, president First National Bank in Minneapolis.
E. C. Warner, president Canadian Elevator Co., Ltd., Minneapolis.
Robert W. Webb, president First Minneapolis Trust Co., Minneapolis.
F. B. Wells, vice president, F. H. Peavey & Co., Minneapolis.
Stuart W. Wells, president Wells-Dickey Co., Minneapolis.
F. E. Weyerhaeuser, lumber, St. Paul.
R. M. Weyerhaeuser, lumber, St. Paul.
Frederick E. Williamson, president Chicago, Burlington & Quincy Railroad Co.
D. N. Winton, president the Pas Lumber Co., Minneapolis.
James E. Woodard, president Metals Bank & Trust Co., Butte, Mont.

OFFICERS, PRESENT POSITION, 1929

Chairman board of directors, C. T. Jaffray, president Minneapolis, St. Paul & Sault Ste. Marie Railway Co.
President, George H. Prince, chairman the First National Bank of St. Paul.
Vice president, L. E. Wakefield, president First National Bank in Minneapolis.
Vice president, R. C. Lilly, president the First National Bank of St. Paul.
Vice president and general manager, P. J. Leeman, vice president First National Bank in Minneapolis.
Vice president, Lyle W. Scholes, assistant vice president First National Bank in Minneapolis.
Secretary and comptroller, A. E. Wilson, assistant comptroller, First National Bank in Minneapolis.
Treasurer, M. M. Hayden, assistant cashier, the First National Bank of St. Paul.
Assistant secretary and assistant treasurer, M. A. Cooley.

The present quoted value of First Bank stock is 8⅝ to 8⅞, the last sale being made at 8¾. The Banco quoted at 4 to 4¼, March 5, 1935.

The present financial condition of the First Bank Stock Corporation is about as follows:

As of December 30, 1933, the First Bank Stock Corporation had 3,092,117 shares outstanding to the public. This stock was either sold outright or traded for various banks in the group. As of December 31, 1932, total book value applicable to First Bank Stock Corporation, $45,528,994.29; December 30, 1933, $39,706,877.76. Book value of stock as of December 30, 1933, was $12.84 per share. As of December 30, 1933, the resources of the corporation were $125,182,386.56. Pro forma balance sheet as of December 30, 1933, after giving effect to the proposed reduction in par value of capital stock from $25 to $10 per share, $40,284,276.87. This resulted from cutting down the value of stocks of affiliates from $121,514,150.47 to $36,616,040.78. As of December 30, 1933, 98½ percent of the aggregate capital stock of the 98 active affiliates was owned by the First Bank Stock Corporation. On December 30, 1933, the First Bank Stock Corporation owned 98 active affiliates. These affiliates were in the States of Minnesota, Montana, North Dakota, South Dakota, and Michigan. The prices for which this stock was sold, which had a par value of $25 per share, was offered to the public at $47.50; and rose on the Twin Cities Stock Exchange to approximately $67, and is now selling at 8⅜. The par value of First Bank stock was changed from $25 to $10 per share.

With this set-up in mind, we now come to the real charge which I am prepared to make, namely, that this group of individuals who organized these two spurious organizations have always had, and now do have, their hands directly and indirectly upon all Government finance organizations servicing the Northwest. They were put into office by Republicans, and are now kept there by Democrats. I am an independent Republican, and, hence, am not interested in party when we are considering the management of funds intended to be used by this Government for the relief of people directly or through a more liberal system of finance. But in this financial circle we find the loyalty displayed among their own kind to exceed anything any political party in America has ever known. It is, I assert, a living demonstration that among men in high finance there is a communion of interests that passes all party bounds, and even the patriotism of an honest citizen of the Republic is ruthlessly cast aside if only the men of finance may practice their nefarious profession on the public. For this reason, coming from bitter expe-

rience of actual facts—I have made the assertion before in this Congress, and now reiterate it—that this greatest experiment of government in the history of the human family is doomed to failure unless this Congress can drive the money changers out of the control of Government money and Government credit and restore the power to coin money and regulate the value thereof to the Congress of the United States.

In accordance with the permission granted by Congress, I will submit, under extension of remarks, the set-up and workings of the War Finance Corporation, the Federal land bank, the intermediate credit bank, the Production Loan Corporation, the Farm Credit Administration, the Federal Reserve bank, and the Reconstruction Finance Corporation in subsequent and separate speeches.

HOUR OF MEETING

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. SNELL. Reserving the right to object, what is the necessity of meeting at 11 o'clock tomorrow?

Mr. TAYLOR of Colorado. We hope to finish the consideration of the Department of Agriculture appropriation bill first and then the members of the Committee on Agriculture are very anxious to take up some very important matters that they want the House to act on this week.

Mr. SNELL. What are the matters coming from the Committee on Agriculture?

Mr. BUCHANAN. It is a bill that comes from the Committee on Agriculture relating to the cotton-reduction program. It exempts each little farmer who does not make over two bales of cotton from the processing tax. Any little farmer with a family who does not make more than two bales of cotton ought not have to pay the processing tax.

Mr. SNELL. Well, I agree that all of them should not pay the processing tax, but what is the emergency?

Mr. BUCHANAN. The emergency is that they are planting cotton down there now. The relief rolls will be decreased by this action, because those who do not make over two bales of cotton swear they will not plant any cotton this year and will go on the relief rolls. If any legislation at all is passed it should be passed right away.

Mr. SNELL. While we are on the subject, what has become of the bill which the Chairman of the Committee on Agriculture received unanimous consent to consider several days ago?

Mr. TAYLOR of Colorado. I think that is one of the matters the chairman wants to take up on Saturday.

Mr. SNELL. No. That was a bill in regard to some other matter, where they were going to put on an amendment for the Frazier bill.

Mr. TAYLOR of Colorado. Does the gentleman mean the Jones bill?

Mr. SNELL. Yes.

Mr. TAYLOR of Colorado. I have not heard anything from the chairman about it.

Mr. SNELL. The gentleman from Texas [Mr. JONES] received unanimous consent to consider it the following Monday, but it has never been brought up. I was wondering what had become of it.

Mr. TAYLOR of Colorado. I am in hopes that we can adjourn over Saturday, but I do not know yet whether we can or not.

Mr. SNELL. If we are not going to adjourn over Saturday, it does not seem to be necessary to meet tomorrow at 11 o'clock. Of course, I am not going to object to meeting at 11 o'clock, but I wanted to know what the program was going to be. I do not have any objection to meeting at 11 o'clock or to adjourning over Saturday, but I wanted to find out what the program was going to be.

Mr. BUCHANAN. If we cannot pass the Department of Agriculture appropriation bill in time to bring up the cotton bill, then there will be objection to adjourning over Saturday, so that we can pass the cotton bill.

Mr. SNELL. If we meet at 11 o'clock, will the gentleman assure us that we will not have to sit on Saturday?

Mr. TAYLOR of Colorado. Can the gentleman from New York assure me how many speeches will be made on the bill tomorrow under the 5-minute rule?

Mr. SNELL. I can assure the gentleman that if he will move to close debate the House will support him every time.

Mr. TAYLOR of Colorado. The committee has been very liberal in allowing general debate on this Agricultural Department appropriation bill. It is an enormous bill involving thousands of items, and I feel we ought to take all the time that is reasonably necessary to properly consider it. I am quite anxious to finish it tomorrow. That is the reason I want the House to adjourn until 11 o'clock.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. MOTT. Reserving the right to object, let me get this straight. Is it the intention to meet at 11 o'clock tomorrow and then continue our session on Saturday, too? Are we going to meet on Saturday?

Mr. TAYLOR of Colorado. I want to avoid meeting on Saturday, but I rather expect we may be compelled to. I do not know yet, but I hope not.

Mr. MOTT. Now, personally, I do not like the idea of meeting here at 11 o'clock in the morning and having sessions on Saturday. It gives a Member who desires to stay on the floor no time at all to attend to his office work. If it is the intention of the gentleman to work on Saturday as well as to convene at 11 o'clock, I am going to object to that sort of thing.

Mr. TAYLOR of Colorado. I may say to the gentleman that no one is more anxious to adjourn over every Saturday than the Speaker and the minority leader and myself. A very large number of Members have urged me to ask for an adjournment over every Saturday, and I would like to do so.

Mr. MOTT. It is about the only time in the week we have to catch up with our work. Our committee work takes the whole morning.

Mr. TAYLOR of Colorado. I realize that fully, and I agree with the gentleman, and I think we have adjourned over every Saturday but one this session. But the Chairman of the Committee on Agriculture is very anxious to have this appropriation bill finished tomorrow and take up another important matter and, if necessary, to have a meeting on Saturday to consider that or those matters referred to by the gentleman from Texas [Mr. BUCHANAN.] So I do not desire to make any request of that kind at this time.

The SPEAKER. Is there objection to the request of the gentleman from Colorado [Mr. TAYLOR]?

Mr. MOTT. I will take a chance on it. I will see how we do for the rest of this week.

The SPEAKER. Is there objection?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. LAMNECK, for several days, on account of illness.

To Mr. MEEKS, for an indefinite period, on account of illness.

To Mr. STARNES, for an indefinite period, on account of illness in his family.

To Mr. SWEENEY, for 3 days, on account of death in the family.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 426. An act for the relief of Jacob Santavy.

H. R. 593. An act for the relief of Fred C. Blenkner.

H. R. 3266. An act authorizing the maintenance and use of a banking house upon the United States military reservation at Fort Lewis, Wash.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 53 minutes p. m.), the House, pursuant to its order heretofore entered, adjourned until tomorrow, Friday, March 15, 1935, at 11 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII.

Mr. SECREST: Committee on Roads. H. R. 4301. A bill to increase employment and reduce highway and railway intersection hazards by authorizing an appropriation to provide for emergency construction of public highways and related projects, and for other purposes; with amendment (Rept. No. 386). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H. R. 5069. A bill to repeal the act entitled "An act to grant to the State of New York and the Seneca Nation of Indians jurisdiction over the taking of fish and game within the Allegany, Cattaraugus, and Oil Spring Indian Reservations", approved January 5, 1927; without amendment (Rept. No. 387). Referred to the Committee of the Whole House on the state of the Union.

Mr. PATTON: Committee on the Territories. H. R. 5707. A bill to ratify and confirm the corporate existence of the city of Nome, Alaska, and to authorize it to undertake certain municipal public works, including the construction, reconstruction, enlargement, extension, and improvement of its sewers and drains, fire-fighting system, streets and alleys, sidewalks, curbs, and gutters, and a municipal building, and for such purposes to issue bonds in any sum not exceeding $100,000; without amendment (Rept. No. 390). Referred to the House Calendar.

Mr. LLOYD: Committee on the Judiciary. H. R. 5917. A bill to appoint an additional circuit judge for the ninth judicial circuit; without amendment (Rept. No. 413). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 60. A bill to authorize the disposal of surplus personal property, including buildings, of the Emergency Conservation Work; without amendment (Rept. No. 414). Referred to the Committee of the Whole House on the state of the Union.

Mr. GREEVER: Committee on the Public Lands. H. R. 5538. A bill granting a leave of absence to settlers of homestead lands during the year 1935; without amendment (Rept. No. 415). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII.

Mr. BURDICK: Committee on Indian Affairs. H. R. 5192. A bill for the relief of the rightful heir of Joseph Gayton; without amendment (Rept. No. 388). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 1703. A bill for the relief of Cletus F. Hoban; with amendment (Rept. No. 391). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 1864. A bill for the relief of Henry Dinucci; with amendment (Rept. No. 392). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 3596. A bill for the relief of William H. Ames; with amendment (Rept. No. 393). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims: H. R. 3599. A bill for the relief of Annie M. Ayer; with amendment (Rept. No. 394). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4815. A bill for the relief of Jasper Daleo; with amendment (Rept. No. 395). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4838. A bill for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department; without amendment (Rept. 396). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 41. An act for the relief of the Germania Catering Co., Inc.; with amendment (Rept. No. 397). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 285. An act to reimburse the estate of Mary Agnes Roden; without amendment (Rept. No. 398). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 557. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department; without amendment (Rept. No. 399). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 753. An act to carry out the findings of the Court of Claims in the case of the Wales Island Packing Co.; with amendment (Rept. No. 400). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 788. An act for the relief of the International Mercantile Marine Co.; with amendment (Rept. No. 401). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 790. An act for the relief of the Compagnie Generale Transatlantique; with amendment (Rept. No. 402). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 905. An act for the relief of Edith N. Lindquist; without amendment (Rept. No. 403). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 921. An act for the relief of C. J. Mast; without amendment (Rept. No. 404). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1027. An act for the relief of Dr. R. N. Harwood; without amendment (Rept. No. 405). Referred to the Committee of the Whole House.

Mr. EVANS: Committee on Claims. S. 1036. An act authorizing adjustment of the claim of Dr. George W. Ritchey; without amendment (Rept. No. 406). Referred to the Committee of the Whole House.

Mr. EVANS: Committee on Claims. S. 1038. An act authorizing adjustment of the claim of Elda Geer; without amendment (Rept. No. 407). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1062. An act for the relief of James R. Young; with amendment (Rept. No. 408). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1121. An act for the relief of Isidor Greenspan; with amendment (Rept. No. 409). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1474. An act for the relief of Paul H. Creswell; with amendment (Rept. No. 410). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1487. An act for the relief of Mick C. Cooper; without amendment (Rept. No. 411). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 742. An act for the relief of Charles A. Lewis; without amendment (Rept. No. 412). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 1464) to correct the military record of Edward Reidell; Committee on Military Affairs discharged, and referred to the Committee on Merchant Marine and Fisheries.

A bill (H. R. 253) for the relief of Agnes E. Craig; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 237) for the relief of Rowesville Oil Co.; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 1849) for the relief of Herman H. Orth; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 254) for the relief of the Farmers' Storage & Fertilizer Co., of Aiken, S. C.; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (S. 1809) for the relief of Germaine M. Finley; Committee on Claims discharged, and referred to the Committee on Foreign Affairs.

A bill (S. 1896) to provide for interest payments on American Embassy drafts; Committee on Claims discharged, and referred to the Committee on Foreign Affairs.

A bill (S. 447) conferring jurisdiction on the United States District Court for the District of Oregon to hear, determine, and render judgment upon the suit in equity of Rakha Singh Gherwal against the United States; Committee on Claims discharged, and referred to the Committee on Immigration and Naturalization.

A bill (S. 799) for the relief of Yvonne Hale; Committee on Claims discharged, and referred to the Committee on Foreign Affairs.

A bill (S. 39) for the relief of the estate of William Bardel; Committee on Claims discharged, and referred to the Committee on Foreign Affairs.

A bill (S. 312) for the relief of Lillian G. Frost; Committee on Claims discharged, and referred to the Committee on Foreign Affairs.

A bill (H. R. 3951) granting an increase of pension to Nanette M. Heisinger; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 4224) granting a pension to Isabelle H. Brynes; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 4433) granting an increase of pension to Minnie Holleran; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SANDLIN: A bill (H. R. 6718) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes; to the Committee on Appropriations.

By Mr. BLAND: A bill (H. R. 6719) to amend the Canal Zone Code; to the Committee on Merchant Marine and Fisheries.

By Mr. CARPENTER: A bill (H. R. 6720) to amend sections 966 and 971 of chapter 22 of the act of Congress entitled "An act to establish a code of law for the District of Columbia", approved March 3, 1901, as amended, and for other purposes; to the Committee on the District of Columbia.

By Mr. CITRON: A bill (H. R. 6721) to create a commission to study and report on certain phases of the textile industry in the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. CLARK of Idaho: A bill (H. R. 6722) to add certain lands to the Cache National Forest; to the Committee on the Public Lands.

By Mr. DIMOND: A bill (H. R. 6723) to authorize the incorporated town of Valdez, Alaska, to construct a public-school building and for such purpose to issue bonds in any sum not exceeding $50,000; and to authorize said town to accept grants of money to aid it in financing any public works; to the Committee on the Territories.

By Mr. DOCKWEILER: A bill (H. R. 6724) to adjust the salaries of rural letter carriers, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. FENERTY: A bill (H. R. 6725) to restore the 2-cent rate of postage on first-class mail matter; to the Committee on Ways and Means.

By Mr. FERGUSON: A bill (H. R. 6726) to provide for the construction of a reservoir on the Salt Fork of the Arkansas River in Alfalfa County, Okla., for the control of floods and as a migratory-bird refuge; to the Committee on Flood Control.

Also, a bill (H. R. 6727) to provide for the construction of a reservoir primarily for flood control and irrigation of about 17,000 acres between Garrett and Boise City in Cimarron County, Okla.; to the Committee on Flood Control.

Also, a bill (H. R. 6728) to provide for the construction of a reservoir on the Chikaskia River, designed to provide for flood control and a municipal water supply for the city of Blackwell in Kay County, Okla., to the Committee on Flood Control.

By Mr. HAINES: A bill (H. R. 6729) to provide for the filling of vacancies in the Motor Vehicle Service; to the Committee on the Post Office and Post Roads.

By Mr. LUDLOW: A bill (H. R. 6730) to relieve unemployment and to promote recovery through a system of loans to business and industry; to the Committee on Appropriations.

By Mr. KELLER: A bill (H. R. 6731) to create a United States Board of Awards and to provide for the presentation of certain medals; to the Committee on the Library.

By Mr. MANSFIELD: A bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. MAVERICK: A bill (H. R. 6733) amending section 45 of the Criminal Code; to the Committee on the Judiciary.

Also, a bill (H. R. 6734) to create a National Park Trust Fund Board, and for other purposes; to the Committee on the Public Lands.

By Mrs. NORTON: A bill (H. R. 6735) to provide for the prevention of blindness in infants born in the District of Columbia; to the Committee on the District of Columbia.

By Mr. PATMAN: A bill (H. R. 6736) to regulate the value of money in pursuance of article I, section 8, paragraph 5, of the Constitution of the United States; to create a Federal Monetary Authority; to provide an adequate and stable monetary system; to prevent bank failures; to prevent uncontrolled inflation; to prevent depressions; to provide a system to control the price of commodities and the purchasing power of money; to restore normal prosperity and assure its continuance; and for other purposes; to the Committee on Banking and Currency.

By Mr. RANDOLPH: A bill (H. R. 6737) authorizing the erection of a monument at Philippi, W. Va., to commemorate the site where the first land battle was fought in the War between the States; to the Committee on Military Affairs.

By Mr. SABATH: A bill (H. R. 6738) declaring the act of September 19, 1890 (26 Stat., ch. 907, sec. 7), and the act of March 3, 1899 (30 Stat., ch. 425, sec. 9), and all acts amendatory of either thereof, shall not hereafter apply to a portion of the west fork of the south branch of the Chicago River in Cook County, Ill., and for other purposes; to the Committee on Rivers and Harbors.

By Mr. SCRUGHAM: A bill (H. R. 6739) to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to orders of State administrative boards; to the Committee on the Judiciary.

By Mr. STEFAN: A bill (H. R. 6740) to amend an act approved December 17, 1928, entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment thereon in claims which the Winnebago Tribe of Indians may have against the United States, and for other purposes"; to the Committee on Indian Affairs.

By Mr. WHITE: A bill (H. R. 6741) to refund the compensatory processing tax on jute bags; to the Committee on Agriculture.

By Mr. ZIMMERMAN: A bill (H. R. 6742) for the relief of those suffering from disastrous floods; to the Committee on Flood Control.

By Mrs. GREENWAY: Joint resolution (H. J. Res. 215) to amend Public Act No. 435, Seventy-second Congress; to the Committee on Indian Affairs.

By Mr. SABATH: Joint resolution (H. J. Res. 216) to provide for the dredging of slip D of the west fork of the south branch of the Chicago River, and for other purposes; to the Committee on Rivers and Harbors.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Minnesota, regarding the power of the several States to tax sales and gross incomes in interstate commerce; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Minnesota, memorializing Congress to enact a Federal antilynching law; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Kansas, supporting the Costigan-Wagner antilynching bill; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Michigan, regarding the erection of a Veterans' Administration hospital in Michigan; to the Committee on World War Veterans' Legislation.

Also, memorial of the Legislature of the State of North Carolina, regarding the relief of the county of Hyde in the State of North Carolina; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of California, regarding old-age-pension legislation; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. EVANS: A bill (H. R. 6743) for the relief of Mojo Schey Co., Inc.; to the Committee on Claims.

By Mr. DOCKWEILER: A bill (H. R. 6744) granting compensation to A. L. Anderson; to the Committee on World War Veterans' Legislation.

By Mr. DRIVER: A bill (H. R. 6745) for the relief of A. L. Hampton, E. J. Debons, C. B. Russeau, Lee Hoskins, Jonny Smith, Hoyt Penny, C. F. Morrow, Otto Schwamb, M. C. McAllister, Jake Bobo, Jake Glover, Alvie Cupp, J. J. Bone, Ora Walker, J. R. Jetton, R. L. Carter, C. D. Ransom, A. J. Cunningham, J. T. Reynolds, L. A. Shasteen, H. C. Eddington, Ed Fletcher, Alivis Thompson, J. E. Stedman, I. T. Stedman, and R. C. Schmicker; to the Committee on Claims.

By Mr. DUFFEY of Ohio: A bill (H. R. 6746) for the relief of Frank B. Niles, former collector of internal revenue; to the Committee on Claims.

By Mr. DALY: A bill (H. R. 6747) for the relief of the Machinery & Metals Corporation, of Philadelphia, Pa.; to the Committee on Claims.

By Mr. EKWALL: A bill (H. R. 6748) for the relief of Harry Jarrette; to the Committee on Claims.

By Mr. GREENWOOD: A bill (H. R. 6749) for the relief of Mrs. Louis Abner; to the Committee on Claims.

By Mr. GRISWOLD: A bill (H. R. 6750) for the relief of Otho L. Williams; to the Committee on Claims.

By Mr. HENNINGS: A bill (H. R. 6751) for the relief of Louis Velian; to the Committee on Military Affairs.

By Mr. LUCAS: A bill (H. R. 6752) granting a pension to Agnes G. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6753) granting a pension to Anna Angelow; to the Committee on Invalid Pensions.

By Mr. LUDLOW: A bill (H. R. 6754) granting an increase of pension to Sarah L. Craig; to the Committee on Invalid Pensions.

By Mr. LLOYD: A bill (H. R. 6755) for the relief of Alta Melvin and Thomas Melvin; to the Committee on Claims.

By Mr. MOTT: A bill (H. R. 6756) to authorize preliminary examination and survey of the Columbia River at Rainier, Oreg.; to the Committee on Rivers and Harbors.

By Mr. RANSLEY: A bill (H. R. 6757) for the relief of Capt. Walter L. Shearman; to the Committee on Claims.

By Mr. ROBSION of Kentucky: A bill (H. R. 6758) granting an increase of pension to Malisa Morris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6759) granting a pension to William O. Whitaker; to the Committee on Pensions.

Also, a bill (H. R. 6760) granting a pension to Jesse Arthur; to the Committee on Pensions.

By Mr. ROMJUE: A bill (H. R. 6761) granting a pension to Minerva J. Atkinson; to the Committee on Invalid Pensions.

By Mr. RYAN: A bill (H. R. 6762) for the relief of Madeline Fallon; to the Committee on Claims.

By Mr. THOM: A bill (H. R. 6763) granting a pension to Agnes V. Kready; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3881. By Mr. ANDREWS of New York: Seven petitions containing 100 names of residents of 40 districts of New York, protesting against enactment of House bill 5423; to the Committee on Interstate and Foreign Commerce.

3882. By Mr. ANDREW of Massachusetts: Petition signed by William E. Dickens and 28 other citizens of Haverhill, Mass., oposing the passage of House bill 5423 and Senate bill 1725, the public-utility bills; to the Committee on Interstate and Foreign Commerce.

3883. By Mr. ARNOLD: Numerous petitions from interested citizens of Lawrence and Clinton Counties, Ill., in behalf of the Townsend old-age pension plan; to the Committee on Ways and Means.

3884. By Mr. BOYLAN: Resolution adopted by the Civil Service Forum, Borough of Brooklyn, Council No. 151, favoring the passage of House bills 4886 and 4887; to the Committee on the Judiciary.

3885. Also, letter from Vernon B. Walters, enclosing a petition signed by residents of the Fifteenth Congressional District of New York, protesting against the passage of the Wheeler-Rayburn public-utility bill; to the Committee on Interstate and Foreign Commerce.

3886. By Mr. BUCKLER of Minnesota: Petition of Marie Phillipson, Middle River, Minn., unit secretary, in behalf of the members of the Middle River (Minn.) Auxiliary Unit of the American Legion, Department of Minnesota, praying for the passage of the Vinson bill (H. R. 3896), to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

3887. Also, petition of Mrs. Charles A. Murray, Lancaster, Minn., in behalf of the members of the American Legion Auxiliary Unit of Lancaster, Department of Minnesota, asking for passage of the Vinson bill (H. R. 3896), to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

3888. Also, petition of Mrs. Alpha Winberg, Lake Park, Minn., unit president, in behalf of the members of the Lake Park (Minn.) Auxiliary Unit of the American Legion, Department of Minnesota, praying for the passage of the Vinson bill (H. R. 3896), to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

3889. By Mr. CROSBY: Petition of citizens of the city of Titusville, Pa.; to the Committee on Interstate and Foreign Commerce.

3890. By Mr. FOCHT: Petition of J. D. Bergstresser and numerous other citizens of Saxton, Huntingdon County, a part of the Eighteenth Congressional District of Pennsylvania, in opposition to the Wheeler-Rayburn utility bill (H. R. 5423); to the Committee on Interstate and Foreign Commerce.

3891. Also, petition of J. L. Banks and other citizens of Lewistown, Mifflin County, a part of the Eighteenth Congressional District of Pennsylvania, in opposition to the Wheeler-Rayburn utility bill (H. R. 5423); to the Committee on Interstate and Foreign Commerce.

3892. By Mr. GILDEA: Petition of John W. Morgan, Reading, Pa., and 10 others, requesting Congress to prevent the enactment of Senate bill, 1725 and House bill 5423; to the Committee on Interstate and Foreign Commerce.

3893. Also, petition of W. Russell Brommer and 10 others, Port Clinton, Pa., requesting Congress to prevent the enactment of Senate bill 1725 and House bill 5423; to the Committee on Interstate and Foreign Commerce.

3894. Also, petition of Earl Bowe, Frackville, Pa., and 20 others, requesting Congress to prevent the enactment of Senate bill 1725 and House bill 5423; to the Committee on Interstate and Foreign Commerce.

3895. Also, petition of Thomas R. Jones, Frackville, Pa., and 20 others, requesting Congress to prevent the enactment of Senate bill 1725 and House bill 5423; to the Committee on Interstate and Foreign Commerce.

3896. Also, petition of Martha C. Kelly, and 10 others, Port Clinton, Pa., requesting Congress to defeat Senate bill 1725 and House bill 5423; to the Committee on Interstate and Foreign Commerce.

3897. Also, petition of Lyros Chorus (V. Yuden, secretary), 17 East Main Street, Girardville, Pa., requesting Congress to enact the workers' unemployment and social-insurance bill (H. R. 2827); to the Committee on Labor.

3898. Also, resolution of Group 2591 of the Polish National Alliance of the United States of North America, of Coaldale, Pa., memorializing Congress to enact House Joint Resolution 81 and Senate Joint Resolution 11, directing the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

3899. Also, resolution of Group 2064 of the Polish National Alliance of the United States of North America, of Shenandoah, Pa., memorializing Congress to enact House Joint Resolution 81 and Senate Joint Resolution 11, directing the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

3900. Also, resolution of Group 1163 of the Polish National Alliance of the United States of North America, of Cumbola, Pa., memorializing Congress to enact House Joint Resolution 81 and Senate Joint Resolution 11, directing the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

3901. Also, resolution of the Slovak League of America, memorializing Congress to enact the workers' unemployment and social-insurance bill (H. R. 2827); to the Committee on Labor.

3902. Also, resolution of the Unemployed Council, 716 North Shamokin Street, Shamokin, Pa., memorializing Congress to enact the workers' unemployment and social-insurance bill (H. R. 2827); to the Committee on Labor.

3903. Also, resolution of group 908 of the Polish National Alliance of the United States of North America, of McAdoo, Pa., memorializing Congress to enact House Joint Resolution 81 and Senate Joint Resolution 11, directing the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

3904. Also, petition of Post No. 77, Polish Army Veterans' Association of America, requesting the enactment of House Resolution 2739, entitled "Resolution to extend further time for naturalization to alien veterans of the World War, under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes"; to the Committee on Immigration and Naturalization.

3905. By Mr. GOODWIN: Petition of Ulster County (N. Y.) Association of Insurance Agents, endorsing House bill 6452, making it unlawful to transact insurance in any State without complying with the insurance laws thereof; to the Committee on the Post Office and Post Roads.

3906. By Mr. GREEVER: Memorial of the Twenty-third Legislature of the State of Wyoming, memorializing the United States Government and bureaus thereof to construct the Hart Mountain division of the Shoshone project in Park County, the Greybull Valley district project in Big Horn County, the Bull Lake Dam in Fremont County and canals on the Riverton project, and to construct the necessary drainage on the Frannie division of the Shoshone project, and to initiate construction of the Beaver Creek project in Weston County and the Saratoga project in Carbon County; to the Committee on Military Affairs.

3907. By Mr. HAINES: Resolution passed by Pennsylvania Dairymen's Association, urging import duty on registered dairy cattle from other countries; to the Committee on Ways and Means.

3908. By Mr. JOHNSON of Texas: Petition of J. S. Renlet, agent, Missouri Pacific Lines, Italy, Tex., favoring House bill 3236, the Pettengill bill; to the Committee on Interstate and Foreign Commerce.

3909. By Mr. McLAUGHLIN: Petition memorializing the Congress and the President of the United States to enact a Federal antilynching law; to the Committee on the Judiciary.

3910. Also, petition memorializing the Congress and the President of the United States, relative to the bushel-for-bushel seed-loan plan and to urge overdue benefit payments of wheat and corn-hog contracts for 1934; to the Committee on Agriculture.

3911. By Mr. PETERSON of Georgia: Petition of board of governors of the Propeller Club of the port of Savannah, Ga., unanimously disapproving certain bills which have been introduced to limit only to retired officers of the United States Navy the duties of inspectors on American merchant vessels; to the Committee on Merchant Marine and Fisheries.

3912. By Mr. RICH: Petition signed by 193 citizens of Tioga County, Pa., protesting against House bill 5423 and Senate bill 1725; to the Committee on Interstate and Foreign Commerce.

3913. By Mr. ROGERS of Oklahoma: Petition of Charles McNeil and numerous other citizens of Gary, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3914. Also, petition of E. Young and numerous other citizens of Vacherie, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3915. Also, petition of Edward Munson and numerous other citizens of Pensacola, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3916. Also, petition of D. Boatwright and numerous other citizens of Tallahassee, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3917. Also, petition of F. J. Brawley and numerous other citizens of Leighton, Courtland, and Hillsboro, Ala., favor-

ing House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3918. Also, petition of I. Billups and numerous other citizens of Millport, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3919. Also, petition of J. L. Tanner and numerous other citizens of Crichton, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3920. Also, petition of Doyle Gay and numerous other citizens of Montevallo, Jemison, and Randolph, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3921. Also, petition of Emmett Wilks and numerous other citizens of Cloverdale and Waterloo, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3922. Also, petition of G. F. Miller and numerous other citizens of Mount Vernon and Jackson, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3923. Also, petition of G. C. Brown and numerous other citizens of Falkville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3924. Also, petition of W. I. Belcher and numerous other citizens of Morris and Birmingham, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3925. Also, petition of A. J. Inabinett and numerous other citizens of Blocton and Centerville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3926. Also, petition of Fred Thompson and numerous other citizens of Tuscaloosa, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3927. Also, petition of Jennings Ledbetter and numerous other citizens of New Albany, Myrtle, and Blue Mountain, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3928. Also, petition of Edward Miller and numerous other citizens of Yancopin, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3929. Also, petition of G. C. Linville and numerous other citizens of Rocky River, Spencer, and Gillentine, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3930. Also, petition of William Battle and numerous other citizens of Chattanooga, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3931. Also, petition of George Jackson and numerous other citizens of Clarksville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3932. Also, petition of W. E. Wilson and numerous other citizens of Sulphur Springs, Birthright, and Como, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3933. Also, petition of A. C. Bland and numerous other citizens of Merkel and Sweetwater, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3934. Also, petition of William Watson and numerous other citizens of Hopehull, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3935. Also, petition of E. Lee Allen and numerous other citizens of Sumter and Dalzell, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3936. Also, petition of C. J. Campbell and numerous other citizens of Brookfield, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3937. Also, petition of E. Streator and numerous other citizens of Lexington, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3938. Also, petition of Luther Peterson and numerous other citizens of Cornerstone, Ark., favoring House bill 2826, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3939. Also, petition of C. J. Floyd and numerous other citizens of Juliette and Forsyth, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3940. Also, petition of John Lumbley and numerous other citizens of Lufkin, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3941. Also, petition of Hayden Rowe and numerous other citizens of Belvidere, Marksboro, and Blairstown, N. J., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3942. Also, petition of Ira McDaniel and numerous other citizens of Floyd, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3943. Also, petition of Joseph Lee and numerous other citizens of Norfolk, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3944. Also, petition of William Hughes and numerous other citizens of Coushatta, Compti, and Chestnut, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3945. Also, petition of L. Brown and numerous other citizens of Lake Providence, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3946. Also, petition of Thomas Smith and numerous other citizens of Coushatta, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3947. Also, petition of T. F. Ellenburg and numerous other citizens of Athens, Harvest, and Elkmont, Ala., favoring

House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3948. Also, petition of G. H. Scott and numerous other citizens of Benton, Ebenezer, and Yazoo City, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3949. Also, petition of Andrew Strickland and numerous other citizens of Thalmann and Brunswick, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3950. Also, petition of A. D. Blurton and numerous other citizens of Hornbeck, Elbridge, and Troy, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3951. Also, petition of William Turner and numerous other citizens of Bryan and Benchley, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3952. Also, petition of A. P. Schoenfield and numerous other citizens of El Campo and Taiton, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3953. Also, petition of Sam Beaty and numerous other citizens of Jasper County, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3954. Also, petition of William Battle and numerous other citizens of Chattanooga, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3955. Also, petition of E. F. Carter and numerous other citizens of Como, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3956. Also, petition of L. P. Harrison and numerous other citizens of Birthright, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3957. Also, petition of J. E. Goldsmith and numerous other citizens of Sulphur Springs, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3958. Also, petition of Buster Kelly and numerous other citizens of Longview, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3959. Also, petition of J. T. Craddock and numerous other citizens of Crawford, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3960. Also, petition of J. A. Bland and numerous other citizens of Sweetwater, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3961. Also, petition of Robert Davis and numerous other citizens of Courtland, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3962. Also, petition of E. Bruce and numerous other citizens of Tallahassee, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3963. Also, petition of George Gay and numerous other citizens of Montevallo, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3964. Also, petition of T. Killingsworth and numerous other citizens of Montevallo, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3965. Also, petition of John Henry and numerous other citizens of Jemison, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3966. Also, petition of Ernest Young and numerous other citizens of Cloverdale, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3967. Also, petition of Andrew Dowdy and numerous other citizens of Cloverdale, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3968. Also, petition of Oscar Carter and numerous other citizens of Waterloo, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3969. Also, petition of D. L. McKinney and numerous other citizens of Centerville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3970. Also, petition of L. Pugh and numerous other citizens of Jackson, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3971. Also, petition of Robert Cheatman and numerous other citizens of Mount Vernon, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3972. Also, petition of James C. Brown and numerous other citizens of Falkville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3973. Also, petition of A. M. Perkins and numerous other citizens of Morris, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3974. Also, petition of Bert Reed and numerous other citizens of Birmingham, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3975. Also, petition of Austin Quillin and numerous other citizens of Birmingham, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3976. Also, petition of W. D. Moncrief and numerous other citizens of Birmingham, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3977. Also, petition of Henry Jeffrus and numerous other citizens of Tuscaloosa, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3978. Also, petition of James Sage and numerous other citizens of New Albany, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3979. Also, petition of M. B. Ledbetter and numerous other citizens of Blue Mountain, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3980. Also, petition of Virgil Bouldin and numerous other citizens of Gillentine, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3981. Also, petition of R. E. McCord and numerous other citizens of Dothan, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3982. Also, petition of S. L. Ketchum and numerous other citizens of Dothan, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3983. Also, petition of Isidore Robison and numerous other citizens of Mangham, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3984. Also, petition of George McMillan and numerous other citizens of Mangham, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3985. Also, petition of Jack Tripp and numerous other citizens of Cleveland, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3986. Also, petition of A. W. Brown and numerous other citizens of Cleveland, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3987. Also, petition of Henrietta Pearson and numerous other citizens of Coraopolis, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3988. Also, petition of Edward Withrow and numerous other citizens of Coraopolis, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3989. Also, petition of Timy Kane and numerous other citizens of Pittsfield, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3990. Also, petition of George Gusindorfer and numerous other citizens of Pittsfield, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3991. Also, petition of Mary L. Heck and numerous other citizens of Pittsfield, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3992. Also, petition of Emma Price and numerous other citizens of Cypress, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3993. Also, petition of Ella Cummings and numerous other citizens of Cypress, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

3994. By Mr. RUDD: Petition of Louis S. Kissane, 104-38 One Hundred and Twenty-second Street, Richmond Hill, Long Island, N. Y., and nine other citizens of Richmond Hill and Ozone Park, Long Island, N. Y., concerning the Rayburn-Wheeler utility bills; to the Committee on Interstate and Foreign Commerce.

3995. Also, petition of Louis Kroner, 318 Covert Street, Brooklyn, N. Y., and 95 other citizens of Brooklyn, N. Y., concerning the Shannon bill (H. R. 200); to the Committee on Expenditures in the Executive Departments.

3996. By Mr. SUTPHIN: Petition of the Jersey Chick Association of New Jersey; to the Committee on Agriculture.

3997. Also, petition of the Institute of Rural Economics, College of Agriculture, New Brunswick, N. J.; to the Committee on Agriculture.

3998. Also, petition of the Institute of Rural Economics, College of Agriculture, New Brunswick, N. J.; to the Committee on Agriculture.

3999. Also, petition of the Institute of Rural Economics, College of Agriculture, New Brunswick, N. J.; to the Committee on Agriculture.

4000. By Mr. TRUAX: Petition of 500 members of Hungarian Unemployment Council, Cleveland, Ohio, demanding endorsement of workers' unemployment-insurance bill (H. R. 2827), introduced by Congressman LUNDEEN, as it is the only bill that will guarantee security; to the Committee on Labor.

4001. Also, petition of Floyd S. Loach and 800 other citizens of Lima, Ohio, urging enactment into law of a bill obligating the Government of the United States to pay every citizen of said Government whose record is free of habitual criminality and who has attained the age of 60 years a monthly pension of $200 until the end of his or her life, upon the sole conditions that he or she retires from all further business or profession for gain, and agrees, under oath, to spend the entire amount of the pension within the confines of the United States during the current month in which it is received; to the Committee on Ways and Means.

4002. Also, petition of William Nauls Post, Veterans of Foreign Wars, Upper Sandusky, Ohio, by their service officer, Joseph E. Hulin, asking support of the bonus bill, providing for immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

4003. Also, petition of Mamie Berry and other citizens of Ashtabula, Ohio, urging the defeat of the public-utility bills (H. R. 5423 and S. 1725), as they believe these bills are unfair, unwise, and unnecessary; to the Committee on Interstate and Foreign Commerce.

4004. Also, petition of Kenneth Hall and other citizens of Ashtabula, Ohio, urging the defeat of the public-utility bills (H. R. 5423 and S. 1725), as they believe the said bills are unfair, unwise, and unnecessary; to the Committee on Interstate and Foreign Commerce.

4005. By Mr. TURNER: Petition of J. E. Burns and other citizens of Boston and Franklin, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, of Oklahoma, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4006. By Mr. WOLCOTT: Petition of Owen D. Earhart, of Hadley, Mich., and 24 others, urging the enactment of the Frazier-Lemke farm refinancing bill; to the Committee on Agriculture.

4007. Also, petition of Owen D. Earhart, of Hadley, Mich., and 21 others, urging the passage of House bill 1, the Patman bonus bill; to the Committee on Ways and Means.

4008. Also, petitions of W. A. Mooney, of Fostoria, Mich., and 179 other residents of Lapeer County, Mich., urging the prompt enactment of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

4009. By the SPEAKER: Petition of St. Patrick's Holy Name Committee, Washington, D. C.; to the Committee on Foreign Affairs.

4010. Also, petition of the Farmers Union of Solon, N. Dak.; to the Committee on Agriculture.

4011. Also, petition of the city of Peru, Ill.; to the Committee on the Judiciary.

4012. Also, petition of the Patriotic Sons of America, State Camp of Pennsylvania; to the Committee on the Judiciary.

4013. Also, petition of the city of Portland, Oreg.; to the Committee on Interstate and Foreign Commerce.

4014. Also, petition of the Surety National Farm Loan Association, Dodge, Nebr.; to the Committee on Agriculture.

SENATE

FRIDAY, MARCH 15, 1935

(Legislative day of Wednesday, Mar. 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, March 14, 1935, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, one of its clerks, announced that the House had concurred in the concurrent resolution (S. Con. Res. 5), as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed with illustrations and bound, in such form and style as may be directed by the Joint Committee on Printing, 2,200 copies of the proceedings in Congress together with the proceedings at the unveiling in the rotunda of the Capitol, and such other matter as may be relevant thereto, upon the acceptance of the statutes of Caesar Rodney and John M. Clayton, presented by the State of Delaware, of which 200 shall be for the use of the Senate, and 500 for the use of the House of Representatives, and the remaining 1,500 copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of Delaware.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these proceedings.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Pope
Ashurst	Costigan	La Follette	Radcliffe
Austin	Couzens	Lewis	Reynolds
Bachman	Cutting	Logan	Robinson
Bailey	Dickinson	Lonergan	Russell
Bankhead	Dieterich	Long	Schall
Barbour	Donahey	McAdoo	Schwellenbach
Barkley	Duffy	McCarran	Sheppard
Bilbo	Fletcher	McGill	Shipstead
Black	Frazier	McKellar	Smith
Bone	George	McNary	Steiwer
Borah	Gerry	Maloney	Thomas, Okla.
Brown	Gibson	Metcalf	Thomas, Utah
Bulkley	Glass	Minton	Townsend
Bulow	Gore	Moore	Trammell
Burke	Guffey	Murphy	Truman
Byrd	Hale	Murray	Tydings
Byrnes	Harrison	Neely	Vandenberg
Capper	Hastings	Norbeck	Van Nuys
Carey	Hatch	Norris	Wagner
Clark	Hayden	Nye	Walsh
Connally	Johnson	O'Mahoney	Wheeler
Coolidge	Keyes	Pittman	White

Mr. LEWIS. I announce that the junior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON] are absent from the Senate because of illness.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness. I ask that this announcement stand for the day.

The VICE PRESIDENT. Ninety-two Senators have answered to their names. A quorum is present.

SUPPLEMENTAL ESTIMATES, TREASURY DEPARTMENT (S. DOC. NO. 28)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting three supplemental estimates of appropriations for the Treasury Department, fiscal year 1935, amounting to $201,287, together with a draft of proposed provision pertaining to existing appropriations, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, BUREAU OF BIOLOGICAL SURVEY (S. DOC. NO. 29)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation, fiscal year 1935, for the Department of Agriculture, Bureau of Biological Survey, amounting to $15,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES, DISTRICT OF COLUMBIA (S. DOC. NO. 31)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting supplemental estimates of appropriations for the District of Columbia for the fiscal years 1935 and 1936, in the total amount of $35,000, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

APPROPRIATIONS FOR CERTAIN DEPARTMENTS, ETC. (S. DOC. NO. 32)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting drafts of proposed legislation pertaining to appropriations for the National Advisory Committee for Aeronautics, Tariff Commission, Treasury Department, War Department, and the Navy Department, fiscal year 1935, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

APPROPRIATIONS FOR FEDERAL POWER AND FEDERAL COMMUNICATIONS COMMISSIONS (S. DOC. NO. 30)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Federal Power Commission, fiscal year 1935, amounting to $25,000, together with draft of proposed legislation pertaining to an existing appropriation for the Federal Communications Commission, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

REPORT OF THE NEAR EAST RELIEF

The VICE PRESIDENT laid before the Senate a letter from the executive secretary of the Near East Relief, transmitting, pursuant to law, the report of the Near East Relief for the year ended December 31, 1934, which, with the accompanying report, was referred to the Committee on Printing.

PUERTO RICAN SUGAR PRODUCERS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, in response to Senate Resolution 95 (submitted by Mr. VANDENBERG and agreed to on Mar. 6, 1935), calling upon the Secretary of the Interior for certain information respecting Puerto Rican sugar activities, which was ordered to lie on the table and to be printed in the RECORD, as follows:

THE SECRETARY OF THE INTERIOR,
Washington, March 14, 1935.

Col. EDWIN A. HALSEY,
Secretary of the Senate,
Washington, D. C.

MY DEAR COLONEL HALSEY: Senate Resolution 95 asks that the Secretary of the Interior be requested "to inform the Senate (a) regarding contemplated plans for new loans, grants, or subsidies

to sugar producers in Puerto Rico; (b) regarding any pending proposals for supporting sugar production in Puerto Rico with public money drawn either from the sugar processing tax or from the Public Works Administration or from any new instrumentality which may be created under the so-called 'work-relief bill.'"

In regard to (a), this is a matter under the jurisdiction of the Secretary of Agriculture, and the inquiry should be referred to him.

As for (b), there are no proposals pending in this Department for supporting sugar production in Puerto Rico with public money drawn from any source whatever.

Sincerely yours,

HAROLD L. ICKES,
Secretary of the Interior.

PUERTO RICAN EMERGENCY RELIEF ADMINISTRATION

The VICE PRESIDENT laid before the Senate a cablegram from the speaker of the House of Representatives of Puerto Rico, which was referred to the Committee on Territories and Insular Affairs and ordered to be printed in the RECORD, as follows:

SAN JUAN, P. R., *March 14, 1935.*

Hon. JOHN N. GARNER,
President United States Senate, Washington, D. C.:

The House of Representatives of Puerto Rico resolved to request the Senate of the United States to direct the proper officials to make an investigation of the activities of the Puerto Rican Emergency Relief Administration (P. R. E. R. A.) in Puerto Rico, as it is understood that the system of direct food distribution (Mantengo) so far followed tends to destroy love for work and self-reliance, and likewise because said administration of the Puerto Rican Emergency Relief Administration (P. R. E. R. A.) in Puerto Rico is trying to ignore the government of the country constituted under the organic act.

MIGUEL A. GARCIA MENDEZ,
Speaker of House of Representatives of Puerto Rico.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following resolutions of the Senate of the State of Massachusetts, which were ordered to lie on the table:

Resolutions memorializing the Senate of the United States in favor of the so-called "administration's emergency-relief bill" and certain amendments thereto

Whereas there is pending before the Senate of the United States a measure known as the "administration's emergency-relief bill", printed as House Joint Resolution 117, with an amendment reported by the Senate Appropriations Committee, and an amendment known as the "Hayden highway amendment"; and

Whereas said amendments are necessary to safeguard the interests and benefits accruing to the Commonwealth under the provisions of said bill: Therefore be it

Resolved, That the Senate of the United States be respectfully requested by the Senate of Massachusetts to act favorably upon said amendments; and be it further

Resolved, That copies of these resolutions be transmitted by the secretary of the Commonwealth to the Presiding Officer of the United States Senate and to both of the Senators in Congress from this Commonwealth.

In Senate, adopted, March 11, 1935.

IRVING N. HAYDEN, *Clerk.*

A true copy. Attest:

[SEAL]

F. W. COOK,
Secretary of the Commonwealth.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Oklahoma, which was referred to the Committee on Public Lands and Surveys:

A concurrent resolution memorializing the President and Congress of the United States to establish a national memorial park in Murray County, to consist of the area embraced by the geological formations known as "White Mound" and "Burning Mountain"

Whereas adjacent to the Platt National Park in Murray County, Okla., lie two unusual geological formations known as "White Mound" and "Burning Mountain"; and

Whereas these geological formations are internationally renowned for their scientific value to geologists and are constantly the object of investigation and observation of geologists; and

Whereas these structures should be preserved to the people of the State of Oklahoma and of the United States for their value as a source of geological information: Now, therefore, be it

Resolved by the House of Representatives of the Fifteenth Legislature of the State of Oklahoma (the senate concurring therein), That the President and Congress of the United States be memorialized by the people and Legislature of Oklahoma to establish a national park, to constitute the area embraced by the geological formations commonly known as "White Mound" and "Burning Mountain", near the Platt National Park in Murray County, Okla.; be it further

Resolved, That copies of this resolution be mailed by the chief clerk of the house of representatives to the President of the United States and to the Chief Clerk of both the House of Representatives and the Senate of the United States Congress; to each member of the Oklahoma delegation in Congress; to the Secretary of the Department of the Interior; to the Director of National Parks, Buildings, and Reservations; and to the Chief of the Historical Division of the Department of the Interior.

The VICE PRESIDENT also laid before the Senate the petition of William D. Johnson, of Dogue, Va., praying for the enactment of old-age-pension legislation, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by Townsend Club, No. 39, of San Diego, Calif., favoring the prompt adoption of the so-called "Townsend old-age-pension plan", which was referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by Golden Hill Townsend Club, No. 53, of San Diego, Calif., favoring the prompt adoption of the so-called "Townsend old-age-pension plan", which were referred to the Committee on Finance.

He also laid before the Senate a letter from George A. Elfert, of Labadieville, La., an ex-service man, relative to his relief case, which, with the accompanying papers, was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Barnum Branch of Unemployment Councils, of Denver, Colo., favoring the enactment of House bill 2827, known as the "Workers' Unemployment, Old Age, and Social Insurance Act", which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Omega Psi Phi Fraternity, favoring the enactment of the so-called "Costigan-Wagner antilynching bill", which was referred to the Committee on the Judiciary.

He also laid before the Senate resolutions adopted by the Roosevelt League for the Advancement of Social Justice, Cleveland, Ohio, favoring the passage of the bill (H. R. 4688) to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes, which were referred to the Committee on Public Buildings and Grounds.

He also laid before the Senate resolutions adopted by the Common Councils of the cities of Bristol, Conn., Keokuk, Iowa, and Akron, Ohio, favoring the enactment of pending legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which were ordered to lie on the table.

Mr. BARBOUR presented resolutions adopted by the Board of Chosen Freeholders of Camden County, N. J., favoring the passage of House bill 2827, known as "the Workers' Unemployment, Old-Age, and Social Insurance Act", which were referred to the Committee on Finance.

Mr. WALSH presented a resolution adopted by the Milford (Mass.) Victor Emanual Lodge, No. 1356, Order of Sons of Italy in America, favoring inclusion in pending old-age-pension legislation of a clause whereby aliens who have resided in the United States for a period of 10 years or more may be eligible for old-age pension, which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from I. Blair Evans, Esq., Washington, D. C., praying for repeal of section 55 (b) of the Revenue Act of 1934, relating to publicity of income-tax returns, which, with the accompanying paper, was ordered to lie on the table.

He also presented a letter in the nature of a petition from the Providence Building Trades Council, of Providence, R. I., praying for inclusion in House Joint Resolution 117, making appropriations for relief purposes, of the so-called "McCarran prevailing-wage amendment", which was ordered to lie on the table.

Mr. REYNOLDS presented a joint resolution of the Legislature of the State of North Carolina, relating to the relief of Hyde County, N. C., by reason of its loss in taxable valuation by the purchase and acquirement of certain lands in that county by the Federal Government, which was referred to the Committee on Public Lands and Surveys.

(See joint resolution printed in full when laid before the Senate by the Vice President on the 14th instant, p. 3589, CONGRESSIONAL RECORD.)

Mr. NORRIS presented a resolution of the House of Representatives of the State of Nebraska, memorializing Congress to enact an antilynching law, which was referred to the Committee on the Judiciary.

(See resolution printed in full when laid before the Senate by the Vice President on the 14th instant, p. 3588, CONGRESSIONAL RECORD.)

Mr. NORRIS also presented a resolution of the House of Representatives of the State of Nebraska, relative to the bushel-for-bushel seed-loan plan, and urging overdue benefit payments of wheat and corn-hog contracts for 1934, which was referred to the Committee on Agriculture and Forestry.

(See resolution printed in full when laid before the Senate by the Vice President on the 14th instant, p. 3588, CONGRESSIONAL RECORD.)

Mr. NORBECK presented a resolution adopted by the City Council of Watertown, S. Dak., protesting against the enactment of revenue laws which may be interpreted as imposing obligations upon States, their agencies, political subdivisions, or districts, which was referred to the Committee on Finance.

Mr. NORBECK also presented the following concurrent resolution of the Legislature of the State of South Dakota, which was referred to the Committee on Finance:

A concurrent resolution memorializing the Congress of the United States of America to discontinue a sales tax on gasoline

Be it resolved by the House of Representatives of the Twenty-fourth Legislative Session of the State of South Dakota (the senate concurring)—

Whereas Congress threatens to continue in force a recently imposed 1 cent per gallon tax on gasoline despite the fact that every State in the Union now imposes a sales tax on gasoline averaging in excess of 4 cents per gallon and has the administrative machinery for the collection of such tax in successful operation; and

Whereas such taxes are now entirely out of proportion to sales taxes on other commodities and much more readily administered by States than would a sales tax on other commodities; and

Whereas there are many fields of taxation which can be more equitably and more successfully administered by the Federal Government than by the individual States, particularly on account of the constitutional prohibition preventing States from interfering with interstate commerce; and

Whereas such tax is a revenue measure peculiarly adapted for the individual States and their administrative machinery and well established in every State in the Union: Therefore be it

Resolved, That the Congress of the United States should discontinue the recently imposed 1 cent per gallon Federal sales tax on gasoline and thus leave that field of revenue entirely to the individual States; be it further

Resolved, That certified copies of this resolution be presented to each Senator and Representative of the State of South Dakota in the Congress of the United States, to be by them presented to the proper committee in Congress determining such legislation.

Mr. NORBECK also presented the following concurrent resolution of the Legislature of the State of South Dakota, which was referred to the Committee on Military Affairs:

A concurrent resolution memorializing Congress to conscript capital by draft and to take over and operate arms and munitions plants in time of war

Be it resolved by the Senate of South Dakota (the house of representatives concurring)—

SECTION 1. That we hereby memorialize and request Congress to enact laws providing that in time of war capital be conscripted by draft as well as men, and that as a step toward the ending of war and war propaganda all arms and munitions plants be taken over by the Government and operated as Government institutions.

SEC. 2. *Be it further resolved*, That a copy of this resolution be spread upon the Journal of the Senate, and that a copy thereof be forwarded to each of the Senators and Representatives from the State of South Dakota in the Congress of the United States.

ROBERT PETERSON,
President of the Senate.
W. J. MATSON,
Secretary of the Senate.

REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 2024) to give proper recognition to the distinguished services of Col. William L. Keller, reported it with an amendment and submitted a report (No. 333) thereon.

Mr. O'MAHONEY, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 997) to provide for the acquisition by the United States of Red Hill, the estate of Patrick Henry, reported it with amendments and submitted a report (No. 334) thereon.

DECLINE IN THE PRICE OF COTTON

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the resolution (S. Res. 103) to investigate the cause of the decline in cotton prices on March 11, 1935, reported it without amendment, and, under the rule, the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McKELLAR:

A bill (S. 2260) for the relief of Charles C. Williams; to the Committee on Military Affairs.

By Mr. BONE:

A bill (S. 2261) for the relief of Ludwig Rose; to the Committee on Claims.

By Mr. SHIPSTEAD and Mr. LA FOLLETTE:

A bill (S. 2262) authorizing the Highway Commission of the State of Wisconsin and the Department of Highways of the State of Minnesota to construct, maintain, and operate a free highway bridge across the St. Croix River at or near the city of Hudson, Wis.; to the Committee on Commerce.

By Mr. BARKLEY:

A bill (S. 2263) granting a pension to Lucretia Woods; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 2264) for the relief of Earl J. Thomas; to the Committee on Finance.

A bill (S. 2265) extending the benefits of the Emergency Officers' Retirement Act of May 24, 1928, to provisional officers of the Regular Establishment who served during the World War; to the Committee on Military Affairs.

By Mr. BARBOUR:

A bill (S. 2266) for the relief of Philip W. Kerley; to the Committee on Naval Affairs.

By Mr. PITTMAN:

A bill (S. 2267) to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to orders of State administrative boards; to the Committee on the Judiciary.

By Mr. COPELAND:

A bill (S. 2268) for the relief of Bausch & Lomb Optical Co.; to the Committee on Claims.

A bill (S. 2269) granting a pension to Charles Stein; to the Committee on Pensions.

By Mr. METCALF:

A joint resolution (S. J. Res. 85) authorizing the erection of a memorial to the late Jean Jules Jusserand; to the Committee on the Library.

PROCESSING TAX ON JUTE BAGS—AMENDMENT

Mr. POPE submitted an amendment intended to be proposed by him to the bill (S. 2020) to refund the compensatory processing tax on jute bags, which was referred to the Committee on Finance and ordered to be printed.

COSTS OF PRODUCTION OF COTTON MANUFACTURES

Mr. METCALF submitted the following resolution (S. Res. 104), which was referred to the Committee on Finance:

Resolved, That the United States Tariff Commission is directed, under the authority conferred by section 336 of the Tariff Act of 1930, and for the purposes of that section, to investigate the differences in the costs of production of the following domestic article and of any like or similar foreign articles: Cotton manufactures, included in paragraphs 903 and 904 of such act.

GRANTS OR SUBSIDIES TO PUERTO RICAN SUGAR PRODUCERS

Mr. VANDENBERG submitted the following resolution (S. Res. 105), which was ordered to lie over under the rule:

Resolved, That the Secretary of Agriculture is requested to inform the Senate regarding contemplated plans, if any, for new

loans, grants, or subsidies to sugar producers in Puerto Rico or for supporting sugar production in Puerto Rico with public money drawn from the sugar processing tax or any other source.

MOTHER'S DAY

Mr. COPELAND submitted the following resolution (S. Res. 106), which was referred to the Committee on Education and Labor:

Whereas by House Joint Resolution 263, approved and signed by President Wilson, May 8, 1914, the second Sunday in May of each year has been designated as Mother's Day for the expression of our love and reverence for the mothers of our country; and

Whereas there are throughout our land today an unprecedentedly large number of mothers and dependent children who, because of unemployment or loss of their bread earners, are lacking many of the necessities of life: Therefore be it

Resolved, That the President of the United States is hereby authorized and requested to issue a proclamation calling upon our citizens to express on Mother's Day this year our love and reverence for motherhood;

(a) By the customary display of the United States flag on all Government buildings, homes, and other suitable places;

(b) By the usual tokens and messages of affection to our mothers; and

(c) By making contributions, in honor of our mothers, through our churches or other fraternal and welfare agencies, for the relief and welfare of such mothers and children as may be in need of the necessities of life.

REPORT OF INVESTIGATION OF HOWARD UNIVERSITY

Mr. HASTINGS. Mr. President, I offer a resolution and ask unanimous consent for its immediate consideration. I have submitted it to the majority leader, and he has no objection to it.

The VICE PRESIDENT. The resolution will be stated.

The Chief Clerk read the resolution (S. Res. 107), as follows:

Resolved, That the Secretary of the Interior be, and he is hereby, requested to send to the Senate a copy of the report of his investigation made during the latter part of 1934 of alleged irregularities at the Howard University, located in the city of Washington.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution offered by the Senator from Delaware?

Mr. CLARK. What is the request? On account of the confusion in the Chamber it was impossible to hear it.

The VICE PRESIDENT. The clerk will again state the resolution.

The Chief Clerk again read the resolution.

Mr. CLARK. What is the request, Mr. President?

Mr. HASTINGS. The resolution merely seeks information obtained as the result of the investigation referred to in the resolution.

Mr. CLARK. I ask that the resolution go over under the rule.

The VICE PRESIDENT. The resolution will go over under the rule.

WORK-RELIEF PROGRAM

The Senate resumed the consideration of the joint resolution (H. J. Res. 117) making appropriations for relief purposes.

The VICE PRESIDENT. Under the unanimous-consent agreement entered into yesterday the question is on the amendment of the Senator from Nevada [Mr. McCARRAN] in the nature of a substitute for the amendment of the Senator from Georgia [Mr. RUSSELL] to the amendment of the committee.

Mr. WAGNER. Mr. President, I wish to make a brief statement explanatory of my vote upon the pending question.

For several weeks the Senate has been marking time upon the work-relief joint resolution. It has drawn us into a whirlpool of diverse and unrelated issues cutting across party lines and raising emotional attitudes to a high pitch.

Under such circumstances, it has become difficult to consider the pending measure objectively in the light of the present parliamentary situation, or to center attention once more upon its main purposes. But neither a feeling of self-righteousness, nor pride, nor fear of public opinion, nor even the unshaken belief that we are correct upon any particular phase of the work-relief joint resolution should cause us to forget that our prime responsibility is toward the millions of jobless people in every county of the United States who need immediate help. They cannot be left stranded because Congress does not agree. They must not be kept indefinitely in suspense until Congress wakes up to the fact that agreement without compromise has become impossible. It is not at the expense of the destitute that Congress should continue to hold a Roman holiday of obviously futile debate, parading the whole stock in trade of political controversies that have nothing to do with the pending work-relief measure.

No one will deny that the prevailing-wage amendment already adopted by the Senate is the anchor which is holding the joint resolution in a stationary position. It is clear also that there would be little hope for a solution if that amendment were again to be adopted by this body by a slender margin. The House has already sanctioned the joint resolution without any language regarding the prevailing wage. In consequence the measure would in all probability come back to us from conference shorn of the hotly disputed section and we should be forced to begin again where we are today and where we were a month ago. Even if by some unlikely chance the McCarran amendment were to be adopted by Congress, we have been assured on good authority that the entire joint resolution would encounter an insuperable Presidential veto.

Not even these weighty considerations could move me to urge the slightest modification of the stand which the Senate has taken upon the prevailing wage were it not for the unusual situation in this body itself. It would be the height of ingratitude and injustice to question, even by innuendo, the sincerity of any Senator who has supported the McCarran amendment. But at the same time we must face the fact that these supporters have not the strength which would derive from a mutual outlook upon the major features of this joint resolution.

There are some who want to cut down the appropriation to $2,000,000,000 or less. There are others who want to return to the dole. There are still others who want to rewrite the joint resolution completely in order to state with particularity how every cent of the money should be spent. There are a few who are opposed to the whole program.

I do not intend at this time to debate the validity of any one of these propositions, although, of course, I am for the full appropriation, for public works, and for allowing the President discretion in the selection of projects. But it is clear that an army which is thus divided against itself as to its objectives cannot hope to win a complete victory. If some satisfactory compromise is not agreed upon, such an army can succeed only in defeating the whole program.

I am unshaken in my belief that the prevailing-wage amendment in the form already adopted by the Senate charts the correct course. I still fear there will be grievous consequences if less than the prevailing wage is paid in any substantial areas where work is done under this joint resolution. I have a profound conviction that the Senator from Nevada [Mr. McCARRAN] has waged one of the fairest and most intelligent fights for an unquestionably just cause within my recollection.

But viewing the present situation in all its aspects, it is my opinion that the most feasible solution for those who want the joint resolution to become law is to vote against the McCarran amendment and to transfer support to the new amendment now offered by the junior Senator from Georgia [Mr. RUSSELL]. This provides that the rates of wages now fixed by law or code shall be paid upon all public buildings of the United States, constructed in whole or in part with funds appropriated by this joint resolution. In short, it brings a substantial portion of the new work within the protection of the prevailing wage.

Secondly, in regard to all other work, this amendment, unlike the prior proposal of the Senator from Georgia, does not contemplate a subsistence wage, with authority in the President to revise it upward if it begins to exercise a depressive effect upon the scales in private industry. In a 1-year program such action would be no more than a futile afterthought. On the contrary, this amendment centers responsibility directly upon the President to fix all wages from the outset, and couples this responsibility with a definite

mandate from Congress that nothing shall be done to lower the rates of pay in private industry. In view of the incontestable truth that wages seek the lowest level, I feel sure that this language imposes upon President Roosevelt the obligation in most instances to set substantially the prevailing rate.

This reduces the question to whether or not we are desirous of trusting the President; and to my mind there can be but one answer. I have been intimately associated with Franklin D. Roosevelt in public life for 25 years. No one has excelled him in steadfast and intelligent devotion to the welfare of the working people of this country. Over the bitter opposition of every vested interest, he struggled in Albany as a young legislator to help enact 56 progressive labor laws that made New York State a shining mark for all to emulate.

His record as Governor and as President needs no review in the Senate. Those of us who recall the dreary days when the workingman was an outcast from the corridors of government, and when no proposal for social legislation could make any headway, cannot fail to be inspired by the accomplishments of the past 2 years. The abolition of child labor, the Nation-wide regulation of minimum wages and maximum hours, and the inauguration of a comprehensive social-security program, are testimonials above all to the humane singleness of purpose of President Roosevelt. Let us not, at the moment when his heroic efforts are turning the tide of adversity, allow the destruction or fatal delay of a most important feature of his program. Let us rather place confidence where it has been so magnificently earned.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Idaho?

Mr. WAGNER. I yield.

Mr. BORAH. I should like to ask the Senator from New York what is the real difference between the McCarran amendment and the amendment offered by the Senator from Georgia [Mr. RUSSELL]? What is the distinction?

Mr. WAGNER. To give the Senator a perfectly candid answer, in my judgment there is very little distinction.

Mr. BORAH. Then why was it the Senator in the first place was unwilling to take the other amendment?

Mr. WAGNER. What other amendment?

Mr. BORAH. Why was it the Senator was opposed to the amendment of the Senator from Georgia when it was previously presented?

Mr. WAGNER. The amendment proposed by the Senator from Georgia, in the first instance, is entirely different from the amendment now offered. The amendment now offered by the Senator from Georgia preserves, in the first place, the provisions of the Davis-Bacon Act, which requires, in the construction of all public buildings, the payment of the prevailing rate of wage. That, by the way, is the only law now in the statutes of the United States requiring the payment of the prevailing rate of wage. That is preserved absolutely, so that in the construction of all public buildings the prevailing rate of wage will have to be paid, or as required by the code.

Secondly, the other provision of the proposed compromise places upon the President the responsibility—not at some subsequent time, but at the very beginning—in the fixing of the wage to fix one which will not injure or adversely affect the wages paid in private industry.

I am of the opinion that any wage fixed by the President which would be substantially below the wage paid in private industry would at once bring the wage of private industry down to the level fixed. Therefore, to carry out the mandate of the President, in my opinion—and I am rather certain of my convictions upon the subject—practically the prevailing rate of wage will be paid.

Mr. BORAH. Is it the opinion of the Senator from New York that the amendment of the Senator from Georgia will maintain the prevailing wage in the country?

Mr. WAGNER. That is my opinion.

Mr. BORAH. Then what is the difference between the two?

Mr. WAGNER. As I said before, there is substantially no difference, except, to be perfectly candid, the amendment proposed by the Senator from Georgia will have the approval of the President, and the so-called "McCarran amendment", we have been told upon authority, will encounter a Presidential veto.

Mr. BORAH. I do not understand why an amendment which means exactly the same thing as that which the President will approve will be vetoed, if it does mean the same thing.

Mr. WAGNER. I am giving the Senator my opinion as to the effect of the pending compromise.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Wyoming?

Mr. WAGNER. Yes.

Mr. O'MAHONEY. I desire to suggest to the Senator from New York that there is a third difference which he has not cited—if I understand the amendments correctly—namely, that under the new Russell amendment there is a specific provision which will have the effect of protecting the rates of wages to be paid under all loans and grants. The joint resolution as it now stands will authorize loans and grants for public use of States, their political subdivisions, and agencies. Under this new compromise amendment, if I understand it correctly, all the prevailing wage rates of all States and of all municipalities will be certainly protected, while it was not at all clear that they would have been protected under the original Russell amendment.

Mr. BORAH. Then, may I ask the Senator from Wyoming a question? Is it the view of the Senator from Wyoming that the amendment offered by the Senator from Georgia will result in maintaining the prevailing wage in this country?

Mr. O'MAHONEY. Does the Senator refer to the compromise amendment offered by the Senator from Georgia?

Mr. BORAH. Certainly. I am speaking about the one that is now offered, or is to be offered. Does the Senator from Wyoming believe that the so-called "compromise amendment" of the Senator from Georgia will result in maintaining the prevailing wage in this country?

Mr. O'MAHONEY. I do.

Mr. BORAH. Then, what is the difference between that and the McCarran amendment?

Mr. O'MAHONEY. The difference between that and the McCarran amendment is that one—the McCarran amendment—imposes the prevailing wage upon all sorts of work to be carried on under this joint resolution. It must be perfectly clear that there are two types of work to be carried on under the joint resolution for the purpose of providing work and work relief. One type of work will be the made work. The other type of work will be the useful public work. With respect to made work, under the McCarran amendment, it would have been mandatory upon the President to have imposed the prevailing rate of wages except for the conservation camps. That does not become mandatory under the compromise Russell amendment.

Mr. McCARRAN. Mr. President, will the Senator from New York yield for a question addressed to the Senator from Wyoming, or does not the Senator care to do so?

Mr. WAGNER. If the Senator from Nevada wishes me to yield to him, I yield; certainly.

Mr. McCARRAN. Mr. President, addressing the Senator from Wyoming, is it not true that the new Russell amendment limits itself to public buildings of a permanent nature?

Mr. O'MAHONEY. Oh, no; it goes to all loans and grants as well.

Mr. McCARRAN. Will the Senator kindly read that language? I should be glad to have it read.

Mr. O'MAHONEY. Certainly:

> The President shall require to be paid such rates of pay for all persons engaged upon any project financed in whole or in part, through loans or otherwise.

Mr. McCARRAN. Where does that differ from the amendment I have offered?

Mr. O'MAHONEY. The amendment which the Senator from Nevada offers provides:

That * * * such rules and regulations shall stipulate that the rates of wages paid * * * by any contractor or subcontractor * * * or by the public officer in charge for the United States or for the District of Columbia * * * for work done under this joint resolution—

That means work of any kind—

whether by contract or otherwise—

Anywhere, whether done by the Government on force account or through contract, whether made work or ordinary public work.

Mr. McCARRAN. Correct.

Mr. O'MAHONEY. The amendment of the Senator from Nevada, as I interpret it, covers the whole scope of all work done under the joint resolution, whereas the amendment of the Senator from Georgia allows a difference in the rates of wages to be fixed upon made work and upon work which is done in a normal and ordinary manner for useful purposes.

Mr. McCARRAN. Am I not correct in the statement that the Russell amendment limits the made work to public buildings only, and that public buildings are now covered by the Davis-Bacon Act?

Mr. O'MAHONEY. Oh, no; I do not understand it that way at all. The Russell amendment preserves the wage scale provided in the Davis-Bacon Act. In other words, it preserves all that has been gained by labor to date, and it provides that the rates on all other work shall be so fixed as to preserve the wage structure.

Mr. HASTINGS obtained the floor.

Mr. WAGNER. Mr. President, may I make a suggestion to the Senator? Unless it should be preserved in this amendment, my opinion is that the Davis-Bacon Act would be repealed so far as the use of the funds provided under this relief measure is concerned, and that we are now preserving it.

Mr. McCARRAN. The Senator evidently has not read the amendment, because it specifically maintains all existing legislation.

Mr. WAGNER. No; it provides that the wages upon public buildings shall be paid according to existing law, which is the Davis-Bacon Act; but if we should not make such a reservation in this amendment, and the work-relief measure which we are now considering should become a law, the Davis-Bacon Act, so far as the use of funds under this act is concerned, would be repealed; and now we are retaining the provisions of the Davis-Bacon Act. Of course, it is a matter of legal construction, but that is my construction.

The VICE PRESIDENT. The Chair regrets to advise the Senator from New York that his time has expired. The Senator from Delaware has been recognized.

Mr. HASTINGS. Mr. President, in the first instance let me express my understanding of the difference between these two amendments.

The Senator from Wyoming [Mr. O'MAHONEY] read the first part of the Russell amendment, which is that—

The President shall require to be paid such rates of pay for all persons engaged upon any project financed in whole or in part, through loans or otherwise, by funds appropriated by this joint resolution—

Now, here is the important language—

as will, in the discretion of the President, accomplish the purposes of this act, and not affect adversely or otherwise tend to decrease the going rates of wages paid for work of a similar nature.

Of course, that simply means nothing except that the President has authority to do what he pleases with the rates of pay. The only provision in the Russell amendment which is mandatory is this:

Provided, however, That whenever permanent buildings for the use of any department of the Government of the United States, or the District of Columbia, are to be constructed by funds appropriated by this joint resolution for which rates of wages are now determined in accordance with the provisions of any law of the United States or any code, the President shall fix the rate of wages upon such public buildings in accordance with such laws and codes.

That is the only definite provision in the amendment. I suggest to the Senate that the work relief is for immediate use, and it would take architects a year to prepare plans for any such building as is described in the Russell amendment.

In that connection I desire seriously to call the attention of Senators to the fact that many States have prevailing-wage-rate laws. Extracts from those laws have been printed and are on the desks of all Senators. In those laws the provisions referred to will be found, many of them, applying directly to public roads in the respective States, as well as to public buildings and public projects of every kind.

I desire to call attention to the fact that in the pending joint resolution $900,000,000 are provided for public projects of States or political subdivisions thereof. If any State should be fortunate enough to have any of that money allocated to it, the money would have to be expended under the laws of the State, and the particular laws to which I have called attention must apply. The prevailing wage-rate laws in the States are not new enactments. They have followed the Federal law which has been in existence for many years; and in almost every act, the very latest act up to this time, we have always provided that in the construction of buildings under the particular act the prevailing wage shall apply.

That is not only true with respect to the $900,000,000, but it is also true with respect to the $800,000,000 for public roads. So, regardless of how much argument there may be about the payment of the prevailing wage, and regardless of how much opposed to it the President may be, the practical result of the whole matter will be that the prevailing wage will prevail in all work done under this proposed act. There is no other practical way in which to deal with the matter; and the strange thing to me is that, anxious as the President is to have Congress pass this measure, he should serve notice upon us, merely because we do not leave this discretion entirely to him and because we undertake to follow the Federal statutes of the past and the laws of more than half of the States, that if we adopt the McCarran amendment he will veto the joint resolution.

Mr. President, I now desire to call attention to the origin of this legislation, which was the President's first message to the present Congress; and I call attention to the particular kind of work he said he would recommend:

This new program of emergency public employment should be governed by a number of practical principles:

(1) All work undertaken should be useful, not just for a day or a year, but useful in the sense that it affords permanent improvement in living conditions or that it creates future new wealth for the Nation.

My original vote in favor of the McCarran amendment was based upon the fact that the President was insisting that by this measure we should increase the wealth of the Nation. My opposition to the joint resolution as it stood was that we should be increasing the wealth of the Nation at the expense of the poor people who are now on the relief rolls of the Federal Government, and it seemed to me it was an unfair thing, an unjust thing. I stated time and time again that it was not merely because the American Federation of Labor was in favor of the McCarran amendment that I was favoring it, but it seemed to me that we could not do justice to our fellow citizens without approving the amendment.

I desire to call attention, however, to some additional facts which we have ascertained since that time. It will be remembered that in the testimony we find that $750,000,000 of this huge sum was to be used for direct relief, $130,000,000 of it was to be used for the C. C. C., and I got the distinct impression that all of the funds after that were to be used for permanent improvements and to increase the national wealth. But when we find what is called a break-down of this joint resolution, we find an entirely different situation. We find, in the first place, $600,000,000 appropriated to the C. C. C., a thing we did not know about, and, with respect to what was stated before the committee to be the object of the security wage, namely, $50 a month, or $600 a year, may I call attention to the fact that the cost is $1,000 a year for each person who is enrolled in the C. C. C.; so that out

of the three and a half million proposed to be taken care of under the joint resolution, 600,000 of them will be taken care of by this allotment to the C. C. C., and they will be paid $1,000, when it is proposed to pay other people only $600 a year, or $50 a month. It seems to me that is a point which ought to be seriously considered.

I wish to call attention to a further break-down, which seems to me to be important, included in the Comptroller's letter directed to the Senator from South Carolina. Let us ascertain what the nature of this work is to be. It will be remembered that $500,000,000 is to be appropriated under the allotment for rural rehabilitation and relief in stricken agricultural areas. I have here the memorandum; I have excluded from it some portions which the Comptroller said could not be approved, and am about to read it with those excluded. But let us see whether this does what the President says in his annual message to the Congress he intended to do.

I read:

Furnishing subsistence goods and services (food, clothing, shelter, medical service, school supplies, etc.) to destitute families in rural areas.

Furnishing farm equipment and supplies, mules, horses, cattle, barnyard stock, seeds, fertilizer, and other rehabilitation equipment necessary for the operation of farms in order to enable destitute families to become self-sufficient on the land.

Acquisition of land for rehabilitation purposes.

Supervision and advice in connection with rehabilitation of destitute families.

Rehabilitation or resettlement of stranded populations in rural areas.

Direct relief to families in stricken agricultural areas.

Furnishing of feed and seed.

Prosecution of work projects—

And this is the only part of it which seems to be in any way permanent:

Prosecution of work projects to aid in the relief of stricken agricultural areas, such as: Water conservation; dams; reservoirs; pipe lines; well digging and drilling; purchasing, processing, and distribution of livestock; purchase of land necessary for the prosecution of work projects.

Mr. President, I pass from that to another item, namely, $300,000,000 for projects for professional and clerical persons. Let us see what the break-down of that item is. I read:

This general class is intended to give employment—

And this is approved by the Comptroller—

This general class is intended to give employment to large numbers of professional and clerical workers now on the relief rolls, such as art projects; charts and graphs; dramatics; education work, such as student aid, workers' education, literacy classes, nursery schools, vocational training, and rehabilitation; mapping; nursing and other public-health work; orchestras; planning work; record keeping; research and special surveys; surveys of unemployment and population problems; traffic studies.

There is not a thing in the world there except the kind of work that was done under the C. W. A.

Now I call attention to the $900,000,000 allotment supposed to go to the various States, and I do so in order to demonstrate conclusively that in the States where the money goes, where there is a prevailing wage, and the prevailing wage must be paid, because the Comptroller says:

With the understanding that this item of the appropriation will be used only on projects that are in fact public projects undertaken and contributed to by the State or political subdivision thereof, there would appear no objection to regarding the listed projects as within the scope of the appropriation item.

There are in it all kinds of items which cannot be said to increase the wealth of the Nation.

Mr. President, as between the two amendments, I have already stated what I conceive the difference to be. One is definite; the other is not definite.

I have called attention to the further break-down of these items largely for the purpose of showing that those who are explaining what this money is to be used for are themselves jittery and dizzy and do not know what is to be done with it, and I submit that when any amendment is offered which adds to the pending joint resolution any form of definiteness, and which is agreeable to the Senate, it ought to be written into it.

There certainly is enough left of discretionary power in the President as to how the money shall be spent and where it shall be spent to satisfy him in all respects, and it seems to me that we ought at least to protect as best we can the wage scale, which the President said ought to be maintained. He writes a letter to the chairman of the committee and calls attention to the fact that his whole administration has been bent upon increasing wages. Let me call attention to the fact that those on the outside of his Chamber, the newspapers, the chambers of commerce, and what not, which have been opposed to the amendment are not opposing it for any other purpose than to drag down the wage scale itself.

If that were the proposition put to the Senate, we might discuss it, and we might have different views upon it, but I am discussing now only what the President himself says he wants to do. He wants to keep the wage scale high, he insists that wages must be kept high, but he now objects to the Congress writing into the joint resolution the one thing which would make it certain that that would be done.

I submit, Mr. President, that the McCarran amendment should be approved.

Mr. CUTTING. Mr. President, I had not intended to speak on this subject except in the form of a question to the Senator from New York [Mr. WAGNER], who, I regret to see, has just left the Chamber.

I think we can all agree that the amendment now submitted by the Senator from Georgia [Mr. RUSSELL] is in many respects a substantial improvement on the amendment originally submitted by that Senator, which is embodied at present in the joint resolution as it comes from the committee. Certainly the second paragraph of the amendment is a great improvement, in that it makes mandatory the prevailing wage scale for permanent buildings constructed by the Government of the United States or the District of Columbia. But with regard to the first paragraph, I submit that there is no improvement whatever in the amendment with respect to any other projects except those which I have just mentioned.

I greatly regret that the Senator from New York is not in the Chamber, because I feel that from the beginning he has taken the sound and logical position on the question of the maintenance of the prevailing wages.

Mr. McNARY. Mr. President, will the Senator yield for me to suggest the absence of a quorum?

Mr. CUTTING. I yield for that purpose.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Pope
Ashurst	Costigan	La Follette	Radcliffe
Austin	Couzens	Lewis	Reynolds
Bachman	Cutting	Logan	Robinson
Bailey	Dickinson	Lonergan	Russell
Bankhead	Dieterich	Long	Schall
Barbour	Donahey	McAdoo	Schwellenbach
Barkley	Duffy	McCarran	Sheppard
Bilbo	Fletcher	McGill	Shipstead
Black	Frazier	McKellar	Smith
Bone	George	McNary	Steiwer
Borah	Gerry	Maloney	Thomas, Okla.
Brown	Gibson	Metcalf	Thomas, Utah
Bulkley	Glass	Minton	Townsend
Bulow	Gore	Moore	Trammell
Burke	Guffey	Murphy	Truman
Byrd	Hale	Murray	Tydings
Byrnes	Harrison	Neely	Vandenberg
Capper	Hastings	Norbeck	Van Nuys
Carey	Hatch	Norris	Wagner
Clark	Hayden	Nye	Walsh
Connally	Johnson	O'Mahoney	Wheeler
Coolidge	Keyes	Pittman	White

Mr. LEWIS. I announce the absence of the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Louisiana [Mr. OVERTON] on account of illness.

The PRESIDENT pro tempore. Ninety-two Senators have answered to their names. A quorum is present. The Senator from New Mexico will proceed.

Mr. CUTTING. Mr. President, how much time have I remaining?

The PRESIDENT pro tempore. The time occupied in the calling of the roll will not be taken out of the Senator's time. The Senator has 18 minutes.

Mr. CUTTING. Mr. President, I regret that the Senator from New York is not yet in the Chamber, but in the present parliamentary situation I can have no other chance at all to make any remarks, so I merely want to call to the attention of the Senate the fact that from the beginning of this controversy there have been only two possible theories as to the effect which the lowering of the wages on public-relief projects will have on the wage scale. One of these theories was championed by the Senator from New York [Mr. WAGNER]. The opposite theory has consistently been championed by the President.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CUTTING. I yield to the Senator for a question.

Mr. LONG. How many was it that Moses kept faithful in the pilgrimage which he made from Egypt to carry the children of Israel to the promised land? How many faithful finally landed there? Does the Senator know the number?

Mr. CUTTING. I should prefer to let the Senator answer his own question. He is more familiar with the Scriptures than am I.

Mr. LONG. Well, I will look that up.

Mr. CUTTING. Mr. President, on February 19 the Senator from New York made a most able and convincing speech before this body. I shall read only a single paragraph, which seems to me to go to the heart of the matter.

Bitter experience—

Said the Senator from New York—

has taught us that wages seek the lowest level and that even those who recognize the wisdom and the justice of fair play cannot withstand the unfair competition of the private exploiter. How much less able will they be to withstand the depressive tactics of the largest employer in the country in the person of their Government itself? What will exhortations to keep wages up avail in the presence of such an example? If the public projects under this joint resolution set rates of pay for full-time work below those prevailing elsewhere, private industry will find this lower level with the certainty that the river finds the sea.

That is one theory of the matter—a theory with which I confess I am in complete agreement.

Here is the opposite theory contained in the letter of the President of the United States to the chairman of the committee [Mr. GLASS]. I quote from the RECORD of February 21:

I object to and deny any assertion that the payment of wages to workers now on the relief rolls at less than the prevailing rate of wages may, under some theory, result in a lowering of wages paid by private employers. I say this because it is an obvious fact—first, that the Federal Government and every State government will act to prevent reductions; and, secondly, because public opinion throughout the country will not sustain reductions.

I have enough faith in the country to believe that practically 100 percent of employers are patriotic enough to prevent the lowering of wages.

Here, it seems to me, there is a complete divergence of opinion. I see no way whatever in which we can reconcile the position taken by the Senator from New York on February 19 with the position taken by the President of the United States on February 21.

I am not concerned at this moment to argue which one is correct, but I cannot see how any man who agrees with the position championed by the Senator from New York on February 19 can believe that he is accomplishing anything by accepting the first paragraph of the amendment proposed by the Senator from Georgia [Mr. RUSSELL]. I read it:

The President shall require to be paid such rates of pay for all persons engaged upon any project financed in whole or in part, through loans or otherwise, by funds appropriated by this joint resolution, as will in the discretion of the President accomplish the purposes of this act and not affect adversely or otherwise tend to decrease the going rates of wages paid for work of a similar nature.

In other words, if we adopt this amendment, Mr. President, we leave to the discretion of the President whether or not a low rate of pay in relief work will or will not tend to decrease the going rates of wages. The President has repeatedly, frankly, and ably championed the theory that under no circumstances will the lowering of wage on relief work affect the prevailing wage scale in industrial work. He believes that the pressure of public sentiment and the action of the Federal and State Governments will prevent private employers from lowering the wage scale under those circumstances.

The Senator from New York and the majority of the Senate took the other view.

Mr. CONNALLY. Mr. President, may I call the Senator's attention to the fact that the Senator from New York has now returned to the Chamber?

Mr. CUTTING. I am sorry that all I have said has been, necessarily, in the absence of the Senator from New York. I rose in the first place to ask him a question. My time is so limited now that it will be difficult to carry on any intelligent discussion of the matter. The point I have been trying to make, may I say, is that the Senator from New York has consistently taken the position that the lowering of wage scales on relief work—and I quoted from his very able speech of February 19—would necessarily result in the lowering of the general wage scale, and that the President of the United States, in his letter to the senior Senator from Virginia on February 21, took a diametrically opposite view.

What I cannot see now is how those of us who agree with the position taken by the Senator from New York on February 19 can submit this particular question to the discretion of the President when we know that the President has an entirely different theory from that entertained by the Senator from New York and those of us who followed him. To my mind, it is no answer to that to say that we believe in the good faith of the President or have confidence in him. The more confidence we have in the President of the United States, the more sure we may be that when the time comes he will do exactly what he said he would do in his letter to the Senator from Virginia. Therefore, if we adopt the amendment proposed by the Senator from Georgia, we are absolutely certain that, if necessary, in his opinion, he is going to reduce the wage scale, believing, as he does, that that will not affect the general wage scale outside of relief work.

I listened with great interest to the remarks of the Senator from New York, but I have not been able to find any way of solving that dilemma.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. CUTTING. I yield to the Senator from South Carolina.

Mr. BYRNES. Does the Senator understand that the McCarran amendment provides for the prevailing wage? Specifically, I will ask the Senator's opinion of the language on page 2 of the amendment, where it is provided that it shall be the prevailing wage paid "at the time of the approval of this resolution." If during the next year the wage in the community in which the Senator resides, for instance, should be higher than it is at this time, then, under this amendment, the prevailing wage would not be paid, but the wage paid would be that prevailing at the time of the approval of the joint resolution, would it not?

Mr. CUTTING. Of course; the Senator from South Carolina is entirely correct.

Mr. BYRNES. If the wage should happen to be lower during the year, the wage paid would not be the prevailing wage but the wage in effect at the time of the approval of the joint resolution.

Mr. CUTTING. I confess I am sorry the amendment now proposed by the Senator from Nevada is in that respect different from the one which he originally proposed; but nevertheless, even as the McCarran amendment now stands, we can be sure that the general wage scale will not be lowered from the point at which it is at the present time. So we are at least gaining something substantial, and I do not feel that we are gaining anything at all in that respect from the first paragraph of the amendment suggested by the Senator from Georgia, admitting, perfectly frankly, that the second paragraph of that amendment really does constitute a substantial improvement over the committee amendment.

Mr. WAGNER. Mr. President——

Mr. CUTTING. I yield to the Senator from New York.

Mr. WAGNER. Did the Senator intend a moment ago to address the question to me? I do not wish to be discourteous to the Senator. I tried to explain my position with regard to the effect of the so-called "revised Russell amendment", in that it imposes upon the President, in the first instance, in the case of projects which do not involve the construction of public buildings—because, as to them, we have a fixed wage to be paid—the obligation when the original wage is determined to fix a wage which will not adversely affect the wage paid by private industry.

Since my view is fairly definite, from years of experience, that if we fix a wage substantially below that which is paid in private industry, the wage in private industry is bound to go to the level of the wage the President may fix, therefore I am very certain that there is very little difference, if any, between the two amendments, and the President is obligated as the result of the mandate of the Congress to fix practically in every instance the prevailing rate of wage. To that extent I agree with the Senator from Delaware [Mr. HASTINGS], who construed this amendment as being a prevailing-wage amendment; but one amendment will be approved and the other will not be approved; and I think at this stage of the proceedings those of us interested in carrying out this program and adopting the legislation have to be practical about it, and if both amendments mean practically the same thing, we ought to adopt the amendment which we are sure will be approved.

Mr. CUTTING. Mr. President, I may say that if the Senator from New York were going to administer the joint resolution, then, I think the two amendments would mean the same thing, because the Senator from New York has consistently taken the position which he has just expressed, that a lowering of wages on relief work or any other kind of work necessarily has some influence on the prevailing-wage scale in private industry; but, if the Senator does not object, let me read him again what the President of the United States says:

> I object to and deny any assertion that the payment of wages to workers now on the relief rolls at less than the prevailing rate of wages may, under some theory, result in a lowering of wages paid by private employers.

Does the Senator agree in that respect with the President of the United States?

Mr. WAGNER. But the President has agreed, as I understand, to assume the obligation which will be imposed upon him as a result of this so-called "compromise amendment", and so, to that extent undoubtedly, the President's viewpoint may have changed. I cannot say as to that; but he has agreed to assume the obligation.

Mr. CUTTING. If the President's point of view has changed, then, I submit that, in all fairness, he ought to advise the Congress accordingly. I am assuming that his point of view has not changed, that his conviction is unaltered, and, if that is the case, then it seems to me when we leave to him the decision whether or not a rate of wage in relief work will or will not "tend to decrease the going rate of wages paid for work of a similar nature" by private industry, we know in advance that his mind is made up; that there is no circumstance—at any rate no ordinary circumstance—which would induce him to hold that a $50-a-month wage, we will say, upon relief work would tend to decrease the going rate of wages. So, I think, we are leaving it to the President's discretion to do exactly what he pleases in that respect, and that we know that his view of the situation is diametrically opposed to that taken both by the Senator from New York and myself.

That, it seems to me, is the danger of this amendment. I should be glad to be convinced otherwise; but so far it seems to me perfectly clear that, except for Government work on permanent public buildings, we gain little or nothing in the Russell amendment for the maintenance of our wage scale, which to my mind is the most valuable possession the United States has at the present time.

Mr. WAGNER. Mr. President, will the Senator yield for one further suggestion?

Mr. CUTTING. I yield to the Senator from New York.

Mr. WAGNER. Of course the Senator knows that in the majority of States there now exist statutes requiring the payment of the prevailing rate of wage on public construction, and we ought to understand that most of the work to be done under the so-called "relief bill" will be by loans to municipalities and States, because they have planned their work and are ready to proceed; and loans made to communities to prosecute these projects, representing a large proportion if not over half the amount to be expended, will have, of course, to be expended under circumstances requiring the payment of the prevailing rate of wage. At least that is my opinion.

Mr. JOHNSON. Mr. President, will the Senator yield to me for a question?

Mr. CUTTING. I yield to the Senator from California.

Mr. JOHNSON. If the Senator from New York is correct in saying that this amendment preserves the laws of the States in respect to the prevailing wage, why does not the amendment say so?

Mr. WAGNER. I do not see how we can preserve the laws of the States. What I said was—and I think the Senator misunderstood me—that I am sure that in none of the communities of which I know, certainly not in New York, will there be a repeal of the prevailing rate of wage provisions of law; so that any money loaned to communities in New York State will be for projects upon which the prevailing rate of wage is to be paid. I think that is something we ought to keep in consideration.

Mr. JOHNSON. That will be so in all the States where prevailing-wage laws exist, will it not?

Mr. WAGNER. Yes.

Mr. JOHNSON. Does the Senator construe the particular Russell amendment to eliminate the subsistence wage?

Mr. WAGNER. To eliminate the subsistence wage?

Mr. JOHNSON. Yes.

Mr. WAGNER. I do.

Mr. JOHNSON. So, I simply repeat what he has said, that there is substantially no difference between the Russell amendment and the McCarran amendment.

Mr. WAGNER. As I interpret the obligation upon the President, there is no difference; but I am candidly practical about this situation and I want the pending legislation passed.

The PRESIDENT pro tempore. The time of the Senator from New Mexico has expired. Does the Senator from California desire to take the floor in his own right?

Mr. JOHNSON. No; I do not; but I should like to ask one further question of the Senator from New York, if it is permissible under the rules.

The PRESIDENT pro tempore. The Chair is sorry, but the time of the Senator from New Mexico having expired, unless the Senator from California desires to take the floor, that cannot be done.

Mr. WAGNER. I wish to say to the Senator that I only speak for myself and express my own opinion; I cannot speak for anyone else.

The PRESIDENT pro tempore. Under the unanimous-consent agreement, a Senator cannot speak more than once or for longer than 20 minutes. Does any Senator desire the floor at the present time, or shall the Senate proceed to vote on the amendment?

Mr. JOHNSON. I will take the floor after a while, but not at present.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Nevada [Mr. MCCARRAN] in the nature of a substitute for the amendment offered by the Senator from Georgia [Mr. RUSSELL] to the amendment reported by the committee.

Mr. LONG. Mr. President, I yield to the Senator from California in order that he may propound the question that he desired if he wishes now to do so.

Mr. JOHNSON. No; I will not do it in that fashion. I thank the Senator from Louisiana.

The PRESIDENT pro tempore. The Chair holds that a Senator cannot take the floor for the purpose of making a speech and then yield to another to ask a question.

Mr. LONG. I want to make a speech.

The PRESIDENT pro tempore. The Senator from Louisiana is recognized and his time has commenced to run.

Mr. LONG. Mr. President, as I understand the Senator from New York [Mr. WAGNER], he construes these amendments to be about the same. The Senator from New York is a brilliant lawyer. It is his opinion, he says, that the McCarran amendment and the Russell amendment both purport to protect the prevailing wage. Then I cannot see why we are having a row over the matter. If the Senator from New York sees it in no different light than do those of us who differ from him see it, then why can we not go along, as we have all been together on this matter?

I know, of course, the Senator from New York would like to see the prevailing wage maintained.

I asked the Senator from New Mexico [Mr. CUTTING] a question, Mr. President, a few moments ago, which question he was unable to answer. I merely asked him if he knew how many there were who were led out of the Egyptian bondage who remained faithful enough long enough to get to the promised land. The Senator from New Mexico did not want to tell me, or else the Senator from New Mexico did not know what the number was. I have since been informed that when Moses, under the command of the Lord, led the Israelites out of Egyptian bondage, there were such snares and lures on the way that only two of them ever managed to stay faithful long enough to get inside the gates.

Mr. President, we started out with plenty of votes for the amendment to maintain the prevailing wage in the United States. It was not intended to be understood that that was very good, because the prevailing wage is much less than half the living wage. According to standards and statistics, we who sit here in the Senate have made a fight for a wage which is not one-half a living wage. That is not a very worthy result of all that we have done, but that is what the effect of it has been.

Mr. GLASS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Virginia?

Mr. GLASS. Will the Senator yield to me just a minute to ask the Senator from New York [Mr. WAGNER] a question?

Mr. LONG. I yield for that purpose if I may do so without surrendering the floor.

The PRESIDENT pro tempore. The Chair will state that if the yielding results in a speech, the Senator from Louisiana will lose the floor. The Chair is merely cautioning the Senator from Louisiana.

Mr. GLASS. I am not going to make a speech. I want to ask the Senator from New York a question. I simply want the Senator from Louisiana to let me ask the Senator from New York a question.

The PRESIDENT pro tempore. If yielding for that purpose results in a speech by any other Senator, the Senator from Louisiana will yield the floor.

Mr. McCARRAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I yield for a question.

Mr. McCARRAN. If I ask the Senator from Louisiana to yield to me for the purpose of inserting something in the RECORD, would that take away from my time or from the time of the Senator from Louisiana?

The PRESIDENT pro tempore. The Senator from Louisiana, having yielded the floor for such a purpose, would lose the right to continue further.

Mr. LONG. I do not yield for that purpose, because if I did so, under the ruling of the Chair I would lose the floor.

Mr. GLASS. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. GLASS. I want to ask the Senator from New York upon what authority he makes the statement that the proposed Russell amendment would vitiate the subsistence wage proposed by the President of the United States? The Senator from New York seems to be more intimately in the confidence of the President than am I, but, being in charge of the pending joint resolution, I should assume that if the President of the United States thinks that to be so he would confide it in me, and he has not done so.

Mr. LONG. Mr. President, I ask the Chair to protect me and see that I do not lose the floor.

The PRESIDENT pro tempore. The rule cannot be indirectly violated by that character of question and reply. If the Senator from Louisiana yields for a question to be propounded to himself, and which he himself answers, it is entirely within the rule.

Mr. LONG. I would be almost as much confused. I could almost ask that question myself of the Senator from New York if it were proper. It is a matter of confusion. I cannot explain the statement of the Senator from New York. It is based upon his own logic, and based upon his own words, but is it based upon what others have told us? Unless there is a variance, why quibble? I am afraid my friend is being misled.

Mr. WAGNER. Mr. President——

Mr. LONG. I yield for a question.

The PRESIDENT pro tempore. The Senator from Louisiana yields for a question, but not a statement.

Mr. WAGNER. I shall put it in the form of a question. Did I not, on the floor of the Senate, state as my personal opinion that carrying out the obligations of the revised Russell amendment would require the payment of substantially the prevailing rate of wage? That is the basis of my statement—not that I was quoting any other authority at all. I was giving my own opinion, which I think I have a right to give.

Mr. GLASS. The Senator said he is of the opinion that it would abrogate and void the subsistence wage, and I asked if that is the judgment of the President of the United States, who is to administer the provisions of the joint resolution.

The PRESIDENT pro tempore. The Senator from Louisiana refuses to yield for a statement.

Mr. LONG. Mr. President, we instantly see that the Senator from New York is out of line with his old running mates and he is out of line with his new running mates. He is almost a lone wolf in this body. No one except himself knows where to place him on this issue. Perhaps my friend from Wyoming [Mr. O'MAHONEY] gives comfort to his stand right now.

It is almost like the story of the lost tribe. The tribe of Israel wandered through the wilderness for a good goal and a good purpose. We have been told of a promised land where the pomegranates grow and the milk and honey flow. We started out for the promised land. We sent our emissaries ahead that they might come back and tell us what to expect from the promised land. They went into a committee room. Thirteen of them on the first vote came out and told us how inviting the promised land would be, and eight of them came out dissenting.

But lo and behold, our emissaries went into another caucus and convinced the Senator from Georgia [Mr. RUSSELL] that the promised land had dangers in it and they handed him something that looked like the gate was closing a little bit on him. Then when they came out they were "even Stephen" as to whether or not the tribe by standing faithful could afford to approach the portals of the promised land, the land of milk and honey, or at least the land of half milk and honey for the man earning his living by the sweat of his face.

Eventually, however, the time came when they had to refer the matter back to the tribe as a whole that they might decide whether or not the expedient was worthy of the hazard. After considerable consultation among the elders the decision was rendered that they would make the effort to go and receive at the hands of the public generally what was possible under the prevailing circumstances.

But the hand of the tempter is strong. The flesh, of course, is weak. We are all afraid. I have been scared to death here all the time myself. I am not going to say there are not many lures and many rainbows and many crystal-appearing symptoms which cause us to turn aside from the path leading toward the gates of the promised land. I think this body was shown a remarkable fortitude. Moses landed with only two. The Senator from Nevada [Mr. McCARRAN] is going to land with at least two. He has himself, and I know he has my vote. Though from his worthy companion he will equal the record of Moses, at least, when the vote is taken today.

Mr. ROBINSON. Mr. President, I think every Member of the Senate realizes that when the vote was taken on the original McCarran amendment, and subsequently the Senate recommitted the joint resolution to the committee, there was in the minds of all Senators who voted to recommit—and the vote was unanimous—an expectation that a provision would be worked out, if possible, which would relieve the legislation from the menace of a veto and make certain that it should be finally enacted into law.

It is quite easy when one takes a position to say that he will never change, that he knows he is right, that those who take a contrary view are wrong and should know it, and that Senators, having differed by a majority of 1 vote, should place themselves in a position where they could make no compromise and pursue a course which might mean the defeat of the proposed legislation.

Quite naturally, all Senators feel disposed to stand upon the ground they at first took. That is human nature. It is quite natural that one should wish to induce others to change their viewpoints to conform to his own. Whatever interpretations may be placed by Senators entertaining different views concerning this matter, the fact remains that there is an obligation upon the Senate to legislate, and to legislate effectively; and it is also true that there is necessity for compromise. It is only on that theory that the recommittal of the joint resolution can be justified.

Of course we could have sent the joint resolution over to the House, taken a chance on the House resisting the Senate amendment, taken a chance on the Senate conferees yielding to those of the House, and after weeks of contention we could have run the risk of having the joint resolution go to the President, and if it contained the so-called "McCarran amendment" we would have been assured of a veto. Everyone knows that so close was the division in the Senate on the subject that the measure could not have been passed over a veto. So, now, when we divest our minds of those prejudices which naturally exist in a situation such as that in which we find ourselves, we must recognize the fact that it is desirable and commendable to make concessions, to enter into compromises.

Mr. STEIWER. Mr. President, will the Senator yield at that point?

Mr. ROBINSON. Certainly.

Mr. STEIWER. Is the Senator in position to assure the Senate that if the new Russell substitute should be agreed to, the joint resolution would not be vetoed by the President?

Mr. ROBINSON. I am.

Mr. STEIWER. I thank the Senator.

Mr. ROBINSON. Mr. President, I will state in explanation of that statement that immediately following or within a few days after the recommittal of the joint resolution to the Committee on Appropriations I participated in a series of conferences with Senators in an effort to work out a compromise. It was my hope, and the hope of others, that some form of compromise might be found that would be acceptable to both sides of the controversy; but there was a marked difference of opinion concerning the subject which made it impracticable to draft a provision that would command universal support.

The Russell amendment, in my opinion, is a fair compromise; and I propose in just a few words to point out wherein that is true. I think it is not consistent, in view of the statements that have been heretofore made, to suggest that anyone has deserted his standard or his leader in this connection. I think it is a wholesome and necessary proceeding for which the country has been waiting for an indefinite period. The people of the United States have been unable to understand how men inspired by common purposes of service to promote the general welfare would permit differences among them over a single amendment to hold up and endanger the passage of legislation which is regarded, I believe, by a great majority of the people of the country as essential in this time of distress and depression.

The distinction between the McCarran amendment and the Russell amendment under consideration is, to my mind, very clear. The McCarran amendment requires the payment of the prevailing wage to every person employed in work relief, no matter what may be the conditions respecting his employment or his capacity for labor.

The revised Russell amendment recognizes, I think, clearly that it may not be necessary, in made work, to pay the prevailing wage, and that in order to prevent and avoid enlarging the work-relief roll by attracting laborers from private employment, the President may cause to be paid a lower wage; but the amendment also recognizes the necessity of maintaining the prevailing wage in private industry.

It is true that there is a difference between the President and those who support him in this contention, and those who support the McCarran amendment. In taking from the relief rolls 3,500,000 persons who are receiving a bare subsistence at the expense of the Government of the United States, and are performing practically no service, the President does not believe that it is necessary in all instances to pay union wages or prevailing wages; and he believes that if we compel him to do that, work relief will become the agency of preventing the accomplishment of the very purpose which we all have in mind.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. ROBINSON. Yes; I yield.

Mr. McCARRAN. I do not desire to break into the Senator's thought.

Mr. ROBINSON. I will yield to the Senator if he wishes to ask a question.

Mr. McCARRAN. During the course of the Senator's discussion, will he kindly explain the difference between prevailing wages and going wages?

Mr. ROBINSON. Certainly. The prevailing wage under the McCarran amendment would be the wage in force at the time of the adoption of this amendment. In another connection it might have a different meaning, but that is the legal application of it. The prevailing wage is the wage that is now being paid. The going wage is the wage paid at the time of the employment. That distinction is so clear to my mind that I think there will be no difference regarding it.

I started to point out the differences between the two amendments.

With respect to permanent public buildings of the United States or of the District of Columbia, substantially the revised Russell amendment requires the payment of the going wage; but with respect to made work the President may pay any wage which he believes is justified, provided it does not tend, in his opinion, to break down the wage standard of the country.

Criticism of that provision has been made by the able Senator from Delaware [Mr. HASTINGS] on the ground that it gives to the President a discretion that may not be wisely employed. I do not believe the criticism is justified. The President is just as much interested as any Senator can be in promoting national recovery. He is not desirous of breaking down the wage structure of the Nation. His record does not justify any such assumption. On the contrary, everything he has done and everything he has said has tended to build it up and to strengthen it. We now have a situation respecting destitution relief from which we are hoping to escape. I maintain that if the payment of the prevailing wage is required in all the projects which may be undertaken, you will increase the Government employment rolls; you will not accomplish the primary aim of the legislation; you will have half the people in private employment seeking

public employment, because they would rather work for the Government than for any private agency in existence.

There is a magic and a charm in some mysterious manner connected with Federal employment. Many of those engaged in the service of the States are frequently trying to get into the employ of the United States, and if Government employment in all cases should be made equally attractive with private employment, the net result would be that in a general way it would be made more attractive to engage in the Government service than in private employment. That is a difference which we cannot reconcile; it is a practical one.

I think the Senator from New York [Mr. WAGNER] has shown a spirit of wise statesmanship, entertaining the views that he does entertain, to enter into this adjustment of the matter, and I think other Senators who are willing to recognize that the time has come for action, who are willing to recognize that the country is impatiently awaiting this legislation, and who are anxious to see practical results accomplished are rendering a service of great value to the United States.

Mr. President, I have said that the President of the United States is greatly interested in this proposed legislation and is desirous of making it effective for the accomplishment of two purposes; first, of enabling the Federal Government to get away from that process of relief, which, unfortunately and, in the opinion of some, inevitably tends to make a class of mendicants in the United States. There are people on the relief rolls now who are content not to work, who are willing to accept charity, if I may term it so, and it would be unfortunate for the country if we pursued a course which tended to enlarge that group, or to multiply the number of those who are willing to fold their hands and say, "God bless you; I do not have to do anything. I can rely on the Federal Treasury to provide for me and my dependents." If we are to escape that condition, we must make a distinction between work-relief wages and wages in private industry.

The other aim is equally wholesome. There are millions of persons in this country who are facing want and privation, seeking an opportunity to earn a living, and who are denied that opportunity by reason of no fault of their own. The policy which underlies the pending joint resolution is that the Government will do an extraordinary thing, something never before suggested. It will make work, so to speak, in order to give the persons who are seeking it honorable employment, but it will not make the work on such terms as will fasten them forever on the Government pay roll. There is a distinction which is clear to my own mind, and I am wondering how others who are more intelligent find themselves unable to see the distinction.

We have been considering the joint resolution for very, very many days, and the time is approaching, I hope, when we may meet the expectations of the people of the country and dispose of the legislation. It ought to have been finally disposed of some time ago, but we have been working in an effort to harmonize our differences, trying to reach conclusions, and have found great difficulty in doing so. I am hopeful that after the McCarran amendment shall have been disposed of, we may proceed to a conclusion concerning this important legislation, and do it promptly and speedily.

The PRESIDENT pro tempore. The time of the Senator from Arkansas has expired.

Mr. NORRIS. Mr. President, I hope no one will construe anything the Senator from Arkansas [Mr. ROBINSON] has just said as a criticism for any delay that has occurred. I do not intend to indulge in any criticism, or to find fault with the committee or anyone else for the delay. I think too great a delay has occurred, but certainly those who favor the McCarran amendment cannot be charged with being responsible for the delay. It was the friends of the joint resolution who were opposed to the McCarran amendment who took the joint resolution back to the committee after the amendment had once been passed on, and while I am not criticizing them for that, and I do not believe that in their work they were moved by any idea of delaying the legislation, yet certainly if there is to be criticism of anyone for the delay, the criticism cannot be put upon the shoulders of those who favor the McCarran amendment, so called.

Mr. President, I have not heretofore taken any of the time of the Senate in the long debate on this question. To my mind, the issue is plain. I do not believe we can set up a job of work on one side of the street and pay one wage and set up a job on the other side and pay another wage for the same kind of work, and make a success of it. I think the Senator from New York, when he was still in favor of the McCarran amendment, stated the situation very concisely. To me it is fundamental that if there are two wage scales, naturally the result will be a trend to the lower scale and not to the higher scale. I think that is fundamental. I do not intend to take the time to argue it, but to me it is plain, and it seems to me it must be plain to everyone; and I say that without finding fault with those who do not want the prevailing wage paid. I think it is a fundamental proposition.

Today we have before us a modified amendment, and the Senator from New York and others maintain that between that amendment and the McCarran amendment there is absolutely no difference, but we are told in the same breath that the President approves that amendment, and that he disapproves the McCarran amendment to such an extent that he will veto the joint resolution if that amendment shall be included in it. How do Senators explain that? Here are two amendments. From the viewpoint of the Senator from New York, at least, they are just alike, and mean the same thing. The President, apparently, does not have that idea of them, or he would not care which amendment we put into the joint resolution. So, notwithstanding the opinion of the Senator from New York, for which I have the greatest respect, it follows, I think, that there is a difference, that the President at least thinks there is a difference, that he thinks there is a great difference, because we are told that he will veto the joint resolution if one amendment shall be adopted and that he will sign it if another shall be adopted.

Believing, as I do, that the wage scale will run to the lowest rate paid, and that a wage scale below the prevailing wage will inevitably, necessarily, and fundamentally, bring down the rate of wages, I have always favored the McCarran amendment.

We must remember that if we are to get out of the depression there must be purchasing power left in those who toil. We cannot expect to recover if those who toil must get a wage which will only keep soul and body together. If we shall adopt the McCarran amendment, it seems to me it will be of great assistance toward placing in the hands of those who are employed on these projects the possibility of again being enabled to purchase the products which come from the factory and the farm, and that the factory and the farm cannot recover until there is purchasing power put into the hands of someone who will purchase their goods.

Mr. McCARRAN. Mr. President, I ask leave to insert in the RECORD an excerpt from the Baltimore Sun of this morning and a letter from President Green, of the American Federation of Labor.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun, Mar. 15, 1935]

DOUGLAS WARNS FISCAL POLICY LOGICALLY LEADS TO DICTATOR—FORMER FEDERAL BUDGET DIRECTOR TELLS UNIVERSITY OF PENNSYLVANIA STUDENTS UNITED STATES SPENDING THREATENS CURRENCY AND MIDDLE-CLASS DESTRUCTION

PHILADELPHIA, March 14.—Destruction of the Nation's currency and middle-class population, and possible establishment of a dictatorship were seen today by Lewis W. Douglas, former Director of the Federal Budget, as ultimate possibilities in a continued policy of governmental spending.

In a criticism of the national administration's spending policies and the increasing deficits in the Federal Budget, Douglas painted an extremely black and forbidding picture of events which can follow continuance of such a fiscal course.

SEES POSSIBLE CATASTROPHE

"If the spending policy continue, quite irrespective of the disguised and concealed inflationary methods which have been employed, quite irrespective of the absence of the standard tests

of * * * the amount of gold which we may hold, the effect must be catastrophic," he declared in an address before a student assembly at the University of Pennsylvania's Wharton School of Commerce and Finance.

"If the emergency in the spring of 1933," he asserted, "was sufficient to vest in the Executive greater powers than ever before in our history have been vested in him, is there any reason to doubt that * * * the sheer weight of economic forces * * * will force a complete change in our political organization?

LIBERTIES HELD AT STAKE

"Only a dictator—whether it be a dictator of socialism of fascism is unimportant—will be adequate to cope with the situation. Thus there will be wiped out all of the liberties for which the Anglo-Saxon race has struggled for more than a thousand years, and thus there will be destroyed, with the forgotten man, the America which created the highest standard of living the world has ever known.

"If the administration pursues its present course, if it insists upon spending and spending, then * * * the ultimate collapse is not pleasant for the 'forgotten man' to contemplate. * * *

"The destruction of the middle class, induced by a destroyed currency, indeed lays the foundation for revolution."

IS NOT PROPHESYING

"I want to make it clear," Douglas explained, "that I am not prophesying, that I have some doubt of a too logical sequence—I am merely stating that if the present spending policy of the administration is continued, the ultimate results may conceivably be as I have pictured them. * * *

"The only method known to man of protecting a currency is to balance the budget of the money-making power."

This could be done in 2 years in the United States, Douglas explained, by the following steps:

Convert Federal credit agencies into purely liquidating agencies.

Hold so-called "ordinary expenditures" of Government to $2,700,000,000, plus about $1,000,000,000 for liquidation of existing public-works obligations.

Appropriations of $1,250,000,000 for allocation to the States for relief.

WORKS COST BIG DRAIN

"The huge obligations entered into on account of public works * * *," he said, "will continue for many years to constitute tremendous drains on the Federal Treasury.

"Nor is there any lack of foundation * * * to observe that the great overshadowing bureaucracy erected as an essential concommitant to the emergency expenditures will not, without great resistance, submit to its dismemberment. * * *"

Turning to the Federal Reserve System and the credit of the United States Government, Douglas said:

"Given an apparent and obvious impairment of that credit, then the picture is appalling—a bankrupt or almost bankrupt Federal Reserve System * * * an insolvent, or almost insolvent, banking system * * * a destroyed currency, a destroyed middle class. * * *"

WARNS OF COINAGE EVIL

He warned that the exercise by governments of their "power to coin money * * * for the purpose of paying their bills" always has "and always will * * * destroy the medium of exchange."

"This, it seems to me," he said, "is the most brutal and cruel thing which any government can do to its people, for it destroys the middle class, the forgotten men * * *."

STATEMENT BY WILLIAM GREEN, PRESIDENT AMERICAN FEDERATION OF LABOR

WASHINGTON, D. C., *March 14, 1935.*

The representatives of labor are united in their support of the McCarran prevailing wage rate amendment to the public-works relief bill. No compromise on this amendment or upon the very vital principle embodied therein has been accepted or will be accepted.

Labor regards the McCarran amendment providing for the payment of the prevailing rate of wages upon public-works projects in the different towns and cities throughout the Nation as fundamental. Labor is calling upon its friends in the Congress of the United States to support the prevailing wage rate amendment offered by Senator MCCARRAN, of Nevada.

We sincerely hope and trust that the McCarran prevailing wage rate amendment to the public-works relief bill will be adopted by the Congress of the United States.

Mr. O'MAHONEY. Mr. President, having listened to the remarks of the able Senator from Nebraska, whose able statesmanship has long been recognized throughout the country, I am impelled to point out what seems to me to be the very clear distinction between the McCarran amendment and the compromise Russell amendment.

Mr. NORRIS. Will the Senator from Wyoming yield?

Mr. O'MAHONEY. Certainly.

Mr. NORRIS. I do not want the Senator to get the idea that I am saying they are the same. I do not believe they are the same in that respect. I agree with the President of the United States, rather than with the Senator from New York.

Mr. O'MAHONEY. Mr. President, I realize that the Senator from Nebraska does not believe that they are the same, but it seems to me it will serve a useful purpose to point out here plainly what the distinction is. The McCarran amendment itself recognizes this difference. The last proviso of the McCarran amendment reads in part as follows:

Provided, however, That nothing in this section shall apply to the administration of the Civilian Conservation Corps.

In other words, that is a clear declaration in the McCarran amendment itself that if that exception were not made and the amendment were finally adopted, it would require the payment of the prevailing rate of wages to all persons employed in the Civilian Conservation Corps and in the camps.

Upon an earlier occasion this morning when I took the floor I pointed out the distinction, to which the Senator from Arkansas has referred, between made work and useful public works. Now, adverting to the amendment inserted on page 3 of the resolution itself upon the recommendation of the committee, we find that there are several classifications of work which fall into the same category as the work under the Civilian Conservation Corps, namely, made work. We have rural rehabilitation and relief in stricken agricultural areas. We have projects for professional and clerical persons. We have the prevention of soil erosion, reforestation, forestation, and then miscellaneous projects. If it were necessary in the McCarran amendment to except the Civilian Conservation Corps from the operation of the mandatory prevailing-rate provision, so that a wage less than the prevailing rate may be paid for the made work in the conservation camps, it seems to me that it is also necessary, if we have in mind the purpose of this resolution, to make an exception in the case also of the other classifications of made work. That, in my opinion, is accomplished by the compromise Russell amendment and was not accomplished by the original Russell amendment.

If it be proper to pay less than the prevailing rate of wages for made work in the conservation camps, as the sponsors of the McCarran amendment have acknowledged by the inclusion of the proviso to which I refer, then there can be no logical criticism of the application of the same principle to all other classes of made work.

It may also be worth while to point out that the primary controversy in this whole matter has not had anything to do with the payment of the prevailing rate of wages upon Government work. The primary controversy was whether or not the rates of wages less than the prevailing rate, when paid under this joint resolution, would reduce the rates of wages in private employment.

Mr. Green, of the American Federation of Labor, came before the Appropriations Committee and there stated explicitly that he was not concerned in the total amount that should be paid to these workers; that he was concerned only in maintaining the rate of wages so that the rates in private industry would not be adversely affected.

The Russell amendment, as it was first proposed, was so drafted that it would be necessary to hold a hearing and to go through a long preliminary investigation before a determination could be had as to whether or not the rates in private industry would be adversely affected. The great gain in the compromise resolution is that it constitutes a declaration of opinion by the Senate of the United States, and, if it is accepted by the House, a declaraton of opinion by the Congress of the United States, that the President should use all of his prestige and his power to make certain that the main objective, namely, the maintenance of the standard of wages in private industry, is not endangered.

With this declaration in the compromise amendment and with the repeated assertion of the President that it is his purpose to keep up the rate of wages, it seems to me that we have reached a substantial and satisfactory compromise upon which a complete agreement may properly be had.

Of course, Mr. President, I believe that every possible power of government should be exercised to increase the compensation received by the masses for their labor. I am in entire harmony with the principle that underlies the McCarran amendment and with the object of innumerable State and municipal wage laws. I believe that the payment of the prevailing rate would be generally beneficial. I believe that the payment by the Government of less than the prevailing rate on projects that are of the same kind as those that are carried on by private industry would inevitably have an adverse effect upon the wage structure. But the President does not so believe, and the parliamentary status of this measure is such that it is impossible to pass the McCarran amendment definitely fixing the wages over a veto. Therefore the prolongation of the controversy can serve only to delay the extension of needed work relief to the millions now on the relief rolls.

To me it seems altogether unnecessary and unwise to delay or endanger the relief provided by this bill by pursuing an objective that obviously cannot be attained in this bill.

The President has agreed to the compromise amendment. It lays upon him the obligation to require the payment of rates that will not adversely affect the wage scale. He is committed to that policy. I know that he can be trusted to carry it out.

The compromise amendment affords a substantial gain over the bill as it came from the House. In my opinion, it clearly protects the rates of wages fixed by State and local law. It protects the rates fixed by Federal law. It is, therefore, an advance in labor legislation. I am not disposed to hang back because I cannot get all that I desire, particularly when I know that the law will be administered by a President whose entire record guarantees the belief that he will allow nothing to be done to injure the wage structure of the Nation.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Nevada [Mr. McCARRAN] in the nature of a substitute for the amendment of the Senator from Georgia [Mr. RUSSELL] to the amendment of the committee.

Mr. McCARRAN. Mr. President——

The PRESIDENT pro tempore. The Senator from Nevada.

Mr. NORRIS. I call for the yeas and nays.

The PRESIDENT pro tempore. The yeas and nays are demanded, and the demand is sufficiently seconded.

Mr. AUSTIN. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum has been suggested. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Pope
Ashurst	Costigan	La Follette	Radcliffe
Austin	Couzens	Lewis	Reynolds
Bachman	Cutting	Logan	Robinson
Bailey	Dickinson	Lonergan	Russell
Bankhead	Dieterich	Long	Schall
Barbour	Donahey	McAdoo	Schwellenbach
Barkley	Duffy	McCarran	Sheppard
Bilbo	Fletcher	McGill	Shipstead
Black	Frazier	McKellar	Smith
Bone	George	McNary	Steiwer
Borah	Gerry	Maloney	Thomas, Okla.
Brown	Gibson	Metcalf	Thomas, Utah
Bulkley	Glass	Minton	Townsend
Bulow	Gore	Moore	Trammell
Burke	Guffey	Murphy	Truman
Byrd	Hale	Murray	Tydings
Byrnes	Harrison	Neely	Vandenberg
Capper	Hastings	Norbeck	Van Nuys
Carey	Hatch	Norris	Wagner
Clark	Hayden	Nye	Walsh
Connally	Johnson	O'Mahoney	Wheeler
Coolidge	Keyes	Pittman	White

Mr. LEWIS. I announce the absence of the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Louisiana [Mr. OVERTON] on account of illness.

The PRESIDENT pro tempore. Ninety-two Senators have answered to their names. A quorum is present.

Mr. REYNOLDS. Mr. President——

The PRESIDENT pro tempore. The Senator from Nevada [Mr. McCARRAN] had been recognized and had the floor when the absence of a quorum was suggested. The yeas and nays were demanded and seconded, and the demand was sufficient; so the yeas and nays are ordered, and the Senator from Nevada has the floor.

Mr. McCARRAN. Mr. President, a parliamentary inquiry. Does the ordering of the yeas and nays mean the close of the debate on this question?

The PRESIDENT pro tempore. The time occupied by the roll call and the ordering of the yeas and nays will not be subtracted from the Senator's time, because it is a matter over which he could have no control. His time starts now.

Mr. McCARRAN. My time starts now? If some other Senator wishes the floor, I do not care to occupy it at this time.

Mr. REYNOLDS. Mr. President——

The PRESIDENT pro tempore. What was the inquiry of the Senator from Nevada?

Mr. McCARRAN. I do not care to have my time start now, if another Senator wishes the floor. I will want to occupy the floor later, but I wish to defer to other Senators who care to be heard. I merely raised the parliamentary inquiry as to the whole situation, and I am glad to be enlightened.

The PRESIDENT pro tempore. The Senator from Nevada was recognized and has the floor. The Chair suggests, if he does not care to occupy the floor at this time, that he ask unanimous consent that the recognition accorded him be canceled.

Mr. NORRIS. Mr. President, a parliamentary inquiry.

Mr. GLASS. Mr. President, I understand the Chair recognized the Senator from Nevada in order that he might make a parliamentary inquiry.

The PRESIDENT pro tempore. Yes.

Mr. GLASS. That does not necessitate the Senator from Nevada taking the floor and making a speech, does it?

The PRESIDENT pro tempore. The Chair will state to the Senator from Virginia the situation which arose. The Senator from Nevada rose and addressed the Chair and was recognized. Then another Senator demanded the yeas and nays; then another Senator suggested the absence of a quorum. Under the rules of the Senate the call for the quorum necessitated an immediate roll call. That call was made. The yeas and nays were then ordered and the Senator from Nevada still has the floor.

Mr. GLASS. But he has the floor in order to present a parliamentary inquiry to the Chair, and not to make a speech.

The PRESIDENT pro tempore. He did not rise originally for that purpose, as the Chair understood.

Mr. NORRIS. Mr. President, I have been trying to propound a parliamentary inquiry for some time. I wonder if that cannot take precedence over someone who wants to make a speech?

The PRESIDENT pro tempore. The Senator from Nevada propounded a parliamentary inquiry. The Senator from Nebraska is recognized to propound his parliamentary inquiry, and that does not subtract any time from the Senator from Nevada.

Mr. NORRIS. I understand that, I think.

Mr. President, I wanted to ask the Chair whether the ordering of the yeas and nays had anything to do with the debate. Cannot debate go on just the same as though they had not been ordered?

The PRESIDENT pro tempore. It is the opinion of the Chair that the ordering of the yeas and nays and the calling of a quorum do not at all change the parliamentary situation in the Senate.

Mr. BANKHEAD. Mr. President, in view of the circumstances, I ask unanimous consent that the recognition accorded the Senator from Nevada be canceled.

The PRESIDENT pro tempore. That was suggested by the Chair. Is there objection to the request of the Senator from Alabama? The Chair hears none, and the Senator from North Carolina [Mr. REYNOLDS] is recognized.

Mr. REYNOLDS. Mr. President, I send to the desk a memorial from the Legislature of my State of North Caro-

lina and respectfully request that it be read, particularly in view of the fact that it interests itself with the subject matter to which I wish now to address my remarks.

The PRESIDENT pro tempore. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

Joint resolution to memorialize Congress to support and pass the work-relief bill now pending

Whereas a bill has been introduced in the Senate of the United States which is known as the "work-relief bill", providing the sum of $4,880,000,000; and

Whereas it now appears that the construction of the Park-to-Park Highway and other public-works projects in this State are dependent upon the passage of said bill and now "hang in the balance" by reason of the adoption of the McCarran amendment: Now, therefore, be it

Resolved by the house of representatives (the senate concurring)—

SECTION 1. That the house of representatives and the senate hereby memorialize the Senators and Representatives in Congress from North Carolina to support the work-relief bill now pending in the Senate of the United States as proposed by His Excellency the President of the United States.

In the general assembly, read three times, and ratified, this the 12th day of March 1935.

A. H. GRAHAM,
President of the Senate.
R. G. JOHNSON,
Speaker of the House of Representatives.

The PRESIDENT pro tempore. The memorial will lie on the table.

Mr. REYNOLDS. Mr. President, this morning in this Chamber I sat and listened with a great deal of interest to the remarks that fell from the lips of the junior Senator from the State of New York [Mr. WAGNER], and I wish now initially to say that I was impressed with the statement made by the Senator to the effect that the question before this great body at this time is a matter of interest to all the 125,000,000 people of America. It is also my belief that not only are the twenty-some-odd million people who are today recorded as being upon the emergency-relief rolls of this country interested in having this body take immediate action, but I say to you, Mr. President, that every single person in this Nation, in addition to the 23,775,000 on the relief rolls, is interested that this body of the American legislature take action and take action now. Insofar as I individually am concerned, I was ready for another vote on the pending amendment a week or more ago.

At the outset I wish to say that I have no apology whatsoever for having previously voted for the McCarran amendment, and I have no apology to offer now, Mr. President, when I stand here and say that I await with pleasure, with unusual pleasure I may say, the opportunity to cast another vote for the McCarran amendment, because I know that when I cast that vote I shall be casting a vote directed by the dictates of my own conscience, a vote founded upon my better judgment, a vote for the laborers and the toilers of this great America of ours.

My distinguished friend the junior Senator from the State of New York said, "This is by no means a political question." We are in accord, we are in agreement as to that. This is not a political question; this is a question whether or not we are desirous of aiding in the return of recovery to this country, the country for which we have labored these many months; it is a question in which humanity is involved.

What have we before us? We have before us now, Mr. President, a public-works joint resolution and amendments which are creating a great deal of debate and discussion. There are amendments submitted by the junior Senator from the State of Georgia [Mr. RUSSELL] and the junior Senator from the State of Nevada [Mr. MCCARRAN]. I beg respectfully the indulgence of this body that I may review briefly these two amendments.

I wish to say, Mr. President, that I am for the McCarran amendment because the McCarran amendment will provide for the laborer and the toiler and the workman in this country not a mere bare existence wage but it will provide for them a living wage. At present people throughout the country who are taken from the relief rolls, and are obtaining work on Government projects, are being paid, for themselves and their respective families, there being some 4,500,000 families, a mere existence wage of approximately $50 a month. In many of those families there are four or five, and even as high as six or seven children, and it is absolutely impossible for such families to live upon that meager figure of $50 a month. Furthermore, those who are employed by private industry and who are today being paid the prevailing wage will not continue to be benefited unless the McCarran amendment shall be accepted and be made mandatory in the body of the pending joint resolution.

What have we? Let us see about the Russell amendment. I respectfully direct attention to section 6, on page 8, of the public-works joint resolution, which section was originally placed there, according to my information on motion by the distinguished junior Senator from the State of Georgia. It reads as follows:

SEC. 6. The President is authorized to fix the rates of wages of all persons compensated out of the funds appropriated by this joint resolution and may fix different rates for various types of work, which rates need not be uniform throughout the United States.

In the second or present amendment submitted by the Senator from Georgia [Mr. RUSSELL] there is the identical language as that found in lines 1 to 5 of the public-works joint resolution. I read as follows from the amendment of the Senator from Georgia:

The President may fix different rates of wages for various types of work on any project, which rates need not be uniform throughout the United States.

The language in the present amendment is identical with the first paragraph of the amendment offered by the junior Senator from Georgia before the committee giving consideration to the joint resolution. In the first paragraph of the present amendment of the Senator from Georgia we find the following:

The President shall require to be paid such rates of pay for all persons engaged upon any project financed in whole or in part, through loans or otherwise, by funds appropriated by this joint resolution as will in the discretion of the President accomplish the purposes of this act and not affect adversely or otherwise tend to decrease the going rates of wages paid for work of a similar nature.

This morning on the floor of the Senate I listened to a discussion between several Senators in which it was virtually admitted by those in opposition to the McCarran amendment that there is no real distinction between the provisions of the McCarran amendment and the provisions of the Russell amendment. According to the eminent gentlemen who now stand apparently for the Russell amendment and in opposition to the McCarran amendment, they are not desirous of lowering the prevailing wage or interfering with industry. If that be true, then I ask why will they not accept the McCarran amendment, which makes it mandatory that the prevailing wage throughout the country shall be paid?

I invite attention further to these few words in the Russell amendment:

For the purpose of accomplishing the purposes of this act.

What are the purposes which the pending joint resolution seeks to accomplish? According to this amendment, according to the body of the joint resolution, it is apparent to me that all that is sought to be accomplished by the amendment is to continue on the relief roll those who are now there. I say unhesitatingly that if the McCarran amendment shall not be adopted, in my opinion, we shall continue to have the dole in the future as we have had it in the past. The distinction, in my judgment, between the McCarran amendment and the Russell amendment is that the McCarran amendment makes it mandatory upon those who will administer the measure to pay the prevailing wage throughout the country.

Mr. President, there are today in the United States more than 20,000,000 people who are dependent upon the dole administered by the designated officials of the Government. Of those 20,000,000 people, there are more than 775,000 single

men and women who have registered as being desirous of being given the dole. Those 20,000,000 people represent more than 4,500,000 families throughout the length and breadth of this land. The dole which we have heretofore and which we are now providing for the unfortunate people of our land costs our country, the Federal Government, more than $58 a second, more than $3,400 a minute, and more than $150,000,000 a year. I have heard many Senators give expression to the desire to get our people off the dole and put them upon useful public works in the form of an accepted project. If the McCarran amendment shall not be accepted, the result will be nothing more or less than a continuation of the dole, from which we have been endeavoring to get away for some time, because we are desirous of seeing erected upon the ground something in the form of great public structures rather than of continuing to dole out so much money each month to the unfortunates of the country.

Mr. President, before a man can possibly get work it is necessary for him to go personally to the relief bureau and there advise the party in charge that he is destitute; that he needs funds with which to maintain himself. When he makes that statement to the agent of the bureau, there is assigned to him what is known as a "case worker." That case worker then goes out to ascertain whether or not he made a true statement when he told those in charge of the bureau that he was destitute and in need of funds and aid. After the truthfulness of his statement has been established, he is regarded as being on the relief roll; but before he can even then procure work it is necessary and incumbent upon him to secure a slip denoting the minimum amount that is necessary for his support, and go to a public project and present his slip, where he will be given work if the work is available.

Under the terms of the pending joint resolution, the average earning can be only $50 per month. As I said a moment ago, there are four or five in each family. Fifty or sixty dollars a month will do what for a family of that size? It will provide them with some food. It will probably provide them with a little rent money. The ones who have been working previously would have to work under the terms of the joint resolution at $50 a month. That is an amount merely sufficient to enable them to exist, with not one single penny for the purpose of buying school books for the children or buying an extra pair of shoes or a suit of clothes. On the other hand, if we pay to these deserving unfortunate people throughout the country the prevailing wage in those States wherein such laws have been enacted, they are then given an opportunity to earn a little more money. Someone on the floor of the Senate stated yesterday, if payment of the prevailing wage is brought about and made a part of this enactment, it will cost the Government $1,000,000,000 more.

Mr. TYDINGS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Maryland?

Mr. REYNOLDS. I yield.

Mr. TYDINGS. As I understand, there are in round numbers about 10,000,000 unemployed in the country?

Mr. REYNOLDS. Approximately that number.

Mr. TYDINGS. Let us assume the number is 10,000,000 for the sake of our discussion. The joint resolution contemplates employing 3,500,000. Which ones of the 10,000,000 are to get the 3,500,000 jobs and what is to become of the 6,500,000 not provided for?

Mr. REYNOLDS. I am very happy, indeed, that the Senator from Maryland directed that inquiry to me. According to my understanding, under the terms of the joint resolution those who will secure employment on public-works projects as the result of this $4,880,000,000 appropriation will be, first, those who have registered on the relief rolls. Before they can secure employment it is necessary, as I stated briefly a moment ago, that they present themselves at the public-relief bureau and make a statement as to their needs.

After it is ascertained by a case worker whether or not he is in destitute condition, if his statements are found to be true, his name is recorded. Then before he can secure employment he must procure from the agent in charge of that bureau a slip setting forth the amount of money he is entitled to earn each month by his labors for the purpose of feeding his three or seven children or whatever the number may happen to be. After he carries that slip to a public-works project, as at present, he can only earn such an amount as is required for the members of his family, which amount may in some instances be $60 a month, but at present he is only entitled to earn about $48 a month. At the end of each month the agency gives him an additional check for $12 to make up the difference between $48 and the $60, which he must have, according to the relief agency, to support and provide for his family.

In further answer to the question of the Senator from Maryland as to what is going to become of the 7,000,000 people, there being, as he stated, 10,000,000 approximately unemployed in the country today, under the joint resolution we can hardly provide employment for more than 3,000,000. Seven million are left unprovided for. Those 7,000,000 cannot be employed upon public-works projects unless a larger appropriation shall be made and more projects shall be accepted.

I heard it stated by one of our colleagues on the floor of the Senate just yesterday that the Secretary of the Interior is in receipt of applications for public projects totaling more than the enormous amount of seventeen thousand million dollars.

The very reason why I favor the prevailing wage, I will say in answer to the question of the Senator from Maryland, is this: The prevailing wage will not cost the Government one more penny than it costs now; and under the prevailing wage there can be done only so much work as will liquidate, so to speak, the amount that a man has to have for the members of his family. If he works only 5 days a month, that will give him 20 days in which to seek employment in some of the private industries of the country.

I know as well as does the Senator from the State of Maryland that the $4,000,000,000 he mentioned will not by any means take up the slack of the entire 10,000,000 unemployed in the country today.

Approximately 23,500,000 people are on relief roll, which includes members of families. Over 4,500,000 families on relief roll are represented in the twenty-odd millions, and of this number over 700,000 single persons are included. Those poverty-stricken securing aid from the Government—direct financial aid or work-relief aid—include professional men and women, such as lawyers, doctors, college professors, school teachers, mechanics, and laborers.

The President's program calling for the appropriation of $4,880,000,000 for work relief should be passed with the McCarran amendment.

It will permit the administrators of this emergency works measure to pay those on the relief rolls the prevailing rate of wages that are at present being paid in practically all the communities or sections where relief work is being operated.

It will enable the skilled workman to secure employment through the relief works division at his trade. The same thing is true of the professional man and the clerk who are obliged to register on relief works to keep from starving to death.

The McCarran amendment does not alter by one penny the amount of money the unemployed worker is to receive per month. That sum is alloted to the applicant for relief by a case worker. And the amount he is allowed per month depends upon the number of people who are dependent upon him for support.

Under the present arrangement or system of the Federal emergency relief a man who is single receives an average of only $14 per month, providing he proves that he is poverty-stricken and cannot secure any financial aid from any other source but the Government.

If in good physical condition, he must work for this amount of money—$14—each month while on the relief rolls.

If the McCarran amendment shall not be adopted, a man who is on the relief rolls and is a carpenter by trade will have to work for a low wage scale to earn the $14, or at the average rate of 40 cents per hour. In other words, he will

have to work 35 hours to receive the $14. His life's training, his life's work, is of no value to him; his station in life is lowered. If the McCarran amendment should be adopted, the administrators would be able to provide him with a carpenter's job, and he would receive the rate of pay that prevails in the district wherein he resides. This pay varies in different localities and ranges from 80 cents to $1.25 per hour. It is plain to see that this would not increase his budget or allowance, but it would permit the skilled man to earn what he is entitled to at his trade during the hours he worked in earning the budget allowed him. Naturally, the same condition holds true when a man receives a greater budget allowance from the case workers due to the fact that he is married and has several dependents.

If a man who applies for relief is given a ticket calling for $50 per month, and this man happens to be a carpenter, unless the McCarran amendment shall be adopted, he will be required to work about 130 hours during that month to earn that amount of money. That is about as many work hours as there are in the month under the present set-up. It is easy to see that he will not have any spare time to hunt for any additional employment, and certainly he will not have any time to do any additional work if he could find it.

The result will be that the Government will have to furnish his family with orders for food and clothing in addition to the amount of money he will receive for his labors.

Everyone who is conversant with conditions knows that under the rules and regulations which exist at present the families who are on relief rolls receive an allowance which barely enables them to keep from starving; they do not receive a living wage.

Millions of people have to be given food and clothing orders and rent checks by the Government to supplement the meager sum at present allowed them.

The McCarran amendment will enable the skilled man and the professional man on the relief rolls to have some time left during the month in which they will be able, through their ambition and ability, to seek employment in private pursuits to earn additional pay so that they may furnish their families with some of the necessities of life, even if they have to forego all the comforts.

If the McCarran amendment shall not be adopted then I predict the Government will have to continue the obnoxious dole in the form of food, shelter, and clothing as a supplement to the little cash work which will be handed out at the low rate of pay.

The McCarran amendment cannot by the furthest stretch of the imagination injure or interfere with private industry.

Under the present system, as I have tried to explain, the amount that an applicant receives is limited. Nobody is going to leave a regular job with regular pay to take a part-time job with the Government. And one must certify to the fact that he is a subject for relief before the case worker or investigator will recommend him for relief and place his name on the relief rolls.

We have billions for war, billions to destroy life, billions for destruction of property. Let us spend billions to save life in America. Let us spend billions to create new wealth and save humanity.

We poured billions into the palms of foreign countries while bands played and soldiers paraded and sacrificed their lives.

Let us spend billions, if necessary, to nourish our children who are hungry, and clothe and shelter our unfortunate fellow men.

If the 100,000,000 Americans who still have employment and some pleasure and comforts in this trying life knew and understood the conditions as I do, they would rise in the formation of a great army and declare war on poverty; and that is what this works measure really means. It is the opening shot in the war on poverty.

The adoption of the works joint resolution with the McCarran amendment will bring new hope and new life into the homes of millions of real honest-to-goodness Americans who happen to be victims of this industrial depression. They are not to blame. These millions are looking to the Government for a helping hand. They need a new start. That is all the prevailing wage rate gives them. It does not give them full-time work at a high wage rate. Everybody should understand this by now.

THREE POINTS TO M'CARRAN AMENDMENT

First. If the McCarran amendment shall be adopted, it will not entail the outlay or expenditure of a single additional dollar over the amount asked for by the administration, nor will the period in which the money is to be distributed or spent be abbreviated or shortened. This works-relief program will cover a 2-year period and the McCarran amendment does not change this policy or set-up.

Second. The policy of putting men and women on work relief that will be pursued through the adoption of the McCarran amendment will not injure, interfere, or impede private industry. Not by the broadest stretch of the imagination can such a fear materialize or come to pass. There are over 10,000,000 idle workers in the country. Private industry cannot absorb them at present, under existing conditions. Government work relief only furnishes the unemployed or idle individual part-time work each month. Who is going to be so foolish as to leave a whole-time position or job or employment with a private industry or business or trade to take a few days' work a month with the Government? If any person who has permanent or steady or regular work should become so foolish and should finally get on the relief rolls—and he would have to certify or state or claim that he was impoverished before he could obtain a relief authorization card entitling him to work relief—private industry would not find it very difficult to replace him with someone out of the ranks of the 10,000,000 unemployed.

Third. If the McCarran amendment shall not be adopted the dole will remain in existence. It cannot be discontinued because the worker on Government relief will not have the time to do any additional work during the month thereby enabling him to earn extra money that he may require for food and clothing. It must be remembered that a man is allowed only a sufficient amount of money each month, for which he must work, merely to prevent him and his dependent family from actually starving.

He is allotted a minimum sum or budget each week, determined by the number of dependents who are dependent upon him for support.

The PRESIDENT pro tempore. The time of the Senator from North Carolina has expired.

Mr. WALSH. Mr. President, I have a particular interest in the problem now before the Senate, due to the fact that I have spent some 9 months in presiding over a subcommittee of the Committee on Education and Labor which made an investigation into alleged abuses upon the part of contractors and public officials intrusted with the obligation of enforcing the prevailing-wage law and regulations.

For the information of the Senate, I desire to say that the Public Works Administration has very properly, through Executive orders and regulations, provided for the payment of the prevailing wage upon all public-works projects; and, of course, we are all familiar with the Bacon-Davis law, which requires the payment of the prevailing wage on public buildings. So we are confronted with the question of whether or not we are now going to depart from the policy which has been maintained by our Government up to date of providing for the payment of the prevailing wage on all public projects.

For the information of the Senate, I will state that the complaints alleging violations of the prevailing-wage schedules have been exceedingly numerous, and have come from every part of the country. To date, I think, 471 complaints have been lodged with the committee. We have investigated many of them; we have heard over 100 witnesses; and we found that in many instances, notwithstanding the activities and the vigilance of the administrative officers of the Federal Government, there have been an exceedingly large number of violations of the prevailing-wage schedules. So we had, in the earlier absence of proper enforcement, a sustenance or competitive wage, in many cases, rather than the prevailing wage. Indeed, in some cases the violations disclosed wages as low as 50 percent of the prevailing wage.

My experience in that work has led me to the conclusion that it would be most unfortunate to change our policy and to abandon the prevailing-wage provisions of existing law and of existing regulations on public projects.

The controlling reason, however, which has influenced me to the position I formerly took and which I now take is one that has not yet been pressed. I desire to call it to the attention of Senators, because I think we are entering upon a course that may involve disastrous consequences leading to future discontent and unforeseen expenditures unless we proceed carefully.

We are all in favor of appropriating all the money that may be necessary for direct relief. There is no division of opinion in this body upon that question. I am in favor of appropriating all the money that may be necessary for public works that will tend toward the restoration of private industry in this country. After all, all that we are doing, all that we have been attempting to do under the new deal is in vain unless the ultimate goal is the stimulation and development of private business, putting men back to work in private occupations. All of us must concede that there is a limit to the Government pay roll; and because public works do look in the direction of stimulating private business, "priming the pump", buying supplies from private enterprise, and putting unemployed people to work I favor them, and I even favor the amount suggested to be appropriated in the pending joint resolution.

But, Mr. President, once we accept the doctrine that the Government owes a job to those in necessitous circumstances, now on the relief rolls, rather than to those temporarily unemployed, I ask when and where will we ever stop? I ask, Senators, when will we ever stop appropriating $4,800,000,000 each year, once we say that the Government is going to provide through a job a sustenance wage for the needy?

Yes; let us appropriate all that is needed to sustain the needy. Every government, Federal, State, and municipal, every human being, in common Christian charity, owes it to his fellow man who is in want, to give him food and shelter; but he does not owe him a job. He does not have to bring his neighbor into his home and hire him as a servant or employ him as a chauffeur. Once we take the position that the needy are entitled to a Government job we have undertaken the expenditure of vast sums of money, and no man knows the limit to which we shall be compelled to go.

There is a distinction between money appropriated to provide public works for those temporarily unemployed and money appropriated for public works for the needy. Money appropriated for the unemployed means that the efficient man who is unemployed, the capable man, the man who can do an honest and a good day's work, shall have a job. Money appropriated for work for the needy means that whether a man is efficient or inefficient he shall have a job, and he shall have it against the temporarily unemployed efficient man who is only a step from need. What we are really doing here is to push aside the unemployed man who has a family, who has saved a little money, and is still willing to carry on, and say to him, "You cannot have a public-works job; the needy man must have it"; and send the temporarily unemployed man of whom I have just spoken into the ranks of the needy. I am for jobs through public works for both the needy and the unemployed. That is the present system under the prevailing wage.

I think the situation is a very serious one; and the most serious thing is the possible continuance of the proposed system. I ask Senators how they are going to vote against another $4,000,000,000 bill next year; and, in that event, for what purposes will the money be appropriated? Not for direct relief to the needy but for jobs for the needy; putting the needy to work; putting the inefficient at work, regardless of possible incompetency, because they are in need of a job; giving them, not sustenance, not food and clothing, but a job! Does it not mean that we are going to have two appropriation bills—one for direct relief and another for jobs for those on relief, as distinguished from jobs for the unemployed?

Mr. President, I am very much alarmed at that aspect of this question. If we enter upon this course of action, I do not see how we can ever stop. Why not begin with post offices and take future postal employees from the needy rolls? Is not the Post Office a permanent branch of the Government? Are not Public Works a permanent branch of the Government? Is this not a Government activity for which we annually appropriate money? Are not these buildings to last forever? Are not these highways permanent? Are these works temporary? Of course not! They constitute a permanent work, a permanent service, a permanent development of the resources of the Government.

I, for one, refuse to abandon the principles we have maintained, and set an example to private employers by paying a different rate of wage than the prevailing wage to those engaged in Government work of a permanent nature and a permanent character. What I am arguing for is a clear distinction between appropriations for direct relief and appropriations for constructive permanent public works. Let us not link the two together. Furthermore, the appropriations necessary to give jobs to the needy will be tremendous. The public-works activities of the Government are just as permanent and just as substantial as the Postal Service or any other branch of the Government. This bill is in substance either a public-works bill or a relief bill. Manifestly it is not the latter. Consequently, considered as a public-works measure, it should guarantee to uphold, not tear down, the wage scale of the Nation.

I repeat, I will vote whatever money may be necessary to aid the construction of public works as means needed to restore private industry. We can stop public-works appropriations, carried on on that basis, next year or the year after. We can never stop public works when they are inaugurated for the purpose of giving jobs to the needy. That is the outstanding issue here. It may be necessary, if our funds become exhausted or greatly reduced, to abolish public-works projects, but we can never abolish direct relief or relief jobs once committed to using public works for that purpose.

I submit these suggestions for the consideration of the Senate. They are the reasons why I intend to vote again as I have heretofore voted. I do not accept the doctrine that any government owes a job to anybody. It does owe food, it does owe clothing, it does owe care, it does owe nourishment, it does owe everything necessary to preserve health; but the moment we embark upon the policy of saying that our States and our cities and our counties shall turn over to the needy all the road-building and other activities that they are carrying on as public activities, we are adding to the line of the unemployed by dismissing from employment those who are only one step from the line of the needy.

Perhaps my reasoning is imperfect, but those are my views. I feel them very strongly, and that is why I propose to continue to vote as I have voted. Though I am supporting the relief-works bill I regret not to be in accord with the views of the President on this particular policy in that bill.

Mr. President, I ask leave to have inserted in the RECORD, in connection with my remarks, a brief report made by me as Chairman of the Committee on Education and Labor in regard to the activities of the subcommitee of that committee dealing with the prevailing-wage investigation.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

The Committee on Education and Labor, authorized by Senate Resolution 228 of the Seventy-third Congress, second session, to investigate the relationship between employees and contractors on public works, submit the accompanying preliminary statement and report:

First, the more serious form of abuses indicated by complaints coming to the attention of the committee is presented by the so-called "kick-back" practice. This includes "underpayment", "short change", and other devices employed by contractors to pay their workers less than the prevailing wages as prescribed by the Bacon-Davis law and the Public Works Administration regulations.

To date, some 471 complaints from workmen have been acted upon by the committee staff. Of these, 50 cases were presented

before the committee in public hearings and the testimony of about 100 witnesses was received. This testimony has been printed in parts I and II of the hearings under authority of Senate Resolution 228.

Recommendations for legislation providing machinery for the enforcement of existing laws requiring the payment of prevailing wages on Government construction will also be contained in the report, since it is quite apparent from evidence disclosed by the committee that prevailing-wage laws have been and are generally disregarded and violated by contractors and some Government departments.

Included in this report there will also be tentative drafts for proposed and recommended legislation.

Mr. JOHNSON. Mr. President, we have just listened to as fine an exposition of the philosophy of the question that is before us as it is possible to present. I am delighted with the speech which has just been made by the Senator from Massachusetts [Mr. WALSH]. He has pointed with a singular clarity to exactly the reason why the policy which long ago was declared by labor, and the policy, sir, which we have written into the law of the United States, and the policy, too, which we have written into the laws of more than twenty-odd States of this Union, should not be destroyed by the United States Senate today.

This policy long ago, by those who are interested in labor, was determined upon, and then, following their determination, they presented their conclusions, and some of the rest of us believed that it was a policy that was essential for the preservation of the one thing that distinguishes labor in this country—a living wage. When they thus presented the matter to the Congress, we were not slow to adopt the policy which they themselves long ago had determined upon.

Sirs, one would have thought in the last couple of weeks, to read the great press of the United States and to read some of the columnists, that we here, in voting the McCarran amendment, had done something so iniquitous that never before had it been thought of by legislators in this land. Not so. In recent years we have written it into the law. In recent years we have written it into the legislation that we most cared for, and nearly every State in the Union today has done just that thing.

Time does not permit me to read all of such laws in force, but I refer to one or two of them so that they may be in the RECORD, and so that the chambers of commerce which have been prodded into sending propaganda to Members of this body may understand that they have in their States the very law for which we are contending here, and which we long ago wrote into the statutes of the United States of America.

In the Seventy-first Congress, in relation to public buildings, we wrote a provision into the law that every contract of a certain character should—

> Contain a provision to the effect that the rate of wage for all laborers and mechanics employed by the contractor or any subcontractor on the public buildings covered by the contract shall be not less than the prevailing rate of wages for work of a similar nature in the city, town, village, or other civil division of the State in which the public buildings are located.

We wrote that into the law. No chamber of commerce, no kept newspaper, at that time said to us that we were writing into law some bolshevik or anarchistic or some other kind of destructive enactment that would mean ruin unto the people of the land, or ruin unto those engaged in toil.

We took such care when we passed the Tennessee Valley Act, when we passed the celebrated Muscle Shoals law, that we wrote into it the provision that "all contracts to which the Corporation is a party and which require the employment of laborers and mechanics in the construction, alteration, maintenance, or repair of buildings, dams, locks, or other projects shall contain a provision that not less than the prevailing rate of wages for work of a similar nature prevailing in the vicinity shall be paid laborers or mechanics."

I am very glad to say that the propaganda that was attempted from the State from which I come consisted of wires from a few chambers of commerce, and from them alone, and some of us might feel, in respect to some of them, that we feared the Greeks bearing gifts. But in the State from which I come we find this on the statute books:

> Not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the work is performed, and not less than the general prevailing rate of per diem wages for legal holiday and overtime work, shall be paid to all laborers, workmen, and mechanics employed by or on behalf of the State of California, or by or on behalf of any county, city and county, city, town, district, or other political subdivision of the said State, engaged in the construction of public work, exclusive of maintenance work. Laborers, workmen, and mechanics employed by contractors or subcontractors in the execution of any contract or contracts for public works with the State of California, or any officer or public body thereof, or in the execution of any contract or contracts for public works with any county, city and county, city, town, township, district, or other political subdivision of said State, or any officer or public body thereof, shall be deemed to be employed upon public works.

Mr. President, I read that as the kind of statute which exists in some twenty-odd States of the Union, and a pamphlet containing them is on the desks of Senators if they care to look at them.

We have, then, first, a principle, a principle which subsequently made itself felt in its justice and in its necessity in enactments by twenty-odd States of the Union, and in substantive law passed by the Congress of the United States.

Now, it is said to us that there is a difference because the joint resolution before us is a relief measure. Not so. If there ever could be a time when we should preserve that which has been won in behalf of humanity, it is a time like this, when there is distress and when there are destitution and want in the land. It is now above all times that the United States of America should not lower its standards and offer an excuse for those who have little excuse for lowering theirs. So it is that some of us insist upon the McCarran amendment.

Today what do we see? An old man like myself perhaps may be pardoned for some confusion and for some perplexity. I do not grasp the distinction, which has been described, that confronts us now. I have heard it said upon this floor by one of the sponsors of the compromise amendment that that amendment presents exactly what the McCarran amendment presents. I have heard that sponsor for the amendment state directly, in response to a query of mine, that the question of a subsistence wage is eliminated by the compromise amendment. It is said, therefore, upon this floor—and the RECORD will bear me out in that regard—that the two amendments are alike in the first place, and, in the second place, that the question of a subsistence wage no longer enters into the controversy at all.

Then, in the name of reason and of logic, what have we here? We have the statement that if one of these amendments shall be adopted, the joint resolution will be vetoed, and the statement that if the other amendment be adopted, the joint resolution will be enthusiastically accepted; and upon that we are to vote today and to determine which—the one that will be vetoed or the one that will be accepted, both being alike—shall be passed by the Senate. It seems to me, when we talk of wasting time and utilizing this body for the purpose of debate and the like, that we are very nearly in that aspect. The very absurdity of the statement refutes it.

I neither can nor will I believe that that explanation is accurate. There must be some difference; and the difference, if it exists at all, is the difference in the fundamental principle that is involved in this particular controversy. If that is the point of difference between gentlemen on the one side and those on the other, if it is the fundamental principle that is involved, there is not any cushion that can be given to gentlemen to fall upon in this particular dispute that will enable them to escape the entire consequences of the vote they cast.

Mr. President, I look about me and I see here gentlemen of pulchritude, gentlemen of sartorial elegance; I look at them, and there is ever another picture before me. I can see the lined faces, the lack-luster eyes, of the men and the women of this land who are without food and without work. I can see those who have little to subsist upon, and who require a subsistence that will enable them to live, and to live as American citizens; and in the last analysis the question is, What will you do? Will you give what you know is less than a living wage to those who require it—those who, with-

out their fault, are without employment and are on relief rolls; those who, from no wrong of theirs, find themselves in the anguished situation today, the most tragic there is in human life, of being unable themselves to meet life as we meet it? Will you say to them, upon a policy that will not give to your brother, in reality, a living wage, he must take it because a compromise was necessary upon this particular thing and a compromise has been presented?

Mr. President, I am for the McCarran amendment. I yield to no man upon this floor in admiration—I may say in affection—for the President of the United States; but that is not the question here. There confronts us a question which involves common humanity. It is a question which involves the activity and the independence of every man upon this floor, the exercise of his rights, and the observance of his oath; and exercising his right, exercising his independence, true to his constitutional oath, he ought to vote as he thinks and as will aid humanity all over this land.

Mr. CONNALLY. Mr. President, I am always entertained and instructed by the Senator from California [Mr. JOHNSON], and I always feel very uncomfortable when I find myself in disagreement with him; but throughout this debate those who are advocating the McCarran amendment have sought to maneuver those of us who have voted against it into the position of appearing to oppose labor and of being against maintaining a fair-wage structure.

For myself, I desire to say that on a previous occasion I voted against the McCarran amendment, and I expect to vote against it again today, but I deny that by such action I am voting against the real interest of labor, and I deny that I am voting for anything which will tend to destroy the wage structure, or will militate against the interests of laboring men. The whole measure is for labor. We are voting $4,800,000,000 from the Treasury and from the taxpayers to help unemployed labor. How can such a course be construed as evidencing anything except a deep concern for labor?

The Senator from California, in his brilliant peroration, pictured the unemployed in America and contrasted them with the well-groomed Senators on the floor.

Mr. President, there are three and a half million men to whom we desire to give employment under this joint resolution. Under the plan of the Senator from California only 1,750,000 of them would be employed, or approximately one-half of three and a half million. Why? Because at a $50 per month wage we can give employment—and with employment, food and raiment—to these three and one-half million men and their families, whereas at $100 per month we can only employ half so many. So the Senator from California is only sorry for half of the unemployed. He is willing to give the existing wage to one-half of three and a half million men, but he is willing for the other one-half of the three and a half million to go unemployed, and go on the relief roll, or else starve.

Mr. President, let us see if the Russell amendment will reduce the wage structure. I am in favor of labor legislation. My record on this floor will prove that whenever I have thought it was not doing violence to the general interest, I have voted for favorable wages and for favorable laws for labor. I challenge reference to the record in that regard.

Let us see if the Russell amendment will in fact reduce the wage level.

Mr. McCARRAN. Mr. President, I do not wish to interrupt the Senator, and I hope I will not break the thread of his thought, but I should like to know where the Senator from Texas gets his idea of $100 a month, because in the Committee on Appropriations of the Senate the wage was fixed as an approximate wage of $50.

Mr. CONNALLY. Mr. President, I said $50 a month, assuming, though, that the prevailing-wage structure would average $100——

Mr. McCARRAN. What wage structure?

Mr. CONNALLY. The existing-wage structure, on the average.

Mr. McCARRAN. Where did the Senator get that idea from, if I may ask with propriety?

Mr. CONNALLY. I do not think I got it from the Senator from Nevada. Perhaps it is just my own estimate of what would be the average-wage structure. Does the Senator from Nevada take issue with me on the proposition that twice as many men can be employed at $50 a month as can be employed at $100 a month?

Mr. McCARRAN. No, Mr. President.

Mr. CONNALLY. That is the idea I advanced.

Mr. McCARRAN. I will give the Senator a little illustration. Ten men can do the same work in 1 day that one man can do in 10 days if the scale of wage is the same.

Mr. CONNALLY. Yes.

Mr. McCARRAN. And I propose to employ 10 times as many as would be employed under the Russell amendment.

Mr. CONNALLY. The Senator from Nevada says he will employ these men at the existing wage, but he will not employ them as much. In other words, they will work 2 days and be idle 5 days. That is an example of the efficient kind of work we would get. If we had a job which we were trying to do, we would have to switch our men three times a week, and we would pay those men twice as much, or at least we would pay them substantially more than we would pay if a man worked for us continuously the 5 days in the week.

Mr. President, Senators say that such a plan as we propose is going to destroy the wage structure. Has it destroyed the wage structure? Have we not for more than 2 years, or approximately 2 years, had the C. W. A. and the relief roll, men drawing mere subsistence relief wages, men working on the C. W. A. at less rates than the wage structure? Has it destroyed wages? The answer is, It has not destroyed wages. Wages have been maintained.

Mr. McCARRAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Texas yield for a question? Under the rule, if there is objection a Senator cannot yield except for a question.

Mr. CONNALLY. Mr. President, how much of my time remains?

The PRESIDENT pro tempore. Thirteen minutes.

Mr. McCARRAN. Mr. President, I desire to propound a question.

Mr. CONNALLY. I yield to the Senator from Nevada.

Mr. McCARRAN. Does not the Senator from Texas know, however, that P. W. A. has maintained the wage scale in every community where it had a project?

Mr. CONNALLY. Oh, I know that they worked men 2 days a week or 1 day a week, and probably for that 1 day of the week maintained the wage scale; but what was the income of the men who worked? I may say that the Senator from Texas voted for the Bacon-Davis law, as I believe it was called.

Mr. President, which is the greater threat to the employed, which is the greater threat to the wage structure—three and a half million idle men with no jobs, with no wage structure, with no income at all, or three and one-half million men drawing $50 a month, we shall say, but drawing enough to live, drawing enough not to put them under that tremendous urge of strike-breaking, we will say, that desperate state that is not only a threat to the wage structure but is a threat to the whole body of the employed?

Three and a half million men who are idle and who want to work not only constitute a threat to the wage structure itself but they constitute a threat to every man who has a job, and I challenge Senators to deny the statement.

We desire to remove that threat. We desire to remove from the ranks of the unemployed three and a half million men not in technical trades. Many of these jobs will not be highly technical. I dare venture the assertion here and now that most of the jobs under this joint resolution will be noncompetitive jobs. I mean by that they will not be jobs which will compete with the highly technical laborers now employed in the industries and in the activities of American life.

Mr. President, we are trying to give these men work instead of the dole. The Senator from Massachusetts [Mr. WALSH]

said—and I always like to hear the Senator from Massachusetts—that the Government did not owe any man a job. That is sound. I agree with it. But in the next breath the Senator destroyed the value of his observation when he said that, while the Government owes no man a job, the Government does owe every man food and shelter and clothes and comfortable surroundings.

I cannot go that far with the Senator. In other words, there would be no use of having jobs if the Government is under the duty of supporting every citizen, feeding him, clothing him, housing him. Where is the incentive of the citizen to work, where is the incentive of the citizen to toil and to accumulate, then? I deny the philosophy that the Government owes every man a living. If we should establish that doctrine in America, instead of 10,000,000 unemployed we would have 25,000,000 unemployed.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from Massachusetts.

Mr. WALSH. Did I not state, at least inferentially, that I was applying that doctrine to those in need?

Mr. CONNALLY. Many will be in need if the Government is going to feed them and clothe them forever.

Mr. WALSH. I certainly adhere to the doctrine that no government worthy of the name can allow anyone to starve or to die from exposure because of nakedness.

Mr. CONNALLY. I grant the Senator that. Since the Senator makes that observation now, I must have placed too broad an interpretation upon his language. He says the Government owes the citizen that. I do not think the Government owes it to him, but I think a great, just, honest government, of course, will not permit its citizens to starve.

Mr. WALSH. I will go a step further. So long as there is any money that can be reached by taxation, no one may be permitted by a government to starve.

Mr. CONNALLY. I assume, of course, that we shall get the money from taxation. I do not want to misinterpret what the Senator said.

Mr. GORE. There is no other way to get it in the long run.

Mr. CONNALLY. The Senator from Massachusetts is willing to feed the unemployed man, he is willing to clothe him, but he will not let him work. I agree with the Senator in part. I am willing to feed him——

Mr. WALSH. If he is unemployed, he could work, but he would not have any preference because he was in need. He would be like every other unemployed man and would take his chances.

Mr. CONNALLY. The Senator from Massachusetts would feed him, would clothe him, would house him, but he would not let him work unless he worked on the union scale; he must not hit a lick of work unless he goes out and works on the union scale.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BARKLEY. Assuming there is an obligation on the part of the Government either to feed or clothe or shelter the unemployed, or to provide work for them so that they may support themselves, which is the greater obligation—the obligation to find work for them or merely to feed them in idleness?

Mr. CONNALLY. Of course, I shall say to the Senator from Kentucky, whether it is an obligation or whether it is merely the impulse of a great and good Government, the most natural, the most useful thing the Government can do is to give the man a job instead of giving him a dole. You thereby do not destroy his morale, you do not destroy his initiative, you do not destroy his ambition, you leave him on his hind legs standing up as a man, and you take him out of the miserable line of those who live upon the charity of the world. That is what you do for him.

Mr. President, when it comes to making those citizens of ours who are unemployed either beggars, or putting them on the relief roll, the sorry objects of charity, or giving them a job where they may stand up and look the world in the face, with at least the belief that they are earning their way, I expect to vote to give a man a decent job.

Mr. McCARRAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. McGILL in the chair). Does the Senator from Texas yield to the Senator from Nevada?

Mr. CONNALLY. I yield to the Senator.

Mr. McCARRAN. Before the Senator concludes, I hope he may deal with the same question which I propounded to the learned and able leader of the majority, and that he may distinguish between the "prevailing wage" and the "going wage", as those two terms are used. I think it would be most enlightening if he would do that.

Mr. CONNALLY. I have only a little time, and I do not care to divert my other thoughts to that question. The Senator will have 20 minutes, in which I am sure he can enlighten us on the difference between the "going" and the "coming" wage. [Laughter.]

Mr. President, much has been said about paying a wage on the public works smaller than the prevailing wage. Back of that, of course, is the philosophy that what we are trying to do is to give temporary employment to the man who is unemployed under such conditions as will make him desire to secure normal private employment. If we create a Government job, and surround it with all the attractive qualities that the man in private industry enjoys, where is the urge for that man ever to get off the public pay roll? If, however, out yonder in the prospect he sees busy factories, with men who are receiving higher wages than he is receiving, there will be an ambition and a desire on his part to get off the public charity roll, as it were, because, in a sense, we are merely veneering the character of work proposed to be provided. It is made work; it is not work that the Government imperatively needs or requires tomorrow; but we are using the device of giving him employment temporarily under such conditions as will, if he has anything of ambition in him, if he has anything of efficiency in him, if he has any desire to improve the condition of himself and his family, make it desirable for him, at the earliest moment to say, "I want to get off this roll and get more money and more wages over yonder in normal employment."

Mr. President, America will never return to prosperity and will never attain that recovery for which we are all desirous until the unemployed shall be integrated back into normal employment. Prosperity will not be obtained by measures which merely provide governmental doles and governmental work. This measure in itself will not bring back prosperity. It is merely intended as a bridge, a temporary structure, over which the unemployed may cross to permanent jobs—not permanent Government jobs, but permanent jobs in the mills and in the factories and in the mines and in the business institutions of the land. That is why we should not require a higher rate of wages for this kind of work. However, the Russell amendment does provide that in the case of permanent Government works, such as buildings, which are the improvements we need, which are permanent, not temporary, which are not made work and are not designed simply to give a man a job in order to keep him off the bread line, there shall be paid the prevailing wage in order to protect those who are engaged in those callings in private industry.

Mr. President, in conclusion I want to call the attention of Senators to the language of the President's letter, and I want to say that I am voting against the McCarran amendment not simply because the President is opposed to it—that is a mighty good argument, I admit—but I am opposed to it because I think the President is right. What does the President say he proposes to do? In his letter, on page 2393 of the RECORD of February 21, he says, in conclusion:

> I think that the record of this administration has demonstrated that in the administering of this legislation I will not permit anything—
>
> "Not permit anything"—
>
> to be done that will result in lowering the wage scale of the Nation.

The Russell amendment is so drawn as that it not only respects the views of the President but it makes it his duty so to fix and so to administer the wage scale under this proposed legislation as to protect the existing wage in private industry.

Mr. President, of all the things which President Roosevelt has done during his term, there is nothing more outstanding than what he has done for American labor and the American laboring man. With this expression of his own intention, with the solemn injunction in this amendment, can anyone believe that the President of the United States would ever employ the power granted to him by the pending legislation so as to break down the permanent wage structure of America? I do not believe it, and other Senators do not believe it.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. BORAH. Mr. President, we have before us for consideration two proposed amendments to House Joint Resolution 117. One is known as the "McCarran amendment", having been submitted by the Senator from Nevada [Mr. McCARRAN], and the other is known as the "Russell amendment", having been submitted by the Senator from Georgia [Mr. RUSSELL]. The controversy now seems to be over the question of whether there is any difference between the McCarran amendment and the Russell amendment in the very vital matter of maintaining the prevailing wage.

The Senator from New York [Mr. WAGNER], who opened the debate for the McCarran amendment some days ago, took a very decided stand in favor of that amendment, for the reason, as he said, that it would maintain and preserve the prevailing wage in the country, and he regarded that not only as in the interest of labor but as in the interest of the people of the United States generally. He is now supporting the Russell amendment.

During the course of the debate this morning I asked the Senator from New York this question:

> Is it the opinion of the Senator from New York that the amendment of the Senator from Georgia will maintain the prevailing wage in the country?
>
> Mr. WAGNER. That is my opinion.
>
> Mr. BORAH. Then, what is the difference between the two?
>
> Mr. WAGNER. As I said before, there is substantially no difference except, to be perfectly candid, the amendment proposed by the Senator from Georgia will have the approval of the President and the so-called "McCarran amendment" we have been told upon authority, will encounter the Presidential veto.
>
> Mr. BORAH. I do not understand why an amendment which means exactly the same thing as that which the President will approve will be vetoed, if it does mean the same thing.
>
> Mr. WAGNER. I am giving the Senator my opinion as to the effect of the pending compromise.

Mr. President, I do not at this time, and I never do in this body, challenge the motives of Senators in the casting of their votes. The intellectual process by which the mind comes to a conclusion in harmony with the desires of the heart is one of the interesting phases of human nature. I do not undertake to analyze it at this time. I assume, of course, that the Senator from New York and those who have come to the conclusion that there is no difference between the two propositions have arrived at that conclusion in an honest and, from their viewpoint, logical way. But, Mr. President, I call their attention to the fact that the President of the United States, according to the statement here, has said that he will veto the McCarran amendment and that he will approve, as we are informed, the Russell amendment.

The President of the United States will be the executor of the provisions of the joint resolution. Is there anyone here who believes that the President of the United States is approving one amendment and disapproving another, or disapproving of one and approving of another, without a substantial and controlling reason in his mind for doing so? Are we to be told that the President threatens to veto one and to approve the other without reason for so doing?

It is perfectly clear, and we need not be misled, that the man who is to execute the provisions of the joint resolution and who is to apply the resolution understands that there is a distinct and great difference between the two amendments, so great a difference between the two that he will exercise the extraordinary power of veto for one and approve the other. Those who contend here that there is no difference do little credit to sincerity or to the intelligence of the President.

I agree with the President. It is not difficult at all for me to see the difference between the two amendments; but if I were unable to distinguish the difference, I should easily reach the conclusion that there is a difference when we take into consideration that the very able gentleman who is to execute the joint resolution sees clearly the distinction and notes it with such moment that he will approve the one and disapprove the other. He sees clearly that in the administration of the joint resolution there will be a difference as great as the difference between a veto and no veto.

There is a wide difference, in my judgment, between the two amendments. If there were no difference between them or if one meant the same as the other, I certainly should not undertake to discuss the matter because the question of authorship in this body is of no concern to anyone, not even to those who may at the particular time chance to be the author. The Russell amendment is not without merit, but it is far from affording the same protection to labor as the McCarran amendment.

Mr. RUSSELL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Georgia?

Mr. BORAH. I yield.

Mr. RUSSELL. I should like to say that I do not desire to be classed among those who maintain there is no difference between the two amendments. I certainly should not have offered the substitute if I had entertained that opinion.

Mr. BORAH. Certainly.

That is not reasonable. That is not common sense. There is a great difference between the two in principle. Under one it is mandatory and necessary to preserve the prevailing wage, and under the other it is purely discretionary, to be determined according to the discretion of the President and according to circumstances and conditions. It may in the matter of execution mean little or nothing.

Mr. President, the central idea of the McCarran amendment is to maintain the wage rate in the United States, the rate of wages paid to labor in the United States. It is not designed and it does not provide that we must pay the work-relief man $150 a month if industry is paying $150 a month, as some seem to contend here. It is designed to cover and only covers the proposition that so long as we employ the work-relief man, we maintain the rate of wage at which industry is employing its labor. When we strike at the rate of wages, at the rate of employment, we necessarily undermine and strike at the wage structure itself. The McCarran amendment seeks to avoid doing injury to the wage structure and to make mandatory that purpose.

The proposition of maintaining the rate of wages is not only of concern to labor but it is of utmost concern to the business man, to the merchant, to the farmer, to everyone who is interested in recovery in the United States, because if we lower the rate of wages or if we threaten to lower the rate of wages, we necessarily decrease or imperil the purchasing power of labor in the United States. We can never recover, we can never escape from this economic crisis in which we find ourselves, unless we restore the purchasing power of the great mass of the people. If we legislate here so as to lower the rate of wages and thereby lower the purchasing power, or if we legislate so as to threaten or imperil the rate of wages, we necessarily decrease the purchasing power of 40,000,000 American workmen. When we decrease their purchasing power or threaten to decrease their purchasing power, we necessarily undermine the possibility of the recovery which we all hope may take place sometime in the near future.

Mr. President, the key to the restoration of recovery is purchasing power. Bear in mind that while we are here discussing the question of rate of wages, the purchasing power, tested by the price list at the present time, is less than it was a year ago. The wages are higher, but the price

of the things which the wage earner must buy has so increased that his purchasing power today is less than it was a year ago. And these increases in prices are prices fixed by the arbitrary powers.

The stupendous effort on the part of the Government of the United States, after the expenditure of billions of dollars, after the lending of billions more, after every effort that a government can really make to restore prosperity in the country and to restore purchasing power, we find the purchasing power, tested by the price list, no greater—indeed, less—than it was a year ago. Therefore it is important that we do nothing to imperil the rate of wages in the United States while the prices of the things which labor must buy are constantly rising. Let us do nothing to undermine wages.

I cannot conceive, as the Senator from New York [Mr. WAGNER] said when he opened the debate today, how it is possible to maintain the present rate of wages in the United States in industry if we have 3,500,000 men working for a less rate side by side with the industrial workers. It will inevitably drag down the wage scale. It will inevitably bring the belief to the wage earner that his rate of wages will be decreased and he will curtail his investments, he will curtail his expenditures, he will curtail the things which he wants, in accordance with either the facts or the threat of the facts of the break-down in his rate of wages.

Mr. President, there is one thing about the McCarran amendment that cannot be disputed and that is that it will not imperil the wage rate of the United States. The able Senator from Texas [Mr. CONNALLY], who has just taken his seat, declared that he did not wish to imperil the wage rate of the United States. The McCarran amendment will certainly not have any tendency to do that, while as the Senator from Georgia [Mr. RUSSELL] said, his amendment is wholly different, and, if I construe it rightly, every wage worker in the United States will know there is a possibility of his coming in contact with a lower rate if that amendment becomes the law.

I join in the encomiums which have been bestowed upon the President. I would detract in no way, even if I could, from the credit due him. But this is a matter which as a Senator I must decide for myself. No one on this earth is responsible for this vote but the senior Senator from Idaho. I must assume all responsibility; therefore, I must determine that vote by my understanding and not the understanding of someone else, however great may be my personal regard for the person who holds a different view.

Mr. RUSSELL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Georgia?

Mr. BORAH. I yield.

Mr. RUSSELL. I hope the Senator from Idaho did not understand me to apprehend that the amendment offered by me would have any such effect on the wage scale.

Mr. BORAH. I was speaking of the Senator from Texas [Mr. CONNALLY]. The Senator from Georgia has not yet spoken, and I do not know his full views upon the matter.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Oklahoma?

Mr. BORAH. I yield.

Mr. GORE. There is one point which I should like to have the Senator from Idaho explain. There are now 10,000,000 men unemployed, without wages, without earning power at all, willing, we assume, to take jobs. They have not broken down the wage scale nor have they destroyed the prevailing rate of wages. Why would it have a different effect if the 3,500,000 men were put at work at, say, $50 a month?

Mr. BORAH. Mr. President, I have not the statement on my desk at the moment, but I remember very distinctly that Mr. Hopkins stated months ago that it was his intention to maintain the wage rate in the United States where he employed men. I remember distinctly that there was a great—I shall not say objection—but unfavorable comment upon the point that the Government was paying a rate above that of industry in many instances. It has been the intention of the Government, it has been the declaration of purpose of the Government, that wherever men were employed they were to be employed at a rate not below that of industry. That has been the policy of the United States, as I understand, since the present administration was inaugurated. And why? Because it was believed to be a basic element in recovery to keep up the wage rate.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Oklahoma?

Mr. BORAH. I do.

Mr. GORE. The Senator is undoubtedly right in suggesting that purchasing power and the distribution of purchasing power is what we desire, and what ought to be accomplished by the joint resolution; but purchasing power is measured by this appropriation, $4,000,000,000. That is purchasing power. Whether that be divided among 2,000,000 men at prevailing wages, or among three and a half million men at $50 a month, the purchasing power is the same. The purchasing power is not governed by the rate of wage. It is governed by the amount which the Government of the United States expends in order to provide employment for a part of 10,000,000 unemployed people.

Mr. BORAH. Mr. President, I do not wish to be discourteous to the Senator, but I have only a very limited time.

Mr. GORE. I beg the Senator's pardon. I hope the Senator can take a slice of my time.

Mr. BORAH. I am always delighted to listen to the Senator in his own time. Mr. President, what I had in mind when I was speaking of purchasing power was this:

Here are 40,000,000 workmen in the United States. Suppose we lower their rate of wages 10 percent by reason of any act of Congress, or by reason of anything which may occur: What effect will that have upon purchasing power in the United States? Undoubtedly it will affect purchasing power throughout the United States; and what I am contending for is that when we legislate for a lower rate—not a lower amount, but a lower rate—we naturally assail the rate which is paid in industry; and when we assail the rate which is paid in industry, we inevitably imperil the purchasing power of those who are working in industry.

Mr. President, if we could increase wages in the United States 20 percent, and leave the price list of the things labor must buy where it was at the time the present administration took office—and the prices of many articles were high enough—the purchasing power of labor would be such as to have a very decided effect upon the restoration of prosperity in the United States. But through the arbitrary power to fix prices labor has now greater purchasing power than a year or 2 years ago.

Mr. BARKLEY and Mr. GORE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Idaho yield; and if so, to whom?

Mr. BORAH. Just a minute.

Let me call the attention of the Senate to the fact that I have a list of 402 corporations in the United States which are now enjoying net earnings of 608 percent over what they were enjoying a year ago. Where do they get those profits? From whom do they receive them? They receive them from the pockets of the millions of people throughout the United States. They levy their prices in accordance with the ability of these people to pay. The result is that instead of this purchasing power remaining with the many, with the masses of the people throughout the country, it is drawn into the coffers of a few; and it does not help in the matter of restoring prosperity to restore purchasing power to the few. We must restore it to the many. So far as I am concerned, I shall at all times vote to extend the purchasing power to the millions, and not to the few.

I now yield to the Senator from Kentucky.

Mr. BARKLEY. Mr. President, a moment ago the Senator referred inferentially to what I conclude to be a desire that the price of commodities be returned to what it was at the time the present administration went into office. The Sen-

ator certainly does not mean to imply by that that he desires the prices of farm products to go back to what they were at that time. Does not the Senator recognize the fact that the increase in the price of raw materials, including farm products of all sorts, has necessarily been reflected in some increase in the price of the finished products?

Mr. BORAH. Mr. President, the increase in the price of the raw materials upon the farm has had some effect upon the increase of the price of the finished product; but let me say to the Senator that the real force and power establishing that price is not the increased demand from the farm but the power arbitrarily to fix the price of the things which come from the farm before they reach the consumer. The farm price started far below the price of the things he must buy.

Mr. BARKLEY. Whatever the power has been, it has increased very measurably the purchasing power of the farmer.

The PRESIDENT pro tempore. The time of the Senator from Idaho has expired.

Mr. BYRNES. Mr. President, I desire for only a few minutes to discuss the two amendments before the Senate.

I agree with the Senator from Idaho [Mr. BORAH] that there is a difference in the two amendments. I desire to point out, first, that under the amendment now submitted by the Senator from Georgia [Mr. RUSSELL] it is provided that permanent buildings for the use of any department of the Government of the United States, or the District of Columbia, when constructed, shall be constructed with wages paid according to the scale determined by "any law of the United States or any code." The McCarran amendment provides that the scale of wages "shall not be less than the prevailing rates of wages paid for work of a similar nature at the time of the approval of this resolution in the city, town, village, or other civil division of the State in which the work is located."

So that if, on the day this joint resolution is approved, in a community a plasterer, for instance, is paid $1 an hour for his work, and 12 months from now in that community a public building is constructed and the wage of a plasterer has increased to $1.25 per hour, under the McCarran amendment there could be paid to the plasterer only the wage that was due and was prevailing on the day of the approval of this joint resolution.

Mr. McCARRAN. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from South Carolina yield for a question?

Mr. BYRNES. I will yield in a moment.

Under the Russell amendment, providing that workers on permanent buildings shall be paid according to what is called the going wage, the plasterer would be paid $1.25 per hour, because it would be the rate of wages 1 year from now, instead of the rate or scale of wages on the day of the approval of the joint resolution.

Now, I yield to my friend from Nevada.

Mr. McCARRAN. Mr. President, why does the Senator, in reading the amendment which bears my name, leave out the words "not less than"? Is not that a minimum fixed, and does not the administrative power have the right to raise it?

Mr. BYRNES. I am assuming that when the Senator used that language, and said that it shall be "not less than" the prevailing rate of wages, he intended the prevailing rate of wages to be paid. Does he intend that a wage greater than the prevailing rate shall be paid?

Mr. McCARRAN. Not less than the prevailing rate.

Mr. BYRNES. What wage has the Senator in mind as the one which would be paid 1 year from now?

Mr. McCARRAN. Not less than the prevailing rate of wage shall be paid; and if the prevailing rate of wage shall be raised by reason of the argument of the Senator, the administrative power will have the right to raise it, but not the right to lower it.

Mr. BYRNES. Then, the Senator from Nevada and I are on the same ground. After all, he is willing to repose in the President of the United States the discretion as to the wage to be paid. He desires to provide only that it shall be not less than the prevailing wage, and is willing to leave the determination of the wage to be fixed by the President at any time after the date of the approval of this joint resolution.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. BYRNES. I yield to the Senator from Kentucky.

Mr. BARKLEY. While we all hope that a year from now or 18 months from now there will be no reduction in the prevailing rate of wage, under the language of the amendment if a year from now there should be a reduction in the prevailing rate, the Government would have to pay what is now the prevailing rate, and what would be more than the prevailing rate at that time.

Mr. BYRNES. Of course that would follow, because certainly if the language is that it shall not be less than the prevailing rate of wages, if the rate of wages should be 25 percent less, under the language of the amendment as I construe it, the Government would have to pay the rate of wages prevailing on the date of the approval of the joint resolution, and not the rate of wages prevailing at the time the work is under construction.

Mr. WHEELER. Mr. President, will the Senator let me interrupt him?

Mr. BYRNES. Yes.

Mr. WHEELER. I desire to call the Senator's attention to a practical proposition. We had this very question up in connection with the Fort Peck Dam in Montana, where from eight to nine thousand people have been employed. The prevailing wage scale prevailed on that project, and some conflict arose with reference to finding out what was the prevailing wage scale in that particular community, because it was a farm community; but wage scales on those contracts were lowered or raised according to what was finally determined to be the prevailing wage scale in that particular community. In some instances it was found that more was being paid and in some instances it was found that less was being paid.

Mr. BYRNES. Mr. President, I understand that; but the Senator, I fear, has not read this language, which says that it shall be the prevailing wage at the time of the approval of the joint resolution and not at the time of the construction. The Senator will see that language if he will look on page 2.

I desire to call the attention of the Senator from Idaho to another fact. He fears that as a result of this work being undertaken by the President under the Russell amendment there will be a decrease in the wages of the wage earners of the country.

In the first place, whenever anyone attempts to illustrate that argument, he refers to the building trades. I have previously said during the discussion of this amendment that under the codes the rate of wages is fixed for practically every branch of the building industry; so that having been fixed by code the scale of wages cannot be changed unless there is an amendment to the code, and such an amendment to the code would have to be approved by the administration.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. BYRNES. Yes.

Mr. BARKLEY. It has just developed, in the investigation now being conducted by the Finance Committee into the operations of the N. R. A., that about 90 percent of all the wages in the United States in the industries covered by codes are regulated by the agreements in the codes entered into voluntarily by the industries; that outside of the service organizations, such as utilities and certain other industries which are not included, between twenty-two and twenty-three million American workingmen are having their wages today fixed by the voluntary codes that have been entered into; and, as the Senator suggests, these wages cannot be changed. They cannot be lowered, because they are minimum wages, unless there is an abandonment of the codes,

or a voluntary agreement on the part of both industry and labor.

Mr. BORAH rose.

Mr. BYRNES. Mr. President, as my time is limited, I desire to continue.

After all, we must come back, then, to the conclusion that we must depend upon the administrative officials administering the law to do that which the Congress declares it is the intention of the Congress should be done in the Russell amendment, namely, that—

> The President shall require to be paid such rates of pay for all persons engaged upon any project * * * by funds appropriated by this joint resolution, as will in the discretion of the President * * * not affect adversely or otherwise tend to decrease the going rates of wages paid for work of a similar nature.

The Senator from New Mexico [Mr. CUTTING] this morning, referring to the discretion of the President, said that we should look to his letter in order to ascertain his intention, and in order to obtain an idea as to how he would construe the law. He forgot to read the last paragraph, which was referred to by the Senator from Texas. In that paragraph, the closing paragraph of the President's communication to the Chairman of the Committee on Appropriations, the President said:

> I think that the record of this administration has demonstrated that in the administering of this legislation I will not permit anything to be done that will result in lowering the wage scale of the Nation.

By the Congress he is directed not to permit it to be done; over his signature he says he will not permit it to be done. If he has the power to fix the wage scale, if he believes that on a soil-erosion project, or on projects for professional and clerical workers, he can pay a wage without having a board determine what is a prevailing wage—a wage greater than is now being received as a dole, but less than what might be determined by some organization to be the proper wage. If he so determines and pays such a wage, there is no injury done to the prevailing wage scale; no harm is done. If the wage scale may be lowered, then, from what he says in his letter, we may be confident that the President will see that nothing is permitted to be done to adversely affect the wage scale. And if we have any confidence in the President's statement as to how he will administer the law, we can rely upon that statement of the President of the United States.

The Senator from Idaho [Mr. BORAH] referred to the question of purchasing power, and the Senator from Massachusetts [Mr. WALSH] said we should not permit these people to engage in any work at all. As I interpret his statement, he would prefer that they remain on the dole. Would that increase the purchasing power of the three and a half million people? I prefer to believe that if the three and a half million people shall be employed, if they shall be paid such wages as are determined by the President, and such wages as do not adversely affect the wage scale, and they shall go into useful employment, they will be removed from the labor market. Two billion one hundred million dollars of this money must be spent for material, and when that money shall be spent for material, the industries of this country will seek labor. When they shall go into the market and seek employees, they will find that three and a half million men who have been knocking at the doors of the factories seeking employment will no longer be knocking at their doors, but will be usefully employed. By reason of the scarcity of labor the demand for labor would be increased, and instead of there being a reduction of the wage scale, there should be an increase in the wage scale of the workers of this Nation.

Because I so believe and because my associates on the committee so believe, we have voted for and are advocating the Russell amendment, satisfied that with its adoption, not a single wage earner in the United States of America is going to be injured.

Mr. CONNALLY. Mr. President, will the Senator yield for a question?

Mr. BYRNES. I yield.

Mr. CONNALLY. If three and a half million men on the dole, idle, and wanting jobs and hunting jobs, constitute no threat to the wage structure, how would that same three and a half million men employed at $50 a month be a threat?

Mr. BYRNES. The Senator from Texas has asked a most pertinent question. Who is most likely to affect adversely the wage scale, the man who has a job at a wage fixed by the President of the United States, earning a living, supporting his family, as the Senator said, "standing on his own hind legs" and facing the world and facing the future with confidence, or the man who is on the relief roll, hungry, without a job, going from door to door and knowing that hungry ones are awaiting him when he goes back to his home? Who is most likely to adversely affect the wage scale? The question answers itself.

Mr. CONNALLY. And willing to take a job at a lower wage if he can get it.

Mr. BYRNES. Willing to take anything in order to get something to eat for the hungry ones at home.

Mr. BORAH. Mr. President, will the Senator yield to me?

Mr. BYRNES. I yield.

Mr. BORAH. May I ask the Senator whether it is his view that the Russell amendment, if adopted, will maintain the prevailing wage scale in the United States?

Mr. BYRNES. Mr. President, the Senator previously asked that question. I say that the Russell amendment will not interfere with any wage scale in the United States of America. There is nothing in it mandatory as to any wage scale, but there is nothing in it that will interfere, because, first of all, it is mandatory as to public buildings; second, there is a direction that it shall not be permitted to interfere; and, third, we have the declaration of the President of the United States that in administering the law he will not permit anything to be done that will interfere with the wage scale.

Mr. BORAH. Then the answer to my question, as I understand it, is that the Russell amendment will maintain the prevailing wage scale in the United States insofar as it affects it at all?

Mr. BYRNES. Insofar as it affects it at all, I say that it will not interfere with it in the slightest degree. If the Senator means by his question to say that the prevailing wage scale will be paid to every one of the people now on the dole, I say no; I do not construe it that way.

Mr. BORAH. I am not asking that question.

Mr. BYRNES. But I say it will not affect the wage scale of the workers who are now employed, if that is what the Senator means.

Mr. BORAH. What I wish to know is, What does the Senator believe the effect of the Russell amendment will be? Will it be to maintain the prevailing wage scale in the United States?

Mr. BYRNES. I say just what I have said before, that it will not interfere with the wage scale of the workers of the United States.

Mr. BARKLEY. Mr. President, it seems to me that in considering not only the merits of the two amendments which are before us, but the merits of either one of them, or both of them together, as against no legislation at all, we cannot afford to lose sight of the fact that without this proposed legislation in some form or other the three and a half million men in whose interest we are seeking to legislate will, in all probability, have no work at all.

We must, in determining this question, decide whether we prefer to leave three and a half million men without any work at all, as they will be left if no legislation shall be enacted, or whether we desire, in a character of work which otherwise in all probability will not be done at all, to spread employment among as many of them as possible, under the circumstances which have brought forth this proposed legislation.

If we were setting up a permanent Government employment system in this country on the theory that the Government of the United States proposes to operate all industry as a Government enterprise, that the Government of the United States proposes to take over the operation of all business as

a permanent institution, and we were endeavoring here to fix a permanent wage scale for the operation of American business under the supervision of the Government, it would be an entirely different matter from that which we have before us today.

We are not setting up a permanent industrial system under this proposed act. We are not taking over the operation of industry or business in the United States by the pending legislation. We are not seeking to occupy a field that is now being occupied or that is likely to be occupied by the Government during the life of this proposed law. Therefore, in considering what it is our duty to do with respect to the men who are now out of work, but who may be put to work if this joint resolution shall be passed and approved by the President, we are dealing with an entirely different situation from that which I suspect is in the minds of many of my colleagues, who fear that the enactment of the joint resolution would set up permanently a wage system and a wage standard in the United States.

I lay down the proposition, which I do not believe is subject to controversy, that in all probability the work which will be done under this appropriation is work which will not be done at all without it; and if it could be done without it, if it were likely to be done without it, we would not be asked here today to pass this appropriation of $4,000,000,000 at the expense of the taxpayers of the United States.

In view of the fact that the work which will be done will not be done otherwise; in view of the fact that the men who will be employed on it will not be employed otherwise, but will be left in idleness to draw a meager sustenance from the hand of charity, what is our duty, as practical and sensible men, in determining our action on the two alternatives which face us today?

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CONNALLY. In connection with the question which the Senator asked in connection with the remarks of the Senator from Massachusetts [Mr. WALSH], if the Government owes the citizen a living and clothes and food, does not the citizen then owe the Government work; and is it not work we are proposing to give him?

Mr. BARKLEY. The obligations which exist between any government and the citizens who form that government are to some extent, though not altogether, mutual. I think the citizens or the body of citizens as a rule, so far as financial support is concerned, owe a greater duty to the Government than the Government owes to them. Otherwise we could not maintain government at all.

We have been proceeding here for the past 2 years, not on the theory that the Government owes the citizen a living, not even on the theory that the Government owes him a job, but on the theory that in the conditions which face our country and the world—for which the citizen may not be responsible, but for which, in some cases, the Government may be responsible—in a temporary emergency of that kind the interests of the people and the interests of the very Government which they support by their taxes in time of peace and by their blood and their lives in time of war require that the Government go as far as it can to provide means by which every citizen who is able-bodied and willing to work or can obtain work may obtain it; and if it cannot be obtained, or if he is unable to work, assuming that it could be obtained, then, during that temporary emergency, but not as a permanent social system, the Government owes it to him to see that he and his family shall not suffer for lack of food, clothing, or shelter.

I do not believe that in the consideration of this question we can afford to lose sight of the indisputable fact that we are here undertaking to provide work which will not be provided unless we do it in this manner. We are undertaking to take three and a half million able-bodied men off the rolls of charity and provide work for them in a temporary emergency, hoping that when the money shall have been expended we will have gone so far up the hill of recovery that private industry will be able to take up the slack and go on with the burden.

We may be optimistic, we may be entirely too optimistic, in that hope; but if the prevailing wage by command of Congress everywhere and on every job is to be maintained, if there is a prevailing wage, then we might as well admit that we cannot put three and a half million men to work. We could only put about two and a half million men to work, I presume. The Senator from Virginia [Mr. GLASS] shakes his head and says we could not put that many to work; but, assuming that we might put to work two and a half million out of the desired three and a half million men, we are bound to admit that we cannot do as much work as it is possible to do under the amendment offered by the Senator from Georgia.

We are now compelled to decide, therefore, if we shall pass this joint resolution, whether we are going to spread out this work among three and a half million men at a rate of wage higher than we can pay them for doing nothing, but not sufficiently high to induce them to leave their private employment in order to become public workers on some public pay roll, or whether on what little work we may be able to provide we shall pay in every community in the country the same rate of wages that is being paid to those who are now being employed by private industry.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. LONG. The Senator has just stated—and he is at violent variance with his fellow advocates, if I correctly understand him—that we cannot employ nearly so many men under the McCarran amendment as under the Russell amendment. Therefore the argument that the Russell amendment will maintain the prevailing wage cannot be correct.

Mr. BARKLEY. I said that if the prevailing wage is to be mandatory on every job which every man would undertake under the McCarran amendment, then we shall have to take one or the other horn of the dilemma. Either we cannot employ as many people during a given time or we can have less work done by the same number of people, and therefore employ them for a shorter time. I do not believe anyone can dispute that statement.

Mr. LONG. I think that is right; but the point is that some ill-advised Senators who do not think as the Senator and I think——

Mr. BARKLEY. I do not know just what the implication is in that statement.

Mr. LONG. In a moment I will convince the Senator that we are talking together.

Mr. BARKLEY. I cannot yield longer, because I have only 20 minutes. I am yielding to LONG, but I cannot yield too long.

Mr. LONG. In other words, the gentlemen who think the Russell amendment is going to do the same thing as the McCarran amendment in maintaining the prevailing wage are bound to be wrong. Otherwise, the Senator from Kentucky would be wrong in his logic that the adoption of the McCarran amendment would result in a reduction in the number of men employed.

Mr. BARKLEY. I do not think I am wrong in my logic or my position, regardless of the opinion of anyone else.

Mr. LONG. I think the Senator is right, but they are wrong.

Mr. BARKLEY. I think it is fair to say that some of the work which will be done out of this appropriation will be done on projects as to which there is no prevailing wage, because no such work is being done. It is noncompetitive. Yet, under the mandatory provisions of the McCarran amendment some approximation of a prevailing wage on some other kind of similar work would be required.

The other day, when this question was before us, I mentioned the fact that out of this appropriation and out of this allocation, in all probability the President might see fit to engage in what I think would be a very desirable enterprise—the elimination of grade crossings throughout the United States, not only in the country but in the cities. No such work as that is going on at this time. Grade crossings will not be eliminated by the railroads because they are not

financially able to do it. They will not be eliminated by the cities or the counties or the States out of their road funds because they are in no position to do it. If grade crossings are to be eliminated to any extent, the work must be done under the direction of the President of the United States out of this fund.

What is the prevailing-wage scale in any community for the work done on the removal of a grade crossing? There is no such prevailing-wage rate, because there is no such work. Yet if we require the fixing of a rate similar to that on work which is being done in the various communities by men who are doing work physically as hard, or that may be regarded as similar, then we have established an artificial-wage scale which would be required to be paid under those circumstances in an industry in which at this time there is no standard by which a prevailing-wage scale may be adjusted.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McCARRAN. I do not wish to interrupt the Senator, but I think the Senator should know that he is in error as to his last argument, because the wages paid on all highway work have been fixed by statutes at the present time existing.

Mr. BARKLEY. In my State, for instance, the scale of wages on highway work is a minimum of a dollar a day, and not more than $3.

Mr. McCARRAN. The scale is fixed by the highway departments of the respective States.

Mr. BARKLEY. Yes; but that might not be the prevailing wage under the amendment of the Senator.

Mr. McCARRAN. It is the prevailing wage fixed by law.

Mr. BARKLEY. The mere removal of a crossing over a railroad track so as to put in an underpass might not be regarded necessarily as highway work. It might not even be interpreted as the type of highway work for which, in my State, the minimum is a dollar a day, and the maximum is $3 a day.

Mr. BANKHEAD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Kentucky yield to the Senator from Alabama?

Mr. BARKLEY. I yield.

Mr. BANKHEAD. In answer to the statement of the Senator from Nevada that the wages on Federal highway work are fixed by statute, I desire to say that the statement is not accurate. The provision of the statute is that the rate of wages or the scale shall be fixed and announced before the contract is made; but each announcement comes up from time to time as the contract is to be let. The statute does not fix the rate at all.

Mr. BARKLEY. That is true; but there is in some States, including my own, a provision that in the employment of road hands, for instance, on the highways there is a maximum and a minimum wage scale which may be adopted by the authorities in the county or in the city or in the State.

Mr. McCARRAN. Just one more question. I apologize to the Senator for interrupting him.

Mr. BARKLEY. That is all right. I yield. I desire to cover only one more point.

Mr. McCARRAN. Does the Senator dwell on a wage scale of a dollar a day? I understood him to say that in some places in his State the scale is fixed at a dollar a day.

Mr. BARKLEY. The statutes of Kentucky provide, according to the pamphlet which the Senator himself filed here and made a public document, that on road work designated by the local county courts, which in my State have charge of road work and the expenditure of county finances, there shall be paid a wage not to be below a dollar a day and not to be higher than $3 a day, except that certain skilled labor may be given as much as $5 a day.

The Senator from Idaho [Mr. BORAH] a while ago complained apparently because the purchasing power of the American workingman had not kept pace with the increase in cost of living and rather intimated—I do not wish to misinterpret the Senator's remarks—that the same objection would not arise if the cost of living could get back to the point where it was 2 years ago.

Mr. BORAH. Mr. President, I was simply using that as an illustration to test the question of purchasing power.

Mr. BARKLEY. Yes.

Mr. BORAH. I did not have time to go fully into the matter; but what I meant was that the cost of living has been arbitrarily raised by arbitrary forces, and therefore the purchasing power of labor has been affected by it. In other words, by reason of this power of corporations to fix prices on the things which the laborer and farmer must buy, their purchasing power, tested by present prices, has been kept down.

Mr. BARKLEY. Of course the Senator will recognize that it is never possible to strike an exact balance between producers and consumers by any comparison of dates that would be exact and just. I am sure the Senator from Idaho would not in the case of the wheat of the American farmer go back to the price of 2 years ago, or do likewise in the case of the corn of the American farmer, or the cotton of the American farmer, of the hogs or any of the other agricultural products the prices of which have gone up from 50 to 100 percent, by whatever method that increase has been brought about, during the past 2 years. And, of course, it must follow as night follows the day that when the price of agricultural products is increased, that increase is reflected in the price of the finished product to the consumer; and it must be, as the Senator says, that the increase in the purchasing power of the laboring man has not quite kept pace with the prices of other things out of which are produced the things which he has to buy. I do not believe, however, it can be asserted with success that the combined aggregate purchasing power of the American people has not increased in the past 2 years. The increase in the purchasing power of American farmers has been reflected in the greater opportunity for employment in the industries which furnish commodities which the farmer can buy, such as shoes and clothing and farm machinery and other things with which he has been able more abundantly to supply himself during the past 2 years, a condition which has indirectly resulted in giving employment to more people than would have been possible had that increase not occurred.

Mr. President, how much time have I remaining?

The PRESIDENT pro tempore. Two and one-half minutes.

Mr. BARKLEY. I could not in that brief time properly cover the one remaining important point which I desire to discuss, and therefore I shall yield my time back to the Senate.

I believe we cannot afford to be swept off our feet by any impractical considerations in determining this question. What we are trying to do is to create a situation temporarily which may permanently take men off the charity rolls and put them back to work. I believe we ought to give an opportunity to work to every American citizen who is able and willing to work. The more men we can provide with work, even if some of them work at a rate of wage which is below that which prevails in some other activity in the community where they live, the more we will have made a very measurable contribution to the creation of a situation which ultimately will solve itself by making it possible for business to absorb unemployment and the United States Government to get out of this miserable depression in which we have languished during the last 2 years.

Mr. COUZENS. Mr. President, we have apparently developed a very strange theory in the Senate. The opinion seems to exist that wage workers are going to be paid too much money. That seems to be the philosophy of the opponents of the McCarran amendment; otherwise, it would not be argued that these distressed workers must deliver to their Government 2 days' work for 1 day's pay.

Another strange thing has developed, and that is that in the correspondence we have all received, many employers and chambers of commerce have said, in effect, "Why, these men ought to be glad to get a job at any pay." That is the sort of philosophy we are adopting in the Senate today,

because, forsooth, if the McCarran amendment shall be defeated, as seems probable, according to the best count we can obtain today, it will be defeated on the philosophy that these men in their distressed condition ought to be glad to get a job at any wage.

Mr. President, there has been submitted to industry, opposed to the prevailing wage provision, the question of whether or not, because their factories are idle or working on part time, they are willing to take prices for their commodities less than the prevailing market price. The answer has always been "no." Commodities, goods of various kinds, iron, and steel all must be maintained at the prevailing market price, and yet human beings in distress, who according to the same industries should be glad to have a job at any price, are being required, under the terms of the joint resolution, to take whatever one man may say they shall take.

It is said by some distinguished Senators that we will not put as many men to work. That I emphatically deny. That question has been hashed and rehashed over and over again, and yet it is a strange thing that the press of the country continues to put forth editorials to the effect that as many men cannot be employed under this appropriation as could be employed if the wage paid were less than the prevailing wage.

Mr. President, the mathematics of the problem are so simple and so plain that nothing but a determination to becloud the issue is responsible for that continued suggestion. No industry is going to be asked to run its plant 6 days a week for 3 days' return. Oh, no! Neither are we going to adopt an excess-profits tax to get at the excess profits accruing to the industries which are to profit by some $2,000,000,000 of Federal money carried in the joint resolution for the purchase of supplies and materials.

It is perfectly obvious to me that if a gang of men are working on the street at half the normal or prevailing rate of wage, doing substantially the same kind of work as is being done on nearby private property, the tendency is always to the lower scale of pay. The employer on the private property paying the prevailing rate of wage will be under the constant temptation to reduce that wage by reason of the fact that men who are working on public property nearby are getting only half the pay.

It is said that in the case of grade separation we cannot fix the prevailing wage, because there is no comparable work. That statement must have been made without a knowledge of the facts, because in most of the large cities of the country there are wage scales for cement workers, there is a wage scale for steel workers, and there is a wage scale for common labor.

But that is not important. The important thing is that we are asked to require these men to take whatever one man shall say they may have; that we are asked to require them to work at less than the prevailing wage. When it comes to grade separations considerable steel and cement will be required. I venture to say that the Congress would not dare enact legislation requiring the Steel Corporation to supply 2 tons of steel for the price of 1, or to require the cement manufacturers to furnish 2 barrels of cement for the price of 1; and yet we hear Senators demanding that the most distressed workers of the country shall be required to give 2 days' work for 1 day's pay.

Mr. President, I am sorry I have not the ability to state my views in such a splendid way as did the Senator from Massachusetts [Mr. WALSH]. I subscribe entirely to the philosophy which he stated so well within the last 10 minutes.

Mr. NEELY. Mr. President, to an experienced observer of senatorial ceremony, it must be as clear as crystal that sacred history is about to repeat a stirring episode that is immortalized in one of the parables.

In the long ago a certain man went down from Jerusalem to Jericho and fell among thieves, who stripped him of his raiment and wounded him, and departed, leaving him half dead.

Most honorable and highly esteemed Members of the Senate apparently purpose to inflict greater injury upon the McCarran amendment than that which the man in the parable suffered at the hands of the thieves. The man escaped with half of his life. Upon the next roll call the amendment will be done to death.

A majority of us voted for the amendment in February because we thought it was right. Some of us intend to vote for it in March because we do not believe that a virtue can become a vice, or a right can become a wrong in less than 30 days.

A vote against the McCarran amendment is a vote to make Uncle Sam a Dives at a sumptuous table and every toiler within the purview of the pending resolution a Lazarus condemned to exist on crumbs.

In the summer of 1933 the speakers' bureau of the National Recovery Administration requested me, as I presume it requested every other Member of the Senate, to go forth and preach the gospel of the new deal. The bureau supplied me innumerable speeches, posters, bulletins, and advertisements and an inexhaustible wealth of data with which to prepare myself for the service which, agreeably with the bureau's request, I enthusiastically promised to perform. Let me read excerpts from this preparatory material.

> You can help make your own market if you will * * * agree to a shorter working hour, a higher minimum hourly or weekly wage in your business.

What is designated as advertisement no. 14 is adorned with the picture of the Blue Eagle:

> The bird of the broad and sweeping wing
> Whose home is high in heaven,
> Where the wild storms their banners fling
> And the tempest clouds are driven.

Under the eagle these words appear:

> Buy goods * * * sold under the National Recovery Administration's code * * * of increased earnings per hour of labor, increased man power at work!

Advertisement no. 12, which constituted a part of my preparatory course of instruction, contains the following:

> It won't be many days before the bread you cast on the waters in the shape of shorter hours and higher minimum wages comes back in the form of prosperity. For you are making your own market. When you sign the President's reemployment agreement, cut down working hours, take on more people, increase minimum wages, you are giving people money to spend. * * * It is a pleasant circle. Higher wages, more demand for goods. Greater demand, easier to pay the higher wages.

Bulletin No. 1, from which I derived great inspiration and encouragement, is an address by one of the greatest Americans of all time—President Franklin D. Roosevelt—whom we all love, admire, and honor, and to whom suffering humanity owes a debt of gratitude that can never be paid. The following appears on page 1 of this address:

> In my inaugural I laid down the simple proposition that nobody is going to starve in this country.

This proposition the President, with praiseworthy promptitude, magnificently translated into a soul-satisfying realization.

> It seems to me to be equally plain that no business which depends for existence on paying less than living wages to its workers has any right to continue in this country. By "business" I mean the whole of commerce as well as the whole of industry; by "workers" I mean all workers—the white-collar class as well as the men in overalls; and by "living wages" I mean more than a bare subsistence level—I mean the wages of decent living.

Does the McCarran amendment call for more than the wages of decent living? A thousand times "No." It calls for the wages which prevail in the locality in which, under the pending resolution, labor is employed. Are the prevailing wages of the country now above the wages of decent living? Mr. John Lewis, the able and faithful president of the United Mine Workers of America, recently testified before a subcommittee of the Senate Committee on Interstate Commerce to the effect that the average compensation of the country's 350,000 coal miners is less than $55 a month. Would the taxpayers be injured or would the return of prosperity be delayed by providing that any laborer employed under this resolution should be paid not less than a prevailing wage of $55 a month? Have any of those who intend to vote against the McCarran amendment ever endeavored to support a family of five on an income of $55 a

month; and if so, did they find that they could upon such meager wages maintain decent living conditions for themselves and the loved ones who were dependent upon them?

From the inspiring texts to which your attention has been invited, we who are now supporting the McCarran amendment preached innumerable sermons in which we vigorously urged the captains of industry to shorten the hours and increase the wages of their employees. For us to desert the amendment would be for us to justify those to whom we preached in pointing us out with the finger of withering scorn and saying to us with infinite contempt, "You hypocrites! In 1933 you exhorted us to raise the wages of our employees in order to increase the purchasing power of the people and thus restore prosperity to the Nation. Regardless of personal inclinations; regardless of cost; regardless of sacrifice, we favorably responded to your entreaties. But in 1935 you, by your votes, proclaimed in the United States Senate that the Federal Government, whose means are identical with the aggregate wealth of a hundred and twenty-five million people, need not pay the 'wages of decent living' to its employees."

If we enact a law under which any department of the Federal Government pays its employees less than the average wages which prevail in the locality in question, we shall thereby establish a precedent to which every sweatshop proprietor and every labor baiter in the land will appeal for justification of starvation wages in private industry.

This Government should be the world's model employer of labor. For obvious reasons it should surpass all those who are engaged in private industry in the matters of the payment of adequate wages, the maintenance of sanitary working conditions, and the establishment of the highest possible standards of living among its employees.

We ought to adopt the McCarran amendment and thereby raise a standard around which all the friends of those who toil could enthusiastically rally. A standard of which we all might well be proud! A standard of which the humanitarian Jefferson, the father of the political party now in power, would not have been ashamed!

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 5221) to amend the Agricultural Adjustment Act with respect to rice, and for other purposes, and it was signed by the President pro tempore.

WORK-RELIEF PROGRAM

The Senate resumed the consideration of the joint resolution (H. J. Res. 117) making appropriations for relief purposes.

Mr. LA FOLLETTE. Mr. President, I desire to make a brief statement before the vote is taken, and I concede the right of the Senator from Nevada [Mr. McCARRAN], the author of the pending amendment, to close the debate.

I voted for the amendment of the junior Senator from Nevada when it was offered as a substitute for the original section 6 as reported by the Committee on Appropriations. However, as every Senator in this Chamber knows, that amendment was adopted by a majority of one. At that very hour the question was presented to this body as to whether an honorable compromise could be achieved between the position taken by the committee and the one taken by those who were supporting the McCarran amendment, because it was perfectly obvious that, in view of the legislative situation, the adoption of the amendment by a majority of one made it impossible for the Senate to maintain its position successfully through the various legislative steps which the measure would have to take before it became a law.

Therefore, to my mind, the question involved here is whether or not the amendment in the nature of a substitute now offered by the junior Senator from Georgia [Mr. RUSSELL] is an honorable compromise, and whether or not it protects the rights and the wages of labor to a substantial degree.

Mr. President, I concede, of course, that the substitute now offered by the Senator from Georgia is not the McCarran amendment. A compromise inherently means concessions upon the part of all who are in disagreement, and obviously such a compromise has been attempted in the amendment offered by the Senator from Georgia. Therefore, so far as my position is concerned, I am interested in determining to what extent the substitute presented by the Senator from Georgia offers substantial protection to the wage scales now being paid in this country. In my opinion, it does offer substantial protection, and the wage earners of this country will be much better off if this substitute amendment shall be adopted than they will be if the friends of the McCarran amendment stand fast and prevent the adoption of the compromise offered by the junior Senator from Georgia.

At the outset, Mr. President, the first amendment, the original section 6, as reported from the Committee on Appropriations, held out only the hope that, in the event wages were fixed by the President which undermined the existing wage scale, an investigation might be afforded through such agencies as the President must designate. In my opinion, that was no protection whatsoever to the wages now being paid in private industry, because obviously before any investigation could be instituted and any determination of facts reported, in a large percentage of cases the projects under investigation would have been completed. It was a device for locking the barn door after the horse had been stolen.

Under the amendment which is now offered by the Senator from Georgia, the President of the United States will be compelled to fix a scale to be paid upon these projects in advance of their commencement, which, in his opinion, will not adversely affect the prevailing rate of wages. So much for the projects other than public buildings which may be constructed under the funds afforded by the joint resolution. Insofar as public-building projects are concerned, the compromise amendment offered by the Senator from Georgia gives complete and full protection to the wage earners who may be employed upon them, because the language of the second paragraph of that compromise provides that the so-called "Davis-Bacon Act" shall apply. In other words the compromise gives complete effect to the only statute now in force to preserve the prevailing rates of wages.

Mr. STEIWER. Mr. President, will the Senator yield for a question?

Mr. LA FOLLETTE. I will if the question is brief.

Mr. STEIWER. In the joint resolution which is pending before the Senate, House Joint Resolution 117, does the Senator find any suggestion that public-building projects will be authorized?

Mr. LA FOLLETTE. Mr. President, I think there may be public-building projects under the tentative break-down provided on page 3 of the joint resolution. I also believe that there may be additional allocations made for such public buildings under the provision which gives the President the right to transfer 20 percent of the total amount. So that there may be a very substantial amount of public building, as I read the tentative break-down.

Mr. BARKLEY. Mr. President, under the item of miscellaneous expenditures, a large amount of construction might be carried on.

Mr. McCARRAN. Mr. President, will the Senator yield to me?

Mr. LA FOLLETTE. I yield. I would ask the Senator to let me finish, however.

Mr. McCARRAN. Just one question, and it will be just as brief as I can word it. Does the learned Senator know that in the Committee on Appropriations the junior Senator from California [Mr. McADOO] offered an amendment to have public buildings incorporated, and that the amendment was voted down?

Mr. McADOO rose.

Mr. LA FOLLETTE. Mr. President, I should be glad to have the Senator discuss the amendment in his own time, because, as every Senator knows, I have only 20 minutes.

But I wish to say to the Senator from Nevada, in all candor, that I do not think the action of a majority of the Committee on Appropriations in that regard is necessarily conclusive evidence that public-building projects may not be constructed under the funds provided by the joint resolution.

Mr. McADOO. Mr. President, will the Senator yield to me?

Mr. LA FOLLETTE. I yield for a brief statement.

Mr. McADOO. I only want to correct the error into which my friend from Nevada has fallen. I did suggest tentatively an amendment to the joint resolution to authorize specifically the construction of certain public buildings. It was not acted upon by the committee because I withdrew it, and when I proposed that amendment it was before the present break-down was inserted in the joint resolution. I have always considered that under the provision authorizing the President to create miscellaneous projects, public buildings could be constructed.

Mr. LA FOLLETTE. Mr. President, I wish to revert for a moment to the tentative break-down which is provided in the joint resolution as it is now presented to the Senate.

There are obviously categories in the tentative break-down on page 3 of the joint resolution which even the most ardent advocate of the McCarran amendment would acknowledge are entitled to exception from the provisions of the said amendment.

As a matter of fact, so far as the tentative break-down of $600,000,000 for the Civilian Conservation Corps is concerned, the Senator from Nevada has already conceded that the C. C. C. should be exempted from the provisions of his amendment.

I desire to refer to "rural rehabilitation, and relief in stricken agricultural areas, $500,000,000." Is there any Senator present who does not believe that this item should also be included in the exceptions in the McCarran amendment if it were to be adopted?

I also desire to refer to $300,000,000 for projects for "professional and clerical persons", which I regard as falling in the same category.

"Prevention of soil erosion, reforestation and forestation, flood control, and miscellaneous projects, $350,000,000." Obviously, so far as prevention of soil erosion, reforestation and forestation are concerned, they are types of works which, should the McCarran amendment be enacted into law, should also be exempted or excepted just as the author of the amendment has already excepted the Conservation Corps.

On the basis of this tentative break-down, there are $1,400,000,000 worth of projects which I think obviously would have to be excluded from the terms of the McCarran amendment if it were to be enacted into law.

Mr. President, that being the case, it seems to me that there is a clear justification for our assuming the position, first, that the McCarran amendment cannot prevail so far as the ultimate enactment of this legislation is concerned; second, that confronted with that situation we are justified in accepting the compromise offered by the Senator from Georgia upon the theory that it affords a more substantial protection to the prevailing wage scale than that existing in the original proposition as advanced by the committee.

Therefore, so far as I am concerned, Mr. President, I shall vote against the amendment offered by the Senator from Nevada; and when the opportunity is afforded, if it is afforded, I shall vote for the compromise offered by the Senator from Georgia.

I desire to say in conclusion, Mr. President, that to my mind there is even a larger issue involved than that concerned with the principles involved in the McCarran amendment or in the compromise offered by the Senator from Georgia. There are more than 20,000,000 men, women, and children in this Nation to whom this joint resolution is the only hope upon the horizon of their despair. Senators have been discussing this proposition as though we were concerned only with the rate of wages which might be paid. I wish to say, Mr. President, that insofar as the rate of wages that are to be paid is concerned, from the point of view of those who are now upon relief, the amount of money they receive will be determined by the total appropriation carried in this joint resolution.

I care not whether you employ them at $50 a month or whether you employ them a smaller number of hours and pay them the prevailing rate of wages. Their fate will be determined by the size of this appropriation, just as their fate and their welfare or their hardship and suffering have been determined by the size of the appropriation provided for public works and for direct relief in every session of Congress since the Congress recognized the necessity for the Federal Government to come to the assistance of the municipalities, counties, and States in meeting the unprecedented and the staggering burden of unemployment relief.

Mr. President, let us be perfectly frank. Faced with the fact that I regard the appropriation carried in this measure as being inadequate for the task involved, I confess that I found myself in an embarrassing position when I heard Senators vote for the McCarran amendment, not because they believed in the principle involved in the amendment, but because they saw in it an opportunity to defeat the joint resolution.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield to the Senator from Nevada.

Mr. McCARRAN. I take exception to the last remark of the Senator if it applies to me. I hope the Senator will clarify his remarks in that respect.

Mr. LA FOLLETTE. Mr. President, so far as the Senator from Nevada is concerned, since he wishes me to be frank, I desire to say that, as I understand, the record of the committee shows that he voted for the amendment offered by the junior Senator from Colorado [Mr. ADAMS] in favor of cutting this appropriation in half.

Mr. McCARRAN. I am going to say more than that: I will do it again.

Mr. LA FOLLETTE. Precisely. That is what embarrassed me, Mr. President, in following the leadership of the Senator from Nevada and some others who joined him. I was embarrassed because I know that there are other Senators—both Democrats and Republicans—who have been most vociferous in their support of the McCarran amendment who do not believe in the principle of that amendment and who are opposed to the pending legislation. They have seized upon the McCarran amendment as a means of defeating the joint resolution.

Mr. President, I do not question the right of any Senator to use any legitimate parliamentary tactics which may come to his hand to achieve his objective; but, so far as I am concerned, I do not wish longer to be helping them to their ends, especially when I know that we have reached the point in the legislative procedure where it is impossible to retain the McCarran amendment if the joint resolution is to become a law.

Mr. LONG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Louisiana?

Mr. LA FOLLETTE. I yield to the Senator from Louisiana if I have any time left. How much time have I?

The PRESIDENT pro tempore. Three minutes.

Mr. LA FOLLETTE. I yield to the Senator from Louisiana, but I ask him to take into consideration the fact that I only have 3 minutes left.

Mr. LONG. I merely wish to ask the Senator from Wisconsin a question. He voted for the McCarran amendment the last time, as I understand.

Mr. LA FOLLETTE. The Senator's statement is correct.

Mr. LONG. Did those of us who went along with the Senator then misuse the Senator from Wisconsin at that time?

Mr. LA FOLLETTE. No, Mr. President; I was not misused. I voted my convictions, but the amendment was misused by some Senators. The time has come for those who are in favor of affording relief and of providing employment in this country to recognize the practical legislative situation with which we are confronted, and to accept the compromise offered by the Senator from Georgia, because, in my opinion, it does afford not so substantial a protection to the prevailing rate of wages as contained in the amendment offered by the Senator from Nevada, but it contains a great many more safeguards than are contained in the original committee amendment.

Mr. REYNOLDS. Mr. President——

Mr. LA FOLLETTE. If I have any more time, I will yield.

Mr. REYNOLDS. In view of the statement made by the Senator from Wisconsin, I wish to say that I voted for the McCarran amendment. I intend to vote for it now. I am going to vote for the $4,000,000,000 appropriation; and if the President wants $6,000,000,000, I will vote for that.

Mr. LA FOLLETTE. I am glad to know that the Senator will, because he will have a chance to do so.

Mr. STEIWER. Mr. President, I was greatly interested in the concluding portion of the remarks of the Senator from Wisconsin; particularly in the assertion which he made with so much vigor and force, that the only hope on the horizon of the 20,000,000 persons on relief in this Nation was the hope that will come from the enactment of this joint resolution.

In one sense that statement is true. In a very substantial sense it is also true that the hope of the entire Nation is intertwined with the important factors that enter into the formulation of his legislation.

The theory upon which the legislation proceeds is that the joint resolution is a stopgap. As the Senator from Texas [Mr. CONNALLY] said, it is a bridge across which the unemployed may walk on their way toward private employment. I desire to dwell upon that theory for a moment, because I hold that the whole Nation has in this measure the same, if not a greater, interest than the 20,000,000 who at this time are dependent upon relief.

The President, in his message of January 4, very clearly set forth his purpose with respect to this resolution. He said, among other things:

> It is my duty, dictated by every intelligent consideration of national policy, to ask you to make it possible for the United States to give employment to all these three and one-half million employable people now on relief, pending their absorption in the rising tide of employment.

I emphasize the last portion of the language quoted, "pending their absorption in the rising tide of private employment."

Obviously, in the mind of the President that contemplation affords justification for the expenditure of between $4,000,000,000 and $5,000,000,000 of the people's money. It assumes there is here a temporary expedient which will provide employment pending the rising tide of private employment. That theory was reiterated by those who appeared before the Committee on Appropriations. By reason of the short time and the lateness of the hour I shall read only one brief excerpt from that testimony. I read from the statement of Admiral Peoples, who was one of those officially selected to represent the administration viewpoint in presenting the joint resolution to the committee. He said:

> The policy laid down here, Senators, is to provide work to take care of these dole recipients, to give them enough money to live on. The whole bill anticipates that this will be the last needed stimulation of business, will break the back of the depression, and that with the rise in the tide of employment the people drawing the security wage on Government projects will find employment in commercial life. That is the essence of the bill.

Mr. President, what sublime optimism!

Nevertheless I am moved to ask what of the theory of the joint resolution if it shall happen that it will not break the back of the depression and that there is no rising tide of employment? The thought which has disturbed me was well expressed today by the senior Senator from Massachusetts [Mr. WALSH]. I could go along readily enough with the theory of the proponents of this measure if I had some assurance that, at the end of the 12-month period during which the joint resolution will provide work for 3,500,000 unemployed, they would find private employment. But what is to be the consequence if there is no rising tide of private employment? Obviously nearly $5,000,000,000 of the people's money will have been spent, the national credit will have been exhausted to that extent, and the Nation will be less able to deal with the situation before it; even the unemployed, the unfortunates now upon the relief dole, will have their situation jeopardized by this boundless optimism, and by our willingness to wager away the patrimony of our country, to wager the $5,000,000,000 that there will be a rising tide of employment when honesty should compel us to admit we know simply nothing about it.

So I say, Mr. President, I find it difficult to deal with the question upon the theory that the joint resolution is a mere stopgap, that for the brief span of a year only, we shall provide employment for those who are unemployed, and that at the end of that time the problem is to be solved. I cannot escape the conclusion that the problem, possibly in an exaggerated form, will be with us after this appropriation shall have been exhausted.

We have a duty to the unemployed and to the unemployables; but there is a higher duty to the Nation of which we are a part. We ought at this moment to consider the credit of our country and to know what we are doing when we permit our Nation to enter upon the suggested program. I feel compelled to view the situation as semipermanent, and therefore I am bound to stand on the side of those who would protect the purchasing power of the American working man. I stand on the side of those who support the McCarran amendment, and see no justification for excusing a vote against that amendment upon the theory that this legislation is a stopgap, a mere temporary expedient.

What have we here? The situation is confused because Senators are in disagreement as to the differences between the two proposals. I share in the confusion when Senators like the junior Senator from New York [Mr. WAGNER] and others tell us there is no substantial difference between the McCarran amendment and the Russell amendment. Mr. President, without attempting to analyze critically the two amendments, I assert there is a substantial difference and that the amendments themselves shed very considerable light upon that difference.

In brief, the McCarran amendment provides that, with the exception of the Conservation Corps, not less than the prevailing rate of wages shall be paid in every community and to every person employed under the provisions of the joint resolution.

The Russell amendment, on the other hand, leaves substantially to the President the responsibility of fixing the rate of wages. It merely provides that on certain types of work, namely, permanent public-buildings projects, the provisions of existing law shall apply. What does that mean? It means that those of the unemployed who are permitted to work upon public-buildings projects will receive the protection of the codes and the Davis-Bacon Law. They will receive the prevailing wage. Those who are required, by force of necessity over which they have no control, to accept other types of work under the program may receive much less than the prevailing wage.

Then what do we have? First let me say we will have among the 10,000,000 unemployed about 5,000,000 who are not on relief at all and they will receive nothing. That is the lowest step in the ladder. Then we will have other millions who will receive the dole. Then we will have possibly two or three million more who will receive the so-called "subsistence or security wage", and then we will have the fourth category, namely, those who work on the permanent building projects and who will receive the prevailing wages in the communities in which they work.

Thus we are asked, under the name of compromise, to vote for a legislative discrimination dividing the unfortunate into four groups, with discrimination as between groups. We are to do it, Mr. President, by giving nothing to a very worthy group of our people, namely, the unemployed whose thrift is such that they have not yet been driven to relief. We give the dole to the next group. Then we provide a security wage to those who work upon work projects, which are not building projects, and then we give the greatest reward of all to those who work upon the permanent projects, and they are those who are members of unions, the artisans, the skilled workers.

I cannot face this situation without reflecting upon the rather solemn and unhappy fact that we reward with prevailing wages the strong and that we visit our penalties upon the weak. I hope every Senator will take into consideration

that inescapable fact. We are called upon to vote a reward to the strong and to discriminate against those who are least able to care for themselves.

I know of no justification for this kind of legislation. I do not know why it is, when one system is going to cost just the same as the other, if the President wills it so, that we should be obliged to legislate the reward to the strong, and tear down the most defenseless element of our society during the time of their helplessness.

Is it a priceless or a precious privilege to have a discretionary executive power to pay less than a living wage to those who are unable to defend themselves? Is it a priceless or a precious privilege to go into a distressed labor market and to grind down those who are utterly helpless and hungry in order to build cheap projects? This privilege leads only to peonage. It does not justify a veto.

It seems to me that it would be better to face a veto. There will be ample time for subsequent disposition of this matter. There will be full opportunity to vote money for relief, and full opportunity to provide a works program, if it is the will of the Congress and the Executive that there shall be a works program. There will be no difficulty at all in meeting the responsibility which is ours. Why is it necessary, therefore, that we should discriminate against the unfortunate and the weak and reward the strong merely to solve what seems to be a parliamentary tangle?

I am most content to adhere to the position which I formerly took, and to stand by the amendment of the Senator from Nevada, let the consequence be what it may, because certainly we ought to have enough confidence in ourselves and in the great President of the United States to believe that in some way or other we can reach a conciliation of this matter that will not result in hardship to anyone.

The Senator from Wisconsin characterized the Russell amendment as an "honorable compromise." It may be honorable; it is a compromise; but the unfortunate thing about it is that it is a compromise with a principle which should not be compromised and results in inequality which is un-American; moreover it is wholly unnecessary. If there is any pride of manhood left here, as I know there is, we should stand for the great principle of equality for all our people, and vote for a system which will provide direct relief and work relief, and that we should do it without the cruel and indefensible discrimination which will follow from the enactment of the Russell amendment.

Mr. GORE. Mr. President, I am sure every Senator agrees with the Senator from Oregon [Mr. STEIWER] in his opposition to any compromise with principle. Macaulay said that "compromise is the essence of politics." Sometimes it becomes necessary to compromise; but I have assumed that compromises ought to be arranged within the limits of principles themselves, and should relate to matters of expediency.

I assume, also, that every Senator favors the philosophy of high wages. I do. I favor the theory of high wages; I favor the payment of high wages; but I think even the rate of wages must have some reference to economic facts and to realities.

A wage of $5 a day at one time might be high, and at another time it might be low. A wage of $5 a day in one community might be high, and in another community it might be low. I think we ought to take facts into account; and, after all, those who are to be the beneficiaries of these appropriations are not the sole parties who deserve consideration at our hands.

This money comes from somewhere. It comes out of the earnings of those who provide this money from their resources. It is a subtraction from the purchasing power of the one and an addition to the purchasing power of the other. Some Senators confuse the creation of purchasing power with the transfer of purchasing power. What we all desire, or should desire, is the stimulation, the creation of purchasing power, and not the mere transfer of purchasing power from one party to another. That may provide relief in the particular instance; it may help one individual or one group; but it helps them at the expense of another individual or at the expense of another group, and it is not making headway out of this depression.

The Senator from Texas [Mr. CONNALLY], in his remarks this afternoon, made the statement that, after all, the payment of wages for relief work was veneering the dole in a sense, or veneering charity. I have wondered if that statement is not true, at least to a certain extent, and I have wondered to what extent it is true, if at all.

I happen to know this fact myself: The Government was preparing to construct 1,200 small projects scattered throughout the several States. It prepared an estimate of the cost, including various items, in order to secure the money from one of these alphabetic agencies. Among other items, an estimate was made upon the labor cost. It came to $10,000,000. That estimate was based on labor's record for efficiency in private industry. When those projects were completed, the labor item estimated at $10,000,000 had cost the Government between thirty-six and thirty-eight million dollars. That labor estimate cost the taxpayers of this country not $10,000,000 but between thirty-six and thirty-eight million dollars. The official who supervised the work told me that upon the average it took nearly four men under this plan to perform the labor of one man.

Is not this, or is this, to some extent, a mere veneer? Do the men engaged upon projects of this sort know that it is not competitive industry, and that it is not necessary for them to earn their wages or else lose their jobs? Do they work for the public, for the Government, as they would for private industry? I tried to obtain fuller information upon this subject a few days ago, but my amendment calling for the information did not pass.

As I see this crisis, the Ship of State is a good deal like a ship on fire in a storm at sea. We cannot treat either the passengers or the crew as we should like. Choice yields to necessity. This is a situation in which numbers count in a double sense. The more hungry mouths we feed with this $4,000,000,000, the better. The more naked backs we can clothe, the better.

Twice as many people can be employed, twice as many people can be fed, twice as many can be clothed under the Russell amendment as under the McCarran amendment. That is the stubborn fact that stares at us like a death's head. With me, that fact is controlling, whatever my predilections might be, if I had freedom of choice.

I repeat, this money comes out of other people's pockets. It comes out of the taxpayers' pockets. I had a letter the other day which charged that I paid too much attention to the taxpayer. The taxpayers, large and small, are providing this money. They are staggering beneath this burden. I wrote to my constituent that to destroy the taxpayer would be like cutting down the fruit tree to get the fruit. It would be like destroying the hive to get the honey. If I may say so, it is like cutting off the udder of the cow to get the milk. It destroys the source alike of revenue and of relief.

I wish to have printed in the RECORD a letter which I have received from the mayor of Waterbury, Conn. He outlines a plan of relief which was adopted in that city early in the depression. It is the best plan which has come to my attention. If it had been adopted throughout the country, more and better relief would have been provided and at a lesser cost and at a lesser sacrifice of morale.

Mr. President, if these debts and these taxes resulting from the system of relief adopted shall destroy the taxpayers of this country, if they ruin them financially, if they absorb their property, if they leave them bankrupts and mendicants, that consequence would be tragic enough; but if they destroy the morale, if they destroy the self-respect and the self-reliance of the beneficiaries of the relief, that, sir, would be a catastrophe, indeed, infinitely worse than the loss of property.

In Waterbury they assess a tax of 1 percent on income or wages from any and every source received by every inhabitant of that town drawing less than $25 a week, a tax of 2

percent on incomes and wages between $25 and $50 a week, a tax of 3 percent on all incomes in excess of $50 a week.

The Scovill Manufacturing Co. contributes $1,500 a week to the relief fund. The fund is administered by a committee of seven, and the Scovill Manufacturing Co. designates one of the seven. Another taxpayer who contributes $1,200 a week names another member. Another taxpayer contributing a thousand dollars a week names another member. This board administers the fund. They decide upon who is entitled to relief and who is not, and they receive work for every dollar expended.

The plan has worked successfully, and if anybody be concerned upon this point, the mayor advises me that it has turned out to be good politics, that the city administration has been twice relected during the continuance and the application of this method of relief.

If we had had this plan throughout the country, the burden upon our taxpayers probably would have been not more than one-fifth, certainly not more than one-third, of what it is at present. It would have maintained and preserved the self-respect of our people, it would have limited relief to those who deserved it, and would not have permitted the payment of wages to employees who refused to reenter industry.

In some sections the present plan has made it practically impossible for farmers to obtain indispensable labor, and I know of particular instances which I could cite to establish that statement.

Mr. President, I ask that the letter from the mayor of Waterbury be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WATERBURY, CONN., *January 29, 1935.*

Hon. T. P. GORE,
United States Senate, Washington, D. C.

DEAR SENATOR: I am in receipt of your inquiry of January 9. It is true that our city did adopt a unique plan for dealing with the problem of unemployment relief early in the depression. It has been maintained; it did not break down under the relief policy of the general Government.

Briefly the scheme is this: Every worker in our city is supposed and in a great many cases does contribute 1 percent of his or her salary weekly. Workers earning more than $25 and less than $50 contribute 2 percent. Those above $50 contribute 3 percent. This amount is collected by the employers and a sum equal to the total is donated by the employers. The three outstanding contributions by employers are as follows: The Scoville Mfg. Co., about $1,500 per week; The American Brass Co., about $1,200 per week; and the Chase Brass Co., about $1,000 per week, as employment increases or decreases.

This fund is administered by a nonsectarian, nonpartisan board appointed by me, composed of a prominent banker, a prominent Catholic priest, a prominent Protestant minister, a prominent social-service worker, and the three heads of the employment departments of the three large companies previously mentioned.

The funds are spent almost entirely for labor. The number of days work given depending upon the size of the families. The committee is incorporated so that compensation insurance may be obtained. This insurance is furnished to us at cost by a patriotic agency in our city.

The work paid for by this fund is performed on city projects, such as storm sewers, extension of water mains in localities where the income would not justify the extension by the city in cemeteries, on our municipal golf course, and throughout our park system.

The peak load carried by this fund was in the winter of 1931–32 when 2,476 heads of families, averaging 4½, were taken care of in this manner. This was about one eighth of our population. The best proof that this plan is popular and acceptable is that my administration has been elected once and reelected twice during the depression by vastly increasing pluralities on each occasion. In our last election, in October 1933, our plurality was greater than the total vote of our opponents.

I trust this will cover whatever you had in mind. However, if it does not, please feel free to call upon me for any additional information.

With kindest personal regards, I am,
Sincerely yours,

FRANK HAYES,
Mayor of Waterbury.

Mr. GORE. Mr. President, I also desire to have printed in the RECORD a statement showing our disbursements per second for relief, amounting to $58. The table shows the disbursements by the minute and the hour and the day, and shows the different objects to which the appropriations have been devoted. This statement ought to be in the RECORD, because it will illuminate the subject.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From the Daily Oklahoman, Sunday, Mar. 10, 1935]

$58 A SECOND IS SPENT FOR RELIEF IN UNITED STATES—FIGURES ON UNEMPLOYMENT SHOW UPWARD TREND DESPITE BILLIONS

WASHINGTON, March 9.—Fifty-eight dollars a second! That is the cost of relief in the United States. Every time a minute is ticked off on the clock, more than $3,400 is poured into the relief hopper, to the tune of more than $208,000 an hour, $5,000,000 a day, or $150,000,000 a month. And the load is increasing.

In May 1933, when the Federal Emergency Relief Administration, headed by Harry L. Hopkins, was created, there were 17,000,000 persons receiving relief in the United States. Today, 2 years later, after $3,207,000,000 of Federal, State, and local funds have been expended to ameliorate the problem, there are 22,375,000 on Uncle Sam's relief roll.

TREND CONSTANTLY UPWARD

Federal Emergency Relief Administration figures show a constant upward trend in families and single persons on relief during the last 2 years.

For instance, in July 1933 there were 3,906,874 families, or 12 percent of the total population, receiving relief. There was a drop when the relief-work program reached its zenith but with the return of direct relief an increase came and in March 1934 there were 3,683,933, or 11 percent of the total population, on relief. In April this figure jumped to 4,437,242; it went to 4,817,365 in October and at the end of the year it hit 5,033,645.

With the rising relief tide, of course, came rising relief costs, and the F. E. R. A. figures reflect how, between 1933 and 1934, the Federal Government lifted more and more of the burden from the backs of States and municipalities.

UNITED STATES LOAD GROWS HEAVIER

In 1933 the Federal Government paid only 60.6 percent of the total relief costs. States paid 14.3 percent, and municipal funds 25.1 percent.

In 1934, F. E. R. A. figures show the Federal Government bearing 71.7 percent of the total burden, while the States' load had dropped to 13 percent and the local communities' to 15.3 percent.

In 1933 expenditures for relief aggregated $792,763,027, of which the Federal Government contributed $480,601,783, State governments, $113,260,984, and local communities, $198,900,260. During 1934 relief expenditures jumped to $1,473,583,168, an increase of more than $500,000,000.

The Federal Government's share of this huge expenditure in 1934 rose to $1,067,279,932; the State's share increased slightly to $185,342,860, while the local communities' went to $220,960,376.

Officials say the relief load will increase rather than diminish until business recovery takes a firm grip upon the Nation or until the social-security program, with its concommitant plans for old-age pensions, unemployment insurance, and sick benefits becomes effective.

OFFICIALS ARE PLEASED

These officials look with satisfaction at their record of the last 2 years, during which $3,207,000,000 has been spent. In the first place, they point out, 92.5 percent of this total has gone directly to relief, with only 7.5 for administrative expenses. In addition the money has been spent in normal channels of trade, thus contributing to recovery while supplying relief.

Of this gigantic total, $2,267,000,000 represents the approximate sum contributed by the Federal, State, and local governments for direct relief during 1933 and 1934, while $940,000,000 came from these three political subdivisions for the work-relief projects of the Civil Works Administration.

Of the C. W. A. expenditures, $845,000,000 came from the Federal Government, while $95,000,000 was contributed jointly by the States and local communities. This brings the total Federal expenditures to $2,393,000,000 for the 2-year period, during which the State governments were supplying $299,000,000 and the local communities $420,000,000. Addition of these three last figures, plus the $95,000,000 from the States and cities for C. W. A., produces the $3,207,000,000 total.

The division of research, statistics, and finance of the F. E. R. A. has learned that there are 3,485,000 workers between the ages of 16 and 64 years now on relief rolls.

HOW TRADE GROUPS DIVIDE

Workers following skilled trades of the manufacturing and mechanical industries, together with semiskilled workers and laborers usually employed in these industries accounted for 1,529,000, or 43.9 percent of the total on relief in urban United States. Semiskilled workers, or factory operatives, accounted for 530,200, or 15 2 percent of the total. Laborers were represented to the extent of 298,000, or 8.6 percent.

Domestic and personal service accounts for 719,400 persons, or 20.6 of the total. Transportation and communication was the third largest group, with 361,000 workers unemployed, or 10.3 percent of the total. Trade represented 343,000 workers, or 9.9 percent. Clerical occupations involved 145,900 workers, or 4.2 percent, while professional service included 76,500 workers, or 2.2 percent.

Another important survey shows that 95 percent of the "transients" or "floaters" studied in 13 important cities during October, November, and December 1934 are employable in the sense that they are between the ages of 16 and 65 and are able and willing to work.

THREE IN AVERAGE FAMILY

The family groups studied averaged three persons and in the majority of cases contained only one gainful worker, usually the head. Of the heads it is estimated 90 percent are employable. The F. E. R. A. survey shows that young men vastly predominate among both the unattached transients and the heads of family groups.

These surveys are revealing. There is a tremendous value to the Government in knowing, for instance, that there are 109,400 carpenters on the relief rolls, that painters number 98,600, and that there are 32,200 plumbers receiving assistance. Mechanics have 54,100 on the rolls, blacksmiths 15,500, and engravers 12,000.

Relief officials believe, however, that it will be easier to find employment for persons falling in any of the above-named categories than in some of the professional classifications.

TWO THOUSAND EIGHT HUNDRED ARTISTS ON RELIEF

The F. E. R. A. survey shows that there are 6,500 actors and showmen on relief; 2,800 artists, sculptors, and teachers of art; 4,000 clergymen; 9,800 musicians and teachers of music; and 13,400 teachers in regular schools. These fields present difficulties. How, for instance, can employment in their own field be found for 4,000 preachers?

What the F. E. R. A. wants to do is expressed by Administrator Hopkins with relation to the unemployed. He says:

"They are not begging crumbs from the table of our Nation's wealth. They are willing workers, anxious to produce their share of our goods, but deprived of their opportunity because of the temporary maladjustment in our industrial system.

"I have said, and I say again, that while relief has met the emergency needs of the unemployed, it is not an effective and satisfactory method of meeting this problem over a long period of time. A way must be found to meet this problem of the unemployed, and of providing them with an opportunity for an American way of life."

Mr. COSTIGAN. Mr. President, my views on the pending amendment are not greatly at variance with those expressed today by the Senator from Wisconsin [Mr. LA FOLLETTE] and earlier in the day by the Senator from New York [Mr. WAGNER], but my vote will be different. One reason for the difference will be found in the parliamentary situation.

Happily, the issue of today can no longer be distorted into a clash between administration and antiadministration policies. Neither the worthy public purposes of the President of the United States nor those of the Senator from Nevada [Mr. MCCARRAN] can be questioned. Through the proposed substantial relief and work-relief program the President is seeking to save the country from another industrial "nose dive." The Senator from Nevada is seeking at the same time to assure the maintenance, so far as is possible in this troubled period, of American wages and standards of living. All these objectives are desirable and admirable. Fortunately the amendment of the Senator from Georgia [Mr. RUSSELL] comes so close to that presented by the Senator from Nevada that it appears reasonable to believe that the outcome will not be disastrous, whichever amendment may be adopted.

From the beginning of the differences of opinion over the McCarran amendment, some of us who believe in it and have supported it, have labored unceasingly to prevent a deadlock which might imperil the success of the present public-works program. Separately and together Senators here have repeatedly endeavored to bring about an adjustment which reasonably meets the purposes sought from the beginning, alike by the President, the Senator from Nevada, and other proven friends of the working men and women of the United States. Although I personally prefer the McCarran amendment, I am satisfied that the present Russell amendment greatly improves the original amendment of the Senator from Georgia and goes far to meet the actualities involved in the prevailing wage controversy. It lays down at the outset, and does not defer for future investigation, the test which the President of the United States is to apply, namely, that wages fixed shall not lower or otherwise adversely affect prevailing wages. It also requires the same rule applied with respect to codes and permanent public buildings contained in the Davis-Bacon Act of March 3, 1931, and will, therefore, strongly fortify the country against any wage abuses under the large building program now in contemplation if and when entrusted to the President under the pending legislation.

The country is to be congratulated that so close an approach on essentials has been arrived at in the present hour between our public-spirited President and the Congress. It is unthinkable that large public expenditures are to be dispensed with as a means of taking up the slack of unemployment in a period in which private capital remains indifferent or continues its present inactivity. It is also important for this country at this time when heroic efforts are being made to enlarge purchasing power, not to permit—as the President has promised he will not permit—existing purchasing power to be reduced below prevailing wages among the employed while we are endeavoring to increase purchasing power by giving work and paying wages to the unemployed.

Keeping all these considerations and the parliamentary situation in mind, it is my intention to vote first for the McCarran amendment and, if that is defeated or a deadlock results, to vote thereafter for the Russell amendment, as the best present legislative steps to serve the public welfare.

Mr. MCCARRAN obtained the floor.

Mr. ROBINSON. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GUFFEY in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Radcliffe
Ashurst	Costigan	La Follette	Reynolds
Austin	Couzens	Lewis	Robinson
Bachman	Cutting	Lonergan	Russell
Bailey	Dickinson	Long	Schall
Bankhead	Dieterich	McAdoo	Schwellenbach
Barbour	Donahey	McCarran	Sheppard
Barkley	Duffy	McGill	Shipstead
Bilbo	Fletcher	McKellar	Smith
Black	Frazier	McNary	Steiwer
Bone	George	Maloney	Thomas, Okla.
Borah	Gerry	Metcalf	Thomas, Utah
Brown	Gibson	Minton	Townsend
Bulkley	Glass	Moore	Trammell
Bulow	Gore	Murphy	Truman
Burke	Guffey	Murray	Vandenberg
Byrd	Hale	Neely	Van Nuys
Byrnes	Harrison	Norbeck	Wagner
Capper	Hastings	Norris	Walsh
Carey	Hatch	Nye	Wheeler
Clark	Hayden	O'Mahoney	White
Connally	Johnson	Pittman	
Coolidge	Keyes	Pope	

Mr. LEWIS. I announce the absence of the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Louisiana [Mr. OVERTON], occasioned by illness. I also announce that the Senator from Kentucky [Mr. LOGAN] and the Senator from Maryland [Mr. TYDINGS] are necessarily detained from the Senate.

The PRESIDENT pro tempore. Ninety Senators have answered to their names. A quorum is present.

Mr. MCCARRAN. Mr. President, in this matter, so vital to the American Government, I am glad that I may have a closing word; and in closing I can do no better than to take as the text the lay and the song of the able Senator from New York [Mr. WAGNER], whose record, whose reputation, whose efforts in behalf of those who toil and those whose interests may be involved with toil have received almost world-wide recognition. The words are few. I use them as a text and a theory, and indeed a theme, in the closing remarks on this debate. He said in his address this morning:

I am unshaken in my belief that the prevailing-wage amendment in the form already adopted by the Senate charts the correct course.

The prevailing-wage amendment as already adopted by the Senate! He did not minimize his expressions, nor did he take from them the force or effect of his own thought. That statement came out of the heart of the Senator from New York, because he voted for the amendment, and never has he abandoned the principle therein involved. Later on, however, the learned Senator from Idaho [Mr. BORAH] put a question to him as to a differentiation between the so-called "Russell amendment" and the so-called "McCarran amendment"—if I may with propriety use my own name—and he said, if I may quote him substantially, that practically there was no difference, but that the one would receive a veto, and the other would be accepted by the President of the United States.

That brings me back again to his lines, because I think they should be dwelt upon. I am leaning on established

authority. I am only a novice in this situation, but I take my leadership from those who have given thought and consideration to the subject; and again I read the lines and the words of the learned Senator from New York:

I am unshaken in my belief that the prevailing wage amendment in the form already adopted by the Senate charts the correct course.

Is the Senator from New York supported in that statement? Does the amendment itself support him in it? Mr. President, we have only to read, first of all, the statute by which you are bound and by which I am bound; and, because it has been referred to so often, I refer by title to the Davis-Bacon Act, a statute of this country adopted by Congress. Then I am going to refer to something more, to the Public Works Administration, which from the time it was put into operation until the present hour, has adopted and carried out the prevailing wage scale. The C. W. A. carried out the prevailing wage scale.

Where would Senators think there might be a diversion from the principle of the prevailing wage scale? Would they not think it would be in that which came down to the form of direct relief? If they think so, let them dwell for a moment on the testimony of Mr. Harry Hopkins before the Senate Appropriations Committee, and dwell for a moment on his public statement when he said that all projects carried on under direct relief, under the F. E. R. A., should be carried on under the prevailing wage scale. Was there any relinquishment there of the principle and the ideal of this Government as enacted by its legislative body in times past?

Let us go just a little further. Whom do we represent? Do we represent the Executive of this country? If we do, then I think, with entire propriety, it might be well to reform our organic law. Was this body brought into existence to be subservient to any power? Is it not true that a democracy represents the voice of the people? And if it does represent the voice of the people, who put us here? And if we vote in a certain way, and someone else says, "You cannot vote that way", who will be held responsible? Can we go back and say, "Well, the President said he would veto this measure and, therefore, I could not vote for it"? But the people said to us, "Come here and speak for the democracy of the country. Speak for the 130,000,000, some who toil, and others who follow those who toil."

That brings me to another thought. Have the people themselves, in their respective capacities, spoken? Within the last 5 days I placed on the desks of Senators, by permission of this body, the statutes of some 25 States of the Union, if I am not mistaken, every one of which has enacted a law prescribing a minimum wage and a prevailing wage, and setting forth what it means, and what shall be done under it. Are we going to say to 25 States of the Union, "Your statutes are now nullified because someone said that the President would veto a great bill; the greatest appropriation measure in the history of the world"?

The President is going to veto the joint resolution if the McCarran amendment is adopted; but if the Russell amendment is adopted he will approve it, although my leader on this side of the Chamber—I refer to the junior Senator from New York [Mr. WAGNER]—a man to whom I have listened for years, who spoke in behalf of the Russell amendment this morning and who now is about to change his vote, said that the course mapped out by the Senate just a few days ago was the correct course.

In God's name, is there not something beyond? Is there not a manhood here that strikes high and mighty beyond everything else? If there is not, then why are we here?

Let us go into the matter just a little from a different angle.

Mr. LONG rose.

Mr. McCARRAN. I ask not to be interrupted except for a very brief question.

Mr. LONG. I want to ask my colleague whether he has seen the letter of President Roosevelt himself wherein he said:

I believe in the inherent right of every citizen to employment at a living wage and pledge my support to whatever means and measures may be necessary for inaugurating such public self-liquidating work.

Mr. McCARRAN. Mr. President, my mind has drifted just a little. From the great Empire State of New York we have not only 1 but 2 great Senators. I know that during all the struggle in the Appropriations Committee and during all the struggle in this body one of the Senators from New York has stood steadfast in voting for the amendment, while the other said his colleague was right. That is the queer thing about it. His colleague was right, but now he has changed his mind and does not go along, and he does not give the least explanation in the world.

Let me go back a little. The toilers in this country constitute the blood of the country. God made man, and man gave his consent to government. When he had given his consent to government, he became a part of the governing force. But God did not take from man the right to earn his bread by the sweat of his brow. God did not deprive man of the right to earn an honest living under an honest law.

Mr. CONNALLY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from Texas?

Mr. McCARRAN. I yield.

Mr. CONNALLY. Under a good many of the projects proposed under the joint resolution, such as soil erosion, many little dams will be built and other work done that will involve some masonry work. That work will involve day labor, unskilled labor. In those same communities mason's wages are $12 and $13 per day. Would the Senator insist that for that kind of work we should pay day laborers $12 or $13 a day?

Mr. McCARRAN. In answer to the Senator from Texas, I will ask him to read the statutes of his own State of Texas. He cannot overcome them unless he wants to repudiate the statutes of that great State.

Mr. CONNALLY. The Senator from Texas is not repudiating anything. The Senator from Nevada is talking about a statute which relates to State work. This is not State work. This is Federal work. The Senator does not answer my question. Does he want to pay $12 or $13 a day to men engaged on soil-erosion work because they do a little masonry work building a little retaining wall to keep the soil from being washed away? Will the Senator answer my question?

Mr. McCARRAN. I will answer the Senator in two ways. If, by maintaining an hourly wage for those who work on masonry, I could maintain such an hourly wage as was recognized as the going scale of wages in the State of Texas, yes; but limit his income financially to——

Mr. CONNALLY. I did not ask the Senator that question. Does he favor paying such laborers $12 or $13 a day, the same as masons get? The Senator does not answer me.

Mr. McCARRAN. I favor paying the toiler what the toiler needs in keeping with the American standards of living.

Mr. CONNALLY. Then, if the Senator is talking about the toiler, and if that toiler is worth $12 or $13 a day, why should not every other toiler get $12 or $13 a day?

Mr. McCARRAN. I would give him $26 a day if necessary to enable him to live on the American scale.

Mr. CONNALLY. Does the Senator think it is necessary to pay him $26 a day?

Mr. McCARRAN. It is necessary to pay the American toiler whatever will enable him to live on the basis of the American standard of living. Fix the American standard of living at a dollar a day, if the Senator desires to do so. That is what is paid some of the toilers in Texas.

Mr. WHEELER. Mr. President——

Mr. McCARRAN. Mr. President, I have only a few minutes more, and I want to complete my statement. I apologize to the Senator from Montana and also to the Senator from Texas.

Mr. CONNALLY. No apology is necessary.

The PRESIDENT pro tempore. The Senator from Nevada has 4 minutes remaining.

Mr. McCARRAN. Mr. President, I want to cite a typical case for the consideration of this body. It is a typical case which grows out of the argument here today. The greatest project the American Government ever undertook was the building of Boulder Dam. Today the builders of Boulder Dam are—I shall not say under indictment, but they are subject to indictment because they have violated the laws of the United States. They are under investigation by the Interior Department. If Senators do not believe me, they can read the current press, and a brief investigation will disclose to them that $500,000 is not any more than will encompass their fine.

It is said now that we should forget everything and rely on the President. There is not a man on the floor of the Senate today who would rely more on the President than would I.

I voted for the President. I ran for the Senate in order to support him. I have gone along with him in every proposal under which I thought the standards of American life could be maintained; and when the time comes when I must break from my party lines, I shall regret it more than will my party. I am an American first, however, and a Democrat afterward. I believe that labor in this country, the toilers, constitute the body politic and the red blood of the country. O my Democratic friends, when any of you who rode in on the shoulders of labor can say, "I forgot that after I was in", then, for God's sake, where is Democracy for the people of America?

Where today is there a Democrat who did not come into office on the shoulders of the toilers of his particular community? When did Democracy ever have a chance in the world save and except when it appealed—appealed, if you please—to the toilers of this country?

Do you not remember that during the McKinley campaign the votes of many laboring men were taken away from us by the slogan of the opposition—"A full dinner pail"? Now we ask, not necessarily for "a full dinner pail", but an opportunity to eat and live and have food and raiment. That is all Democracy is calling for in this amendment.

So far as I am concerned, I am going down with my ship. You may have defeated me today, but I hope to God I shall never reach the time when I shall say I am sorry that you defeated me.

I remember that I was one of 13 who went down here under the Economy Act; and we have come back little by little. We have brought back something to the soldiers and the ex-service men of the country and to the toilers of the country. I hope—because I have no personal ambition—I hope I shall not have to say, "I told you so."

Mr. President, I only ask, I only appeal, that justice be done. I only ask it in the language of the Senator from New York [Mr. WAGNER] when he says that the Senate of the United States mapped out the correct course and he voted for it, and the learned Senator from Wisconsin [Mr. LA FOLLETTE] voted for it.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Nevada [Mr. McCARRAN] in the nature of a substitute for the amendment of the Senator from Georgia [Mr. RUSSELL] to the amendment of the committee.

Mr. McCARRAN and other Senators called for the yeas and nays.

The PRESIDENT pro tempore. The yeas and nays have heretofore, earlier in the day, been ordered.

Mr. GLASS. Mr. President, I think I should say a word or two that will tend, I hope, to acquit the President of the United States of any suggestion or intimation of inconsistency in his attitude toward the respective opposing amendments to House Joint Resolution 117.

Distinguished lawyers, Members of this body, have failed to discern any material difference between the two amendments. Notably this may be gathered from the speech of the Senator from New York [Mr. WAGNER]; but a layman may discover this very practical difference between the two amendments: The President of the United States authorized me to say to the Senate that he would veto the one, and he authorized the leader on this side of the Chamber to say that he would approve the other.

The President found in one of the amendments a very real and sinister danger to the Nation, and particularly to the working classes of the country. He justified his opposition to the one amendment upon the ground that it would involve an additional expenditure of nearly $1,500,000,000, and he justified his proposed approval of the other amendment upon the ground that it would not involve the expenditure of an additional dollar. In this connection he said that the additional expenditure of a billion and a half dollars would so tax the credit of the United States in the circumstances that he could not bring himself to approve the amendment.

I need not repeat the statements and accompanying figures which I used week before last in discussing this matter. The credit of the United States today is entirely taken care of by the banks of the United States, and not by the investing public. The Treasury issues are apportioned to the banks of the United States, and their portfolios are overflowing with Treasury securities. It is stated upon reliable and high authority that a depreciation of 10 percent in these securities would render insolvent 90 percent of the banks of the country.

If that should occur, Mr. President, let us see in a word what would happen to the laboring classes of the country. It would mean not only the break-down of the credit of the United States as a government but it would have disastrous effect upon every State, upon every municipality, upon every subdivision of every State. It would have disastrous effect upon every corporation, upon every individual concern that must transact its business by the issue of securities. It would mean a curtailment of employment instead of a cure for unemployment. It would be a vastly greater menace, and is today a vastly greater menace, to the working classes of the country than the 3,500,000 idle people now on the relief rolls, and that is menace enough.

So there has not been one particle of inconsistency on the part of the Chief Executive in signifying his opposition to one of these amendments, and his readiness to approve the other.

That is all I care to say.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Nevada [Mr. McCARRAN] in the nature of a substitute for the amendment of the Senator from Georgia [Mr. RUSSELL] to the amendment of the committee. The amendment proposed by the Senator from Nevada will be stated.

The CHIEF CLERK. In lieu of the amendment proposed by Mr. RUSSELL in the nature of a substitute for the amendment of the committee, it is proposed to strike out section 6 as reported by the committee and in lieu thereof to insert the following.

SEC. 6. The President is authorized to prescribe, and shall give full publicity to, rules and regulations necessary to carry out the purpose of this joint resolution: *Provided, however,* That (a) such rules and regulations shall stipulate that the rates of wages paid to all laborers and mechanics employed by any contractor or subcontractor or by the public officer in charge for the United States or for the District of Columbia, for work done under this joint resolution, whether by contract or otherwise, involving the expenditure of any money appropriated by the resolution, need not be uniform throughout the United States but shall not be less than the prevailing rates of wages paid for work of a similar nature at the time of the approval of this resolution in the city, town, village, or other civil division of the State in which the work is located, or in the District of Columbia: *Provided, however,* That nothing in this section shall apply to the administration of the Civilian Conservation Corps; (b) rules and regulations prescribed under this section shall not abrogate any existing law.

The PRESIDENT pro tempore. On the amendment of the Senator from Nevada the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. ADAMS (when his name was called). On this vote I have a pair with the senior Senator from Maryland [Mr. TYDINGS]. If he were present, he would vote "nay." If I were permitted to vote, I should vote "yea."

Mr. LEWIS (when Mr. LOGAN's name was called). I announce the necessary absence of the Senator from Kentucky [Mr. LOGAN] and am authorized to state that he is paired with the Senator from Pennsylvania [Mr. DAVIS]. Were both Senators present and voting, the Senator from Kentucky [Mr. LOGAN] would vote "nay" and the Senator from Pennsylvania [Mr. DAVIS] would vote "yea."

The roll call was concluded.

Mr. LEWIS. Mr. President, I desire to announce the absence of the junior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON], both Senators detained by illness. I am directed to state that if the Senator from Arkansas [Mrs. CARAWAY] were present she would vote "yea" on the McCarran amendment.

I am instructed to announce the pair of the junior Senator from Louisiana [Mr. OVERTON] with the senior Senator from South Dakota [Mr. NORBECK], and to state that if present and voting the Senator from Louisiana [Mr. OVERTON] would vote "yea" and the Senator from South Dakota [Mr. NORBECK] would vote "nay."

I also desire to announce that the senior Senator from Pennsylvania [Mr. DAVIS] is detained from the Senate by illness.

The result was announced—yeas 38, nays 50, as follows:

YEAS—38

Barbour	Dickinson	Maloney	Thomas, Okla.
Bone	Donahey	Murray	Townsend
Borah	Frazier	Neely	Truman
Bulkley	Hastings	Norris	Vandenberg
Capper	Johnson	Nye	Van Nuys
Carey	Lonergan	Reynolds	Walsh
Copeland	Long	Schall	Wheeler
Costigan	McCarran	Schwellenbach	White
Couzens	McGill	Shipstead	
Cutting	McNary	Steiwer	

NAYS—50

Ashurst	Clark	Harrison	O'Mahoney
Austin	Connally	Hatch	Pittman
Bachman	Coolidge	Hayden	Pope
Bailey	Dieterich	Keyes	Radcliffe
Bankhead	Duffy	King	Robinson
Barkley	Fletcher	La Follette	Russell
Bilbo	George	Lewis	Sheppard
Black	Gerry	McAdoo	Smith
Brown	Gibson	McKellar	Thomas, Utah
Bulow	Glass	Metcalf	Trammell
Burke	Gore	Minton	Wagner
Byrd	Guffey	Moore	
Byrnes	Hale	Murphy	

NOT VOTING—7

Adams	Davis	Norbeck	Tydings
Caraway	Logan	Overton	

So the amendment of Mr. MCCARRAN, in the nature of a substitute for the amendment of Mr. RUSSELL to the amendment of the committee, was rejected.

The PRESIDENT pro tempore. The question now recurs upon the amendment of the Senator from Georgia [Mr. RUSSELL] in the nature of a substitute for the committee amendment. The amendment of the Senator from Georgia will be stated.

The CHIEF CLERK. In lieu of the amendment proposed by the committee inserting section 6, it is proposed to insert the following:

The President shall require to be paid such rates of pay for all persons engaged upon any project financed in whole or in part, through loans or otherwise, by funds appropriated by this joint resolution, as will in the discretion of the President accomplish the purposes of this act, and not affect adversely or otherwise tend to decrease the going rates of wages paid for work of a similar nature.

The President may fix different rates of wages for various types of work on any project, which rates need not be uniform throughout the United States: *Provided, however,* That whenever permanent buildings for the use of any department of the Government of the United States, or the District of Columbia, are to be constructed by funds appropriated by this joint resolution for which rates of wages are now determined in accordance with the provisions of any law of the United States or any code, the President shall fix the rate of wages upon such public buildings in accordance with such laws and codes.

Mr. LA FOLLETTE. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. ADAMS (when his name was called). On this question I have a pair with the senior Senator from Maryland [Mr. TYDINGS], but I am advised that if he were present, he would vote as I intend to vote. I therefore feel at liberty to vote, and vote "yea."

The roll call was concluded.

Mr. AUSTIN. I announce the necessary absence of the Senator from Pennsylvania [Mr. DAVIS] on account of illness. If present, he would vote "yea."

I also announce the absence of the Senator from South Dakota [Mr. NORBECK] on official business. If present, he would vote "yea" on this question.

Mr. LEWIS. I rise to announce the absence of the junior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON], occasioned by illness.

I also announce the absence of the Senator from Maryland [Mr. TYDINGS] and the Senator from Montana [Mr. MURRAY], who are necessarily detained from the Senate. I am directed to announce that if they were present, they would vote "yea" on this question.

I also announce the absence of the Senator from Kentucky [Mr. LOGAN], caused by illness. He desired to have the announcement made that if he were present, he would vote "yea" on this question.

The result was announced—yeas 83, nays 2, as follows:

YEAS—83

Adams	Connally	Johnson	Radcliffe
Ashurst	Coolidge	Keyes	Reynolds
Austin	Costigan	King	Robinson
Bachman	Couzens	La Follette	Russell
Bailey	Cutting	Lewis	Schall
Bankhead	Dickinson	Lonergan	Schwellenbach
Barbour	Dieterich	McAdoo	Sheppard
Barkley	Donahey	McCarran	Shipstead
Bilbo	Duffy	McGill	Smith
Black	Fletcher	McKellar	Steiwer
Bone	Frazier	McNary	Thomas, Okla.
Borah	George	Maloney	Thomas, Utah
Brown	Gerry	Minton	Townsend
Bulkley	Gibson	Moore	Trammell
Bulow	Glass	Murphy	Truman
Burke	Gore	Neely	Vandenberg
Byrd	Guffey	Norris	Van Nuys
Byrnes	Harrison	Nye	Wagner
Capper	Hastings	O'Mahoney	Walsh
Carey	Hatch	Pittman	White
Clark	Hayden	Pope	

NAYS—2

	Hale	Metcalf	

NOT VOTING—10

Caraway	Logan	Norbeck	Tydings
Copeland	Long	Overton	Wheeler
Davis	Murray		

So the amendment of Mr. RUSSELL, in the nature of a substitute for the committee amendment, was agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee, as amended.

The amendment, as amended, was agreed to.

The PRESIDENT pro tempore. The next amendment of the committee will be stated.

The next amendment of the Committee on Appropriations was, on page 8, after line 20, to insert a new section, as follows:

SEC. 7. Wherever practicable in the carrying out of the provisions of this joint resolution, full advantage shall be taken of the facilities of private enterprise.

Mr. LONG. Mr. President, may I ask the Senator from Virginia a question? How long does the Senator intend to proceed this afternoon? It is now practically 6 o'clock.

Mr. GLASS. I am ready now to move a recess, but the amendment just stated has previously been agreed to by the Senate. Why not let it be agreed to now?

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

CONTROL OF ARMS AND MUNITIONS (S. DOC. NO. 33)

Mr. POPE. I ask unanimous consent to have printed as a Senate document a proposal which I believe is of great value for the control of arms and munitions. I have taken up the matter with the Chairman of the Printing Committee.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the matter will be printed as a Senate document.

EXECUTIVE SESSION

Mr. GLASS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry officers in the Regular Army.

Mr. COUZENS, from the Committee on Banking and Currency, reported favorably the nomination of Charles T. Fisher, Jr., of Michigan, to be a member of the Board of Directors of the Reconstruction Finance Corporation for the unexpired portion of the term of 2 years from January 22, 1934, vice John J. Blaine, deceased.

Mr. GUFFEY, from the Committee on Finance, reported favorably the following nominations:

Edwin H. Dressel, of Philadelphia, Pa., to be superintendent of the mint of the United States at Philadelphia, Pa., in place of A. Raymond Raff; and

A. Raymond Raff, of Philadelphia, Pa., to be collector of customs of customs collection district no. 11, with headquarters at Philadelphia, Pa., to fill an existing vacancy.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

The calendar is in order.

POSTMASTERS

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations of postmasters on the calendar are confirmed en bloc.

IN THE MARINE CORPS

The legislative clerk read the nomination of James C. Breckinridge to be major general from the 1st day of February 1935.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

RECESS

Mr. GLASS. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock p. m.) the Senate, in legislative session, took a recess until tomorrow, Saturday, March 16, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 15 (legislative day of Mar. 13), 1935

DIPLOMATIC AND FOREIGN SERVICE

Frank P. Lockhart, of Texas, now a Foreign Service officer of class 2 and a consul general, to be also a secretary in the diplomatic service of the United States of America.

George A. Makinson, of California, now a Foreign Service officer of class 3 and a consul, to be a consul general of the United States of America.

UNITED STATES ATTORNEY

Howard L. Doyle, of Illinois, to be United States attorney, southern district of Illinois, to succeed Frank K. Lemon, term expired.

APPOINTMENT IN THE REGULAR ARMY

MEDICAL CORPS

To be first lieutenant with rank from March 12, 1935

First Lt. John Thompson Brown Strode, Medical Corps Reserve.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

TO ADJUTANT GENERAL'S DEPARTMENT

Capt. Winfield Scott Roberson, Field Artillery (detailed in Adjutant General's Department), with rank from March 26, 1931.

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONEL

Lt. Col. Ralph Talbot Ward, Corps of Engineers, from March 9, 1935.

TO BE LIEUTENANT COLONEL

Maj. William Augustus Beach, Adjutant General's Department, from March 9, 1935.

TO BE MAJOR

Capt. Oliver Tillman Simpson, Finance Department, from March 9, 1935.

TO BE CAPTAIN

First Lt. Farrin Allen Hillard, Infantry, from March 9, 1935.

TO BE FIRST LIEUTENANT

Second Lt. Fred Stuart Stocks, Air Corps, from March 9, 1935.

PROMOTIONS IN THE NAVY

Rear Admiral Adolphus Andrews, United States Navy, to be Chief of the Bureau of Navigation, in the Department of the Navy, with the rank of rear admiral, for a term of 4 years, from the 30th day of June 1935.

Capt. Harold G. Bowen, United States Navy, to be Engineer in Chief and Chief of the Bureau of Engineering in the Department of the Navy with the rank of rear admiral, for a term of 4 years from the 29th day of May 1935.

Commander Herbert B. Riebe to be a captain in the Navy from the 12th day of December 1934.

Commander Thaddeus A. Thomson, Jr., to be a captain in the Navy from the 1st day of February 1935.

Lt. Comdr. Albert H. Rooks to be a commander in the Navy from the 27th day of January 1935.

Lt. Floyd J. Nuber to be a lieutenant commander in the Navy from the 30th day of June 1934.

The following-named lieutenants (junior grade) to be lieutenants in the Navy to rank from the dates stated opposite their names:

Joseph A. Farrell, Jr., June 1, 1934.
George L. Purmort, August 1, 1934.
Frederick B. Warder, September 1, 1934.
Waldo Tullsen, September 1, 1934.
Anthony L. Rorschach, November 10, 1934.
William B. Colborn, December 1, 1934.
Ernest St. C. von Kleeck, Jr., December 1, 1934.
Jackson S. Champlin, December 12, 1934.
Clarence C. Ray, December 28, 1934.
Roger B. Nickerson, March 1, 1935.
Joseph W. Ludewig, March 1, 1935.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 4th day of June, 1934:

Thomas J. Greene
Walter C. Bailey
Edward H. Allen

The following-named passed assistant paymasters to be paymasters in the Navy, with the rank of lieutenant commander, from the 1st day of June 1934:

Charles F. House
John Ball
Joseph G. Hagstrom

Boatswain Patrick J. Bryne to be a chief boatswain in the Navy, to rank with but after ensign, from the 1st day of October 1934.

Electrician Edward S. Pelling to be a chief electrician in the Navy, to rank with but after ensign, from the 1st day of October 1934.

Pay Clerk Arthur C. Larsen to be a chief pay clerk in the Navy, to rank with but after ensign, from the 27th day of June 1934.

POSTMASTERS

ARKANSAS

Author M. Steele to be postmaster at Gentry, Ark., in place of A. R. Beard. Incumbent's commission expired June 17, 1934.

Will A. Bostick to be postmaster at Van Buren, Ark., in place of W. H. Taylor. Incumbent's commission expired December 16, 1934.

CALIFORNIA

Birda E. Paddock to be postmaster at Lomita, Calif., in place of L. M. McClary, removed.

William S. Williams to be postmaster at Loomis, Calif., in place of C. G. Brainerd. Incumbent's commission expired February 14, 1935.

Harry B. Morey to be postmaster at Menlo Park, Calif., in place of B. G. Larrecou. Incumbent's commission expired May 7, 1934.

Garrett Curley to be postmaster at Rivera, Calif., in place of F. C. Harvey. Incumbent's commission expired February 21, 1935.

Kelley C. Osgood to be postmaster at Riverbank, Calif., in place of J. H. Steele. Incumbent's commission expired January 29, 1933.

CONNECTICUT

Agnes Reilly Collins to be postmaster at Woodmont, Conn., in place of D. S. Phillips, removed.

FLORIDA

Lona F. Baxley to be postmaster at Bay Pines, Fla. Office became Presidential January 1, 1935.

Beulah S. Hanna to be postmaster at Hastings, Fla., in place of I. H. Smith. Incumbent's commission expired December 20, 1934.

William C. Hill to be postmaster at Miami, Fla., in place of O. W. Pittman, removed.

Frederick F. Stump to be postmaster at Starke, Fla., in place of J. C. Young. Incumbent's commission expired July 3, 1934.

GEORGIA

John Frank Chappell to be postmaster at Americus, Ga., in place of D. F. Davenport. Incumbent's commission expired April 28, 1934.

IDAHO

Willis M. Sears to be postmaster at Albion, Idaho, in place of W. M. Sears. Incumbent's commission expired February 5, 1935.

Willard Adams to be postmaster at Rigby, Idaho, in place of O. S. Cordon. Incumbent's commission expired June 17, 1934.

ILLINOIS

Henry R. Engel to be postmaster at Beecher City, Ill., in place of R. H. Jennings, removed.

Scottie Brown to be postmaster at Edgewood, Ill., in place of Orville Donaldson, resigned.

Paul H. Sachtleben to be postmaster at Hoyleton, Ill., in place of G. C. Michael, resigned.

Anthony H. Koselke to be postmaster at Lansing, Ill., in place of W. E. Erfert, Jr. Incumbent's commission expired March 18, 1934.

Donald C. Simons to be postmaster at Maple Park, Ill., in place of M. J. Moore, resigned.

Madeline E. Brannick to be postmaster at Minooka, Ill., in place of E. H. Jones. Incumbent's commission expired December 18, 1933.

Mary Bellert Corson to be postmaster at Northbrook, Ill., in place of E. L. Griese. Incumbent's commission expired December 18, 1933.

INDIANA

Helen B. Fultz to be postmaster at Crothersville, Ind., in place of C. W. Bard, resigned.

Walter R. Meinert to be postmaster at Silver Lake, Ind., in place of R. W. Jontz. Incumbent's commission expired March 8, 1934.

IOWA

Carl L. Anderson to be postmaster at Sac City, Iowa., in place of L. R. Hughes, deceased.

KANSAS

Harold P. Knipe to be postmaster at Grinnell, Kans., in place of E. W. Davis. Incumbent's commission expired January 28, 1934.

Ila M. Menefee to be postmaster at Hoxie, Kans., in place of Grace Wilson, resigned.

Wilbert F. Kunze to be postmaster at Kensington, Kans., in place of D. M. Dimond. Incumbent's commission expired June 20, 1934.

Joseph H. Schneider to be postmaster at Nortonville, Kans., in place of D. E. Hill. Incumbent's commission expired June 20, 1934.

Elmer L. G. Epperson to be postmaster at Scott City, Kans., in place of E. J. Starr. Incumbent's commission expired December 18, 1934.

John E. Barrett to be postmaster at Topeka, Kans., in place of R. C. Caldwell, retired.

Joseph B. Riddle to be postmaster at Wichita, Kans., in place of Bruce Griffith. Incumbent's commission expired March 18, 1934.

KENTUCKY

William T. Carlin to be postmaster at Buschel, Ky., in place of A. M. Seaton. Incumbent's commission expired March 18, 1934.

Ruby V. Vaughn to be postmaster at Clay, Ky., in place of R. L. Wilkey, removed.

John A. Goodman to be postmaster at Elkton, Ky., in place of King Prewitt. Incumbent's commission expired January 11, 1934.

Joe R. Richardson to be postmaster at Glasgow, Ky., in place of J. H. Branstetter. Incumbent's commission expired January 23, 1935.

MAINE

Adelbert L. Mains to be postmaster at Mechanic Falls, Maine, in place of L. C. Spiller. Incumbent's commission expired December 20, 1934.

Archie R. King to be postmaster at Saco, Maine, in place of R. A. Alexander. Incumbent's commission expired April 2, 1934.

MICHIGAN

Frank E. Kros to be postmaster at Alanson, Mich., in place of M. S. Markham. Incumbent's commission expired May 2, 1934.

Henry W. Boyle to be postmaster at Bark River, Mich., in place of H. W. Boyle. Incumbent's commission expired January 13, 1935.

Mayme Arnestad to be postmaster at Marenisco, Mich., in place of E. H. Ormes. Incumbent's commission expired March 8, 1934.

John C. Vaughn to be postmaster at Trout Creek, Mich., in place of V. L. Hardes. Incumbent's commission expired January 28, 1934.

MINNESOTA

Harold E. Otterstein to be postmaster at Amboy, Minn., in place of A. R. Wilder. Incumbent's commission expired May 20, 1934.

Joseph L. Zimmerman to be postmaster at Aurora, Minn., in place of H. H. Knuti. Incumbent's commission expired July 3, 1934.

William C. Wiench to be postmaster at Bagley, Minn., in place of W. C. Wiench. Incumbent's commission expired February 25, 1935.

Warren B. Lievan to be postmaster at Mapleton, Minn., in place of W. R. Ackerman. Incumbent's commission expired May 20, 1934.

Mae A. Lovestrom to be postmaster at Stephen, Minn., in place of M. A. Lovestrom. Incumbent's commission expired February 20, 1935.

Herman J. Ricker to be postmaster at Freeport, Minn., in place of H. J. Ricker. Incumbent's commission expired February 20, 1935.

Virginia B. Flentje to be postmaster at Round Lake, Minn., in place of J. N. Kain. Incumbent's commission expired April 2, 1934.

Henry C. Megrund to be postmaster at Shelly, Minn., in place of H. C. Megrund. Incumbent's commission expired February 20, 1935.

MISSISSIPPI

Faye V. Peel to be postmaster at Potts Camp, Miss., in place of E. V. Montgomery. Incumbent's commission expired June 20, 1934.

MISSOURI

William S. Drace to be postmaster at Centralia, Mo., in place of E. J. Schmidt, deceased.

David Fitzwater to be postmaster at Creve Coeur, Mo., in place of L. E. Decker, removed.

L. Dorsey Mitchell to be postmaster at La Grange, Mo., in place of S. C. Accola. Incumbent's commission expired December 20, 1932.

Tom C. Short to be postmaster at Mountain Grove, Mo., in place of J. R. Archer. Incumbent's commission expired May 3, 1933.

Merlin L. Grannemann to be postmaster at New Haven, Mo., in place of H. W. Werges. Incumbent's commission expired March 8, 1934.

Grover C. Young to be postmaster at Niangua, Mo., in place of A. B. Calame, removed.

Adolph H. Zoellmer to be postmaster at Perryville, Mo., in place of Charles Litsch. Incumbent's commission expired February 25, 1935.

NEBRASKA

Jacob Fred Koehler to be postmaster at Fort Crook, Nebr., in place of Mabel Schantz. Incumbent's commission expired June 2, 1934.

NEW HAMPSHIRE

Harry B. Burtt to be postmaster at Amherst, N. H., in place of H. B. Burtt. Incumbent's commission expired December 16, 1933.

NEW JERSEY

Minnie I. McKeen to be postmaster at Avalon, N. J., in place of W. A. Smith. Incumbent's commission expired June 24, 1934.

James T. Brady to be postmaster at Bayonne, N. J., in place of C. H. Conner, resigned.

John Jenkins to be postmaster at Port Norris, N. J., in place of S. T. Garrison. Incumbent's commission expired December 20, 1932.

NEW MEXICO

Lillian E. Howard to be postmaster at Portales, N. Mex., in place of H. M. Armstrong. Incumbent's commission expired March 22, 1934.

NEW YORK

Priscilla A. Fairbanks to be postmaster at Ashville, N. Y., in place of J. G. Loomis, removed.

Carlton A. Daigler to be postmaster at Clarence, N. Y., in place of H. N. Rothenmeyer, removed.

John P. Hewitt to be postmaster at Phelps, N. Y., in place of J. A. Page, removed.

NORTH CAROLINA

Joseph C. Allen to be postmaster at Durham, N. C., in place of J. K. Mason. Incumbent's commission expired February 4, 1935.

Singleton F. Thompson to be postmaster at Flat Rock, N. C., in place of W. F. Justus, resigned.

Helen B. Siler to be postmaster at Siler City, N. C., in place of R. H. Dixon, deceased.

Fred M. Mills to be postmaster at Wadesboro, N. C., in place of C. A. Bland. Incumbent's commission expired December 20, 1934.

NORTH DAKOTA

Otis Malone to be postmaster at Almont, N. Dak., in place of C. E. Kelsven. Incumbent's commission expired December 16, 1933.

John A. Knapp to be postmaster at Binford, N. Dak., in place of C. E. Peterson. Incumbent's commission expired January 22, 1934.

William F. Moede to be postmaster at Dunn Center, N. Dak., in place of L. L. Hintz. Incumbent's commission expired December 10, 1932.

Agnes S. Reynolds to be postmaster at Edmore, N. Dak., in place of Worthy Wing. Incumbent's commission expired May 27, 1933.

Michael C. Rausch to be postmaster at Elgin, N. Dak., in place of P. M. Bell, removed.

Francis W. Powers to be postmaster at Havana, N. Dak., in place of H. M. Leach. Incumbent's commission expired January 11, 1934.

Thelma G. Bohrer to be postmaster at Stanton, N. Dak., in place of E. G. Sagehorn. Incumbent's commission expired March 18, 1934.

OHIO

C. Woodrow Wilson to be postmaster at Lyons, Ohio, in place of H. C. Wilson, deceased.

OREGON

John C. Bilyou to be postmaster at Tigard, Oreg., in place of J. A. Crabtree. Incumbent's commission expired December 7, 1932.

PENNSYLVANIA

Mary G. Wilson to be postmaster at George School, Pa., in place of M. G. Wilson. Incumbent's commission expired June 20, 1934.

Elmer T. Smith to be postmaster at Hopewell, Pa., in place of B. F. Evans. Incumbent's commission expired February 25, 1934.

William S. Bolinski to be postmaster at Mocanaqua, Pa., in place of B. M. Harter. Incumbent's commission expired November 6, 1933.

George E. Lay to be postmaster at Monaca, Pa., in place of F. T. Dindinger. Incumbent's commission expired January 28, 1934.

John J. Roll to be postmaster at Natrona Heights, Pa. Office became Presidential July 1, 1934.

Philip A. Schmidt to be postmaster at Ringtown, Pa., in place of Ulysses Breisch. Incumbent's commission expired February 14, 1934.

John Zelinski to be postmaster at Simpson, Pa. Office became Presidential January 1, 1935.

SOUTH DAKOTA

Clarence J. Curtin to be postmaster at Emery, S. Dak., in place of C. J. Curtin. Incumbent's commission expired June 2, 1934.

TEXAS

James C. Erwin to be postmaster at Alto, Tex., in place of C. E. Wood. Incumbent's commission expired March 22, 1934.

Luther G. Porter to be postmaster at Bangs, Tex., in place of W. W. Layman. Incumbent's commission expired April 15, 1934.

Albert P. Hinton to be postmaster at Columbus, Tex., in place of Louis Waldvogel. Incumbent's commission expired June 20, 1934.

Anton C. Mussil to be postmaster at Granger, Tex., in place of C. E. Wayman. Incumbent's commission expired May 31, 1933.

Helen L. Hall to be postmaster at League City, Tex., in place of A. E. Harris. Incumbent's commission expired December 11, 1933.

Fred M. Carrington to be postmaster at Marquez, Tex., in place of F. M. Carrington. Incumbent's commission expired May 2, 1934.

Robert H. Patterson to be postmaster at Mullin, Tex., in place of S. J. Eaton. Incumbent's commission expired March 22, 1934.

VIRGINIA

Harvey G. McGlothlin to be postmaster at Richlands, Va., in place of M. E. Spratt, removed.

WASHINGTON

Thomas H. Mansfield to be postmaster at Forks, Wash., in place of G. D. Fletcher. Incumbent's commission expired September 19, 1933.

Walter A. Arend to be postmaster at Friday Harbor, Wash., in place of E. H. Nash, deceased.

WISCONSIN

William J. Sullivan to be postmaster at Campbellsport, Wis., in place of R. L. Raymond. Incumbent's commission expired June 2, 1934.

Gus W. Schiereck to be postmaster at Plymouth, Wis., in place of C. C. Corbett. Incumbent's commission expired April 28, 1934.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 15 (legislative day of Mar. 13), 1935

PROMOTIONS IN THE NAVY

MARINE CORPS

James C. Breckinridge to be major general.

POSTMASTERS

ALABAMA

Velma P. Mickam, Bridgeport.
Alida J. Cox, Spring Hill.

CALIFORNIA

Ford E. Samuel, Alameda.
Raymond P. Hawkins, Alleghany.
Carl T. Mills, Angels Camp.
Will A. Shepard, Auburn.
Joe H. Moore, Calipatria.
Josephine M. Costa, Downieville.
Hazel M. McFarland, Folsom City.
Clara M. Scott, Kerman.
Nathan L. Rannells, La Jolla.
Alice E. Tate, Lone Pine.
Vernie E. Sherraden, Ludlow.
William T. Martin, Montague.
Louis A. Thomas, National City.
Julia A. Monahan, Newcastle.
Suda B. Gallaher, Orange Cove.
Arvin P. Ralston, Patterson.
James R. Simmons, Pismo Beach.
William A. Needham, Rialto.
Manuel Dos Reis, Jr., San Anselmo.
Donald M. Stewart, San Diego.
Amelia S. Rose, San Lorenzo.
Lowell C. Pratt, Selma.
John W. Russell, Tujunga.
Clarence H. Godshall, Victorville.
Edward I. Leake, Woodland.
Fred C. Alexander, Yosemite National Park.
Robert H. DeWitt, Jr., Yreka.

CONNECTICUT

Moses W. Rathbun, Noank.
William M. Logan, West Cheshire.

GEORGIA

Moses J. Guyton, Dublin.
Nell Raley, Mitchell.
Sam Tate, Tate.
Willie B. Persons, Warm Springs.

KENTUCKY

Clifford O. Ducker, Butler.
Dennis L. Sullivan, Corinth.
Homer J. Northcutt, Covington.
Marie M. LeBray, Nazareth.
Mary Virginia Garvey, Sanders.

MISSOURI

Robert L. Ellis, Ava.
Raymond K. Elliott, Bunceton.
C. Leslie Parks, Cole Camp.
Elmer E. Sagehorn, Concordia.
William O. Morris, Eugene.
Ivan Nile Knowles, Green Castle.
Sadie E. Burnett, Norwood.
Youree Douglas Adair, Odessa.
Mary T. Barnes, Pilot Grove.
Harry F. Allen, Powersville.
Eva G. Allen, Rutledge.
Earl A. Seay, Salem.
Edward J. Dempsey, Shelbina.
Abe Paul, South West City.
Edward J. Fry, Stover.
Clinton O. Brockman, Tuscumbia.
Victor V. Long, Waynesville.
J. Talmage Loyd, Winona.
Mabel Smulling, Wyaconda.

NEW YORK

Howard R. Stevens, Hopewell Junction.
Edward A. Laundree, Keesville.
Frederick J. Clum, Pawling.
Robert P. Dumas, Plattsburg.
Mary E. Gainor, Salem.
Edward Fennell, Savannah.

NORTH CAROLINA

Wiley H. Taylor, Beaufort.
Robert D. McLeod, Biscoe.
Willard T. Martin, Bryson City.
Richard Homer Andrews, Burlington.
George E. Walker, Hemp.
Ernest W. Ewbank, Hendersonville.
Anna D. Rathbone, Lake Junaluska.
Raymond R. Eagle, New Bern.
George W. Stuart, Troy.
Sterling B. Pierce, Weldon.
Montgomery T. Speir, Winterville.

OHIO

Gerald L. Whaley, Fayette.
Lee B. Milligan, Lowellville.
Albert P. McQuade, New Straitsville.
Paul F. Dye, Urbana.

OREGON

Vincent Byram, Gold Beach.
Volney E. Lee, North Powder.
William Reid, Rainier.
Emil F. Massing, Vernonia.

UTAH

A. Clair Ford, Kanab.
Anna M. Long, Marysvale.
William Brooks, St. George.
William Hazen Hillyard, Smithfield.

WISCONSIN

George H. Kilb, Adell.
Grant E. Denison, Carrollville.
Joseph K. Hesselink, Cedar Grove.
Basil J. Faherty, Cuba City.
Clarence L. Jordalen, Deerfield.
Leonard J. Mulrooney, Fennimore.
James D. Cook, Marinette.
John Bichler, Port Washington.
Mae McCoy, Sparta.
Carl C. Schlecht, Woodruff.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 15, 1935

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou God of love and mercy, whom Jesus taught us to call Father, Thy providence stands again most blessed. Enable us each day to prove ourselves worthy of our God and our Father. Gracious Lord, our country, what a priceless

heritage it is, with its splendid traditions, sacred institutions made possible by our heroic sires. O may it continue to challenge our loyalty and thrill the hearts of our people of every section. Seated as we are in the high councils of state, conceived as a sacred trust, do Thou put Thy hand upon us. Make us sensitively conscious of our everlasting obligations which we cannot escape. While Thou art God, and truth is truth, there can be no world, no star, and no universe where it is not best to deal justly and love mercy. Thy unyielding commandment is written over all things. Heavenly Father, lead us by the word of Thy truth, by the direction of Thy wisdom, and by the grace of Thy Holy Spirit, and Thine shall be the glory forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

PERMISSION TO ADDRESS THE HOUSE

The SPEAKER. Under the special order the gentleman from Wisconsin [Mr. BOILEAU] is recognized for 10 minutes.

Mr. BOILEAU. Mr. Speaker, yesterday the gentleman from Arkansas [Mr. FULLER] used his time to criticize some of the liberal Members of the House, representing all political parties, who got together last Saturday to determine whether or not there was some common ground upon which they could all stand. It seems rather strange to me that the gentleman from Arkansas should be the one selected to make that speech and to reprimand particularly the Democratic Members of the House who attended the meeting on last Saturday. It seems rather strange that he should be selected to make that speech, particularly in view of the fact that at the present time he enjoys the distinction of being chairman of the Democratic patronage committee.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. O'CONNOR. Has the gentleman any information that the gentleman from Arkansas was "selected"?

Mr. BOILEAU. It seems so; perhaps I am mistaken.

Mr. O'CONNOR. The gentleman is wrong in the use of that word. I think it was done under the personal responsibility of the gentleman from Arkansas.

Mr. BOILEAU. The gentleman from Arkansas in reply to a question did not state whether or not he was speaking in behalf of the leaders; I do not know whether he was or not, and I do not care. The fact remains that the Democratic chairman of the patronage committee saw fit to make the speech, and undoubtedly it was an attempt to intimidate those members of the Democratic Party who saw fit to affiliate themselves to the extent of attending a meeting with other liberal Members of this House, from all political parties, in an effort to see whether or not some common ground could not be found so that they might make a concerted effort to advance a legislative program in which they were all vitally interested.

I find no fault with any group of conservative or reactionary Members of this House who join together to further legislation in which they are interested, nor do I find fault with such gentlemen working together in an effort to stop legislation of a progressive or liberal nature in which they have an interest and to which they are opposed. This is the prerogative of every Member of this House of Representatives.

I want to say to the distinguished gentleman from Arkansas that I do not believe that any of the gentlemen who attended that meeting can be intimidated by his speech, which might properly be construed as a threat to take patronage from them or to discriminate against them so far as patronage is concerned should they continue to advance liberal and progressive legislation. I want to say in passing—and it may be of interest to some of the Members of this House who have not been here longer than this one term—that some of us who are called "progressives" and who are now designated as being progressives have served here as Republicans during the Seventy-second, Seventy-third, and other Congresses. I myself had the honor of serving in this House as a member of the Republican Party in the Seventy-second and Seventy-third Congresses. I wish to say to my Democratic friends, particularly those who attended our meeting on last Saturday, that during the Seventy-second Congress, when Mr. Hoover was President, I had no patronage; I was not given the opportunity of naming postmasters. During those entire 2 years I did not name or appoint a single man or woman to a single governmental position. As a matter of fact, I made no effort to be given consideration so far as patronage was concerned; I made no effort whatsoever. Patronage was not given to us; we were not considered to be regular enough; and I want to say to my Democratic friends that we did not feel that we were deprived of anything of real value to us.

After all, those of us who have more or less liberal tendencies should work for a merit system in government and should not be seeking the privilege of handing out political plums to people because of political advantages or political favor. It is really of no advantage to a Member of Congress to have the choice of saying which of four or five men shall be postmaster of Podunk. I do not think it helps any Member of Congress. I feel that the liberal Members, Democrat or Republican, agree with me when I say that as liberals and progressives, they will not be intimidated by the threat of having patronage taken from them.

The gentleman from Arkansas stated that our meeting was more or less of a joke. Possibly we will not be in a position to materially influence legislation in this Congress; but I want to call to the attention of the gentleman from Arkansas that a similar group was organized in the Seventy-second Congress, with the gentleman from New York, Mr. LaGuardia, who was then a Member of the House, the head of that liberal group in the House of Representatives.

There were only about 20 or 21 Members of the House affiliated with that group, but because of the fact that the Republican and Democratic Members of the House were so evenly divided, this small group was in many instances able to wield the balance of power. We cannot expect in this Congress, where there is such a large majority of Democratic Members, to be able to wield that balance of power.

Mr. SNELL. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from New York.

Mr. SNELL. Is it not a fact that when Mr. LaGuardia formed that group he had considerable encouragement from the Democratic side of the House?

Mr. BOILEAU. He had a good deal of support from that side of the House. There were several Members of the Democratic Party; more Republicans than Democrats, I hasten to add.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Texas.

Mr. JOHNSON of Texas. Is not the gentleman receiving considerable encouragement now from the Republican side of the House?

Mr. BOILEAU. There are many Republican Members who are willing to go along with us and may I say there are many Members who were not at that meeting last Saturday who during the past few months have been urging the creation or formation of this so-called "liberal group", who will go along with us, not with the intention of trying to run the Congress but for the purpose of uniting in our efforts to attempt to enact certain legislation.

Mr. KVALE. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Minnesota.

Mr. KVALE. May I ask the gentleman if any Member of this group is interested at all in partisan politics?

Mr. BOILEAU. No.

Mr. KVALE. And do they expect anything but criticism from conservative or reactionary members of any party in their efforts?

Mr. BOILEAU. Past experience justifies the assumption that nothing else should be expected.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Pennsylvania.

Mr. DUNN of Pennsylvania. In that meeting that was held, was there any mention of a third-party movement?

Mr. BOILEAU. No; there was not.

Mr. DUNN of Pennsylvania. Can the gentleman state what our policy or program will be?

Mr. BOILEAU. I want to state that the policy or program has not yet been definitely formulated or submitted to the group; so I do not feel justified in making a statement in reference to that matter. I do want to say, however, that before any policy is agreed upon it will be submitted to this entire group for their approval or rejection, and I may say further that there will not be an attempt on the part of anyone in that group to bind every Member of the group on every vote for everything that may be advocated or for any program that we may advocate.

Mr. MAY. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Kentucky.

Mr. MAY. If there should be a vital swing in the public sentiment within the next year, the gentleman and his followers might be in position to have something to say about legislation?

Mr. BOILEAU. The gentleman should not use the word "if", because the swing is definitely here.

Mr. MAY. Has the gentleman that thought in mind?

Mr. BOILEAU. No; not in the least. We as representatives of the people want to get together to discuss these matters without asking the permission of the leaders of any political party. We want to get together and submit a united front.

Mr. MAVERICK. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Texas.

Mr. MAVERICK. Does not the gentleman think it is a little bit stupid of certain Democrats to give the Progressive movement so much advertising?

Mr. BOILEAU. I think, perhaps, it is. Of course, we are very much pleased that they saw fit to give us that advertising.

Mr. HULL. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Wisconsin.

Mr. HULL. So far as our general program is concerned, they will probably find a considerable portion of it in both the Republican and Democratic platforms next year, just as they found a good part of the 1931 and 1932 programs in both of the party platforms last year.

Mr. BOILEAU. Yes.

[Here the gavel fell.]

Mr. BOILEAU. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. TARVER. Mr. Speaker, reserving the right to object, it has been the hope of Members from the South, who are interested in the possible amendment of the Bankhead cotton-control bill, that we might finish the pending appropriation bill today and have an opportunity to consider the amendatory features of the cotton-control bill tomorrow. I shall not object to the gentleman's request for an additional 5 minutes, but I will object to any further unanimous-consent requests to address the House, or to any further requests for extension of time.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. HULL. May I be permitted to make another statement that might be of interest to every Member on the other side of the aisle. About 8 months ago the President of the United States visited Green Bay, Wis., and expressed his delight upon his association with real progressives and advised of the inspirations he got by coming out into a real progressive atmosphere.

Mr. BOILEAU. I thank the gentleman.

I wish to say to those members of the Democratic Party, who apparently object to this attempt on the part of certain Members of this House to get together in this so-called "liberal group", that we in Wisconsin, as Progressives, have supported the President on the floor of the House of Representatives to a far greater extent than many of the members of the Democratic Party.

Mr. RANKIN. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Mississippi.

Mr. RANKIN. The gentleman from Wisconsin [Mr. BOILEAU] keeps referring to the Democratic Party. May I say that I have heard the speech made on yesterday by the gentleman from Arkansas [Mr. FULLER] discussed by every Democrat I have come in contact with, and I know that what was said by him at that time does not represent the views of the Democrats now in the House of Representatives. [Applause.]

Mr. BOILEAU. I thank the gentleman for his observation.

I want to say that we in this group are vitally interested in the enactment of legislation for the assistance of agriculture. We feel that the agricultural program, especially with reference to the refinancing of farm-mortgage indebtedness, has been woefully inadequate. Perhaps the gentleman from Arkansas does not need any additional help down there in Arkansas for his farmers. I thought yesterday he was of the opinion that the people in Arkansas were getting along pretty well, and it came as a shock to me this morning when I heard the testimony of one gentleman before the Committee on Agriculture. This gentleman is one of the prominent farm leaders of this Nation who knows the conditions now existing among the farmers of the Nation.

He was speaking with reference to the Frazier-Lemke refinancing bill and this farm leader said, "Right down in Arkansas now we ought to have this bill operating." He pointed to Arkansas as the one State in the Union that is a shining example of the need of relief among the farming people. He pointed to that State as one of the States that need the enactment of the Frazier-Lemke refinancing bill, and then I asked him this question, "Is it the gentleman's opinion that the State of Arkansas is worse off than any other State of the Union so far as the farmers are concerned", and he answered that this is his understanding.

The gentleman from Arkansas perhaps is willing to support the Frazier-Lemke bill. We in this liberal group are asking for the enactment of this legislation, we are asking for other liberal legislation and we are asking for this in an effort to redeem our pledges made to the people during the last campaign. There are many more of you on the Democratic and Republican sides who should be willing to affiliate with us and support the program we have in mind, because many of you, while you were campaigning, expressed your approval of the legislation that we shall probably recommend to the House of Representatives.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. I yield, gladly.

Mr. O'CONNOR. The gentleman was looking in my direction.

Mr. BOILEAU. I assure the gentleman I had no such intention. I have too high regard for the gentleman from New York to point to him in that way.

Mr. O'CONNOR. I can assure the gentleman that in the last Congress I voted for the Frazier-Lemke bill, as did many other Democrats.

Mr. BOILEAU. And I can assure the gentleman that I appreciate it, and I wish to say further that I have never had occasion to make any remarks with reference to the gentleman from New York, except those of a complimentary nature.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. TRUAX. I want to say to the gentleman that some of us have been quite active in the State of Ohio for the enactment of the Frazier-Lemke bill, and I would suggest that some of the progressives on that side join with the progressives on this side, and I would call the attention of the gentleman to the fact that in the Ohio Legislature the house passed a redistricting bill this week supported solidly by the Republicans, because they do not like the progressive Democrats back in Ohio.

Mr. BOILEAU. I wish to emphasize as strongly as I know how that I believe that the gentlemen who have served

with me during the short time I have served here will agree that, so far as I am concerned, I have not been influenced by party considerations in support of or opposition to any of these bills, and I think I can say for those who have affiliated themselves with our group that they are not motivated by any party considerations. We expect to support or oppose legislation entirely upon the merits of such legislation as we see them. It is true that we have a political philosophy which is, perhaps, more liberal than many of you can subscribe to, and we ask you to accord to us the right we readily accord to everyone to be guided by his own conscience, and we expect to go ahead and work for the legislation we favor regardless of what any man or any group of men may have to say and regardless of any threats that may be made as to the possible treatment that will be accorded to those of us who go along in this fight for economic justice.

The papers carried a statement the other day to the effect that the gentleman from Minnesota [Mr. KVALE] was going to call a meeting for tomorrow. I do not know whether a call has been sent out as yet or not, and I speak only for myself as these remarks are made, without any authority from any group, but I wish to say that if we do have a meeting, we will welcome all of you gentlemen who may have liberal views to join with us and go along with our program. [Applause.]

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and forty Members present, not a quorum.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, when the following Members failed to answer to their names:

[Roll No. 28]

Allen	Ellenbogen	Johnson, W. Va.	Reilly
Andrew, Mass.	Englebright	Kahn	Richardson
Andrews, N. Y.	Evans	Kennedy, N. Y.	Romjue
Bacon	Farley	Kerr	Russell
Bankhead	Ferguson	Kleberg	Sadowski
Berlin	Fish	Knutson	Sanders, La.
Binderup	Ford, Calif.	Kopplemann	Schneider
Brennan	Frey	Lamneck	Sears
Brooks	Fulmer	Lea, Calif.	Sisson
Brown, Mich.	Gambrill	Lemke	Smith, W. Va.
Bulwinkle	Gasque	Lewis, Md	Snyder
Cannon, Wis.	Gifford	McKeough	Spence
Cartwright	Goldsborough	McLeod	Stack
Chapman	Granfield	McMillan	Starnes
Claiborne	Green	McReynolds	Sweeney
Clark, Idaho	Greenwood	Maloney	Taber
Clark, N. C.	Gregory	Meeks	Taylor, S. C.
Cole, N. Y.	Griswold	Millard	Terry
Cravens	Hancock, N. Y.	Monaghan	Tobey
Cross, Tex.	Hancock, N. C	Montet	Treadway
Crowther	Harlan	Norton	Vinson, Ky.
Dear	Harter	Oliver	Wadsworth
DeRouen	Hess	O'Malley	Wigglesworth
Dingell	Higgins, Mass.	Palmisano	Williams
Dockweiler	Hill, Ala.	Parks	Wolcott
Doutrich	Hill, Samuel B.	Pettengill	Wolfenden
Duffey, Ohio	Hollister	Peyser	Woodruff
Eaton	Jacobsen	Reece	
Ekwall	Johnson, Okla.	Reed, N. Y.	

The SPEAKER. Three hundred and seventeen Members have answered to their names. A quorum is present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The motion was agreed to.

The doors were opened.

T. V. A. AND TAXATION

Mr. TURNER. Mr. Speaker, I hold in my hand two resolutions, no. 3 and no. 25, adopted by the General Assembly of the State of Tennessee. No. 3 refers to certain public works in the Tennessee Valley and its tributaries, and no. 25 refers to 2897, an act to regulate interstate commerce by granting the consent of Congress to taxation by the several States of certain interstate sales. I ask unanimous consent that these two resolutions be placed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. TURNER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolutions of the General Assembly of the State of Tennessee:

Senate Joint Resolution 3

Whereas the development of the natural resources of the Tennessee Valley by the construction of a series of dams in the Tennessee River and its tributaries is one of the most important measures advocated by President Franklin D. Roosevelt as part of his program of national recovery and permanent improvement of social and economic conditions in our Nation; and

Whereas the Tennessee Valley Authority, the agency by and through which this program is being carried out, has, according to statements given to the public press, included in its schedule or list of dams to be eventually constructed as part of such program a dam known as "Whites Creek Dam" in the Tennessee River near Rockwood, Tenn., a dam in the Tennessee River near Chattanooga known as the "Chickamauga Dam", and a dam on the Hiwassee River near Charleston, Tenn., known as the "Hiwassee Dam"; and

Whereas the President of the United States in a recent message to Congress has declared it to be the policy of the Federal Government to abandon the so-called "direct relief or unemployment dole" and in lieu thereof to give the unemployed of the Nation work relief or jobs on constructive Public Works projects of permanent usefulness and value; and

Whereas in the three counties nearest to the Whites Creek Dam site there is the most wide-spread and acute unemployment and distress of any like area in the State of Tennessee, about 50 percent of the 50,000 population of that area being dependent upon public charity on account of the suspension of mining and manufacturing enterprises; and there being a great deal of distress and a large number of unemployed in the counties adjacent to the Chickamauga and Hiwasse Dam sites; and

Whereas the said dams would serve the fourfold purpose of navigation, flood control, hydroelectric power, and unemployment-relief projects, and their immediate construction would operate to carry into effect the announced policy of President Roosevelt regarding the substitution of work relief for direct relief in a section of the State where ordinary work-relief projects cannot adequately absorb the existing unemployment; and

Whereas the building of said three dams would open the Tennessee River to navigation from the junction of the Clinch and Tennessee Rivers to the Ohio River and as a result would make possible the resumption of the iron and coal industries in the Rockwood area and elsewhere in the east Tennessee Valley and bring about permanent reemployment of thousands of men in private industry who are now dependent on Government relief: Therefore be it

Resolved by the Senate of the State of Tennessee (the house of representatives concurring), That we respectfully urge and petition the President of the United States and the Directors of the Tennessee Valley Authority to give early and favorable consideration to plans for commencing actual construction work on the Whites Creek, Chickamauga, and Hiwassee Dams during the year 1935, rather than leaving said dams to some unascertained future date, and that we further respectfully urge and petition all Members of the Tennessee delegation to Congress to work and vote for the enactment of any and all legislation and the passage of all appropriations necessary to insure the starting of work on said dams during the current calendar year: And be it further

Resolved, That copies of these resolutions be forwarded to the President of the United States, to the Chairman of the Tennessee Valley Authority, and to all Members of the Tennessee delegation in Congress.

Adopted January 11, 1935.

W. P. MOSS,
Speaker of the Senate.
WALTER M. HAYNES,
Speaker of the House of Representatives.

Approved January 11, 1935.

HILL MCALISTER, *Governor*

Senate Joint Resolution 25

Whereas necessity for property tax relief is imperative in Tennessee as well as in other States throughout the Union; and

Whereas 26 States, in an effort to afford property-tax relief and to provide revenue for essential functions of government, have enacted laws imposing taxes based upon or measured by sales of tangible personal property purchased and delivered in such State; and

Whereas no less than 65 percent of the population of the United States now resides in States with such laws; and

Whereas by virtue of judicial interpretation of the Federal Constitution, the States may not levy without the consent of Congress, taxes based upon or measured by sales moving in interstate commerce; and

Whereas as a result of such an interpretation there is a discrimination in favor of interstate sales as against intrastate sales; and

Whereas such discrimination, if permitted to continue, will tend to divert business from normal channels in Tennessee and elsewhere throughout the Union, thus subjecting local merchants to unfair competition; and

Whereas it is of vital importance to the welfare of the people of the United States that all things be done to promote the stability of local business in order that the financial structure of Tennessee and other States throughout the Union may be preserved; and

Whereas it rests within the power of Congress to permit the States to levy nondiscriminatory taxes upon sales in interstate commerce; and

Whereas the Honorable PAT HARRISON, Senator from Mississippi, introduced a measure at the second session of the Seventy-third Congress designed to afford the States relief in this matter, and reading as follows:

"S. 2897

"An act to regulate interstate commerce by granting the consent of Congress to taxation by the several States of certain interstate sales

"*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That all taxes or excises levied by any State upon sales of tangible personal property, or measured by sales of tangible personal property, may be levied upon or measured by sales of like property in interstate commerce by the State into which the property is moved for use or consumption therein in the same manner and to the same extent that said taxes or excises are levied upon or measured by sales of like property not in interstate commerce, and no such property shall be exempt from such taxation by reason of being introduced into any State or Territory in original packages or containers, or otherwise: *Provided*, That no State shall discriminate against sales of tangible personal property in interstate commerce, nor shall any State discriminate against the sale of products of any other State: *Provided further*, That no State shall levy any tax or excise upon or measured by the sales in interstate commerce of tangible personal property transported for the purpose of resale by the consignee: *Provided further*, That no political subdivision of any State shall levy a tax or excise upon or measured by sales of tangible personal property in interstate commerce. For the purposes of this act a sale of tangible personal property transported or to be transported in interstate commerce shall be considered as made within the State into which such property is to be transported for use or consumption therein whenever such sale is made, solicited, or negotiated in whole or in part within that State.

"SEC. 2. Receivers, liquidators, referees, and other officers of any court of the United States are required to pay all taxes and licenses levied by any State or subdivision thereof the same as corporations, partnerships, concerns, persons, or association of persons are required to pay the same"; and

Whereas said measure was passed by the Senate on March 15, 1934, but was not voted upon by the House of Representatives and hence did not become law; and

Whereas need for such legislation is imperative in order to correct grave injustice in Tennessee and in all other States throughout the Union where taxes are based upon or measured by sales of tangible personal property: Now, therefore, be it

Resolved by the Senate of the State of Tennessee (the house of representatives concurring), That the Congress of the United States be, and it is hereby memorialized, to give relief to the State of Tennessee and all other States imposing taxes based upon or measured by sales of tangible personal property by immediately providing for the regulation of interstate commerce through granting consent to taxation by the several States of certain interstate sales as provided by the measure (S. 2897) introduced by Senator HARRISON during the second session of the Seventy-third Congress; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, to each of the Members from Tennessee of the Senate and the House of Representatives of the United States, and to the Honorable PAT HARRISON, United States Senator from Mississippi, author of the measure which would afford the States relief in this important matter.

Adopted February 20, 1935.

W. P. MOSS,
Speaker of the Senate.
WALTER M. HAYNES,
Speaker of the House of Representatives.

Approved February 21, 1935.

HILL MCALISTER, *Governor.*

BACK TO THE CONSTITUTION

Mr. TRUAX. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an article written by me.

The SPEAKER. Is there objection?

There was no objection.

Mr. TRUAX. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

In asking Congress for immediate passage of the $4 800,000,000 relief bill, Emergency Relief Administrator Hopkins stated that there are 20,000,000 persons now on the Federal relief rolls.

This is about twice as many as there were 2 years ago and emphasizes the need for immediate and drastic action by Congress to take some practical steps to cure the depression, which started in October 1929 and has been getting steadily worse ever since.

Briefly, Congress should at once enact the following legislation:

(1) Pass the Patman adjusted-compensation bill for veterans of the World War.

(2) Enact the Truax moratorium bill.

(3) Authorize the Home Owners' Loan Corporation to issue an additional $1,250,000,000 of bonds to grant additional relief to distressed home owners, in which distress shall be the sole basis for granting of a loan.

(4) Pass the Frazier-Lemke farm-mortgage-relief bill.

(5) Enact an immediate program of controlled currency expansion.

(6) Redistribute wealth by a capital levy on all individual holdings over $1,000,000 and limit incomes to $50,000 a year.

(7) Repeal the National Bank Act of 1864 and extend Government control and operation to the banking business.

Such a program cannot help but relieve from one-half to three-quarters of our unemployment and will not add to the tax burden and bond-issue menace of the United States, which during the past 2 years has only benefited the big bankers of Wall Street and other large financial centers.

The Patman "bonus" measure should be immediately passed because that can do the greatest amount of good in the shortest space of time. The passage of the Bacharach bill in 1931, permitting World War veterans to "borrow" half the money which has been due them since 1918, brought the only appreciable upturn in business we have had since 1929. (See February 1932 Plain Talk for details.)

The Patman measure, rather than the American Legion measure, should be passed because the former will benefit the country immensely by the immediate placing of $2,000,000,000 into circulation by the war veterans (who really put what they have into circulation).

The "bankers' delight" measure, as embodied in the Vinson bill, will, while benefiting the veterans, bring additional benefits to the coupon-clipping bankers and multimillionaires instead of to the people as a whole, as will the Patman bill.

The second item in this agenda is my moratorium bill (H. R. 3650). This bill will establish a uniform system of bankruptcy throughout the United States and will make a farmer or home owner who has to default on his mortgage or taxes a bankrupt instead of permitting his creditors to sell the property over his head and throw him out into the street and into the bread lines.

This is very necessary emergency legislation to shorten the relief rolls while Congress has time to do something about the depression.

The third item is also embodied in a bill introduced by me, H. R. 4138. Under it severe penalties will accrue to those dishonest and incompetent officials of the Home Owners' Loan Corporation who make loans for personal or political reasons. Only the distress of a home owner or mortgagee can be the basis for a loan, and the Corporation is given an extra billion and a quarter to further relieve distress of American home owners with.

The Frazier-Lemke farm-relief and mortgage bill should be passed without any more delay and shameless political shilly-shallying which marked its fate in the House last year. It will, if and when enacted, refinance loans on farms at 1¼-percent interest.

Even if we pass the Frazier-Lemke bill today we would merely give most farmers an opportunity to repurchase their farms and pay for them the second time at the low interest rate. But the best feature of this bill from the standpoint of all of the American people is that it means a direct expansion of the currency.

Immediate expansion of the currency is necessary. All economists and even the thick-headed professors of the "brain trust" admit that most of our economic troubles is caused by what they call a "money famine."

How, then, can this money famine be dissolved except by the Government issuing more currency or the bankers issuing more currency? If we should give the national bankers the special privilege of issuing five billions in new currency, instead of permitting Congress to go back to the Constitution and issue it in the name of the Federal Government, we would have no hue and cry against currency expansion.

We have to expand the currency. We must call in some of those tax-exempt bonds and pay them off before they are repudiated. Instead of financing relief work with bond issues, which only relieves the bankers in the long run, we must do that with non-interest-bearing Treasury certificates.

With the supply of gold and silver bullion now in the vaults of the Treasury Department we could justify an additional issue of $20,000,000,000 in currency and put it in circulation.

Let us judge the merits of inflation by the process of elimination. Whom will it hurt? Will it hurt the farmer, who is down and out and has lost nearly $40,000,000,000 in the diminished value of his properties?

Will new currency hurt the soldier, who now, in most cases, is without property, without income, and without a job?

It cannot hurt him, but, on the other hand, if we pass the Patman adjusted-compensation measure, its benefits will be observed not only in the ex-soldiers' own homes but in every avenue of trade and in every line of commerce that comes in contact with the World War veteran—the butcher, the baker, the candlestick maker.

The third distressed class is the wage earners who are receiving barely enough to eke out existences. Inflation cannot hurt them. They have everything to gain and nothing to lose by it.

The small business man and the independent producer constitute the fourth class of people who are in distress. Will inflation hurt them? No. On the other hand, it will assist them in every way possible.

It will mean that the independent factories which are now "flat on their backs" because of the lack of financing can open up once more and put millions of our idle to work. These industries cannot now borrow money from the bankers. They cannot borrow money from the Government agencies, as was so amply demonstrated when we reauthorized the Reconstruction Finance Corporation to continue in existence.

The R. F. C. reported that it had allotted something like $36,000,000 in loans to industry, when, as a matter of fact, they actually only loaned about $6,000,000, and they won't do much better in the future.

In the Corporation's report, recently submitted to Congress, it showed that a net profit of a little better than $65,000,000 had been made by this Federal agency on a capitalization of $500,000,000. In addition to that, they have to their credit more than $5,000,000 of accrued dividends on stocks and bonds of banks and trust companies.

That is a total net profit of 16 percent on their capitalization of $500,000,000. That should be a lesson to every citizen of the United States as to the absolute need for national control of the banks of this country. Let the Government issue the money instead of letting the banks do it.

Senator HUEY LONG, of Louisiana, has given the country the best picture of how redistribution of wealth can solve many of our economic problems. I feel that Huey is too liberal with the nonproducing multimillionaire class.

Whereas the all-American Kingfish would limit incomes to $1,000,000 a year, inheritances to $5,000,000 per individual, and property and cash accumulation to $50,000,000, I believe the time has come when a greater reduction in these swollen, excessive, depression-breeding private fortunes must be made.

Hence, Congress could well enact a capital-levy tax, making all fortunes over $1,000,000 accrue to the Federal Government and the several States and limiting incomes of individuals to $50,000 a year. This would automatically take care of inheritance.

Probably $20,000,000,000 would immediately accrue to the Government, as the Treasury Department has estimated that fifteen billion would accrue under the HUEY LONG figures. This would retire a lot of our bond issues, reduce our interest bill to the big bankers each year considerably, and enable the Government and States to put millions to work on useful public-works projects without endangering the public credit or injuring anyone in the least.

The recent change of expensive art works from the House of Morgan to the House of Ford for $1,500,000 is a splendid object lesson for our Ways and Means Committee to work on in considering taxation. This amount would buy 6,000,000 meals for hungry Americans. The lesson we learn from this is that we should have a very high tax on art works valued at over $5,000 per unit—the rate at least 100 percent.

One of the greatest rackets in the country today is the unconstitutional National Bank Act, passed during the Civil War over the resistance of President Lincoln. Lincoln's Secretary of the Treasury (Salmon P. Chase), who afterward became a member of the United States Supreme Court, showed extreme penitence for his part in jamming it through a docile and bewildered Congress when it was too late.

This Congress should repeal it. Better still, it should be challenged in the courts. I do not doubt that the Supreme Court would throw it out on stronger grounds than they threw out the section of the N. R. A. Act dealing with "hot oil" shipments, since it is patently more unconstitutional than the 1933 measure.

Under the National Bank Act, Congress abrogates its constitutional powers to coin money and regulate its value. The amazing thing about it is that our Supreme Court has just said Congress cannot check its constitutional rights to another branch of the Government.

How then could the principle of the Congress, giving its power to private bankers, be sustained? The answer is that it can't.

Under this special privilege, national bankers, by a process thoroughly explained in the July 1934 issue of Plain Talk, make a profit of from 9,583 to 13,333 percent on their money. This profit comes out of the pockets of the American taxpayers.

This racket makes the activities of the Capones and Dillingers, and even of the Daweses and Insulls and Mitchells, pale into insignificance.

Congress should go back to the Constitution. It should, in the words of Al Smith, throw out of the window all of the half-baked professorial gentry who are having a good time experimenting, not so much with government as with human misery.

While the professors are having a good time, and while the millionaires are getting richer and richer (see the last report of the Internal Revenue Bureau), millions more are added to the long lines of starving American citizens.

"Back to the Constitution" is a good slogan for Congress to adopt if it really intends to put its words into action and break the back of the ever-increasing depression.

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a resolution adopted by the City Council of the City of Belle, Calif., with relation to the program of the President for public works.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The resolution is as follows:

MARCH 5, 1935.

Hon. CHARLES KRAMER,
United States Representative, Washington, D. C.

DEAR SIR: The following is an excerpt from a minute resolution adopted by the City Council of the City of Bell, Calif., at its meeting held March 4, 1935, submitted to you for your consideration:

"Whereas in connection with President Roosevelt's proposal of providing funds to inaugurate a works program for the relief of the unemployed throughout the United States, and in view of the statements which have been made in the press that due to certain amendments to the proposal which have been made, there is a possibility of the works program being discarded and substituted by the direct dole; and

"Whereas it is the opinion of the City Council of the City of Bell that the program as proposed by the President is constructive and forward-looking and will result in vastly more benefit to the city of Bell, to those needing employment, and for the future upbuilding of national resources than to inaugurate a dole system: Now, therefore, be it

"*Resolved*, That the Bell City Council does hereby express its approval of the President's plan of relief by the construction of worth-while projects in order to provide employment to those needing it."

Respectfully submitted.

E. P. FOLSOM, *City Clerk.*
By MARY LEE KNOLES, *Deputy.*

AGRICULTURAL APPROPRIATION BILL

Mr. SANDLIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 6718) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. COOPER of Tennessee in the chair.

The Clerk read the title of the bill.

The Clerk, proceeding with the reading of the bill, read to the bottom of page 4.

Mr. CANNON of Missouri. Mr. Chairman, this bill marks a significant milepost in the history of this Congress. We have now consumed about half the session. The most important part of the session is behind us. Any major legislation not now definitely under way has little likelihood of receiving serious consideration at this session of Congress.

When the House convened in January, one of the principal items on the legislative program was farm relief. It was generally recognized that national recovery was inseparably associated with farm recovery. The depression had its inception in discrimination against agriculture. The calamity started on the farm. When farm prices dropped so low that the farmer could no longer buy, industry could no longer sell. And when industry could no longer sell, the factories could no longer operate. And when the factories closed, labor could no longer find a job. We must start at the beginning. The first step on the road to recovery is to pay the farmer a price for his products which will enable him again to go into the market and buy what he needs.

THE FARMER'S INCOME

The extent to which the farm has been plundered in the last 15 years is indicated by the amazing reduction in its share of the national income. The national income for 1919 as reported by the Department of Agriculture was, in round numbers, approximately $60,000,000,000. Of this $60,000,000,000, the farmers of the Nation received seventeen billion, and labor and industry took forty-three billion. Today the national income is fifty-two billion, and agriculture receives only seven billion, while labor and industry take forty-five billion.

Strangely enough, as the farmer's income went down his costs of production went up. Labor and industry paid him less for the food they bought from him, and charged him more and more for everything they sold him.

PRICES RECEIVED AND PRICES PAID

The change in the prices industry paid the farmer for food and the prices industry charged him for manufactured goods

in 1914 and 1934 are reported at page 895 of the hearings on this bill, as follows:

Farm prices of specified farm products and prices paid by farmers for selected items of farm machinery, specified years

[Statistical and Historical Research; compiled from records of Division of Crop and Livestock Estimates]

Item	1914	1934
Hogs	$7.57	$4.25
Wagons	73.25	108.92
Sheep	4.79	2.96
Telephone, per month	1.00	2.50
Wheat	.87	.79
Binder	136.50	233.29
Corn	.72	.61
Cultivator	31.70	55.55
Milk	1.49	1.01
Fertilizer	17.50	23.60

Hogs, sheep, wheat, corn, milk, and other farm products went down, and wagons, telephone service, binders, cultivators, fertilizer, and other farm necessities went up.

WAGES RECEIVED AND WAGES PAID

Labor followed suit. The discrepancy in the trend of wages paid agriculture and labor during this period was brought out in the testimony of representatives from the Bureau of Agricultural Economics before the committee, as reported at page 886 of the hearings. According to statistics compiled by the Government, factory workers in 1934 were receiving 180 percent of the 1910–14 wage scale, while the farmers were receiving only 93 percent of the 1910–14 level. Industrial wages were 80 percent higher and farm wages were 7 percent lower.

It is particularly significant to note that wages for women are reported separately on the industrial pay rolls. When a woman works in the factory the family receive her wages in addition to her husband's wages; and the industrial family receive the wages of sons and daughters living in the home in addition to the wages of the mother and father. But the women and children working on the farm receive nothing. The pay of the head of the farm family is the total family income. So the discrepancy between industrial wages and farm wages is even more pronounced than is indicated by the factory increase of 80 percent and the farm loss of 7 percent.

The extent of this discrepancy is further indicated by the following tabulation at page 896 of the hearings:

Index numbers of union wage rates and hours of labor in the United States as of May each year—1914, 1919, 1926, 1932, and 1933

[Division of Statistical and Historical Research; compiled from Bureau of Labor Statistics, Bulletin 515, and November Monthly Labor Review]

Year	Rate of wages per hour	Hours per full-time week	Rate of wages per full-time week
	1913=100		
1914	101.9	99.6	101.6
1919	154.5	94.7	147.8
1926	250.3	92.8	233.4
1932	241.8	87.7	212.2
1933	231.2	88.0	203.0
	1914=100		
1914	100.0	100.0	100.0
1919	151.6	95.1	145.5
1926	245.6	93.2	229.7
1932	237.3	88.1	208.9
1933	226.9	88.4	199.8

While the wheat which labor ate was falling from 87 cents in 1914 to 38 cents in 1932, the wages of labor were rising from the index number of 100 in 1914 to 237 in 1932.

And while the farmer was working as long hours in 1932 to make his 38 cents as he had worked in 1914 to make 87 cents, labor was working only 88 percent to make 237. The farmer got less than half for the same work and labor got almost two and a half times as much for less work.

Summarizing the latest statistics available, the comparative annual compensations paid the farm family and other classes of labor in 1920 and 1934 were as follows:

Comparative salaries per annum

	1920	1934
All railway engineers [1]	$2,810	$2,818
Freight engineers [1]	2,653	2,758
Federal employees in the District of Columbia [2 3]	1,321	2,140
Wall Street executive [4]	75,000	150,000
Farm family, 5 persons [5]	1,020	485

[1] Interstate Commerce Commission.
[2] U. S. Department of Labor, Bureau of Labor Economics.
[3] The Budget, 1933.
[4] Federal Trade Commission, 1933.
[5] Department of Agriculture, Bureau of Agricultural Economics.

Carrying the comparison into the day-labor class, the change in rates of pay per day were as follows:

Union wage scales per 8-hour day

	1920	1933	1934
Carpenters, general [1]	$5.36	$8.80	$10.00
Painters, general [1]	5.20	9.02	10.00
Plumbers and gas fitters [1]	5.76	10.40	11.50
Electricians, inside wiremen [1]	5.52	10.56	12.00
Bricklayers, building [1]	6.24	11.44	12.00
Farmers, field hands [2 3]	2.84	.75	.98

[1] U. S. Department of Labor, Bureau of Labor Economics.
[2] With board.
[3] Department of Agriculture, Bureau of Agricultural Economics.

FARM PRICES DOWN AND FREIGHT RATES UP

Both labor and industry have taken advantage of the farmer for the last decade. The railroad tariffs reflecting the increases of both are typical. The less the farmer received for his products the more the railroads charged him for transporting them. They charged him more for hauling his wheat when he was selling it at a loss than when he was getting war-time prices. For example, at page 895 of the hearings on this bill we find:

Freight rate on a carload of wheat from Larimore, N. Dak., to Minneapolis

[Division of Statistical and Historical Research; compiled from records of the Interstate Commerce Commission, based on a loading of 43 tons per car, which is approximately the average in this region]

Year	Rate per 100 pounds	Freight per car
	Cents	*Dollars*
1913	12	103.20
1919	15	129.00
Present	17.5	142.50

The railroads charged him 15 cents freight when he was getting $2.15 a bushel, and charged him 17½ cents when he was getting 38 cents a bushel. The less the farmer got for his crop the more the railroad demanded for hauling it.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent to proceed for 15 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, when wheat was $2.15 fertilizer was $20 a ton, a binder was around $200; the union-labor wage scale was at 151 and freight rates were 15 cents. When wheat dropped to 38 cents fertilizer went up to $23 a ton, a binder sold for $225, the union wage scale skyrocketed to 237, freight rates jumped to 17½ cents, and other costs of production advanced in proportion. I ask you what industry could survive under such circum-

stances. Is it any wonder that millions of farmers lost their homes and half the rural banks crashed. The appalling feature of the situation was that labor and industry apparently viewed the wreckage that covered the rural districts with little concern. They continued to take his food at less than it cost him to produce it. They fatuously supposed he would continue to pay the exorbitant prices they charged him for their services and their wares indefinitely. It was only when his reserves were finally exhausted and his buying power faded and their warehouses were filled with goods for which there were no buyers that they suddenly awoke to the realization that in destroying the farmer they had destroyed themselves.

They must now understand that it is a common problem. The general encouragement of accelerated production during the war, the imposition of restrictions against the importation of foreign labor and the products of foreign industry without corresponding embargoes against foreign competition with the American farm, the refusal to grant legislative control of production and disposition of surplus products incorporated in the McNary-Haugen bills and similar farm measures, the drastic deflation of agriculture through Federal Reserve agencies, and especially the dependence of labor and industry on agriculture for their primary market, make the farm question a national question and a national obligation. This obligation is being met by the Agricultural Adjustment Administration as adequately as the present law permits. But agriculture is still far below the economic plane of labor and industry.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. With pleasure.

Mr. MAY. Does the gentleman know what amount of this disparity, if any, is due to the operation of the codes of competition and the drastic reductions under the regulations of the Farm Administration?

A. A. A. LAGS BEHIND N. R. A.

Mr. CANNON of Missouri. The codes were planned as an important link in the recovery program. Properly administered, the N. R. A. was expected to do for labor and industry what the A. A. A. is doing for agriculture. But the same selfish interests which deflated farm prices and brought on the depression, working through the codes to establish monopolies and take advantage of smaller competitors, have nullified many advantages of the recovery program.

Smaller factories in my State have had to close or reduce operations to such an extent that factory unemployment has increased instead of diminished, and the price of factory-made goods has increased so much more rapidly under the codes than the price of farm products as to practically discount the slow and inadequate increase the A. A. A. has brought about in the farm income.

Either in conception or administration, or in both, the N. R. A. has greatly retarded the recovery program. The A. A. A. has not kept pace with it.

NEWSPAPER ACCOUNTS OF FARM PROSPERITY MISLEADING

As a matter of fact, entirely too much emphasis has been laid on the slight increase in farm prices. It is true prices are higher in 1935 than they were in 1932. But they are far behind the prices of 1919, when the farmer was paying less for machinery, fertilizer, and other farm necessities than he is paying today. Here are the prices for the 3 years, supplied during the hearings by the Bureau of Agricultural Economics:

Comparative farm prices in 1919, 1932, and 1935

[Division of Statistical and Historical Research; compiled from reports of the Division of Crop and Livestock Estimates]

Item	1919	1932	1935
Hogs	$16.23	$3.47	$8.75
Sheep	9.87	2.39	8.50
Wheat	2.15	.38	.92
Corn	1.56	.28	.84
Eggs	.45	.08	.20

Departmental bulletins and newspaper articles have heralded the increase of 1935 farm prices over those of 1932 until the consuming public are beginning to believe the farm question has been solved and the farmer is prosperous again. Much has been said of the increase of the farmers' share of the national income from five billion in 1932 to seven billion in 1934. But little has been said of the drop of the farm income from seventeen billion in 1919 to seven billion in 1934 while labor and industry were increasing from forty-three billion in 1919 to forty-five billion in 1934. Here are the figures the papers never print and the consumer never sees:

Farm share of national income

[Realized income from production of goods and services based on data of (1) National Bureau of Economic Research as published in America's Capacity to Consume, by Brookings Institute; (2) U. S. Department of Commerce; and (3) Bureau of Agricultural Economics, U. S. Department of Agriculture extension of data for 1929–34 made in Agricultural Adjustment Administration]

Year	National income	Farm income	Percent
1919	$60,000,000,000	$17,000,000,000	28.3
1920	66,000,000,000	14,000,000,000	21.0
1925	73,000,000,000	12,000,000,000	16.0
1929	80,000,000,000	12,000,000,000	15.0
1930	73,000,000,000	9,000,000,000	12.3
1931	61,000,000,000	7,000,000,000	11.4
1932	48,000,000,000	5,000,000,000	10.4
1933	46,000,000,000	6,000,000,000	13.0
1934	52,000,000,000	7,000,000,000	13.4

PLEDGES TO FARMERS NOT FULLY REDEEMED

The Agricultural Adjustment Administration has rendered invaluable service. It has brought wheat from 35 cents to $1, corn from 15 cents to 99 cents, hogs from $3.30 to $10, and the price of other farm products up in proportion. But its work is only beginning. It has not yet achieved the objective set by President Roosevelt in his Topeka speech; it certainly has not yet redeemed the platform pledges of our party and all other political parties in the last election; and it will not have redeemed them until it has brought the price of a bushel of wheat up to parity with the price of a binder and the price of all farm commodities up to parity with the necessities the farmer must buy in producing those commodities. In 1919 you could buy a binder with less than 100 bushels of wheat. Today, even with the increase made by the A. A. A., it takes around 250 bushels of wheat to buy a binder. Why should not the price of work on the farm increase as fast as the price of work in the factory? When binders go up wheat should go up. And when wheat comes down binders should come down. There is no other just rule in either law or economics. Agriculture is entitled to as much consideration under our form of government as industry and labor. This Congress is pledged to secure and insure that consideration.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to Governor CHRISTIANSON of Minnesota.

A. A. A. RAISED FARM PRICES

Mr. CHRISTIANSON. Does the gentleman not give the drought some credit for the increase in the prices of agricultural products?

Mr. CANNON of Missouri. Mr. Chairman, I am certain the gentleman will agree with me that the price of corn advanced long before there was any intimation that a drought was coming. President Roosevelt issued his order to lend 45 cents on corn, and the price of corn jumped from 15 cents a bushel to 45 cents a bushel before anybody ever dreamed there was a drought in prospect.

Mr. TRUAX. And is it not true that the drought had nothing to do with the elevation of the price of wheat?

Mr. CANNON of Missouri. Nothing whatever, because it came subsequent to the rise in the price of wheat. At the time the price of wheat went up there was ample moisture and the wheat was harvested and sold and the farmer had the money in his pocket before there was any indication of dry weather. It was the Agricultural Adjustment Act which

started the advance in the price of every farm product, and it is still operating although the drought is long since past.

Mr. CHRISTIANSON. Then the gentleman believes that the law of supply and demand has also been repealed during this administration?

Mr. CANNON of Missouri. On the contrary, the A. A. A. operates through the law of supply and demand. It has reduced acreage, and in reducing acreage has reduced the supply; and under the law of supply and demand a reduced supply increases the price.

That is exactly the method and function of the A. A. A. It invokes the law of supply and demand. It has reduced the supply of pigs, and the spectacular increase in the price of hogs in the last few months is due directly and solely to the fact that the supply has been curtailed. Of course, the drought could not affect the number of pigs farrowed. The policies of the A. A. A. did affect production, and thereby pushed the price of hogs from $3.30 to more than $9 per hundred.

Mr. CHRISTIANSON. But the gentleman will agree, I believe, that the drought has reduced production considerably more than the acreage-allotment contracts?

Mr. CANNON of Missouri. Oh, of course, the drought supplemented the A. A. A. program. The Lord helps those who help themselves. [Laughter.] But the fact remains that it was the reduction in the number of hogs through the operation of the hog-corn contracts that raised the price of pork on the farm. A drought does not necessarily reduce the number of litters farrowed. An allotment contract does. But for the allotment contracts the price of hogs today would still be $3.30 or less.

INDUSTRY SET THE EXAMPLE FOR PRODUCTION CONTROL

It is amusing to see the industrialists shedding crocodile tears over the demise of "little pigs" when they have, themselves, been practicing production control for years. Testimony reported at page 893 of the hearings shows that industry reduced its output 80 percent, while agriculture reduced its production 6 percent. Whenever industry is willing to take off the brakes and produce 100 percent of their 1929 output, the farmer will be perfectly willing to open up and produce 100 percent of the 1929 agricultural output. Let them take the 80-percent beam out of their own eye before they attempt to remove the 6-percent mote from the farmer's eye.

Mr. CHRISTIANSON. Does the gentleman recognize that we are importing a million bushels of corn every week at the present time?

CROP CONTROL GIVES FARMER BENEFIT OF TARIFF

Mr. CANNON of Missouri. Certainly. We are importing a small amount of corn, but we are getting the full benefit of the tariff on our own corn for the first time since the tariff was levied. It is a sign of prosperity when the price of corn is high enough to bring in foreign corn over the tariff wall instead of being too cheap to pay importers to ship it in from the outside. Of course, if we are going to continue a tariff on industrial commodities high enough to keep the products of foreign labor out of the United States, we ought to have an agricultural tariff high enough to keep the products of foreign farmers out of competition with our American farmers. But it takes the A. A. A. to make the tariff effective. The tariff on corn was never effective under Mr. Hoover. Corn sold for 10 cents a bushel when the tariff was 25 cents a bushel. Without the A. A. A. corn would still be too low for importers to pay the tariff and bring it in. The A. A. A. gives the farmer the benefit of the tariff for the first time. Heretofore the farmer has paid the tariff on all he bought but has never had it on what he sold.

Mr. TRUAX. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Ohio.

Mr. TRUAX. Is it not true that even though we import a million bushels of corn per week, we would still be importing less than 1 percent of our corn crop, and is it not also true that the corn that is shipped into this country is of the hard, flint variety that cannot be used to feed livestock but must be ground and processed into other commodities?

Mr. CANNON of Missouri. It is not only less than 1 percent; it is less than one-half of 1 percent and, as the gentleman says, it was brought out in the hearings that this corn is of such a nature that it cannot be fed to livestock without grinding. But the very fact that the tariff on corn is low enough to admit it automatically fixes the domestic price at the figure at which foreign corn can be imported and if the high industrial tariffs which have destroyed the foreign market for our products are to be maintained we should increase our farm tariffs to a figure which will protect the American farmer from competition with the peon labor of Argentine and Mexico as effectively as factory labor is now protected against competition with the pauper labor of Europe and Japan.

Mr. WEARIN. Will the gentleman yield?

Mr. CANNON of Missouri. With pleasure.

Mr. WEARIN. With reference to the importation of corn, we would be compelled to import corn regardless of the A. A. A., in view of the fact that we have lost a great portion of our production due to the drought conditions?

Mr. CANNON of Missouri. No. With Secretary Wallace's ever normal grainery we can so adjust production under the A. A. A. as to provide ample corn to supply all domestic needs at all seasons and in all emergencies.

Mr. RYAN. Will the gentleman yield?

Mr. CANNON of Missouri. Certainly.

DECREASED ACREAGE BRINGS INCREASED INCOME

Mr. RYAN. Is it not a fact that despite the fact that production was decreased on account of the drought there has been a substantial increase in total farm income, regardless of the fact that production has fallen off?

Mr. CANNON of Missouri. Yes. That point cannot be emphasized too strongly. Crop control means income control. It insures an honest wage for an honest day's work on the farm. It insures a decent standard of living for the American family.

I am particularly glad to have the gentleman raise that question, because we frequently hear some middleman asking what is the advantage of increasing the price of the farmer's products if you do not permit him to raise anything to sell. That question is the cheapest species of propaganda. It does not require much arithmetic to show the difference in the profits on 9 acres of wheat under the A. A. A. at $1 a bushel and 10 acres of wheat under Hoover at 35 cents a bushel. Or the difference in the returns on 9 hogs at $9 a hundred under the new deal and 10 hogs at $3.39 under the old deal.

BUSINESS MEN PROSPER WHEN FARMER PROSPERS

And, of course, it is unnecessary to point out that every merchant and professional man will do many times the business with customers who are raising 9 hogs at $9 than he would do with the same customers when they are raising 10 hogs at $3.30. If the cities want more business, let them support the A. A. A. It insures farm buying power to absorb the product of the American factory and employment for American labor at a living wage in the city as well as in the country.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to my friend from Pennsylvania.

LABOR AND INDUSTRY SUPPORT FARM LEGISLATION

Mr. DUNN of Pennsylvania. I take it for granted that the farmer is in a deplorable state. What can we city Representatives do to help you poor farmers?

Mr. CANNON of Missouri. That is the proper spirit. If we could have had such cooperation as that from the city between 1920 and 1932 we would have here in America today the richest people and the greatest prosperity the world has ever seen. The city and the country are interdependent. They must rise together or fall together. Lincoln said you could not have a nation half slave and half free. It is just as true that you cannot have a nation half boom and half busted. You cannot have a prosperous city and a destitute country any more than you can have a prosperous country and a destitute city. If the gentleman will support legislation which, like the Agricultural Adjustment Act, will give

the farmer the benefit of the tariff the city has been enjoying so long at the farmer's expense, he will benefit not only the farmer but the entire Nation.

Mr. CHRISTIANSON. Did I understand the gentleman to say that the drought has not affected the corn crop at all?

Mr. CANNON of Missouri. Oh, no. The drought, of course, supplemented the crop-control program. But that came long after the efficacy of the control program has been demonstrated. Without the crop-control program corn would still have been selling at 15 cents a bushel when the drought struck. There was still ample moisture at the time the price of corn jumped from 15 cents a bushel to 45 cents overnight and continued to advance. The crop-control plan carried to its ultimate objective would not only maintain a fair price for corn in ordinary years but would provide all corn required for domestic consumption in drought years as well.

THE EVER NORMAL GRANARY PROVIDES AGAINST DROUGHTS

Mr. CHRISTIANSON. Because the loan value had been established by the Government; but could that price have been maintained? Would not the Government have sustained a loss on its corn loans if the drought had not come in and raised the price of corn by bringing into operation the law of supply and demand?

Mr. CANNON of Missouri. Certainly not. The drought could not affect the number of pigs farrowed, but we are still maintaining the price of hogs.

Mr. MOTT. Will the gentleman yield?

Mr. CANNON of Missouri. I yield.

Mr. MOTT. If it was the purpose to increase the price by reducing the supply, what is the reason for the Presidential proclamation issued last fall permitting the import of hay and straw from Canada, duty free?

Mr. CANNON of Missouri. That was due entirely to the drought and in no respect to the crop-control system. And drought and the fact that the crop-control plan had not been in operation long enough to permit the development of the ever-normal granary which would have provided hay, straw, and other essential commodities for such emergencies.

Mr. GRAY of Pennsylvania. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Pennsylvania.

MIDDLEMEN OPPOSE PRODUCTION CONTROL

Mr. GRAY of Pennsylvania. In the district which I represent in Pennsylvania the farmers seem to be unanimously in opposition to the A. A. A. I cannot understand the situation. The gentleman is pointing to the benefits which have come to the farmers from the A. A. A. There are a large number of farmers in my district, and they are against crop reduction by ukase or by any method. They are in opposition to the A. A. A.

Mr. CANNON of Missouri. I am inclined to believe that if the gentleman will investigate, he will find his local middlemen back of this purported opposition. A few middlemen who have been exploiting the farmer all these years are trying to hold on to their meal ticket by manufacturing propaganda. They do not reflect the opinion of the farmers who are informed. No sane farmer will object to a measure which will double the price of his hogs, triple the price of his wheat, quadruple the price of his eggs, and quintuple the price of his corn.

Mr. ENGEL. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield.

TARIFF INEFFECTIVE WITHOUT PRODUCTION CONTROL

Mr. ENGEL. On pages 3504 and 3505 of the CONGRESSIONAL RECORD appears an article from the Des Moines (Iowa) Register, inserted in the RECORD by Senator DICKINSON. The first paragraph reads as follows:

BALTIMORE, MD.—Capt. E. R. Howe, of London, immensely pleased by the roar of cranes unloading Argentine corn from the hold of his stream-lined freighter *Arcgow*, into coal cars on the Baltimore docks, concluded last week that it was Iowa's "own damn fault."

"Last year you were burning it, and this year you are buying it", he observed. "Why, they are all laughing at you in Buenos Aires."

Does the gentleman agree with that statement?

Mr. CANNON of Missouri. The very faint roar the article refers to is music in the ears of every Iowa farmer who sealed his corn at 45 cents. For the first time since the tariff was imposed, corn is high enough to pay Argentina to ship it to the United States. The Iowa farmer who sealed his corn at 45 cents is now able to sell it at 99 cents a bushel. If Mr. Hoover were still President it would still be 15 cents a bushel and the farmer could not even borrow the 45 cents.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent to proceed for 10 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, the A. A. A. has been effective beyond expectations. But its work has just begun. It is a step in the right direction but we have not yet gone far enough. We are not yet reaping its full benefits. It is true that wheat has gone to $1, but it must go to $1.50 before we are getting the relative price we received before the war. Hogs have gone to $10 when they should have gone to $15 or $18 in order to give agriculture its fair share of the national income, and in order to keep pace with the increase which industry has made in the prices it charges the farmer for the necessities with which it supplies him.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman.

INCREASING FARM BUYING POWER RELIEVES UNEMPLOYMENT

Mr. HOFFMAN. If you push the price to the height you still think necessary to compensate the farmer, would you not have to appropriate more money to take care of those people who are starving because they cannot pay present food prices? Does that have anything to do with it?

Mr. CANNON of Missouri. If you give the farmer a price that will compensate him for his labor and investment, it will be unnecessary to appropriate for these men because they will have a job and will be sustaining and self-respecting instead of dependent on charity.

Mr. HOFFMAN. Does the gentleman mean the farmer will put them to work?

Mr. CANNON of Missouri. The farmer will put them to work, and keep them at work, just as he did before the war. He will go into the markets and start buying and the factories will open and every man will have the same opportunity for employment he had in 1914. The truth is there is no other way to open the factories and permanently put men to work.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to my colleague, the gentleman from Missouri.

Mr. COCHRAN. For the benefit of the newer Members of the House, Mr. Chairman, I may say that not only are we listening to one of our most distinguished Members, a man who has served here for years, but we are listening to a man who is a farmer himself and who has been a farmer for years. He is a man who knows what he is talking about; and we all will do well to follow his suggestions. [Applause.]

Mr. CANNON of Missouri. And in listening to Mr. COCHRAN, you are listening to a man who represents one of the great industrial cities of the Nation, but who knows as much about the farmer's problems and who has cooperated as effectively in solving them as any Member of the American Congress. [Applause.]

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. Certainly.

FARM PRICES SHOULD HAVE LED INDUSTRIAL PRICES

Mr. RICH. After listening to the gentleman's statement I infer that the N. R. A. is trying to put the A. A. A. out of business.

Mr. CANNON of Missouri. There is no conflict in purpose between the two. They have the same object in view. But they were not synchronized. The N. R. A. was off to a flying

start. It moved too rapidly and went too far. The A. A. A. was left at the pole. They hitched the cart before the horse. The depression started on the farm, and recovery should have commenced there. The farmer should have had an opportunity to get back to parity.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield.

Mr. RABAUT. I would like to make this suggestion to the gentleman: That he refuse to yield further and let us hear his speech. [Applause.]

RECOVERY PROGRAM MUST BE COMPLETED

Mr. CANNON of Missouri. I thank the gentleman. In the few minutes I have left, Mr. Chairman, let me say that while we have made great progress, we are still far from redeeming our pledges made in the last Presidential campaign. It is true we have added $2,000,000,000 to the farm income, but we should have added $5,000,000,000 or $6,000,000,000 to reach even the ratio of 1919; and the discouraging feature of the situation is that apparently there is no disposition to go further.

The Bureau of Agricultural Economics last week announced officially through Mr. Bean, its leading economist, that they expect no further increase in farm prices. As a matter of fact, we are told officially by the Department of Agriculture that from this time on the variation in farm prices will be down instead of up.

The Secretary of Agriculture appeared before our committee and stated that we need not expect a further increase in farm prices. He said the A. A. A. had reached the limit of its effectiveness and that farm prices could not be expected to go higher. It is a rather surprising announcement in view of the fact that agriculture is still far below the parity it enjoyed before and during the war, and industrial prices are still advancing.

I quote from the hearings before the committee:

MR. CANNON. Then, in your opinion, we must supplement the processing tax in order to carry us up to complete parity?

Secretary WALLACE. We are endeavoring to attain parity through our present program. But, with the powers as now existing, it is doubtful if you could use a processing tax fully and attain parity. The closer you get to parity, the smaller the processing tax is, and, therefore, the less incentive you can give the farmer to hold down production.

* * * * * * *

We are trusting that we will get adequate powers, both in the way of a renewed charter for the Commodity Credit Corporation and in the way of an amendment to the Agricultural Adjustment Act, so that we can help to bring about the plan with respect to cotton and corn, and perhaps some of the other farm products, by a device of that type, the device I term as the "ever normal granary." However, it will not give the very great result you hope for. As a matter of fact, I am afraid that, in this variable world, which is laboring in the shadow of the World War, with the grave maladjustments in regard to other countries—I am afraid that it is impossible to bring about overnight the answer you would like to have. I wish I could say something else, because I am as gravely concerned as you are with the agricultural section of the country; but when you endeavor to produce unusual results you often produce a further lack of balance, for which you usually pay.

MR. CANNON. Then, Mr. Secretary, your conclusion, after perhaps a more careful study of the situation than anyone else has given it, is that we people on the farms may as well resign ourselves to peonage?

Secretary WALLACE. That is not my conclusion, sir.

Mr CANNON. That we never can expect again to have a decent American standard of living on the farm?

Secretary WALLACE. That is not my conclusion.

MR. CANNON. I hardly see how any other conclusion is to be deduced from what you have just told us. You say we can never achieve parity; that farm prices are certain to fall below even their present inadequate levels. If that is true, my advice to every young man on the farm is to get off and get off quick. And let labor take heed when you dump the young man power of the farm into the already overcrowded labor market of the industrial centers.

Secretary WALLACE. I had hoped that you were not a man so easily discouraged. I trusted that it would move you to try to discover a remedy.

MR. CANNON. No one else could discourage me, Mr. Secretary, but yourself. You enjoy the confidence and regard of the American people to a remarkable degree. You have rendered invaluable service to agriculture and the Nation. I trust you are not disposed to consider the task completed when it has only begun. I am certain I speak for the farmer out in the wheat fields, out between the corn rows, and in the stock pens, when I express the hope that you will not grow faint-hearted or weary of well-doing.

Mr. Chairman, no party ever came to power so fully committed to a specific policy for farm relief. No Congress has ever been elected on a more definite and positive pledge to restore agriculture to a plane of economic equality with labor and industry. Now, with half the session behind us, it is suggested that these pledges are not to be carried out, that the wrongs and injustices which have bankrupted a great and prosperous industry and which have reduced the rural population of America to destitution are to be indefinitely perpetuated. Mr. Chairman, we are making history. Future generations will look back to this Congress. Let us hope for a timely and earnest consideration of the party and national policies we are so irrevocably formulating in the few remaining months of the session. The President is entitled to our loyal and undivided support in the adoption of his plan for complete agricultural relief. As he has so often indicated, farm prosperity means national prosperity. [Applause.]

Mr. HOPE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE: On page 4, line 23, after the word "amended", strike out the comma and the remainder of lines 23 and 24 and insert a period.

Mr. HOPE. Mr. Chairman, this bill, beginning in line 11 at page 4, with the proviso, contains language which has not previously appeared in the agricultural appropriation bill, which would prohibit the officers and employees of the Department of Agriculture from issuing or causing to be issued any public statement which advocates reduced consumption of, or which asserts that it is harmful or undesirable to use, any wholesome agricultural food commodity.

This amendment was placed in the bill after a hearing was held which was participated in by a number of Members of Congress who requested this amendment because of the fact that the Bureau of Home Economics in the Department of Agriculture seems to have gotten into the hands of a group of food faddists who have proceeded to carry out their peculiar theories, so far as diet is concerned, by issuing bulletins and publications and by going on the platform and speaking over the radio, urging a change in the dietary habits of the American people. The principal change they have suggested has been one which would involve a great reduction in the consumption of wheat and other cereal products. They have done this by means of suggested diets, and I have here in my hands two publications of this Bureau in which they set out four different diets which they rank in the order of their desirability. Every one of these diets suggests the use of a smaller proportion of cereals and wheat flour than the average consumption in this country today.

Mr. TARVER. Mr. Chairman, will the gentleman yield for a question?

Mr. HOPE. Just briefly; yes.

Mr. TARVER. The gentleman recalls, of course, that he and a number of other Members of the Congress from the wheat-producing sections appeared before the subcommittee with regard to this proposition.

Mr. HOPE. Yes.

Mr. TARVER. Thereafter it was reported to the subcommittee that the gentlemen who entertain the same views the gentleman is now expressing, representatives of the Department and others who were interested, had arrived at an agreement upon the language which has been placed in the bill, including the language which the gentleman now desires to strike out by his amendment. Was the gentleman a party to that agreement?

Mr. HOPE. I was not, and the first I knew of the agreement——

Mr. TARVER. Is it not the gentleman's information that the major portion of the Representatives interested were parties to the agreement and their views were presented to the subcommittee in the form of an agreement to this language?

Mr. HOPE. I do not know about any agreement that may have been had with any other Member of Congress, but I knew nothing of this amendment or the language contained

in it until some time after it was inserted by the committee, and I am not a party to an agreement of any kind.

Mr. TARVER. If a majority of the Representatives from the wheat-producing sections who were interested did agree upon this language with the Department officials, does the gentleman think it would now be fair, even if he were not consulted, to strike out a portion of the language agreed upon by them?

Mr. HOPE. I do not believe that is the situation.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I want to complete my statement and then I shall yield if I have an opportunity.

The provision which the amendment I have offered would eliminate from the bill is really a joker, because it provides that notwithstanding the prohibition contained in the main part of the amendment, that it shall not apply to the issue or publication of any suggested balanced diet for food or feed purposes. If this remains in the bill it is going to largely nullify the effect of the remainder of the provision which the committee inserted, because it is by means of these suggested diets that the Department is carrying on this campaign of propaganda.

My friend the gentleman from Iowa has just suggested to me that to leave this language in the bill would be very much like the old rhyme which we have heard of the young lady who wanted to go out swimming and her mother cautioned her by telling her to hang her clothes on a hickory limb and not go near the water.

[Here the gavel fell.]

Mr. THURSTON. Mr. Chairman, the Committee has been liberal to the preceding speaker in regard to time, and this is an important question. We will only have a few amendments to the bill and I therefore ask unanimous consent that 5 additional minutes may be extended to the gentleman from Kansas.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HOPE. Mr. Chairman, if the American people should follow the suggestions of the Bureau of Home Economics and adopt the diets which they recommend as best, it would mean a reduction in the average consumption of wheat flour in this country of from 170 pounds per capita annually to 76 pounds per capita annually. In other words, a reduction of almost 100 pounds per capita annually, and a total reduction in consumption for food purposes of 280,000,000 bushels of wheat.

Now, all this is going on at a time when the wheat section of the Agricultural Adjustment Administration is carrying on a program to reduce the surplus of wheat in this country by paying farmers for taking wheat land out of production.

And yet, another bureau of the same Department—Home Economics—is doing everything it can to increase the surplus by urging the people of the country to consume less wheat.

This is a matter that has been brought to the attention of the Secretary of Agriculture, and to the Chief of the Bureau of Home Economics, but nothing has come of it. The Secretary of Agriculture has apparently chosen to defend this inconsistent relationship which seems to exist between the chiefs of two departments—two bureaus in his Department, and with typical bureaucratic arrogance, the Chief of the Bureau of Home Economics has refused to consider requests that have been made by Members of Congress, by wheat producers, millers, and by bakers of this country, to cease publication of this propaganda, which cannot help but have a bad effect on the producers and processors of wheat in this country.

Mr. CULKIN. Will the gentleman yield?

Mr. HOPE. I yield.

Mr. CULKIN. I had complaints from local bakers about this, and I called the latter to the attention of the proper officers of the Department of Agriculture. I got a letter that was at least very peculiar. I sent it to my constituent, and he wrote me another letter, which I called to the attention of the Department, to which I received a line of propaganda in favor of the course of which the gentleman complains.

Mr. COCHRAN. Will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Missouri.

Mr. COCHRAN. I want to say that I have had at least 50 letters complaining about the publications the Department issued. They came from millers and bakers, and within the last few days I received letters in which the writers suggest the way to correct it is by the identical amendment which the gentleman from Kansas has introduced. They evidently knew about this amendment before the bill was reported.

Mr. KLOEB. Will the gentleman yield?

Mr. HOPE. I yield.

Mr. KLOEB. Is it not a fact that if the gentleman's amendment is not adopted the entire paragraph should be stricken from the bill?

Mr. HOPE. I would hardly go that far, but I think the effect of the amendment will be very much lessened if this language remains in the bill.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. PIERCE. Mr. Chairman, I move to strike out the last word. I have been here for over 2 years, and I have generally voted with the committee in consideration of bills and very seldom voted against the committee's recommendation, but here is one place where I ask my colleagues to vote against the committee and for this amendment offered by the gentleman from Kansas. With other Congressmen, I went before the Committee on Appropriations when this matter was under consideration. We asked for the amendment for the purpose of curbing and preventing the Bureau of Home Economics from carrying on their propaganda against the use of wheat and wheat products. Without our knowledge, the words that the Hope amendment strikes out, were added, we think, because the Bureau asked that they be added to nullify the effect of the amendment. The committee did one thing for us in the amendment which we asked for and then turned around and killed it in these last words, which the Hope amendment will strike out, and as the gentleman from Ohio [Mr. KLOEB] said a moment ago, the committee clearly nullifies the whole amendment by adding these words. Those words, we are informed, did not come from the Committee on Appropriations but came from the Bureau. In one bureau of the Department of Agriculture they are asking us to curtail our production of wheat and paying us for doing so by the allotment plan, while in another bureau they tell the people why they should not eat so much wheat. If I ever saw a team of horses pulling in opposite directions, this is the time. I sincerely ask the gentlemen of the Committee to vote for the Hope amendment.

I remember when Alexander Legge, the head of the Farm Board, went through the country. He stated that the consumption of wheat in this country before the World War was 5.6 bushels per capita, that it had dropped to 4.3 bushels per capita (that was in 1930), and now, in 1935, it has dropped to 4 bushels per capita. The Bureau that wants these diets published is making every effort to push it still lower. There is no better food for human consumption than wheat. American people are much influenced by propaganda. A few years ago it was whole-wheat bread, not long ago bran. The best doctors now tell us there is nothing better than white bread.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. Yes.

Mr. HOUSTON. Does the gentleman think it is fair for any bureau of the Government to agitate a less consumption of any edible commodity?

Mr. PIERCE. I do not think it is fair. I think it is unfair.

Mr. HOUSTON. Is it not a fact that most dietary experts agree that wheat is all right?

Mr. PIERCE. There is nothing better.

Mr. HOUSTON. I am with you.

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. Yes.

Mr. TRUAX. I am in accord with what the gentleman has stated. I think we ought to muzzle this Bureau of Economics insofar as this public propaganda is concerned. What I want to know is, What is the difference between this amendment in the bill and the amendment of the gentleman from Kansas?

Mr. PIERCE. The amendment of the gentleman from Kansas cuts out these last words.

Mr. TRUAX. What words are deleted by the amendment?

Mr. PIERCE. Commencing with the word "or", in line 23, striking out all the rest of the paragraph:

Or to the issue or publication of any suggested balanced diet for food or feed purposes.

By adding those words they have simply killed all of our efforts.

Mr. HOPE. The purpose in striking out that language is this: If they are permitted to make this exception and issue these publications containing balanced diets, they will go on just as they have because that is the method that they have followed.

Mr. PIERCE. I say to the committee that they have done nothing for the wheat producers at all, if these last words are allowed to remain.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. Yes.

Mr. TARVER. The gentleman speaks of adding words or of words added to the amendment. I hope he understands that the subcommittee did not add any words to the amendment, but the amendment is in the bill in the exact language in which it was brought to the subcommittee, with the statement that it had been agreed upon.

Mr. PIERCE. Then I apologize to the committee. I did not know that. These last words, in lines 23 and 24, page 4, did not receive my approval, nor that of Representative HOPE.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. BUCHANAN. Mr. Chairman, there is such a thing as a minority organization being too selfish. About 10 or 12 Members from the wheat-raising section of our country came before this subcommittee. At that hearing I was sitting with the subcommittee. They brought propaganda there emanating primarily from the A. A. A. and in verbal speeches made by them. They had a bulletin that was issued for a balanced diet to furnish the greatest nutrition at the least cost for relief purposes. That is the bulletin the gentleman quoted from. Discussion went on before that subcommittee. I stated to them why it would not do in this country to prohibit the publication of balanced diets. Those gentlemen, or those who spoke on this subject, agreed that balanced diets should be published, and the gentleman from Kansas [Mr. HOPE] knows that not a single man advocating this amendment to stop the propaganda objected to the publication of the balanced diet. Did the gentleman object?

Mr. HOPE. I did not understand the first part of the gentleman's statement.

Mr. BUCHANAN. I stated to the committee that we should not prohibit the Department from publishing any bulletins of balanced diets, and not a single one of those who spoke upon the subject but agreed that balanced diets should be published.

Mr. HOPE. I do not remember making any such agreement.

Mr. BUCHANAN. I did not say "agreement" at all.

Mr. KLOEB. Will the gentleman yield?

Mr. BUCHANAN. If I have time to finish my speech, I will.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. BUCHANAN. Yes; I yield.

Mr. CHRISTIANSON. I was one of those present, and I said specifically that if I had my way I would wipe out the whole Bureau of Economics, because I objected to all of it.

Mr. BUCHANAN. That is not the question.

Mr. CHRISTIANSON. But that answers the gentleman's question.

Mr. BUCHANAN. Wiping out the Bureau is one thing; but none of you objected to the publication of a balanced diet.

Mr. CHRISTIANSON. I did.

Mr. BUCHANAN. Get your testimony.

Mr. HOPE. I will say that I did.

Mr. BUCHANAN. Many of you or some of you absolutely agreed to the publication of a balanced diet.

Mr. KLOEB. Will the gentleman yield?

Mr. BUCHANAN. No; not until I have finished.

After that I took up the question with the Department. Now, the gentleman from Oregon [Mr. PIERCE] said that this was a departmental amendment. Where did he get that information?

Mr. PIERCE. I got that information.

Mr. BUCHANAN. Well, it is not true.

Mr. PIERCE. Then I apologize. I was told it was true.

Mr. BUCHANAN. A Member who represented the wheat section of this country, represented the wheat section of Congress, the gentleman from Louisiana [Mr. SANDLIN], chairman of the subcommittee, a man from the Department, and I worked out this amendment. I had no idea there would be any objection anywhere to the amendment, and it was put in the bill for the accommodation of the wheat section of this country.

Mr. PIERCE. Will the gentleman yield?

Mr. BUCHANAN. Not now. What happened? Some Member found out about the entire amendment, gave it out to the mills in this country, and the wheat millers, if you please, got up a letter, mimeographed that letter, and propagandized the Members of Congress on this amendment, asking to strike out the last two lines, and I have one of the letters here signed by the millers. But that has nothing to do with the merits of the situation. Should we penalize every other kindred agricultural industry in order that the millers or somebody else may make a few more dollars of profit? Do you know that if this language is stricken out and the amendment of the gentleman from Kansas [Mr. HOPE] carries, what it will do? It will prevent the real research department of this Government from publishing the results of science as applied to human food and stock feeds. Do we want a research department of this Government, employing chemists and other scientists to go into a subject and then after they have investigated it throughly, not only through the Bureau of Agricultural Economics, but through the Bureau of Chemistry and other bureaus, and know what elements each commodity contains and then arrive at the correct and the true answer, say that it shall not be published?

The CHAIRMAN. The time of the gentleman from Texas [Mr. BUCHANAN] has expired.

Mr. BUCHANAN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. BUCHANAN. Not now. No nation on earth, as far as I know, prohibits publication of scientific facts such as these. I do not mind yielding if I had the time, but I do not have the time.

Now, what is the result if the gentleman's amendment is adopted? I have served on the Subcommittee on Agricultural Appropriations longer than any man in Congress. I am familiar with all of its operations. What will be the result if the amendment of the gentleman from Kansas is carried? You could not publish a bulletin to tell the stock raiser in this country the proper ration to feed to produce the greatest amount of weight of beef fat with the least cost. You could not publish a similar bulletin for the goat raisers or the sheep raisers who might want to know what to feed to produce more wool or better or more meat; we could not publish a similar bulletin for those who raise poultry; we could not publish a similar bulletin for those who raise hogs. These balanced-feed rations are universally used throughout the stock-raising sections of our country. You are fooling with a dangerous subject. I make this prediction without any fear of successful refutation, that if you strike out that provision and prevent the publication of balanced diets for human beings, other animals, and poultry, you will get an overwhelming protest against

it and it will go out on a roll call in this House. Are we legislating especially for the millers of the United States? I just covered foodstuffs.

You Members from the South, listen to me. There was a time when 30 or 40 percent of our children who attended the public schools were affected with pellagra. It was discovered that they ate certain foods in such proportion that they caused pellagra. The Department published a balanced diet to cure pellagra and it has disappeared from the children of our country. The same thing applied to rickets. It was spreading over our country. It was found it was caused by improper diet. They published a bulletin, and it is being rapidly decreased. Yet the gentleman's amendment would strike out all this great service to humanity throughout our country, for the benefit of the millers.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. BUCHANAN. No; not now.

Not only that, but the Department, by the operation of its research bureaus, has ascertained a proper diet for the babies of our land. They sent that out in a dietary bulletin for young mothers. It is exceedingly popular. They are commended even by the medical profession. Mothers throughout our land are guided by it; yet this amendment would prevent the publication of a balanced diet, to the misery of the babies of our land and to their improper development and growth. That is the other side of it. The committee put into the proviso in the bill on page 4 sufficient language to stop any propaganda by the Department against the use of any wholesome agricultural food commodity—the gentleman will admit that; but we made it clear in that proviso that the Department would have the right to publish the facts as developed by science of what constitutes balanced diets for men, women, and children. Have not men, women, and children as much right to consideration, especially where their health is concerned, as the wheat millers?

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. BUCHANAN. No.

The only complaint the gentleman has is by speakers from the A. A. A. I know the gentleman from Kansas [Mr. HOPE] thinks differently, but he has not investigated the facts.

[Here the gavel fell.]

Mr. SANDLIN. Mr. Chairman, I ask unanimous consent that the gentleman from Texas may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

Mr. CHRISTIANSON. Reserving the right to object, and I shall not object——

Mr. BUCHANAN. If there is the slightest objection, I will not proceed.

Mr. CHRISTIANSON. I shall not object if the gentleman will yield for a question.

Mr. BUCHANAN. I will yield for a question as soon as I get through with this.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. DUNN of Pennsylvania. Mr. Chairman, I suggest that the gentleman's time be increased 10 minutes. We city folks would like to get some information.

Mr. BUCHANAN. I do not blame the city folks for wanting to get information on this subject. We cannot legislate here for one faction, one minority organization; we are here to legislate for the entire American people; and I come from a wheat-producing State and a wheat-producing congressional district.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield, but make the question short.

Mr. CHRISTIANSON. Is there anything in the bill as it will read if the amendment is adopted that will prevent the Bureau of Home Economics from publishing any information as to the desirability of using the so-called "protective foods"?

Mr. BUCHANAN. There is. If the proposed amendment is adopted, in my judgment it will prevent the Bureau of Home Economics, or any other bureau or employee of the Department, from publishing any balanced diet of food for man or stock.

Mr. CHRISTIANSON. I would ask the gentleman to read the language:

No part of the funds appropriated by this act shall be used for the payment of the salary of any officer or employee who issues any statement which advocates reduced consumption of or which asserts that it is harmful or undesirable to use any wholesome agricultural food commodity or any manufacture thereof.

There is nothing in this language that would prevent the publishing of any information as to the desirability of feeding the so-called "protective foods."

Mr. BUCHANAN. I think there is. If a bulletin came out with a suggested diet consisting of a reduced amount of one food commodity and an increased amount of another, someone would contend that it advocated reduced consumption of some food commodity, and the committee is not willing for the Department to be placed in that position or the salaries of employees to be withheld by the Comptroller on that account.

Now, let me say something: You gentlemen have proceeded on a misunderstanding of the facts. Here [exhibiting] is the latest bulletin published by the Bureau of Home Economics, Circular No. 296, United States Department of Agriculture, Diets at Four Levels of Nutritive Content and Cost. I call attention particularly to the following table on pages 18 and 19:

Approximate yearly quantities of food for persons of different age, sex, and activity

Item	Active boy over 15 years				Moderately active man				Very active man			
	Restricted diet, emergency	Adequate diet, minimum cost	Adequate diet, moderate cost	Liberal diet	Restricted diet, emergency	Adequate diet, minimum cost	Adequate diet, moderate cost	Liberal diet	Restricted diet, emergency	Adequate diet, minimum cost	Adequate diet, moderate cost	Liberal diet
Flour, cereals.....pounds..	370	350	230	125	280	260	220	125	455	435	290	200
Or—												
Bread.....do....	170	160	240	150	130	120	240	150	210	200	350	240
Flour, cereals.....do....	255	240	70	25	195	180	60	25	315	300	60	40
Milk, or its equivalent [1].....quart..	182	[2] 273–365	[2] 240–365	[2] 240–365	91	182	182	182	91	182	182	182
Potatoes, sweetpotatoes.....pounds..	225	225	300	300	160	160	160	150	300	300	350	350
Dried beans, peas, nuts.....do....	30	30	30	10	40	40	30	10	50	50	35	10
Tomatoes, citrus fruits.....do....	50	50	100	120	50	50	100	120	50	50	100	120
Leafy, green, and yellow vegetables....do....	25	50	100	180	40	75	100	180	25	50	100	180
Dried fruits.....do....	10	20	45	30	15	30	35	25	10	20	40	30
Other vegetables, fruits.....do....	50	100	300	400	50	100	270	400	50	100	270	400
Fats (including butter, oils, bacon, salt pork) pounds..	65	75	80	80	55	65	65	65	75	85	95	100
Sugars [3].....do....	70	55	115	115	70	60	75	75	80	65	115	115
Lean meat, poultry, fish.....do....	35	75	150	250	40	75	125	220	50	100	150	250
Eggs.....dozens...	6	12	15	30	6	12	15	30	6	12	15	30
Cod-liver oil,[4] or its equivalent in vitamin values.....												

[1] The following are approximately equivalent to the food value of 1 quart of fluid whole milk: (1) 17 ounces of evaporated milk; (2) 1 quart of fluid skim milk and 1½ ounces of butter; (3) 5 ounces of American Cheddar cheese; (4) 4½ ounces of dried whole milk; (5) 3½ ounces of dried skim milk and 1½ ounces of butter.

[2] Data on nutritive value based on lower figures.

[3] 1 pint (1½ pounds) of molasses or heavy cane or sorgo sirup is approximately equivalent in fuel value to 1 pound of granulated sugar. The unrefined molasses and sirups are also valuable for their calcium and iron content.

[4] 2 to 4 teaspoonfuls daily are recommended for children under 2 years. These quantities may also be taken by persons of other ages, when it is desired to enhance the vitamin A and D values of the diet. The figures on nutritive value presented in this table do not include the food values of cod-liver oil.

Approximate yearly quantities of food for persons of different age, sex, and activity—Continued

APPROXIMATE NUTRITIVE VALUE PER DAY OF DIETS SUGGESTED ABOVE

Item	Active boy over 15 years				Moderately active man				Very active man			
	Restricted diet, emergency	Adequate diet, minimum cost	Adequate diet, moderate cost	Liberal diet	Restricted diet, emergency	Adequate diet, minimum cost	Adequate diet, moderate cost	Liberal diet	Restricted diet, emergency	Adequate diet, minimum cost	Adequate diet, moderate cost	Liberal diet
Energy value ..... calories	3,701	4,089	4,218	4,053	3,021	3,385	3,428	3,326	4,286	4,660	4,566	4,528
Calories from protein ..... percent	10	11	10	11	10	11	10	11	10	11	9	10
Protein ..... grams	96	112	103	106	76	92	88	92	109	126	107	112
Protein from animal sources ..... percent	29	41	50	67	25	39	47	60	18	32	42	59
Fats ..... grams	120	155	177	203	98	151	144	169	129	167	190	220
Carbohydrates ..... do	557	544	550	448	457	456	442	356	670	658	601	529
Calcium ..... do	1.03	1.40	1.16	1.17	0.65	1.03	0.91	0.93	0.78	1.15	0.99	1.01
Phosphorus ..... do	1.73	2.08	1.81	1.80	1.32	1.67	1.49	1.52	1.82	2.18	1.78	1.79
Iron ..... do	0.0139	0.0163	0.0203	0.0210	0.0124	0.0149	0.0166	0.0176	0.0172	0.0198	0.0211	0.0221
Vitamin A ..... unit	2,626	4,683	6,072	7,197	2,357	4,676	5,553	6,690	2,120	4,179	5,737	7,486
Vitamin C ..... do	87	112	193	254	84	115	169	233	89	116	190	254
PROPORTION OF CALORIES DERIVED FROM SPECIFIED TYPES OF FOOD												
Bread, flour, cereals ..... percent	47	40		14	44	36	29	17	50	44	28	19
Milk ..... do	10	14		11	6	11	10	10	4	8	8	8
Vegetables, fruits ..... do	12	13		20	14	15	19	19	14	14	19	18
Fats ..... do	18	19		20	19	20	19	20	18	19	22	23
Sugars ..... do	9	7		13	12	9	10	10	9	7	12	12
Lean meat, fish, eggs ..... do	4	7		22	5	9	13	24	5	8	11	20
APPROXIMATE RETAIL MONEY VALUE AT 1931–32 PRICE LEVEL												
1931–32 price level:												
Per day ..... dollars	0.209	0.274	0.483	0.573	0.169	0.236	0.415	0.508	0.217	0.286	0.490	0.599
Per week ..... do	1.47	1.93	3.39	4.02	1.19	1.66	2.91	3.56	1.52	2.01	3.44	4.14
Per year ..... do	76	100	76	209	62	86	152	185	79	104	179	215
PROPORTION OF RETAIL MONEY VALUE USED FOR SPECIFIED TYPES OF FOOD												
1931–32 price level:												
Bread, flour, cereals ..... percent	29	20	12	6	27	18	13	6	34	24	16	9
Milk ..... do	25	29	16	14	15	22	14	12	12	18	12	10
Vegetables, fruits ..... do	21	21	33	13	27	27	34	36	24	24	32	33
Fats, sugars ..... do	16	15	15	13	18	16	15	12	18	16	17	15
Lean meat, fish, eggs ..... do	9	15	24	34	13	17	24	34	12	18	23	33

The trouble is these gentlemen have picked only one little bulletin of restricted diets for relief purposes and they condemn the whole program of the Agricultural Department on the consumption of wheat, regardless of all other diets for the use of cereal and other agricultural food commodities.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. HOPE. Will the gentleman refer to table 5 on page 12, in which it is stated that the restrictive diet calls for 168 pounds of wheat flour, which is 2 pounds less than we are consuming today?

Mr. BUCHANAN. Oh, that is not significant.

Mr. HOPE. But the gentleman does not deny that.

Mr. BUCHANAN. It reduces the consumption of wheat only 2 pounds per man per year.

Mr. HOPE. The gentleman knows, does he not, that they do not recommend that diet? They say that is a mere existence diet and that the diet they do recommend calls for 76 pounds of wheat flour, or almost 100 pounds per capita less than we are consuming today.

Mr. BUCHANAN. They do not recommend that.

Mr. HOPE. Is not that true?

Mr. BUCHANAN. No; that is not true; they do not recommend that at all.

Mr. HOPE. Will the gentleman read the table on page 12?

Mr. BUCHANAN. Look at the bulletins in my hand. I just gathered up what I could lay my hands on when I heard this amendment was going to be offered this morning: "Balanced Ration for Food for Livestock"; "Balanced Ration for Children"; "Balanced Ration for Adults"—the result of scientific investigations and actual demonstrations. What a ridiculous situation it would be to have these scientific bureaus which have been instructed to conduct researches and to bring back the result of their researches, to be forbidden to publish the results for the benefit of the American people! [Applause.]

[Here the gavel fell.]

Mr. CHRISTIANSON. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, Theodore Roosevelt, who coined many expressions that have been incorporated into the American, as distinguished from the English language, popularized the term "weasel words." Weasel words are words that suck the meaning out of what one has said. The words that we seek to have stricken from this bill answer that description.

Note the general prohibition embodied in this provision, found in lines 11 to 20, inclusive, on page 4:

> No part of the funds appropriated by this act shall be used for the payment of the salary of any officer or employee * * * who * * * issues * * * any statement * * * which advocates reduced consumption of, or which asserts that it is harmful or undesirable to use, any wholesome agricultural food commodity or any manufacture thereof.

There is nothing in that language that prohibits the publication of information as to what constitutes protective foods. There is nothing that forbids advising the people to eat, for instances, oranges and other citrus fruits and making them a part of the diet. The only thing the provision prohibits is advising the public not to eat certain foods although those products are recognized as being wholesome.

Mr. GILCHRIST. Mr. Chairman, will the gentleman yield?

Mr. CHRISTIANSON. I yield.

Mr. GILCHRIST. Is there anything in this language which prevents the department from saying, if it so chose: "Please eat oysters"?

Mr. CHRISTIANSON. Not at all. The only thing the Department is prohibited from saying is, "Do not eat oysters, although oysters are wholesome."

The provision in the bill, which I have quoted, is a manly, clean-cut statement. It serves notice on the bureaucrats, male and female, in the Department of Agriculture that if they do not quit meddling with the food aptitudes and appetites of the American people, their salary checks will stop coming. It hits the would-be autocrats of the breakfast table, the dinner table, and the supper table in the only place where they are vulnerable. It threatens their meal ticket.

One, reading thus far and no farther, would suppose that henceforth there would be more than lip service to the philosophy of Thomas Jefferson, who declared that "that gov-

ernment is best which governs least", and that the happy day was at hand when people could, at least, go to the table without getting marching orders from Washington. The dining room was to be excepted from the general order of regimentation.

But these high hopes are not to be realized, for reading on we find that the provision "shall not apply to * * * the issue or publication of any suggested balanced diet."

The exception repeals the rule. The Bureau of Home Economics must not advocate reduced consumption of any wholesome food, but it may prescribe a "balanced diet"; it may tell the people what foods they may eat, and in what amounts and proportions. How can anyone tell another what constitutes a balanced diet without discouraging the consumption of some food products and encouraging the consumption of others? Can a dietitian tell me to eat spinach instead of bread without advocating a reduced consumption of wheat and an increased consumption of grass? To ask the question is to answer it.

If the advice that has emanated from the Bureau of Home Economics were good, if it were scientifically sound, there might be some slight justification for the continuation of this paternalistic—or should I say maternalistic?—meddling with the individual's concerns. But it is not sound, it is not scientific, it is not backed by the judgment and experience of the medical authorities of the country. That the present consumption of wheat flour should be reduced has been challenged by scientists of unquestioned standing in every leading university in the land and in all the great medical research centers, including the world-famed Mayo Foundation, located in my own State.

[Here the gavel fell.]

Mr. CHRISTIANSON. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

Mr. SANDLIN. Reserving the right to object—and I will not object—I believe the House pretty thoroughly understands the discussion in reference to this amendment; and at this time I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

Mr. KLOEB. Mr. Chairman, I object.

Mr. SANDLIN. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 10 minutes.

The question was taken; and on a division (demanded by Mr. PIERCE) there were—ayes 65, noes 43.

So the motion was agreed to.

Mr. RICH. Mr. Chairman, I make the point of order that there is not a quorum present.

The CHAIRMAN. The count just made discloses the presence of a quorum.

Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. CHRISTIANSON. Mr. Chairman, against the word of scientists of unquestioned standing, shall we accept the recommendations of a group of food faddists who have had no contact with the problem of diet except to write about it? Someone has said, "Those who can, practice; those who can not, teach!" Spinsters instruct mothers how to raise babies; an 80-year-old woman in New Orleans gives advice to the lovelorn in half the newspapers in the country; and a group of women in the Department of Agriculture, whose knowledge of food was acquired principally at the table, presume to prepare menus for the American people.

If the Government is to take responsibility for what the people shall eat, let it at least provide good advice from recognized authorities. Such men, however, with the greater modesty which characterizes those whose judgment is based upon broad knowledge and ripe experience, would probably fear to tread where rash and brash amateurs do not hesitate to rush in.

It was my good fortune at one period of my life, when I needed medical and surgical assistance, to be under the care of a physician whose renown is world-wide. After another had kept me for several months on a diet of lettuce and string beans, he said: "You like thick, red, juicy steaks, and you might as well have had them. Eat what you like, eat what agrees with you, but don't eat too much!"

The wisdom of that advice should be commended to the well-meaning but overzealous and misguided sisters in the Bureau of Economics. Let them not take their mission too seriously. The human race got along without their advice for hundreds of thousands of years, taking counsel only from its own instincts, and remained almost dangerously healthy on such proscribed foods as wheat and meat. I believe that the race would muddle through for a few centuries more, would continue to grow and to reproduce itself, even if the United States Government should limit itself to the functions for which governments were instituted among men. [Applause.]

Mr. HOUSTON. Will the gentleman yield?

Mr. CHRISTIANSON. I yield to the gentleman from Kansas.

Mr. HOUSTON. Does the gentleman know of any world-renowned medical expert who has ever advocated a less consumption of bread?

Mr. CHRISTIANSON. Not one.

[Here the gavel fell.]

Mr. SANDLIN. Mr. Chairman, I do not think it is necessary to discuss this amendment further after the very able explanation given by the Chairman of the Appropriations Committee, the gentleman from Texas [Mr. BUCHANAN]. The subcommittee wrote the amendment that was presented to them and was told that it met with the approval of the gentlemen who came before our committee. If they say it does not meet with their approval, why, of course, I will take their word, but certainly I know one or two who were present before our committee and sat in and helped prepare this amendment with a representative of the Department and with the chairman of the full committee, Mr. BUCHANAN.

I do not criticize the gentlemen who come from the wheat sections if they are alarmed over the pamphlets sent out by the Bureau of Home Economics, but frankly, I think they have been unduly alarmed and that there has been raised here a "tempest in a teapot" based solely on the propaganda started by several individuals in this country.

The words contained in the two or three lines attempted to be stricken out by the gentleman from Kansas may in some way contradict and not be in entire accord with the preceding lines; yet, in my humble opinion, this provision, if adopted as it is, will accomplish that which the wheat people and the representatives of the wheat people want accomplished and no other bulletin will be sent out of the same kind that these gentlemen are complaining about.

Mr. Chairman, if the amendment proposed by the gentleman from Kansas is adopted, in my own humble opinion, you had better wipe out all appropriations for the Bureau of Home Economics and have none at all. If the Membership of this House are so displeased with the operation of the Bureau of Home Economics and think its efforts have been worthless and no good, why, of course, they have the privilege to say that.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. SANDLIN. Yes.

Mr. CHRISTIANSON. If this amendment is adopted will the Bureau of Home Economics be prevented from disseminating any information as to the desirability of using and eating so-called "protective food"?

Mr. SANDLIN. I stated I did not believe the Bureau of Home Economics would issue another pamphlet, as they have in the past, after this discussion and after knowing at what this provision is directed.

Mr. CHRISTIANSON. But the gentleman does not answer my question. Is there anything in the amendment that would prevent or prohibit the Bureau of Home Economics from disseminating information and advice as to the use of protective foods?

Mr. SANDLIN. Of course, they could issue pamphlets saying what is a balanced diet, but in that they could not

make any statement, oral or written, which advocated reduced consumption or make statements like those the gentleman complains of in the pamphlet that was issued.

Mr. CHRISTIANSON. Is it not a fact that the only thing that would result from the adoption of this amendment would be to prohibit the Bureau from saying, for instance, "You must eat chicken instead of beef, or more vegetables and less wheat", or vice versa, whereas if the amendment is adopted the Department can still disseminate information as to the value of all of these food products?

Mr. SANDLIN. I do not agree with the gentleman.

Mr. CHRISTIANSON. A casual reading of the language discloses that.

Mr. SANDLIN. In conclusion, Mr. Chairman, I think it would be a mistake to adopt the amendment offered by the gentleman from Kansas [Mr. HOPE]. I have always had, and still have, a high regard for his service here and for his able discussion of matters that come before the House. I still hold a high regard for him, but I think it would be a mistake to adopt the amendment, a portion of which would mean a virtual wiping out of the Bureau of Home Economics presided over by Dr. Stanley.

Mr. CARPENTER. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Motion offered by Mr. CARPENTER: To strike out the enacting clause.

Mr. CARPENTER. Mr. Chairman, I did not offer this motion to kill this bill, but there are a number of us from the wheat-producing country who are very much interested in the matter being presented to the House, and we were summarily cut off from debate on the proposition. I say to you this is not a fair proposition to us or to our constituents with respect to this matter.

Whatever the excuse is that is offered by the Bureau of Home Economics for this diet or for all this propaganda they are putting out against wheat, the result is the same.

Mr. TARVER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state the point of order.

Mr. TARVER. I insist, the gentleman having made a motion to strike out the enacting clause and addressing the Committee with reference to that motion, cannot devote his argument to the question of an amendment offered to the bill, debate on which has been limited by action of the Committee.

The CHAIRMAN. The Chair will state to the gentleman from Georgia that this motion opens up the entire bill and the entire scope of the bill for discussion, and therefore the Chair overrules the point of order.

Mr. CARPENTER. I will say again, whatever the excuse of these bureaucrats down there may be, the result is the same.

You can all recall when Hr. Hoover was the Food Administrator of this country the propaganda which was put out all over this country to eat less meat. What did that do? That ruined the meat-producing industry in this country. There is no question about that. Now, these pamphlets that this Bureau is putting out are circulated all over this country. They go to our county agents, they go into our schools, and the propaganda is spread all over the country and is aimed at a reduction in the consumption and hence production of wheat. Various Members have told you what this means to the wheat producers of this country and they have given you all the reasons why it should be stopped.

Our distinguished Chairman of the Appropriations Committee appeared here and made quite an eloquent speech, which seems to have swayed this House; but I recall just a day or two ago when he appeared before this committee when the Banking Committee had a bill here and Chairman STEAGALL was in charge of the measure, he took the bit in his mouth and said it was time that this Congress got up on its hind legs and showed these bureaucrats who was running the country, and he put over an amendment, as you will recall, to give Congress charge of the appropriations with respect to the money going to the H. O. L. C. He put that over and we are asking the same thing in this case.

I was very much surprised a year or two ago to find any propaganda of this kind being put out. We had several meetings of the representatives of the wheat producers in this country and tried to do something about it. We appealed to the bureaucrats and the Secretary of Agriculture to help us, but they would not do anything for us.

Now, all the farmer is asking for in this measure is that the Government not do anything to him. He is not asking the Government to do anything for him, but that the Government not do anything to him, and the only way we could get at this matter was through the Appropriations Committee, and we had there the Chairman of the Committee on Agriculture, the gentleman from Texas [Mr. JONES], who appeared, the same as the Chairman of the Appropriations Committee with respect to this banking measure that was under consideration here the other day. We also had the gentleman from Kansas [Mr. HOPE], the ranking minority member of the Committee on Agriculture, as well as other members of that committee and representatives from the wheat-producing section, who appeared before the Appropriations Committee and presented this matter. I did not hear any such agreement as was referred to here. We argued against any joker of this sort being put in the bill, and that is all this amounts to.

I am asking you gentlemen to give us fair consideration and to come out of the cloakrooms and listen to the debate. Do not run out here and vote against us without hearing the arguments.

Mr. HOEPPEL. Mr. Chairman, will the gentleman yield?

Mr. CARPENTER. I yield.

Mr. HOEPPEL. I should like to make the observation that the American people are not interested in a balanced ration; they are interested in something to eat; and I should like further to state that I have repeatedly followed the gentlemen from the South on cotton, although I have no cotton and no wheat. I think the Congress should follow the gentlemen from the wheat-producing States with respect to this amendment.

[Here the gavel fell.]

Mr. CARPENTER. Mr. Chairman, I ask unanimous consent to extend my remarks and include therein a short statement that I made before the subcommittee of the Committee on Appropriations.

The CHAIRMAN. Is there objection?

There was no objection.

The statement is as follows:

MONDAY, FEBRUARY 25, 1935.

STATEMENT OF HON. RANDOLPH CARPENTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KANSAS

Mr. CARPENTER. I also come from a large wheat-producing section, and I wish to join in with what has been stated by Mr. JONES and Mr. HOPE and the other gentlemen in protesting this propaganda being put out by this Department or by the Department of Agriculture.

Last year this matter was called to our attention and we had several protest meetings. At that time a committee waited upon the Secretary of Agriculture and Dr. Stanley and others in the Department and asked them then to desist from this action—apparently without any luck. At that time—that is, at the time of this meeting—I then suggested it appeared to me that the only way we could stop this propaganda was through the Appropriations Committee, and that is exactly what we are trying to do at this time.

I am opposed to any Government money being used for this purpose, and also agree with Mr. CARLSON that, if necessary, I would favor abolishing the whole Bureau.

The CHAIRMAN. Why could not you stop it through Mr. JONES' committee?

Mr. CARPENTER. I am perfectly willing to ask their assistance, and that is the committe we were acting through last year.

The CHAIRMAN. That is really the legislative committee for the Department of Agriculture, and that is really the committee that ought to stop it.

Mr. CARPENTER. That is the committee we tried to have stop it in the last year.

Mr. JONES. I will state this, in that connection, that it might take a little longer, but there will be something done along that line if it is not properly restricted. But I think the restriction could be put in the annual appropriation until they could get their bearings on this thing, and I believe that Bureau can exercise some very useful functions. I do not care anything about abolishing it.

The CHAIRMAN. You gentlemen from the Wheat Belt over there, some of you have been pretty vigorous in condemning the Appropriations Committee for bringing legislation in on an appropriation bill.

Mr. JONES. This is not legislation; this is a restriction.

The CHAIRMAN. Oh, yes——

Mr. JONES. Under the Holman rule, that is perfectly legitimate on an annual appropriation and is in order.

The CHAIRMAN. I know it is in order, but it is legislation just the same.

Mr. JONES. No; it is not legislation; it is a restriction on the appropriations.

Mr. SANDLIN. It is the only legislation which is in order on an appropriation bill. It is legislation; but, under the Holman rule, you could not oppose it.

Mr. JONES. That only applies to one thing——

The CHAIRMAN. If it is wrong, you ought to stop it.

Mr. JONES. As a matter of fact, it may be necessary to do that. I do not care anything about trying to revamp the entire law. But I think the Bureau of Home Economics has done some fine work. But I think this appropriation for the year ought to carry the restriction, and, if it becomes necessary to establish it as permanent law, we will do it.

Mr. UMSTEAD. Mr. Chairman, I rise in opposition to the motion. I shall discuss the amendment, because that is the real issue involved in the motion which has been offered.

As a member of the Subcommittee on Appropriations for the Department of Agriculture, I am quite certain that the members of the subcommittee desired to cooperate, as far as possible, in seeking to do what the gentlemen from the wheat sections asked the subcommittee to do. The Democratic and Republican members of the subcommittee alike gave a courteous, attentive, and sympathetic hearing to the gentlemen who appeared before our committee. We asked them to prepare what they thought would be the proper language, in the form of an amendment, for insertion in the bill for the purpose of correcting the situation about which they complained.

The Chairman of the Committee on Appropriations has stated, on this floor, that the amendment was prepared by him, a representative of the Department, and one of the gentlemen who appeared before our committee seeking relief, and said amendment has been incorporated in this bill by the subcommittee exactly as it was submitted to our committee.

I therefore think it unfair and unnecessary for some of those who have spoken on this matter to infer that members of the committee have undertaken to add a rider which the proponents of the change do not want, when, as a matter of fact, each member of the subcommittee was exceedingly anxious to assist in obtaining the relief these gentlemen desired.

Mr. TARVER. Will the gentleman yield?

Mr. UMSTEAD. I yield to the gentleman from Georgia.

Mr. TARVER. Is it not true that when these gentlemen appeared before the subcommittee they had not worked out any form of provision or limitation in the language which they desired to attach to the bill?

Mr. UMSTEAD. That is true.

In my opinion, in spite of the criticism which has been directed against this Bureau, it is rendering constructive and worth-while service.

The gentleman from Minnesota, who had the advantage of expert advice and medical treatment, is not in the same position as the poor baby in swaddling clothes whose parents cannot send it to a hospital. The gentleman went to an expert and obtained advice about his health. The poor people of this country frequently do not have the money to go to a hospital or to obtain expert medical advice, and they necessarily have to look to the Government for advice and information in regard to proper diets.

Although the advice of the Bureau in suggesting balanced diets may or may not be always scientifically correct, no one has been heard to say that the work of this Bureau is detrimental to the health of those it seeks to serve.

The gentleman from Minnesota is no doubt correct in the statement that the human race will continue hundreds of years more. For hundreds of years the human race did continue, in spite of typhoid fever, smallpox, and many other contagious diseases. Certainly no one would contend that the efforts made by our Government to cure, control, and prevent contagious diseases has not been a worth-while contribution to the advancement and progress of our race.

Certainly information in regard to well-balanced and healthful diets must be of tremendous assistance to millions of people throughout this Nation.

An amendment ought not to be adopted which will make it impossible for the Bureau of Home Economics to render assistance to the people who consume agricultural products and who use commodities produced in this country.

Do not penalize poverty in America by the adoption of this amendment, and let us not make it impossible for this Bureau to render worth-while assistance in a matter vitally connected with the health of our people. [Applause.]

The CHAIRMAN. The time of the gentleman from North Carolina has expired. All time on the pending motion has expired.

Mr. CARPENTER. Mr. Chairman, I ask unanimous consent to withdraw my amendment to strike out the enacting clause.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CARLSON. Mr. Chairman, I move to strike out the last three words.

The CHAIRMAN. Two minutes yet remains under the limitation of time set by the committee.

Mr. CARLSON. Mr. Chairman, I do not want to take the time of the House, but the statement has been made that we who represent the wheat districts, appeared before the Appropriation Committee, which we did, and we received courteous and considerate treatment. We agreed on an amendment, but I assure the gentleman that the amendment submitted did not contain the words:

Or to the issue or publication of any suggested balanced diet for food or feed purposes.

I admit I do not know how they got in there, but I certainly would not have offered them at that time, because we might just as well have left the bill the way it is.

Mr. TARVER. Mr. Chairman, will the gentleman yield for a brief question? I should like to know on what page of the hearings appears the amendment that the gentleman said he submitted. I have no recollection of the gentleman having offered an amendment.

Mr. CARLSON. I call attention to page 1486 of the hearings. It has been stated that we did not object to this Bureau, and I stated on this page the following:

Personally, if this amendment or some similar amendment cannot be adopted, I would not object if the appropriation were withheld from the entire Bureau.

I realize there are a lot of benefits to be obtained from dietary suggestions, but we do not believe our Government money should be used to impair the progress of an industry now struggling for its very existence.

The CHAIRMAN. The time of the gentleman from Kansas has expired. All time has expired. The question is on the amendment offered by the gentleman from Kansas [Mr. HOPE].

The question was taken; and on a division (demanded by Mr. HOPE) there were—ayes 39, noes 68.

So the amendment was rejected.

Mr. CHRISTIANSON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CHRISTIANSON: Page 4, lines 23 and 24, after the word "publication", strike out "of any suggested balanced diet for food or feed purposes", and insert in lieu thereof the following: "of advice or information for farmers concerning the feeding of livestock."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

Mr. CHRISTIANSON. Has all time expired, Mr. Chairman?

The CHAIRMAN. All time has expired on this paragraph and all amendments thereto. The question is on the amendment offered by the gentleman from Minnesota.

The amendment was rejected.

Mr. PIERCE. Mr. Chairman, I offer the following amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. PIERCE: Page 4, line 24, after the word "diet", strike out "for food or."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon.

The amendment was rejected.

The Clerk read as follows:

For all printing and binding for the Department of Agriculture, including all of its bureaus, offices, institutions, and services located in Washington, District of Columbia, and elsewhere, $800,000, including the purchase of reprints of scientific and technical articles published in periodicals and journals; the annual report of the Secretary of Agriculture, as required by the act approved January 12, 1895 (U. S. C., title 44, secs. 111, 212–220, 222, 241, 244, 257), and in pursuance of the Joint Resolution No. 13, approved March 30, 1906 (U. S. C., title 44, secs. 214, 224), and also including not to exceed $250,000 for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct, but not including work done at the field printing plants of the Weather Bureau and the Forest Service authorized by the Joint Committee on Printing, in accordance with the act approved March 1, 1919 (U. S. C., title 44, secs. 111, 220).

Mr. TARVER. Mr. Chairman, I move to strike out the last word. I think the House will be interested to know that the bill carries an addition of approximately $69,000 for the purpose of increasing the allotment of farm bulletins to each Member of the House and Senate from the 5,000 which are now received to 10,000 bulletins.

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. TARVER. Yes.

Mr. JOHNSON of Texas. I am wondering if there is any provision in this bill for republishing publications we used to have with reference to the diseases of cattle and the diseases of the horse. That publication has been out of print for some time and we get a great many requests.

Mr. TARVER. There is, of course, no provision in the pending bill for the republication of those volumes. I agree with my colleague that they are extremely valuable and should be republished.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read:

The Clerk read as follows:

In all, payments to States, Hawaii, Alaska, and Puerto Rico for agricultural experiment stations, $4,395,000.

Mr. JOHNSON of Texas. Mr. Chairman, I desire to congratulate the Committee on Agriculture for including in this bill an appropriation of $55,000 to expand spinning tests of cotton to be conducted by the Bureau of Agricultural Economics in cooperation with the Agricultural and Mechanical College of Texas and Clemson College in South Carolina.

Together with Dr. T. O. Walton, president of Texas Agricultural and Mechanical College, I appeared before the committee in support of this item, and am pleased that the committee has acted favorably thereon.

Clemson College of South Carolina has been receiving aid from the Government for some years in making laboratory tests with reference to the value of different types of cotton, and information derived therefrom has been of value to the farmers in that section by informing them of the particular type of cotton that should be grown upon the different soils there which will give the best results in producing a cotton that has the highest spinnable value.

Up to this time no such tests have been made in the Southwest. In Texas, practically 90 percent of the cotton grown is exported to foreign countries. The mills in these countries have laboratories that test the spinnable value of the cotton, and it has been determined that much of the cotton grown in Texas could be greatly improved if the farmers had information as to the particular kind of cotton that should be grown upon the various soils in Texas, Louisiana, and the Southwest.

A portion of this $55,000 will go to supplement the equipment at Clemson College, but I assume that the major portion thereof will be used in Texas Agricultural and Mechanical College in establishing equipment for making tests of the spinnable value of the various fibers of cotton grown in Texas and the Southwest.

In England, Germany, and Japan, to which countries most of our cotton in the Southwest is shipped, there are laboratories in which they test the strength and value for spinning purposes of the fiber of the various types of cotton.

If the Government had a laboratory where the cotton is grown that could secure such information and it could be disseminated to the farmers, they would be able to know what particular kinds of cotton are best suited to the various soils in that region. It will enable the farmers to produce the type of cotton that will have a high spinnable value and will increase the demand therefor, and also result in better prices.

With the quantity of cotton exported decreasing, it behooves us to improve the quality of our cotton, and the Government can render no better service to the farmer than by aiding him in so doing. This small appropriation should therefore yield large dividends both to the farmers and the Government.

The Clerk read as follows:

Diseases of animals: For all necessary expenses for scientific investigations of diseases of animals, including the construction of necessary buildings at Beltsville, Md., the maintenance of the Bureau experiment station at Bethesda, Md., and the necessary expenses for investigations of tuberculin, serums, antitoxins, and analogous products, $366,755: *Provided*, That of said sum $74,480 may be used for researches concerning the cause, modes of spread, and methods of treatment and prevention of the disease of contagious abortion of animals.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: On page 26, line 9, strike out "$366,755" and insert in lieu thereof "$381,755."

Mr. WHITTINGTON. Mr. Chairman, the purpose of this amendment is to make an additional appropriation to authorize scientific investigations and studies of a disease among horses and mules known as "swamp fever." As soon as the necessity for this matter was brought to my attention, I appeared in the closing hours before the subcommittee on the appropriation that we are considering, and I asked that Dr. John R. Mohler, Chief of the Bureau of Animal Industry, appear so as to give the benefit of his views to the subcommittee. He was unable to come, but he asked Mr. McKellar and Dr. Gochenour to appear before the committee. It is fair to say, Mr. Chairman, also, that those gentlemen were not authorized to speak for Dr. Mohler, and I think the substance of their testimony was that they were not in position to make any recommendation in the first place; or, in the next place, to advise what would be done with the $25,000 additional which was sought in the event the appropriation was made. I think we all understand that as subordinates, they were not able to answer either of those questions in the affirmative.

This disease is rather important, and I call attention again to the fact that Dr. Mohler, Chief of the Bureau, who would have these investigations in charge, has stated that the cause of this disease is known, but that like cancer the cure is unknown. I read from his statement. He states in his article on page 570, "Diseases of the Horse", issued by the Department of Agriculture, that it was confined to Manitoba and Minnesota formerly, but that it is more or less prevalent in Kansas, Nebraska, Colorado, Wyoming, Montana, North Dakota, Virginia, Texas, and New York.

In my own State of Mississippi, especially in that part of it known as the Mississippi Delta, where approximately one-half the cotton of the State is produced, Mississippi being the second largest cotton-producing State in the Union, this disease is exceedingly dangerous. It is infectious and its is wide-spread.

Since the hearings before the subcommittee I have received a statement signed by Dr. R. H. Mohlenhoff, Dr.

Andy Crawford, Dr. S. E. Osborne, Dr. A. J. Royal, Dr. C. D. Crawford, Dr. O. M. Norton, Dr. W. L. Gates, and Dr. M. T. Thome, leading veterinarians of the Delta section of the State of Mississippi, as well as of the State of Mississippi, and I quote from the statement of those veterinarians as to the importance and prevalence and danger of this disease:

We, the undersigned licensed, practicing veterinarians (having had from 3 to 25 years of active practice in the Mississippi Delta), in meeting assembled at Stoneville, Miss., today to discuss so-called "swamp fever" in Delta mules and horses, individually and collectively made the following suggestions, requests, and observations:

Death losses from this disease have been very large and the loss of work-time much larger. It is our opinion that at least 45 percent of Delta mules and horses are infected * * *.

I call attention to the fact that that area raises approximately one-sixteenth of all the cotton produced in the United States. It is a large area containing 4,000,000 acres of land, one-half of which is in cultivation.

* * * at least 45 percent of Delta mules and horses are infected at some time during the annual work season, and that the economic loss of efficiency in these animals caused by this particular disease is at least 25 percent. There has been no successful treatment for this disease, nor is its cause known. We are of the opinion that it is a contagious or infectious disease transmitted in some unknown way from animal to animal. This disease is very evidently not confined to any one locality, but is national in extent.

I have given you the States where Dr. Mohler, Chief of the Bureau, says it obtains.

[Here the gavel fell.]

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

Mr. WHITTINGTON (reading further from the said statement dated Mar. 11, 1935, signed by said veterinarians):

Our Federal Bureau of Animal Industry is scientifically investigating many contagious and infectious animal diseases of the Nation. We therefore earnestly request that this particular disease, called "swamp fever", be added to the list of infectious diseases, and that the Federal Bureau of Animal Industry add this disease to its list and scientifically investigate it.

Now, Mr. Chairman, that is no minor matter. The paragraph under consideration provides for an appropriation aggregating $366,755. My information is that substantially all of that appropriation in the break-down is consumed for other purposes. It is fair also to state there are two items in the break-down that provide, one for $10,000 for biological investigation, and the other $24,000 for miscellaneous investigations, but the two witnesses who appeared from the Department before the subcommittee stated that those appropriations were utilized in making investigations covering diseases that were more wide-spread and where complaints were more general. I did not have the communication which I just read when I appeared before the subcommittee, and was unable at that time to give them the benefits of the facts stated by Mississippi veterinarians. Those men who are called upon to treat this disease, state substantially that in horses and mules it is similar to the disease of cancer in the human being. I respectfully submit that if the Congress and this committee are authorized to allocate at least $74,000 of this money as is done in this paragraph for methods of treatment and prevention of abortions in animals, surely in a disease as wide-spread as these veterinarians say, and with a disease as infectious and as contagious and as dangerous and as fatal as they say it is, the Congress of the United States would be justified in appropriating $25,000 to establish a laboratory and make scientific tests. The director of the Delta experiment station, the extension workers, many citizens who have suffered losses, and the State veterinarian of Mississippi urge that swamp fever be studied and prevented, and that an adequate appropriation be made to eradicate the disease.

I have the statement of Dr. Mohler, Chief of this Bureau, who was unable to appear before the subcommittee. He states it would take $25,000 to equip and man a laboratory for stock and investigations; and that is the purpose of this amendment. I find no fault with the gentlemen of the subcommittee because, Mr. Chairman, we were unable to go before the Budget. This matter was called to my attention in the closing hours of the hearings; but I do urge now that in view of the statement of Dr. Mohler that the disease is wide-spread, notwithstanding the statements of his subordinates that they were unable to make recommendations—and subordinates do not make recommendations, that matter is for the head of the Department, the Secretary of Agriculture—the purpose of this consideration today is to amend where amendment should be made and to correct where correction should be made, I maintain that no adequate provision having been made for the investigations, and no investigations having been made in the last 4 or 5 years, the committee is justified in agreeing to the amendment. In all events, Mr. Chairman, it does strike me that this is an important matter, that this disease is wide-spread and very fatal. For these and other reasons I urge the adoption of this amendment.

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, toward the latter part of the hearings on this bill the gentleman from Mississippi appeared before the subcommittee and brought with him gentlemen from the Department as his witnesses to tell the committee about the necessity for an appropriation of this character. When his witnesses testified before the committee they testified that in their opinion a special appropriation for this purpose was not necessary. No evidence was submitted to the committee of a character satisfactory to the committee showing the need for any special appropriation to take care of the swamp-fever disease. As my colleague the gentleman from Mississippi has called to your attention, there are only two items in the break-down of this proposed appropriation which are intended for biological investigations or for general investigations of the diseases of animals, and these two items aggregate approximately $34,000. This is the sum requested by the Department for the investigation of all diseases in animals aside from certain specific appropriations which are ear-marked in the set-up and are for general use throughout the United States; and it would seem unreasonable upon the basis of the showing made in this case to allocate $15,000 additional for the investigation of the somewhat infrequent disease of swamp fever which, according to the testimony of experts representing the Department, is prevalent to any considerable extent only in the Delta country of the Mississippi.

Mr. THURSTON. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. THURSTON. The committee held hearings at length in regard to all these diseases and felt that it made a fairly generous allocation of funds for these purposes.

Mr. TARVER. We certainly endeavored to be fair; and when the gentleman from Mississippi brought these experts from the Department before the committee and offered them as his own witnesses, they testified that they did not need the appropriation he is asking for; and the committee did not feel it should grant it.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. WHITTINGTON. I did not bring these witnesses before the committee. I requested Dr. Mohler to appear in response to the suggestion of the gentleman from Louisiana, the chairman of the subcommittee, as I said in my preliminary statement. Dr. Mohler sent these two men, stating that he could not appear. These two men very frankly stated that they were without authority to make any recommendations.

Mr. TARVER. But the gentleman offered them.

Mr. WHITTINGTON. I made a very definite statement at the time they appeared, however, as to the circumstances under which they appeared.

Mr. TARVER. Answering the gentleman, the purpose of this committee has been to lend such aid to the livestock industry as was possible. No evidence was submitted to the committee justifying the making of this appropriation. To include it in the bill seems to us unreasonable, when the hearings, at page 1574 and following, which are accessible to the membership, failed to disclose any necessity for the appropriation, and neither the committee nor the House should accept a letter written by some veterinarians down in Mississippi as to the necessity therefor, instead of the statements of departmental authorities, and undertake to make an appropriation for this purpose of almost half the total amount appropriated for the investigation of all similar diseases throughout the United States.

Mr. WHITTINGTON. Mr. Chairman, if the gentleman will yield, I am not asking for half of the appropriation that is made for all diseases; I want to be reasonable. I stated that this paragraph provides for an appropriation of $366,755 for the investigation of diseases of animals. I stated also that in the break-down of the item, $24,000 was for the investigation of miscellaneous diseases in animals and $10,000 was for biological investigation. I gave the information that was furnished me by Dr. Mohler, who was unable to appear; and I said frankly that these subordinates stated they were not in a position to make recommendation or to state what the money would be used for. Dr. Mohler stated that it would take $25,000 additional to equip and man a laboratory for the study of this disease in horses and mules. It strikes me that there is not sufficient money in this $24,000 miscellaneous item and the $10,000 biological item to make a proper investigation covering this disease.

Mr. TARVER. The gentleman does not question the fact that these items of $24,000 and $10,000 could be used in whole or in part for the investigation of swamp fever if the deparemental authorities thought such an investigation justified.

Mr. WHITTINGTON. Yes; I agree with the gentleman that they could and should be so used, but I maintain they are insufficient.

Mr. TARVER. What reason exists for allocating $15,000 to the investigation of this little-known disease when only $34,000 is allocated for the investigation of all diseases of animals throughout the United States except for certain specially earmarked appropriations?

Mr. WHITTINGTON. That is a fair question and I will answer the gentleman. The Chief of the Bureau of Animal Industry says that $24,000 is not sufficient to make an investigation to cover all diseases and at the same time make an adequate investigation covering this particular disease. I respectfully urge, Mr. Chairman, that the mere fact the subcommittee did not have the benefit of this undisputed statement of veterinarians and the statement of extension workers, the State veterinarian and directors of experiment stations is not a sufficient reason why the amendment should not be adopted. These veterinarians may come from Mississippi, but I submit that they are at least as able as the average veterinarian. With all due respect and deference to the subcommittee, if the policy of this subcommittee is adopted there will be no amendments on the floor of the House at all and the Senate would make no changes in the bill.

Mr. Chairman, I ask for the adoption of this amendment on its merit. If it is not necessary to spend the money, and if it can be taken out of the $24,000, I am sure the Chief of the Bureau will not spend it. If you allocate for one item in this bill $74,000, surely I am not to be condemned because I am asking an appropriation for an investigation of this wide-spread disease amounting to $25,000. Now, that is not my figure. It is the figure of the Chief of the Bureau of Animal Industry, who says that to make a worth-while investigation this amount will be necessary. The evidence, to my mind, shows that they have made no investigations at all in the last 5 years because this miscellaneous appropriation is insufficient. The sum of $24,000 would not be sufficient to make the investigation and provide the laboratory tests necessary in connection with the investigation of this particular disease.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The question was taken; and on a division (demanded by Mr. WHITTINGTON) there were—ayes 10, noes 26.

So the amendment was rejected.

Mr. RICH. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, when I entered the Congress in 1930 there sat on the Democratic side of the House a man for whom I had the greatest respect. I believe that when he had the opportunity to take the floor of the House the Membership of the House had the greatest respect and admiration for him. I refer to Lewis W. Douglas, and I want to quote from a news article from him as I received it in today's paper because of the high regard the Membership of this House held for this outstanding and sound Democratic citizen, Lewis W. Douglas.

When we changed administration in 1933, the President of the United States, Mr. Roosevelt, appointed him Director of the Budget; and I came to the conclusion at that time that if Mr. Roosevelt would appoint a man like Mr. Douglas as Director of the Budget to carry out the platform of the Democratic Party in trying to balance the Budget, it would be accomplished. I think Mr. Douglas did everything he possibly could to that end. After he tried for a year and was not able to accomplish anything because he did not get the support of the President, Mr. Roosevelt, and Congress, he resigned. Since that time he has been traveling abroad for a much-needed rest and said nothing against the administration, being a good Democrat, until yesterday. The news article, as recorded, reads as follows:

DOUGLAS FEARS A DICTATORSHIP WILL RULE UNITED STATES—SPENDING POLICIES HEADED TOWARD CURRENCY DESTRUCTION, IS VIEW

PHILADELPHIA, March 14.—Lewis W. Douglas, former Director of the Federal Budget, criticizing the "spending policies" of the present administration, today warned of a "destroyed currency" and of the possibility of a "complete change in our political organization."

"Only a dictator—whether it be a dictator of socialism or a dictator of fascism is unimportant—will be adequate to cope with the situation", he asserted in an address before a student assembly of the Wharton School of Finance and Commerce of the University of Pennsylvania.

Pointing out that experience of the past demonstrates that "at all times, in all places, under all circumstances, wherever governments have continuously expended more than they have taken in, their people eventually have been plunged into the destructive effects of a partially or wholly destroyed currency", Douglas said.

"If the emergency in the spring of 1933 was sufficient to vest in the Executive greater powers than ever before in our history have been vested in him, is there any reason to doubt that * * * the sheer weight of economic forces, quite irrespective of desire or intent, will force a complete change in our political organization?"

Referring to the necessity of a dictator in such a situation, he went on:

"Thus, there will be wiped out all of the liberities for which the Anglo-Saxon race has struggled for more than a thousand years, and thus there will be destroyed, with the 'forgotten man', the America which created the highest standard of living the world has ever known.

"I recognize that this is an extremely black and forbidding picture of events. I want to make it clear that I am not prophesying that I have some doubt of a too logical sequence—I am merely stating that if the present spending policy of the administration is continued the ultimate results may conceivably be as I have pictured them."

Efforts to "increase political control of a managed currency", Douglas said, "will but end in a greater failure than that caused by previously politically managed currency."

Mr. COCHRAN. Will the gentleman yield?

Mr. RICH. I yield to the gentleman from Missouri.

Mr. COCHRAN. Does the gentleman agree with Mr. Douglas?

Mr. RICH. I do. It is only too true.

Mr. COCHRAN. Did the gentleman vote for the relief bill the other day when it was up for consideration before the House, containing the $4,800,000,000?

Mr. RICH. No, I did not; and I am mighty glad I did not.

Mr. COCHRAN. Does the gentleman feel that this Government should take care of the people in distress, out of work, and who have no way of securing work and food?

Mr. RICH. Yes.

Mr. COCHRAN. Then he cannot agree with Mr. Douglas, because if we do not spend money, we cannot feed unfortunate citizens who can secure no work.

Mr. RICH. We ought to do everything we can to help the poor and needy, but the appropriation covering $4,880,000,000 was bound up with a proposition to put $4,000,000,000 of this money into the hands of the President, to do with as he pleased; to make the President a dictator, and that is the thing to which I objected. I may say to the gentleman from Missouri that if he does not wake up and if the Members of of the House of Representatives do not wake up, he will find that the things Mr. Douglas states in his speech will come to pass, and that is the thing that we in free America do not want to happen.

Mr. COCHRAN. Will the gentleman state what is going to come to pass if we do not take care of the people who are out of work?

Mr. FOCHT. Has it not already come to pass? Why does the gentleman talk about the future?

Mr. COCHRAN. Do you know what is going to come to pass?

Mr. RICH. We will get a dictator in this country. I took an oath to support the Constitution, and I am opposed to a king or a dictator.

Mr. COCHRAN. When you deny food to the unemployed in this country, the gentleman better be on a yacht at sea and well away from this country. [Laughter and applause.]

Mr. RICH. I think the Democratic Party is now at sea. [Here the gavel fell.]

Mr. SANDLIN. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read as follows:

Total, Bureau of Plant Industry, $4,958,497, of which amount not to exceed $1,691,221 may be expended for departmental personal services in the District of Columbia and not to exceed $15,675 shall be available for the purchase of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia.

Mr. COCHRAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, what I have to say now may not deal directly with this paragraph; rather it would deal with the appropriation on page 78 in reference to preparing the estimates of various crops.

I hope someone in the Department of Agriculture will call the Secretary's attention to my remarks.

Last summer I happened to be out in the State of Missouri when the threshing of wheat started. The smaller farmers there had their wheat threshed first. They did not have much, but they needed money and sold their wheat as soon as it was threshed. They took it to the mill. I was amazed one morning to pick up a paper and see an estimate from the Department of Agriculture telling the people of the country that there was going to be a great shortage of wheat. This, mind you, after some farmers had sold their wheat.

For 4 days the price of wheat jumped the limit on the Chicago Exchange, and then for 4 or 5 days more the price of wheat continued to go up. The poor farmers who, for 2 weeks, had been taking their wheat to the mill, found that the wheat they had sold to the miller was 30 cents or more higher than the price which they had received. In other words, the men who raised the wheat did not get the benefit of the rise.

With the assistance of the drafting agents and the clerk of the committee, I have been trying to find some way to place a limitation upon the appropriation that would prevent the Department from estimating a crop after the farmer had taken it to market. If they are going to make any estimates, they should make their estimates before it leaves the hands of the man who brought it out of the ground. Let that man get the benefit of the increase in price, not the miller or some broker.

I maintain it was disgraceful, shameful for the Department of Agriculture to wait until harvesttime had arrived to give out the estimates. They should have given them out 2 or 3 weeks before the harvesting period, because they certainly had sufficient information 3 or 4 weeks in advance of the date they gave out the estimates to have made some kind of statement that would have warranted the farmer who had raised the wheat in holding his wheat until the price had gone up. The Secretary of Agriculture should see this does not happen again.

I wish I could find some way to place a limitation on this appropriation, but I have been unable to do so. They tell me wheat is threshed in different parts of the country at different periods and the only way we could do anything at all would be to eliminate the work entirely, but it is too valuable, I understand, to be eliminated. Therefore I am rising now for the purpose of stating that I hope the Secretary of Agriculture will give some attention to what I have said and see to it that in the future, when these estimates are given out, they are given out before the farmer himself has disposed of his crop. [Applause.]

Mr. THOMASON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. TARVER. Mr. Chairman, if the gentleman will yield to me to submit a unanimous-consent request, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. THOMASON. Mr. Chairman, my friend from Missouri admits that his amendment is not germane to the section which has just been read, and I plead guilty to the same offense, but inasmuch as we are discussing agricultural matters, I want to read an excerpt which I took just a few minutes ago from the report made by a supervisor of the recent agricultural census down in my State and district. It is a very interesting statement and carries with it a bit of interesting history which I think has some value.

The excerpt from report of Joe B. Worsham, supervisor agricultural census, sixth district of Texas, is as follows:

OLD MISSION CHURCH AT YSLETA, EL PASO COUNTY, TEX.

In taking the Federal farm and ranch census for 1934, Enumerator Merrill Gregory Osborn listed a farm in the lower valley at Ysleta, El Paso County, Tex., which we believe to be one of the oldest continuously operated farms in the United States. The land has been owned and operated by the Catholic Church since 1682.

This farm, consisting of 7 acres, was founded in 1682 by the Franciscan Fathers, who came into the United States with Coronado. Three acres of this farm is occupied by the old mission church, which was built soon after the arrival of the Franciscan Fathers. This mission is considered by some historians to be one of the oldest in the United States. The remaining 4 acres of this property has been worked continuously by the Catholic Church, and up to within the past few years there were several pecan trees which had lived to the age of 200 years. This mission and the farming land is now under the personal supervision of Father Paul Lavain.

I thought it worth while to put this statement in the RECORD, because it is now a part of the official records of the recent agricultural census. When the records of the Department of Agriculture are checked, I think it will be found that this is the oldest continuously operated farm in the United States. It is in the rich irrigated valley of the Rio Grande 12 miles from my home city of El Paso. This land produces 2 bales of cotton per acre and an average of 5 tons of alfalfa per year. Pears and grapes are as fine as those grown anywhere. The mission church on this land is one of the oldest and most historic to be found anywhere in this country. [Applause.]

The pro forma amendment was withdrawn.

The Clerk read as follows:

Bee culture: For bee culture and apiary management, $53,000.

Mr. THOMPSON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 56, line 10, strike out the sign and figures "$53,000" and insert in lieu thereof the following: "$68,000, of which $15,000 shall be used for instigating work for the propagation of disease-resisting honey bees."

Mr. THOMPSON. Mr. Chairman, I did not have an opportunity to present this proposition to the Subcommittee on Agriculture. The purpose of the amendment is to appropriate and designate the sum of $15,000 for the development of a strain of disease-resisting honey bees.

The honey-bee industry in this country is a very large one; approximately $100,000,000 is invested in it, and the annual turn-over in the bee business is approximately $50,000,000.

Science has developed a method whereby disease-resisting bees can be raised, and I believe that those in the honey-bee business are entitled to this consideration from their Government.

When we appropriate approximately $8,000,000 for the control of pests I think it is little enough to spend some $15,000 for the development of disease-resisting strain of honey bees which means so much to the people who are dependent upon this industry. I hope the committee will see fit to accept this amendment.

Mr. SANDLIN. Mr. Chairman, I rise in opposition to the amendment.

The gentleman from Illinois says that he did not appear before the subcommittee, and there was no expert of the Department appeared before the committee to explain the necessity for this appropriation.

The bill carries $15,400 for bee diseases, and the committee feels that this amount is not necessary.

The committee feels that a better showing should be made by having experts appear before the committee, and for other reasons we do not believe that the $15,000 should be added to this sum.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

Chinch-bug control: For the application of such methods of control of chinch bugs as, in the judgment of the Secretary of Agriculture, may be necessary, in cooperation with authorities of the States concerned, organizations, or individuals, to accomplish such purposes, printing and binding, and for other expenses, to be immediately available and to remain available until December 31, 1935, $2,500,000: *Provided*, That this appropriation shall be available for expenditures of general administration and supervision, purchase, and transportation of materials used for the control of chinch bugs, and such other expenses as in the discretion of the Secretary of Agriculture may be deemed necessary, and that the cooperating State shall be responsible for the local distribution and utilization of such materials on privately owned lands, including full labor costs: *Provided further*, That, in the discretion of the Secretary of Agriculture, no part of this appropriation shall be expended for chinch-bug control in any State until such State has provided the necessary organization for the cooperation herein indicated: *Provided further*, That procurements under this appropriation may be made by open-market purchases notwithstanding the provisions of section 3709, Revised Statutes (U. S. C., title 41, sec. 5): *Provided further*, That no part of this appropriation shall be used to pay the cost or value of farm animals, farm crops, or other property injured or destroyed.

Mr. DIRKSEN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. DIRKSEN: Page 58, line 20, strike out "$2,500,000" and insert in lieu thereof "$3,000,000."

Mr. DIRKSEN. Mr. Chairman, considerable testimony and documentary evidence came before your committee with respect to chinch-bug infestation in the 10 or 11 major corn-producing States. I have gone over the testimony, and I point out to the committee that first of all the information that came to your committee was at the very latest about the 26th or 27th of January. Some 6 or 7 weeks have elapsed since that time, and we have had a better opportunity in the corn country to appraise the possibility of an aggravated chinch-bug condition. Secondly, I notice from the evidence offered to the committee from various plant entomologists in our country that they had made their estimates for the requirements for the present crop year largely upon the infestation that took place and the number of counties infested in the crop year for 1934.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. TARVER. Authorities from the Department did appear before the committee and stated it could not at this time be determined whether even two and a half million dollars would be necessary, as a great deal appears to depend upon the weather and the season. Certainly Congress will be in session for several months, and if any unusual condition should come about, requiring the expenditure of more money, it could be taken care of at the time.

Mr. DIRKSEN. Let me say, first of all, that the weather condition is such now as to aggravate the multiplication of the chinch bugs in that country, and, secondly, there is no opportunity, once the chinch-bug infestation starts, to ever come down to Washington and expect to get any aid. They bear prolifically, and in a short time they begin to fly and scatter into the fields of wheat and oats and barley and corn, and when this destroying army starts there is no stopping it. I was over some of the cornfields in the crop season of last year and saw those fields blighted everywhere, and information came before your committee that it was so bad that something drastic had to be done. I think it was pointed out by the entomologists from Wisconsin that the reason it is now a dairy State is that 40 years ago they had a chinch-bug infestation that ruined it for small grain. We are standing on the threshold of a crisis in the Corn Belt at the present time, and there will be no opportunity to come down here and get any more money with which to meet it.

Mr. TARVER rose.

Mr. DIRKSEN. Let me finish. The gentleman can have time of his own.

Mr. TARVER. I do not expect to answer the gentleman, and I simply wanted to ask whether he had asked the committee for any more than two and a half million dollars or if anybody else had.

Mr. DIRKSEN. The estimate that did go before the committee was rather tentative.

Mr. TARVER. I asked the gentleman whether or not anybody did come before the committee and state that two and a half million dollars would not be sufficient for this year?

Mr. DIRKSEN. I do not believe even Mr. Strong knows whether two and a half million would be sufficient. The entomologists in Iowa, Wisconsin, and Illinois did not know because it is one of those things you cannot present very well in advance, and certainly enough money ought to be appropriated for that purpose. You will exhaust 20 percent of all of the creosote supply in the country, and the estimated cost is based on 14 to 16 cents a gallon. If the price goes to 20 cents a gallon, you will have to have another $500,000 with which to meet the crisis out there. We may never need an appropriation again for the chinch-bug control for 10 or 15 years, but we do need plenty in this crop year. I do not see why we should be niggardly and not add another $500,000. I am appealing to everybody here, and even to the committee to increase this appropriation. If we do not need it, it will not be spent, but if we do need it we cannot come down to Washington and get the money in time to do any good. They exhausted the whole fund last year in 11 days.

Mr. CUMMINGS. What would be done with this money if it were appropriated?

Mr. DIRKSEN. It may be necessary to buy a lot of creosote with which to erect these barriers to control the migration of the chinch bug.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SANDLIN. Mr. Chairman, I rise in opposition to the amendment. This matter was thoroughly considered by the Department, and after a study of it they came before the committee and asked for two and a half million dollars. They had a conference, as we understand, in Iowa. This is the first intimation the committee has had that they need

another dollar more than the two and a half million dollars. I hope the amendment will be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was rejected.

Mr. DIRKSEN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 58, lines 19 and 20, after the word "available", strike out "and to remain available until December 31, 1935."

Mr. DIRKSEN. Mr. Chairman, I offer that amendment largely to get some information from the committee. First of all, as to why the limitation of December 31, 1935, was placed upon that appropriation. The reason I am interested is this. The control of chinch bugs is at the present time a matter of experiment. They are doing some work in the winter as well as in the spring and in the summer season, and if we do have an infestation this year, and it is possible to apply some new knowledge to this matter of control, I should say that no money would be available for that purpose under the language now set out in the bill.

Mr. TARVER. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. TARVER. Will the gentleman please state to the committee how any money could be used in combating the chinch bug in the wintertime? As we understand this problem, this money is used in aiding the farmer to provide barriers by plowing furrows around their fields and putting creosote and perhaps some other materials in those furrows in order to prevent the progress of the chinch bug. It does not occur to us, nor has it been suggested by any departmental authority, that any money could be spent in the wintertime for the purpose of controlling or eradicating this pest. Just how would the gentleman use the money in the dead of winter for the eradication of the chinch bug?

Mr. DIRKSEN. Does the gentleman know anything about chinch bugs at all?

Mr. TARVER. No; I do not know anything about them except what I have heard about them before the committee.

Mr. DIRKSEN. I suspected as much, and that is the trouble.

Mr. TARVER. But I have heard testimony delivered by authorities of the Department dealing with this question, who, I am sure, were as well advised concerning it as the gentleman who is now addressing the committee, and they do not agree with the gentleman.

Mr. DIRKSEN. I will say this, that they are contemplating at this time planting as early as possible in the spring some so-called "entrapment crops", 5- or 10-acre patches, in the hope of catching the first breeding of chinch bugs, cutting the crop and burning all the forage that comes from that little field. That would be done probably in March or April, and certainly the appropriation for the next year would not be available for that purpose. Secondly, you can go through those fields and kick up tufts of grass and cornstalks that are literally alive with chinch bugs. It seems to me, in view of the fact that it is experimental and the Department knows it as well as I do and as well as some of the experts out in our country, there might be some work that can be done in the winter as well as in the spring and summer, but the appropriation as now set down in the language of the bill, will cut off any funds for that kind of experimental work.

Mr. TARVER. Will the gentleman yield further?

Mr. DIRKSEN. I yield.

Mr. TARVER. The gentleman is certainly advised that no competent authority considers it possible to eradicate the chinch-bug? The entire question involved is whether it is possible, in times of invasions in epidemic proportions, to control it or so restrict its spread as to be of most advantage to the crops that it attacks. No competent authority, as far as I am advised, insists that there is any possibility of its total eradication. Does the gentleman so insist?

Mr. DIRKSEN. No. I wish to say to the gentleman that there are no competent authorities on chinch-bugs in the Department of Agriculture or any other place.

Mr. TARVER. There are some who testified before our committee who claimed to be fairly well advised upon that subject. If the gentleman is a more competent authority than they, I regret that he did not attend and give us the benefit of his knowledge.

Mr. DIRKSEN. Oh, the gentleman ought to appreciate that every Member of this House is so busy with his own duties that he cannot always appear on matters of this kind. That is no reason why the committee should foreclose opportunity to offer what seems to be a material and meritorious amendment to the bill. So I offer the amendment, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The amendment was rejected.

The Clerk read as follows:

Bear River Migratory Bird Refuge: For administration and maintenance of the Bear River Migratory Bird Refuge established under the act approved April 23, 1928 (U. S. C., Supp. VII, title 16, secs. 690–690h), and the resolution approved February 15, 1929 (45 Stat., p. 1186), including the construction of necessary buildings and for personal services in the District of Columbia and elsewhere, $16,559.

Mr. BIERMANN. Mr. Chairman, I move to strike out the last word.

I just want to call the attention of the committee to the matter of this Upper Mississippi Wild Life League dealt with in this paragraph. The Upper Mississippi Wild Life Refuge was established, as this section sets out, by act of Congress in 1924. The calculation was that it would include about 90,000 acres. Sportsmen contend that this is the best breeding ground for game fish, small-game animals, and fowl in the United States. By some mental lapse of some kind in the year 1930 this Congress authorized the building of a 9-foot channel in the upper Mississippi River. At that time it appropriated $7,500,000 to begin the work. To the credit of Congress, it may be said that from that time until the hour no single dollar has been added to the original appropriation to continue that criminal folly. The upper Mississippi 9-foot channel, it is proposed, will be accomplished by a series of dams about every 30 miles. Those dams will create stagnant, stinking, slimy pools, and one of them will include this 90,000 acres of the Upper Mississippi Wild Life Refuge, all of which, except the tops of one or two small islands, will be wiped out by the upper Mississippi 9-foot channel. I do not know that this 9-foot channel can by any possibility become a question before this House at this session. The P. W. A. has allotted in the last year or so something like thirty-five or forty million dollars for the continuation of this work without let or hindrance by Congress, but it is well for the Members to devote some attention to it. At a recent hearing before the board of review of the P. W. A. it was very clearly proven, by taking the figures of the proponents of the 9-foot channel as to the amount of traffic they would develop and the saving that they alleged would result to shippers, and then taking, on the other hand, the uncontrovertible figures of the Government as to the interest on the investment and the upkeep of the upper Mississippi 9-foot channel, that the cost to the Government every year would be in excess of $1,000,000 above the highest estimate of the saving to shippers on the upper Mississippi River.

Mr. THOMPSON. Will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. THOMPSON. Does not my colleague from Iowa believe that the installation of the locks and dams on the upper Mississippi River is just as important to the economic development of the Middle West as the canalization of the Ohio River?

Mr. BIERMANN. I am not familiar with the canalization of the Ohio River, but I know that the installation of these dams in the upper Mississippi River will not produce one 5-cents' worth of economic benefit to this "great

land-locked area", for at the present time it is well to remember that the water and rail rate on the upper Mississippi River is precisely what it will be under the 9-foot channel; and the proponents of the 9-foot channel are, in effect, contending that although shippers will not use the 6-foot channel, they will use it at the same rate if 3 more feet of water are added to it.

Mr. THOMPSON. It would make transportation easier.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. HOPE. Will the gentleman tell us where the agitation comes from for this 9-foot channel if the facts are as he has related them?

Mr. BIERMANN. It will be used by manufacturers who have both manufacturing and distributing points on the river. If they own their own barges and transport their manufactured products to their distributing point, they will benefit. The upper Mississippi Valley Committee, which reported to the P. W. A. about the last of October, made a statement in so many words that there was absolutely no economic justification for the upper Mississippi 9-foot channel.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. SNYDER. I would ask the gentleman if he takes into consideration the economic value wholly aside from the shipment of goods up and down the river? What about the added moisture to be furnished by the larger bodies of water behind the dam and its value to the adjoining acreage?

Mr. BIERMANN. In making this economic valuation I have taken the rosy figures of the proponents of the channel. If they left out the evaporation factor, it is the only factor they left out.

Mr. SNYDER. Does not the gentleman think that is an important factor in the arid Middle West today?

Mr. BIERMANN. This is not an arid region; it is the best agricultural region in the world.

[Here the gavel fell.]

Mr. CHRISTIANSON. Mr. Chairman, I ask unanimous consent that the gentleman from Iowa may have 1 additional minute in order that I may ask him a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. CHRISTIANSON. If it is true, as the gentleman has stated, that only a few shippers are interested in the development of the upper Mississippi, how does the gentleman account for the fact that the State of Minnesota, through its legislature, is spending the money of the taxpayers of the State to maintain an organization charged with the responsibility of securing an adequate development of the upper river?

Mr. BIERMANN. I feel that the Legislature of Minnesota on this proposition, as on many others, has been badly fooled.

Mr. CHRISTIANSON. I do not believe that the gentleman should set his own individual judgment against that of 67 men in the Senate of the State of Minnesota and 131 men in the house of representatives, elected by the people of that State and responsible to those people.

Mr. BIERMANN. How would the gentleman like to set against these distinguished Minnesotans the opinion of the Mississippi Valley Committee, which is composed of scientists and experts and which made a report after extensive investigation stating that there was no economic justification for this project?

Mr. CHRISTIANSON. Before answering that question I would first want to know what the relationship was between the members of that committee and the railroads of the United States.

[Here the gavel fell.]

By unanimous consent the pro forma amendment was withdrawn.

Mr. GRAY of Pennsylvania. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, this morning there was some discussion about the virtues of the A. A. A., and the peculiar thing that struck me was that the farming population in the district I represent in the State of Pennsylvania seem to be of an entirely different opinion. They have asked me that a protest be made against the operation of the A. A. A. Now, you will understand that I myself am not engaged in farming. I represent a district which contains a lot of farmers. It seems to be the almost unanimous opinion of these farmers that the operation of the A. A. A. so far as it affects the people in that district is detrimental. I have a letter from the Indiana County Potato and Seed Improvement Association. Among other things, the writer of that letter states:

Our members are strictly opposed to production-control measures, processing or sales taxes, or penalty taxes now being proposed by potato-growing States long distances from Pennsylvania.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. GRAY of Pennsylvania. I yield.

Mr. HOPE. Are these commercial potato growers or are they just farmers who grow potatoes as a side line?

Mr. GRAY of Pennsylvania. I think some of them at least are commercial potato growers. These people who enter this protest—and this is one of several which I have, are, I think, desirous of going along with the present administration.

A great many things have been said about how people in Pennsylvania were elected to Congress and why the State voted the way it did at the last general election. In my particular case—and I cannot speak for others—in a district which is comprised of a very large labor population and a very large farming population, it is my judgment that the National Industrial Recovery Act was the main reason for the district, the first time in its history, returning to Congress a member of the Democratic Party. The farming population complained during the campaign and after. Their complaints against the operation of the A. A. A. with the labor set-up and the benefits that accrued to labor under the N. R. A., and with the terrific protest of the people of the State of Pennsylvania against several generations of rule by the Republican Party in the State, account for the political victory in Pennsylvania, but I do not think that the Agricultural Adjustment Administration has been helpful to the Democratic Party or to the Roosevelt administration, although I do think that people very generally are anxious to give the administration the benefit of every doubt.

[Here the gavel fell.]

By unanimous consent the pro forma amendment was withdrawn.

The Clerk read as follows:

The appropriation of $2,000,000 for roads on unappropriated or unreserved public lands, nontaxable Indian lands, and so forth, contained in the act entitled "An act to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by providing for and expediting a public-works program", approved July 21, 1932, is hereby continued available during the fiscal year 1936, and not to exceed $4,760 may be used for personal services in the District of Columbia.

Mr. JENKINS of Ohio. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. JENKINS of Ohio: On page 69, line 21, after the word "expended", strike out the period and insert a colon, and add the following: *Provided:* That not less than 25 percent of the apportionment to any State shall be applied to the construction or reconstruction of rural roads lying outside the 7 percent Federal-aid system, which rural roads shall be such as the Secretary of Agriculture shall determine to be primarily of service to the rural population in the operation of public school bus routes, free delivery routes, and star mail routes. No part of such 25 percent is to be used for the construction of reconstruction of a highway or road which has been designated as a part of a Federal or State highway system eligible to participate in Federal aid.

Mr. BUCHANAN. Mr. Chairman, I make the point of order that this is legislation on an appropriation bill.

Mr. JENKINS of Ohio. Will the gentleman reserve his point of order?

Mr. BUCHANAN. Yes. I reserve the point of order.

Mr. JENKINS of Ohio. Mr. Chairman, after preparing this amendment I considered its vulnerability to a point of order and decided not to offer it. I agree, therefore, with the gentleman from Texas in his point of order, but I understood him to admit in the colloquy between himself and the gentleman from Missouri [Mr. CANNON] that this would be germane and would not be subject to a point of order if introduced at the end of the paragraph. Hence I am introducing it at the end of the paragraph.

Mr. BUCHANAN. No. There is $100,000,000 in this bill that may be used for feeder and secondary roads.

Mr. JENKINS of Ohio. The gentleman may not know it, but when we had up for consideration the Hayden-Cartwright bill last year the amendment quoted by the gentleman from Missouri [Mr. CANNON] was an amendment I offered myself to the Hayden-Cartwright bill, and which amendment was made a part of that law. This $100,000,000——

Mr. BUCHANAN. The $100,000,000 is expended under the terms of the Cartwright bill.

Mr. JENKINS of Ohio. This amendment which I offer now seeks to change the further distribution of the remaining money provided in the Hayden-Cartwright bill.

Mr. BUCHANAN. That is what I object to.

Mr. JENKINS of Ohio. If that is the gentleman's position, then he agrees with me; but I should like, while I have the floor, if the gentleman will reserve his point of order, to make a brief statement as to how the road-financing program stands at this time.

As all of us who have followed this road legislation for several years know, there has been much agitation and some legislation with reference to secondary and feeder roads. Last year it was clearly determined in this House, by an overwhelming vote, that the consensus of opinion in this Congress was that some basic, definite, permanent legislation ought to be enacted to provide for a permanent allotment of Federal money, so that the rural roads might be taken care of.

While I am talking on this point I may state that in collaboration with men who, I think, are well versed on road legislation I prepared and introduced a bill sometime in this session of Congress which I think provides the best way by which the desired result may be accomplished. It is my opinion that the safest and simplest plan is to amend the original Federal Highway Act of 1916. This will provide for a division of all Federal appropriations for public roads so that the rural roads will be taken care of properly. The Hayden-Cartwright law was plain, but in spite of its clarity the highway directors of various States were not able to agree on a uniform policy and a uniform program, with the result that in some States—for instance, in the great State of Ohio—the people who were expecting that improvements for their rural mail routes and school-bus routes might be reached under this program were disappointed and their road projects were never reached. This was a bitter disappointment to them, and the blame is on the Federal and State highway authorities, who have always been favorable to main highways and to expensively constructed highways.

I think those of us who are more or less considered as well sold on this proposition of a more fair division of Federal road money believe that some definite legislation should be perfected and passed for the improvement of these rural roads. We believe our relief lies in the direction, as I have said, of an amendment to the organic Federal law providing that henceforth, from all Federal-aid appropriations, at least 25 percent shall go to rural roads, to the school-bus routes, and to the rural-carrier routes, and while I agree with my distinguished friend from Texas that the proposed amendment is subject to a point of order, I am going to leave the amendment in the RECORD for the purposes of the record and will not withdraw it, although I want it understood I am not opposing the point of order.

Mr. THURSTON. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. I am glad to yield to the distinguished member of the Appropriations Committee.

Mr. THURSTON. Even though the amendments suggested by the gentleman from Missouri [Mr. CANNON] and the gentleman from Ohio [Mr. JENKINS] were not adopted, it seems to me they have served a good purpose and will constitute a nucleus around which legislation can be drafted in the future; and while we know that our primary roads must be taken care of, yet there has been a woeful neglect in providing for the secondary or farm-to-market roads. Before our committee it was demonstrated that we could build some of these roads for two or three or four thousand dollars a mile, and a great territory could be served by an application of the funds in this way.

Mr. JENKINS of Ohio. I am pleased to have the gentleman's observation and to know that he agrees with us in our position. I may say to him that I have read the hearings before his great Committee on Appropriations and believe everyone who appeared before the committee indicated friendliness toward the proposition we have been advancing, and it is very fortunate that a majority of this Congress is so outspoken in this respect, and we should be able to enact legislation that will meet the overwhelming sentiment of the American people. There is no question but that a 25-percent division of Federal money should be made for rural roads, and there is no question but that a large majority of Congress is in favor of such a division. I expect to continue the fight I have been making for years until I see this accomplished and see rural roads placed on the same plane with main roads.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. MOTT. In view of what the gentleman has said, I am sure he will be pleased to know that in the new Cartwright bill, reported out today, there will be $300,000,000 directly for the purpose the gentleman mentions, and it will be mandatory.

Mr. JENKINS of Ohio. I thank the gentleman. I knew about this bill; I hope we can pass it. I am sorry my time is up.

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Chairman, I insist upon the point of order.

The CHAIRMAN (Mr. WARREN). The point of order is sustained.

The Clerk read as follows:

WOOL-MARKETING STUDIES

Not to exceed $27,652 of the funds collected from persons, firms, or corporations which handled any part of the wool clip of 1918, which the Secretary of Agriculture finds it impracticable to distribute among woolgrowers, shall be deposited in the Treasury to the credit of a special fund which is hereby appropriated for the fiscal year 1936 for the purpose of carrying into effect the provisions of the act entitled "An act to authorize the appropriation for use by the Secretary of Agriculture of certain funds for wool standards, and for other purposes", approved May 17, 1928 (U. S. C., Supp. VII, title 7, secs. 415b–415d), including personal services and other necessary expenses in the District of Columbia and elsewhere.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word. I ask unanimous consent that I may use 5 minutes out of order.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Chairman, during my service in Congress, on many occasions, I have stood up in front of the Washington newspapers and thwarted their plans and stopped them from getting big, undeserved hand-outs from the people's Treasury.

At one time these newspapers, through vicious attacks periodically made on any Members who opposed them, and through continual front-page propaganda, had influenced Congress to pay one-half of all the annual fiscal expenses of the people of Washington out of the United States Treasury, resulting at one time in the Washington people having to pay only 90 cents on the $100 as their total tax on real and personal property in the District of Columbia.

For years I was one of those here leading the fight to require the Washington people to pay a reasonable part of their own expenses, and such fights finally culminated in reducing the amount the Federal Government paid on such fiscal expenses to $9,000,000 annually.

Since then my colleague, the distinguished gentleman from Missouri [Mr. CANNON], than whom there is no Member of this House abler or more valuable to the people, has been chairman of the subcommittee of the Committee on Appropriations, handling the District appropriation bill, and I have deemed it a great honor to serve under him on that committee. We have convinced the committee, and the House, and the Senate that it is unjust and inequitable to the people living in the 48 States, who have to pay their own taxes, to require them also to pay such a large proportion of the taxes of Washington people, and for 2 years now we have gotten the Congress to reduce such annual Federal contribution from $9,000,000 to $5,700,000 and thereby saved for the taxpayers of the United States the sum of $3,300,000 annually on this one item alone, yet the tax rate here now is only $1.50 on the $100.

The price I am now having to pay for thus doing my duty is to be a target for the spleen and malicious ill will of the Washington newspapers. They continually misquote me. They continually misrepresent me. They continually try to play me up in a false light. They continually snarl at me. They are continually snapping at me. Hardly an issue appears that does not contain some kind of an attack on me. They have their many special feature writers shoot at me with their popguns. They try to play me up to disadvantage on their front pages in big box-car letter headlines upon matters most trivial and unimportant.

Their belief is that they can thus break me down. But they cannot. Their belief is, that I will deem such fights against them not worth while, but they are entirely mistaken. They believe that eventually I will get out from in front of them and let them have their own way. But I will not. They may just as well realize now, as they will later, that they are accomplishing nothing. They cannot injure me with my colleagues, for there are enough older Members here thoroughly familiar with my work throughout the years to keep the new Members well informed. They cannot injure me with the people of Washington, because enough of them read the daily RECORD to let others know that these newspapers' attacks are nothing but malicious persecutions.

When the matter of appointing an assistant superintendent of the Metropolitan Police Department came up in the spring of last year, I was interested in seeing a proper man was appointed, one who had ability, who had good judgment, who was honest and reliable, who was fearless, and one who would be faithful in performing his duties. I knew that Inspector Albert J. Headley was just such a man and possessed all of these good qualities, and I endorsed him for the position.

Inspector Headley has served in the Metropolitan Police Department for 39 years, winning promotion after promotion, first a private, then a sergeant, then a lieutenant, then a captain, and finally he reached the high position of inspector of police.

During the 2 years I served on the special Gibson investigating committee, of which Hon. ERNEST W. GIBSON, who is now a United States Senator, was its able chairman, and I was the ranking Democratic Member, Captain Headley then rendered us valuable service in helping us to clean up many rotten conditions scattered here and there throughout the District of Columbia. His assistance was invaluable. We found him absolutely reliable and dependable.

Inspector Albert J. Headley's friends here are legion and number some of the leading business men of Washington. They were prepared to go the limit for him in requesting his appointment.

It developed that Inspector T. R. Bean also was an applicant for this appointment as assistant superintendent.

Some of Bean's friends, including Maj. Ernest W. Brown, represented that Inspector Bean was in bad health and wanted to retire and leave Washington before cold weather, and that if he could get this appointment it would enable him to retire on the larger retired pay of an assistant superintendent, and this financial help would mean a godsend to him, and they proposed that if Inspector Headley would withdraw, and he and his friends would unite in assisting Bean to get the appointment, Bean would soon retire, at least by the last of 1934, and then Inspector Headley would be in line for the appointment by reason of his seniority. When we submitted the proposal to Inspector Headley he, without hesitation, magnanimously and generously said, "Certainly, I will help my old pal, we have served together as policemen for years, and I realize it will be a great benefit to him, and I am perfectly willing to wait, and to step aside, and help Bean get the appointment."

So, on behalf of Inspector Headley's friends, I made a gentleman's agreement with the friends of Inspector Bean, including Maj. Ernest W. Brown, Superintendent of Police, that Inspector Headley would step aside, withdraw his application, and all of us would help Bean get the appointment so that he could retire on higher pay, and then Inspector Bean would retire before cold weather came last year, at least by the last of 1934, following which Inspector Headley could be appointed, he being in line through seniority.

Inspector Headley did step aside, did withdraw his application, and he and his friends did go down the line for Inspector Bean, and helped him to get the appointment.

I had confidence in Major Brown and the other friends of Inspector Bean, and while I did not confer with Bean himself, I felt sure he would abide by the agreement his friends had made for him, which resulted in his getting the appointment.

From my home in Texas I wrote Major Brown to learn just when Inspector Bean was arranging to retire, so that I could keep faith with the friends of Inspector Headley, in looking after his interests, and I received from Major Brown the following letter:

METROPOLITAN POLICE DEPARTMENT,
Washington, D. C., August 25, 1934.

HON. THOMAS L. BLANTON,
Abilene, Tex.

MY DEAR CONGRESSMAN BLANTON: I am in receipt of your letter of the 15th instant, and before replying I have endeavored to obtain, if possible, definite information as to the approximate time of retirement of one of our assistant superintendents, and the best information at this time is that he contemplates asking for retirement in the next few months, possibly around January 1.

It was my understanding when we discussed this matter in your office that he contemplated retiring before cold weather.

I have already taken this matter up with Commissioner Hazen and advised him of our agreement in this matter, and as soon as we have the vacancy everything is arranged for the promotion of Inspector Headley to the position, and I want you to know that the agreement between us will be carried out, as I am most anxious to do something for Inspector Headley, especially in view of our many years of association together in the department, and I most certainly appreciate your interest in this, a matter of mutual interest to both of us.

Reciprocating your kind personal regards, I am, as ever,
Your friend,

ERNEST W. BROWN,
Major and Superintendent.

After receiving the above letter I gave the matter no further thought, until after this session met last January I learned from Major Brown that Inspector Bean was trying to crawfish and indicated that he was going to refuse to abide by the gentleman's agreement his friends had made for him, which secured for him the appointment. I was surprised that Bean would thus double cross his friend Headley, who had treated Bean most magnanimously and generously, and I told Major Brown that I should like to see Bean sometime and tell him all Headley had done for him.

About a week or 10 days thereafter Inspector Bean came to my office. I had not seen him before for a year and I had not communicated with him. He came voluntarily on his own volition.

He mentioned the "gentleman's agreement" I had had with Major Brown and his other friends and denied that he was bound by it, as I had not had the agreement with him, and he said, "What if I do not retire." I told him that I would do everything I could—which, of course, meant everything that was right, proper, and honorable—to prevent his doing this great injustice to Inspector Headley; and he knew I meant to place all of the facts before the Commissioners of the District, who are honorable men of high character, and who do not believe in any double crossing. I appealed to

Bean's sense of honor, and said, "Inspector, man to man, do you believe you are treating Headley fairly and justly, after all he and his friends did for you?"

That seemed to touch him, for he said he had had to pay a debt for a brother, and needed to get his salary until April, and just let the matter rest until then and he would likely retire on April 1. I did let the matter rest and did not mention it to any person.

To my surprise, the papers yesterday evening and today were filled with a lot of rot, absurd and ridiculous, regarding a statement Bean made yesterday before the District Committee that I was in "a plot to force him out of office."

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to proceed so that I may finish my remarks and show Bean's absurd statement appearing in these newspapers.

The CHAIRMAN. Is there objection?

Mr. TARVER. Mr. Chairman, I reserve the right to object. I shall not object to this particular request, but I shall to any similar requests. We are trying to get through with this bill and we hope to bring in a bill of interest to the cotton industry in the gentleman's district and mine. It seems to me the affairs of the Washington Police Department have nothing to do with that.

Mr. THURSTON. Mr. Chairman, I reserve the right to object for the purpose of asking whether it is the intention to bring in the cotton bill this afternoon?

Mr. BUCHANAN. Not this afternoon, as I understand it.

Mr. TARVER. I think it is the purpose to bring in the cotton bill either this afternoon or tomorrow morning.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Chairman, I am grateful to my friends for their patience and courtesy, for I do want to show just how far these angry, malicious newspapers will go in inciting a few irresponsibles to attack me wholly without rime or reason, and then play up such trivial matters of trying to help a deserving man get a job in large box-car headlines in their front pages.

The Washington Times, the Washington Star, the Washington News, the Washington Post, and the Washington Herald, in concerted action, like a pack of hungry wolves, all vied with each other in trying to make their headlines largest and their reference to my name scariest. One was "Police Charge Plot to Blanton", as if I had done something wrong. Another had across its front page, "Representative BLANTON Faces Accuser", as if I had been accused of something awful, when all of this absurd and ridiculous notoriety about nothing was being specially framed by these malicious newspapers.

From the Washington Post I quote the following:

An ultimatum that Inspector Thaddeus R. Bean, assistant superintendent of police, must be retired to make room for promotion of Inspector Albert J. Headley has been served by Representative THOMAS L. BLANTON, of Texas, the House District Crime Commitee was told yesterday.

Retirement of Inspector Bean was promised Representative BLANTON by Maj. Ernest W. Brown, Superintendent of Police, who also promised Inspector Headley, a friend of BLANTON for years, would be promoted, the committee was told.

"We have a way of doing things up here", Representative BLANTON said when Inspector Bean wouldn't agree to retire, the committee was informed.

The story was unfolded by Inspector Bean, who had been summoned before the committee and testified under oath. He had been called, the inspector was told, because information reaching the committee indicated gossip about the deal was demoralizing the force.

During examination of Inspector Bean Representative WILLIAM T. SCHULTE, of Indiana, developed that Representative BLANTON is a member of the powerful House District Appropriations Subcommittee, which controls the purses of all District governmental agencies.

As a matter of fact, it was not the House District Committee, as misrepresented by the Post, but a subcommittee with only two members present, Mr. SCHULTE and Mr. REED. Mr. SCHULTE began his service with the last Congress, and Mr. REED last January began his service with this Congress. The Post attempts to tell what happened at this executive session with all newspaper reporters and their cameras present:

"Do you know of any petty jealousies among the higher ranking officers of the police department, say, above the rank of captain", Representative SCHULTE asked.

Inspector Bean said, "No."

"Then why", snapped Mr. SCHULTE, "are they trying to get you?"

"I heard last September", Inspector Bean replied, "that Mr. BLANTON, of Texas, had written a letter to Major Brown asking him to retire me and replace me with Inspector Headley."

"Why?" asked Mr. SCHULTE. "Had you had any trouble with Mr. BLANTON?"

"No, sir."

"Then, why?"

"Well, Mr. BLANTON and Inspector Headley have been good friends for a number of years", Inspector Bean replied. "Several years ago Inspector Headley was reduced to a captain and had to come to Congress to get back."

"Mr. BLANTON did that for him?"

"Yes, sir."

Not one word did Bean say about who helped him get appointed. He tried to hit his friend Headley under the belt by mentioning that Headley had been reduced to a captain without telling the facts.

Inspector Headley had forced a member of former Commissioner Frederick A. Fenning's family to obey the traffic laws, and, without a hearing, Fenning demoted Headley to a captain, and after I had impeached Commissioner Fenning for robbing several hundred shell-shocked soldiers out of several hundred dollars and forced him to resign and make restitution I introduced a bill, which Congress passed, restoring Inspector Headley to his rank and allowing his pay Fenning tried to rob him of.

Let me quote from the Post further:

A few weeks ago, Bean said, Major Brown had said to him:

"Why don't you go to see Mr. BLANTON? He'd like to see you."

"I replied, 'I don't want to see him I've no business with him' The major said, 'I was up there yesterday, and he treated me all right.' I said, 'I've got something else to bother me today, but I'll go.'"

Major Brown had him driven to the House Office Building in the Superintendent's automobile, Inspector Bean said, and continued:

"I went in and saw Mr. BLANTON. He sat me on a sofa. Back of the sofa and behind me was a stenographer. He went on to say about his being a high Mason. I said, 'Mr. BLANTON, that doesn't concern me one way or another. I don't care what a man is.' He said it did mean something down where he came from, and he just wanted to show me that that didn't enter into it."

Not once did Bean make a true statement. The sofa upon which he sat was flush against the wall and there was only the wall behind him. My secretary was at her desk attending to her letter writing. The only time the word "Mason" was mentioned was in connection with some protests which had been made to me because Inspector Bean is a Catholic, and I assured him that, while I am a Knight Templar Mason, I have no religious prejudice, and had no prejudice whatever against him.

I quote further from the Post:

"Now," interrupted Representative SCHULTE, "if this is true in your case, are there any other cases? Anyone else they are trying to get out of the picture?"

"Not that I know of."

"Don't you think their conniving to get you out is lowering the morale of the police department?"

"I only know about myself. I know how I feel."

"It means there are others," Mr. SCHULTE said. "No one knows when the cap will be set off under them."

"Isn't your case, inspector, a matter of common gossip in the department?"

"I think perhaps it is. Everywhere I went I heard talk I was to get out October 1, November 1, or some other date."

"Isn't it true", asked Representative SCHULTE, "that Mr. BLANTON is a member of the District Appropriations Subcommittee?"

"I understand that he is; yes, sir."

"Have you ever heard of similar tactics employed against any other members of the department either by a Member of Congress or anyone else?" asked Representative REED.

"No, sir", replied Inspector Bean. "Not that I know of"

"There was one other thing. As I was going out the door of his office Mr. BLANTON asked me if I would answer one question. I said 'sure.' Mr. BLANTON said he had heard that I would like to have my promotion to assistant superintendent so I would get the benefit of the pension when I went out of the department. 'Yes, sir; I did say that', I told him, 'and I would say that to anyone.'"

I contend that it is very evident from the foregoing that the front-page box-car headlines in all these Washington newspapers is just another attempt on their part to hit me under the belt because I will not obey their orders.

I have the right to do everything in my power to help get first-class officials in office in Washington. I have done it in the past and I am going to do it in the future. I have endorsed many persons for jobs. Some have been successful, others have not.

To show that it is this same old Washington fight, I quote the following from today's Washington Times:

Representative SCHULTE previously asked Representative BLANTON if he did not believe that the people of the District be permitted to control their own affairs by voting, to which Representative BLANTON responded:

"All this talk that you hear about voting is merely propaganda. Every newspaper in Washington would be against it if you put it up to them."

INTERFERENCE PROTESTED

Meanwhile Arthur Clarendon Smith, president of the Civic Clubs Association of the District, declared today the residents of Washington were entitled to complete information on Inspector Bean's charge that Representative BLANTON sought to have him retired.

Mr. Smith said, "Interference on the part of Congressmen in local affairs is bound to prove detrimental to the morale of the department."

Certainly, all Washington people dislike for Representatives of the people in Congress to run the affairs of Washington, but we are going to do it whether they like it or not. The Constitution and laws of the United States make Washington the seat of this Government, and require Congress to make its laws and run things here. And if Washington people do not like it, let them move. Most of the Washington people have gotten rich off of the people in the 48 States. These newspapers may just as well understand now, as later, that they cannot run Congress.

I do not know how long these newspapers are going to continue this persecution of me. If they knew it does not hurt me but helps me, they would stop it. They cannot injure me in my district with these attacks. I have represented the people of my district too many years. They know what I stand for, and the kind of service I render. I was their circuit judge on the bench in 5 of their counties for 8 years. They know that in every county in my circuit I enforced the law against everybody alike. They know what kind of work I do in Congress, as do my colleagues. Every time they attack me, these malicious newspapers make votes for me. They are making a futile fight against me. This latest frame-up is the most ridiculous one ever made. [Applause.]

Mr. BEAM. Mr. Chairman, I rise in opposition to the pro forma amendment and ask unanimous consent to proceed out of order for 2 minutes.

Mr. TARVER. Is this to be a reply to the speech just made?

Mr. BEAM. It is somewhat in conformity; it is along the same line. I shall not consume more than a minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BEAM. Mr. Chairman, I rise simply to call to the attention of the House that in the edition of the Washington Evening Star of Thursday, March 14, I am quoted as saying the following:

"If this be treason, make the most of it", retorted Representative BEAM, of Illinois.

Those remarks were made by the gentleman from Kansas [Mr. CARPENTER]. I made no such statement. I have no sympathy with this movement. I am a Democrat and believe in the Democratic doctrines, and I stand 100 percent behind the President of the United States. [Applause.]

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn and the Clerk will read.

The Clerk read as follows:

To enable the Secretary of Agriculture to make investigation not otherwise provided for of the causes of soil erosion and the possibility of increasing the absorption of rainfall by the soil in the United States, and to devise means to be employed in the preservation of soil, the prevention or control of destructive erosion, and the conservation of rainfall by terracing or other means, independently or in cooperation with other branches of the Government, State agencies, counties, farm organizations, associations of business men, or individuals, including necessary expenses, $281,362, of which amount not to exceed $22,032 may be expended for personal services in the District of Columbia, and $875 shall be available for the purchase of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia.

Mr. GILCHRIST. Mr. Chairman, I move to strike out the last word for the purpose of directing an inquiry to those in charge of the bill. The question of soil erosion has come to my attention because of an inquiry made by a constituent who wanted to know what might be done to remedy the gullying of certain lands out there in my district, the gullies being at the outlet of certain drainage districts. The work is not very extensive, but still it covers a great many different places in northwestern Iowa, and no one project is of any great consequence. Taken together they amount to something. So, in my innocence, I wrote to the Director of Soil Erosion. I looked through the directory and the manual and the blue book and the red book and thought I had hit upon the right bureau or commission or committee or service when I wrote to the Director about this matter, but when I got the reply from him I found that the Director was not in a position to help in that work. He said, in part, as follows:

Our operations are restricted to definite watershed areas, where we are installing erosion-control measures over the agricultural land. We are hoping that the limitations of our work will be broadened, but I can give you no assurance in that matter. It occurs to me that you might be able to procure F. E. R. A. labor, etc. * * *

Now, it seems to me if we are going to have any soil-erosion work in the Department of the Interior, then the Director of Soil Erosion Service in that Department ought to have something to say about it. I am not objecting to the appropriation, but I would like to inquire where are we going to get this work done if we get it done at all?

Mr. BUCHANAN. I will state that the character of work which the gentleman is talking about is done under the Department of Agriculture and under this appropriation. The gentleman wrote his letter to the Department of the Interior, which is operating under allotment from the Public Works. Under the rules and regulations adopted in that Department they deal with the entire watershed, to stop erosion of entire watersheds. They do not deal with gullies and small tracts of land; but the Department of Agriculture actually does deal with them; and, as I understand it, they have a soil-erosion station established by act of Congress, coming out of our Committee on Appropriations, in southern Iowa. If the gentleman will take it up with the Department which has jurisdiction and take it up with that station, I think he will receive the necessary assistance.

Mr. GILCHRIST. I thank the chairman of the committee. I am glad to have the suggestion. Of course, Mr. Chairman, I withdraw the pro forma amendment.

Mr. FOCHT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would not invade, but I see there is ample time to pass the bill before the session closes, and I would like at this juncture to make a few remarks in confirmation of what was said by the gentleman from Pennsylvania [Mr. GRAY], a Democratic Member of the House, whose district is contiguous to mine. I do not recall what his majority was, but I had an unusual majority. It may seem singular that there should be such a convergence of thought in a State that rarely, if ever, gave a Democratic Member west of my district. The fact of the matter is that when I came to Congress in 1907 there were 36 Republican Members from Pennsylvania. We now have 11. I think Mr. GRAY accounted for the twenty-some additional Members in the correct way. I can see the gentleman's district now, that great section around Johnstown, and then the valleys with their agricultural wealth. I can vision my own district with that great section around Lewistown, where the Logan Iron Works, Standard Steel Works, Burnham Iron Works, and Visco, and other iron industries employing ten or fifteen thousand men when they operated, but they are not operating now, except in part; with the rayon works, which is

being hard driven by Japanese competition. At one time this great plant employed 7,000 men, and then the intervening valleys of rich agricultural land.

Now we come to exactly what Mr. GRAY said. Republicans voted for a Democrat and many Democrats voted for me. It was because a man in whom they had confidence gave a promise to the people, and they believed he would do something to restore prosperity. Then when we came here we heard his message before Congress, in which he reiterated that statement, that if he could not bring back prosperity, if any of the experiments which he was going to try should fail, then he would turn back to the same old principles upon which prosperity had previously been founded. Now, Mr. GRAY comes like a real statesman, with the same faith and confidence the people had in him, and he says to you gentlemen that those promises that were made, which induced Republicans to vote for him for Congress, have failed utterly; that the farmers are unhappy and are not prosperous; that the President has failed to do the one thing necessary to make the farmer prosperous, and others as well, and that is to put men to work to consume what the farmers produce, which cannot be done without earning power sustained by regular productive employment. I repeat what I said on the floor of this House before, and that is that there is no overproduction. They must go to the other side of it and put men to work—real, honest work. I do not mean to hand them out relief. That is not the way Americans were trained. They were trained to have happy homes, send their children to school, and live in quite a different way than people live in Japan. They talk about this strange, weird thing named reciprocity in the absence of some more appropriate designation. But it is not the old reciprocity of James G. Blaine at all, because the reciprocity we had at that time Congress decided upon, without a will-o'-the-wisp of 50-percent flexibility. Now you have one man, presumably a dictator, to determine it.

[Here the gavel fell.]

Mr. FERGUSON. Mr. Chairman, I rise in opposition to the pro forma amendment.

I have appeared several times on this floor to speak on the subject of soil erosion. I want to call the attention of the House to the fact that we have several departments of Government that are undertaking experiments and are disseminating literature and information on this subject. The Soil Erosion Bureau under the Department of the Interior is the department that has done the greatest amount of work and the most thorough work. I realize the work done by the Department of Agriculture. In starting this fine program we should use their findings, but continue this work under the Soil Erosion Service, as they are now equipped to take the necessary steps in carrying this work out. This appropriation bill has been limited to public lands and the control of forestation where the land has been burned over in trying to reestablish growth to cut down the rate of run-off, but I do think it is time that we had one department of Government which understands this subject to put out information about it. If any of you have lived in districts where terraces have been constructed by people who do not know anything about them, by men who do not have the proper information, you have seen the effect of that kind of work.

I have seen farms where these terraces were constructed as high as an 8-percent slope that merely made gullies across the field and cut out great places on the edge of the road. As a result of information gathered supposedly by some department of the Government that knew what it was doing, they finally cut the grade to 6 percent, then to 4 percent, then to 2 percent; and now they have come to the conclusion that a level terrace, that is, just a terrace closed at each end thrown up on the contour of the land, not only conserves more of the water but keeps it from flowing off at such a rapid rate. They have a great deal of information at hand and have gone ahead with their effort to prevent soil erosion. They have acquired a good deal of information with respect to what crops to plant and how to plant them to prevent soil erosion by wind.

Again I wish to call the attention of the House to the proposition that, instead of having several bureaus and establishments handling this subject, we should have one single Bureau of Soil Conservation, a permanent single body to carry on this work and disseminate this information. Until we bring this about we shall have failed in an opportunity to be of the greatest possible service to this country.

By unanimous consent, the pro forma amendment was withdrawn.

The Clerk read as follows:

BELTSVILLE RESEARCH CENTER

For general administrative purposes, including maintenance, operation, repairs, and other expenses, $75,000; and, in addition thereto, this appropriation may be augmented, by transfer of funds or by reimbursement, from applicable appropriations, to cover the cost, including handling and other related charges, of services, and supplies and materials furnished, stores of which may be maintained at the Center, and the applicable appropriations may also be charged their proportionate share of the necessary general expenses of the Center not covered by this appropriation: *Provided*, That not to exceed $1,000 may be expended from this appropriation for the purchase of 1 passenger-carrying automobile and 2 motorcycles for official purposes.

Mr. THURSTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, yesterday in my remarks I called attention to a movement which has been inaugurated by the Department of Agriculture to create a gigantic experimentation at Beltsville, near Washington. I believe it is generally conceded that the experiment stations which have been maintained in our respective States for many years have a personnel that is better acquainted with local conditions and which can more adequately and thoroughly analyze any proposition that may be important to any given product rather than to have these experiments brought down to a station which is not located in a major farm section; and I want to warn you that if the present policy in this respect is not changed, work and experimentation will be taken away from and facilities will be diminished in your experiment stations. It is my judgment that before any additional support is accorded to this station a survey should be made to ascertain whether this work could not be more effectively and advantageously handled in our respective States.

Throughout the askings made by the several bureaus of the Department of Agriculture appear items for new construction, or support of activities already existing, for the experiment station at Beltsville, Md. I am not informed as to the amount which has been expended at this station recently, or the sums that will be required annually to permit functions commensurate with the investment, but it is apparent that an excessive drive is being made to greatly increase the functions of this superexperiment station.

However, it is patent that this station is to be the nucleus of a tremendous increase in experimentation in a section of the country that does not have the fertility to produce normal varieties of vegetable life, not to mention sustaining forage for dairy or animal investigations. It is not my purpose to make a blanket condemnation of this station, but I wish to emphatically assert that State experiment stations now are rendering excellent service, and through training, local soil and weather conditions, are unquestionably better fitted to continue work in specific lines than the experiment station located at Beltsville, which cannot have normal soil conditions, but where commercial fertility must be supplied.

Livestock and dairy investigations can best be made in the section of the country where these great activities have been developed. Likewise, cotton or corn, tobacco or wheat, and other major crops can best be promoted where soil and climatic conditions have centered the production of these crops.

An attempt to remove or replace major experiments from the field where a given product is centered is contrary to a sound agricultural policy. Such illogical and impractical moves should be stopped.

By unanimous consent, the pro forma amendment was withdrawn.

The Clerk read as follows:

This title may be cited as the "Department of Agriculture Appropriation Act, 1936."

Mr. DIMOND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIMOND: Page 89, line, 14, after the word "appropriated", strike out the remainder of the line; and on the same page, line 15, strike out the sum "$350,000" and insert in lieu "$250,000."

Mr. DIMOND. Mr. Chairman, the amendment I have suggested will not increase at all the appropriation carried by the bill; it will simply make available appropriations heretofore made, but not yet expended. For example, the Deficiency Appropriation Act of June 19, 1934, carried an item of appropriations for $10,000,000 for forest highways in the United States and Alaska. Under the law applicable to the distribution of such funds the share allotted for expenditure in Alaska was $671,067. All of the appropriation was made for the fiscal year 1935, but, under the terms of the act, remains available until expended. I am advised by one of the officials of the Bureau of Public Roads that there remains unexpended in Alaska's share of this appropriation $284,084, in addition to approximately $227,000 still remaining unexpended of other appropriations heretofore made by Congress for the construction and maintenance of forest roads in the Territory, and that it is estimated that on July 1, 1935, there will remain unexpended in all of funds heretofore appropriated for forest roads in Alaska the sum of $511,067.86.

The proposed amendment will permit the expenditure of this sum as well as $250,000 of the amount carried for such purposes by the present bill, making available for expenditure during the fiscal year 1936, if this amendment is agreed to, the sum of $761,067.86.

Even if this full amount is expended there will still remain unexpended appropriated funds to the amount of more than $400,000 for the forest highways of Alaska, thus giving an ample reserve for the Bureau of Public Roads in making its plans for the future.

A much larger sum than will be permitted to be expended by the bill under the amendment which I have proposed could be wisely and well expended in developing the extremely valuable forest lands of Alaska. The day is not far distant when the forests of Alaska will be utilized for pulp as well as for other purposes. Careful surveys have shown that the Alaska forests can supply 1,000,000,000 feet of pulpwood per year in perpetuity. Surely this is a valuable resource for the United States Government and for the people of the United States and will well justify the comparatively small sums that are asked for road building in this part of the Territory. Moreover, the building of these roads always leads to settlements in the forest regions, enabling people to establish homes for themselves under comfortable circumstances.

The larger appropriation desired will furthermore permit the Bureau of Public Roads to carry out a balanced and well-ordered program for road building in the national forests of Alaska. I am advised by the officials of the Bureau that of the $350,000 carried by the bill in its present form, without the amendment I have proposed, $295,000 have already been programmed, and thus, if the amendment does not prevail, there will really remain for new building only about $55,000. It would be a great pity to limit new building to that sum, and the whole program of the Bureau, which has been projected to cover a period of years, would be thrown out of balance and the people of Alaska and of the United States would in some measure suffer by reason of the lack of roads.

There are a number of very worthy road projects which may be undertaken by the larger sum. I have in mind particularly as one of the projects at this time the so-called "missing link" road to connect the Moose Pass system of roads in Kenai Peninsula, Alaska, with the road which runs from Seward, the seaboard terminus of the Alaska Railroad, to the head of Kenai Lake. This system of roads will eventually be extended to lower Kenai Peninsula and thus really open up and make more readily accessible for settlement the very large area of excellent agricultural land on Kenai Peninsula, particularly between the town of Kenai and Katchamak Bay. I fully realize that we cannot do it all at once, but I sincerely trust that this project will be put into construction as rapidly as possible and that the "missing link" may be entirely constructed within the next year. It would take too long to mention specifically other national-forest highways that I think ought to be built without delay. But I have another one particularly in mind that I think should be undertaken as soon as possible consistent with justice to the road-building requirements of other regions, and that is the road across Prince of Wales Island connecting Craig and Klawock on the west coast of the island with Twelve Mile Arm on the east coast. This would give the residents of the west coast access to the sheltered inland waters whereon is situated the city of Ketchikan.

The mentioning specifically of the two particular projects to which I have just adverted does not mean that others are not meritorious. I cannot describe them all, but the Tongass and Glacier Highways need improvement; the road near Cordova should be built; it is already set up. Work should be done at Katalla, at Mitkof, at Salmon River, at Yakutat, at Sitka, at Crow Creek, at Palmer Creek, at Petersburg, at Wrangell, at White Pass, at Texas Creek, at Kake, at Hydaburg, at Angoon, at Gartina, at Tenakee, at Point Agassiz, at Johnson Creek, at Afognak. I am happy to say that the Douglas road to connect Juneau and Douglas by way of the bridge now under construction is already programmed, and the money has been allocated. There are also a number of other projects which ought to be undertaken whenever funds are available.

This amendment has been submitted to all the members of the subcommittee and to the Chairman of the Appropriations Committee, and I understand they have recognized the justice of the request and are willing to accede to it. It has also been taken up with the officials of the Bureau of Public Roads, and I am advised that they, too, have not only assented to the terms of the proposed amendment but would like to see it adopted in order that their own plans for road building in the national forests of Alaska might be carried out in a more orderly way.

Mr. SANDLIN. Mr. Chairman, will the gentleman yield?

Mr. DIMOND. I yield.

Mr. SANDLIN. I want to state merely that the amendment has been submitted to each member of the committee and is perfectly satisfactory to the committee.

Mr. THURSTON. The gentleman has explained the amendment. I think it is entirely worthy and should be adopted.

The CHAIRMAN. The question is on the amendment offered by the Delegate from Alaska.

The amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. SANDLIN. Mr. Chairman, I move that the Committee do now rise and report the bill to the House with the recommendation that the amendment be agreed to and that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 6718, making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1936, and for other purposes, directed him to report the same back with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. SANDLIN. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question recurs upon the engrossment and third reading of the bill.

The bill was ordered to be engrossed, read a third time, and was read the third time.

The SPEAKER. The question is upon the passage of the bill.

The bill was passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. SANDLIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks.

Mr. CANNON of Missouri. To have the right also to include excerpts from the hearings.

The SPEAKER. Is there objection to the request that all Members may have 5 legislative days within which to revise and extend their remarks, to have permission also to include excerpts from the hearings?

There was no objection.

Mr. ZIONCHECK. Mr. Speaker, I want here to express my personal thanks, together with the thanks and appreciation of the entire Northwest, to the Subcommittee on Agricultural Appropriations of the Appropriations Committee, as well as the House Members, for the $5,000 increase to the Frozen Pack Laboratory at Seattle, Wash.

My statement before the committee from page 1563 to 1569 of the hearings before said subcommittee follows:

Mr. ZIONCHECK. Mr. Chairman, the particular matter I am here to present to the committee is the question of obtaining at least a partially adequate appropriation for the Frozen Pack Laboratory at Seattle, Wash.

It is my understanding that the Bureau of Plant Industry exhibited at the hearings before this committee samples of different frozen-pack products, including fruits and vegetables, frozen at different temperatures, and demonstrated the salable quality of them and the success attained in their recent experimentation.

According to my information, the Frozen Pack Laboratory in Seattle is the largest plant or experiment station that the Bureau of Plant Industry has for that work, and the staff of that plant now is composed of a physiologist and a bacteriologist; and, in addition to those salaries, an operating expense of $1,000, and a total appropriation for them or their functions of $8,800 a year.

This has necessitated the laboratory's getting rent-free quarters from the port of Seattle, not only for their office facilities but for their cold-storage facilities, in order properly to freeze these fruits and vegetables and experiment with them. In their work it is necessary to have different temperatures, ranging from 25° F. above zero down to 50° F. below zero. The port of Seattle has its own refrigerating plant, and they have provided for the use of the Frozen Pack Laboratory six different rooms, kept at different temperatures, for their experimental work.

There are needed at the laboratory, in addition to the physiologist and bacteriologist, one assistant physiologist, one assistant bacteriologist, a technician, and a typist (junior grade). In the last year (or, probably, year and a half) the Washington Emergency Relief Administration (which, of course, receives funds from the Federal Emergency Relief Administration) has given them additional help, providing three assistants, a chemist, a technician, and a typist; but on December 27, 1934, the funds furnished for this purpose were completely stopped.

I have a letter here which is rather pitiful, but it is a letter full of human interest, which I do not want to put into the record, but will just give the general contents. Since that time these assistants that had been working under the F. E. R. A. funds have been coming on there and continuing to work for their car fare and what little they can get from these men on salary, i. e., physiologist and bacteriologist.

As I understand it, the work of the Frozen Pack Laboratory, or the frozen-pack processes, started some 20 years ago, down at Salem, Oreg.; but it had never embraced any wide scope of experimentation until about 1926. Up until that time nearly all the freezing was done at a very low temperature, around 50° below zero. The method consisted in packing berries, with or without sugar, in 59-gallon barrels, weighing around 400 pounds, and subjecting them to that very low temperature. That method proved very unsatisfactory. A few years ago this laboratory was set up and the work has been carried on there in conjunction with one man in Fresno, Calif., and one in Maryland. The Seattle station is the only station in the world that is exclusively devoted to this particular work.

Since that time they have experimented upon many phases of the frozen pack. The desirability of it is unquestionable. I know that, as a practical matter, coming around from the Pacific Coast to the Atlantic Coast on a ship, all the fruit they have on that ship, outside of fresh fruit, is frozen fruit. The color is almost natural. It has a better flavor and its state of preservation is superior.

The March issue of the Western Canner and Packer has an article upon that subject, setting forth very briefly the effect of freezing and this experimentation upon industry generally. They state that the railroads, as a recognition of the great work that they are doing, have reduced the minimum load of cars carrying these products from 60,000 pounds to 46,000 pounds, because of its desirability. One western distributor——

Mr. THURSTON (interposing). Do you mean less the ice?

Mr. ZIONCHECK. No. In other words, they required a minimum load of 60,000 pounds per car; but, in recognition of the possibilities of this frozen pack work, the railroads have decreased the minimum carload to 46,000 pounds.

The frozen-pack methods afford a way in which the finest fruits, properly ripened, can be carried to the consumer in a manner most nearly approaching their fresh state. The same applies to vegetables and some of these, notably peas, string beans, lima beans, spinach, and even sweet corn, are being frozen in substantial quantities, being utilized largely in the hotel and restaurant trade, although increasing quantities are going to the delicatessens and fancy groceries. Frozen fruits are utilized by the same trade but find their largest use in connection with the preserve and jam making, confectionery, ice-cream, and packing industries.

One eastern distributor developed sales, according to his claim, in packages containing whipped cream and whipping cream, a carton of frozen strawberries, and two layers of cake for a home assembly of fresh strawberry shortcake.

Another distributor has developed a different combination package of frozen products, having found that the consumers prefer frozen-fruit sundaes to plain ice cream.

Dealers in accessories for soda fountains are now using frozen fruits with increased profit. All testify to the very great value of this frozen-pack experimentation and its great possibilities. I do not want to appeal to you on the basis that this is an experimental work just for the benefit of the West or the Northwest.

Now, for the benefit of the record, the frozen-pack process is being used at Wilmington, N. C., at Norfolk, Va., and at Hammond, La.

In the Western Canner and Packer of March 20, 1933, it is stated that in 1932, in the New Orleans section in Louisiana, approximately 5,000 barrels and 30,000 thirty-pound cans of frozen-pack strawberries were preserved.

"In the same year Maryland and the surrounding territory produced 7,000 barrels of cold-pack strawberries in 1932"—The Western Canner and Packer.

Frozen-pack process is being used for the preservation of cherries and berries at Walcott, N. Y., at Travers City, and Benton Harbor, Mich. At Columbus, Ohio, they are using the process on apples for pie bakers. In Georgia, in the towns of Monticello and Montezuma, the process is being used on peaches and other fruits. At Bridgetown, N. J., the process is being used for the preservation of lima beans and peaches. In Harlingen, Tex., peas are being frozen and experimentation is going on with grapefruit. In Minnesota peas and beans are being processed under the frozen-pack method.

I am informed that the T. V. A. officials have been in consultation with the Department of Agriculture as to this particular process and its possibilities in relation to their activities.

In the last few years great strides have been made in the fermentation industries in clarifying juices by freezing processes.

This experimental work has gone on but a few years. The whole frozen-pack method of canning and preservation is in its infancy. As the canning industry learns of the fine state of preservation, color, and taste which come so close to the fresh fruit and vegetables in their natural state, the demand upon this experimental station by the fruit and vegetable growers and canners will increase manifold and, of course, new experimentation and new processes will be in constant demand. I do not know of any experimental work that is going on at the present time that will be of greater benefit to the fruit and vegetable growers, the canning industry, and the public than the frozen-pack experiment that is now going on, but which is being seriously crippled by lack of funds.

Mr. TARVER. How much additional expenditure do you think is required for the Frozen Pack Laboratory at Seattle in order to bring it to the degree of efficiency which you think it ought to have?

Mr. ZIONCHECK. I have a tentative budget of what they consider a logical amount, which is as follows:

Proposed Budget estimate

Salaries (on the present basis):	
A	$4,600
B	3,200
Assistant physiologist	2,600
Assistant bacteriologist	2,600
Technician	1,800
Typist, junior grade	1,260
Total	16,060
Operating:	
Rentals	1,600
Travel	1,000
Raw materials	1,000
Auto operation (two)	500
Reagents and books	500
Apparatus	500
General (telephone, power, gas, etc.)	500
Total	5,600

Proposed Budget estimate—Continued

Present funds (without salary restoration):	
Salaries:	
A	4,600
B	3,200
Present grade total (approximately)	8,800

Now, as to the other positions, I am not in a position to say that they are absolutely necessary. But they certainly would have to have the help of at least a stenographer and one or two other persons working in the laboratory, and one chemist, because if this work is to be at all effective the head man will have to prepare a good many communications. They will have to make technical reports in order that the results of their technical research may be disseminated throughout the country and be of some benefit to the growers of fruits and vegetables. If you have the headman running around the district distributing information about fertilizer conditions for berries and fruits and preparing the frozen processes and going about watching the temperatures in the cold-storage plant, he will not have time to do anything else. When the Department of Agriculture cut the budget they had to cut out the telephone, they had to cut out the half-time stenographer, they had to cut out the use of their automobile; and it is just having the men there doing practically nothing except experiment and, possibly, report to the Department of Agriculture once a year. If this laboratory is to be at all effective, it is a question of cooperating with the canning industry in the whole United States.

Mr. TARVER. Was there any estimate for this additional expenditure submitted by the Department of Agriculture to the Bureau of the Budget?

Mr. ZIONCHECK. That I cannot tell you, because I have not had an opportunity to see Mr. Fisher, who is in Mr. Richey's office; but I can obtain that information and submit it to you.

Mr. THURSTON. In other words, if you could get these additional professional assistants and the stenographer that would be all you would need?

Mr. ZIONCHECK. That would be all.

Mr. THURSTON. They surely would not need any other help.

Mr. ZIONCHECK. Their activities are quite large. They are cooperating with the Washington Experiment Station, the Oregon Experiment Station, and the bacteriological and domestic science departments of the University of Washington, and a number of the people interested in this work commercially. Right now the head man, the physiologist, is down in Oregon, and he goes down to California and to the eastern part of the State, even Idaho. The experimental work to which I have referred and the cooperation of different organizations might well be illustrated by a partial list of those from the Pacific Northwest alone:

Port of Seattle; Western Washington Experiment Station; Continental Can Co.; R. D. Bodle & Co.; Fred DeSellem, Wenatchee; National Fruit Canning Co.; Hershey Foods, Inc.; Northwest Evergreen Products Co.; Hershey Packing Co.; Mono Service Co.; Washington State Cranberry Laboratory; American Can Co.; Olympia Canning Co.; Charles Morrison, Buena; Joseph Eberhardt, Olympia; W. D. Sydnor, Bellevue; M. Nakata & Co.; G. U. Turner Canning Co.; Anchor Cap & Closure Corporation; Lily Tulip Corporation.

If the industry is to be encouraged the testimony of those engaged in it to the value of the Government laboratory should be given weight. Among those who have urged its continuance are the Seattle Chamber of Commerce, the port of Seattle, the Northwest Fruit Barrelers Association, and Washington Box Apple Bureau, the Oregon-Washington Pear Bureau, the Pacific States Cold Storage Warehousemen's Association, the Washington State Horticultural Association, the Washington State Grange. It is not necessary for me to go through this and give you names and take up the time of the committee further as to the scope of the activities in which they engage.

By way of aiding in the continuation of their work I have obtained from the port commissioners of Seattle a consent to continue to give the laboratory their space rental free for the coming year.

And then, going on with this utilization of frozen pack of fruits and vegetables, there is, next, fertilizer treatments in their relation to the quality of the frozen-package fruits and vegetables.

Next, we have the frozen pack relative to the surplus crop utilization activities.

I think that is all.

In my opinion, Mr. Chairman, if about $15,000 were allowed to this frozen-pack laboratory they go on quite well. They asked for about $21,600.

Mr. TARVER. The appropriation for this year is $6,078; and for 1936 the estimate is $6,338; that is the same as last year, substantially. The amount of the increase is necessary to take care of the salary restoration.

Mr. ZIONCHECK. Well, I understand that one of the salaries restored is $4,600, and the salary of the bacteriologist is $3,200. That would make $7,800 in itself, together with operating expenses approximating $1,000.

Mr. TARVER. A detailed statement of the project and activities thereunder which has been prepared for the use of the committee shows the item of frozen pack, handling, and transportation, Northwest, Seattle, Wash., setting out the items which I have just mentioned.

Mr. ZIONCHECK. Was there a decrease in salaries?

Mr. TARVER. No; there was no decrease except the general decrease applicable to all Government employees, which is the 5-percent salary restoration, and is evidently taken care of in the estimate for additional appropriation for the fiscal year 1936, leaving the appropriation, if it is made in accordance with the estimate, substantially the same as it was for the last year.

Mr. ZIONCHECK. Well, that allows nothing for any help whatsoever. It does not allow even for a typist; and it seems absurd to me, Mr. Chairman, that they would have two men working on research left so they could not even answer correspondence, where they have got to get down to the typewriter themselves and work on it.

As I stated, the Washington Emergency Relief Administration furnished them three men and a typist up to the 27th of December last.

Mr. THURSTON. What is this Washington Emergency Relief Administration force?

Mr. ZIONCHECK. Assistant chemist, assistant bacteriologist, and one technician. He goes out and gathers the food and watches the freezing processes.

Mr. THURSTON. What do those four persons cost them per year?

Mr. ZIONCHECK. The assistant physiologist, $2,600; the assistant bacteriologist, $2,600; the technician, $1,800; the typist, junior grade, $1,260.

Now, as to those amounts, I suppose that you could get good people for less than that under present circumstances. They have rental, $1,600, estimated, which could be done away with.

Mr. THURSTON. You could get along without that?

Mr. ZIONCHECK. Yes.

Mr. TARVER. We thank you, Mr. ZIONCHECK, and, of course, we will be glad to give careful consideration to your statements.

Mr. THURSTON. Of course, you are aware of the general disposition down here, even outside of the military service, to have more generals and colonels than there are privates. The pressure is to obtain too many high-priced officials all the way along.

Mr. ZIONCHECK. I thoroughly agree with that view.

As I said before, it seems rather absurd to have two generals and have no help to do the work and disseminate the knowledge, because this work should be made valuable to the agricultural industries, like berries and fruits, throughout the country.

Since you have brought up the question of the estimated budget for 1936 of $6,338, I have since been informed that that amount is for frozen packing, handling, and transportation. There is another item in the break-down on the same justification sheet of $3,475 for investigation of fruit and vegetable utilization. These two activities go on the same laboratory, which makes a total amount of approximately $9,813. As heretofore stated, it is my belief that an additional $6,000 would be ample during the emergency and the strict economy program which has caused a great deal of retrenchment in the various departments of the Government.

If you will allow me to make a suggestion as to where this money can be obtained, or at least a part of it, I suggest that this committee look into the appropriation for the Bureau of Chemistry and Soils. This Bureau under its Food Research Division has laboratories in Los Angeles and Weslaco, Tex., in which experimental work is done on freezing and the freezing process. I have been unable to find any legislative authority for such an activity in this particular Bureau, whereas the Bureau of Plant Industry was given a specific appropriation for this type of work and experimentation in 1932 by a legislative enactment.

Mr. TARVER. We thank you, and the committee will give careful consideration to the information you have given.

Mr. BURDICK. Mr. Speaker, the War Finance Corporation was created by an act of Congress April 5, 1918. One of the purposes of this Corporation was to loan money to agriculture through established banks. The Minneapolis office of the War Finance Corporation was set up September 14, 1921. The first directors were C. T. Jaffray, R. E. McGregor, and others; 1922 directors were Paul J. Leeman, E. I. Hanson, W. R. Murray, John A. Oace, M. O. Grangaard, and R. A. Brownell. Grangaard remained on the board for 7 years. Leeman remained on the board 7 years. Murray remained on the board 7 years. Hanson remained on the board 6 years. McGregor remained on the board 8 years. Jaffray remained on the board 2 years. Oace remained on the board 6 years. Brownell remained on as secretary 4 years. The Corporation suspended April 30, 1929.

While Leeman, Grangaard, and McGregor remained on the board, completely dominating its activity, the loans made by this Corporation reached the high spot. Six hundred and eight banks in North Dakota out of 694 made loans with the Corporation to "aid agriculture." In the fall of 1923 there was outstanding and unpaid the amount of $25,000,000, and not a cent of this money went to "aid agriculture", as the act intended. In the hands of this Twin City bank crowd these loans were made to country banks holding farmers' paper, but which paper the First National Bank of Minneapolis, the Northwest National Bank of Minneapolis, the First National of St. Paul, were holding as collateral to

loans made by the banks to which this money was loaned. The money did not go to give the farmers any credit whatever "to keep their livestock and feed up cheap feed." It went to take up the old notes of farmers which were then, for the most part, no good. The Government got the notes and the Twin City banks collected their accounts. Without this operation, the Twin City banks would have been put out of business. In a period of 5 months ending in May 1922, these banks had paid up an indebtedness to the Federal Reserve banks of $28,600,000 at a time when there were no crop remittances coming in.

When it became too apparent this group of bankers were "milking" the Government, and that the losses of this corporation would be amazing, this same group secured a set-up known as the "Agricultural Credit Corporation", established in February 1924. The purpose of this set-up was to "rediscount paper of the War Finance Corporation" during its existence; it worked overtime to take over the paper held by the War Finance Corporation, but it was soon taken over by the Federal Reserve Bank of Minneapolis, and today the remains of the War Finance Corporation lie in state in the office of the Treasurer of the United States. The officers in charge of the liquidation of this Corporation inform me that the losses charged off were enormous.

This subterfuge of the Agricultural Credit Corporation was, of course, manned by the same Twin City crowd.

While the Twin City bank crowd were in control of the War Finance Corporation and were selling farmers' notes to the Government to pay off the indebtedness owing the Twin City banks by small country banks in North Dakota and elsewhere, it was not intended that any cash should be sent to these small banks in order to keep them from closing. Occasionally, and occasionally only, did it happen that a draft went out to any of these banks. The two following cases illustrate what happened when some officer of the War Finance Corporation by mistake sent out a remittance direct to one of these banks.

At Flaxton, N. Dak., one Bertle Nelson was in charge of a small bank. He needed money to keep his bank open. He applied to the War Finance Corporation directly and turned in paper enough to secure an advance of $25,000, and with that, he testified later, he would have been able to continue his bank. By mistake of the "Twin City bank gang" in control of the War Finance Corporation, a draft for $25,000 was mailed to Nelson. When he opened the mail Monday morning, he received the draft and before he had read the letter accompanying the draft, a man stepped up to him and said, "Nelson, did you receive a draft for $25,000 from the War Finance Corporation?" Nelson replied that he had. The man then said, "I represent the ——— Bank of Minneapolis, and you owe us money and that draft belongs to us. If you don't turn it over to apply on the bank's indebtedness to the Minneapolis bank, I will have further credit withdrawn and your bank will close." Nelson, in his zeal to meet the bank's obligations, turned over the draft, and his high hopes to meet his deposit demands went glimmering. He tried to obtain further credit from the Twin City correspondent, but to no avail. Three days later the Flaxton Bank closed and within a few weeks, Nelson killed himself in his garage.

Another similar case occurred at Hunter, N. Dak., where a draft of $20,000 was sent to the Farmers & Merchants Bank directly from the War Finance Corporation. This was sent, no doubt, through a mistake in the office of the War Finance Corporation. Before the letter containing the draft was opened by the cashier, the Minneapolis representative of the Twin City gang stepped up and demanded the draft. It was delivered over and after receiving it, further credit was withheld, and the bank closed a few days later.

No; it was not the intention of the "Twin City gang" in control of the War Finance Corporation to help country banks—it was their plan, and they carried that plan out—to collect their own debts against country banks in the Northwest. They saved themselves, let the country banks close, and turned over worthless paper to the United States Government. An investigation should be made into the entire activities of this Government agency, operating under the control and management of this group.

Keep in mind the names of the men here listed as operators of the War Finance Corporation, for later their names will appear again as directors and officers of other Government finance agencies, and all names will be connected with the Northwest Bank Corporation or with the First Bank Stock Corporation, the history of which organizations can be found in my speech appearing in the CONGRESSIONAL RECORD of March 14.

Mr. SMITH of Washington. Mr. Speaker, of the many recent acts of Congress which have benefited the American people, I doubt if any has proved more beneficial than the Home Owners' Loan Corporation Act. The regrettable fact, however, has been that the funds appropriated were inadequate, and many deserving home owners have been unable to obtain relief. I therefore strongly supported the increased appropriation of $1,750,000,000 in new capital in this session of Congress to make the loans now pending and applied for and save the homes of these citizens from mortgage foreclosure. I have taken the time to investigate many such cases in my congressional districts in southwest Washington, and it is my opinion that there are hundreds of loan applications of my constituents which should by all means be granted.

A MORE LIBERAL POLICY ADVOCATED

Mr. Speaker, I also favor a more liberal loaning policy in the future, consistent with sound business principles. Some of the cases which I personally investigated when I was home in my district last summer have convinced me that appraisals have frequently been too low. I would also like to see some of the interminable red tape eliminated, which has resulted in too long a delay in acting on applications. Too many applications have been rejected on account of technicalities raised by the Federal Home Loan Bank Board in Washington, D. C., as, for instance, where some distressed home owner has tried to derive some little income by renting part of the premises, which, it has been claimed, converted it into an apartment house or business property, thereby defeating the very humane purposes President Roosevelt and Congress had in mind to accomplish by this legislation. I am bitterly opposed to such unreasonable and unjust requirements as the furnishing of guarantors and endorsers, which is contrary to the letter and spirit of the H. O. L. C. and was never contemplated by Congress.

Mr. Speaker, let us insure that this fund is dispensed in accord with the letter and spirit of the Home Owners' Loan Act as stated in its preamble: "To provide emergency relief with respect to home-mortgage indebtedness, to refinance home mortgages, to extend relief to the owners of homes", and we will have performed our duty to our people and justified their faith in us.

PERMISSION TO ADDRESS THE HOUSE

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. LEWIS of Colorado. Mr. Speaker, on February 26, 1935, while the Agricultural Subcommittee of the House Committee on Appropriations had under consideration the Agricultural Department appropriation bill for 1936, which bill the House has just passed, the subcommittee accorded to my colleague, Mr. CUMMINGS, and to me the courtesy of a hearing. On behalf of the entire Colorado delegation we presented certain facts in support of our request that there be established in Colorado, under the Forest Service, a forest experiment station to serve the Rocky Mountain region. We are most grateful to the subcommittee and to the House for granting our earnest plea.

I ask unanimous consent to extend my remarks by including my statement before the subcommittee.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The statement referred to follows:

NECESSITY FOR ESTABLISHING THE ROCKY MOUNTAIN FOREST EXPERIMENT STATION

Mr. Chairman and gentlemen of the committee, I thank you for your courtesy in granting me this hearing. I wish merely to supplement what has been said by my colleague, Mr. CUMMINGS, who so ably represents the Second District of Colorado, and by Mr. Earle H. Clapp, of the Division of Research of the Forest Service, both of whom you have just heard. I earnestly request and urge the committee to include in this bill an appropriation for the establishment in Colorado of the so-called "Rocky Mountain forest experiment station" to serve not only Colorado but also Wyoming, Nebraska, South Dakota, and adjacent States. Establishment of this and 11 other forest experiment stations in the continental United States was expressly authorized by the McSweeney-McNary Act of May 22, 1928 (Public, No. 466, 70th Cong.). All of these stations have been established except that in the Rocky Mountain region.

At the outset, I want to say that, although Mr. CUMMINGS and I are the only ones who appear here at this time, our entire Colorado delegation earnestly requests the appropriation necessary to establish this Rocky Mountain forest experiment station. Your colleague on the Appropriations Committee, the distinguished and beloved dean of the Colorado delegation, Hon. EDWARD T. TAYLOR, expressly authorized me to say that he is much interested. Hon. JOHN A. MARTIN, representing the Third Colorado District, hoped to be here and asked me to say (if another meeting which he has at this hour should prevent his coming to this hearing before it is concluded) that he also is deeply interested. Our Senators, Hon. EDWARD P. COSTIGAN and Hon. ALVA B. ADAMS, are very much interested in this project.

Perhaps it might be well to explain for a moment the local conditions, which doubtless are known to you but are sometimes, I believe, overlooked by those who do not live in our part of the country.

This Rocky Mountain region, for which we seek to have this forest experiment station established in Colorado, comprises the western part of the Great Plains area and extends up to the foothills and into the high mountains of the Rockies. It ranges in altitude from 3,500 feet or less, on the plains, to over 14,000 feet in the highest peaks.

In the mountains of Colorado, of course, there is a great variety of trees. As we all know, differences in altitude are equivalent to differences in latitude, so far as vegetation is concerned. Consequently a tree which would be satisfactory and which would grow well in the foothills is not at all suitable for the high mountains. Mr. Clapp could, I am sure, entertain you with some very interesting and vital matter—showing that a tree which is suitable for use on the sunny side of a mountain hillside is not suitable for the shady side; and that the difference of one or two thousand feet in altitude makes a great difference in the character of trees which can best be grown there.

A member of the committee remarked a few moments ago that some of these trees are not worth very much as timber. I do not concede that; but, even if I were to concede that momentarily for the sake of argument, I wish to emphasize, and emphasize very strongly, the importance of timber in the Colorado mountains and foothills as a means of stream and river control. Proper timber on the hills and peaks retards the melting of the winter snows and prevents these snows from going out in a great rush on the first warm days in the spring—permits these snows to go out slowly, thus averting disastrous floods.

Let me emphasize that in Colorado are the headwaters of the North and South Platte Rivers, of the Arkansas River, of the Rio Grande and of the Colorado River. In other words, Colorado is the source of all of the great rivers named. It is generally conceded nowadays that, in order to control the flow of our great rivers, in order to provide not only for proper navigation and for irrigation, but also for flood control, it is necessary to conserve the forests, and to build them up, so that the run-off will not come in one great rush in the spring but will be distributed throughout the later spring and the summer.

Now, why is this additional station in Colorado, in the Rocky Mountain region, required? I said the "Rocky Mountain" region, simply adopting the nomenclature of the McSweeney-McNary Act, because, as you will note from this map which is being handed to you, there is a "Northern Rocky Mountain" region also. But this "Rocky Mountain" region in which Colorado is situated includes also the States of Wyoming, Nebraska, South Dakota, and adjacent States; and I emphasize again that the problems of forest management and of timber culture there are very different from the problems in the so-called "Northern Rocky Mountain" region shown on the map here. The problems are different and there has been no proper study of these problems in the "Rocky Mountain" region in which we are seeking to have this forest experiment station established.

Experiment and investigation in the other regions, so I am informed, cover not only forest management but also the use of range; that is to say, what proportion of the range shall be used for domestic cattle and what shall be reserved for deer and the other wildlife of the region.

The proper conservation of the wildlife is a very important feature, not merely as an asset in itself but also in the work of the Forest Service. For example, the officials of the Forest Service inform me that the work of the beaver is extremely valuable in stream control, through the erection of their little dams, which prevent too rapid run-off.

Anticipating a question, I should say, gentlemen, that provision for this Rocky Mountain forest experiment station is not included in the Budget. For some reason it has been overlooked all these years. Mr. CUMMINGS and I discovered the omission last year, too late even to present it to the committee.

We most earnestly urge that this Rocky Mountain forest experiment station, authorized almost 7 years ago, be established now and that it be established in Colorado.

Mr. CUMMINGS has pointed out that the Colorado State Agricultural College has offered certain facilities at Fort Collins, which might possibly reduce somewhat the expense for plant and personnel; but I am sure Mr. CUMMINGS shares the view that the rest of us hold, that he is more interested in getting it located in our region than in any specific part of our State.

Now, you may ask, Why is the Congressman from Denver, aside from his general interest in Colorado and in the Rocky Mountain region, especially interested in the establishment of this experiment station?

Water supply is the supreme necessity of our cities out there. We have in Denver, with its immediately contiguous suburbs, a city of 330,000 people, more than three-fifths as many people as in the city of Washington. Denver is by far the largest city between the Missouri River and the Pacific coast. Our water supply is of supreme importance. In the Denver watershed, in the foothills and mountains to the west of our city, there have been in recent years a great many bad forest fires. In 1933 and again in 1934 we had disastrous floods in two of our adjacent streams. The Forest Service has been doing excellent work in replanting the part of the forest area in the Denver watershed which was burned over. But this has been a slow process. In my frequent conferences with the extremely able regional forester, Col. Allen S. Peck, he has told me of some of the problems and of the handicaps which have resulted from not having available the results of such investigations and experiments as would be carried on in a station of this character.

I conclude with an outline statement of the precise work which would be done at such forest experiment station.

Three lines of work which are most important and which should receive greatest emphasis in organizing a new station are: first, forest management; second, range investigations; and third, erosion-stream-flow investigation.

Forest management: Investigative work in forest management is designed to supply the technical basis for the establishment and growing of timber crops and their protection against fire. The territory proposed for the Rocky Mountain station includes approximately 20,000,000 acres of forest land, of which about 9,000,000 are in Colorado, 6,000,000 in Wyoming, and 2,000,000 in South Dakota. A very large percentage of the total area is included in the national forests. The work proposed would serve as a technical basis for all reforestation and timber cutting on the national forests, for all timber-stand improvements conducted by the C. C. C. camps or otherwise, and would also serve as a basis for improved methods of protecting the forest against fire.

About $25,000 would be required to initiate such work on a satisfactory basis.

Range investigations: Investigative work of this character should cover the problems of both the forest and the adjoining ranges. The magnitude of this problem is indicated in part by the fact that the region includes some 125,000,000 acres of range land, which furnish range feed at some time during the year to approximately 13,000,000 head of cattle and sheep valued at over $100,000,000. The whole problem of range management has been greatly intensified by the recent drought.

An appropriation of $25,000 would be required to initiate range investigations on a satisfactory basis.

Erosion-stream-flow investigations: In the mountains of the Rocky Mountain region are the headwaters of the five great rivers already mentioned, including the Colorado River and its tributaries. Anything which can be done in the control of erosion which will prevent the silting of the Boulder Dam on the Colorado River and anything which can be done toward the creation of more favorable conditions for the control of water flow for irrigation will be of the greatest importance in the public interest. The purpose of this research is to work out a technical basis for the control of both erosion and water flow.

The region also contains the headwaters of many important tributaries to the Mississippi. During the past few years there has been a series of destructive floods in these streams such as those at Pueblo and Denver. The relation of forest and range cover to such floods ought to be worked out as affording possible preventive measures of great importance. Water from the mountain streams is also of great practical importance as a source of irrigation.

An appropriation of $25,000 would be required to initiate erosion-streamflow investigations on a satisfactory basis.

I appreciate the opportunity of presenting this matter and trust that you will see fit to include in the Agricultural Department appropriation bill for 1936 items under the three headings above set forth, aggregating $75,000, for the establishment in Colorado of a forest experiment station for the Rocky Mountain region.

LET US ADOPT THIS RESOLUTION AND MAKE A HISTORICAL CONTRIBUTION TO THE PERMANENT PEACE OF A SORELY DISTRAUGHT WORLD

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to print in the RECORD an address I delivered last Tuesday on the radio.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LUDLOW. Mr. Speaker, on Tuesday, March 12, through courtesy of the National Broadcasting Company I explained to the people of this country over a coast-to-coast network a resolution I have introduced in the Congress (H. J. Res. No. 167) providing for a constitutional amendment which, if adopted, would make America secure against the plots of war makers who, apparently at any time, would sacrifice the flower of American manhood and plunge the country into all the grief that war entails to satisfy such ungodly motives as selfishness and greed.

I explained the strong elements of security contained in the simple resolution I have introduced, which provides that except in the event of invasion there never again shall be a declaration of war unless the people themselves agree to it by a majority vote in a Nation-wide referendum and that, if war does come, all war properties shall be conscripted for use of the Government immediately when war is declared, thus removing the profit incentive which is always tending to drag the Nation into war.

I said to the people of America over the coast-to-coast network:

Let us adopt this resolution and make a historical contribution to the permanent peace of a sorely distraught world.

I cited the hideous offenses against society committed by munitions manufacturers in their base efforts to coin the woe of the human race and the blood of their fellow beings into filthy dollars; how according to the testimony brought out by the Nye committee they thumb their noses at solemn treaties and embargoes, foment strike, encourage wars, and corrupt governments; how in one instance they herded 120 convicts into a room, locked the doors so these trembling creatures could not possibly escape and then squirted tear gas into their faces to demonstrate the efficacy of this war munition.

I asked the people of America whether they want this condition to continue where international financiers and profit-seeking munitions manufacturers can continually place our Nation in jeopardy of war.

RESPONSE THRILLING AND ELECTRIC

The response to my broadcast has been thrilling and electric. It has been tremendous, beyond all possibility to visualize. The people have responded with a thunderous, "No, we do not want this condition to continue. If war is to be declared we, who have to suffer and pay the costs of war, want to declare it ourselves; and we do not propose to have it declared for us by greedy and conscienceless selfish interests."

From all over the country, from every State in the Union, letters have come, by hundreds on hundreds, approving my efforts to have this proposed amendment written into the Constitution of the United States, and saying: "We are with you; stand firm and we will back you to the limit."

Forty-two presidents of universities and colleges have written to me pledging their support. They speak for the youth of today and the youth of tomorrow. Mothers, scores and scores of mothers, have written to me that they propose to have something to say in the future as to whether war shall be declared and they see their chance in my amendment. Women now have the right of suffrage—something they did not possess when former wars were declared, and they propose to use it to see that munitions manufacturers do not drag their boys into wars for greedy profits.

I have been perfectly amazed by the extent of the favorable reaction to my radio address. I cannot, of course, claim any excellence or particular literary merit for the address itself, but I do know by what has happened since the words were spoken and by the deluge of responses that have come that it interprets the heart and soul of America.

The constitutional amendment I have proposed, to give to the people themselves the right to exercise the highest act of sovereignty—the issuance of a declaration of war—is simple, concise, clean-cut. It is something concrete, behind which the sentiment of the country can easily marshal itself, and it will do the work. Let me state it again, as follows:

SECTION 1. Except in the event of an invasion of the United States or its territorial possessions and attack upon its citizens residing therein, the authority of Congress to declare war shall not become effective until confirmed by a majority of all votes cast thereon in a Nation-wide referendum. Congress may by law provide for the enforcement of this section.

SEC. 2. Whenever war is declared, the President shall immediately conscript and take over, for use by the Government, all the public and private war properties, yards, factories, and supplies, fixing the compensation for private properties temporarily employed for the war period at a rate not in excess of 4 percent, based on tax values assessed in the year preceding the war.

TEXT OF RADIO ADDRESS

The address I delivered over the radio was as follows:

Ladies and gentlemen of the radio audience, through privileges generously extended to me by the National Broadcasting Co. I am appealing to the American people to come to the support of House Joint Resolution No 167 of the Seventy-fourth Congress which I have introduced as a proposal to keep this Nation from becoming involved in wars. The proposal seeks to accomplish this objective by amending the United States Constitution in two particulars, first, to give the people who have to pay the awful costs of war the right, except in the event of invasion, to decide by a Nation-wide referendum whether there shall be war, and, secondly, to remove the profit incentive to war by providing for the conscription of war properties for the use of the Government in the event of hostilities. Under my proposed amendment when war is declared it will be the solemn, consecrated act of the people themselves and not the act of conscienceless, selfish interests using the innocent young manhood of the Nation as their pawn.

The amendment I propose is not a pacifist proposition and it has no root in pacifist philosophy. It interprets the thought of every typical, patriotic American as follows: "I am willing to die for my beloved country, but I am not willing to die for greedy, selfish interests that want to use me as their cat's-paw."

"Again we dream as war clouds gather", declared that wise old warrior, Gen. James E. Harbord, in a recent newspaper article sounding a sharp warning of war.

If we keep on dreaming and do nothing we may wake up soon to find that we have been maneuvered into another war.

Why should not those who have to fight and die and those who have to pay the awful costs of war have a right to say whether or not there shall be war? To deny to them that right is to deny that there is such a thing as justice.

In the recent hearings before the United States Senate committee known as the "Nye committee", assembled to investigate the profits of munitions manufacturers and their methods, the fact was brought out clearly and unmistakably that unless we write into the Constitution a provision reserving to the people themselves the right to declare war and taking the profits out of war we are likely to wake up to find ourselves again plunged into the hell of war with all of the refinements of cruelty, the moral degredation, the heart-breaking suffering, the indescribable misery which that hateful term connotes. I am convinced that the American people should be aroused to the import of the fundamental striking truths brought out by the investigators of the Nye committee, revolting though they are to every sense of right and justice.

When the testimony deduced by the Nye committee is finally filed away in the archives of the Government there should be placed above it where all posterity may behold it this inscription:

"This is the most shameful record ever written into legislative annals."

NOW IS THE TIME TO ACT

Someone may ask, What is the urgency that requires action now? My answer is that now, when America is at peace with all the world, is the time to write this amendment into the Constitution. The lightning is flashing, the war clouds are lowering. Next year or the year after it may be too late. When the atmosphere becomes surcharged with war electricity, individuals and interests that have devilish schemes to hatch proceed to hatch them. Wire pullers pull wires, plotters plot, and the first thing we know we are drawn into the holocaust. Unless the amendment I have proposed, or something similar to it, is adopted, the war threat will hang over America like a sword of Damocles—a real and constant menace. The revelations of the Nye committee bring out very vividly the fact that greedy selfish interests can and do set the stage for strife and wars in many nations, without the consent of the nationals of any nation, without the consent of the fine young men who have to die when war comes, without the consent of the wives who are made widows, the children who are made fatherless, and the mothers whose hearts are torn when they have to lay their flesh and blood on the altar of human greed I ask everybody, everywhere, to arise and say by your support of my amendment that by the eternal gods this thing shall not be!

I am convinced that a mere dozen—half a dozen international financiers and half a dozen of the munitions kings—with a complaisant President in the White House at Washington, could maneuver this country into war at any time, so great are their resources and so far-reaching is their power. I pray to God we may never have a President who will lend himself to such activities but, after all, Presidents are human and many Presidents have been devoted to the material aggrandizement of our country to the exclusion of spiritual values as President Polk was when

he led the country into war with Mexico, primarily for the purpose of acquiring territory to the southwest. The point I am trying to make is that a declaration of war is the highest act of sovereignty. It is a responsibility of such magnitude that it should rest on the people themselves and should not be delegated to any man or any body of men and it should be a deliberate action following a "cooling off" period such as my amendment would provide.

Let us examine the dangers of the existing situation. A foreign power takes unbrage at some act or policy of America which it claims is unfriendly. Munitions manufacturers rush their agents to the foreign country to fan the war sentiment in order to reap a rich harvest of contracts. At home, munitions manufacturers, lured by the prospects of fabulous profits if war comes, pull the wires to bring the United States into war. War finally breaks out. The munitions sold to the foreign power are shot into our boys and are used to destroy American lives by the wholesale.

It is not to be wondered at that those who place profits above humanity should want to encourage war because the record shows that war and the preparation for war offer great inducements to those who wish to enrich themselves by this slimy trade.

PROFIT OF OVER A MILLION PERCENT

In the investigation of one munitions company the level head of Alger Hiss, the committee's investigator, must have whirled like a top when he brought out the astounding fact that that opulent concern in its able efforts to assist Mars has so far made the dizzy profit of 1,143,725 percent on its original investment.

The Nye committee hearings unfold a heart-sickening narrative. I ran across an interesting human-interest story tucked away on page 1995 of the hearings. An American concern that manufactures chemicals used in "gassing" the enemy gave a "demonstration" down in Chile where the market was being carefully cultivated. One hundred and twenty prisoners in the penitentiary were locked up in a room where none could escape the torture and a 20-gage shotgun shell of tear gas was shot at them to see how they would react. The agent reported then to his company:

"I gave a demonstration on about 120 prisoners. It was a great success."

"Just human guinea pigs," commented Senator CLARK, of Missouri, who was examining the witness.

I wonder how long it will be before these enterprising munitions manufacturers begin to demonstrate on home talent. The penitentiaries in the United States are full of demonstration material, human beings who are powerless to defend themselves, but it is to be hoped that the demonstrators in their big-hearted love for humanity will try out their works on hardened criminals and not gas our boys who are in for first offenses and minor delinquencies. At least, may we hope that they will spare the women and children.

In this far-flung radio audience there probably are some who have loved ones that have erred and are now in the penitentiaries. If so, they are dearer than ever to you, because mixed with your love for them is the precious ointment of sympathy.

Would you not be righteously indignant, would you not feel the deepest resentment, if some munitions salesmen would lock your loved ones in a room, as was done in Chile, and squirt war gases in their faces to demonstrate the effectiveness of the gas offered for sale?

And the shame of it is that this was done by an American firm.

Robert Burns must have had a prophetic vision of twentieth-century dealers in death and destruction when he wrote the immortal lines:

"Man's inhumanity to man
Makes countless thousands mourn."

A SANE AND SENSIBLE SOLUTION

The Nye committee with its ruthless exposures has not yet brought out the full story of how those who profit by wars have deliberately fomented strife and encouraged wars, broken treaties, sneered at embargoes, and corrupted governments, but it has proceeded far enough to show that something should be done about it. The welfare of humanity and the peace of the world demand action. The resolution I have offered proposes a sane, sensible solution. If the people themselves are allowed to vote on war in a national plebiscite and if war properties are conscripted for use of the Government when war shall occur, war will cease to be the threat it now is, because very few wars will ever occur under such a constitutional safeguard.

As far as finite vision can discern some wars are foreordained and inescapable as, for instance, the War of the American Revolution, which forged into our social structure great principles of right and justice, and the War between the States which was destined to write in blood and tears the fate of the institution of slavery, but some wars—most wars—are not unavoidable. Most wars are caused by greed and ambition and selfishness and hate, and are initiated through plots and machinations which are in the the highest degree antisocial and antipathetic to every principle of humanity. It is to protect our children and our children's children and the America of posterity for all time to come against a recurrence of these unholy wars that my amendment is directed.

The way to secure the adoption of my resolution is for everybody who is interested in it to get busy and advocate it and send his views to his Members of Congress and United States Senators insisting on the passage of House Joint Resolution No. 167. Furthermore, if you approve my resolution, please write to me and tell me so, addressing me in care of the House of Representatives, Washington, D. C.

THE FIRST LINE OF NATIONAL DEFENSE

Mr. BACON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a short article on the work of the State Department, prepared by a former State Department official.

Mr. RICH. Mr. Speaker, reserving the right to object, is this a very long article?

Mr. BACON. It is a very short article.

Mr. RICH. I hope the Membership of the House will refrain from putting anything in the RECORD except their own remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BACON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article by U. Grant-Smith, former Minister Plenipotentiary, concerning the work of the State Department:

In considering the general question of national security there is one important element which is often overlooked—namely, the mechanism for the dissipation of international misunderstandings, for the amicable solution of questions which might otherwise lead to armed conflict, and for the progressive cultivation of friendly relations with foreign peoples. The Army and Navy are brought into play only after pacific means of preserving the peace have proved ineffectual.

The question then very naturally arises whether or not the governmental mechanism established for this purpose is adequate as to the ability of its members, its numbers, the policy pursued, and last, but essential fact, whether or not it has been provided with adequate financial means to insure reasonable success in its efforts. The Department of State, with its network of agents known as the Foreign Service which reaches throughout the civilized world, is indeed the first line of our national defense and, it seems to me, should receive more attention by those interested in our security than it has heretofore. We are inclined to take it for granted that this organization is being efficiently conducted, that it is being adequately staffed and is supplied with sufficient funds.

One is surprised to learn, however, that during this era of lavish governmental expenditure, this essential element for our security has of recent years been reduced in personnel in the blessed name of economy. During a recent well-defined period the estimates have been pared down each year, a little here, a little there, until finally the members of our Foreign Service found themselves in such desperate straits that with reduced salaries and allowances, followed by the devaluation of the dollar, Congress was persuaded to come to their relief to save them from actual hardship. The distressing conditions which were shown to have developed at that time, which threatened the collapse of the entire organization abroad, are now a matter of general knowledge.

In addition to this, 87 Foreign Service officers were dropped during 1933–34, and thirty-odd further eliminations are contemplated during the present year. For 3 years there have been no promotions in the higher grades due to a lack of funds, and no entrance examinations have been held since 1931. Senator NYE recently publicly declared that we should have a department of peace to function beside the War and Navy Departments. But we have a department of peace—the Department of State, with its internationally recognized agents scattered throughout the civilized world, as mentioned above, and it is the activity of this very Department, especially in its foreign organization, which is being progressively weakened and curtailed.

In examining appropriations for the Department of State, in which those for the Foreign Service are included, the sums appropriated for United States contributions for international bureaus, congresses, etc., plus the fees collected and paid into the United States Treasury, must be deducted in order to arrive at the net cost to taxpayers of this department of government.

In this country we seem to have a mania for creation of new organizations rather than for strengthening and developing those which already exist for a given end. We are not unlike some Asiatic peoples who, rather than repair a building, begin the construction of a new one. It is hardly economical, to say the least.

The character and extent of the work of the Department of State and of its agents abroad are but little understood or appreciated by the country at large. In short, its primary object is to create and maintain peace and good will between the United States and other countries and, as a secondary object, to promote international trade, for peace is necessary to normal trade. This organization, with its far-flung ramifications, was not created to nurse and to amuse American citizens abroad but to devote itself to the advancement of causes dear to the heart of all right-thinking people. For some unknown reason there has always been a disposition on the part of those responsible for its conduct to avoid seeking popular support by periodically acquainting the public with its aims and achievements. A patriotic politician once characterized the Department of State and the Foreign Service as the "stepchildren of the demagogue"—there are no votes to

be captured through them and very little patronage to be gained. It seems then that when a gesture of economy is to be made these two services offer a convenient field. Heretofore no widespread objections were likely to be raised.

Aside from the multifarious and important duties in connection with our political and economic relations with other people with which the Foreign Service is charged, and of which the public has so imperfect a knowledge, it is particularly interesting in this connection that the men of the Foreign Service and their wives are instructed by the Secretary of State to make the acquaintance of the people of the countries where they are stationed, to develop friendly relations with them, and to seek to create a sense of partnership in the many interests, political, economic, and cultural, which they have in common with the people of the United States. I think I am not mistaken when I venture the opinion that such detailed instructions of this pacific character are unique in the diplomatic world. The importance of these activities will be admitted; that they must be carried on quietly and persistently. Also, it is obvious that the creation of an atmosphere of the good neighbor will aid materially in insuring harmonious international relations. Every man withdrawn from this Service reduces by just so much the possibility of the development of this beneficent work. Of those who remain at their posts, the husband and father, discouraged by reduced salary and allowances, indefinitely postponed promotion, an uncertain future, and ever-increasing duties, is obviously less likely to pursue it with enthusiasm.

The attainment of national security must be sought first through the cultivation of a desire for peaceful relations inspired by a realization of preponderant mutual interests, by mutual regard and by the amicable adjustment of differences, and secondly by an adequate armed preparedness on land and sea which will inspire respect on the part of the predatory.

To maintain the organizations which are charged with this first line of our national defense at as high a degree of effectiveness as possible would seem to be an elementary precaution, for it is evident that the less successful they are in warding off danger the greater will be the strain placed on our Army and Navy.

We must not lose sight of the fact that the Representatives and Senators on Capitol Hill are not the same as those who felt obliged to obey the popular demand for consular reform in the early nineteen hundreds. Under pressure from various commercial organizations throughout the country it was grudgingly conceded. The Chief Executive and the Secretary of State have welcomed every opportunity to improve and to stabilize the organizations on which they depend for the successful carrying out of their policies abroad. It is not the same, however, on Capitol Hill. Each new lot of solons who appear, beset by place-hunters, cannot be expected to evince much interest in any Government organization which offers such poor pickings.

By the early nineties an element in our Foreign Service in both branches, diplomatic and consular, that had been introduced through the operation of political patronage without regard to the fitness of the appointees, had caused it to become a byword for inefficiency and even for intemperance. A play called the "Yankee Consul" will be recalled. Most amusing, but wounding to our vanity as a nation. It needed something of that kind to rouse the public to a realization of the depths to which our Foreign Service had been dragged by the spoilsmen. Some years ago an American resident abroad remarked to a foreign diplomat that it was in the interest of other countries that our diplomats and consuls should be as unskilled as possible. "Yes", was the considered reply, "but we don't say much about it." A moment's thought will reveal the truth and serious import of that admission. Shall we then play deliberately into their hands?

In the old days when the possibility of our becoming seriously involved with other nations, and foreign commerce had not assumed such importance in our national economy, places in the Government service abroad, as pointed out above, were the perquisites of the spoilsman. First, our exporters realized that reform was necessary in their interest. This had its beginnings in the law of 1906, which provided for the reorganization of the Consular Service, and in 1916 similar principles were applied to the Diplomatic Service. This now has progressed to the point where, with the exception of appointments as chief of mission, all of those serving the Government abroad under the Department of State are brought under an organization where competency and efficiency are demanded. Both political parties did their part, and the future seemed bright. Just how to account for the blight which has in recent years cast itself over our Foreign Service is difficult.

Partially, doubtless, it can be attributed to a lack of understanding on the part of those who have since risen to the management of our affairs, and also of the press, of the important part which this, our first line of defense, our peace offensive it might also be called, could and ought to play. Nor should we overlook the fact that it has lacked, and still lacks, ever-watchful champions to urge its claims on Congress and on the Executive.

Instead of patriotically cooperating for its development into an effective instrumentality for the continuation of peaceful intercourse with foreign nations, spoilsmen have sought to prostitute it to their selfish ends, political writers have used it as a convenient butt for acrid criticism. Budget makers have denied it adequate support, enthusiastic amateurs have tinkered with it and an uninformed public has been led by them to regard it as having some vague connection with foreign commerce but chiefly as a convenient means for a social holiday abroad at governmental expense. Thus the basic reason for its establishment, namely, for the maintenance of peaceful international relations, has been all but lost sight of.

Failure to develop this instrumentality for the common good, as pointed out above, has been due to a lack of realization of its inherent possibilities. Now, however, that an intelligent interest in it is being aroused in response to the growing demand for the exploration of every avenue which may lead us toward a durable peace and prosperity, it can confidently be anticipated that the great patriotic societies of women will watch over it with care, will insist upon its being rejuvenated and that its energies be chiefly directed in the channels through which it was originally designed to flow—those leading toward the calm waters of peace and mutual understanding between the American people and those of other countries.

WASHINGTON, D. C., *January 31, 1935.*

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. BOEHNE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include a statement made by my colleague the gentleman from Kentucky Mr. VINSON, before the Ways and Means Committee last week.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BOEHNE. Mr. Speaker, under leave to extend my remarks in the RECORD I insert the following statement by Hon. FRED M. VINSON before the Committee on Ways and Means during the hearings on H. R. 3896, the Vinson bill, sponsored and supported by the American Legion.

Mr. VINSON. Mr. Chairman and gentlemen of the committee, this is a somewhat unique experience for me. Generally the conversation I have had with the committee has been upon the same level. But now I look up to you.

I am glad that Judge Wanamaker immediately preceded me, because I want to correct, even in the minds of distinguished members of this committee and thereby in the minds of distinguished Members of Congress, this fallacy mentioned by a warm personal friend of mine, the Honorable WRIGHT PATMAN, in his splendid, lawyerlike manner, when he was addressing the public, as to the necessity for further action of Congress. Here is a splendid citizen from Ohio who is confused in respect of the necessity for subsequent action by the Congress of the United States if the Vinson bill passes both Houses, and, signed by the President, becomes law. The gentleman from Tennessee [Mr COOPER] clarified the matter in very considerable degree.

H. R. 1 REQUIRES SEVERAL APPROPRIATIONS

Instead of H. R. 3896 being irregular, being unusual, every Member of Congress knows, or should know, that it is the usual manner and method of legislation. This is a legislative committee and it has no power to appropriate. The Appropriations Committee has that function.

The gentleman from Massachusetts [Mr. MCCORMACK] referred to a special rule that might permit an amendment to this or any bill to be added, carrying the appropriation, if the Rules Committee so decided, and thereby the passage of the bill through both Houses and signature on the part of the President would enact the legislation and the appropriation into law. H. R. 3896 is the regular, usual way of doing it. It is the only way it can be done, because this committee has no power of appropriation. No one knows that better than my friend WRIGHT PATMAN. No one in this House knows that better than he.

I take in my hand H. R. 1, a bill introduced by my friend WRIGHT PATMAN on January 3, 1935, and let me tell you that the same identical thing obtains in respect of it as H. R. 3896. I am told by the same authority who conveyed the information to Mr. PATMAN that this authorization section would require an appropriation, Mr. Beaman, chief of the legislative counsel, chief of the drafting service, that the phrase beginning on line 21, with the word "the" on page 4:

"The Secretary of the Treasury is hereby authorized and directed to issue such notes in such amount as may be required to make such payment",

is in law and legal effect an authorization, and that it will require an appropriation either through the Appropriations Committee or under a special rule from the Rules Committee.

I turn to section 4, page 7, beginning line 16, and I find identically the same condition obtaining. I read from that section:

"Amounts in the adjusted-service certificate fund are hereby authorized to be made available for the expenses of printing and engraving United States notes issued under this act, for paying fractional parts of a dollar which cannot be paid in United States notes issued under the provisions of this act, and for paying the principal and interest on or in respect of loans pursuant to the provisions of subsection (c) of section 509 of the World War Adjusted Compensation Act as amended."

Not only do I have Mr. Beaman as an authority upon this last language but I understand that Mr. Dreschler, the Parliamentarian of the House, says there is no question but that it is simply an authorization. A person would not have to be a Member of this House very long to know that the language that

I have read is an authorization, and Mr. Dreschler will so state, that it will require an appropriation in order to provide the money for paying fractional parts of a dollar which cannot be paid in United States notes issued under the provisions of this act, and for paying the principal and interest on or in respect of loans.

If it requires appropriations under H. R. 1 before it can go into full force and effect, I submit to you that the same legislative procedure must be followed as in H. R. 3896; and that an appropriation bill must necessarily be adopted into law for H. R. 1, as in H. R. 3896. If a "double curve" is in H. R. 3896, H. R. 1 must have a double reverse twister, known in Australia as a "boomerang."

THE CHARGE AGAINST COMMITTEE REFUTED

I regret on behalf of the committee, and myself as a member thereof, that charges have been made throughout the land that our committee has been derelict in its duty in not having hearings upon these bonus bills. We are all zealous for their cause, and properly so. People make statements that upon reflection they regret having made. I submit to you the statement that this committee could have had no hearings on this or any subject in the week prior to January 14, 1935. It could not have reported any bill to the Congress in this period. Such charge evidently was made in a moment when the gentleman who gave it to the press did not have the facts before him. I call to your attention that the Democratic membership of the Ways and Means Committee was elected January 3, 1935, the first day of session of this Congress, while the Republican membership was not elected until January 14, 1935.

Consequently, there was no Ways and Means Committee until the day that the American Legion bill, H. R. 3896, was dropped into the hopper. No bill could have been considered before January 14.

There has been no disposition on the part of this committee to delay hearings. At the first meeting of the committee, you will bear me out, that we passed a resolution that after the economic security bill was out of the way we would immediately proceed to the consideration of the cash payment of the bonus. So eager was the chairman of this committee to hasten the consideration of this matter that in the first breathing spell he saw, while the drafting services is preparing the economic security bill, these hearings were held. This committee has been working morning, afternoon, and the members at night in the consideration of a great social program, in many ways pioneering in character, in many respects the heart and soul of this administration's program—legislation for old-age pensions and old-age assistance; legislation for dependent children; legislation for crippled children; legislation for child and maternal welfare, public health, and unemployment insurance. I am happy to say to the country that no member of this committee has attempted in the least degree to impede the progress of this legislation.

THE AMERICAN LEGION BILL (H. R. 3896)

At the request of the American Legion I introduced H. R. 3896. They had their draft and presented it to me. I consulted the official drafting service of the House, the legislative council. We worked all afternoon and part of the next day in order to whip it into shape and to put upon paper the mandate of the Legion in convention assembled at Miami.

There was a small item of $6,000,000 left out. That was a question of refund of interest paid. As Mr. PATMAN has told you, the administration of that is very difficult; very difficult, indeed, as to the question to whom the refund should be made. We want to incorporate that in this bill. The national commander would like to see it put in the bill. We would like to have the mandate of the American Legion presented to the Congress. If H. R. 3896 does not do it, it should do it.

ALL VETERANS UNITE FOR CASH PAYMENTS

The word has gone out through the press that there is a split in the veterans' ranks. We hear from all sides that personalities are involved. Even Judge Wanamaker thought that, that because my friend PATMAN had a bill and because I had a bill, that such situation had anything to do with this controversy. Why, my friends, that is the smallest part of it. I introduced H. R. 3896, and from that day to now, and from that day until this controversy closes, unless intervening causes change my mind, no living human being has heard me say anything except a friendly word about WRIGHT PATMAN. We have been associated here for several years in fights for the veterans, not only the cash payment of the bonus, but in the economy bill fights, in all veterans' legislation. I have not issued a statement that in any shape, form, or fashion reflected upon or impugned the motive of WRIGHT PATMAN; so far as I know, referring to me directly, WRIGHT PATMAN has never attempted to impugn my motive or my purpose. At all times he has said that we have the same objective in this Congress.

We view at this time the manner of procuring the money from different angles. Immediately it will be stated that I have upon two occasions supported bills that were introduced by my friend Patman, and it is a pleasure for me to admit that I did so, and was as sincere and as whole-hearted in so doing as I could be. In fact, I supported it as long as I thought there was a chance of passage.

WHY HANDICAP CASH PAYMENT OF BONUS?

The Patman bills at that time and now have two objectives. One objective is paying the bonus, the other is inflation. There is no difference between inflation and expansion of the currency. If there is any virtue in expansion of the currency, it comes through inflation. I could hardly keep from smiling when some folks had the temerity to say that there was no inflation in H. R. 1. My friends, if there is not, why have that part of H. R. 1? If it is inflationary, there is a divergence of opinion as to the advisability of such policy. And I offer as a witness my good friend PATMAN, who, last August, made a strong statement with reference to the necessity of divorcing inflation from the payment of the bonus certificates. He made that statement stronger than I can. He said the country is divided upon it and the soldiers are divided upon it, and that we should divorce inflation from the payment of the bonus. I agree with him. Whether I am in favor of controlled inflation now does not matter. But assuming that I am, I say to you that there is no need of putting more weight on the back of the soldier than he can carry.

In Kentucky, you know, we have some quadrupeds that run around an oval. You will have a horse that can carry 110 to 115 pounds, but you weigh him down with 140 to 150 pounds and he stops in the stretch. That is what has happened with reference to this bonus proposition. We have gone around the track, passed it through the House twice, but we failed when we came into the stretch. Twice the Patman bill has passed the House and twice it has been stopped in the stretch—in the Senate. So far as I am concerned, I want to have as light a weight on the horse that is carrying my money around that track as it is possible to have.

H. R. 1 CHANGES MONETARY SYSTEM OF THIS COUNTRY

A moment ago I said that my friend PATMAN had been so clever that he had sold to the country the idea that the Vinson bill was the irregular, unusual method of procedure. I say to you, and I ask you to bear me witness that my statement is correct, that I have never been able to find in the entire history of this Government any law upon the books passed by any Congress in which the monetary system of the United States was changed in this manner to provide currency with which to pay a debt. That is what the Patman bill does. It changes the monetary system of the United States. That bill, in my opinion, is the unusual, irregular effort. Is there a doubt in the mind of any member of this committee or any member advocating the Patman plan that it does not change the monetary system of the United States? The statement is an answer to the question. If it does not change the monetary system of the United States, you have the power and the authority on the books to do the thing that Mr. PATMAN wants done. Consequently, I say that if that power and authority is not on the books, it is a change in the monetary system of this Nation.

Now, let us assume that we are inflationists, and that we put inflation first. I say that every such person, member of this committee, or Member of the House, if his first objective is a change in the monetary system of this country, should prefer H. R. 1 to the Vinson bill. If he believes that the Ways and Means Committee, a committee that has no jurisdiction over the monetary system of our country, should bring in a bill changing it without having had any witness to tell it that such change was sound, except my friend PATMAN and my friend HANCOCK, without having any witness to take up these different paragraphs in the money-mechanics section of this bill and tell you how it would work, he has plenty of faith. I say this, that the person who has, as first objective, the immediate cash payment of the bonus, after the experience of the former Patman bills, ought to vote for H. R. 3896. The Patman bill, H. R. 7726, in the Seventy-second Congress received 16 votes in 1932. Later on, at another time, another H. R. 1 received 31 votes in the Senate.

The House has a Committee on Banking and Currency, who are experts in money problems. I think, if change be desirable, it should come from them divorced from bonus legislation. The monetary change is not simply limited to bonus payments. It affects the entire economic structure.

It is needless for me to take your time with reference to the votes necessary to have any Federal legislation.

In my opinion, the House will pass any reasonable bonus bill upon which they have an opportunity to vote. You pass the Patman bill, and you have sounded the death knell of cash payment of the adjusted-service certificates for this Congress. If you pass the Vinson bill, you have an opportunity to enact cash payment into law.

My friend PATMAN said that, of course, the Vinson bill could not pass; that it would be a gesture. Let us see; I do not think we ought to fool ourselves about this. It is too serious a proposition. It may be that it will serve the purpose of some to keep this matter here in Congress, to go back home and say, "Well, boys, we passed it through the House, we fought for it and we voted for it, and we saw it killed in the Senate. Of course, we did not have any control over the Senate", and then let the thing come back again and be a political football. I do not believe there are very many people in the House who have that notion. I do not know a single member of this committee that has that attitude, and I do not think there are very many Members of the House that have that attitude.

Those who place inflation first, of course, should support the Patman bill. There is no inflation in the Vinson bill, not a particle of inflation in the Vinson bill. Partly based upon the statement made by my friend PATMAN with regard to divorcing it, I have come to the conclusion that this is the strongest vehicle, not necessarily the Vinson bill, but a bill which will pay the bonus as any other debt, in the usual, regular way.

What gentleman now advocating H. R. 1 raised his voice when the works bill passed, carrying $4,880,000,000? Immediately they say that it came in under a rule and they did not have the opportunity to change the monetary system of the United States. Gentlemen, every bill of authorization in this Congress, or any other Congress in our history, could have been made the vehicle, if you had votes enough to change the monetary system of the United States, to provide payment as in H. R. 1. I say it is not fair to the veterans of this country to use them as the vehicle of changing the monetary system, with a bill from the Ways and Means Committee, and force a vote in view of the frank statements of the President.

BANKING AND CURRENCY COMMITTEE HAS THE JURISDICTION OF MONETARY SYSTEM CHANGES

I know that this committee is a splendid committee. It is the oldest committee of the House. It is not stating any secret when I say that it is the most sought-after committee assignment in the House. But we have a Committee on Banking and Currency that has jurisdiction of the changing of the monetary system. I submit to you that that change in the monetary system should stand up on its own legs and should be tried on its own merits, rather than to hook it up with and use the power of those of us who want to do justice by veterans.

We had a refinancing bill reported from this committee. It is a matter of record that my friend PATMAN offered an amendment to limit interest on those bonds or short-term securities to one-half of 1 percent per annum. That could mean but one thing, and he was splendid enough to admit it yesterday. It would mean the withdrawal of long- and short-term securities and replacement of them with currency.

I do not know who has signed the Townsend petition as yet. They claim it takes only $24,000,000,000 a year, I believe it is, to finance that proposition. In fact, they claim it will not take that much. But PATMAN'S proposition to have twenty-eight billions of Treasury notes in a new system, in my opinion, wrecks the works.

AMERICAN LEGION AIDS CASH PAYMENT

Another thing I cannot understand is why they leap on the American Legion for supporting the cash payment. I have been here several years. I have never known a single instance when the Legion, the strongest veterans' organization in these United States, was not lined up on the side of the soldier. My friend PATMAN said that some of the leaders have not been for inflation who have been for the payment of the bonus under this method. I expect that is true. WRIGHT PATMAN knows whereof he speaks. But there are a lot of honest, conscientious, country-loving people who fear inflation.

THE SILVER AND GOLD BULLION IS NOT RESERVE FOR MONEY IN H. R. 1

Even our authority on silver, when he addressed this committee yesterday so splendidly—and I refer to the gentleman from Texas, Mr. DIES—said he wanted currency with a metallic base. Then our friends who are proponents of other measures come along, and they say, "Here you have eight billions of gold over here and practically a billion of silver over there. That will still be 'there.'" That money is not behind currency. That bullion is locked off in a different vault. Of course, the value of that bullion, as well as the credit of the United States, is behind all currency. But there is no word in H. R. 1, and there has been no suggestion made, tying up that eight billions of gold and the billion of silver as a reserve for this currency or any portion thereof.

OUR CURRENCY SET-UP

It has been stated here that there are 4½ billion dollars in currency similar to the Treasury notes called for in H. R. 1. I doubt this statement. At this time I desire to insert in the record a circulation statement of the United States money as of December 31, 1934.

The CHAIRMAN. Without objection, the statement will be inserted in the record.

The statement referred to follows:

Circulation statement of United States money, Dec. 31, 1934

Kind of money	Total amount	Money held in the Treasury					Money outside of the Treasury				Population of continental United States (estimated)
		Total	Amount held as security against gold and silver certificates (and Treasury notes of 1890)	Reserve against United States notes (and Treasury notes of 1890)	Held for Federal Reserve banks and agents	All other money	Total	Held by Federal Reserve banks and agents [1]	In circulation [2]		
									Amount	Per capita	
Gold	[3] $8,237,967,192	$8,237,967,192	$5,273,806,270	$156,039,431		[4]$2,808,121,491					
Gold certificates	([5]5,273,806,270)	[6] 4,343,017,221			([5]$4,343,017,221)		$930,789,049	$800,396,370	$130,392,679	$1.03	
Standard silver dollars	543,541,451	508,354,803	491,809,781			16,545,022	35,186,648	3,139,943	32,046,705	.25	
Silver bullion	211,619,975	211,619,975	211,619,975								
Silver certificates	[7] (702,244,832)						702,244,832	110,674,352	591,570,480	4.66	
Treasury notes of 1890	[7](1,184,924)						1,184,924		1,184,924	.01	
Subsidiary silver	309,431,860	4,170,724				4,170,724	305,261,136	10,880,750	294,380,377	2.32	
Minor coin	130,508,154	2,645,792				2,645,792	127,862,362	2,761,338	125,101,024	.99	
United States notes	346,681,016	2,475,816				2,475,816	344,205,200	79,450,649	264,754,551	2.09	
Federal Reserve notes	3,520,365,570	16,988,865				16,988,865	3,503,376,705	327,760,050	3,175,616,655	25.05	
Federal Reserve bank notes	118,762,113	2,318,094				2,318,094	116,444,019	15,682,860	100,761,159	.79	
National-bank notes	887,936,475	21,884,797				21,884,797	866,051,678	46,188,675	819,863,003	6.47	
Total Dec. 31, 1934.	14,306,813,806	9,008,426,058	5,977,236,026	156,039,431	[8] (4,343,017,221)	[8] 2,875,150,601	[9] 6,932,606,553	1,396,934,996	5,535,671,557	43.66	126,791,000
Comparative totals:											
Nov. 30, 1934	14,105,252,602	8,848,416,004	5,895,254,914	150,039,431	4,306,952,571	2,797,121,659	6,845,138,941	1,296,605,004	5,548,533,937	43.78	126,730,000
Dec. 31, 1933	10,209,624,041	3,766,214,131	1,656,617,475	156,039,088	1,767,949,566	185,608,002	8,100,027,385	2,294,423,108	5,805,604,277	[10]46.05	[10] 126,059,000
Oct. 31, 1920	8,479,620,824	2,436,864,530	718,674,378	152,970,026	1,212,360,791	352,850,336	6,761,430,672	1,063,216,060	5,698,214,612	53.21	107,096,005
Mar. 31, 1917	5,396,596,677	2,952,020,313	2,681,691,072	152,970,026		117,350,216	5,126,267,436	953,321,522	1,172,945,914	40.23	103,716,000
June 30, 1914	3,797,825,099	1,845,569,804	1,507,178,879	150,000,000		188,390,925	3,450,434,174		3,450,434,174	34.93	99,027,000
Jan. 1, 1879	1,007,084,483	212,420,402	21,602,640	100,000,000		90,817,762	816,266,721		816,266,721	16.92	48,231,000

[1] Includes money held by the Cuban agency of the Federal Reserve Bank of Atlanta.
[2] The money in circulation includes any paper currency held outside the continental limits of the United States.
[3] Does not include gold other than that held by the Treasury.
[4] Includes $1,800,000,000 exchange stabilization fund.
[5] These amounts are not included in the total since the gold or silver held as security against gold and silver certificates and Treasury notes of 1890 is included under gold, standard silver dollars, and silver bullion, respectively.
[6] This total includes $19,061,155 deposited for the redemption of Federal Reserve notes ($1,699,205 in process of redemption).
[7] $211,619,975 secured by silver bullion held in the Treasury.
[8] Includes $31,846,977 lawful money deposited for the redemption of national bank notes ($21,761,564 in process of redemption, including notes chargeable to the retirement fund), $1,677,500 lawful money deposited for the redemption of Federal Reserve bank notes ($2,318,088 in process of redemption, including notes chargeable to the retirement fund $1,350) lawful money deposited for the retirement of additional circulation (act May 30, 1908), and $50,748,982 lawful money deposited as a reserve for Postal Savings deposits.
[9] The amount of gold and silver certificates and Treasury notes of 1890 should be deducted from this amount before combining with total money held in the Treasury to arrive at the total amount of money in the United States.
[10] Revised figures.

NOTE.—Gold certificates are secured dollar for dollar by gold held in the Treasury for their redemption for uses authorized by law; silver certificates are secured dollar for dollar by standard silver dollars held in the Treasury for their redemption (or by silver bullion); United States notes and Treasury notes of 1890 are secured by a gold reserve of $156,039,421 held in the Treasury. Treasury notes of 1890 are also secured dollar for dollar by standard silver dollars held in the Treasury; these notes are being canceled and retired on receipt. Federal Reserve notes are obligations of the United States and a first lien on all the assets of the issuing Federal Reserve bank. Federal Reserve notes are secured by the deposit with Federal Reserve agents of a like amount of gold certificates or of gold certificates and such discounted or purchased paper as is eligible under the terms of the Federal Reserve Act, or, until Mar. 3, 1935, of direct obligations of the United States if so authorized by a majority vote of the Federal Reserve Board. Federal Reserve banks must maintain a reserve in gold certificates of at least 40 percent, including the redemption fund which must be deposited with the United States Treasurer, against Federal Reserve notes in actual circulation. Federal Reserve bank notes are secured by direct obligations of the United States or commercial paper, except where lawful money has been deposited with the Treasurer of the United States for their retirement. National-bank notes are secured by United States bonds except where lawful money has been deposited with the Treasurer of the United States for their retirement. A 5-percent fund is maintained in lawful money with the Treasurer of the United States for the redemption of national-bank notes and Federal Reserve bank notes.

Mr. VINSON. This statement shows the entire money mechanics. It shows what is behind our currency. Instead of having three and one-half billion dollars of Government securities behind our currency, we have less than a billion dollars, less than $900,000,000 of securities. My authority for that is this circulation statement, together with a letter which deals with it specifically, from Dr. E. A. Goldenweiser, dated February 21, 1935, and I would like to submit that letter for the record.

The CHAIRMAN. Without objection, it may be inserted in the record.

The letter referred to follows:

FEDERAL RESERVE BOARD,
Washington, February 21, 1935.

Hon. FRED M. VINSON,
House of Representatives, Washington, D. C.

DEAR MR. VINSON: In accordance with your written and telephone requests of February 19, we are enclosing the statement of the public debt of the United States for September 30, 1934, and the daily statement of the United States Treasury for January 31 and for February 1, 1935.

The statement of the public debt gives the latest available final figures and also includes detailed information as regards interest-bearing issues and various contingent liabilities of the United States. The most recent public-debt figures are available in the daily statement of January 31 and will be found on the reserve side of pages 3 and 4.

At the present time there are three types of currency backed wholly or in part by United States Government securities: National-bank notes, Federal Reserve bank notes, and Federal Reserve notes. On January 21 national-bank notes were outstanding in the amount of $876,000,000. These notes were backed by United States Government securities in the amount of $677,000,000, the remainder being backed by lawful money with the United States Treasury. On page 5 of the daily statement for February 1 are shown the securities held by the Treasurer of the United States to secure national-bank note circulation. These figures may be compared by issues with the outstanding amounts shown in the daily statement of January 31.

On January 31 Federal Reserve bank notes were outstanding in the amount of $112,000,000; nearly all of these notes were backed by lawful money, and only a negligible amount by United States Government obligations.

Federal Reserve notes outstanding on January 31 amounted to $3,370,000,000. Back of these notes Federal Reserve agents held gold certificates in the amount of $3,256,000,000, eligible paper in the amount of $5,000,000, and United States Government securities in the amount of $186,000,000.

Very truly yours,

E. A. GOLDENWEISER,
Director of Research and Statistics.

Mr. LEWIS. I wish you would develop the matter, if you can.

Mr. VINSON. Behind the national-bank notes, outstanding in the amount of $876,000,000 you have $677,000,000 of bonds. Behind Federal Reserve bank notes, is a negligible quantity, as I read the statement, something like $17,000,000. Behind Federal Reserve notes outstanding, in the amount of $3,370,000,000 you have $186,000,000. If you total these securities you will have less than $900,000,000. I think it is $880,000,000.

Mr. LEWIS. What is the significance, then, of the great bulk of gold in the Treasury?

Mr. VINSON. That gold was taken from the Federal Reserve banks Formerly behind Federal Reserve notes there was a gold base of at least 40 percent; now they are gold certificates. Back in 1932, as I recall it, that gold reserve was 95 percent of the Federal Reserve notes. It was necessary to have only a 40-percent gold base and a 60-percent background of commercial paper. Behind national-bank notes in 1932 there was 95 percent United States bonds and 5 percent lawful money, although it may have been changed, because it is not quite that figure in the statement.

The significance of that is this:

H. R. 3896 in no sense is a vehicle to permit bankers to make untold millions of dollars. You know my friend PATMAN was a prosecutor. He is a good lawyer; he is a crackerjack lawyer before a court, and he is a good lawyer before a jury. He knew that if he could call legislation a "bankers' bill" that would lend strength to his arm I want to compliment and congratulate him on the fact that that argument was not used here in the consideration of this measure.

The interest that bankers get now—and I have Mr. PATMAN for my authority on this—annually is between 20 and 30 million dollars, and yet you would have thought that all that $6,333,000,000 of currency outstanding on January 31, 1935, had Government securities behind it, and the bankers were just sitting up clipping coupons. Of course, that was PATMAN pleading to the jury. When PATMAN pleads to the court, he does not characterize this American Legion bill as a "bankers' bill." Why, I have no connection with bankers Yes; I do. I am an expert when it comes to writing my name to a promissory note and asking them to discount or renew it. So far as I know, excepting Frank Belgrano, the national commander, there is not a large banker in the United States that is for either one of these bills. They are not going to run amuck and run over each other getting in there to buy these bonds.

We were told here the other day by the Secretary of the Treasury that the average interest yield for all securities for 1934 was less than 3 percent. On your short-term obligations one of the lowest was two-thirds of 1 percent per annum. The average yield is 3 percent. The interest on consols, which are behind national-bank notes, is 2 percent.

I am happy that we do not have to bear before this committee the burden of the characterization of a "bankers' bill."

BROMIDES

A bromide is a strong thing. I remember back what they said about Cleveland, "The panic of '92." That was all they had to say. Then they came along to Mark Hanna and the slogan for my Republican friends, "The full dinner pail." That went like wildfire. Before long came a statement on the Democratic side, "He kept us out of war." Then along came the Democrats attacking the Republicans in 1932, and all we had to do was say, "Hoover." That is not fact, argument, or reason. It is simply a bromide.

I remember in 1928 when the folks compelled me to take an enforced vacation. I lost only 6 precincts against 2 splendid gentlemen in the primary in 1928—6 precincts in 19 counties. I went out to St. Louis as vice chairman of the western headquarters, and folks back home said, "Fred is all right, but he is for Al Smith." Fred turned up missing.

That is the philosophy behind the bromide calling this a "bankers' bill." But the splendid feature of this thing is that far from dealing in personalities, far from dealing in mud-slinging or anything of that kind, that argument was not presented here either yesterday or today.

THE FIRST PATMAN BILL

My friend PATMAN, I think, is one of the most capable, one of the most able men in this House. I admire his ability, his perseverance, and his work. I like him personally. But he says he has sold the country on the Patman bill. Now, God bless him, which Patman bill? He has introduced 5, and he has had 7 plans. I am not going to say anything derogatory about any of them, but he has introduced 5 different kinds of bills and had 7 different plans. He changed one plan between the time he wrote the Yellow Book and the time he introduced the last bill in Congress. I did not know that until he stated it.

When he introduced his first bill it was only payment of the bonus. Of course, that was in his early days here, but he was just as smart then as he is now. And, lo and behold, the money was to be provided by the sale of bonds. I want to read from section 2 of that bill, which was H. R. 3493, in the Seventy-first Congress:

"The Secretary of the Treasury is hereby authorized to issue bonds in such amounts as may be needed to carry out the purpose of this act. Such bonds are to be known as 'adjusted-compensation bonds', to bear such rates of interest as the Secretary of the Treasury in his discretion may determine, and to be redeemable in 15 years after the passage of this act."

That was introduced on May 28, 1929.

The Secretary of the Treasury was authorized to issue bonds, and the power to fix the interest rates was discretionary in him. Who was Secretary of the Treasury then? If my memory serves me, it was the pet antipathy of my friend PATMAN; it was Andrew Mellon.

I wonder if Mr. PATMAN 6 years subsequent to that time would refuse to the Secretary of the Treasury under this administration, particularly as it dealt with the discretion in regard to interest rates, that which he would have given his pet antipathy, Mr. Mellon.

Surely no one ever thought of its being a "bankers' bond bill." The bonds were then called.

THE SECOND PATMAN BILL

We come along to the Seventy-second Congress, and our friend PATMAN introduced H. R. 1. It was introduced on December 8, 1931. Section 2 reads:

"SEC. 2. There is authorized to be appropriated such amounts as may be necessary to carry out the provisions of sections added to title V of the World War Adjusted Compensation Act by section 1 of this act. Amounts now or hereafter in the adjusted-service certificate fund created by section 505 of the World War Adjusted Compensation Act, as amended, are authorized to be made available for the payment of the face value of the adjusted-service certificates under section 509 or 510 of such act, as amended."

I could have used that section there in this bill. It is an authorization bill. My friend PATMAN was not shooting any double curve. Of course, he was not. He dropped out the bond proposition in the first bill, and came out in the regular, ordinary, usual way of authorizing the payment of these certificates in the second.

THE THIRD PATMAN BILL

In that Congress—the Seventy-second—and gentlemen here will bear me out, not only those who served upon the committee, but those who served in Congress at that time—we spent approximately 2½ months on the cash-payment adjusted-service certificate problem. On January 14, 1932, the third Patman bill was introduced, and it provided for the payment of the adjusted-service certificates by the issue of Treasury notes. That was H. R. 7726. The Secretary of the Treasury was authorized to pay the certificates with Treasury notes in the sum of $1, $2, $5, $10, $20, and so forth. We insert in full:

"SEC. 2. Payments of the face value of adjusted-service certificates under section 509 or 510 of the World War Adjusted Compensation Act, as amended, shall be paid in Treasury notes. The Secretary of the Treasury of the United States is hereby authorized to have engraved and printed a sufficient amount of Treasury notes, in the denominations of $1, $2, $5, $10, $20, $25, $50, $100, $500, and $1,000 each; such Treasury notes shall be full legal tender, noninterest bearing, exempt from all taxes, including Federal, State, and subdivisions thereof."

Of course, you had no control whatever. If that was not inflation, if that was not expansion of the currency without any brakes, I just do not know what it would be. At any rate, that was the idea that percolated through the minds of the Ways and Means Committee.

That proposal brought down upon Mr. PATMAN'S head a charge of greenbacks, fiat money, and printing-press money. While I know that he had no thought or purpose of that kind, it added weight to the veterans' cause to secure cash payment. That was the section that the administration shot at, that Mr. Mills, Dr. Goldenweiser, and every member of the administration who addressed us objected to on the ground that it was inflation.

Then we had the Owen plan. That was submitted to us by ex-Senator Robert L. Owen, agreed to by Mr. PATMAN. It provided for the payment of the adjusted certificates with Treasury notes, but at the same time bonds were to be issued bearing 3½-percent interest and placed in the Federal Reserve banks to be sold for the purpose of withdrawing that currency if it got out of bounds. We were told by economists that that was a good and sufficient brake, that you had your control of it. The control of it was the sale of interest-bearing bonds.

That amendment lost in this committee 14 to 11, and the committee reported the cash-payment bill adversely. There was a minority report, seeking the cash payment of the bonus, with the express statement that if the bill was considered on the floor of the House we would offer the Owen plan. You will remember that Hon. Heartsill Ragon offered that amendment on the floor of the House. There was very little debate in regard to it, because our beloved colleague, Edward Eslick, laid down his life for his veteran friends in the first day's debate. The funeral party was to leave at 4 o'clock the next day. We had 15 minutes debate on it, as I recall. It was adopted and was in that bill when it passed the House in the Seventy-second Congress. We struck out section 2 of H. R. 7726 and inserted the Owen plan—the fourth Patman plan—which is set forth in full:

"SEC. 2. Payment of the face value of the adjusted-service certificates under section 509 or 510 of the World War Adjusted Compensation Act, as amended, shall be paid in Treasury notes.

"The Secretary of the Treasury is hereby authorized and directed to issue United States notes to the extent required to make the payments herein authorized. Such notes shall be legal tender for public and private debts and printed in the same size, of the same denominations, and of the same form as Treasury notes, omitting the reference to any Federal Reserve bank.

"He shall place such notes in the Federal Reserve banks, subject to the order of the Administrator of Veterans' Affairs, to be used for the purposes of this act.

"He shall issue a like amount of United States bonds bearing 3½-percent interest payable semiannually, with coupons attached, and such bonds shall be due and payable in 20 years from the date of issue, subject to the right of redemption after 10 years.

"These bonds shall be deposited in the Federal Reserve banks, as the agents of the United States, in approximate proportion to their current assets at the date of the passage of this act.

"In the event that the purchasing power of the dollar in the wholesale commodity markets, as ascertained by the United States Department of Labor, shall at any time fall as much as 2 percent below the average value of the year 1926, the Federal Reserve Board, by resolution in writing, may direct the sale to the public of such portions of said bonds as may from time to time be necessary to restore the purchasing power of the dollar to the normal standard of 1926.

"Such currency received for such bonds shall be exchanged for the notes hereby authorized to be issued and they shall be returned to the Secretary of the Treasury for cancelation."

Mr. LEWIS. Under the Owen plan about $2,000,000,000 at 3½ percent would be put out to get the $2,100,000,000 currency with which to pay the soldiers?

Mr. VINSON. Those bonds, Mr. Congressman, bearing interest at 3½ percent, were placed in the Federal Reserve banks, as the agents of the United States, in approximate proportion to their current assets at the date of passage of this act, for the purpose of withdrawing this currency if and when, under the discretion of the Federal Reserve Board, the currency should be withdrawn.

Mr. LEWIS. The bonds were not to be marketed, then?

Mr. VINSON. The bonds were not to be marketed unless the inflation got out of bounds. They would bear no interest until they were marketed. The bonds were placed there as a safeguard, as the control feature of that legislation. The original amendment provided that when the 1926 level was passed, the bonds were to be issued, but the committee changed it and left it up to the discretion of the Federal Reserve Board. It thought that that would be better. Subsequent bills have gone back to the 1926 level.

THE FOURTH PATMAN BILL (FIFTH PLAN)

The fourth bill, the fifth method, was H. R. 1 of the Seventy-third Congress. It had certain control features somewhat similar to this bill. I do not know exactly wherein those features differ from the features in this bill, but Mr. PATMAN has stated that there is some difference. He dropped the use of bonds, he dropped the usual authorization, he dropped the Treasury notes, he dropped the Owen plan, and in the fifth method he provides for the withdrawal of currency that is backed up by Government securities.

"SEC. 2. (a) Payment of the face value of adjusted-service certificates under section 509 or 510 of the World War Adjusted Compensation Act, as amended, shall be made in United States notes not bearing interest. The Secretary of the Treasury is hereby authorized and directed to issue such notes in such amount as may be required to make such payment, and of the same wording, form, size, and denominations as United States notes issued under existing law, except that the wording thereon shall conform to the provisions of this act. The Administrator of Veterans' Affairs and the Secretary of the Treasury are hereby authorized and directed jointly to prescribe rules and regulations for the delivery of such notes in payment under section 509 or 510 of the World War Adjusted Compensation Act, as amended.

"(b) United States notes issued pursuant to the provisions of this act shall be lawful money of the United States and shall be maintained at a parity of value with the standard unit of value fixed by law. Such notes shall be legal tender in payment of all debts and dues, public and private, and shall be receivable for customs, taxes, and all public dues, and when so received shall be reissued. Such notes, when held by any national banking association or Federal Reserve bank, may be counted as a part of its lawful reserve. The provisions of sections 1 and 2 of the act of March 14, 1900, as amended (U. S. C., title 31, secs. 314 and 408), and section 26 of the Federal Reserve Act, as amended (U. S. C., title 31, sec. 409), are hereby made applicable to such notes in the same manner and to the same extent as such provisions apply to United States notes.

"SEC. 3. (a) Whenever the index number of the wholesale or commodity prices rises above the index number of such prices for the years 1921 to 1929, as computed by the Bureau of Labor Statistics of the Department of Labor, notwithstanding any provisions of law to the contrary, the following methods for contracting the issues of currency in the United States shall be in force and effect, in the manner and to the extent prescribed in subsection (b) of this section:

"(1) Abolishment of the circulation privilege extended to certain bonds of the United States under the provisions of section 29 of the Federal Home Loan Bank Act, and retirement of such bonds as security for circulating notes as rapidly as practicable.

"(2) Termination of the issuance and reissuance of national bank circulating notes, and the retirement of such notes from circulation as rapidly as practicable.

"(3) Termination of the issuance and reissuance of Federal Reserve notes secured by direct obligations of the United States.

"(4) Termination of the issuance and reissuance of Federal Reserve notes secured only by gold or gold certificates.

"(5) Termination of the issuance and reissuance of Federal Reserve notes secured by notes, drafts, bills of exchange, acceptances, or bankers' acccptances which are not issued in direct benefit of commerce, industry, or agriculture.

"(b) Any such method of contracting currency issues shall be applicable when the Secretary of the Treasury finds that its application is necessary in order to maintain the index number of wholesale all commodity prices at the approximate level of the index number of such prices for the years 1921 to 1929 and issues an order setting forth such finding. Each such order shall prescribe such rules and regulations as are necessary and appropriate to carry out the provisions of this section with respect to the method of contraction made applicable in the order. The Secretary shall make such methods applicable only in the order in which they are set forth in subsection (a) of this section, but he shall make such methods applicable as rapidly as may be necessary to carry out the purposes of this section. When any such order is issued with respect to Federal Reserve notes, the Federal Reserve Board shall take such action as may be necessary to facilitate the enforcement of the order.

"SEC. 4. Section 505 (authorizing annual appropriations ending with the year 1946 for the payment of adjusted-service certificates) of the World War Adjusted Compensation Act, as amended, except that first sentence thereof, is hereby repealed. Amounts in the adjusted-service certificate fund are hereby authorized to be made available for the expenses of printing and engraving United States notes issued under this act, for paying fractional parts of a dollar which cannot be paid in United States notes issued under the provisions of this act, and for paying the principal and interest on or in respect of loans pursuant to the provisions of subsection (c) of section 509 of the World War Adjusted Compensation Act, as amended.

"SEC. 5. This act may be cited as the 'Controlled Expansion Act, 1933.'"

NO MONEY FOR BANKERS IN H. R. 3896

I want to call this to your attention, particularly to those who seem interested that bankers would not make money out of H. R. 3896. You could withdraw only $883,000,000 of securities if his plan were adopted, because you do not have currency backed by more than $883,000,000. When I say "Government securities" I am talking about Government long-term bonds and short-term bonds. You have sixteen and one-half billion long-term bonds, nine to nine and one-half billion Treasury notes, short-terms, and you have 2,000,000,000 bills and certificates of indebtedness. Altogether you have $28,000,000,000 in Government securities.

I want to submit to your reason that the currency now outstanding that is backed with Government bonds or Government securities is only 3 percent of the total amount of Government securities now outstanding. You have $28,000,000,000 of Government securities now outstanding. When you apply the figure of $883,000,000—I think I used the figure of $900,000,000—it figures 3 percent.

I want to say frankly that I do not know the difference between the bill that Mr. PATMAN printed in his book and this particular

bill. I know that there is a change from the mandatory provisions of H. R. 1 last time to H. R. 1 this time. I do not now recall whether it was mandatory then; I do not just now recall whether it was mandatory in the last Congress or mandatory in this Congress.

I want to say frankly that I would like to have some light upon how they are going to withdraw this currency. They may have a bookkeeping operation, they may have a credit proposition in there some way. But I want to see how they are going to withdraw $2,000,000,000 of currency belonging to some one else without giving something for it.

NO INCREASE OF DEBT

Now, my friends of the committee, I want to make this statement, that in my judgment there is no increase in the United States debt under H. R. 3896. The adjusted pay was for personal services rendered. It goes back to the time when the services were rendered. If you will take your dollar a day or dollar and a quarter a day from the day that the services were rendered, and charge interest rates in the same manner that the Federal Government has charged interest rates to veterans, I submit that the full payment of the adjusted-service certificates is long past due.

We must admit that. If there is any question about that, all of us are thrown out of court. As it is a debt it should be paid in cash. As I see these bills, they are reformations of contracts. That is what it is, and that is not unusual. In the last Congress we reformed a contract for the railroads. We repealed the recapture clause in the Transportation Act, and we either gave back to them or forgave them $360,000,000. We reformed contracts for war contractors and railroads to the tune of $5,000,000,000. It is done very often. Even though the law might not be involved, when there is an inequity the Federal Government often comes in and reforms the contract. I hate to dignify this as a contract, because it certainly was an ex parte one if it was a contract. The soldier never agreed to take the nontransferable, nonnegotiable I O U dated 20 years after 1925, or 27 years after the services were rendered, until the legislation had been enacted. He was not a party to its enactment.

But the fact is that there was an evidence of the debt in the nature of a receipt showing the amount that the Federal Government recognized to be due the soldier.

Now, what happens? They set up a sinking fund. They were supposed to pay in enough money so that on January 1, 1945, these various annual sums, together with the accumulation of interest compounded annually, would be the face value of the certificates on January 1, 1945. We have 10 more years to go now. My notion is that the fund is in arrears. If it is not, they have been making money off the veterans in their loan transactions, because for the past 3 years they have not placed that sum which seemingly they agreed upon, $112,000,000 annually, into this sinking fund. Upon two occasions, as I recall it, the annual payment into the sinking fund, an appropriation, was $50,000,000 instead of $112,000,000; and one year it was $100,000,000 instead of $112,000,000. That makes $136,000,000 shy in that sinking fund. No honest man will charge that up against the soldier, because that is going to have to be paid whether H. R. 3896 passes or H R. 1 or H. R. anything. In other words, Uncle Sam has a tremendous sum of money to expend in order to pay off these cash certificates on January 1, 1945; there can be no doubt about that. People talk about the fact that it is going to cost a lot of money down. It is going to cost money down, but it is going to cost more money if we do nothing now.

If we continue the sinking-fund payments, $112,000,000 a year for the next 10 years, I submit to your reason and to your intelligence, whether that sum together with the interest that has compounded on veterans' loans through the years should not be enough on January 1, 1945, to pay off the face value of the certificates. It is going to cost $1,120,000,000 to make those payments into the sinking fund. I am told by gentlemen who have figured it that the 10 payments of $112,000,000, with interest compounded annually, will reach a sum of $1,350,000,000. We are told that it is going to require $2,000,000,000 to pay off these adjusted-service certificates now. There is some question about that, whether it is two billion or whether it is one billion, eight hundred million. My computation is that the face value of the certificates was three and five-tenths billions. We have loaned one and seven-tenths billions. That would leave one and eight-tenths billions that would be paid. With your sinking-fund payments compounding interest annually, you have one billion, three hundred and fifty thousand without any extra cost to the taxpayer.

As Dr. Crother said this morning, there is no need to go on here and say it is going to cost $2,000,000,000—that you are going to have to raise in taxes $2,000,000,000 because our governmental financing is not done that way. We did not finance the $3,300,000,000 for the National Industrial Recovery Act that way. As pointed out by him, the sinking-fund charge was $273,000,000 a year. That $3,300,000,000 would have thus been amortized at the due date of the bond, with the annual payment.

This is a controversial question, but I submit to every member on this committee, regardless of what bill he supports, that if he thinks in his heart of hearts that the Federal Government on January 1, 1945, if no legislation intervenes, is going to ask the pound of flesh and collect the interest compounded annually against the veteran, and thereby eat up the other 50 percent of his certificate. Cold-bloodedly, you might say that they could do it, because when they took money out of the sinking fund here and lent it to the veterans it stopped the earnings of the sinking fund to that extent. But I do not believe there is a single Member in either branch of this Congress that believes for a split second that that will be permitted to be done.

We were told in 1932 by General Hines that counting interest at 4.5 percent compounded annually, it would cost $1,016,000,000 to do that very thing. In other words, if interests on veterans' loans are canceled at any time before January 1, 1945, it costs the taxpayers a billion dollars.

The Federal Government has to go out and get that money. It has to go out and get the billion one hundred and twenty millions that grows to be the $2,350,000,000 on January 1, 1945. If you assume that the interest on the veterans' loans will be canceled, I do not see how you can escape the fact that it is going to be necessary to raise in taxation more than $2,120,000,000 to pay off the certificates on January 1, 1945. There has been accumulated interest against the veterans' certificates totaling $229,000,000. The earnings on the $112,000,000 sinking-fund payment is practically the same sum. One will balance off the other. The $775,000,000 figure—the difference between $1,000,000,000 and $229,000,000 already accumulated—plus $1,120,000,000 makes practically $1,900,000,000. According to Veterans' Bureau figures, that would be rather close to the sum necessary to pay off the certificates now.

There is one further item that must be reckoned with, and that is carrying charges of the $2,000,000,000. For a 9½-year period, at the present interest rates, it would be approximately $527,000,000. I am unable to state what percentage of the total amount paid at this time would go to needy veterans on relief, or what could be saved from relief expenditures. If you would figure 20 percent of the total expenditure, it would be $400,000,000; 25 percent, $500,000,000.

I am going to say to you that, in my judgment, the net cost of the payment of these adjusted-service certificates, assuming that this interest would be forgiven, would be less than nothing, because you want to keep in mind that they are going to have to raise a billion dollars if they ask the pound of flesh.

There were several items I wanted to discuss, but will control the balance of my time. I believe that H. R. 3896 is the strongest vehicle to secure the cash payment of adjusted-service certificates; I believe that it will pass the House; that it will pass the Senate; that it is less objectionable than a bill providing inflation and therefore has a better chance to override a veto, if any.

Mr. FULLER. What would be your reaction to taking $2,000,000,000 out of the $4,000,000,000 appropriation for relief and paying the bonus?

Mr. VINSON. You mean to take $2,000,000,000 off the $4,800,000,000 work-relief bill?

Mr. FULLER. Yes.

Mr. VINSON. Of course, the gentleman knows that that bill is now in the Senate.

Mr. FULLER. I know it. I said in the event that it passed.

Mr. VINSON. If the Senate could secure that character of amendment, and it would come to the House, I would be very happy to support that bill with the amendment, just as I supported the work-relief bill as it passed the House, without having any fears whatever with reference to where we would get the money.

There is this further thought in regard to the added cost in increasing the debt. If we agree that the debt is past due, the carrying charges upon that obligation is not an increased debt. Take any public buildings, any public works, Boulder Dam, or anything else, and you do not count carrying charges as part of cost.

Mr. HILL. I do not think there is any point in it, but there has been quite a bit said here about not increasing the debt. It seems to me, just to clarify the record, it might be well to define what you mean by "debt" in relation to these outstanding certificates. Do you mean the indebtedness as evidenced now by the certificates, or do you mean what is really and actually owed to the ex-service man on the basis of a dollar and a dollar and a quarter a day?

Mr. VINSON. I agree with the gentleman that I do not think there is any point in it. I think it is a tempest in a teapot, in respect of the interpretation of the Miami resolution, because we all agree that the face value of the certificates is a debt, and that it is past due. There is no man in Congress that can make a stronger argument in regard to that than my friend, PATMAN. That is a debt, and it is past due and payable.

Mr. HILL. According to the terms of the certificates it is not past due.

Mr. VINSON. I know. I am talking about the right. The mere fact that the Sixty-eighth Congress in a moment of weakness—and I was here, I voted for it; I had not been here very long, but I summoned up enough courage, though my knees buckled a little, to get up and in a weak voice protest against this character of payment. I said then that I thought the veterans ought to be paid in cash.

But if you remember, it came in under suspension of the rules. It did not permit of amendment in the House. You voted for it, or against it. The mere fact that Congress in 1924 committed error in the payment of the veteran should not stop him from going behind that receipt.

There is a principle of law that I know prevails in my State, and I think it is of general application, that if you give me a receipt for a debt and mark it "Paid in full", when, as a matter of fact, I have not paid you in full, you can, within the statute of limitations, go behind that receipt. That is the law in Kentucky, because they say that there is no consideration passing from me to you to wipe out—to liquidate that part of your debt that is not paid.

Mr. HILL. That is what I wanted to get at.

Mr. VINSON. That is the purpose here. The mere fact that soldiers were given a receipt compulsorily—of course, they were not compelled to apply for it, but they either took that or did not get anything—in all fairness, I think Congress has the right and it is their duty, and that is why I have been for the cash payment of the bonus, to go behind that receipt and do the fair, honest thing to the soldiery of this country.

Mr. HILL. That is what you mean by the "debt" when that term is used here? You mean that indebtedness which was due them at that time?

Mr. VINSON. Yes.

Mr. HILL. Regardless of what the Congress did or the manner of their doing it?

Mr. VINSON. Yes, sir. I say that this is a re-formation of the contract, and that in the re-forming of it this Congress is going to do the fair thing by the defenders of the flag.

Mr. MCCORMACK. Mr. VINSON, do you still favor the Owen plan?

Mr. VINSON. I would prefer not to answer you, Mr. MCCORMACK.

Mr. MCCORMACK. I am asking your personal opinion.

Mr. VINSON. I want to answer it that we have had tests with reference to the payment of the adjusted-service certificates here changing the monetary system of the United States, and I feel deeply, just as sincerely as I can, that the regular way of payment is the strong vehicle to use.

Mr. MCCORMACK. Do you still favor the Owen plan?

Mr. VINSON. I would prefer to answer that when it will be presented.

Mr. MCCORMACK. You did favor it before?

Mr. VINSON. I certainly did, sincerely and whole-heartedly. I could say to the gentleman—and I have reasons for not giving you my personal views now, because they might be misinterpreted——

Mr. MCCORMACK. I will not ask for them.

Mr. VINSON. I have introduced the Legion bill, and my personal views might be misconstrued. But I would say to the gentleman since the Owen plan was passed through the House, we have had serious, marked changes in our financial structure. We went off the gold standard. We have devaluated the gold dollar in the Thomas amendment to the A. A. A., three billions in Treasury notes, money of the character set forth in H. R. 1. The President has permission to use $3,000,000,000 of this character of Treasury notes. We have the power to use $1,800,000,000 of silver certificates under the permissive power of the Dies bill. And I would say to the gentleman from Massachusetts, whom I know to be a very distinguished Member of this body, that even though with my heart and soul I supported the Owen plan, as did the gentleman, I shudder to think, if that law had been placed upon the books and the soldiers had been paid in Treasury notes, of the burden that would have been placed upon their backs when the banks closed in February and March of 1933. That would have been a burden from which we could never have escaped. Not only would it have taken the lifetime of the soldiers to dig out from under that burden, but it would have taken the lifetime of their children and their children's children. When we came here to Congress for veterans' legislation, we would have been met with the thought that an inflationary proposition which I then thought to be sound, had precipitated that condition. Of course, we would have known that it did not have any more to do with the situation than the charge against Cleveland back there in the 1892 panic, but at the same time, it would have been a difficult matter to explain.

Mr. MCCORMACK. So that shudder does not have to exist now?

Mr. VINSON. No, sir.

We have gone a long ways. I think the change in the monetary system has been quite helpful. I agreed with the gentleman that there was no sanctity in respect of the gold standard. We were told in whispers that if we went off the gold standard we would "go to the bow-wows." I did not agree that that would be the situation. But I want to say this to the gentleman, that under the Thomas amendment—and I want the gentlemen who are inflationists or who have that tendency to get this point—under the Thomas amendment to the Agricultural Adjustment Act, carrying the authority to issue $3,000,000,000 in currency, while that was limited to the redemption of interest-bearing securities there would be no trouble if the exercise of that power were desired, if you wanted to use that power to pay this bonus. You could take the $3,000,000,000 in Treasury notes and withdraw your interest-bearing securities, and then you would have $3,000,000,000 less Government securities outstanding. The Secretary of the Treasury has the power now to issue $2,000,000,000 more of possibly short-term obligations to pay this bonus debt of the Government.

Mr. MCCORMACK. You have no fear of a controlled expansion of the currency along the lines of the Owen plan, have you?

Mr. VINSON. If the gentleman would permit, I would rather defer that to another time.

Mr. MCCORMACK. I know you will convey to us your state of mind. How is the bill going to be paid, assuming the bill became law? How did you intend personally to provide? What are you going to advocate to the Congress as to how this is going to be paid?

Mr. VINSON. Of course, the gentleman knows that it is not the function of any Member of the House even to tell Congress how it shall be done.

Mr. MCCORMACK. Naturally we look to you for advice.

Mr. VINSON. I appreciate that, and I trust that you will be good enough to look in my direction in the consideration of this bill.

Mr. MCCORMACK. I invariably follow you, but sometimes the best of friends must part.

Mr. VINSON. I will answer your question. In the first place, a member of this committee or a Member of the House——

Mr. MCCORMACK. Do not misunderstand me; I am not interrogating you——

Mr. VINSON. That is all right. I am very glad you called that to my attention. I had forgotten it. We provide the authority in legislation and the direction in appropriations. The executive branch of the Government will have the responsibility of financing this. They may say to us, "Provide a sinking fund with which to pay this $2,000,000,000." If we did, we would have to add to the $112,000,000 that we are paying into the sinking fund now; and when we come down to the time that they would cancel interest, they would say, "Provide us the money for the cancelation of the interest." That would be another billion. In other words, we would have to raise that money anyhow.

But it does not have to be done that way. There are other methods; the issue of short-term securities that do not have the circulating privilege or the floating of a long-term issue.

Mr. MCCORMACK. Do we not have to provide for that?

Mr. VINSON. No; we have the authority. That refinancing bill that we passed in the early days of Congress gives the power to the Secretary of the Treasury to do that.

Mr. MCCORMACK. Do you not think that the Secretary of the Treasury to exercise that power would want a direction from Congress?

Mr. VINSON. Oh, I do not think so at all.

Mr. MCCORMACK. Do you not think that in a bill of that kind the executive branch of the Government would expect the legislative branch, if there was going to be a bond issue, to provide for the bond issue?

Mr. VINSON. In my experience here, we generally hear from the executive branch on that subject.

Mr. COOPER. That executive branch did not request the legislative branch to give any instructions or directions about the $4,880,000,000?

Mr. VINSON. That is correct.

Mr. MCCORMACK. But of the $4,880,000,000, $880,000,000 we take from other allocated funds, do we not?

Mr. VINSON. Oh, no. That is a new appropriation. That is the $4,880,000,000 that must be raised somewhere.

Mr. MCCORMACK. But $4,000,000,000 by the sale of bonds and eight hundred million——

Mr. VINSON. No; it is not in the bill.

Mr. COOPER. There is nothing said about it.

Mr. MCCORMACK. In the Public Works bill?

Mr. VINSON. No, sir.

Mr. MCCORMACK. You mean the $4,800,000,000.

Mr. VINSON. It does not say how you shall provide the money. I think the trouble about the discussion here in regard to providing money is that it is misconstrued. Yet, in fact, the monetary section of the Patman bill is not a quesion of providing money but a question of changing the monetary system. In addition thereto, it will provide the money.

Mr. COOPER. The gentleman will recall that the $4,880,000,000 was reported by the Appropriations Committee of the House.

Mr. VINSON. That is correct; and it is a straight-out appropriation.

Mr. MCCORMACK. We passed a special rule authorizing it.

Mr. VINSON. I want to continue my answer to my friend in regard to how this money could be raised.

We provided in the bill that passed Congress and was signed by the President to increase the authority of the Secretary of the Treasury in refinancing obligations to sell baby bonds. Those baby bonds will be sold at a discount rate. They have been out for 2 or 3 days, and the press said that they are going over in splendid fashion.

On those bonds the money is coming into the Treasury. I have never heard anybody complain about the interest charge on those bonds. Further, the money situation is in splendid condition when we can float $2,300,000,000 in Government bonds at this time at the rate of 2⅞ percent per annum. When that happens you have to say that the money status is in very splendid condition.

Mr. MCCORMACK. Suppose the executive branch fails to make a recommendation. What action would you take then?

Mr. VINSON. It is not necessary for them to make a recommendation. They have the power under existing law.

Mr. MCCORMACK. Suppose they do not exercise the power?

Mr. VINSON. I cannot conceive that, Mr. MCCORMACK. I want to say, in regard to that, that at no time in the history of this country, so far as I know, since I have been here, have I ever heard of it. Yesterday I asked some gentleman if he had ever seen anyone that had ever seen anyone that knew about it; but if we pass the authorization and the appropriation, I cannot conceive of the Secretary of the Treasury not making recommendations or not getting the money.

Mr. MCCORMACK. Suppose they make a recommendation for the payment of the full amount that is remaining, and then they recommend the Congress raise it by taxes. What would you do then?

Mr. VINSON. You are going to have to raise $112,000,000 annually, anyway, for the sinking fund. You understand that is not added cost.

Mr. MCCORMACK. I know.

Mr. VINSON. If you have thirty-five or forty or fifty million dollars a year added to that, you are going to save money, because

it is going to cost us a billion dollars to cancel the interest on the loans already made.

Mr. McCORMACK. Who is going to pay for that?

Mr. VINSON. The taxpayers of this country will pay that billion dollars. The taxpayers will pay that $1,120,000,000 that goes into the sinking fund. You cannot get something for nothing.

Mr. McCORMACK. Suppose they ask us to raise that $2,000,000,000 and a little over by taxes as a means of complying with the provisions of your bill; what would you do then?

Mr. VINSON. I have tried to say to the gentleman that I would continue the sinking-fund payments that have been made for years, $112,000,000 a year that was paid into the sinking fund, with compound interest at 3.5 or 4 percent, whatever it is. That will be a larger sum in 1945, about $1,350,000,000. Then there is the credit against the $2,000,000,000 or $1,800,000,000 for cash payment now of the moneys that would be saved from relief appropriations. Your guess is as good as mine as to how much would be saved, but in my opinion 20 percent is a most conservative sum, and 20 percent of $2,000,000,000 is $400,000,000, which is a right sizable sum.

Mr. McCORMACK. Your bill is going to go through the hurdle of a possible veto, and assuming a veto, a two-thirds vote of both branches. That is true, is it not?

Mr. VINSON. Yes.

Mr. McCORMACK. Then we have to go ahead and have a supplementary action by Congress in all probability.

Mr. VINSON. We will have to do that with the Patman bill, too. I do not know whether the gentleman was here when I started my remarks.

Mr. McCORMACK. Yes. The Patman bill calls for a limited appropriation. It does not call for——

Mr. VINSON. Oh, you have to go through the same course—the same procedure.

Mr. McCORMACK. We do not have to go through the same course with reference to the issuance of new currency in the Patman bill.

Mr. VINSON. There is a question there as to whether or not you have to have an appropriation for that.

Mr. McCORMACK. I know, but the appropriation is only a minor amount in that case.

Mr. VINSON. I am not talking about the expense of printing. I do not even know whether you have to appropriate that. They may have the power now to pay the expense of printing. I was not talking about that. I was talking about paying loans, and the two other items heretofore referred to.

Mr. McCORMACK. Assuming the appropriation is put up by the Congress, we have to make the appropriation, and if the President would veto it, we would have to come back and pass it over his veto.

Mr. VINSON. Yes; just as you would if you had an appropriation bill for H. R. 1. If the Patman bill goes through and the President vetoes it, you would have to pass it over the veto; you would have to pass that appropriation bill, and if it went through and the President vetoed it, you would have to pass it over the veto.

Mr. McCORMACK. Your only appropriation necessary on the Patman bill is those appropriations incidental to carrying out the major purposes of the act. There is no necessity for new legislation. We will assume the Owen plan is in there, calling for the issuance of controlled currency. There would be no necessity for the issuance of bonds, would there?

Mr. VINSON. If the gentleman will look at section 4, you will see that is for paying money on loans.

Mr. McCORMACK. That is only a minor amount.

Mr. VINSON. I could not tell you how much it is.

Mr. McCORMACK. I agree there will have to be some additional appropriation.

Mr. VINSON. Of course, my remarks were directed to the statement that H. R. 3896 was a double curve. I never was a pitcher. I played short stop, if the gentleman will remember; and I leave it to my fellows, as to whether I throw double curves.

Mr. HILL. The gentleman talked about his plan for financing this proposition. It provides for a sinking fund?

Mr. VINSON. No. I am saying, let the old plan continue.

Mr. HILL. You add to that, then, and provide a sinking fund to retire the $2,000,000,000.

Mr. VINSON. I say that is one way it could be done. I am not suggesting that.

Mr. HILL. Of course, that would contemplate the issuance of bonds to raise the money for the immediate payment of the adjusted-service certificates?

Mr. VINSON. Yes. Now, I want the gentleman to understand I am not suggesting that. I was asked how it could be done, and I have given about four sources from which you can get the money.

Mr. HILL. I would like to ask you what other way it can be done under your bill?

Mr. VINSON. What about baby bonds?

Mr. HILL. It is estimated that they will probably bring in $300,000,000.

Mr. VINSON. Let us assume that the interest and demand for the payment of the cash bonus is as wide-spread as we have been told, that small merchants and small business men throughout the country desire to be paid debts owing them. The veterans desire it to be paid. If you would have a sales organization of all the veterans affected, the wives of all veterans affected, the friends of veterans affected, and possibly creditors of veterans affected, we can visualize that you might be able to finance it in whole out of the sale of baby bonds.

Mr. HILL. That would be bonds, though.

Mr. VINSON. Well, that is baby bonds.

Mr. HILL. But it is bonds.

Mr. VINSON. That is not bonds that have the circulation privilege. That is not bonds that will permit bankers to clip these coupons.

Mr. HILL. No; you are right about that.

Mr. VINSON. That is right.

I want to ask this question of my friend: What do you call the currency that is issued under the Patman bill? Is that an obligation of the Federal Government?

Mr. HILL. Certainly.

Mr. VINSON. If it is an obligation of the Federal Government, will it not have to be paid or redeemed sometime, or will you in some subsequent day issue some more of these Treasury notes to redeem those?

Mr. HILL. It is noninterest bearing. It is an obligation of the Government. It is a promise to pay.

Mr. VINSON. It certainly is an obligation of the Government.

Mr. HILL. But noninterest bearing.

Mr. VINSON. That is right.

Mr. HILL. That is all.

Mr. CROWTHER. The gentleman from Kentucky made reference to the error that the committee made when they wrote this bill.

Mr. VINSON. I was saying Congress.

Mr. CROWTHER. There are only two members now who were on that committee, Mr. TREADWAY and myself. We nearly had a personal encounter during the writing of that bill. So you can imagine that we had a pretty difficult time.

Mr. VINSON. I do not doubt that; we generally do.

Mr. CROWTHER. You remember we had about a fivefold plan, to build houses, to give them land, cash, and vocational training.

Mr. VINSON. That was in the Sixty-seventh Congress that such bill came out. The present certificates were authorized in the Sixty-eighth Congress.

Mr. CROWTHER. Yes. And after a long series of hearings it was finally agreed to by the representatives of all the soldiers' organizations and everybody interested that the 20-year certificate was probably the best thing that we could do.

Mr. VINSON. I think that your statement is correct, that it was thought to be the best thing that could be done. And may I say this to the gentleman: I am glad that he has referred to that.

Mr. CROWTHER. I interrupt you just to say this: That in one of those sessions—it is years ago now, so we can say what happened in executive session—I introduced an amendment to pay that bonus in cash. It was defeated. There were 14 of my party against me, and the 10 Democrats voted with me. It was defeated, 14 to 11. If the gentlemen had followed me at that time, we would have saved nearly a billion dollars, and had this thing behind us all these years.

Mr. VINSON. In regard to what Dr. CROWTHER says, if you please. I want to make this statement to the gentlemen who were Members of the House at that time, if this was not the thought of the Membership of the House as well as the committee—that is, I will exclude the committee, or the members of it who were on it at that time.

Mr. CROWTHER. Well, we were responsible.

Mr. VINSON. But was it not the thought of those of us who favored the payment in cash that if we would pass the Adjusted Certificates Act, in a subsequent Congress we could amend that act and secure cash payment? Was not that the thought that was in the minds of many of us at that time? I am certainly thinking it was in my mind, the desire and the hope that in some subsequent Congress we could get cash for the veteran in his lifetime. This money is for personal services rendered. The man who earned it is entitled to spend it. If you wait until 1945, I submit, there are going to be several more thousands of the boys who will not have the opportunity to spend the money.

Mr. LEWIS. When you are done, I want to ask some questions of the representative of the Veterans' Administration who is said to be here.

The CHAIRMAN. Is anyone here representing the Veterans' Administration?

Mr. PATMAN. Mr. Chairman, may I ask you a question? I know the committee wants the correct information if there has been any dispute. If the gentleman has some additional time remaining, may I at this time respectfully take issue with him on certain things, not to create any dispute or quarrel at all, but just to give the correct information to the committee?

The CHAIRMAN. We have waited too long to get into a joint debate here, and it is unfair to the other men. However, if there is time later on, you may make a statement.

Mr. PATMAN. You mean later on?

The CHAIRMAN. If you are here and are ready to go on before we close the hearing.

Mr. PATMAN. Very well.

Mr. VINSON. I want to express my appreciation for the opportunity of talking to my colleagues. I want to express deep appreciation for the consideration that has been given the bills that have been discussed. It is nothing more, of course, than we could expect.

Mr. LEWIS. Now, Mr. Chairman, I understand a representative of the Veterans' Administration is present.

The CHAIRMAN. If he is present, he will please stand up and come forward.

PRESIDENT ROOSEVELT MAKES STATEMENT ON ALLEGATIONS HE IS DESCENDED FROM JEWS

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to insert in the RECORD a letter received by Philip Slomovitz from the President of the United States, and a very brief comment on the letter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letters of President Roosevelt, one of Philip Slomovitz, and comments:

IN LETTER TO EDITOR OF THE CHRONICLE HE STATES HE IS MORE INTERESTED THAT THEY SHOULD HAVE BEEN GOOD CITIZENS AND BELIEVERS IN GOD

In a simple statement addressed to the editor of the Detroit Jewish Chronicle, President Roosevelt this week administered a rebuke to those who circulate propaganda about his Jewishness, and at the same time sounded a plea for tolerance.

President Roosevelt's statement, addressed to Philip Slomovitz, came in response to the editor's request for an explanation of propaganda circulated about the President's Jewishness, especially by a group of his antagonists who are out to make capital against our Chief Executive by charging that Jews and Roman Catholics have gained control of this country under the leadership of Mr. Roosevelt.

President Roosevelt's letter follows:

THE WHITE HOUSE,
Washington, March 7, 1935.

PHILIP SLOMOVITZ, ESQ.,
Editor The Detroit Jewish Chronicle,
525 Woodward Avenue, Detroit, Mich.

MY DEAR MR. SLOMOVITZ: I am grateful to you for your interesting letter of March 4. I have no idea as to the source of the story which you say came from my old friend, Chase Osborn. All I know about the origin of the Roosevelt family in this country is that all branches bearing the name are apparently descended from Claes Martenssen Van Roosevelt, who came from Holland sometime before 1648—even the year is uncertain. Where he came from in Holland I do not know, nor do I know who his parents were. There was a family of the same name on one of the Dutch islands and some of the same name living in Holland as lately as 30 or 40 years ago, but, frankly, I have never had either the time or the inclination to try to establish the line on the other side of the ocean before they came over here, nearly 300 years ago.

In the dim distant past they may have been Jews or Catholics or Protestants—what I am more interested in is whether they were good citizens and believers in God—I hope they were both.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

President Roosevelt's letter came in response to the following letter:

MARCH 4, 1935.

His Excellency FRANKLIN D. ROOSEVELT,
President of the United States, Washington, D. C.

DEAR MR. PRESIDENT: I believe you will be interested in an article which appeared in a Michigan publication called "Civic Echo" under the heading "Michigan Governor Explains Roosevelt's Jewish Ancestry." The article reads:

"Mr. Chase S. Osborn, former Governor of Michigan, was a recent visitor to St. Petersburg, Fla. In a newspaper interview, he expressed his opinions concerning the revolutionary policies of the present administration in Washington. Among other things he described in detail the alleged Jewish ancestry of Franklin Delano Roosevelt. The statement appearing in the press is as follows:

"'Although a Republican the former Governor has a sincere regard for President Roosevelt and his policies. He referred to the "Jewish ancestry" of the President, explaining how he is a descendant of the Rossacampo family expelled from Spain in 1620. Seeking safety in Germany, Holland, and other countries, members of the family, he said, changed their name to Rosenberg, Rosenbau, Rosenblum, Rosenvelt, and Rosenthal.

"'The Rosenvelts in north Holland finally became Roosevelt, soon becoming apostates with the first generation and others following suit, until in the fourth generation, a little storekeeper by the name of Jacobus Roosevelt was the only one who remained true to his Jewish faith.'"

It so happens that this is not the first time that we have seen your name coupled with the Jews, especially in the efforts of anti-Semites to label you as a tool of Jews and Catholics. However, it occurs to me that you may be interested in the above-quoted statement particularly in view of the fact that an eminent Michigan leader and former Governor has seen fit to find that your ancestry was Jewish.

It is with a sense of considerable regret that I must comment that we have grave doubts as to whether we may hope to feel so deeply honored with the truth of your lineage as traced by former Governor Osborn.

However, there is always a chance that there is an honor in store for us somewhere, even though unexpected. I am therefore just wondering a bit whether your family records or albums somewhere lend affirmation or denial to these fantastic stories. Perhaps you will be able to find occasion some day to make your own comment on this story.

Faithfully and cordially yours,

PHILIP SLOMOVITZ, *Editor.*

PREVIOUS ALLEGATIONS

The editor of the Chronicle had occasion previously to comment on allegations that President Roosevelt is descended from Jews. Under the heading "We are in good company", the following editorial appeared in our issue of September 28, 1934:

"An interesting and kind reader sends us a clipping from the Rail Splitter, of Milan, Ill., which we take great pleasure in reprinting herewith:

President Turns United States Treasury Over to Jews

"'The American people were astonished to read in their daily newspapers recently of the resignation of Woodin as Treasurer of the United States and the immediate appointment of Henry Morgenthau, Jr. Those who are familiar with the Jewish tie-up of President Roosevelt are not surprised at the appointment. The Jews and the Roman Catholics are in control of this country today. The Gentile Protestant people who helped put this twin evil upon themselves by voting for a "change" are responsible. They have done themselves irreparable harm which will take years to undo, if ever. The depression, brought about by Jewish financiers, has accomplished the results they planned for. The depression worked such a change on the public mind that it unwittingly played into these Jewish hands and has put them into supreme power in this country. Now they have control of the United States Treasury, our system of Jewry is complete. The Jews run business; we pay money over to them for things we need; we work under them for miserable wages, and now the President has turned the Treasury of the Government over to them. Now their scheme of skinning the Gentiles is complete. Next thing to do is to tax them to death. We thought Mellon bad enough, but a Jew is a thousand times worse. If the people do not rise up and put these political pirates out of office within the next few years, this country will go down in financial ruin. We are allowing the Jewish financial suckers to suck up our national life and leave us in starvation and poverty. They have put more than 16,000,000 upon the relief rolls within the last few years. Shall we allow them to put the rest of us there, too?'

"Our reader and contributor asks us what we think about this outburst and we take pride in informing him that we now, more than ever, are convinced that we are in pretty good company.

"Franklin D. Roosevelt is not such a bad fellow to be associated with. Even his most rabid 'Protestant critics' credit him with being a very sincere man who is making an honest effort to solve the country's problems.

"Even if we are maliciously grouped together with the Catholics, we believe it will generally be granted that there are some mighty nice people among the Catholics. Here again, therefore, we are also in pretty good company.

"And there are Protestants without number in the Roosevelt official family and among his lay supporters who are not bad people.

"We do not have to apologize for such an illustrious fraternity, do we?

"And as for Jews and Catholics being 'in control of this country today', it is only necessary for us to remind the poor and misinformed chap who wrote the drivel referred to that the Protestants are still in the majority in the United States and that they elected President Roosevelt.

"Our readers need not be alarmed. We are in pretty good company and together with those we are classed in so horrifying a manner we shall no doubt be attacked time and again. But poor bigots must have their say. Let them. As long as we are not singled out as the only destroyers of society, and as long as the President and the Catholics are branded as our allies, the good citizens will only laugh at such tommyrot."

THE PROBLEM OF TRANSPORTATION

Mrs. JENCKES of Indiana. Mr. Speaker, I ask unanimous consent to have printed in the RECORD some valuable information which is contained in the address of the Honorable Milton W. Harrison, president of the Security Owners' Association, before the Minneapolis (Minn.) Traffic Club on February 28, 1935.

The SPEAKER. Is there objection to the request of the gentlewoman from Indiana?

There was no objection.

Mrs. JENCKES of Indiana. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an address of Hon. Milton W. Harrison, President of the Security Owners Association, New York City, which was delivered before the Minneapolis Traffic Club, Minneapolis, Minn., on February 28, 1935.

The information contained in this address will no doubt be of great interest to the Members of the House of Representatives.

Gentlemen, in the problem of transportation are included not only the railways, but their present-day competitors: the motor truck, the boat, and the airplane.

Long before national planning and economic regimentation under a governmental general staff had achieved their present fashionable vogue, two decades ago the Wisconsin idea, as it was then called, spread roseate promises of a new day across the political horizons. The new deal is its lineal descendant; both conceive the State not as a servant of its citizens, but as their master.

We have seen the disillusionment which must inevitably follow all attempts to create a millennium of universal prosperity in defiance of economic law. Consider, for example, how far during the last year we have moved forward in the philosophy of State control for all economic enterprise. Consider, also, that special groups—whether they be farmers, manufacturers, war veterans, or organized labor—once accustomed to subsidy from the Federal Treasury, do not freely give up such benefits. The necessity which may have brought about governmental aid passes, but unfortunately efforts to continue it then become the mainspring for all political activity, from which emerge group and sectional alliances aimed at the preservation of such special privileges.

We are not so much concerned with where the boundary line shall rest as between public and private property rights as we are concerned that the line of demarcation itself be preserved. It is not a matter of distance either to the right or left, but principle that is the immediate issue.

We are witnessing an extension of the doctrine of public interest to cover and include the most intimate details of business activity. The area of freedom for individual enterprise is progressively circumscribed until the danger becomes so very real that finally it will be lost altogether. Individual initiative, which has been America's most outstanding characteristic and contribution to progress, cannot thrive or even survive under a system of State permits, licenses, and letters of marque issued to powerful minorities.

When public policy requires publication of income-tax returns, salaries for business executives, and whether or not they have bought or sold securities on the exchanges, the implication becomes clear, does it not, that the right to such income, or to so trade, may itself in time be questioned or limited by the State?

Indeed, railroad salaries already have been challenged. Whether such officials receive too much or too little is beside the point; the issue is this attempt of the State and the political party in power to set up arbitrary quantitative, not qualitative, evaluations between its citizens. Once such a principle is recognized, not only does there follow an invasion of the field of personal liberties but the whole profit motive as the actuating force in industry is under attack, regardless of the lip service given by public officials in its behalf. When the limiting safeguards on State authority are removed, business becomes subject inevitably to ruthless political exploitation.

The question may well be asked: What has all this to do with the railroads and their possible imminent financial insolvency? The pattern of regulation that I have described has been developing for nearly 50 years in connection with American railroads. The results achieved in that field serve as an object lesson for earnest consideration by all business men. After they have examined the model, let them then decide whether they wish such a strait-jacket imposed upon all industry.

Having been progressively subjected to governmental control for nearly 5 decades, it might reasonably be expected that the position of the railroads would be superior to other businesses which have not been subjected to the fostering care of Government. I leave it to you to judge the facts.

You must not assume from this statement that I am advocating any return to laissez faire or any system of economic anarchy. I am not attacking the principles of fair regulation or public determination of those policies which govern and advance the Nation's future economic development. In such matters we have had too little planning rather than too much. What I do challenge is a purely negative type of regulation and those restrictive controls which, long before the depression started, had begun the undermining of railroad credit. For, if such controls are not reversed, Government ownership, as Coordinator Eastman suggests, may be the only remaining alternative.

When one examines the complicated and rigid administrative system established by the Interstate Commerce Commission, wonder grows that railroad progress takes place at all. The average case brought before this tribunal, with its 1,500 employees, requires nearly a year to reach a decision, technicalities of presentation necessitates a special bar of legal experts who must qualify for practice as before the Federal courts.

Under what the Federal Coordinator has described as a "hybrid arrangement", the Commission and Congress exercise power of economic life or death over the railroads. Yet at the same time they accept no responsibility whatever toward investors for the financial results that may flow from their acts. However great might be the financial needs of the carriers, no administration responsible for the appointment of Commissioners has desired to assume on its own motion the liabilities attached to any upward revision of rates. Early it became apparent that regulation, insofar as it might be expected to maintain that proper equilibrium between railroad income and expense, was a one-way policy.

There is another phase to this question of Government control of industry no less menacing in its implications. I refer to the growing tendency for special groups or blocs, through political domination, to force from Congress legislation that places group purposes over and above the national interest. Here, again, the railroads have had an experience that deserves serious consideration and study.

Ever since 1916, the railroad labor unions, through their apparent control of more than a million and a half member voters, concentrated for the most part in strategic Congressional districts, have exercised an increasing influence in the national legislature. Through the passage first of the Adamson Act, next the railroad labor and related acts, and finally last year the Railroad Retirement Act—not to dwell on the famous section 7–B of the Emergency Transportation Act—they have succeeded in nullifying the regulatory authority of both the Interstate Commerce Commission and the Federal Coordinator in relation to employment and economies.

To illustrate, in passing, the completeness of this domination, it should be noted that in the Senate not a single vote was recorded against the Retirement bill, although its effect, once the President's signature was affixed, was to add a total of almost $3,000,000,000 of past accrued liabilities to railroad balance sheets. The lower court has held this Act to be unconstitutional.

These measures were undertaken ostensibly—as such measures always are—to provide further employment for railroad workers. But what were the actual results? The railroads, unable to absorb an increased labor unit cost, concentrated their energies in developing new operating efficiencies and economies. It was the only way they could save themselves. Although the rate of compensation rose and the percentage of wages to operating revenues increased, the number of employees has steadily declined. This, together with the effect of the depression, has reduced working forces from 1,822,000 in 1926 to 990,000 in 1934.

No one questions railroad labor's right to a high wage commensurate with the skill required or what revenues are able to bear. But such a proposition is quite different from utilizing the power of the State, through organized political pressure, to exact tribute over and beyond the capacity of the railroads to pay, when such acts unbalance and endanger the whole existing economy.

But the unions are not yet satisfied. Having negotiated successfully a restoration of the 1932 pay cut of 10 percent, which adds nearly $175,000,000 per year to railroad-operating expense, they now come forward with additional legislative demands. Let me mention briefly the railroad labor bills recently introduced in the Congress: The 6-hour day, limiting train length, hours-of-service bill, liability for employee injuries, and the full-crew bill.

When politics is injected into the relations between management and labor, there can be only one outcome. Cooperation in the solution of common problems becomes virtually impossible; antagonism and distrust replace that harmony and understanding which should prevail among men who spend practically their entire lives shoulder to shoulder in the same enterprise.

For the situation that has developed on the railroads, management must accept its share of responsibility. The autocratic tradition, understandable in an industry which must maintain almost military discipline in order to move trains on split-second schedules, has outlived its usefulness. Management has been slow to sense that new times require new methods. Lacking the proper perspective, it has often played directly into the hands of labor politicians and been forced in the end to yield much more than if a more reasonable, conciliatory course had been pursued.

We have across the Canadian border a vivid example of the results which attend political exploitation. Government ownership has had perhaps its most complete test in the case of the Canadian National Railways, owned and operated by the Dominion. This system covers a total of 23,888 miles, of which 1,899 miles are in the United States. In it, up to December 31, 1931, the Canadian Government had a total investment, including its guarantics, of $2,739,954,000, of which $354,000,000 represented accrued interest and $42,000,000 short-term advances made by the Ministry of Finance

When the balance sheet of this great system is examined, total debts are found to exceed total assets by $365,862,000; while the deficit, including the Government's liabilities on stock guaranties, reaches a total of $694,655,716. Applying the frequently used rule where maximum fixed obligations are taken at 65 percent of the capital structure, the Canadian National Railways are thus found to be carrying an excess-debt burden of approximately $1,150,000,000.

Even more striking is the fact that on March 31, 1930, the outstanding bonds of the Government system, including guaranties, represented no less than 71.7 percent of the total Canadian national debt.

Formidable as is this burden already placed on the back of the Canadian taxpayer, he must further assume an annual deficit of approximately $128,000,000 to $173,000,000 per year, or from $212 per minute to $332 per minute. But what is a mere $100 per minute between politicians callously accustomed to spending other people's money? Thus we find if the concealed figures are added to those actually published, the railroad's debt doubles not in 18 years but in 11.

Consider the next chapter in political exploitation. Notwithstanding that the Canadian National Railways was losing money at the rate of $173,000,000 a year and that operating revenues had declined from $250,000,000 in 1930 to $200,000,000 for 1931 and then to $161,000,000 for 1932, further capital expenditures were decided upon. In 1930, a program of improvements was begun, and in that single year $287,000,000 was spent—almost the entire gross revenue of the railroad. Thus the debt we have seen doubling in 11 years increases its progress to something approaching the

growth in our own Federal debt—it now doubles itself in 8 years, while the loss assessed against the taxpayer rises from $332 to $453 per minute. Do we want such a condition in this country?

In 1931 a Royal Commission was appointed to investigate the omnivorous appetite of this white elephant which threatened the insolvency of the Dominion itself. As the true picture became revealed before the commission there arose the cry—which we are now hearing in the United States—"debts and fixed charges must be reduced!" But the commission found that short of actual government repudiation for its own obligations, such a step could not be taken.

Yet the interesting and significant fact which these hearings brought out was that, paralleling this expensive piece of government folly, another railroad, the Canadian Pacific, privately operated, had managed not only to withstand the greatest depression in history, plus political competition on a grand scale, without demands upon the public treasury, but throughout the whole period had actually paid dividends to its shareholders.

Let us not deceive ourselves. Government ownership in the United States today is a near reality. But its realization is likely not as the result of any public mandate approving such a policy. Government ownership is more likely to arrive by the back door instead of the front; through the collapse of private railroad credit brought about by a combination of the influences of depression, a rigid regulatory policy, labor domination, and unregulated competitors, such as I have described, which of themselves may force the taking over of the carriers by the Government.

It may come about because investors will no longer trust the Government's impartiality in maintaining proper balance between railroad income and expense. Speaking as the representative of investors who hold billions of dollars of railroad investments, I make the statement that regulation, judged strictly from the standpoint of its economic consequences, no longer enjoys the confidence among investors it once held.

What then are the steps to be taken which will arrest the steady deterioration of railroad credit, check the drift toward Government ownership, and preserve the railroads as efficient servants to the needs of American business?

The problem divides itself into two phases: The correction of those practices, rooted in the past, largely responsible for the existing condition, and the immediate emergency needs of the carriers. Let us examine first its long-range aspects.

After 2 years' exhaustive research, the Federal Coordinator, Mr. Eastman, has brought forth a comprehensive report on the Nation's transportation needs, together with a series of recommendations for Congressional guidance and action. Mr. Eastman offers three approaches to solution of this transportation enigma.

His first plan, which he favors, proposes regulation of all forms of transportation—railroads, motor carriers, and water carriers—under an enlarged and reorganized Interstate Commerce Commission suitable to such regulation. It also provides for far-reaching operating economies which will result in a reduction of railroad personnel, who are to be compensated with substantial bonuses on dismissal. Provision is likewise made for railroad reorganizations by revising section 77 of the Bankruptcy Act.

Mr. Eastman's second proposal provides for a series of grand consolidations and regional poolings of traffic. This, however, he dismisses as impracticable since, for realization, voluntary cooperation from both management and labor is necessary. Under present conditions, he regards such cooperation as impossible, a view in which I only partially concur.

His third plan is for direct government ownership. While Mr. Eastman has some misgivings as to the wisdom of such a policy because of its inevitable political entanglements, nevertheless he holds it more feasible than grand consolidations since the imposition of the Government's will is easier and simpler than bringing about "voluntary" cooperation. In other words, he views those differences that divide the railroads themselves on the one hand, and which have alienated labor on the other, as being too deep-rooted to admit of any compromise solution.

But it is Mr. Eastman's second proposal, which he dismisses casually, that touches the real heart of the transportation problem. Consolidations are a basic essential, not only from the standpoint of the public and the shipper but for the restoration of railroad credit. Economic students agree upon the necessity for consolidations and for the abandonment of the outworn theory of competition among railroads, and as far back as 1920, Congress directed that such a program be undertaken.

As an alternative to consolidations, Mr. Eastman's proposal for the inclusion of all forms of transportation under regulation becomes his major recommendation. In defining the term "regulation", I differ from prevailing concepts. The negative, restrictive policies pursued in the past must be entirely rescoped. They have been oppressive rather than constructive. Such stimulative research and helpful suggestions as the Coordinator has already made can and should be continued through the newly equipped laboratories of the Association of American Railroads. That association should proceed vigorously and wisely to put into operation the sound recommendations resulting from Mr. Eastman's work. Every effort should be made to change the character of regulation, to make it positive and constructive, and to encourage the revival of initiative among the leaders in American transportation. Mr. Eastman's public service will then have great historical significance. Merely to subject motor-truck operators or water carriers to the kind of policing which the railroads have endured so long would not meet the situation. This Mr. Eastman seeks to avoid.

If we accept this revision of what regulation is to mean, then the real essence of Mr. Eastman's proposal is that all forms of transportation shall be coordinated as parts of a unified cooperative system, in which each shall play its respective part.

The motor-truck industry now requires national attention; its gross revenues are one-third that of the railroads. I submit to you that the railroads, on the one hand, and motor trucks and vessels, on the other, are in reality merely three great complementary arms of service for business. It is essential that they live in harmony with each other, not in perpetual warfare.

No business man would advocate a return to the system of rebates on railroad freight rates for large shippers, which was the basic evil that regulation sought to correct. Yet this evil continues in the trucking business and on the waterways certain shippers receive special rates which are in effect rebates not enjoyed by the average business man. From this has sprung opposition among such beneficiaries to the extension of regulation. They do not wish to surrender the temporary advantages they now enjoy. Yet for these same reasons the more far-sighted among motor-truck and barge operators, as well as shippers, have welcomed the suggestion of supervision, which would place the industry on a solid economic foundation and rid it of the chiselers and price cutters, who bring about financial anarchy and undermine established markets.

In concluding this somewhat discursive survey of transportation needs, let me touch briefly on the immediate financial problems of the railroads. The drift toward insolvency has been under way for many years; the depression merely accelerated its progress. These problems fall into two categories: Those affecting the industry as a whole, which in large part are the result of the restricted traffic and loss of revenues since 1930, and those affecting relatively few railroads, where capital structures require reorganization.

For the industry as a whole the principal factor is undermaintenance of the properties and the gradual deterioration of rolling stock and equipment during the 6 years of depression.

Provision for some temporary financing, as a bridge-over to a restored earning power, would thus seem a necessity. With the present impairment of railroad credit, it would appear that only the Government, through the Reconstruction Finance Corporation, can supply these needs. Precedent exists for such action in the course taken in 1919 when the Government, after war-time operation, relinquished control of the railroads. At that time the Government lent the railroads nearly a billion dollars without collateral, all of which, with the exception of sixteen millions, was subsequently repaid with a profit. Likewise, it may be necessary, through the formation of an equipment corporation, to assist the railroads in rehabilitating their motive power and rolling stock. Here again precedent exists, weaker carriers having been extended aid through such a nationally incorporated loan organization in 1920.

We should all get firmly behind the Eastman proposal for a fair and equitable regulation of all forms of transport.

BENEFITS DERIVED FROM N. R. A. BY SMALL INDUSTRIES

Mr. BIERMANN. Mr. Speaker, I ask unanimous consent to insert in the RECORD a letter from one of my constituents showing the benefits derived from the N. R. A. by the small manufacturers in the State of Iowa.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. BIERMANN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter of G. H. Galvin, of Iowa, pointing out benefits of N. R. A.:

ROCKFORD BRICK & TILE CO.,
Rockford, Iowa, March 11, 1935.

Congressman FRED BIERMANN,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: The cartoon in the morning Register today and a newspaper article a few days ago quoting statements by Senators GLASS and BORAH regarding the N. R. A. and its effect upon small industries prompts me to express my opinion on the subject.

I am chairman of the regional code authority for the structural clay products industries, and our region comprises the States of Iowa, Minnesota, North and South Dakota, Nebraska, and Wisconsin; and I believe that I am expressing the opinion of at least 95 percent of the clay-products manufacturers in this region when I make the statement that the N. R. A. has been far more beneficial than harmful to our industry. The average brick and tile plant reflects an investment of from $100,000 to $200,000, so that we should be classed among the smaller industries. When the code went into effect the cost of labor was increased from 20 cents per hour to 37½ cents per hour, and while we do not object to the payment of a fair wage rate to our employees we feel that we are entitled to some protection against unethical cutthroat competition which was so common prior to the adoption of the N. R. A. code. As a matter of fact, our code has served as protection to the small producer against the unethical price competition from the larger producers. When our code went into effect a year ago we absorbed the 89-percent increase in the cost of labor without advancing the price of our clay products, but our 1934 sales netted us 90 cents per ton more than our 1933 sales, and which was sufficient to offset the increased cost of labor. This was due entirely to the fact that prior to the code the large producers were quoting prices for the big contract jobs that were less than their cost of production.

If the labor provisions of the code are to be retained without any protection against cutthroat competition from manufacturers selling below their cost of production, our industry will lead to the chaos that existed in 1933. I am inclined to believe that the present publicity is sponsored by those who wish to wreck the President's program and the N. R. A. code, and they are using the smaller industries only as an excuse, because an appeal of that kind naturally would influence the general public.

Respectfully submitted.

G. H. GALVIN.

COTTON CONTROL ACT

Mr. JONES. Mr. Speaker, I ask unanimous consent that the bill (H. R. 6424) to continue the Cotton Control Act, to exempt a limited quantity of cotton from the tax thereunder, to provide for the better administration of such act, and for other purposes, may be given a privileged status on Monday next, to be taken up immediately after the reading of the Journal; that general debate be limited to 2 hours, one-half to be controlled by myself, and one-half by the gentleman from Kansas [Mr. HOPE].

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand when this bill is taken up the committee will not object to the elimination of section 1 from the bill?

Mr. JONES. That is the general understanding.

Mr. MARTIN of Massachusetts. I have no objection to the request with that understanding, because I believe the rest of the bill is meritorious and ought to pass.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, the Consent Calendar will not come up Monday?

The SPEAKER. Yes; it will come up immediately after the disposition of this bill unless, of course, the House takes some other action.

Is there objection to the request of the gentleman from Texas?

There was no objection.

ADJOURNMENT OVER

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MILLARD. Mr. Speaker, I renew the request which I made yesterday in reference to the gentleman from New York [Mr. FISH], that he may be permitted to address the House for 15 minutes after the reading of the Journal and disposition of matters on the Speaker's table and following consideration of the bill that has been made the special order for Monday. The gentleman from New York will not be here any other day except Monday of next week.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, the Consent Calendar will come up Monday, and there are many important bills on the calendar. I imagine the gentleman from New York [Mr. FISH] will have plenty of time Tuesday or Wednesday to make his address.

Mr. MILLARD. I may say to the gentleman that he will be here on Monday only of next week.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. ZIONCHECK. Mr. Speaker, I am constrained to object.

COMMITTEE ON ACCOUNTS

Mr. DOUGHTON. Mr. Speaker, I offer a privileged resolution, which I send to the desk.

The Clerk read the resolution, as follows:

House Resolution 164

Resolved, That JARED Y. SANDERS, Jr., of Louisiana, be, and he is hereby, elected a member of the standing Committee of the House of Representatives on Accounts.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SENATE BILLS AND RESOLUTIONS REFERRED

Bills, a joint resolution, and a concurrent resolution of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 28. An act for the relief of R. B. Miller; to the Committee on Claims.

S. 43. An act for the relief of Lucile A. Abbey; to the Committee on Claims.

S. 148. An act for the relief of the estate of Donnie Wright; to the Committee on Claims.

S. 283. An act for the relief of Beatrice I. Manges; to the Committee on Claims.

S. 365. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Elmer E. Miller; to the Committee on Claims.

S. 391. An act for the relief of Ralph E. Woolley; to the Committee on Claims.

S. 685. An act for the relief of the Sanford & Brooks Co.; to the Committee on Claims.

S. 712. An act for the relief of A. H. Marshall; to the Committee on Claims.

S. 931. An act for the relief of the Concrete Engineering Co.; to the Committee on Claims.

S. 1079. An act authorizing the Secretary of the Treasury to execute a certain indemnity agreement; to the Committee on Claims.

S. 1850. An act to amend an act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever", approved February 28, 1929, as amended, by including Roger P. Ames among those honored by said act; to the Committee on Military Affairs.

S. 1860. An act for the relief of the Tampa Marine Co.; to the Committee on Claims.

S. 1863. An act for the relief of Trifune Korac; to the Committee on Claims.

S. 1940. An act to fix the value of subsistence and rental allowance under the Pay Readjustment Act of June 10, 1922; to the Committee on Military Affairs.

S. J. Res. 65. Joint resolution to extend the period of suspension of the limitation governing the filing of suit under section 19, World War Veterans' Act, 1924, as amended; to the Committee on World War Veterans' Legislation.

S. Con. Res. 12. Concurrent resolution directing the Federal Trade Commission to investigate the propaganda regarding Federal legislation on the subject of holding companies; to the Committee on Interstate and Foreign Commerce.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 5221. An act to amend the Agricultural Adjustment Act with respect to rice, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 426. An act for the relief of Jacob Santavy;

H. R. 593. An act for the relief of Fred C. Blenkner; and

H. R. 3266. An act authorizing the maintenance and use of a banking house upon the United States military reservation at Fort Lewis, Wash.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 5 minutes p. m.), pursuant to the order heretofore made, the House adjourned until Monday, March 18, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE POST OFFICE AND POST ROADS
(Wednesday, Mar. 20, 10 a. m.)

Subcommittee No. 10 will hold hearings on the bill (H. R. 4876) to fix the hours of duty of railway postal clerks.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

269. A letter from the Secretary of War, transmitting a draft of proposed legislation to authorize an appropriation of not to exceed $1,000,000 for the necessary housing for office and residence purposes for the establishment of the United States High Commissioner to the Commonwealth of the Philippine Islands; to the Committee on Insular Affairs.

270. A letter from the Chairman and Secretary of the Reconstruction Finance Corporation, transmitting report of operations for the fourth quarter of 1934, and for the period from the organization of the Corporation on February 2, 1932, to December 31, 1934, inclusive (H. Doc. No. 139); to the Committee on Banking and Currency and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 5382. A bill to provide for advancement by selection in the Staff Corps of the Navy to the ranks of lieutenant commander and lieutenant; to amend the act entitled "An act to provide for the equalization of promotion of officers of the Staff Corps of the Navy with officers of the line" (44 Stat. 717; U. S. C., Supp. VII, title 34, secs. 348 to 348t), and for other purposes; without amendment (Rept. No. 417). Referred to the Committee of the Whole House on the state of the Union.

Mr. CONNERY: Committee on Labor. H. R. 2827. A bill to provide for the establishment of unemployment, old-age, and social insurance, and for other purposes; without amendment (Rept. No. 418). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. FADDIS: Committee on Military Affairs. H. R. 3109. A bill for the relief of Herman W. Bensel; with amendment (Rept. No. 419). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolution were introduced and severally referred as follows:

By Mr. CELLER: A bill (H. R. 6764) authorizing the Secretary of the Treasury of the United States to accept on behalf of the United States the residuary estate of the late Justice Oliver Wendell Holmes; to the Committee on Ways and Means.

By Mr. MORITZ: A bill (H. R. 6765) to relieve the present distress of home owners and to prevent foreclosures and to declare a temporary moratorium by providing a loan of $300 to a mortgagor, which sum must be paid to the mortgagee for interest due, or which may be due in the future; to the Committee on Banking and Currency.

By Mr. TOLAN: A bill (H. R. 6766) to establish and maintain a United States Shipping Board Fleet Reserve vessel at Wake Island and Midway Island, respectively; to the Committee on Merchant Marine and Fisheries.

Also, a bill (H. R. 6767) to provide for the removal of coral reefs obstructing the safe entry and harboring of vessels at Wake and Midway Islands; to the Committee on Rivers and Harbors.

By Mr. COCHRAN: A bill (H. R. 6768) to authorize the Secretary of War to lend War Department equipment for use at the Seventeenth National Convention of the American Legion at St. Louis, Mo., during the month of September 1935; to the Committee on Military Affairs.

By Mr. HOEPPEL: A bill (H. R. 6769) to grant the benefits of veterans' legislation to maimed, blind, or helpless retired personnel of the Army, Navy, Marine Corps, and Coast Guard, in the furnishing of artificial appliances and allowances for attendants; to the Committee on Military Affairs.

By Mr. SABATH: A bill (H. R. 6770) to provide for the registration of lobbyists, and for other purposes; to the Committee on the Judiciary.

By Mr. WERNER: A bill (H. R. 6771) to authorize an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. L. 484); to the Committee on Indian Affairs.

By Mr. JONES: A bill (H. R. 6772) to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity futures exchanges, to limit or abolish short selling, to curb manipulation, and for other purposes; to the Committee on Agriculture.

By Mr. PIERCE: A bill (H. R. 6773) to deepen the irrigation channel between Clear Lake and Lost River, in the State of California, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. McSWAIN: A bill (H. R. 6774) to amend the Tennessee Valley Authority Act of 1933 by including the Cumberland River and its basin within the provisions of the act, and for other purposes; to the Committee on Military Affairs.

Also, a bill (H. R. 6775) to protect the insurance of World War veterans; to the Committee on World War Veterans' Legislation.

By Mr. PIERCE: A bill (H. R. 6776) to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended; to the Committee on Agriculture.

By Mr. ROGERS of Oklahoma (by departmental request): A bill (H. R. 6777) to authorize an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. L. 484); to the Committee on Indian Affairs.

By Mr. KINZER: A bill (H. R. 6778) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching; to the Committee on the Judiciary.

By Mr. GILLETTE: A bill (H. R. 6779) to amend section 4747 of the Revised Statutes to provide for the exemption of certain pensions from taxation; to the Committee on Pensions.

By Mr. SNELL: A bill (H. R. 6780) to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.; to the Committee on Interstate and Foreign Commerce.

By Mr. GILLETTE: Resolution (H. Res. 161) for the consideration of S. 1384; to the Committee on Rules.

By Mr. CONNERY: Resolution (H. Res. 162) providing for the consideration of H. R. 6450, a bill to accord labor proper opportunity for protection of rights granted by the Congress, and for other purposes; to the Committee on Rules.

By Mr. LUNDEEN: Resolution (H. Res. 163) to amend section 4 of House rule XXVII, Seventy-fourth Congress; to the Committee on Rules.

By Mr. BUCKLER of Minnesota: A bill (H. J. Res. 217) to provide for the determination and payment of claims for damage sustained by the fluctuation of the water levels of Lake of the Woods in certain cases, and for other purposes; to the Committee on Foreign Affairs.

By Mr. CANNON of Wisconsin: Concurrent resolution (H. Con. Res. 18) barring the public from the galleries of the Senate and the House of Representatives; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DEMPSEY: A bill (H. R. 6781) for the relief of LeRoy D. Lemley; to the Committee on Claims.

By Mr. GRANFIELD: A bill (H. R. 6782) for the relief of Thomas W. Dolan; to the Committee on Military Affairs.

By Mr. GRAY of Pennsylvania: A bill (H. R. 6783) granting a pension to Genevieve Rochester; to the Committee on Pensions.

By Mr. HOEPPEL: A bill (H. R. 6784) authorizing the President of the United States to appoint Warrant Officer Albert A. Fensch (retired) as a captain in the United States Army and then place him on the retired list; to the Committee on Military Affairs.

By Mr. KNUTSON: A bill (H. R. 6785) granting a pension to Henrietta L. Humphrey; to the Committee on Invalid Pensions.

By Mr. LUDLOW: A bill (H. R. 6786) granting an increase of pension to Martha Ferguson; to the Committee on Invalid Pensions.

By Mr. MAPES: A bill (H. R. 6787) granting a pension to Henry F. Krusell; to the Committee on Pensions.

By Mr. MERRITT of Connecticut: A bill (H. R. 6788) for the relief of Stephan Sowinski; to the Committee on Military Affairs.

By Mr. O'CONNELL: A bill (H. R. 6789) for the relief of Joseph Henry Smith; to the Committee on Naval Affairs.

By Mr. PIERCE: A bill (H. R. 6790) for the relief of Chief George Red Hawk and Gilbert E. Conner, Indians of the Umatilla Reservation, Oreg.; to the Committee on Indian Affairs.

By Mr. SANDERS of Louisiana: A bill (H. R. 6791) granting an increase of pension to Abbie M. Stout; to the Committee on Invalid Pensions.

By Mr. WOOD: A bill (H. R. 6792) for the relief of Mary B. Hines; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4015. By Mr. BACON: Petition of the Holy Name Society of St. Matthias Roman Catholic Church, Ridgewood, Brooklyn, N. Y., protesting against conditions of oppression in Mexico; to the Committee on Foreign Affairs.

4016. Also, petition of Group No. 859, Polish National Alliance, Mineola, N. Y., urging establishment of October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

4017. By Mr. BUCKLER of Minnesota: Petition of Mrs. Boyd K. Wassmann, of Roosevelt, unit secretary in behalf of the members of the Roosevelt (Minn.) Ladies' Auxiliary Unit of the American Legion Post, No. 371, Department of Minnesota, praying for the passage of the Vinson bill (H. R. 3896), to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

4018. Also, petition of Eva E. Brevik, president of the Twin Valley (Minn.) unit of the Ladies' Auxiliary to the George Nesseth Legion Post, No. 431, Department of Minnesota, in behalf of the members, praying for the passage of the Vinson bill (H. R. 3896), to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

4019. Also, petition of O. W. Leubberman, president of the Village Council of Vergas, Minn., and A. H. Dey, village clerk, urging immediate passage of the $4,800,000,000 act for public-works reemployment and conservation activities; to the Committee on Ways and Means.

4020. By Mr. COLDEN: Petition containing the names of 41 residents of Los Angeles, Calif., and vicinity, asking that the Congress pass immediately legislation establishing an inventors' loan fund, for the benefit of inventors who are not financially able to have their inventions patented; holding that business will be aided by new devices and employment will be provided to the idle; to the Committee on Banking and Currency.

4021. By Mr. CRAWFORD: Petition of approximately 120 residents of Saginaw and Shiawassee Counties of Michigan, urging the enactment of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

4022. Also, petition of certain residents of Alma, Mich., favoring the enactment of the McGroarty old-age pension bill; to the Committee on Ways and Means.

4023. Also, petition of over 150 farmers of Montcalm County, Mich., favoring the passage of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

4024. Also, petition of Group No. 2377 of National Polish Alliance of the Saginaw (Mich.) Chapter, requesting enactment of legislation for the observance of Gen. Pulaski's Memorial Day, October 11; to the Committee on the Judiciary.

4025. Also, petition of a number of poultrymen of Shiawassee County, Mich., favoring the Lea bill (H. R. 5802); to the Committee on Ways and Means.

4026. By Mr. DARROW: Resolution of the Philadelphia Board of Trade, opposing the use by the Federal Government of corporations incorporated under the laws of the several States, to carry out Federal purposes in competition with private enterprises, and urging that such corporations as were organized since March 4, 1933, shall be liquidated within 90 days; to the Committee on Appropriations.

4027. By Mr. FITZPATRICK: Petition of the Architectural and Engineering Alliance of Westchester County, endorsing the highway amendment to the Federal emergency relief bill of 1935; to the Committee on Appropriations.

4028. Also, petition of the Melrose Council, No. 313, C. B. L., protesting against the persecution and suppression of the Catholics in Mexico; to the Committee on Foreign Affairs.

4029. By Mr. FORD of California: Petition of the City Council of Los Angeles to the Congress of the United States, requesting favorable consideration to the bill now before it which will allow for the immediate creation of a national civil academy to train young men and women for careers in public service; to the Committee on Education.

4030. By Mr. HIGGINS of Connecticut: Resolutions of Group No. 1691, Polish National Alliance of the United States of North America, Moosup, Conn., favoring making October 11 General Pulaski's Memorial Day; to the Committee on the Judiciary.

4031. By Mr. LESINSKI: Resolution of Group No. 2297, Polish National Alliance of the United States of America, St. Charles, Mich., memorializing Congress to enact House Joint Resolution 81 and Senate Joint Resolution 11, directing the President to proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

4032. Also, House Resolution No. 28 of the Michigan House of Representatives, memorializing the Congress of the United States to pass, and the Honorable Franklin D. Roosevelt to approve, an appropriation of sufficient moneys to build a Veterans' Administration Hospital in Michigan of 500-bed capacity; to the Committee on World War Veterans' Legislation.

4033. Also, resolution of International Workers Order, Branch No. 3536, of Cleveland, Ohio, urging the support of House bill 2827, providing for unemployment insurance; to the Committee on Labor.

4034. Also, resolution of the Michigan Railroad Employees and Citizens League, urging the enactment of House bill 5262 and Senate bill 1629, to regulate interstate motor-transportation interests; to the Committee on Interstate and Foreign Commerce.

4035. Also, resolution of the United States Racial Groups of America, urging old-age pension be approved, passed, and enacted by the Congress of the United States and be made applicable to noncitizens, as well as citizens, providing that such noncitizens be residents of the United States for not less than 10 years prior to the passage of such legislation; to the Committee on Ways and Means.

4036. Also, resolution of Wyandotte Council of Clubs, of Wyandotte, Mich., memorializing Congress of the United States to enact House Joint Resolutions 65 and 81 and Sen-

ate Joint Resolution 11, directing the President of the United States to proclaim October 11 of each year General Pulaski's Memorial Day; to the Committee on the Judiciary.

4037. Also, resolution of Polish-American Citizens' Club of Wyandotte, Mich., memorializing Congress of the United States to enact House Joint Resolutions 65 and 81 and Senate Joint Resolution 11, directing the President to proclaim October 11 of each year General Pulaski's Memorial Day; to the Committee on the Judiciary.

4038. By Mr. MERRITT of Connecticut: Petition of sundry citizens of Greenwich, in the State of Connecticut, protesting against the passage of the public-utility bill (H. R. 5423 and S. 1725); to the Committee on Interstate and Foreign Commerce.

4039. By Mr. MURDOCK: Resolutions of the Order of Benefit Association of Railway Employees, Ogden Division, No. 209, Ogden, Utah, urging the enactment of House bill 8100, providing for the modification of the fourth section of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

4040. By Mr. PFEIFER: Petition of the Civil Service Forum, Brooklyn Boro Council, No. 151, bureau of highways per diem employees, Brooklyn, N. Y., concerning Senate bills 1452 and 1453 and House bills 4886 and 4887; to the Committee on the Judiciary.

4041. Also, petition of the Brooklyn Edison Local, No. 102, Brotherhood of Utility Employees of America, Brooklyn, N. Y., urging support of the Stack bill (H. R. 5445); to the Committee on the Post Offices and Post Roads.

4042. Also, petition of the World Trade League of the United States, New York, concerning reciprocal trade agreements in order that conditions may improve everywhere; to the Committee on Foreign Affairs.

4043. Also, petition of Strohmeyer & Arpe Co., importers and commission merchants, New York, concerning House bill 72; to the Committee on Ways and Means.

4044. Also, telegram of the New York State Horticultural Society and the horticultural societies of Pennsylvania, Virginia, Maryland, and West Virginia, concerning proposed amendments to the Agricultural Adjustment Administration laws as contained in House bill 5585 and Senate bill 1807; to the Committee on Agriculture.

4045. By Mr. ROGERS of Oklahoma: Petition of R. P. Brown and numerous other citizens of Broken Bow, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4046. Also, petition of G. W. Chambers and numerous other citizens of Neosho, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4047. Also, petition of Ollie Sypole and numerous other citizens of Albright, W. Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4048. Also, petition of D. L. Galloher and numerous other citizens of Waynesboro, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4049. Also, petition of W. C. Echols and numerous other citizens of Columbia, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4050. Also, petition of Chester Stanton and numerous other citizens of Albright, W. Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4051. Also, petition of Guss Martin and numerous other citizens of Oakdale, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4052. Also, petition of E. P. Hall and numerous other citizens of Castleberry, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4053. Also, petition of Tom Burnham and numerous other citizens of Brewton, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4054. Also, petition of Solomon Younger and numerous other citizens of Belzoni, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4055. Also, petition of Robert Biley and numerous other citizens of Silver City, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4056. Also, petition of John Carter and numerous other citizens of Isola, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4057. Also, petition of A. J. Jett and numerous other citizens of Masonville, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4058. Also, petition of George Heard and numerous other citizens of Altheimer, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4059. Also, petition of J. C. Wood and numerous other citizens of Coushatta, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4060. Also, petition of Allen Barr and numerous other citizens of Armistead, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4061. Also, petition of Henry Burton and numerous other citizens of Harmon, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; the Committee on Ways and Means.

4062. Also, petition of I. L. Catt and numerous other citizens of Monticello, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4063. Also, petition of Enoch Case and numerous other citizens of Bogue Chitto, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4064. Also, petition of Rev. A. D. Varnado and numerous other citizens of Allen, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4065. Also, petition of Anderson Case and numerous other citizens of Wesson, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4066. Also, petition of Joe Allen and numerous other citizens of Brookhaven, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal

old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4067. Also, petition of Frank Arnold and numerous other citizens of Erin, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4068. Also, petition of A. Smith and numerous other citizens of Cumberland City, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4069. Also, petition of B. S. Ashworth and numerous other citizens of Memphis, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4070. Also, petition of M. K. Sykes and numerous other citizens of Broken Bow Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4071. Also, petition of Steve Earl and numerous other citizens of Gonzales, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4072. Also, petition of Raphial Smith and numerous other citizens of Gonzales, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4073. Also, petition of J. R. Paschall and numerous other citizens of Neosho, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4074. Also, petition of J. C. Carr and numerous other citizens of Waynesboro, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4075. Also, petitions of Rogers Williams and numerous other citizens of Gonzales, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4076. Also, petition of Jurden Richard and numerous other citizens of Broken Bow, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4077. Also, petition of W. Lewis and numerous other citizens of Minden, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4078. Also, petition of James Hunter and numerous other citizens of Arcola, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4079. Also, petition of L. Winchester and numerous other citizens of Wayside, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4080. Also, petition of L. Sutton and numerous other citizens of Atlanta, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4081. Also, petition of M. Washington and numerous other citizens of Douglassville, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4082. Also, petition of L. D. Blizzard and numerous other citizens of Linden, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4083. Also, petition of Vernon Simmons and numerous other citizens of Bivins, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4084. Also, petition of S. Higgins and numerous other citizens of Cumming, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4085. Also, petition of W. B. Skinner and numerous other citizens of Gainesville, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4086. Also, petition of Charles Lee Smith and numerous other citizens of Corpus Christi, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4087. Also, petition of Frank Anders, Jr., and numerous other citizens of Shiner, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4088. Also, petition of Alfred Eason and numerous other citizens of Gonzales, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4089. Also, petition of W. Tucker and numerous other citizens of Lewisville, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4090. Also, petition of A. Batton and numerous other citizens of Minden, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4091. Also, petition of T. J. Gaddie and numerous other citizens of Tallahassee, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4092. Also, petition of S. B. Matthews and numerous other citizens of Tallahassee, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means .

4093. Also, petition of E. Whitaker and numerous other citizens of Crystal Springs, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4094. Also, petition of O. Dabney and numerous other citizens of Crystal Springs, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4095. Also, petition of H. Finley and numerous other citizens of Crystal Springs, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions, $30 to $50 a month; to the Committee on Ways and Means.

4096. Also, petition of M. Ferguson and numerous other citizens of Sycamore, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal

old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4097. Also, petition of Fletcher Folks and numerous other citizens of Sycamore, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4098. Also, petition of George Huffman and numerous other citizens of Light, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4099. Also, petition of E. E. Miller and numerous other citizens of Light, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4100. Also, petition of M. Phillips and numerous other citizens of Mayfield, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4101. Also, petition of Charles Bryant and numerous other citizens of Mayfield, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4102. Also, petition of Joseph Harlem and numerous other citizens of Mayfield, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4103. Also, petition of Walter Pugh and numerous other citizens of Coffeeville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4104. Also, petition of E. L. James and numerous other citizens of Coffeeville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4105. Also, petition of J. H. Pelham and numerous other citizens of Ceffeeville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4106. Also, petition of Lester Acuff and numerous other citizens of Washburn, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4107. Also, petition of W. S. Rush and numerous other citizens of Washburn, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4108. Also, petition of J. H. Miracle and numerous other citizens of Washburn, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4109. Also, petition of A. J. Bean and numerous other citizens of Metcalfe, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4110. Also, petition of M. Smith and numerous other citizens of Eldorado, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4111. Also, petition of R. Randell and numerous other citizens of Greenville, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4112. Also, petition of J. D. Davis and numerous other citizens of Leland, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4113. Also, petition of T. L. Collier and numerous other citizens of Gainesville, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4114. Also, petition of L. McGlothan and numerous other citizens of Lewisville, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4115. Also, petition of L. P. Lee and numerous other citizens of Minden, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4116. Also, petition of W. G. Wade and numerous other citizens of Tallahassee, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4117. Also, petition of A. L. Quinn and numerous other citizens of Caruthersville, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4118. Also, petition of Rev. J. L. Cox and numerous other citizens of Caruthersville, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4119. Also, petition of S. Gillis and numerous other citizens of Caruthersville, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4120. Also, petition of B. Ford and numerous other citizens of Pushmataha, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4121. Also, petition of Edgar Williams and numerous other citizens of Riderwood, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4122. Also, petition of A. G. Moss and numerous other citizens of Yantley, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4123. Also, petition of H. A. Edwards and numerous other citizens of Tenso, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4124. Also, petition of K. Ryans and numerous other citizens of Newark, N. J., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4125. Also, petition of John White and numerous other citizens of Newark, N. J., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4126. Also, petition of L. Davis and numerous other citizens of Newark, N. J., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal

old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4127. Also, petition of William Dent and numerous other citizens of Ben Wheeler, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4128. Also, petition of J. A. Balckerby and numerous other citizens of Overton, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4129. Also, petition of L. T. Dodson and numerous other citizens of Athens, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4130. Also, petition of S. Cunningham and numerous other citizens of Buntyn, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4131. Also, petition of Allen Owens and numerous other citizens of Buntyn, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4132. Also, petition of M. Price and numerous other citizens of Buntyn, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4133. Also, petition of H. Jackson and numerous other citizens of Memphis, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4134. Also, petition of Cedric Watkins and numerous other citizens of Memphis, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4135. Also, petition of W. S. Roberson and numerous other citizens of Coila, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4136. Also, petition of N. Davis and numerous other citizens of Doddsville, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4137. Also, petition of M. P. Roberson and numerous other citizens of Inverness, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4138. Also, petition of J. Wright and numerous other citizens of Swiftown, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4139. Also, petition of C. C. Randall and numerous other citizens of Lucedale, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4140. Also, petition of L. F. Easley and numerous other citizens of Lucedale, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4141. Also, petition of S. S. Travick and numerous other citizens of Lucedale, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4142. By Mr. SHANLEY: Petition of Bridgeport Council of Catholic Women, 271 Iranistan Avenue, Bridgeport, Conn., Claire E. Cook, corresponding secretary; to the Committee on Foreign Affairs.

4143. By Mr. THOMASON: Petition of residents of Midland County, Tex., opposing the bill regulating and eventually eliminating holding companies; to the Committee on Interstate and Foreign Commerce.

4144. By Mr. TRUAX: Helen Roth and other citizens of Columbus, Ohio, stating that they will be seriously harmed if the Rayburn-Wheeler bills become a law, as they believe them to be unfair, unwise, unnecessary, and discriminatory; to the Committee on Interstate and Foreign Commerce.

4145. Also, petition of 4,500 Lithuanians of Cleveland, by the secretary of the United Front Action Committee, J. Kubilus, urging support of Lundeen bill (H. R. 2827); to the Committee on Labor.

4146. Also, petition of the Townsend Club of Clyde, Ohio, with its 150 active members, by their secretary, J. W. Heflinger, urging the enactment into law of the McGroarty bill, paying each citizen over 60 years of age $200 per month, as they believe the proposed bill will create buying power, establish a system of circulating money freely and regularly, and remove millions of old men and women from positions that would immediately be filled by younger people now unemployed; to the Committee on Ways and Means.

4147. Also, petition of Grace E. Maer and other citizens of Columbus, Ohio, opposing the Rayburn-Wheeler bills (H. R. 5423 and S. 1725), as they believe them to be unfair, unwise, unnecessary, and discriminatory; to the Committee on Interstate and Foreign Commerce.

4148. By Mr. WEAVER: Petition of various citizens of Henderson County, N. C., advocating the passage of the Townsend old-age-pension plan; to the Committee on Ways and Means.

4149. By Mr. CULKIN: Petition of 11 residents of Madison County, N. Y., protesting against House bill 5423 and Senate bill 1725; to the Committee on Ways and Means.

4150. By Mr. RANDOLPH: Petition of residents of the Second Congressional District of West Virginia, in behalf of old-age pensions; to the Committee on Labor.

SENATE

SATURDAY, MARCH 16, 1935

(Legislative day of Wednesday, Mar. 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Friday, March 15, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Capper	Glass	McKellar
Ashurst	Carey	Gore	McNary
Austin	Clark	Hale	Maloney
Bachman	Connally	Harrison	Metcalf
Bailey	Coolidge	Hastings	Murphy
Bankhead	Copeland	Hatch	Murray
Barbour	Costigan	Hayden	Neely
Barkley	Couzens	Johnson	Norbeck
Bilbo	Cutting	Keyes	Norris
Black	Dickinson	King	Nye
Bone	Dieterich	La Follette	Pittman
Borah	Donahey	Lewis	Pope
Brown	Fletcher	Logan	Radcliffe
Bulkley	Frazier	Lonergan	Reynolds
Bulow	George	McAdoo	Robinson
Byrd	Gerry	McCarran	Russell
Byrnes	Gibson	McGill	Schall

Schwellenbach	Steiwer	Trammell	Walsh
Sheppard	Thomas, Okla.	Truman	Wheeler
Shipstead	Thomas, Utah	Vandenberg	White
Smith	Townsend	Wagner	

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness. I ask that the announcement stand for the day.

Mr. ROBINSON. I announce that my colleague the junior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the Senator from Nebraska [Mr. BURKE], the Senator from Wisconsin [Mr. DUFFY], the Senator from Pennsylvania [Mr. GUFFEY], the senior Senator from Louisiana [Mr. LONG], the Senator from Indiana [Mr. MINTON], the Senator from Maryland [Mr. TYDINGS], the Senator from Indiana [Mr. VAN NUYS], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from New Jersey [Mr. MOORE] are necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

JUDGMENTS RENDERED BY DISTRICT COURT FOR MASSACHUSETTS (S. DOC. NO. 34)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, records of judgments rendered against the Government by the District Court for the District of Massachusetts, amounting to $49,816.29, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

CLAIMS FOR DAMAGES TO PRIVATELY OWNED PROPERTY (S. DOC. NO. 35)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting estimates of appropriations to pay claims for damages to privately owned property, amounting to $2,116.06, which have been considered and adjusted under provisions of law and require appropriations for their payment, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

JUDGMENTS RENDERED BY COURT OF CLAIMS (S. DOC. NO. 36)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a list of judgments rendered by the Court of Claims, amounting to $15,281, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

CLAIMS ALLOWED BY GENERAL ACCOUNTING OFFICE (S. DOC. NO. 37)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a schedule of claims allowed by the General Accounting Office, amounting to $5,020.47, covering services of the several departments and an independent office, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following resolution of the Senate of the State of Oregon, which was ordered to lie on the table:

Senate Resolution 16

Whereas the late Oliver Wendell Holmes has been laid to rest in Washington, D. C., where he served his country for three decades; and

Whereas at the shrine of his memory all America stands at salute; and

Whereas on the laws of the Nation he inscribed a passionate regard for human rights and a deep respect for progressive and liberal principles; and

Whereas his death deprives the Nation of one of its honored citizens: Now, therefore, be it

Resolved by the Senate of the State of Oregon, That this senate observe 1 minute's silent prayer in solemn tribute to the great liberal who has set sail forever on that sea on which no sail is ever homeward bound; and be it further

Resolved, That the secretary of state of the State of Oregon be, and he hereby is, authorized to transmit copies of this resolution to the bereaved family, to the Senate and House of Representatives of the Congress of the United States, and to the Justices of the United States Supreme Court.

The VICE PRESIDENT also laid before the Senate a resolution of the House of Representatives of the State of Nebraska, favoring limitation by Federal authorities of the employment of labor in connection with and the placing of people on rehabilitation farmsteads to persons who are citizens of that State, which was referred to the Committee on Agriculture and Forestry.

(See resolution printed in full when presented today by Mr. NORRIS, p. 3784.)

The VICE PRESIDENT also laid before the Senate the petition of Mrs. J. Gillard, of Miami, Fla., praying for the enactment of old-age pension legislation, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Board of Chosen Freeholders of Camden County, N. J., favoring the prompt enactment of legislation providing for the cash payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also laid before the Senate petitions of sundry citizens of the States of Illinois, Indiana, Kentucky, Massachusetts, and Ohio, praying for an investigation of charges filed by the Women's Committee on Louisiana relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

He also laid before the Senate resolutions adopted by the Common Council of the City of Iron Mountain, Mich., and the Town Council of West Warwick, R. I., favoring the enactment of pending legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which were ordered to lie on the table.

He also laid before the Senate a resolution adopted by the Board of Aldermen of the City of New York, N. Y., favoring the prompt enactment of the joint resolution (H. J. Res. 117) making appropriations for relief purposes, so that funds may be made available to the city of New York to go forward with needed public works and to relieve unemployment, which was ordered to lie on the table.

Mr. MALONEY presented resolutions adopted by Group No. 684, of Southington, and Group No. 2740, of Stratford, of the Polish National Alliance of the United States of North America, in the State of Connecticut, favoring the enactment of pending legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which were ordered to lie on the table.

Mr. CAPPER presented resolutions adopted by the board of directors of the Chamber of Commerce of Dodge City, Kans., protesting against the enactment of legislation repealing or modifying the fourth section of the Interstate Commerce Act, which were referred to the Committee on Interstate Commerce.

He also presented a petition of sundry citizens of Washington County, Kans., praying for the passage of the so-called "Frazier-Lemke farm-refinancing bill", which was referred to the Committee on Agriculture and Forestry.

Mr. COPELAND presented a resolution adopted by Southampton Colony Chapter of the Daughters of the American Revolution, Bridgehampton, N. Y., favoring the enactment of legislation further restricting immigration, which was referred to the Committee on Immigration.

He also presented resolutions adopted by the Boro Park Branch of the American League Against War and Fascism, of Brooklyn, and the American League of Ex-Service Men, of New York City, N. Y., protesting against the enactment of alien and sedition legislation that might tend to suppress civil rights, which were referred to the Committee on Immigration.

He also presented resolutions adopted by the Parent-Teacher Association of Millerton, N. Y., favoring the establishment of a national film institute to encourage the production, distribution, and exhibition of motion pictures for visual education and suitable entertainment, which were referred to the Committee on Interstate Commerce.

He also presented the memorial of members of the session of the Stone Presbyterian Church, of Clinton, N. Y., remonstrating against the holding of maneuvers by the Navy

in the North Pacific and also the making of increased appropriations for the armed forces of the United States, which was referred to the Committee on Naval Affairs.

Mr. ASHURST presented the following resolution of the House of Representatives of the State of Arizona, which was ordered to lie on the table:

House Resolution 6 (on H. J. Res. 117, 74th Cong., 1st sess., relating to Federal expenditures for highways)

STATE OF ARIZONA,
TWELFTH LEGISLATURE,
HOUSE OF REPRESENTATIVES, REGULAR SESSION.

Whereas, under the provisions of the Federal Road Act of June 18, 1934, the sum of $249,000,000 was authorized to be appropriated for Federal participation in the construction of highways in the several States; and

Whereas it is understood that 18 percent of the sum proposed to be appropriated under the Emergency Relief Appropriation Act of 1935 has been tentatively allocated to the construction of highways; and

Whereas it is of the greatest importance to this State that the allocation of these moneys shall be on a basis just to Arizona, in order that the maximum benefits from the improvement of our highways may be realized, and as well that unemployment may be relieved to the greatest possible extent; and

Whereas House Joint Resolution 117 of the Seventy-fourth Congress, first session, provides: (1) For the actual appropriation of the money authorized by the Road Act of June 18, 1934; (2) that such sums as may be allocated to the construction of roads out of the Emergency Relief Appropriation Act of 1935 be expended in accordance with the Federal Highway Act, which would insure the apportionment of such funds to the States in the usual way and the construction of such highways carried on by the State highway departments; (3) that such sums as might be applied to the construction and remodeling of grade crossings would be apportioned to the States on a more just and equitable basis than formerly, and on a basis more favorable to this State; (4) that in the expenditure of Federal moneys allocated to highway construction preference would be given to qualified persons receiving relief, under such hours of employment and at such rate of wages as the President may predetermine: Now, therefore, be it

Resolved by the House of Representatives of the State of Arizona—

1. It is the sense of this body that the passage of said House Joint Resolution 117 to amend the Emergency Relief Appropriation Act of 1935 would be eminently just and fair, and of great benefit to the State of Arizona.

2. That Arizona's Representatives in both Houses of the United States Congress of right ought to, and they are hereby, requested to vote for and to lend their aid and encouragement to the passage of said resolution.

Mr. NORRIS presented the following resolution of the House of Representatives of the State of Nebraska, which was referred to the Committee on Agriculture and Forestry:

Resolution to request the proper authorities of the Federal Government to limit the employment of labor in connection with and the placing on rehabilitation farmstead to persons who are citizens of Nebraska

Preamble

Whereas the press reports carry the information that Mr. McPherson, superintendent of Federal transient shelter at Omaha, proposes to employ the beneficiaries of the transient shelter at Omaha to prepare and establish the rehabilitation farmsteads in Nebraska and to place such transients on rehabilitation farmsteads; and

Whereas the beneficiaries of Federal transient shelter at Omaha are for the greater part citizens of other States; and

Whereas the employment of these transients in preparing and establishing the rehabilitation farmsteads and placing them on such farmsteads will deprive many citizens of the State of Nebraska of this form of relief and make it necessary for them to remain on relief; and

Whereas such plan would necessitate the continuing of demands upon the relief funds of the State of Nebraska: Now, therefore, be it

Resolved by the House of Representatives of the State of Nebraska in fiftieth session assembled—

1. That we request the Federal Government to give preference to the citizens of the State of Nebraska in the labor required to establish the rehabilitation farmsteads in the State of Nebraska, and that no transients be employed in connection with or placed on these farmsteads in this State so long as there are citizens of the State of Nebraska desiring and eligible to the relief by being placed on the farmsteads.

2. That a copy of this resolution be forwarded to the Members of the United States Senate and Representatives in Congress from the State of Nebraska, with the request that they present this resolution to the proper administrative officers of the Federal Government and to secure from such administrative officers the necessary regulations to carry out the purpose of this resolution; and that a copy of this resolution be forwarded to the Secretary of the Interior and to Mr. Harry Hopkins, the Federal administrative officer in immediate charge of these activities.

Mr. NORRIS also presented the following resolution of the Senate of the State of Nebraska, which was referred to the Committee on Agriculture and Forestry:

Resolution to request the proper authorities of the Federal Government to limit the employment of labor in connection with and the placing on rehabilitation farmsteads to persons who are citizens of Nebraska

(Introduced by Senators John J. McMahon and George T. Sullivan, of Douglas; J. C. McGowan, of Madison; R. C. Regan, of Platte; John S. Callan, of Gage; and Charles D. Green, of Cheyenne)

Preamble

Whereas the press reports carry the information that Mr. McPherson, superintendent of Federal transient shelter at Omaha, proposes to employ the beneficiaries of the transient shelter at Omaha to prepare and establish the rehabilitation farmsteads in Nebraska and to place such transients on rehabilitation farmsteads; and

Whereas the beneficiaries of Federal transient shelter at Omaha are for the greater part citizens of other States; and

Whereas the employment of these transients in preparing and establishing the rehabilitation farmsteads and placing them on such farmsteads will deprive many citizens of the State of Nebraska of this form of relief and make it necessary for them to remain on relief; and

Whereas such plan would necessitate the continuing of demands upon the relief funds of the State of Nebraska: Now, therefore be it

Resolved by the Senate of the State of Nebraska, fiftieth session assembled:

SECTION 1. That we request the Federal Government to give preference to the citizens of the State of Nebraska in the labor required to establish the rehabilitation farmsteads in the State of Nebraska, and that no transients be employed in connection with or placed on these farmsteads in this State so long as there are citizens of the State of Nebraska desiring and eligible to the relief by being placed on the farmsteads.

SEC. 2. That a copy of this resolution be forwarded to the Members of the United States Senate and Representatives in Congress from the State of Nebraska with the request that they present this resolution to the proper administrative officers of the Federal Government and to secure from such administrative officers the necessary regulations to carry out the purpose of this resolution, and that a copy of this resolution be forwarded to the Secretary of the Interior and to Mr. Harry Hopkins, the Federal administrative officer in immediate charge of these activities.

Mr. POPE presented the following joint memorial of the Legislature of the State of Idaho, which was referred to the Committee on Finance:

(Extraordinary session of the twenty-third legislature)

LEGISLATURE OF THE STATE OF IDAHO,
IN THE SENATE.

Senate Joint Memorial 1

(By Dow)

A joint memorial to the Honorable Senate and House of Representatives of the United States of America in Congress assembled

We, your memorialists, the Legislature of the State of Idaho, respectfully represent:

Whereas there is now pending before the Congress of the United States a bill to provide for the full and immediate payment of the adjusted-service certificates, with all interest and charges against them eliminated; and

Whereas should this be enacted into law at the present time it will alleviate suffering among thousands of needy ex-service men and will in a large measure restore confidence; and

Whereas it will throw into the channels of trade and commerce many millions of dollars: Now, therefore, be it

Resolved by the Senate of the State of Idaho (the house of representatives concurring), That we most respectfully urge upon the Congress of the United States of America early and favorable consideration of such legislation as will bring about the full and immediate payment of the adjusted-service certificates; be it further

Resolved, That the secretary of state of the State of Idaho be authorized, and he is hereby, directed to immediately forward certified copies of this memorial to the Senate and House of Representatives of the United States of America and to the Senators and the Representatives in Congress from this State.

Mr. POPE also presented the following joint memorial of the Legislature of the State of Idaho, which was referred to the Committee on Irrigation and Reclamation:

LEGISLATURE OF THE STATE OF IDAHO,
IN THE HOUSE OF REPRESENTATIVES,
TWENTY-THIRD SESSION.

House Joint Memorial 7

(By reclamation committee)

Whereas the paramount and immediate necessity for the successful progress of reclamation is the development and preservation of water; and

Whereas many sections of the Northwest are fostering plans for the diversion of the unappropriated waters of our inland rivers

and lakes, so that the same may be applied to the useful purposes of irrigation; and

Whereas one of the feasible plans for the replenishing of the waters of the Snake River Valley is the diversion of the natural flow from the Yellowstone Lake into the Snake River; and

Whereas the flood waters from the Yellowstone Lake now flow into the Mississippi River; and

Whereas the flood control of the Mississippi River is one of the major projects of the United States; and

Whereas the diversion of the flow of this water to the Snake River would reduce the flood waters of the Mississippi River: Now, therefore, be it

Resolved by the House of Representatives of the State of Idaho (the senate concurring), That we most respectfully urge upon the United States Reclamation Department and upon the Congress of the United States the favorable consideration of legislation and of necessary appropriations to carry to completion a project that will divert the natural flow from the Yellowstone Lake into the Snake River; be it further

Resolved, That the secretary of state of the State of Idaho be authorized, and he is hereby directed, to immediately forward certified copies of this resolution to the Secretary of the Interior, to the Senate and the House of Representatives of the United States of America, and to the Senators and the Representatives in Congress from this State.

REPORT OF THE CLAIMS COMMITTEE

Mr. GIBSON, from the Committee on Claims, to which was referred the bill (S. 371) for the relief of G. Elias & Bro., Inc., reported it with amendments and submitted a report (No. 335) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NORRIS:

A bill (S. 2270) granting a pension to Birdie Brugh; to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 2271) granting a pension to Edith S. Davis (with accompanying papers); to the Committee on Pensions.

By Mr. GEORGE:

A bill (S. 2272) for the relief of Robert Cleve Ellis; to the Committee on Military Affairs.

By Mr. COPELAND:

A bill (S. 2273) for the relief of Raymond Nelson Hickman; to the Committee on Naval Affairs.

By Mr. MALONEY:

A bill (S. 2274) for the relief of William J. Roper; to the Committee on Military Affairs.

By Mr. THOMAS of Oklahoma (by request):

A bill (S. 2275) to provide for the payment of certain Creek equalization claims, and for other purposes; to the Committee on Indian Affairs.

By Mr. BARKLEY:

A bill (S. 2276) to authorize participation by the United States in the Interparliamentary Union; to the Committee on Foreign Relations.

TRANSPORTATION OF PASSENGERS AND PROPERTY BY WATER

Mr. McNARY submitted an amendment intended to be proposed by him to the bill (S. 1632) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by water carriers operating in interstate and foreign commerce, and for other purposes, which was referred to the Committee on Interstate Commerce and ordered to be printed.

AMENDMENT TO FIRST DEFICIENCY APPROPRIATION BILL

Mr. HAYDEN submitted an amendment establishing a commission to be known as the "Government Printing Office Building Commission", to provide for the construction and equipment of annex buildings for the Government Printing Office, including railroad facilities, connections to and alteration in existing buildings, acquisition of land, etc., at a cost not to exceed $6,000,000, intended to be proposed by him to House bill 6644, the first deficiency appropriation bill, 1935, which was referred to the Committee on Appropriations and ordered to be printed.

INVESTIGATION RELATIVE TO NATURAL GAS

Mr. COUZENS submitted the following resolution (S. Res. 108), which was referred to the Committee on Interstate Commerce:

Resolved, That the Committee on Interstate Commerce, or any duly appointed subcommittee thereof, is authorized and directed to investigate to obtain information relative to the production, transmission, sale, and distribution of natural gas and to report its conclusions to the Senate for legislative purposes, the investigation and report to deal with the following subjects:

1. The persons, partnerships, corporations, or organizations interested in the production, transmission, sale, and distribution of natural gas.

2. The person, partnerships, corporations, or organizations interested in the financing, or contributing to the financing of persons, partnerships, corporations, or organizations which are interested in, or associated with, the production, transmission, sale, and distribution of natural gas.

3. Any act or proposal to act upon the part of such persons, partnerships, corporations, or organizations which created a monopoly, or tended to create a monopoly, for the control of the production, transmission, sale, and distribution of natural gas.

4. Any act or proposal to act which tended to prevent consumers of natural gas or potential consumers of natural gas from obtaining a supply of natural gas.

5. Any violation or evidence of violation of existing laws to prevent restraint in trade.

6. Any information which would be helpful to the Congress in determining whether existing laws to prevent restraint in trade are sufficient to prevent monopolistic practices in the production, transmission, sale, and distribution of natural gas.

7. Information which would be helpful to the Congress in determining whether pipe-line carriers should be declared common carriers and divorced from persons, partnerships, corporations, or organizations interested in the production, transmission, and sale of natural gas.

8. Any information to assist in determining whether persons, partnerships, corporations, or organizations now interested in or associated with the production, transmission, sale, and distribution of natural gas have acted or proposed to act to prevent publicly owned distributing companies from obtaining a supply of natural gas.

9. Any information which will show the present sources and volume of supply of natural gas and any and all other information reasonably incident thereto, including possible deliberate waste.

10. Any information to show the cost of producing, transmitting, distributing, and selling natural gas.

11. The committee is authorized and directed to obtain the assistance of the Federal Trade Commission, its officials and employees, in assembling any information already obtained by the Commission with reference to these general subjects.

For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth Congress, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

WORK-RELIEF PROGRAM

The Senate resumed the consideration of the joint resolution (H. J. Res. 117) making appropriations for relief purposes.

The VICE PRESIDENT. The clerk will state the next amendment reported by the Committee on Appropriations.

The next amendment of the Committee on Appropriations was, on page 8, after line 23, to insert the following:

SEC. 8. On all building construction work or projects undertaken under and by virtue of the authority granted in this joint resolution, all mechanical sanitary work, which in the interest of public health is ordinarily regulated or controlled by law, shall be let separatey and by contract, and awarded to the lowest qualified bidder.

Mr. LA FOLLETTE. Mr. President, I rise to oppose this amendment of the committee. I do so because an unfortunate situation which this amendment will produce has been called to my attention by the United States Conference of Mayors, through its president, the Mayor of Milwaukee, Daniel W. Hoan, and its executive director, Mr. Paul V. Betters.

Upon a first reading of the amendment it may appear that it does not cover a very large number of projects. The mayors of the country, however, are very apprehensive that it will be construed to cover practically all the normal construction work which might be undertaken on municipal projects to be authorized under the provisions of the pending joint resolution.

I requested the United States Conference of Mayors to inform me of the number of cities in this country which

carry on their normal public construction work by force account instead of by contract, and I received the following communication from Mr. Sherwood L. Reeder, assistant director of the United States Conference of Mayors:

In answer to your specific question, we estimate that at least 100 American cities over 30,000 in population use the force account method of doing public works in varying degrees. Included among this group are such cities as Detroit, Flint, Grand Rapids, Worcester, Springfield (Mass.), Providence, Binghamton, Minneapolis, Duluth, Fredericksburg, and Lynchburg (Va.).

In this connection I also desire to quote from a telegram which I received from Mayor Hoan, of Milwaukee:

Any provision rigidly requiring non-Federal public works under the Federal program to be done by private contract is illegal, unworkable, and contrary to existing public policy in many cities throughout the United States which carry on public improvement work on force-account basis, that is, with regular city personnel.

Mr. President, I should like to suggest for the consideration of the Senate that the provision undoubtedly would be interpreted to include such projects as sewage systems, sewage-disposal plants, water systems, water filtration plants, and perhaps also garbage reduction or incineration plants, all of which would have to be undertaken, if the amendment were agreed to, by contract, whether or not it should be desirable, economical, or feasible to prosecute such projects in that manner and regardless of the prevailing policy which has existed for a great many years in the 100 cities of over 30,000 population which carry on their public works by force accounts instead of by contract.

If it be desirable, as I believe it to be, that cities should be permitted to carry on their public works in the usual manner in which they are accustomed to operate, in my opinion the amendment should be rejected. Otherwise, any city which follows the system of constructing its public works by force account will be compelled, if it is to obtain any of the funds allocated for municipal projects under the joint resolution, to abandon the public policy which has prevailed in that community for many years. I can see no reason why Congress should force such a change of policy in the construction of public works by communities which, for reasons which they have considered entirely justifiable, have determined to carry on their public works by force account and not by contract.

Mr. CUTTING. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from New Mexico?

Mr. LA FOLLETTE. I yield.

Mr. CUTTING. Can the Senator tell us why there should be any distinction between "mechanical sanitary work" and any other kind of work in that respect?

Mr. LA FOLLETTE. I can see no logical reason why any distinction should be made in that regard.

Mr. ROBINSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Arkansas?

Mr. LA FOLLETTE. Certainly.

Mr. ROBINSON. What is the meaning of the expression "mechanical sanitary work which * * * is ordinarily regulated or controlled by law"?

Mr. LA FOLLETTE. The phraseology adopted in the amendment is, to my mind, difficult of interpretation, but the language is sufficiently broad, it seems to me, so that it would be interpreted to cover the various types of work which I have already mentioned—such as sewage systems, sewage-disposal plants, water systems, water-filtration plants—and, as I said a moment ago, it also may be interpreted to include garbage disposal and incineration plants.

Mr. PITTMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Nevada?

Mr. LA FOLLETTE. I yield.

Mr. PITTMAN. The Senator has studied the section, and I agree with his interpretation as he has given it thus far. It would seem to me the provision was inserted for the sole purpose of compelling the work to be done by contract.

Mr. LA FOLLETTE. I believe that can be the only logical reason for its insertion. I am not passing upon the question of whether municipalities should do their work by contract or by force account. I can see no logical reason why the Congress should insist that cities which have found it sound public policy to carry on their work programs by force account should be compelled to abandon that policy in order to obtain any allotment of funds under the joint resolution.

Mr. PITTMAN. I thoroughly agree with the Senator.

Mr. ROBINSON. Mr. President, will the Senator further yield?

Mr. LA FOLLETTE. Certainly.

Mr. ROBINSON. I invite his attention to the first sentence in the amendment:

On all building-construction work or projects undertaken under and by virtue of the authority granted in this joint resolution, all mechanical sanitary work—

And so forth.

It seems to me the effect of that language is to prevent, except by contract, the construction of anything under any projects out of funds appropriated by the joint resolution. Have I made my statement clear?

Mr. LA FOLLETTE. I think perhaps the Senator's interpretation of the first phrase is correct—that it does include all building construction work or projects.

Mr. ROBINSON. For instance, at a civil conservation camp, if buildings were to be constructed, under the language referred to, it would seem to me they would necessarily have to be built under contracts let. The program which has been followed in connection with Civilian Conservation Corps work would be materially modified and the effectiveness of the organization would be diminished. We all know that the young men in conservation camps do a great deal of construction work. If the provision should be retained without modification, it would seem to me that very limited funds only could be used in connection with the camps or their work.

Mr. LA FOLLETTE. I think perhaps the Senator's construction is correct. In my reading of it I had assumed that "all building construction work or projects" was modified by the phraseology, "all mechanical sanitary work, which in the interest of public health is ordinarily regulated or controlled by law."

Mr. ROBINSON. If the Senator will consider the punctuation, I think he will reach the conclusion that, whatever may be the intention of the language, it is not effectuated except in the sense in which I have interpreted it.

Mr. LA FOLLETTE. I think the Senator is absolutely correct about it, and that makes the amendment all the more restrictive and all the more objectionable from the point of view of the effectiveness of the joint resolution, as I interpret it.

Mr. ROBINSON. Always there are temporary works which are constructed in connection with important projects. Sometimes the buildings are not designed for anything more than temporary use. If this language should remain in the joint resolution, it seems to me it would be necessary, in every instance where anything was to be constructed or any project undertaken, that there should be a letting by contract.

Mr. LA FOLLETTE. If the Senator's interpretation is correct, as I believe it to be, it would not only force the municipalities, which ordinarily construct their public works by force account, to abandon that policy, but it also would involve great delay in some of the other projects of a Federal character undertaken under the joint resolution, because the projects would have to be delayed until advertisements could be published and bids submitted.

Mr. GLASS. Mr. President, I may state definitely what was the purpose of this provision of the joint resolution. It was one of the compromises we tried to reach.

The representatives of the master plumbers' national association appeared before the Committee on Appropriations and proposed an amendment to the joint resolution which would require all work that involved 10 percent of skilled labor to be done by contract let to the lowest responsible bidder. The committee disagreed with the suggestion; rejected it, in fact. Then this redrafting of the provision

took place, the intention of the committee being to confine the requirement to the construction of buildings. In other words, the plumbers contended that work on certain public projects had been inefficiently done at a cost to the Government exceeding the amount at which it could have been done by skilled plumbers under contract. Therefore, the proposition was that where work involved as much as 10 percent of skilled labor, it should be let to contract. I am sure it was the intention of the committee to confine it to building construction, and the committee really had in mind plumbing.

My own view was that section 7 of the joint resolution, already agreed to, covered the matter in a more reasonable way. The Senator will note that it reads:

Wherever practicable in the carrying out of the provisions of this joint resolution, full advantage shall be taken of the facilities of private enterprise.

Of course, that would not interfere with the projects which the Senator from Wisconsin had in mind in objecting to this provision of the joint resolution.

Mr. LA FOLLETTE. No; if the Senator will permit me, that would not require any municipality to change its policy.

Mr. GLASS. That was the intent of the committee.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. GLASS. Yes.

Mr. HASTINGS. Can the chairman of the committee state whether this section was satisfactory to the President?

Mr. GLASS. I do not know. I do not think the President was consulted about the section, and the President did not consult me about it. I do not think the President would veto the joint resolution if the section should be omitted from it.

Mr. McCARRAN. Mr. President, the history of this amendment has been correctly stated by the chairman of the committee. It was my privilege first to offer the amendment which was later rejected by the committee because certain governmental agencies objected, saying, for instance, as the Forest Service said, that they could not carry on under it. So the amendment was redrafted, the idea being to center it entirely on projects where sanitary work was necessary. This amendment, as stated by the chairman, was offered at the suggestion of the master plumbers of the country, whose testimony before the committee is a matter of record.

If the punctuation in the amendment be such as not to carry out its spirit and intent, I would rather see the punctuation corrected than to lose the entire amendment. On the other hand, we have before us a startling condition involving, as we all know, suits running into millions of dollars, which have been filed against a great hotel in the city of Chicago. Those suits grew out of poor sanitary work. Disease followed. It is with that condition in mind that the master plumbers say that those who know how, who are skilled in the work of installing sanitary facilities in public buildings, should be given the opportunity to bid for it, thus carrying out the principle of protection of life.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. ROBINSON. While in my previous remarks I made reference to punctuation, I think it would also be necessary to make a change in the language to carry out the purpose which the Senator states was in mind when the amendment was agreed to by the committee. That could be done by simply striking out the comma after "resolution" and the word "all" and inserting "relating to mechanical sanitary work", so as to limit the application of the first clause. I am sure the language as employed here is a limitation on all building construction or projects undertaken under the authority of the joint resolution; and if the purpose was to limit it as the Senator has stated, I think that purpose could be accomplished by the amendment I have suggested.

Mr. McCARRAN. I should be very glad to accept that suggestion, so as to carry out the spirit and intent of the amendment.

Mr. ROBINSON. That, however, would not obviate the objection which the Senator from Wisconsin has made.

Mr. BYRNES. Mr. President, I desire to say only a few words.

I hope the committee amendment will be rejected. The amendment known as "section 7" sets forth the opinion of the Congress that "wherever practicable * * * full advantage shall be taken of the facilities of private enterprise." Now we are informed that quite a large number of municipalities prefer to do certain work by force account. If they borrow under the provisions of the joint resolution they should not be required to adopt a different policy in doing the work which they have it in mind to do under the provisions of the joint resolution.

It was called to our attention, for instance, that in the national parks work has been done entirely by force account. When the amendment was first proposed there was serious objection on the part of the Park Service, and, as the Senator from Nevada has said, there was objection by the Forestry Service. They do not desire to be forced to enter into contracts even for this kind of work.

If the pending amendment shall be stricken from the joint resolution, the matter will then be in the discretion of the administrative officials, and no harm will be done. The work will be carried out in the spirit of section 7. Wherever possible, contracts will be entered into; and where it is not deemed wise to enter into a contract, it will not be necessary to do it.

I hope, therefore, the amendment will be rejected.

Mr. NORRIS. Mr. President, the Senator from South Carolina [Mr. BYRNES] has said in substance, a great deal better than I am able to say, what I intended to say. It seems to me that by all means we ought to strike out all of section 8; in other words, we ought to vote down the amendment.

In the first place, I remember a little colloquy I had the other day with the Senator from Arkansas [Mr. ROBINSON], where he stated so well, and I then agreed with him, that we ought to couple with the expenditure of this money no amendments except of the most general kind; we ought not to handicap the officials by stating just how they should do any particular work. If this amendment should be agreed to, it would be impossible for the officials having in charge the administration of the law and the expenditure of the money to construct any project unless they advertised and received bids for its construction. That would delay matters very greatly. Undoubtedly some projects will be undertaken—I do not know where or what, but very likely there will be such projects—in the case of which it would take a year, or the major part of a year, to get ready to make an intelligent bid, and a bid made in a shorter time would be mere guesswork.

If section 8 should be stricken out, in proper cases those administering the law could do everything that it is provided they shall do under section 8. If a project should involve the building of a house, they could let a contract for it, if they desired to do so, or they could go ahead without a contract.

In other words, if we agree to section 8, we shall be circumscribing and tying the hands of those who will have to administer the joint resolution if it shall be enacted into law. There is not anything provided for under section 8 that could not be done just as section 8 provides, if we had the right kind of a case and the officials in control of the work desired to do it in that way.

I do not think we ought to agree to amendments which will tie the hands of those who are going to carry on this work. We cannot tell what the projects will be. I presume those who are going to administer the law cannot tell now what the projects will be. They cannot tell what buildings, if any, are to be constructed.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER (Mr. HAYDEN in the chair). Does the Senator from Nebraska yield to the Senator from Nevada?

Mr. NORRIS. I yield to the Senator.

Mr. PITTMAN. I am in agreement with the Senator; but I wish to call attention to some letters which were read by the Senator from Wisconsin [Mr. LA FOLLETTE] to the effect

that the mayors of numerous large cities had protested against the pending amendment by reason of the fact that most of this mechanical sanitary work probably will be done by the municipalities through loans from this fund.

Mr. NORRIS. I think it will in the case of a great many of them.

Mr. PITTMAN. I do not think we should attempt to govern their actions in that respect.

Mr. NORRIS. I think the real objects we have in view in passing this kind of legislation would be very seriously affected if we should let section 6 remain in the joint resolution.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was rejected.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment of the committee was, on page 9, after line 4, to insert a new section, as follows:

SEC. 9. Any person who knowingly, and with intent to defraud the United States, makes any false statement in connection with any application for any project, employment, or relief aid under the provisions of this joint resolution, or diverts, or attempts to divert, or assists in diverting for the benefit of any person or persons not entitled thereto, any moneys appropriated by this joint resolution, or any services or real or personal property acquired thereunder, or who knowingly, by means of any fraud, force, threat, intimidation, or boycott, deprives any person of any of the benefits to which he may be entitled under the provisions of this joint resolution, or attempts so to do, or assists in so doing, shall be deemed guilty of a misdemeanor and shall be fined not more than $2,000 or imprisoned not more than 1 year, or both.

Mr. GLASS. Mr. President, this amendment to the joint resolution was passed on before the recommittal of the measure and was agreed to at that time.

Mr. COPELAND. Mr. President, there are so few things I can say in approval of the pending joint resolution that I am glad we have reached the point where I may commend it. The object of the proposed new section is to do away with the outrageous kick-backs, so called, whereby labor has been robbed of its wage by agreement and conspiracy. I should like to commend the section in the highest terms.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment of the committee was, on page 9, after line 19, to insert a new section, as follows:

SEC. 10. Federal public roads projects, rivers and harbors projects, reclamation projects, and public buildings projects undertaken pursuant to the provisions of this joint resolution shall be carried out under the direction of the respective permanent Government departments or agencies having jurisdiction of such projects, and the performance of all contracts in connection with such projects shall be subject to the supervision and control of such departments or agencies.

Mr. PITTMAN. Mr. President, I think it would be very unwise to adopt this amendment.

Mr. GLASS. The Senate has already adopted it once.

Mr. PITTMAN. At the beginning of the joint resolution it is provided that the agencies for the administration of the appropriation shall be placed under the direction and responsibility of the President, as is shown on lines 1 and 2, page 2. I have no doubt that the intention behind section 10 was good. Its object was probably to prevent the Government from establishing any more agencies than are necessary; but the result of the adoption of this section would be that Federal public-road projects, for instance, which are under the control of the Federal Highway Aid Administration, would be under another agency.

As to the normal road functioning of the Federal Government, that is correct. Roads are being constructed now under the Federal Aid Highway Act which have no relation whatever to this appropriation; but, as a matter of fact, we know that the building of trails and roads on the public domain adjacent to national parks and forest reserves is being conducted today under the direction of the F. E. R. A., using two characters of labor—first, transient unemployed, and, secondly, indigent unemployed. Such work, in the section of the country with which I am most familiar, is probably most advantageous to the Government of any work now being done, because it is permanent in its nature.

As to reclamation, if the funds are to be used solely through the Reclamation Bureau here, then we will cut out the use of them by the F. E. R. A. The F. E. R. A. in arid sections of the country is doing a splendid work in the development of water. They have sunk artesian wells throughout that vast arid section of the country which suffered so terribly from drought, and have developed flowing wells. In many cases they have uncovered springs. That has not been done under the Reclamation Service. The Reclamation Service as it ordinarily functions performs under appropriations made for the Department of the Interior, such as work on the Boulder Dam, and other great construction projects. They have nothing to do with the employment of transients, and nothing to do with the indigent unemployed. Work by those classes would come under the pending joint resolution. Yet they are doing splendid reclamation work.

Under the amendment, the terms of which undoubtedly are mandatory, the President would be required to turn over any kind of trail work, any kind of reclamation work, "public-building projects undertaken pursuant to the provisions of this joint resolution", to these particular departments.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. AUSTIN. I should like to ascertain what interpretation the Senator from Nevada puts upon the words in lines 24 and 25, page 9, "agencies having jurisdiction of such projects." Does not the Senator believe that a road project or a trail project, or any of the other projects named in this section, which are now under the jurisdiction of F. E. R. A., would remain under the jurisdiction of F. E. R. A.?

Mr. PITTMAN. No; I do not.

Mr. AUSTIN. Then what meaning do these words have, "agencies having jurisdiction of such projects"?

Mr. PITTMAN. It is really very plain to me. The section provides:

Federal public roads projects, rivers and harbors projects, reclamation projects, and public buildings projects—

That describes the projects we have in mind—

undertaken pursuant to the provisions of this joint resolution—

That means carried out by the use of the $4,000,000,000 proposed to be appropriated—

shall be carried out under the direction of the respective permanent Government departments or agencies.

"The respective permanent Government departments or agencies." There is no question as to the reason those words were put in. It was intended to require that the work be done by the permanent departments and agencies of the Government having charge of these respective matters.

Let us go a little further:

And the performance of all contracts in connection with such projects shall be subject to the supervision and control of such departments or agencies.

In other words, again, under the present law, road work, reclamation work, all the character of work required under the law governing the permanent departments for the transaction of the normal work of the Government, which is distinguished from emergency work, must be done by contract, and it must be done by contract with the respective department, and must be under the supervision of such department.

As a matter of fact, the word "agencies" simply defines these permanent departments or agencies.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. COUZENS. I wondered if the Senator's purpose would be accomplished if we should take out the word "permanent" and have it read "respective existing Government departments or agencies"?

Mr. PITTMAN. That would be much better.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. FLETCHER. The suggestion of the Senator from Michigan, I think, is a very good one; but I am wondering whether, if, in line 23, after the words "carried out", we added the words "wherever practicable", or such phraseology, the provision would not be improved. I may illustrate by referring to river and harbor projects. I do not believe they ought to be undertaken by these agencies. They are under the Chief of Engineers of the Army, under the Board of Engineers. I do not think the P. W. A. ought to undertake to do river and harbor work, because we have all the necessary machinery set up somewhere else.

Mr. PITTMAN. Are they doing river and harbor work?

Mr. FLETCHER. I think so.

Mr. PITTMAN. I did not know the Army Engineers had been displaced in any river and harbor work.

Mr. FLETCHER. The tendency is in that direction, and I think some of it is being done under the P. W. A.; but that work certainly ought not to be taken out of the hands of the Army Engineers.

Mr. PITTMAN. Certainly not.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. PITTMAN. Let me answer this suggestion first, and then I shall be very happy to yield to the Senator.

The President, as a matter of fact, has not displaced the departments of the Government in the performance of their functions. The Reclamation Service, for instance, is still in charge of the Boulder Dam, it is still in charge of every reclamation project that has been authorized by special act. It is performing all its functions. There is no law authorizing the cleaning out of a ditch on a reclamation project; yet they are using the transient unemployed for a very beneficial service in cleaning the debris out of a ditch, for instance, on a Government project.

Mr. BORAH. Mr. President, I do not understand the proposed amendment as the Senator from Nevada seems to understand it. Suppose the President should direct the cleaning out of a ditch. Would there be any objection to it being done under the direction of the Reclamation Service?

Mr. PITTMAN. Let us see what would happen practically. I will give the Senator a complete illustration, and then let us see what would happen.

In Nevada, as I said, artesian water wells are being developed over great areas, so that the cattle may range farther. Ordinarily speaking, that is reclamation work. It is now being done largely by transients, by people traveling through that country to California, who stop by and have nothing to live on. They have to be taken care of. Temporarily, they are doing this work, and they are doing it in an excellent manner. The work is under the charge of a special engineer of the F. E. R. A., who is experienced along that line. He is the man who selects the transients or unemployed persons. They are there for a while, and then they are gone. It is entirely relief work.

My question is, Who in the Department of the Interior should be put in charge of that work? The Department of the Interior operates with appropriations largely limited, largely directed. The Secretary of the Interior would have to take charge of part of the relief funds with which to do that work. The Department of Agriculture would have to take control over the money to be used for roads, outside, of course, of the primary roads. Therefore, the authority over the use of this relief money would be divided to such an extent that I think we would have confusion and waste.

Mr. BORAH. It seems to me this committee amendment would avoid the dividing of authority if an order should go forth that certain work be done, but that it should be done under the supervision and direction of the Reclamation Service. It seems to me that instead of dividing authority you concentrate the authority under the department which knows most about those things, and which is supposed to have men who are most familiar with it.

Mr. PITTMAN. I do not agree with the Senator from Idaho that they are familiar with it. Let us say, for instance, that we have a project engineer on the Newlands project. He knows that project. Apparently he knows nothing on earth about the development of artesian water. He is required to stay at that point. In the matter of roads, I have no doubt that the roadmen everywhere understand their business. When we are dealing purely with a fund for relief, however, someone must be responsible for the expenditure of that money, and I emphasize "that money." Someone must determine that the men shall work here or they shall work there; and, not only that, but he must determine who is entitled to be employed. The consequent primary responsibility of the relief agent is to see that men who need relief are consuming this fund.

Mr. BORAH. Mr. President, suppose the Government should conclude to use a portion of this money for the purpose of building a reclamation project in the Senator's State or in mine. The Senator would not wish that to be done under a separate agency.

Mr. PITTMAN. No; and I have not the slightest doubt that if it were a reclamation project the Senate would consider it reasonable and practicable that the Reclamation Bureau should have charge of it. If it should be determined to build a substantial reclamation project, of course, it would be turned over to those who understood it. The money to build it would be turned over to the Reclamation Service.

I will give the Senator an example. Only recently $20,000 was turned over by the F. E. R. A. to the Reclamation Service for the purpose of making a survey in southern Nevada with regard to a subsistence-homestead project. That course is followed wherever the nature of the work permits. I feel, however, that it is perfectly right, wherever we have a real reclamation project—such a project as naturally comes under the Reclamation Service—the work should be done by the Reclamation Service; or, if we have a road project, it should be done by the Bureau of Public Roads, if the road is a Federal highway.

Mr. BORAH. This amendment provides that Federal public-roads projects, river and harbor projects, reclamation projects, and so forth, shall be carried out under the direction of the respective permanent Government departments or agencies having jurisdiction of such projects. Now all it does, as I understand, is to require, for instance, that the reclamation projects shall be carried out by the Reclamation Bureau. Is that not true?

Mr. PITTMAN. Yes; that is true. But what constitutes a reclamation project? I want to know whether or not the Senator thinks that the sinking of artesian wells for the purpose of furnishing water to stock on the range is a reclamation project.

Mr. BORAH. It does not come under this provision.

Mr. PITTMAN. In the nature of things it is designated a reclamation project in the break-down of this bill, but it is not one of our reclamation projects.

Mr. BORAH. Only reclamation projects would be carried out by the Reclamation Bureau. If it were deemed that it was not a reclamation project, then the Reclamation Bureau would not have anything to do with it.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. HASTINGS. Did I understand correctly the Senator to say it was his interpretation that under this section it would be necessary for the various departments to do this work under contract, if we leave the section in its present form?

Mr. PITTMAN. I am afraid so.

Mr. HASTINGS. The language of section 10 seems to me to be perfectly clear. It says:

> Federal projects * * * undertaken pursuant to the provisions of this joint resolution shall be carried out under the direction of the respective permanent Government departments or agencies having jurisdiction of such projects * * *.

I do not see a thing in that language which could possibly be construed to mean that the departments or agencies must do the work by contract. They must do it under the previous sections of this joint resolution, which have no such provision in them.

Mr. PITTMAN. I illustrated the fact that the language was indefinite, because the law governing these various bodies requires contract work.

Mr. HASTINGS. It seems to me this provision clearly modifies that law. That law would not apply to this particular joint resolution. The only limitations on Government departments are those contained in the language in sections which preceded this section, and they would be limited only by what precedes section 10.

Mr. PITTMAN. I will say in conclusion that it is certainly reasonable that a project which under the law is administered by a certain department should continue to be administered by it. We all agree as to that when we have under consideration regular appropriations for the departments for their regular work. We are dealing now, however, with an emergency appropriation for relief work. The work under it is not of the character which is generally performed by the various departments. As a matter of fact, it is what we term "made work." It is work which probably never would be done except for the necessity of furnishing work. If we shall divide up this relief fund and place it in the hands of 8 or 10 different bureaus to expend, we will have confusion, we will have waste, we will have conflict of authority. I think one person ought to be the head of all this relief work and be held responsible for it.

In the joint resolution, on page 2, we have given that power and responsibility, not to any department, but directly to the President of the United States. He is responsible for economy in the expenditure of this money. He is responsible for the work accomplished. He will be responsible for any failure in the matter. I think it is a great error to tell him at the very beginning how this money shall be administered.

The PRESIDING OFFICER. The question is on the amendment of the committee.

Mr. STEIWER. Mr. President, I think no amendment proposed by the committee had a better or higher purpose than the amendment—section 10—to which we now direct our attention.

This amendment was agreed to in the Committee on Appropriations at the time the joint resolution was first before that committee. It was agreed to by the Senate at the time the joint resolution was first before the Senate. It was again agreed to by the Committee on Appropriations after the joint resolution was recommitted to the committee. At no time in the committee's discussion of the amendment was there placed upon it the construction which is now placed upon it by the Senator from Nevada. At no time was it suggested that the last provision of the amendment would require all the work contemplated under the amendment to be done by contract. I most respectfully suggest to Senators that a careful examination of the language cannot lead to the conclusion that it requires any work to be done by contract.

Mr. President, this amendment does not control the President of the United States in the allocation of funds or in the selection of contracts. He may do under it exactly the same things which he would do if the amendment were not incorporated in the joint resolution. Moreover, it was not intended, and I personally believe it is not required by the amendment, to compel the President to take activities of the F. E. R. A. and turn them over to the Reclamation Service or to any one other service.

I agree with the Senator from Vermont [Mr. AUSTIN], who placed emphasis upon the language in lines 24 and 25 and pointed out that the phrase "agencies having jurisdiction of such projects" itself determined the character of projects which are embraced within the amendment. For instance, if a road project were built which did not come within the jurisdiction of a permanent agency of the Government or a permanent department of our Government, the section would not apply to it at all.

If there is any serious doubt about that in the minds of Senators, I would suggest an amendment, although I do not as yet do so. As I regard the matter, the amendment is not necessary. I do not feel that the word "permanent", in line 24, modifies the word "agencies", as is assumed by the Senator from Nevada. I had thought that the word "permanent" modified the phrase "Government departments", for, indeed, they are the only institutions under our Government which are permanent. Agencies subject to the will of Congress and to the will of the Executive set up sometimes overnight and abolished the next day are just as far from being permanent as the east is removed from the west, and I do not think any reasonable construction of this language would impute to Congress the idea of modifying the word "agencies" by the word "permanent." It is too strained a construction of the language. Therefore, if that contention be correct, then this language merely means that the permanent Government departments or the agencies, whether permanent or not, including F. E. R. A., shall carry out the work which falls under the jurisdiction of those permanent departments or those agencies, whether permanent or temporary.

I do not care to detain the Senate in a discussion of this matter. If I am wrong, however, I am happy to be corrected.

Mr. NORRIS rose.

Mr. STEIWER. I will yield in just a moment, but I do want to say to the Senate that there is much good to be attained by agreement to this amendment. We were advised in the committee that the President expects in any case, in carrying out the provisions of the joint resolution, to do exactly what is required by the amendment. So I think there is no controversy about it.

Mr. PITTMAN. If the Senator thinks the President is going to do it anyway, then why make it mandatory?

Mr. STEIWER. Mr. President, that argument was suggested by a Senator in the committee, but after reflection, whoever suggested it admitted that that might be just as strong an argument for putting the language in as it is for taking it out. I now yield to the Senator from Nebraska.

Mr. NORRIS. Mr. President, I think some misunderstanding might arise under this amendment because of what I believe to be the wrongful use of the words it contains respecting permanent Government departments. As I understand, the only departments in the Government are those presided over by the various Cabinet officers. I think the intention of the amendment goes further than that, and that it really includes the bureaus of the Government, and according to the language used afterward it also includes agencies.

Mr. STEIWER. Will the Senator permit me to interrupt and to suggest that the bureaus, of course, are an integral part of the departments?

Mr. NORRIS. Yes.

Mr. STEIWER. But I had assumed that the word "departments", as used, includes the entire departments, and therefore includes the various bureaus of the departments.

Mr. NORRIS. If the word "departments" is used, it includes all the bureaus which are under the respective departments.

Mr. STEIWER. I think that is true.

Mr. NORRIS. I doubt whether it was intended to do that, but it seems to me, if the Senator will permit me to say just a word in his time, that we are running into the difficulty which I pointed out a while ago. Whenever we undertake to restrict I think we are likely to run into possible difficulties which we cannot at the present time foresee. If this language were not here, if section 10 should be stricken out, I presume the President, in all proper cases, would act just as though it was inserted; but I can see that instances might arise which would involve some doubt.

I think the Senator from Nevada [Mr. PITTMAN] has pointed out such cases. There might be a doubt as to whether a department had jurisdiction or whether it had not, and the President would have to act under that doubt. The Senator knows what might then happen. If there were any question whatever in the case of any given project, some one might at once institute an injunction proceeding in the Federal courts against those who were carrying out the project, and before the injunction could be decided the law would have passed out of existence. I do not believe we run any

risk in leaving this discretion to the President. It seems to me, therefore, that the inclusion of section 10, while it was inserted with the very best purpose and intention, may result in harm and in the nullification, perhaps, of some worthy undertaking.

Mr. STEIWER. Mr. President, I did not offer this amendment in the first place in the committee, but I became one of its supporters merely because I felt that it was inevitable that the President could not give his personal attention to all these matters; that the burdens upon the Chief Executive are now so great that we know he is obliged to delegate a great deal of his authority to those who act under him. So undoubtedly the provisions of the joint resolution will be carried out by some one else. We do not know who the other person may be, and it is quite possible, whoever it may be, that he may feel that he can improve upon the record, we will say, of the Board of Army Engineers in the matter of the construction of river and harbor projects, or that he can set up a mushroom organization which will perform more expeditiously or more successfully the work that has been done heretofore by the Treasury Department in the construction of public buildings. I do not want that kind of a situation to be possible, and hoped it would not happen. Therefore I gave my support to this proposal.

I cannot conceive that it could embarrass the President or that it could result in any serious misunderstanding leading to court action, because the classes of projects which are named here are only four in number. They are well-known projects conducted by agencies and departments of our Government having a well-known, established jurisdiction.

Mr. NORRIS. Mr. President, will the Senator permit another interruption?

Mr. STEIWER. Certainly.

Mr. NORRIS. I had never thought of this before, but in passing through the country I remember seeing various places where men were engaged under the F. E. R. A., I think, in constructing dams to hold back flood waters, or what would have been flood waters, which otherwise would have gone into streams the waters of which were used for irrigation, and some of which would have gone into streams the waters of which were used for power. The building of those dams in large draws into which quite an area was drained was a useful service. I presume one could very well have claimed, if the waters were used for irrigation later, that the dams were a part of a reclamation project, or if the waters went into a navigable stream that the dams had to do with navigation or that they were a part of a power proposition. It never occurred to me as I saw such work under way that it was within the function of the Reclamation Bureau to carry it on. Yet I can very easily see how a man might very honestly hold that view; and he might be right about it. It did aid reclamation; it did improve navigation; it did prevent the encroachment of flood waters. If it were carried out on a large scale, and if it put what might become flood waters into a stream at a slower rate and thus prevent all kind of damage, I think I can see how someone would say that work ought to be done by the Reclamation Bureau, or that someone else might say it ought to be done by the Army, because it had to do with navigation; yet I should dislike to run the risk of tying the President's hands and making him decide that question, not knowing whether some person who might not agree would start proceedings, perhaps, to prevent that work being done because it was not being done in accordance with the act which we are going to pass. If we did not have section 10 in the joint resolution, there would not be any doubt; no matter who was doing the work, it would go on just the same.

Mr. STEIWER. That is true.

Mr. President, I want to make one suggestion, to which I invite the attention of the chairman of the committee. If it be true that the word "permanent" modifies the word "agencies", in line 24, as well as modifies the phrase "Government departments", it would result in a situation, or might conceivably result in a situation, of the type that has been pointed out by the Senator from Nevada and the Senator from Nebraska. It occurs to me that it might be possible by unanimous consent to make a slight change which would, I believe, take care of that situation by putting in the same line, before the word "agencies", the word "existing", so that the language would read:

Permanent Government departments or existing agencies.

Then there could be no question.

Mr. PITTMAN. Such a provision would be construed to mean that no new agencies could be established.

Mr. STEIWER. Under it new agencies could be established, but they would not have jurisdiction of these works. It would, however, permit the F. E. R. A., for instance, to continue work of the type to which the Senator from Nevada alluded a little earlier in the debate.

Mr. PITTMAN. But not to abolish the F. E. R. A. and the P. W. A. and get one new department to handle both works. That could not be done.

Mr. STEIWER. No; I would say that could not be done.

Mr. PITTMAN. The purpose of it is very plain—to tie the hands of the President.

The PRESIDING OFFICER. The question is on the adoption of the committee amendment. [Putting the question.] The "noes" seem to have it.

Mr. STEIWER. I ask for a division.

On a division, the amendment was rejected.

The PRESIDING OFFICER. Without objection, the clerk will be authorized to renumber the sections. That completes the committee amendments.

Mr. GLASS. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 10, after line 3, it is proposed to add a new section to read as follows:

Until June 30, 1936, or such earlier date as the President by proclamation may fix, the Federal Emergency Relief Act of 1933, as amended, is continued in full force and effect.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. GLASS. I offer another amendment, which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 10, line 3, after the amendment agreed to, it is proposed to insert the following:

The Federal Emergency Administration of Public Works, established under title II of the National Industrial Recovery Act, is hereby continued until June 30, 1937, and is authorized to perform such of its functions under said act and such functions under this joint resolution as may be authorized by the President. All sums appropriated to carry out the purposes of said act shall be available until June 30, 1937. The President is authorized to sell any securities acquired under said act or under this joint resolution, and all moneys realized from any such sales shall be available to the President, in addition to the sums heretofore appropriated under this joint resolution, for the making of further loans under said act or under this joint resolution.

Mr. McNARY. Mr. President, I think this amendment probably may be classified as a fundamental one. For that reason I should dislike to have an effort made this afternoon to take up the matter, on account of the absence of several Senators who are interested.

Mr. GLASS. I am perfectly content to let it go over until Monday.

The PRESIDENT pro tempore. The amendment will be printed and lie on the table.

Mr. GLASS. It is my desire to move an executive session at this time, unless Senators have some other business they desire to present.

Mr. ADAMS. Mr. President, I submit an amendment to the pending joint resolution. It is my understanding that it is planned to recess at this time or to go into executive session. I wish to discuss the amendment at some length. I should like, however, to have it read at this time.

Mr. STEIWER. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. STEIWER. Is there not another amendment pending?

The PRESIDENT pro tempore. There is another amendment pending, but it was passed over until Monday by unanimous consent.

Mr. STEIWER. Is the amendment now offered by the Senator from Colorado and about to be read by the clerk to become the pending amendment?

Mr. GLASS. I expect to call up my amendment the first thing on Monday.

The PRESIDENT pro tempore. Does the Senator from Colorado [Mr. ADAMS] present his amendment at this time and ask for its consideration or merely to have it read, printed, and lie on the table?

Mr. ADAMS. I understood the amendment of the Senator from Virginia had been read and was to be printed and go over until Monday. I desired to offer my amendment at this time. It has already been presented and printed.

Mr. GLASS. I yielded to the suggestion of the Senator from Oregon [Mr. MCNARY], with the idea that I should be recognized the first thing on Monday to call up my amendment. I did not make that request, but I thought it was understood.

The PRESIDENT pro tempore. Does the Senator from Virginia now ask unanimous consent that the amendment which he offered be passed over until the convening of the Senate on Monday and that it then be considered?

Mr. GLASS. That is my request.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered. The amendment of the Senator from Colorado is in order and may be read.

The CHIEF CLERK. It is proposed on page 1, to strike out lines 3 to 12, inclusive, and strike out all of page 2 and lines 1 to 4, inclusive, on page 3, and to insert in lieu thereof the following:

That in order to protect and to promote the general welfare by providing relief from the hardships and alleviating distress attributable to wide-spread unemployment and disorganization of industry and agriculture and conditions resulting therefrom, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be used in the discretion and under the direction of the President for such purposes, to be immediately available and to remain available until February 1, 1936, the sum of $2,000,000,000, together with the separate funds established for particular areas by proclamation of the President pursuant to section 15 (f) of the Agricultural Adjustment Act (but any amounts thereof shall be available for use only for the area for which the fund was established); not exceeding $500,000,000 in the aggregate of any savings or unexpended balances in funds of the Reconstruction Finance Corporation; and not exceeding a total of $380,000,000 of such unexpended balances as the President may determine are not required for the purposes for which authorized, of the following appropriations, namely: The appropriation of $3,300,000,000 for national industrial recovery contained in the Fourth Deficiency Act, fiscal year 1933, approved June 16, 1933 (48 Stat. 274); the appropriation of $950,000,000 for emergency relief and civil works contained in the act approved February 15, 1934 (48 Stat. 351); the appropriation of $899,675,000 for emergency relief and public works, and the appropriation of $525,000,000 to meet the emergency and necessity for relief in stricken agricultural areas, contained in the Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934 (48 Stat. 1055); and any remainder of the unobligated moneys referred to in section 4 of the act approved March 31, 1933 (48 Stat. 22).

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Colorado [Mr. ADAMS].

REPORT OF INVESTIGATION OF HOWARD UNIVERSITY

Mr. HASTINGS. Mr. President, yesterday I submitted a resolution and asked unanimous consent for its immediate consideration. The Senator from Missouri [Mr. CLARK] asked that it go over until today. I have consulted today with the leader on the other side of the Chamber and with the Senator from Missouri. They have no objection to the immediate consideration of the resolution. I ask for its present consideration.

The PRESIDENT pro tempore. The resolution will be read for the information of the Senate.

The Chief Clerk read the resolution (S. Res. 107), as follows:

Resolved, That the Secretary of the Interior be, and he is hereby, requested to send to the Senate a copy of the report of his investigation made during the latter part of 1934 of alleged irregularities at the Howard University, located in the city of Washington.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

FINANCING AND PROPOSED REORGANIZATION OF MAYFLOWER HOTEL

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably, without amendment, Senate Resolution 49 and ask unanimous consent for its present consideration.

There being no objection, the resolution (S. Res. 49) submitted by Mr. KING on January 15 was read, considered, and agreed to, as follows:

Resolved, That Senate Resolution 231, Seventy-third Congress, second session, agreed to June 13, 1934, is hereby continued in full force and effect until the expiration of the Seventy-fourth Congress, and the limit of expenditures to be made under authority of such resolution is hereby increased by $1,000.

MAGGIE THOMAS DAVIS

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably, without amendment, Senate resolution 90 and ask for its immediate consideration.

There being no objection, the resolution (S. Res. 90) submitted by Mr. TYDINGS on February 28 was read, considered, and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate, fiscal year 1934, to Maggie Thomas Davis, daughter of William Thomas, late a laborer of the Senate under supervision of the Sergeant at Arms, a sum equal to 1 year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

HEARINGS BEFORE COMMITTEE ON PENSIONS

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment Senate Resolution 96 and ask unanimous consent for its present consideration.

There being no objection, the resolution (S. Res. 96), submitted by Mr. MCGILL on the 7th instant, was read, considered, and agreed to, as follows:

Resolved, That the Committee on Pensions, or any subcommittee thereof, is authorized to sit during the sessions, recesses, and adjourned periods of the Seventy-fourth Congress at such times and places as it may deem advisable, and to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expenses thereof to be paid out of the contingent fund of the Senate.

MARGARET A. SCOTT

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably without amendment Senate Resolution 93 and ask unanimous consent for its present consideration.

There being no objection, the resolution (S. Res. 93), submitted by Mr. HAYDEN on March 5, was read, considered, and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1934, to Margaret A. Scott, widow of Daniel U. Scott, late a laborer of the Senate under supervision of the Sergeant at Arms, a sum equal to 1 year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

INVESTIGATION OF "MORRO CASTLE" AND "MOHAWK" DISASTERS

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably, without additional amendment, Senate Resolution 7 and ask unanimous consent for its immediate consideration.

There being no objection, the Senate proceeded to consider Senate Resolution 3, submitted by Mr. WAGNER on January 4, and reported from the Committee on Commerce on February 8, with amendments.

The amendments of the Committee on Commerce were, on page 1, line 1, after the word "commerce", to insert the words "or a subcommittee thereof"; on page 2, line 8, after

the word "such", to strike out "other inquiries into the *Morro Castle* disaster" and insert in lieu thereof:

Inquiries into the *Mohawk* disaster as have been or may be conducted by the Secretary of Commerce through the Steamboat Inspection Service of the Department of Commerce and by the United States attorney for the southern district of New York, and the actions taken in connection with or subsequent to such inquiry; and (d) such other inquiries into the *Morro Castle* disaster, the *Mohawk* disaster.

In line 19, after the words "*Morro Castle*", to strike out "disaster" and insert "and the *Mohawk* disasters"; and on page 4, line 6, to strike out "$50,000" and insert "$15,000", so as to make the resolution read:

Resolved, That the Committee on Commerce, or a subcommittee thereof, is authorized and directed (1) to collect, collate, coordinate, and make available to the Senate the results of (a) the inquiry into the *Morro Castle* disaster conducted by the Secretary of Commerce through the Steamboat Inspection Service of the Department of Commerce, (b) the inquiry into the *Morro Castle* disaster, and the actions taken in connection with or subsequent to such inquiry, by the United States attorney for the southern district of New York, and (c) such inquiries in the *Mohawk* disaster as have been or may be conducted by the Secretary of Commerce through the Steamboat Inspection Service of the Department of Commerce and by the United States attorney for the southern district of New York, and the actions taken in connection with or subsequent to such inquiry, and (d) such other inquiries into the *Morro Castle* disaster, the *Mohawk* disaster, and other maritime tragedies as would, in the discretion of the committee, be helpful for the purposes of this resolution; (2) to make such further investigations of the *Morro Castle* and the *Mohawk* disasters, including the rescue operations carried on in connection therewith, as the committee shall deem advisable and necessary for the purposes of this resolution; (3) to investigate the adequacy and enforcement of the present legal standards of safety of ship construction and operation; (4) to investigate the prevalent methods and practices in the complementing of sea-going vessels, including all conditions of employment; (5) to investigate the adequacy and efficiency of the Steamboat Inspection Service; (6) to investigate whether the laws governing liability for loss of life and property at sea, the laws and usages of salvage, and the laws, usages, and practices of the business of marine insurance tend to encourage the installation and utilization of such devices and the promotion of such practices as are conducive to safety and to a paramount concern at all times for the preservation of life; and (7) to make a preliminary report of the results of its investigations as soon as practicable, to make further reports from time to time but at least once during each regular session of the Senate until it has completed its investigations, and to submit a final report to the Senate, together with its recommendations for necessary legislation.

For the purposes of this resolution, the Committee on Commerce, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth and succeeding Congresses until the final report is submitted, to employ such counsel, experts, and clerical, stenographic, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony and to make such expenditures as it deems advisable. The cost of stenographic service to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee incurred in the exercise of its privileges and duties under this resolution, which shall not exceed $15,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

The amendments were agreed to.

The resolution as amended was agreed to.

The amendment of the Committee on Commerce proposing to strike out the preamble was agreed to.

DECLINE IN THE PRICE OF COTTON

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably, with an amendment, Senate Resolution 103, to investigate the cause of the decline in cotton prices on March 11, 1935, and I ask unanimous consent for its present consideration.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution (S. Res. 103) submitted by Mr. SMITH on the 14th instant and reported from the Committee on Agriculture and Forestry on the 15th instant without amendment.

The amendment of the Committee to Audit and Control the Contingent Expenses of the Senate was, on page 2, line 6, after the word "exceed", to strike out "$25,000" and insert "$10,000", so as to make the resolution read:

Resolved, That the Committee on Agriculture and Forestry, or any duly authorized subcommittee thereof, is authorized and directed to investigate the causes of the rapid decline of the price of cotton on the cotton exchanges on or about March 11, 1935. The committee shall report to the Senate, at the earliest practicable date, the result of its investigations, together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth Congress, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $10,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

The amendment was agreed to.

The resolution as amended was agreed to.

IMPORTATIONS OF COTTON CLOTH

Mr. WALSH. Mr. President, yesterday I received a telegram from several representatives of the New England cotton-cloth industry. This telegram called attention to the fact that there was imported into this country from Japan in the year 1933, 1,700,000 square yards of cotton cloth. In the year 1934 there was imported 7,700,000 square yards of cotton cloth. In the first 2 months of this year, January and February, there were imported 24,000,000 square yards of cotton cloth—three times the total amount of imports in the entire previous year.

As a result of this telegram I have written a letter to the Chairman of the United States Tariff Commission setting forth the situation and the grave conditions of the industry. I ask that the letter may be printed in the RECORD for the information of the Senate, and I now call the attention of Senators to the serious plight of this industry and its needs if it is to be saved.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letter is as follows:

UNITED STATES SENATE,
COMMITTEE ON EDUCATION AND LABOR,
March 16, 1935.

Hon. ROBERT L. O'BRIEN,
United States Tariff Commission,
Washington, D. C.

MY DEAR CHAIRMAN O'BRIEN: I am submitting for your consideration information that was transmitted to me today by New England cotton-cloth manufacturers relating to the importation of Japanese cotton cloth. These figures indicate that, in 1933, 1,700,000 square yards were imported; in 1934, 7,700,000; in January 1935, 7,000,000; in February 1935, 12,000,000; and on March 1, 5,000,000, making a total of 24,000,000, or over three times the total of 1934, for the first 2 months of this year.

I am sure you will agree with me that these figures are startling and that these imports have greatly added to the distressing situation already existing in the cotton-cloth industry.

Let me add that this industry is in a very desperate condition. I refer to the industry located both in the North and in the South. A leading southern manufacturer, who is a member of the Textile Code Authority and a member of the Industrial Advisory Board of the N. R. A. approving code no. 1 (the cotton textile code), has recently stated in a communication to Senators: "All of the best mills, no matter where located, are losing money. Many mills have closed, and others are reducing the pay of employees in an effort to survive. Possibly a hundred or more have closed during the past 2 or 3 months, and many more will close shortly."

Attached to the above-mentioned communication are news articles showing reduction in wages in some of the very best mills in the country. Very recently one of the best and most modern mills in Georgia reduced its wages 8½ percent, and I am informed a strike ensued.

The Rhode Island Telegram, of Providence, R. I., recently stated there were 22 mills closed in that immediate section. A textile mill in another State, employing 10,000 people, is threatened with the necessity for closing. Only yesterday the bishop of Fall River called upon several Members of the New England delegation to the Congress, pointing out the desperate plight of the cotton-cloth industry in Fall River and vicinity. Indeed, one cannot exaggerate the desperate situation confronting this industry.

Of course, the importations from Japan are not the sole cause of the depressed condition of this industry. One cause is the advancing cost resulting from the processing tax on cotton. It has

been suggested in this connection that the processing tax be immediately removed and the amount necessary to take care of the A. A. A. commitments be paid out of the $4,000,000,000 works-relief bill now pending in the Congress. As a justification of the removal of the processing tax, investigation will show that no compensating taxes have ever been placed on a number of fibers competing with cotton.

It is further suggested that the code authorities be permitted to reduce operations when necessary and conditions justify it.

Another feature of importance is the uncertainty existing in the minds of mill operators, caused by the unknown further bad effects which the treaties now under negotiation with foreign countries will have on the cotton-textile industry.

I mention these propositions, knowing that they are not within the scope of your powers, but appreciating your Commission is entrusted with the protection of American industry from unfair foreign competition, and in the hope that all administrative agencies of the Government may confer together to study the entire cotton-cloth problem and take remedial action to save this industry and prevent its present grave condition affecting general recovery.

May I suggest that you take up with the President and with the Treasury Department not only the question of increasing the tariff duties under the general authority vested under existing tariff laws, but also consider the application of those powers which the Treasury Department possesses and which have at times been invoked to prevent such sudden and rapid increase in importations of foreign products as has been indicated. Possibly the protection needed may be had by applying, as has been done in some cases, the American valuation principle.

The entire matter is so urgent that I cannot help but urge upon you the necessity of your giving immediate attention to the whole situation and taking such steps as will be helpful to prevent the loss of employment and financial disasters that will follow if this industry is not rescued from its present condition.

Steps urging an amendment to the cotton-cloth code to take care of some of the other difficulties of this industry will be urged upon the N. R. A. administrators, and the President will be requested by the Senators and Representatives from all the cotton-cloth States to release this industry from the processing tax.

Concerning the matters discussed in this letter, I am pleased to inform you there is a unanimity of sentiment among the Senators and Representatives in Congress from Northern and Southern States where cotton cloth is manufactured.

May I have the benefit of your experience and counsel and your recommendations in the premises?

Sincerely yours,

DAVID I. WALSH.

WORK-RELIEF PROGRAM

The Senate resumed the consideration of the joint resolution (H. J. Res. 117) making appropriations for relief purposes.

Mr. McNARY. Mr. President, a few moments ago my colleague [Mr. STEIWER] addressed himself to section 10 of the joint resolution, which is the unfinished business. By a very close viva voce vote the section was eliminated. On his behalf and on my own belalf I desire at this time to enter a motion to reconsider the vote by which the amendment was rejected.

Mr. GLASS. I have no objection to its reconsideration.

Mr. FLETCHER. Then let it be reconsidered now.

Mr. VANDENBERG. Mr. President, a quorum call will be necessary.

Mr. FLETCHER. I am not suggesting that the amendment be taken up now; but the motion to reconsider can be disposed of now and the amendment can be taken up next week.

The PRESIDENT pro tempore. The Senator from Oregon has not made a motion to reconsider. He has given notice of a motion to reconsider, which he may move at any time within 2 days.

Mr. FLETCHER. That is true; but I understood the chairman of the committee to agree to the reconsideration.

Mr. McNARY. Will the Senator agree to the reconsideration of which I have given notice?

Mr. GLASS. I have no objection to it.

Mr. BYRNES. Mr. President, I think the other Members of the Senate who voted against the amendment might have some objection; and I think the Senator from Oregon should let the matter go over.

Mr. GLASS. I have no objection to that, either. I think the action ought to be reconsidered.

The PRESIDENT pro tempore. What is the understanding among Senators as to the notice of the Senator from Oregon with regard to reconsideration?

Mr. McNARY. I have entered the notice. It is on the table, to be called up Monday or Tuesday, upon the vote for reconsideration. That is the parliamentary situation.

The PRESIDENT pro tempore. The pending question is the amendment of the Senator from Colorado [Mr. ADAMS].

Mr. ADAMS. Mr. President, I should like to have the amendment considered at some length. In view of the absence of some Senators, it seems to me it ought not to be considered at this time. I should like to have unanimous consent to have the amendment taken up immediately following the determination of the amendment offered by the Senator from Virginia [Mr. GLASS].

The PRESIDENT pro tempore. The Senator from Colorado asks unanimous consent that upon the determination of the amendment of the Senator from Virginia on Monday his amendment be taken up.

Mr. GLASS. I have no objection.

Mr. McNARY. I am entirely in agreement with that proposal; but I would not limit it to Monday, because the consideration of the amendment of the Senator from Virginia may run over until Tuesday or Wednesday. The suggestion of the Senator from Colorado was that his amendment should be taken up at the conclusion of the consideration of the amendment offered by the Senator from Virginia.

Mr. GLASS. I have no objection.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. GLASS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters, which were ordered to be placed on the Executive Calendar.

RECONSTRUCTION FINANCE CORPORATION

The PRESIDENT pro tempore. The calendar is now in order.

The legislative clerk read the nomination of Charles T. Fisher, Jr., of Michigan, to be a member of the Board of Directors of the Reconstruction Finance Corporation.

Mr. McNARY. Mr. President, at the request of the senior Senator from Delaware [Mr. HASTINGS], who is absent from the Chamber on account of official business, I ask that that nomination go over for the day.

The PRESIDENT pro temopre. The nomination will be passed over for the day.

UNITED STATES MINT

The legislative clerk read the nomination of Edwin H. Dressel, of Philadelphia, to be superintendent of the Mint of the United States at Philadelphia.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

COLLECTOR OF CUSTOMS

The legislative clerk read the nomination of A. Raymond Raff, of Philadelphia, to be collector of customs, customs collection district no. 11, Philadelphia.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. BYRNES. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations of postmasters on the calendar are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. BYRNES. I ask that the Army nominations be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the Army nominations are confirmed en bloc.

That completes the calendar.

RECESS

Mr. GLASS. I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 1 o'clock and 30 minutes p. m.) the Senate took a recess until Monday, March 18, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 16 (legislative day of Wednesday, Mar. 13), 1935

SUPERINTENDENT OF UNITED STATES MINT

Edwin H. Dressel to be superintendent of the Mint of the United States at Philadelphia.

COLLECTOR OF CUSTOMS

A. Raymond Raff to be collector of customs, customs collection district no. 11, Philadelphia.

APPOINTMENTS IN THE REGULAR ARMY

MEDICAL CORPS

John Dupre Dupre to be first lieutenant.

Aloysius Thomas Waskowicz to be first lieutenant.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

First Lt. Elbert Kelly to Quartermaster Corps.

Capt. Charles Kellogg McAlister to Finance Department.

First Lt. John Honeycutt Hinrichs to Ordnance Department.

First Lt. Haskell Hadley Cleaves to Signal Corps.

Second Lt. Harry Stephen Bishop to Air Corps.

Second Lt. Charles Albert Clark, Jr., to Air Corps.

Second Lt. David Nicholas Crickette to Air Corps.

Second Lt. Paul R. Gowen to Air Corps.

Second Lt. Robert Broussard Landry to Air Corps.

Second Lt. Samuel Abner Mundell to Air Corps.

Second Lt. John Morgan Price to Air Corps.

PROMOTIONS IN THE REGULAR ARMY

Walter Moore to be lieutenant colonel, Infantry.

Edwin Henry Haskins to be major, Infantry.

Samuel Powell Walker, Jr., to be captain, Cavalry.

Allan Gullick Fadness to be first lieutenant, Infantry.

Mark Lorin Ireland to be colonel, Quartermaster Corps.

Charles Avery Dravo to be colonel, Infantry.

Charles Roberts Pettis to be colonel, Corps of Engineers.

Oscar Wolverton Griswold to be lieutenant colonel, Infantry.

Harding Polk to be lieutenant colonel, Cavalry.

Robert Horace Dunlop to be lieutenant colonel, Adjutant General's Department.

Emil Fred Reinhardt to be lieutenant colonel, Infantry.

Calvin Earl Giffin to be major, Air Corps.

Gustaf Hugh Ericson to be major, Coast Artillery.

Frederick Lofquist to be major, Coast Artillery Corps.

John Harold Wilson to be major, Coast Artillery Corps.

Napoleon Boudreau to be major, Coast Artillery Corps.

George Peterson Winton to be major, Field Artillery.

John Harrison Stokes, Jr., to be captain, Infantry.

Jesse Ellis Graham to be captain, Infantry.

Jerome David Cambre to be captain, Infantry.

Burrowes Goldthwaite Stevens to be captain, Infantry.

Alexander Thomas McCone to be captain, Field Artillery.

Thomas Markham Brinkley to be captain, Infantry.

Reginald Worth Hubbell to be captain, Infantry.

Donald William Sawtelle to be captain, Cavalry.

Paul Wilkins Kendall to be captain, Infantry.

Charles Henry Moore, Jr., to be captain, Infantry.

James Wentworth Freeman to be captain, Ordnance Department.

Alexander John Mackenzie to be captain, Infantry.

Wiley Vinton Carter to be captain, Signal Corps.

Ira Platt Swift to be captain, Cavalry.

Wilbur Eugene Dunkelberg to be captain, Infantry.

Arthur Pulsifer to be captain, Signal Corps.

Charles Freeman Kearney to be first lieutenant, Infantry.

Julian Broster Lindsey to be first lieutenant, Infantry.

Robert Lawrence Love to be first lieutenant, Infantry.

Thomas Norfleet Griffin to be first lieutenant, Infantry.

George Frederick Conner to be first lieutenant, Infantry.

Clebert Leon Hail to be first lieutenant, Infantry.

Arthur Knight Noble to be first lieutenant, Infantry.

Samuel Edwin Mays, Jr., to be first lieutenant, Infantry.

Robert Campbell Johnson to be first lieutenant, Infantry.

Robert Van Meter Smith to be first lieutenant, Infantry.

George Van Millett, Jr. to be first lieutenant, Infantry.

Lionel Theodore Roosevelt Trotter to be first lieutenant, Infantry.

Edwin Michael Van Bibber to be first lieutenant, Infantry.

Whitside Miller to be first lieutenant, Infantry.

George Elston Price to be first lieutenant, Air Corps.

Richard Clark Lindsay to be first lieutenant, Air Corps.

John Gordon Fowler to be first lieutenant, Air Corps.

John Lyle Nedwed to be first lieutenant, Air Corps.

PROMOTION IN THE PHILIPPINE SCOUTS

Eustaquio Sabio Baclig to be captain, Philippine Scouts.

POSTMASTERS

ILLINOIS

Frank R. Dalton, Aurora.

Joseph O. Hucker, Jr., Lake Villa.

INDIANA

Clarence A. Thompson, Columbus.

Albert Seufert, Ferdinand.

Jesse M. Kemp, Kempton.

Henry E. Delp, Marshall.

Rolla E. Pinaire, Ramsey.

IOWA

Floyd Finney, Arlington.

Henry S. King, Ashton.

George P. Rounds, Clermont.

J. Joseph Bonnstetter, Corwith.

Ida Belle Stokes, Emerson.

Martha E. O'Connor, Gilman.

Clarence H. Kemler, Marshalltown.

John E. Amdor, Massena.

Denton N. Layman, Newell.

Jennie E. Cagley, Plainfield.

Lynn O. Smith, Rockford.

Irene C. Schmidt, West Point.

MONTANA

Clarence W. Hektner, Dutton.

D. Francis Crowley, Lewistown.

James J. Price, Three Forks.

OKLAHOMA

Benjamin M. Luton, Jr., Lindsay.

W. Clarence Ray, Wilburton.

VIRGINIA

Mary Drewry, Capron.

James D. Crawford, Keysville.

Homo D. Gleason, Lovingston.

Jessie S. Overby, Stanleytown.

William T. Fosque, Wachapreague.

SENATE

MONDAY, MARCH 18, 1935

(Legislative day of Wednesday, Mar. 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Saturday, March 16, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed a bill (H. R. 6718) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Radcliffe
Ashurst	Copeland	La Follette	Reynolds
Austin	Costigan	Lewis	Robinson
Bachman	Couzens	Logan	Russell
Bailey	Cutting	Lonergan	Schall
Bankhead	Dickinson	McAdoo	Schwellenbach
Barbour	Dieterich	McGill	Sheppard
Barkley	Donahey	McKellar	Shipstead
Bilbo	Fletcher	McNary	Smith
Black	Frazier	Maloney	Steiwer
Bone	George	Metcalf	Thomas, Okla.
Borah	Gerry	Minton	Thomas, Utah
Brown	Gibson	Moore	Townsend
Bulkley	Glass	Murphy	Trammell
Bulow	Guffey	Murray	Truman
Burke	Hale	Neely	Tydings
Byrd	Harrison	Norbeck	Vandenberg
Byrnes	Hastings	Norris	Van Nuys
Capper	Hatch	Nye	Wagner
Carey	Hayden	O'Mahoney	Walsh
Clark	Johnson	Pittman	Wheeler
Connally	Keyes	Pope	White

Mr. AUSTIN. I announce the absence of the Senator from Pennsylvania [Mr. DAVIS] because of illness, and ask that the announcement stand for the day.

Mr. LEWIS. I announce that the junior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the Senator from Wisconsin [Mr. DUFFY], the Senator from Oklahoma [Mr. GORE], the senior Senator from Louisiana [Mr. LONG], and the Senator from Nevada [Mr. MCCARRAN] are necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. ASHURST. Mr. President, I am daily in receipt of many telegrams regarding the payment, before their maturity, of the adjusted-service compensation certificates.

The expense, in the form of telegraph tolls, of replying to all these telegrams would at this time be too heavy to be borne by the contingent fund of the Senate. Therefore I ask unanimous consent to have read at the clerk's desk copy of a letter I have mailed to a constituent regarding the payment of the certificates. This letter may be taken as a reply to all the telegrams I have received on this subject.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read, as requested.

The Chief Clerk read as follows:

MARCH 11, 1935.

Mr. SAM C. BAKER,
Winkelman, Ariz.

DEAR MR. BAKER: Your letter of March 4 received requesting the payment of the adjusted-service (compensation) certificates before their maturity.

During the years when no deficit existed in the Federal finances I supported the adjusted-service (compensation) legislation, and I do not believe I made any mistake in so voting.

The question of cashing the adjusted-service (compensation) certificates before their maturity depends now upon the condition of the Federal Treasury.

If the Treasury may without disaster cash these certificates before they fall due, I should, so far as I am able to perceive at this time, be inclined to vote to cash the certificates now, provided always the Treasury may stand the strain.

If, however, the Treasury may not meet this demand and could not pay the certificates before maturity, I would not vote, and could not be expected to vote, to bring a collapse of our national credit. It is a principle of my personal and political conduct, and the same principle should guide governments, never to hold out a promise where such promise is obviously incapable of fulfillment; in other words, do not make promises unless you are certain you can translate the promises into actuality.

I decline to make promises that cannot be fulfilled. I refuse to raise up hopes that I know will be dashed to the ground.

I shall indeed give careful consideration to and make a close investigation of the question of the ability of the Treasury to pay these certificates before their maturity.

I realize that the phrase "give careful consideration and make a close examination" is sometimes used as a polite euphemism for postponed negation, but I am not using the phrase in that sense, for I shall examine the subject in the hope of finding that the Treasury's condition may justify my voting to pay the certificates before they are actually due; and if, upon investigation, the facts show that the Treasury cannot stand that strain, I shall not be a party to an insincere gesture of pretending to pay an immature obligation out of an empty Treasury.

Kind regards.

Cordially yours, HENRY F. ASHURST.

IMPORTATIONS OF WHEAT, CORN, AND OATS

The VICE PRESIDENT laid before the Senate a telegram from the secretary of the Senate of the State of Nebraska, which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

LINCOLN, NEBR., *March 16, 1935.*

Hon. JOHN N. GARNER,
Vice President of the United States,
Washington, D. C.:

Resolution memorializing the President of the United States to prevent and exclude further importations of corn, wheat, and oats (introduced by Senators Brady, of Holt, and Cady, of Washington)

Whereas the Federal Government, in cooperation with distressed agriculture, has through the Agricultural Adjustment Administration been causing the curtailment and reduction of the production of wheat, corn, and oats in the United States; and

Whereas the announced purpose of such curtailment and reduction is to eliminate burdensome surpluses and to raise the price level to equality with manufactured products; and

Whereas wheat, corn, and oats have been and are now being imported into this country in direct competition with our own farmers; and

Whereas such importations are interfering with our own producers selling their grain in their own markets, which not only affects prices now but will in turn lower the prices on our 1935 crop; and

Whereas there are sufficient grains above-named for human and livestock consumption in the United States at this time: Therefore, be it

Resolved by the Senate of the State of Nebraska in fiftieth regular session assembled, That it is the sense of this senate that the President of the United States be, and he is hereby, respectfully petitioned and requested to exercise the power now vested in him under existing emergency laws to prevent and exclude further importations of wheat, corn, and oats into the United States until and unless a shortage becomes apparent which may threaten the proper sustenance of the people and the livestock of our country;

That the secretary of the senate be directed and instructed forthwith to forward a copy of this resolution, properly authenticated and suitably engrossed, to the President of the United States after said resolution shall have been spread at large upon the senate journal.

HUGO F. SRB,
Secretary of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent memorial of the Legislature of the State of Arizona, which was referred to the Committee on Foreign Relations:

House Concurrent Memorial 2

To the President and the Congress of the United States of America:

Your memorialist, the Legislature of the State of Arizona, respectfully represents:

Whereas serious antireligious outbreaks have occurred in Mexico under the regime of the national revolutionary party; and

Whereas the persecutions of Christians of all faiths now being practiced in Mexico have aroused indignation and protest throughout the civilized world; and

Whereas American citizens of the Christian faiths have been outraged and reviled, their homes invaded, their civil rights abridged, and their lives placed in jeopardy; and

Whereas the vindictive antireligious policy of the present Mexican Government has arbitrarily and unwarrantably restricted the number of ministers, priests, and rabbis permitted to officiate in some States within the boundaries of Mexico and has in other States entirely forbidden and prohibited the ordinary spiritual administration of clergymen of all creeds, thus resulting in the complete denial of the right of the people to practice the religion of their own choosing; and

Whereas it has been the national policy of the Government and the dominant revolutionary party of Mexico to discourage religious profession and obliterate religious worship; and

Whereas the present Mexican Government prohibits the time-honored practice of private religious instruction and education of children and compels parents as an only alternative to ignorance

to educate their children in schools teaching hostility to orthodox religion; and

Whereas such antireligious activity in Mexico is contrary to the tradition of freedom of conscience and liberty of religious worship which are the cherished attributes of all civilized governments; and

Whereas many distinguished leaders of the Protestant, Jewish, and Catholic faiths as well as outstanding religious and interdenominational organizations and societies have emphatically denounced and registered protest against such policies of the present Government of Mexico; and

Whereas the Government of Mexico has even encouraged an economic boycott against those sincerely professing and practicing the Christian religion; and

Whereas Christians are expelled from public office and driven from professions; and

Whereas Christian residents of Mexico who complain of such intolerance are flagrantly mistreated and abused; wherefore your memorialist prays:

That the resolution introduced into the United States Senate by Senator BORAH, condemning the cruelties and brutalities accompanying the present policy and authorizing the Committee on Foreign Relations of the United States Senate or a subcommittee thereof to conduct hearings and receive such evidence as may be presented relating to religious persecution, be adopted by the United States Senate.

And your memorialist will ever pray.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of North Carolina, which was referred to the Committee on Agriculture and Forestry:

A joint resolution requesting the Senators and the Members of the House of Representatives from North Carolina in the Congress of the United States to vote against a bill known as the "Flannigan bill" relating to Government grading of tobacco

Whereas it is the sense of the General Assembly of North Carolina that the passage of the Flannigan bill relating to the Government grading of tobacco will work a great hardship on the farmers, warehousemen, and others interested in the handling of tobacco in North Carolina and will not be beneficial to anyone: Therefore be it

Resolved by the house of representatives (the senate concurring):

SECTION 1. That the Members of the United States Senate and the House of Representatives from North Carolina in the United States Congress be, and they are hereby, requested to vote and to use their influence against the passage of that bill now pending in the United States Congress known as the "Flannigan bill" relating to the Government grading of tobacco.

SEC. 2. That a certified copy of this resolution be filed by the Governor of North Carolina to the Congress of the United States and to each of the Members thereof from North Carolina.

SEC. 3. That this resolution shall be in full force and effect from and after its ratification.

In the general assembly, read three times, and ratified this 8th day of March 1935.

A. H GRAHAM,
President of the Senate
R. G. JOHNSON,
Speaker of the House of Representatives.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Minnesota, which was referred to the Committee on Banking and Currency:

A joint resolution memorializing the President and Congress of the United States to amend the Federal law so as to permit the States to tax national banks upon a fair and equitable basis and requesting the States to join in a similar memorial

Whereas the several States are prohibited from taxing the property, income, or shares of national banks except in the precise method prescribed by Congress (sec. 5219 R. S. U. S.); and

Whereas from 1866 to 1923 the only method by which Congress authorized the States to tax national banks was to tax upon their shares and during such period such shares were taxed by the States at the property rate, upon the same basis as the property of the farmer, merchants, manufacturer, and home owner, thereby securing equality of the burden of taxation among all property owners; and

Whereas said Federal statute provided that the rate of such tax should not exceed the rate imposed by the State upon other moneyed capital in the hands of individual citizens of the States invested in notes, bonds, and other evidences of debt (moneys and credits) coming into competition with the business of banking; and

Whereas beginning in 1921 and continuing down to the present time there have been rendered various decisions of the United States Supreme Court and other Federal and State courts, construing the above limitation, the effect of which decisions has been to practically destroy the power of the States to tax the shares of national banks, it being manifestly impossible to classify such investments into those competing and those not competing with the business of national banks. It is also clearly evident that there is no similarity or relationship between shares in a national bank which have a right to share in the profits of a going business arising from the income from all the deposits in the bank as well the capital invested in shares, and also to share in the income received from other activities of such bank and a debt evidenced by a note or bond, the income from which is limited to the interest provided therein. It is absurd to claim that for purposes of taxation such wholly different types of property should be treated precisely alike; and

Whereas although the Federal act in form permits States to tax the net income of banks or to levy a tax measured by or according to such net income, such method is entirely and wholly unjust, inequitable, and inadequate. Because, first, when such method is used by a State it is in lieu of all other forms of taxation. Second, any such bank is entirely tax free unless it makes a net profit, whereas all other persons, owners of property, must pay a tax whether they make a profit or loss. This places the national banks in a privileged class and exempts them from paying any share of the public burdens during the period when they do not make a net profit, thus shifting their share of the tax burden upon other property owners. Third, in all the States where the net income, or measured by net income methods have been used, the shrinkage in taxes collected from banks have ranged from 66⅔ percent to 90 percent, as compared to former tax collections under the share tax plan; and

Whereas because of the decisions of courts holding void taxes upon the shares of national banks the whole matter of taxing banks, both National and State, has been thrown into great confusion, many of the States have been persuaded to abandon the share method of taxing banks and have either adopted low millage rates of from 3 to 5 mills on the dollar of value of such stock, or have adopted the income tax, or measured by income-tax methods, with the result that in the past 10 years the total tax of national banks have been reduced from $79,376,000 in 1922 to $48,080,000 in 1932, notwithstanding the fact that during such period the total capital and surplus of such banks increased from $2,356,427,000 to $2,828,408,000, and thus during a period when taxes have increased upon all other forms of property and for all other persons banks have secured reductions; and

Whereas in March 1927 the Supreme Court of the United States held bank taxes in Minnesota to the amount of approximately $1,200,000 void because the rate was higher than the rate on moneys and credits and the legislature at once established the Minnesota Bank Tax Commission for the purpose of obtaining such an amendment to the Federal law as would permit this and other States to tax bank stock upon its value as other property is taxed; said commission has in all practicable ways endeavored to secure such amendment by enlisting the cooperation of all other States and other taxing officials, by appearing before committees of the Senate and House of Representatives of Congress of the United States, by attending national tax conferences, by correspondence with tax officials of all other States, and by conferences with them and otherwise; and

Whereas through the efforts of the said commission and the tax officials of other States bills have been introduced at every session of Congress providing for the necessary amendments to said Federal act, and by reason of the lobby maintained by the American Bankers Association all efforts to obtain such legislation have been unsuccessful; however, in June 1934 the Banking and Currency Committee of the House of Representatives reported favorably upon a bill introduced by Mr. STEAGALL, chairman of said committee, which bill would grant to the States all the relief required. Said report is an unanswerable argument in favor of restoring to the States the power to tax bank shares upon an equitable basis, the same as they were taxed for nearly 60 years, and

Whereas bills identical with the so-called Steagall bill have been introduced and are now pending in the Congress of the United States, and it is of the utmost importance that all of the States join in the effort to secure the passage thereof. Now, therefore, be it

Resolved by the Legislature of the State of Minnesota, That the Congress of the United States, the President of the United States, are hereby respectfully and earnestly urged to so amend section 5219, Revised Statutes of the United States, that the States may tax the shares of national banks upon the ad valorem basis with no other limitation thereof except that the rate be not greater than the rate imposed upon the shares of State banks; be it further

Resolved, That all the States of the United States are hereby earnestly urged and requested to adopt resolutions similar to this resolution memorializing Congress and the President of the United States to pass such legislation and to cooperate with the State of Minnesota for the purpose of securing the enactment of such legislation until the same is secured; be it further

Resolved, That the secretary of state of Minnesota is authorized and requested to send copies of this resolution to the President of the United States, Vice President of the United States, Speaker of the House of Representatives of the United States, and to each Member of the House of Representatives from the State of Minnesota, also to send a duly authenticated copy hereof to the presiding officer of each house of the legislature of all the States in the Union and to the chairman of the tax committees of each house thereof.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Minnesota, which was referred to the Committee on Education and Labor:

Concurrent resolution memorializing Congress to appropriate $125,000 for relief of schools in Minnesota

Whereas the financial resources of about 60 school districts in Minnesota have been exhausted, and no funds are available for continuing such schools; and

Whereas such school districts are unable to obtain any funds from any existing agency in the State of Minnesota, and the indebtedness of said school districts exceeds the amount fixed by law; and

Whereas unless assistance is extended to such school districts it will necessitate the closing of about 60 schools and will throw out of employment about 250 teachers and other persons engaged in and about such schools, and will prevent approximately 6,500 pupils from attending school; and

Whereas unless financial relief is obtained for such schools the same will be forced to close within the next 30 days; and

Whereas it will require about $125,000 as aid to such schools in order that such schools may remain open during the balance of the term: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the Congress of the United States by appropriate action make available for use of destitute school districts in Minnesota at least the sum of $125,000; and be it further

Resolved, That Congress adopt as a future policy a direct appropriation to the several States for school purposes; that such appropriation should be equivalent to at least $25 per pupil, and without Federal restraint as to how such appropriations shall be expended or distributed; and be it further

Resolved, That a copy of this resolution be forthwith transmitted by the secretary of state to all Members of Congress from the State of Minnesota, and to the President of the Senate and the Speaker of the House of Representatives, and to the President of the United States.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Iowa, which was referred to the Committee on Finance:

A concurrent resolution memorializing Congress to enact such laws as will insure the immediate cash payment of the adjusted-service certificates of the World War veterans

Whereas the immediate cash payment of the adjusted-service certificates will increase tremendously the purchasing power of millions of the consuming public, distributed uniformly throughout the Nation, and will provide relief for the holders thereof who are in dire need and distress because of the present unfortunate economic conditions and will lighten immeasurably the burden which cities, counties, and States are now required to carry for relief; and

Whereas the payment of said certificates will discharge and retire an acknowledged contract obligation of the Government; and

Whereas the Government of the United States is now definitely committed to the policy of providing additional sums of money for the purpose of hastening recovery from the present economic crisis: Now, therefore, be it

Resolved by the House of Representatives, State of Iowa (the senate concurring), That the Congress of the United States be respectfully memorialized to enact such laws as will insure the immediate cash payment of the adjusted-service certificates at face value, with cancelation of interest accrued and refund of interest paid; and be it further

Resolved, That each of the Senators and Representatives in Congress from the State of Iowa be urged to support and assist in carrying out the purposes of this memorial; and be it further

Resolved, That the chief clerk of the house be, and he is hereby, directed to forward a copy of this memorial to each of the Senators and Representatives in Congress from the State of Iowa, and to the President of the Senate, the Speaker of the House of Representatives, the Chairman of the Committee on Ways and Means of the House of Representatives, and to Representative PATMAN, of Texas, the author of H. R. 1.

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of the State of Wisconsin favoring the enactment of an adequate tariff law to protect the agricultural industry, which was referred to the Committee on Finance.

(See joint resolution printed in full when presented today by Mr. LA FOLLETTE, p. 3799.)

The VICE PRESIDENT also laid before the Senate a joint memorial of the Legislature of the State of Idaho favoring the enactment of legislation providing for immediate cash payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

(See joint memorial printed in full when presented by Mr. POPE on the 16th instant, p. 3784, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a joint memorial of the Legislature of the State of Idaho favoring the enactment of legislation and the making of appropriations to carry to completion a project which will divert the natural flow from the Yellowstone Lake into Snake River, which was referred to the Committee on Irrigation and Reclamation.

(See joint memorial printed in full when presented by Mr. POPE on the 16th instant, p. 3784, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a petition (sponsored by a committee of the National Chiropractic Association) of sundry citizens of San Antonio, Tex., praying for the issuance of an Executive order granting to all licensed practitioners of the healing arts equal rights and privileges in any social legislation involving these arts, which was referred to the Committee on Finance.

He also laid before the Senate petitions of several citizens of Alabama, Michigan, New Mexico, and North Carolina, praying for the enactment of old-age-pension legislation, which was referred to the Committee on Finance.

He also laid before the Senate the petition of J. E. Kreiss, of Los Angeles, Calif., praying for the financing of the so-called "soldiers' bonus" by means of a national lottery, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Workers' School, New York City, N. Y., protesting against the enactment of alien and sedition legislation that might tend to suppress civil rights, which was referred to the Committee on Immigration.

He also laid before the Senate a resolution adopted by the employing printers of the Erie District, Erie, Pa., opposing the establishment of a 30-hour work week under prevailing conditions, which was referred to the Committee on the Judiciary.

He also laid before the Senate petitions of sundry citizens of the States of Alabama, California, Connecticut, Georgia, Illinois, Iowa, Massachusetts, Michigan, Mississippi, Nebraska, New Hampshire, New York, Oklahoma, Pennsylvania, Rhode Island, Tennessee, Texas, Virginia, and Wisconsin, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

He also laid before the Senate a communication from Jose B. Gamboa, of Silay, Occidental Negros, P. I., relative to problems affecting the Philippine Islands, which was referred to the Committee on Territories and Insular Affairs.

He also laid before the Senate a letter in the nature of a petition from a citizen of the United States, praying for the adoption of a security wage for relief workers of more than $50 per month, which was ordered to lie on the table.

He also laid before the Senate a letter in the nature of a petition from a citizen of the State of Florida, praying for the granting of increased compensation to F. E. R. A. workers, which was ordered to lie on the table.

He also laid before the Senate resolutions adopted by Council of Richmond Heights, Mo.; the City Councils of Chicago, Ill., and St. Paul, Minn., and the Common Councils of Norway, Mich., and East Providence, R. I., favoring the enactment of pending legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which were ordered to lie on the table.

Mr. CAPPER presented a petition of members of the Reno County (Kans.) Medical Society, praying for the adoption of the plan of "health management" as promulgated by the American Medical Association, which was referred to the Committee on Finance.

Mr. WALSH presented a petition of sundry citizens of Middleboro, Mass., praying for action to restore the natural attractiveness of the landscape adjacent to the Cape Cod Canal and Buzzards Bay, and the designing of new administration and other Federal buildings in that vicinity, which was referred to the Committee on Commerce.

He also presented a memorial of sundry citizens of Monson, Mass., remonstrating against the enactment of legislation providing immediate cash payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also presented a petition of several citizens of Worcester, Mass., praying for the enactment of legislation pro-

viding immediate cash payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also presented a resolution adopted by Local No. 11, Amalgamated Silver Workers' Union, of Taunton, Mass., favoring the enactment of legislation providing immediate cash payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also presented a resolution adopted at the annual meeting of the Slovak League of America, Pittsburgh, Pa., favoring the passage of House bill 2827, known as the "Workers' Unemployment Old Age and Insurance Act", which was referred to the Committee on Finance.

He also presented a resolution adopted by the Democratic City Committee of Fall River, Mass., favoring the prompt enactment of the so-called "Dill bill", for the relief of needy superannuated persons, which was referred to the Committee on Finance.

He also presented memorials of sundry citizens of Boston, Ashburnham, Braintree, East Braintree, Falmouth, Lincoln, Quincy, Waterville, Watertown, Weymouth, and Winchendon, all in the State of Massachusetts, remonstrating against the enactment of the bill (S. 1725) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce, etc., or similar legislation, which were referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the Kiwanis Club of Quincy, Mass., endorsing efforts of the National Crime Commission to secure the enactment of legislation to control and regulate the sale of firearms, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by Local Union No. 1792, United Textile Workers of America, of Saxonville, Mass., opposing any change in the textile code increasing the hours of labor to more than 40 hours per week, and favoring a 30-hour work week, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by Local Union No. 38, Boot and Shoe Workers' Union, of Boston, Mass., favoring the establishment of a fair minimum for the actual labor price per pair for the manufacture of Army, Navy, and service shoes to the end that all manufacturers will have an equal opportunity to make such shoes, relieve the overtime situation, and further the reemployment of shoe workers, which was referred to the Committee on Military Affairs.

He also presented petitions of several citizens of the State of Massachusetts, and a citizen of the State of Arizona, praying for the passage of the bill (H. R. 2857) to amend an act entitled "An act granting pensions to certain soldiers who served in the Indian wars from 1817 to 1898, and for other purposes", approved March 3, 1927, which were referred to the Committee on Pensions.

He also presented a letter in the nature of a petition from the Italian-American Citizens' Club, of Lowell, Mass., praying for the prompt passage of the joint resolution (H. J. Res. 117) making appropriations for relief purposes, so as to help relieve unemployment in the granite industry, which was ordered to lie on the table.

Mr. NORRIS presented the following resolution of the Senate of the State of Nebraska, which was referred to the Committee on Agriculture and Forestry:

Resolution to urge the Congress of the United States to expedite passage of the legislation that will make the Federal seed loan immediately available, and to secure the adoption of such departmental procedure as will make the seed loan available without delay

Whereas it appears that $60,000,000 appropriated for the Federal seed loan is dependent upon the passage and approval of the public works and relief bill now before Congress; and

Whereas a large number of farmers in the State of Nebraska cannot proceed with their work until they receive the seed loan; and

Whereas the experience in the past years has been that due to certain departmental procedure it requires from 2 to 3 weeks to receive the money for seed loans after the application has been made; and

Whereas delay in making the Federal loan available immediately and the delay in departmental procedure is a serious handicap to the farmers who desire seed loans: Now, therefore, be it

Resolved by the Senate of the State of Nebraska, fiftieth session assembled—

SECTION 1. That we request and urge the Members of the United States Senate from Nebraska, and the Representatives in Congress from Nebraska, that action be taken to expedite the passage of public-works relief bill, on which it appears the Federal seed loan is dependent, in order that there may be available without delay sufficient funds to enable the farmers of Nebraska who desire a seed loan to obtain the same in due time.

SEC. 2. That the Senate of the State of Nebraska further requests the Members of the United States Senate from Nebraska, and the Representatives in Congress from Nebraska, to immediately take up with the proper department the question of procedure in reference to obtaining the seed loans, so that the payment may be made without delay after the application has been made and filed.

SEC. 3. That a copy of this resolution be forwarded to the President of the United States Senate and to the Speaker of the House of Representatives and to each Member of the United States Senate and House of Representatives from Nebraska.

Mr. LA FOLLETTE presented the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Finance:

Joint resolution urging Congress to enact tariffs to protect the agricultural industry

Whereas the President of the United States in his recent message to the Congress outlined the path to prosperity under the National Recovery Act, but little was said and small hope offered for the future of American agriculture; and

Whereas agriculture being the source of all wealth, the Nation can prosper only when the American farmer gets his fair share of prosperity; and

Whereas the present low tariff on farm products has brought to our markets the cheaply produced agricultural products of all the world, thus robbing the American farmer of the market that is rightly his and reducing him to the standard of living of a foreign peasant. American industry has greatly benefited by the low tariff on food products: First, by enabling foreign nations to sell their agricultural products in America and thereby create a trade balance which, in turn, enables them to buy the wares of American industry; second, the American industrialist demands that his laborer live cheaply, which they can do on cheap foreign-grown food, ro that he can continue to pay them small wages. Agriculture now demands a new deal that it may have an even chance to regain its past glory and no longer be the prey of industry. The Government report for 1934 shows the value of agricultural products brought into this country is $1,000,000,000. One billion dollars is more money than was paid this year in corn-hog checks and in taking land out of production. By barring competitive farm products, by giving the American farmer the American market, more money can be given the farmer each year than the Government is now doing in all its relief schemes and doles combined; and

Whereas in spite of the fact that America is the greatest agricultural country on earth, able to amply supply its own markets with farm products of nearly all kinds and have much left to export, it does import vast quantities of food from all the world; such as, butter and cheese from Denmark, Holland, and New Zealand; canned beef and hides from the Argentine; rye for distilling from Poland; barley and malt from Canada; sugar from Cuba; and vegetable oils from the Orient to compete with American butterfats; and other supplies from other lands; and all permitted to enter under the existing low tariff; and

Whereas, according to the Wisconsin Department of Markets, Wisconsin produced about 8,000,000 bushels of rye in 1924, for which we received an average of $1.09 per bushel; in 1934 Wisconsin produced less than 2,000,000 bushels of rye, for which we received less than 75 cents per bushel; and during 1934 our millers and distillers imported around 15,000,000 bushels of rye from Poland and the Argentine, thereby placing Wisconsin farmers in direct competition with the peasants of Poland and the peons of South America and destroying our market for rye, while the distillers of whisky are amply protected from all foreign competition by high tariffs. According to our department of markets, Wisconsin farmers have increased their acreage of rye by 14 percent for 1935 and the crop is reported at 93 percent of normal; therefore, we demand that the Wisconsin farmers be protected this year from further importation of rye so that our own market shall be secure to Wisconsin farmers, thereby securing to us an adequate price for our rye: Therefore be it

Resolved by the senate (the assembly concurring), That the Legislature of the State of Wisconsin respectfully demands that the Congress of the United States enact an adequate protective tariff to protect the products of American farmers against foreign competition and to save the home market for the American farmer, to whom it rightfully belongs; and be it further

Resolved, That this legislature respectfully petitions the national administration to make no further reciprocal tariff or trade agreements by which the interests of American farmers are sacrificed; and be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, to the Secretary of the Treasury, to both Houses of Congress, and to each Wisconsin Representative in Congress.

Mr. NYE presented the following resolution of the Senate of the State of North Dakota, which was referred to the Committee on Agriculture and Forestry:

Senate Resolution J

Whereas by act of Congress cattle have been added to the list of basic commodities and thus subjected to adjustment-price benefits; and

Whereas the United States Government has acquired title to approximately a million head of North Dakota cattle under the drought cattle-buying program; and

Whereas the producers of said cattle received about 25 percent of the cost of producing same; and

Whereas such producers are entitled to cost of production or a parity price under the Agricultural Adjustment Act; and

Whereas cattle producers of North Dakota, under the Agricultural Adjustment Act, are entitled to adjustment benefit payments in the amount of about $40,000,000 if they are to receive parity prices for the cattle disposed of; and

Whereas about 90 percent of said cattle were mortgaged for more than was paid for them; and

Whereas cattle producers are unable to meet the obligations secured by the cattle so disposed of, and unless the producers receive just compensation for their cattle it is going to work a hardship on banks, credit companies, and other mortgage holders in this and other States largely supported with Government money; and

Whereas we are informed that the Agricultural Adjustment Administration has not started to work out a program which will regulate cattle production: Therefore be it

Resolved, That we urge upon the Agricultural Adjustment Administration to work out a cattle program as soon as possible and provide for adjustment benefits to the end that parity prices may be obtained for cattle and the producers of cattle enabled to reestablish their almost depleted estates; be it further

Resolved, That a copy of this resolution be sent to the Secretary of Agriculture at Washington, D. C., and to our Senators and Congressmen in Washington urging them to do all in their power to help get an equitable cattle program started.

A. S. MARSHALL,
President pro tempore of the Senate.
F. E. TUNELL,
Secretary of the Senate.

Mr. NYE also presented the following concurrent resolutions of the Legislature of the State of North Dakota, which were referred to the Committee on Agriculture and Forestry:

Senate Concurrent Resolution A-H

Be it resolved by the Senate of the State of North Dakota (the house of representatives concurring):

Whereas during the present depression the original cost of producing meat and grain products is greatly in excess of the price now realized by the sale of the same, and that by reason thereof farmers are unable to pay their bills and debts and each year find themselves further behind with their debts and obligations, and if the above situation continues for any additional length of time the farmers will lose their homes and all; and

Whereas during the time farmers are operating at a loss they cannot be purchasers of other manufactured products, and such industries will, in turn, fail for lack of business, and that all business of every kind and nature will be affected by this injustice to agriculture; and

Whereas it follows that every kind of business located in the agricultural communities must rise or fall with the farmers, and that the important and absolutely essential industry of agriculture cannot be stricken down without causing disaster to the country as a whole; and

Whereas the placing of an embargo on the products mentioned would stabilize the prices thereof and bring such prices more in harmony with the production costs, together with a fair margin of profit, and bring the farmers out of the dire and distressing depression which now affects them: Now, therefore, be it

Resolved by the Twenty-fourth Legislative Assembly of the State of North Dakota, That we respectfully petition the Congress of the United States to pass laws and provide rules and regulations to place an embargo on flax, wheat, hogs, cattle, and sheep, and upon pork, beef, and mutton products, until such time as the prices of said grains, livestock, and meat products shall cover the cost of production; and we further petition that the law now permitting wheat to be milled in bond be repealed; be it further

Resolved, That a copy of this resolution be forwarded to the President of the United States, to both Houses of the Congress of the United States and each Member thereof from this State, to the Secretary of Agriculture, and to each house of the legislative assembly of those States whose legislatures are now in session.

A. S. MARSHALL,
President pro tempore of the Senate.
F. E. TUNELL,
Secretary of the Senate.
WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.

Senate Concurrent Resolution A-C

Memorializing Congress to establish prices on major farm products that will insure cost of production plus a reasonable profit

Whereas the Government of the United States has assisted practically every class of business in the Nation to carry on during this period of depression; and

Whereas to do so codes have been formulated and regulations and rules have been agreed upon to allow a return for money invested and labor performed; and

Whereas the farming industry, the largest industry of this United States, an industry in which nearly a third of our population is actively engaged; and

Whereas this industry is the lifeblood of the Nation, the real producer of all wealth, and conducted by an honest, untiring citizenry toiling long days and in many cases deprived of the luxuries and pleasures enjoyed by other classes and professions; and

Whereas even in times of prosperity in other lines of business the farmer was, even by strict economy, gradually losing; and

Whereas many thousands of farm homes have been lost annually, and which is lowering the morale of the greatest industry of our Nation and hindering the return of prosperity to this country at this time; and

Whereas the cause for this condition of our farming industry has been "a price below the cost of production": Now, therefore, be it

Resolved by the Senate of the State of North Dakota (the house of representatives concurring), That this Legislative Assembly of North Dakota respectfully memorialize the Congress of the United States to establish prices on all major products of the farms of this Nation that will give the owners and tillers thereof the cost of production plus a reasonable profit; and be it further

Resolved, That attested copies of this resolution be sent to both Houses of the Congress of the United States, to each of the Members thereof from this State, to the Secretary of Agriculture, all of Washington, D. C., and to the State legislatures of the farming States of this Nation.

A. S. MARSHALL,
President pro tempore of the Senate.
F. E. TUNELL,
Secretary of the Senate.
WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.

Senate Concurrent Resolution T

Be it enacted by the Senate of the State of North Dakota (the house of representatives concurring)—

Whereas a large percentage of the farmers of the State of North Dakota are experiencing a shortage of feed for their livestock because of crop failure in the year 1934 by reason of the drought, and have not the means with which to purchase sufficient grains for feeding purposes at their present high prices; and

Whereas farmers are receiving Federal aid for the purchasing of feed to sustain their livestock, but that the aid or relief provided is inadequate with which to purchase sufficient feed at present high prices, even though the Federal allowance has been increased about 50 percent, since feed has also appreciated in price in about the same proportion; and

Whereas a large number of livestock have perished and many more will perish unless relief can be had; and

Whereas large quantities of feed, consisting of oats, barley, and low grades of wheat fit for feeding purposes, are available in the Dominion of Canada at considerably lower prices than prevail here, and that the importation of feed grains would not in any way prove detrimental to the agriculture industry of this State or of the United States: Now, therefore, be it

Resolved by the Twenty-fourth Legislative Assembly of the State of North Dakota, That we respectfully petition the President of the United States, the Honorable Franklin D. Roosevelt, and the Congress of the United States to permit limited quantities of feed grains to be shipped into the United States, duty free, and in sufficient amount to relieve the acute feed situation that now prevails, and thereby prevent large losses by starvation of livestock in this and adjoining States; be it further

Resolved, That a copy of this resolution be forwarded to President Franklin D. Roosevelt, the President of the United States Senate, the Speaker of the House of Representatives of the United States, Congressmen WILLIAM LEMKE and USHER L. BURDICK, and United States Senators LYNN J. FRAZIER and GERALD P. NYE.

A. S. MARSHALL,
President pro tempore of the Senate.
F. E. TUNELL,
Secretary of the Senate.
WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.

Senate Concurrent Resolution X

A concurrent resolution endorsing proposed shelter-belt project

Whereas trees have proven a great boon to mankind and are a priceless heritage to posterity; and

Whereas successful experiments in tree planting under all kinds of conditions have been conducted by the Federal experiment sta-

tion at Mandan, the several substations, the State school of forestry at Bottineau, and by private enterprise in North Dakota; and

Whereas the President, Hon. Franklin D. Roosevelt, has proposed a forest shelter belt to extend through a number of Great Plains States, including North Dakota, for the purpose of minimizing the destructive influences of winds and conserving the natural moisture of the region; and

Whereas recent droughts have emphasized the necessity for such protection and conservation, and the need for appropriate early action is urgent: Now, therefore, be it

Resolved by the Senate of the State of North Dakota (the house of representatives concurring), That we express our appreciation of this forward-looking plan to benefit agricultural and allied industries in this section, and as such vital to the entire Nation; and

That we endorse the proposal in its entirely; and

That we respectfully urge the Congress of the United States to enact legislation and make the necessary appropriations to carry into effect the Great Plains shelter-belt project; and be it further

Resolved, That the secretary of state is instructed and directed to transmit copies of this resolution to the President of the United States, the Secretary of Agriculture, and to each of the Senators and Representatives in Congress from this State.

A. S. MARSHALL,
President pro tempore of the Senate.
F. E. TUNELL,
Secretary of the Senate.
WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.

Mr. NYE also presented the following resolution of the House of Representatives of the State of North Dakota, which was referred to the Committee on Banking and Currency:

House Resolution F

BANK OF THE UNITED STATES

Be it resolved by the House of Representatives of the State of North Dakota:

That whereas the Honorable WILLIAM LEMKE has introduced in the Congress of the United States an act for the establishment of the Bank of the United States, with broad powers in connection with issuance of currency, and controlling the credit of the Nation; and

Whereas the present banking system is largely responsible for the deplorable financial condition this great country of ours finds itself in today; and

Whereas the people of the State of North Dakota have had experience with and are definitely committed to a State-owned bank; and

Whereas we believe that a nationally owned bank can do for the Nation what the Bank of North Dakota has done for this State: Therefore be it

Resolved, That we commend Congressman LEMKE for his acts in this matter and urge all representatives of the common people to place the full weight of their influence behind said measure to the end that it may become an actuality as soon as possible; be it further

Resolved, That a copy of this resolution be sent to the Secretary of the Senate and Clerk of the House of Representatives of the Congress of the United States, and to Hon. WILLIAM LEMKE, Hon. USHER L. BURDICK, Hon. LYNN J. FRAZIER, and Hon. GERALD P. NYE.

WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.

Mr. NYE also presented the following concurrent resolutions of the Legislature of the State of North Dakota, which were referred to the Committee on Banking and Currency:

Senate Concurrent Resolution R

Whereas the Bank of North Dakota is organized and established by the State of North Dakota and is part of the State of North Dakota functioning in its sovereign capacity; and

Whereas the Bank of North Dakota is backed and guaranteed by all resources of the State in its sovereign capacity and is one of the soundest financial institutions in the United States; and

Whereas the State of North Dakota in due course of its business issues bonds and securities for the proper financing of its business and its institutions, which said bonds and securities are all within the limitations prescribed by the laws of the State of North Dakota and are guaranteed and backed by the integrity and all the resources of the State; and

Whereas the State of North Dakota makes use of the Bank of North Dakota to handle and purchase these bonds and securities; and

Whereas the Bank of North Dakota has on hand and does handle a large amount of these State bonds and securities as part of its resources and reserves; and

Whereas it would be of great advantage and benefit to the State of North Dakota in the proper financing of its business enterprises and its institutions that the Bank of North Dakota should be authorized, empowered, and permitted to pledge with the United States Treasury such of the bonds and securities of the State of North Dakota handled by the Bank of North Dakota, and be further authorized and permitted to issue currency in place thereof. In this matter the Bank of North Dakota would not be required to borrow money for short-time financing and pay interest thereon; and

Whereas an act of Congress is necessary to qualify the Bank of North Dakota to take advantage of this medium of financing: Now, therefore, be it

Resolved by the Senate of the State of North Dakota (the house of representatives concurring therein), That we petition the United States Congress now assembled to enact the proper and necessary law qualifying the Bank of North Dakota to participate in the facilities of the United States Treasury for the issuing of currency in the name of the Bank of North Dakota secured by a deposit of the bonds of the State of North Dakota and acceptable State securities; and be it further

Resolved, That we petition the United States Treasury and Comptroller of the Currency to make such rules and regulations as will give to the Bank of North Dakota, as a sovereign institution of the State of North Dakota, the facilities for issuing of currency; be it further

Resolved, That the secretary of state of the State of North Dakota be, and is hereby, instructed to forward an authenticated copy of this resolution to the President of the United States, the Honorable Franklin D. Roosevelt, to the President of the United States Senate, to the Speaker of the House of Representatives at Washington, D. C., to the Secretary and to the Comptroller of the United States Treasury, and to the two United States Senators and two Representatives from North Dakota in Congress.

A. S. MARSHALL,
President pro tempore of the Senate.
F. E. TUNELL,
Secretary of the Senate.
WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.

Senate Concurrent Resolution A–B

Be it resolved by the Senate of the State of North Dakota (the house of representatives concurring):

Whereas the United States Constitution under article 1, section 8, providing for powers granted to Congress among other things specifically provides "the Congress shall have power to coin money, regulate the value thereof and of foreign coin, and fix the standard of weights and measures."

Whereas, this function and governmental power has been turned over to the national banks, and thereby placed in the practical control of such banks; and

Whereas the use and abuse of this power has placed the economic direction and control of our country in the hands of a few men, and thereby determining its destiny; and,

Whereas by reason of the delegation of this governmental power, a few men own the great mass of wealth and property in this country; and,

Whereas the result of such system was foretold by Jefferson who said, "Already they have raised up a money aristocracy that has set the Government at defiance. The issuing power should be taken from the banks and restored to the Government, and the people, to whom it rightfully belongs", and Lincoln said, "The money power of the country will endeavor to prolong its reign by working upon the prejudices of the people, until all wealth is aggregated in a few hands and the Republic is destroyed. I feel at this time more anxious for my country than even in the midst of war"; and Woodrow Wilson said, "The great monopoly in this country is the money monopoly. So long as that exists our liberty and freedom and individual energy of development are out of the question. * * * This is the greatest question of all; and to this, statesmen must address themselves with an earnest determination to serve the long future and the true liberties of men"; and

Whereas it is necessary that this great power be restored to the Government and its people, even though the hour is late: Now, therefore,

We urge upon Congress the passage of all necessary laws to reestablish the issuing of money as a monopoly of government, and that there be established a system of Government banks exclusively owned, to the end that a bank system be provided for the people at cost; be it further

Resolved, That copies of this resolution be sent to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and the Senators and Congressmen from North Dakota.

A. S. MARSHALL,
President pro tempore of the Senate.
F. E. TUNELL,
Secretary of the Senate.
WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.

Mr. NYE also presented the following concurrent resolution of the Legislature of the State of North Dakota, which was referred to the Committee on Commerce:

House Concurrent Resolution A–12

Be it resolved by the House of Representatives of the State of North Dakota (the senate concurring), That—

Whereas it is the sense of the members of the legislative assembly of the State of North Dakota that the Government of the United States should perform its solemn promise and place American agriculture on a basis of equality with other industries by providing an adequate system of roads for the transportation of agricultural products, and that adequate legislation to that end should be adopted at the earliest possible date; and

Whereas hundreds of farmers living in western North Dakota are not now provided with an adequate system of roads and bridges by means of which they can exchange products and move other products to market without paying toll-bridge charges; and

Whereas it is the function of the Federal Government to build bridges across navigable streams and to provide an adequate system of Federal highways; and

Whereas a highway bridge across the Yellowstone River near Cartwright, McKenzie County, N. Dak., will add greatly to the prosperity of agriculture in western North Dakota and provide a means of interchange of agricultural products and make available to the farmers in the dry-land areas of western North Dakota the abundant feed and vegetable supplies of the irrigated districts of the Yellowstone Valley; and

Whereas the construction of this bridge would aid greatly in the completion of the Federal-highway system in western North Dakota: Now, therefore, be it

Resolved by the House of Representatives of the State of North Dakota (the senate concurring), That we respectfully request the construction of this bridge and that it be considered a Federal project and the same be constructed from Federal relief funds recently granted by Congress and that the work of the construction of said bridge, as far as possible, be contributed by relief labor; this bridge to be built on Federal Highway No. 23 near Cartwright in McKenzie County, N. Dak.; and be it further

Resolved, That duly engrossed copies of this resolution be forwarded to the Hon. Franklin D. Roosevelt, President of the United States, to the Bureau of Public Roads in Washington, D. C., to the Federal Relief Administrator in Washington, and to the North Dakota Highway Commissioner, and to the United States Senators and Members of the House of Representatives from North Dakota.

WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.
A. S. MARSHALL,
President pro tempore of the Senate.
F. E. TUNELL,
Secretary of the Senate.

Mr. NYE also presented the following joint resolution of the Legislature of the State of North Dakota, which was referred to the Committee on Finance:

Senate Joint Resolution F

Memorializing Congress to grant consent to taxation by the several States of certain interstate sales

Whereas necessity for property-tax relief is imperative in North Dakota, as well as in other States throughout the Union; and

Whereas 26 States in an effort to afford property-tax relief and to provide revenue for essential functions of government have enacted laws imposing taxes based upon or measured by sales of tangible personal property purchased and delivered in such States; and

Whereas no less than 65 percent of the population of the United States now reside in States with such laws; and

Whereas by virtue of judicial interpretation of the Federal Constitution the States may not levy, without the consent of Congress, taxes based upon or measured by sales moving in interstate commerce; and

Whereas as a result of such an interpretation there is a discrimination in favor of interstate sales as against intrastate sales; and

Whereas such discrimination, if permitted to continue, will tend to divert business from normal channels in North Dakota and elsewhere throughout the Union, thus subjecting local merchants to unfair competition; and

Whereas it is of vital importance to the welfare of the people of the United States that all things be done to promote the stability of local business in order that the financial structure of North Dakota and other States throughout the Union may be preserved; and

Whereas it rests within the power of Congress to permit the States to levy nondiscriminatory taxes upon sales in interstate commerce; and

Whereas there is pending in Congress Senate File No. 2897, introduced by Hon. PAT HARRISON, Senator from Mississippi, a bill to enable the States to tax such interstate shipments of goods; and

Whereas said measure was passed by the Senate on March 15, 1934, but was not voted upon by the House of Representatives and hence did not become law; and

Whereas need for such legislation is imperative in order to correct grave injustice in North Dakota and in all other States throughout the Union where taxes are based upon or measured by sales of tangible personal property: Now, therefore, be it

Resolved by the Legislative Assembly of the State of North Dakota, That the Congress of the United States be, and it is hereby, memorialized to give relief to the State of North Dakota and all other States imposing taxes based upon or measured by sales of tangible personal property by immediately providing for the regulation of interstate commerce through granting consent to taxation by the several States of certain interstate sales as provided by the measure (S. 2897) introduced by Senator HARRISON during the second session of the Seventy-third Congress; and be it further

Resolved, That copies of this resolution be sent to the presiding officers of the legislative bodies of all other States of the United States, with the request that they transmit similar memorials to Congress, and that copies of this resolution be transmitted to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, to each of the Members from North Dakota of the Senate and the House of Representatives of the United States, and the Honorable PAT HARRISON, United States Senator from Mississippi, author of the measure which would afford the States relief in this important matter.

A. S. MARSHALL,
President pro tempore of the Senate.
F. E. TUNELL,
Secretary of the Senate.
WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.

Mr. NYE also presented the following concurrent resolutions of the Legislature of the State of North Dakota, which were referred to the Committee on Finance:

Senate Concurrent Resolution 1

Be it resolved by the Senate of the State of North Dakota (the house of representatives concurring therein):

Whereas the problem of old-age security has become a leading public issue; and

Whereas the people of the State of North Dakota have become conscious of the need for Federal legislation aiming to make dependent old age more secure; and

Whereas many thousands of the people of this State have endorsed and recommend a plan known as the "Townsend old-age revolving-pension plan", tending toward the accomplishment of these aims and the security of persons of this State in their old age; and

Whereas it is imperative that our younger people may find employment and thus put an end in a large measure to our present unemployment situation, and that the active and wide-spread buying and selling to result from the operation of the Townsend bill will help banish poverty and bring back prosperity to our country in general: Now, therefore, be it

Resolved by the senate of this twenty-fourth legislative assembly (the house of representatives concurring herein), That the Congress of the United States is hereby respectfully memorialized and urged to give every consideration to the said "the Townsend old-age revolving pension plan" if, as, and when the same is presented for its consideration; be it further

Resolved, That the Senators and Representatives of the State of North Dakota in the Congress of the United States be requested to take such necessary steps as will insure full consideration of the aforesaid "the Townsend old-age revolving pension plan" upon its presentation to the Congress of the United States, and that copies of this memorial be forwarded forthwith to the President of the Senate, to the Speaker of the House of Representatives of the Congress of the United States, and to the Senators and Representatives of the State of North Dakota.

A. S. MARSHALL,
President pro tempore of the Senate.
F. E. TUNELL,
Secretary of the Senate.
WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.

Concurrent Resolution D

Memorializing the Congress of the United States to act favorably, and with as much speed as possible, upon House Joint Resolution No. 66, providing for a constitutional amendment doing away with the issuance of tax-exempt bonds

Whereas there is now pending in the Congress of the United States of America, House Joint Resolution No. 66, which provides for a constitutional amendment doing away with the tax-exempt feature of further issues of Federal, State, and municipal bonds; and

Whereas it is represented that the outstanding issues of tax-exempt securities in the United States aggregate the sum of $50,000,000,000, and it is impossible for this Government to continue unless the loss of such revenue be eliminated: Now, therefore, be it

Resolved, by the Twenty-fourth Legislative Assembly of the State of North Dakota, assembled in its regular biennial session, That the citizens of North Dakota, through its legislative members call upon and urge all Members of the Congress of the United States, and particularly the Members representing the State of North Dakota, to use every honest and honorable means within their power to pass said resolution as speedily as possible, in order to prevent the issuance of tax-exempt securities in the future; be it further

Resolved, That we urge upon the Members of said Congress to take the necessary steps to retire, as speedily as possible, all outstanding tax-exempt bonds and replace them with United States bonds which shall be subject to the use and customary taxation.

A. S. MARSHALL,
President pro tempore of the Senate.
F. E. TUNELL,
Secretary of the Senate.
WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.

Senate Concurrent Resolution H

Requesting Congress of the United States to enact legislation to provide for the immediate payment of World War veterans' adjusted-compensation certificates, canceling interest, refunding interest paid.

Be it resolved by the Senate of the State of North Dakota (the house of representatives concurring):

Whereas a general economic depression producing a depreciation in the value of all commodities, a stagnation of business, an aggravated condition of unemployment and serious individual suffering now exists in the State of North Dakota and throughout the whole Nation; and

Whereas there are now pending before the Congress of the United States certain measures, the purpose of which is to alleviate in some degree the existing distressing conditions, by providing for the immediate conversion into cash of World War veterans' adjusted-compensation certificates; and

Whereas the passage of such legislation would bring immediate relief to thousands of veterans and their dependents who are now in need, create new markets, instill new life into American business, and be a well-deserved demonstration of the gratitude of the Nation to those who carried its arms in 1917 and 1918; and

Whereas the American Legion in convention duly assembled have requested the immediate cash payment of all adjusted-compensation certificates; and

Whereas it is our sincere and honest belief that the immediate cash payment of all adjusted-compensation certificates will be of untold value in hastening recovery from present economic crisis: Now, therefore, be it

Resolved, That the Senate of the State of North Dakota, the House of Representatives concurring, most respectfully urge upon the Congress of the United States the early enactment of legislation providing for the cancellation of all accrued interest, the refund of all interest paid, and the immediate payment, upon application, of the full face value of such adjusted-compensation certificates; and be it further

Resolved, That the secretary of state of the State of North Dakota be, and he is hereby, instructed to forward a duly authenticated copy of this resolution to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives and to each Representative of the State of North Dakota in the United States Senate and House of Representatives.

WALTER WELFORD,
President of the Senate.
F. E. TUNELL,
Secretary of the Senate.
WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.

Mr. NYE also presented the following concurrent resolution of the Legislature of the State of North Dakota, which was referred to the Committee on Foreign Relations:

Senate Concurrent Resolution G

Whereas the International Peace Garden has been established on the boundary line between North Dakota and Manitoba; and

Whereas it is proper and necessary in order to complete said Peace Garden project, and to encourage and attract traffic to the same, and to increase an interest in such project, that adequate customs and immigration buildings in keeping and in harmony with the character and nature of said Peace Garden project be constructed and erected thereon: Now, therefore, be it

Resolved by the Legislative Assembly of the State of North Dakota, That the bill in Congress introduced by Senator GERALD P. NYE, which provides for adequate customs and immigration buildings upon said project be, and the same is hereby, approved and endorsed, and that Congress be petitioned and requested to pass the same.

A. S. MARSHALL,
President pro tempore of the Senate.
F. E. TUNELL,
Secretary of the Senate.
WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.

Mr. NYE also presented the following joint resolution of the Legislature of the State of North Dakota, which was ordered to lie on the table:

Joint Resolution B

Be it enacted by the legislative Assembly of the State of North Dakota—

Whereas during the past 2 years the Federal Government has set apart and given to the State of North Dakota outright grants of large sums of money to be used to relieve the needy and destitute citizens of the State; and

Whereas the persons needing the relief obtained through these grants were in the position of need through no fault of their own, but rather through conditions developing as a result of the combination of national and international economic disaster with local drought conditions; and

Whereas serious need continues through failure of improvement in economic conditions together with a continuance of drought; and

Whereas it now appears that the tax-collecting power of the State is in grave danger of complete failure because of the inability of farm, home, and industrial property to meet the demands made upon them; and

Whereas the development of this condition prevents the possibility of the State making increased levies to meet the demands for relief needs until revision of the State constitution can be effected, and which will require 2 years time: Now, therefore, be it

Resolved by the Legislative Assembly of the State of North Dakota, duly convened, That a memorial be served upon the Congress of the United States, and upon His Excellency, the President of the United States, and upon Harold L. Ickes, Secretary of the Interior, and upon Harry L. Hopkins, Federal Emergency Relief Administrator, to the end that full grants of Federal funds to meet the relief needs of the State may be continued as in the past; and be it further

Resolved, That certified copies of this joint resolution be forwarded by the Governor of this State to the President of the United States, to the President of the United States Senate, to the Speaker of the House of Representatives, and to the Members of the North Dakota delegation in Congress.

WALTER WELFORD,
President of the Senate.
F. E. TUNELL,
Secretary of the Senate.
WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.

Mr. NYE also presented the following concurrent resolutions of the Legislature of the State of North Dakota, which were ordered to lie on the table:

House Concurrent Resolution A–11

Memorializing Congress to enact legislation to provide funds to assist in hospitalization and care of the sick

Be it resolved by the house of representatives (the senate concurring)—

Whereas the hospitals of this State are unable to meet the demands made upon them for proper care and treatment of the sick, due to the shortage of funds caused by the severe drought and failure of crops during the year 1934 over an area comprising more than three-fourths of this State; and

Whereas this condition will continue to exist for several months, or until another crop is produced, and that there is no other available source from which to receive sufficient funds; and

Whereas the Federal relief set-up does not provide for hospitalization or care of the sick: Therefore be it

Resolved, That we urge upon the Congress of the United States the enactment of all necessary legislation to provide means for relieving this and similar emergencies; be it further

Resolved, That copies hereof be mailed to President Roosevelt, to the Vice President, to the Speaker of the House of Representatives, and to Congressmen WILLIAM LEMKE and U. L. BURDICK and to Senators LYNN J. FRAZIER and GERALD P. NYE.

WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.
A. S. MARSHALL,
President pro tempore of the Senate.
F. E. TUNELL,
Secretary of the Senate.

Concurrent Resolution C

Whereas the Secretary of Agriculture, under the authorization contained in the Hayden-Cartwright Act of June 18, 1934, has apportioned Federal aid to the several States for use in highway construction in the fiscal year beginning July 1, 1935, which funds are apportioned upon the old policy of matching by the States; and

Whereas the financial situation of North Dakota is such that it will not be able to match such Federal aid and to take advantage of such apportionment; and

Whereas it is unfair and unjust that our State should be penalized by reason of its existing financial condition for which it is in no wise to blame and cannot remedy at this time: Now, therefore, be it

Resolved by the Senate of the State of North Dakota (the house of Representatives concurring), That action should be taken by

allotment of Federal moneys, if possible or by legislation by Congress, if necessary, to make available to North Dakota and to other States which may be similarly situated, Federal funds which may be used to match such funds as have been apportioned as herein set forth; be it further

Resolved, That copies hereof shall be sent by the secretary of the senate to each of our congressional delegation and to the Governors of Kansas, Nebraska, Iowa, Minnesota, South Dakota, and Montana.

WALTER WELFORD,
President of the Senate.
F. E. TUNELL,
Secretary of the Senate.
WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.

Senate Concurrent Resolution U

Whereas during the past years the Federal Government has made loans to the farmers of this State to aid them in the purchase of seed with which to plant their crops and has taken security for such loans in the form of notes secured by crop mortgages; and

Whereas by reason of the continued drought conditions existing in this State and the continuance of the depression which has so adversely affected agriculture, it has been absolutely impossible for our farmers to liquidate but a very small portion, if any, of such indebtedness; and

Whereas it will be necessary for our farmers to receive further aid from the Federal Government during the year 1935 to enable them to purchase and obtain the seed necessary to plant their crops: Now, therefore, be it

Resolved by the Senate of the State of North Dakota, the house of representatives concurring, That we urge our Representatives in Congress to do everything possible to bring about the passage of legislation by Congress or the issuance of such Executive order as may be necessary to obtain for our farmers the seed which will be required to plant their crops during 1935, but without any requirement that payment shall be made or security required or given on account of any prior indebtedness to the Government for seed sold and furnished in prior years, and further urge that the sale and delivery of seed for the year 1935 be made immediately so as to make seed available at once.

A. S. MARSHALL,
President pro tempore of the Senate.
F. E. TUNELL,
Secretary of the Senate.
WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.

REPORTS OF COMMITTEES

Mr. ADAMS, from the Committee on Appropriations, to which was referred the bill (H. R. 6644) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes, reported it with amendments and submitted a report (No. 338) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 1713) to further amend section 6, act of March 4, 1923, so as to make better provision for the recovery and disposition of bodies of members of the civilian components of the Army who die in line of duty, and for other purposes, reported it with amendments and submitted a report (No. 336) thereon.

He also, from the same committee, to which was referred the bill (S. 1840) authorizing the President of the United States to present in the name of Congress a medal of honor to Maj. Gen. Adolphus Washington Greely, reported it without amendment and submitted a report (No. 337) thereon.

Mr. BARBOUR, from the Committee on Military Affairs, to which was referred the bill (S. 164) for the relief of Donald L. Bruner, reported it without amendment and submitted a report (No. 341) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 1885) to authorize turning over to the Indian Service vehicles, vessels, and supplies seized and forfeited for violation of liquor laws, reported it without amendment and submitted a report (No. 339) thereon.

Mr. VAN NUYS, from the Committee on the Judiciary, to which was referred the bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching, reported it with an amendment and submitted a report (No. 340) thereon.

Mr. BURKE, from the Committee on the Judiciary, to which were referred the following bills, reported them each without amendment:

S. 1452. A bill providing for the employment of skilled shorthand reporters in the executive branch of the Government; and

S. 1453. A bill to create a board of shorthand reporting, and for other purposes.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TYDINGS:

A bill (S. 2277) to provide for the payment of veterans' adjusted-service certificates in bonds of the United States; to the Committee on Finance.

A bill (S. 2278) authorizing the construction of buildings for the United States High Commissioner to the government of the Commonwealth of the Philippine Islands; to the Committee on Territories and Insular Affairs.

(By request.) A bill (S. 2279) to amend the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Civil Service.

By Mr. STEIWER:

A bill (S. 2280) to authorize preliminary examination and survey of the Columbia River at Rainier, Oreg.; to the Committee on Commerce.

A bill (S. 2281) authorizing the establishment of a revolving fund for the Klamath Indians, Oregon; to the Committee on Indian Affairs.

By Mr. HATCH:

A bill (S. 2282) to provide for payments to certain property owners in New Mexico for losses caused by the floods in the Rio Grande Valley during 1929; to the Committee on Claims.

By Mr. HATCH and Mr. THOMAS of Utah:

A bill (S. 2283) authorizing the appointment of a commissioner for the United States Court for China and defining his duties; to the Committee on the Judiciary.

By Mr. LOGAN:

A bill (S. 2284) to amend the Tennessee Valley Authority Act of 1933 by including the Cumberland River and its basin within the provisions of the act, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. BARBOUR:

A bill (S. 2285) to divest prize-fight films of their character as subjects of interstate or foreign commerce, and for other purposes; to the Committee on Interstate Commerce.

By Mr. O'MAHONEY:

A bill (S. 2286) providing for the allocation of net revenues of the Shoshone power plant of the Shoshone reclamation project in Wyoming; to the Committee on Irrigation and Reclamation.

By Mr. TRAMMELL:

A bill (S. 2287) to authorize the crediting of service rendered by personnel (active or retired) subsequently to June 30, 1932, in the computation of their active or retired pay after June 30, 1935; to the Committee on Naval Affairs.

Mr. CLARK. Mr. President, the Senator from Oklahoma [Mr. GORE] is unavoidably detained from the Senate on official business. At his request, I ask unanimous consent out of order to introduce, in his name, a bill for appropriate reference.

The VICE PRESIDENT. Without objection, the bill will be received and appropriately referred.

By Mr. CLARK (for Mr. GORE):

A bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes; to the Committee on Interoceanic Canals.

By Mr. JOHNSON:

A bill (S. 2289) to establish the Kings Canyon National Park, Calif., to transfer thereto the lands now included in the General Grant National Park, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. BONE:

A bill (S. 2290) for the relief of F. A. Hoffman; to the Committee on Claims.

A bill (S. 2291) for the relief of Joseph W. Atkinson; to the Committee on Naval Affairs.

A bill (S. 2292) for the relief of Emanuel Wallin; to the Committee on Indian Affairs.

(By request.) A bill (S. 2293) for the retirement of employees of the Alaska Railroad, Territory of Alaska, who are citizens of the United States; to the Committee on Civil Service.

By Mr. SHEPPARD:

A bill (S. 2294) to authorize the erection of a suitable statue of Maj. Gen. George W. Goethals within the Canal Zone; to the Committee on Military Affairs.

By Mr. PITTMAN:

A joint resolution (S. J. Res. 86) authorizing an annual appropriation of $10,000 to enable the United States to become a member of the Pan American Institute of Geography and History; authorizing the President to invite the institute to hold its second general assembly in the United States in 1935, and authorizing appropriation of $10,000 for expenses of such meeting; to the Committee on Foreign Relations.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. TYDINGS. Mr. President, a few days ago I introduced, together with one of the Representatives from New York State, a bill dealing with the adjusted-service certificates. I have reintroduced the bill today (Senate bill 2277), after conferring with Veterans' Bureau officials to correct some, perhaps, imperfections in the original draft; and I have asked them for a statement of just what the bill will do. Attached to the statement is a tabular explanation of what will now happen, under the bill, to a veteran whose adjusted-service certificate would be worth $1,000 in 1945.

I ask that at the conclusion of these brief remarks an explanation prepared by the Veterans' Bureau, with the attached table, be printed in the CONGRESSIONAL RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

PROPOSED MEASURE OF SENATOR TYDINGS

This bill is entitled "A bill to provide for the payment of veterans' adjusted-service certificates in bonds of the United States." It provides for amending section 507 of the World War Adjusted Compensation Act, as amended, and for the addition of a new section to title V of the World War Adjusted Compensation Act, as amended, to be known as "section 509."

The amendment to section 507 of the existing act provides for the expenditure of all amounts in the fund for the purposes of the proposed act.

The benefits under this bill may be secured by a certificate holder by filing an application with the Administrator of Veterans' Affairs, and the surrender to the Administrator of the adjusted-service certificate and all rights thereunder. Settlement of the amount due under the provisions of this measure shall be made to the veteran or his authorized representative if the veteran be incompetent and to the estate of the veteran if the veteran dies after application has been filed.

When the application and certificates are in the possession of the Administrator of Veterans' Affairs he shall discount, at true discount, the amount shown as the maturity value on the face of the certificate surrendered from January 1, 1945, at the rate of interest of 3 percent per annum, compounded semiannually, to the first day of January or July, whichever is the earlier date, next succeeding the date of the filing of the application with the Administrator of Veterans' Affairs. From the present value of the maturity value shown on the face of the certificate, determined by the deduction therefrom of the amount of true discount, the Administrator of Veterans' Affairs shall deduct the amount of lien, if any, outstanding against the certificate with interest, if any, accrued to the date of the filing of the application for benfits under this act. On and after January 1, 1932, the amount of interest charged on loans shall be 3 percent per annum, compounded annually.

The Administrator of Veterans' Affairs shall certify to the Secretary of the Treasury, upon a form to be prescribed by the Secretary of the Treasury, a statement of the amount due each veteran. Upon receipt of this statement the Secretary of the Treasury is authorized and directed to issue in settlement of the amount certified to be due negotiable bonds of the United States, with coupons attached, bearing interest at the rate of 3 percent per annum, payable semiannually, in a value equal to the highest multiple of $50 represented by the amount certified. The difference between the net amount certified as due and the amount represented by the face value of bonds issued shall be paid to the veteran by the Secretary of the Treasury by check drawn upon the Treasurer of the United States.

The bonds issued shall be redeemable in lawful money of the United States on January 1, 1945. The bonds shall be dated from the 1st day of January or July (whichever is the earlier date) next succeeding the date of the filing with the Administrator of Veterans' Affairs of an application for benefits under the provisions of this act. Veterans to whom bonds have been issued are protected from exploitation by a provision in section 509 (h) of the act which prevents the negotiability of the bonds for 6 months after the date of issue for any consideration less than the amount shown on the face of the bond as the redemption value. Violation of this provision of the law is made a fraud and punishment is prescribed of a fine of not more than $10,000 or imprisonment of not more than 2 years, or both.

The Secretary of the Treasury is authorized and directed to redeem from the United States Government Life Insurance Fund all adjusted-service certificates held by that fund on account of loans made thereon and to pay to the United States Government Life Insurance Fund the amount of outstanding liens against such certificates, including all interest due or accrued, together with such amounts as may be due under subdivision (m) of section 502, as amended. The Secretary of the Treasury, in making redemption of adjusted-service certificates from the United States Government Life Insurance Fund, is authorized and directed to make payment therefor by issuing to the United States Government Life Insurance Fund bonds of the United States, which shall bear interest at the rate of 4½ percent per annum, to be callable at a date not earlier than 10 years subsequent to the date of issue.

MARCH 18, 1935.

Approximate settlement to holder of $1,000 adjusted-service certificate not pledged as security for loan

Certificate having maturity value on Jan. 1, 1945, of	$1,000 00
Present value of maturity value of $1,000 certificate discounted (at true discount) at the rate of 3 percent per annum compounded semiannually from Jan. 1, 1945, to July 1, 1935	753.61
Settlement to veteran in cash as of July 1, 1935	3.61
Settlement to veteran in bond issue as of July 1, 1935, convertible into cash	750.00
Interest on $750 bond for 9½ years at 3 percent per annum	213.75

MARCH 18, 1935.

HOUSE BILL REFERRED

H. R. 6718. An act making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

AMENDMENT TO HOME-MORTGAGE RELIEF BILL

Mr. BANKHEAD submitted an amendment intended to be proposed by him to the bill (H. R. 6021) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes, which was referred to the Committee on Banking and Currency and ordered to be printed.

AMENDMENT TO AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. BILBO submitted an amendment intended to be proposed by him to House bill 6718, the Agriculture Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 50, line 6, to strike out "$61,741" and insert in lieu thereof the following: "including investigation of the consumption, properties, components, and products of such naval stores, the modification and improvement, adaptation to consumption needs, and development and expansion of new and established uses of the same, $81,741."

WORK-RELIEF PROGRAM—AMENDMENTS

Mr. BYRD. Mr. President, I ask permission to submit an amendment intended to be proposed by me to House Joint Resolution 117, making appropriations for relief purposes, to have it read by the clerk, and lie on the table.

The VICE PRESIDENT. The amendment of the Senator from Virginia will be received, read, and lie on the table.

The amendment was read, as follows:

On page 3, line 25, after the word "resolution", to insert a colon and the following: "*Provided further*, That no part of the funds herein appropriated shall be expended for the administrative expenses of any department, bureau, board, commission, or independent agency of the Government if such administrative expenses are ordinarily financed from annual appropriations."

Mr. BANKHEAD and Mr. CUTTING each submitted an amendment intended to be proposed by them, respectively, to

the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which were ordered to lie on the table and to be printed.

CHANGE OF REFERENCE

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be discharged from the further consideration of the bill (S. 1456) to compensate the heirs of James Taylor, a deceased Cherokee Indian, for all their title, interest, or claim to certain lands in the State of North Carolina, now held by the United States as a part of the forest reserve, and for other purposes; that it be referred to the Committee on Agriculture and Forestry. This request is made at the instance of the two departments having jurisdiction of the subject matter.

The VICE PRESIDENT. Without objection, it is so ordered.

THE N. R. A.—EDITORIAL FROM CHICAGO DAILY NEWS

Mr. VANDENBERG. Mr. President, I ask to have the following editorial from the Chicago Daily News printed in the RECORD. I am glad to associate myself with most of the irrefutable conclusions herein expressed.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Chicago Daily News, Mar. 16, 1935]

THE COLLAPSE OF THE N. R. A.

On June 16, 1933, the N. R. A. was born "to increase production and consumption" and "to relieve unemployment."

On June 16, 1935, it will expire, having utterly failed to achieve either of these two major purposes.

Did N. R. A. increase production and consumption?

The Federal Reserve Board index of industrial production in June 1933 stood at 91 percent of the average of 1923–25. The same index for December 1934 showed production at 78 percent of the 1923–25 average. The index figures for consumption show department-stores sales for June 1933 at 68 percent of the 1923–25 average, while the sales for December 1934 were 76 percent. But, in the meantime, between June 1933 and December 1934 there had been an increase in the average price index of 18.5 percent, which would indicate an actual loss in unit sales—this, despite the fact that the Government's expenditures for relief had risen from a monthly average of $66,064,000 in 1933 to $123,278,000 in 1934, an increase of 87 percent.

Did N. R. A increase employment, its other major objective?

In June 1933 the number of unemployed was estimated at 12 millions. The total number of unemployed is now announced to be in the neighborhood of 13 millions.

The number of people on relief in July 1933—the first month for which there are reliable Federal figures and the first month of the N. R. A.—was 15,282,000. On March 6 of this year it was announced that the number on relief was 22,350,000.

The average hourly wage paid under N. R. A. codes has increased somewhat, but the number of hours of employment per week to the average worker has decreased so that the content of many workers' pay envelops has gone down. An additional handicap to labor has been the higher prices which have been exacted for factory products due to N. R. A., and for food, the cost of which, due to the wide-spread drought and the operation of the A. A. A., shows an increase of 18 percent.

Who, then, has gained under the operation of the N. R. A.?

The cooperation of industry in the creation of the N. R. A. was purchased at the price of Government relaxation of the anti-monopoly laws. The leaders of industry were induced to support the N. R. A. by promises of price-fixing agreements, the establishment of restraints upon free competition, and the subjection of each industry to control by a privately organized code authority, in most instances named and dominated by the larger units of the industry. In other words, in order to try the experiment of a regimented industry under Government control, the Roosevelt administration consented to permit monopolistic practices hitherto forbidden.

What was the result?

Standard Statistics, Inc., the authority on business statistics, reports that 70 industrial companies analyzed by it showed, in 1933, a 291 percent net gain in profits on an expansion of only 1.4 percent in gross sales. In 1934—the first full year under N. R. A—these same companies realized a further increase of 27.4 percent in net profits over those of 1933, on a gain of 21.5 percent in sales. The National City Bank, in a recent report, declared that 840 corporations, including many of the largest in the country, made net profits in 1933 of $471,203,000, and that the net profits of the same corporations in 1934—the first full year under N. R. A.—jumped to $673,259,000.

Summarized, this then is the result of 2 years under the N. R. A.—2 years of the Government's partnership in business secured through relaxation of the antimonopoly laws:

1. A decrease in industrial production.

2. No increase in consumption when price increases are taken into consideration, and despite the doubling of the Government's monthly expenditures for relief.

3. An estimated decrease in employment and a 47 percent increase in the number on relief.

4. An actual loss in real wages, due mainly to an 18-percent increase in food costs.

5. A 291-percent net gain in profits for 70 of the largest industrial companies of the country in 1933, and a further gain of 27 percent in profits for the same companies in 1934.

6. An increase of over $200,000,000 in the net profits of 840 corporations in 1934 over 1933.

Among the first to denounce the N. R. A. as an instrumentality to legalize monopoly, the Daily News finds in its complete collapse a sense of regret, supplemented by a feeling of alarm. Our alarm arises out of fear that popular resentment will consign the entire project to oblivion, whereas a small portion of the act should be preserved. More than a year ago, on February 15, 1934, we said:

"The N. R. A., as a means of economic recovery, probably will be retained in two distinct classes of industry. Public opinion will demand its retention in industries which for years have been characterized by sweatshop conditions, in industries where children have been employed, and in industries which deal with natural resources, such as oil, iron ore, lumber, and coal. In all of those industries there is a definite public interest, and Federal control, in order to prevent indefensible exploitation of labor, or material, may be defended upon the ground of common welfare."

That opinion is still maintained, and we hope that out of the discussion now in progress in Congress will come a revision of the N. R. A., which will preserve the desirable features and relegate the balance of the costly and ill-conceived experiment to the growing limbo of new-deal failures.

INTERNATIONAL EXCHANGE OF IDEAS—ADDRESS BY SENATOR THOMAS OF UTAH

Mr. ASHURST. Mr. President, I ask unanimous consent to insert in the RECORD a radio address delivered in New York City on March 10, by the junior Senator from Utah [Mr. THOMAS].

There being no objection, the address was ordered to be printed in the RECORD, as follows:

This evening I have been the guest of Dr. Harry Edmonds of the International House at Columbia University. It has been my pleasure to talk to scores of students from the four corners of the globe, who now are residents of this country for purposes of study. Such an experience would be an inspiring opportunity for anyone, and I have thrilled under it. Because I am by long training a school man, a student, and therefore a believer in ideas, I see more lasting progress to the world and its people through an exchange of ideas than through any other single medium, and an exchange of students offers a splended forum for the exchange of ideas. The International House lends itself splendidly to an exchange of students and of ideas.

Ignorance, man's greatest enemy, cannot persist if enough open discussion is indulged in. Despite the fact that ignorance will take its place as part of a discussion, in any discussion truth ultimately will find a way to prevail. Were it otherwise, parliamentary bodies would be useless. Discussion is essential to any social life. It is definitely essential to government. Not only is statute enacted by legislation the byproduct of talk, but also the laws of custom are byproducts of talk. Seriously, civilized man goes forward only after discussion, planning, and organization. The basis of all is understanding, and the basis of all understanding is, after all, talk. An example may be found even in the dissenting opinions of jurists. Such opinions without study might seem to be useless verbiage, yet in fact they wield a mighty force in the development of the law.

It is this belief I have in the effectiveness of discussion, and interchange of ideas, which makes me interested in a lasting arrangement for an exchange of teachers and students in our international world. Such an exchange of students will lead to scholarly discussion which in turn will break down the barrier of intolerance and prejudice and lead to an appreciation of differing opinions. Through appreciation, nations may be given to common aims. An average internationalist assumes that it would be well for the world if nations were alike. That idea I do not accept. Nations need not be alike. In fact it is well that they be not alike, for the world is made better through independent and various developments than through a common development. This holds for both individuals and nations. What we want to attain is a break-down of hate and ignorance through a development of the spirit of appreciation. No worth-while civilization and no worth-while State, and we may even say no worth-while culture, can be built on hate and ignorance.

It is partly for this reason that I suggested the creation in our State Department, and now suggest for its acceptance in the similar departments of other nations, of an intellectual attaché to serve along with our military, commercial, and naval attachés. This division of activity as proposed, would assist in a substantial exchange of instructors and students, and carry on through regular channels, an exchange of new ideas; new ideas relating to the effectiveness of new educational and cultural development. In other words, besides taking official notice of the progress of other countries in military, naval, and commercial sciences, I propose that we cultivate the knowledge of the development of good will, education, and truth. It may be said that art, culture, and truth know no boundaries; neither, then, do the ideas behind military

and commercial advancement. But at present one grows by encouragement; the other must wait for its own growth.

When we analyze the differences which arise between men or States, we discover generally these differences lie in a conflict over words or ideas. To have differences of opinion is natural, and is necessary, for no two men can see anything alike. Therefore, similar stimuli cannot be found on which to find exact concepts. A concept after all has its basis in the imagination. In the political or governmental world three men may be discussing a given proposition. One states that he is a monarchist and that he accepts the theory of hereditary government. Another states that he favors a dictatorship, on the ground that there must be a unity in the state, and a dictatorship furnishes the only possibility for the realization of a single will in the state. The third may advocate the theory of democracy, maintaining that there may be many wills in the state, but that the single will is obtained by a decision of the many to agree as one. Now so long as the three men confine themselves to a discussion, and the expression of opinions, they remain in what may be termed the "academic sphere", and no harm is done, but when they fight over their differences, one trying to force his opinion upon the others, their fight is seen as being over not actualities but unreal things. Hence the pen is said to be mightier than the sword, and that was truly said, because it is only in the realm of the idea that the ideal and the perfect may be found. After the conflict, disillusionment sets in, because that which remains is not unreal, but real, while the subject matter which induced the conflict remains only in the realm of imaginations. In other words, that which was fought for remains unrealized. Yet as a result of such conflict many of the ideals taken from the realm of the imagination are found to have modified the actual; therefore, the importance of having proper ideals and concepts. Man truly does not live by bread alone. If he does, he is not a man but a mere being. Creatures are turned into men by projection of the imagination and extension of the mind. It is well that men live in harmony with the infinite past, and are not prevented from projecting themselves into the endless future. Thus, the minute that men fight over ideas they destroy the possibility for their full growth. Wars, therefore, even for principle, have retarded men's striving for the universal, the eternal, and the perfect.

Today's papers tell us of mighty clashes in two of the great nations of the earth, where there is a conflict of idea, which may end in resorting to the sword. The fundamental theory behind the Hitler regime in Germany is based upon the notion of a single will in the State. German churchmen say that this cannot be, because the single will must remain with God. As long as this remains a clash of opinions only, no harm will be done, for the State can be run under either theory. But if there is a force of arms, no good is accomplished, because after a forcible conflict, both theories still will remain, even though the champions of one may be dominant. The two forces may, on the other hand, destroy each other, and the representatives of a third theory may take their places. Still, all three theories would live, for theories are never real and are therefore never destroyed and never die.

In Japan the underlying concept of the Japanese constitution has been and is that the Emperor is in the lineage of the gods; that his body is inviolate; and that in his will rest all rights and privileges of the Japanese people. Now comes someone who suggests that the Emperor is a mere organ of the State or of the constitution, not a superindividual or a divine human being. The Japanese people attempt to keep their language logical with their political theory. Look for a Japanese interpretation of the expression, "the Emperor dies", for example. It will not be found; because of their political theory, the Japanese express themselves with the equivalent of "the Emperor takes himself away" or "the imperial household augustly mourns", for of course a supernatural being could not die.

In the discussions in Tokyo over the question as to whether the Army and the Navy should be called upon to enforce the idea that the Emperor is divine and to erase any idea that he is a mere organ of the constitution, it was held by the leaders of the Army and the Navy that such was not their duty, the implication being that the destruction of theories was not part of the military service; that armies and navies should deal with facts and actualities. Wisely the promulgation of the theories of the state were left to the education department, and to the education department is left the treatment of this conflict in imperial theory.

The present German regime would do well to follow the Japanese example. Americans who know their Constitution know how basic to our American life is the first amendment to the Constitution. They know that the enforcement of ideas, opinions, theories, and all concepts which are concerned with the projection of men's minds into the realm of the infinite and the universal must not be left to the Army, the Navy, and the police to enforce. It is this great fact which makes the Government of the United States a government of men. May it never become a place where mere beings exist. "We, the people of these United States", means "we, the men, the women, and the children of these United States", and not "we, a human mass, living in the United States."

In America, before the law, men are equal. That does not mean, even in a political sense, that they are identical, and no two men have exact economic and social equality. But all are equal in their rights to aspire, in their ambitions to achieve, in their wills to think. They may come, they may go, they may do, they may worship, by making their souls one with whatever form of the Infinite they wish. This, after all, is America's glory. Let us preserve it as an American fact.

EDITORIALS AND NEWSPAPER ITEMS ON THE DEPRESSION

Mr. MINTON. Mr. President, I ask permission to have printed in the RECORD a number of newspaper editorials and items in answer to remarks made in the Senate and elsewhere to the effect that we are not emerging from the depression. These clippings, furnishing evidence to the contrary, are selected at random from newspapers all over the United States.

There being no objection, the editorials and newspaper items referred to were ordered to be printed in the RECORD, as follows:

[From the Hammond (Ind.) Times, Mar. 1, 1935]

CHEERFUL NEWS

Perhaps no more cheerful news has come out of the Calumet district since the boom days of 1929 than the survey of the Hammond Times yesterday in which a $30,000,000 building program for the region was outlined.

The fact that the 11 projects listed in the program are definitely scheduled for construction this year gives the announcement a note of authority not contained in any similar survey of the last 6 years.

Included in the list are such projects as the $17,000,000 expansion and modernization program for the Gary works of the Illinois Steel Co., a new $1,000,000 mill for the Inland Steel Co. at Indiana Harbor, a $3,000,000 waterway development project for the Illinois side of the State line, Hammond's $700,000 filtration plant, Calumet City's $600,000 high-school building, its $120,000 post office, the Electro-Motive Corporation's new $5,000,000 plant, a highway program in Lake County costing $1,000,000, and a $1,100,000 bridge north of Calumet City over the Calumet River at Torrence Avenue.

Building-construction men can afford to rub their hands in glee over the size of the entire program, for they have had little to make them happy since the stock market crashed in 1929.

Literally thousands of building-trades men will find employment now. Other thousands will be needed to produce the materials and deliver them. Business establishments will reflect the boom in increased sales. And the entire community will be benefited proportionately.

The nature of the program recalls the easy-money days of 1928 and 1929, when building projects running into box-car figures were the rule. We became so used to such announcements then that a mere $10,000,000 expenditure did not impress us. But what a drought has held us in its grip since then.

For the region to come back with such a resounding bang this year is a good indication of what to expect in the next few years. It means that the pendulum has started to swing in the other direction. The Calumet district, long recognized as the workshop of America, now will continue the phenomenal development which made it one of the principal industrial centers in the world.

This does not take into calculation what will happen if the five-billion bill goes through in Congress.

[From the Los Angeles Times, Mar. 4, 1935]

CALIFORNIA ON UPGRADE—TRADE STATISTICS ENCOURAGING—EMPLOYMENT, PAY ROLLS, OIL PRODUCTION, AND BANK DEBITS ADVANCE

Business continues to improve in California.

Information released yesterday by the State chamber of commerce shows increases in employment and pay rolls, the output of crude oil, the value of building permits, and bank debits.

At the same time it was disclosed that agricultural districts of the State have benefited by the greater than normal rainfall of this season. Snowfall in the mountains, heavier than usual, promises plenty of water for summer crops. Green food for livestock is abundant, the report continues.

PRICES ADVANCE

An index of prices paid to growers in California for 24 farm products advanced 8.9 percent from December to January and was 16.2 percent higher than in the same period a year ago. Prices of meat animals, dairy products, poultry products, and some fruit crops, however, showed a slight recession, the survey disclosed.

A gain of 2.5 percent in employment in California manufacturing establishments was recorded from December to January, while there was a total pay-roll gain of 7 9 percent at the same time, the statement showed. Groups showing increases included chemicals, oils, printing and paper, clothing, laundering, metals, machinery, and wood manufactures.

EMPLOYMENT LARGER

When compared with January a year ago, employment during January this year was 7.8 percent greater, and the total pay roll 18.3 percent greater. Among the various groups, all except foods showed from 3.4 to 17.2 percent more employment during January 1935 than in the same month last year.

Total value of building permits for 51 California cities during January registered a gain of 40 percent over the previous month. When compared with January a year ago, value of permits for Los Angeles advanced 123.2 percent, San Francisco 85.3 percent, and other cities showed a lesser gain.

SALES SHOW GAINS

During January the total value of sales of department stores showed a decrease of 5.1 percent, following the Christmas buying in December. However, sales as a whole were 8.7 percent greater in January this year than in the same period of 1934.

Total value of bank debits for 14 California cities during January was $1,722,572,000, or 6.8 percent greater than in January last year.

[From the Gary (Ind.) Post-Tribune, Mar. 1, 1935]

BANK CLEARINGS FOR FEBRUARY FAR ABOVE LAST YEAR'S FIGURE

Bank clearings aggregating $2,633,050 more than the total for February 1934 were reported today by Gary's two operating banks for last month.

The February total for the two institutions was $8,665,535, compared to $9,701,259 for January. The recession of $1,035,724 was ascribed to the fact that February was a short month. Bank officials predicted a marked pickup during March.

The Gary State Bank's February clearings of $7,355,943 fell short $1,262,756 of reaching the January mark of $8,618,699.

The Gary Trust and Savings Bank reported $1,309,592 for February, compared to $1,082,560 for the previous month, a gain of $227,032.

The 1934 February totals for the two banks were: Gary State, $5,605,230, and Gary Trust, $427,255; the aggregate being $6,032,485.

The Gary Trust's gain over February of last year was $882,337, or nearly 60 percent.

Last month's total for the two banks was only about $900,000 shy of the December aggregate, which marked the peak for 1934.

[From the Tampa (Fla.) Tribune, Mar. 4, 1935]

THE RECORD OF RECOVERY

We are indebted to the State chamber of commerce for definite and succinct facts and figures of Florida's recovery. We brief the outstanding figures, the percentages of increase stated being for 1934 over 1933.

Retail trade, 26.3 percent.
Fertilizer consumption, 18.8 percent.
Electric-power production, 9.4.
Life-insurance premiums, 24.6.
Building contracts, 47.8.
Passenger motor-car purchases, 49.1.
Truck purchases, 92.2.
Automobile tags, 18.8.
Gasoline consumption, 14.5
Value of fruit, vegetable, and general crops, 34.5.
Value of citrus crop, 30.
Vegetable crop, 43.9.
Value of exports, 15.
Value of imports, 15.8.

The only important item in which there was a decrease was the motor-vehicle tax, and this was due not to any slump in the demand but to the lower rates.

The percentage figures are eloquent in themselves. They tell of a steady and sure restoration of business activity, of industrial production, of tourist travel, of generally better conditions.

[From the South Bend (Ind.) News-Times, Mar. 1, 1935]

FARM MACHINE TRADE HEAVIER—LANIGAN SAYS TWO-PLOW TRACTORS EXCEEDING PRESENT SUPPLY

LA PORTE, IND., March 1 (Special).—Favorable reports on the 1935 outlook in the agricultural machine line were brought by territory salesmen of the La Porte branch of the Allis-Chalmers Manufacturing Co. at a sales meeting here.

The salesmen, with districts in Indiana and Michigan, are enthusiastic over prospects for increased use of tractors, combines, and threshers, which the firm manufactures here. E. D. Lanigan, branch manager said:

"Already the demand for two-plow tractors has surpassed the available supply. Production in these lines is being stepped up and is expected shortly to more nearly equalize the demand."

Among those present at the conference was B. G. Baker of Milwaukee, Wis., eastern division sales manager.

The La Porte branch of the Allis-Chalmers Co. formerly was the Advance-Rumely Co.

[From the Philadelphia Inquirer, Mar. 11, 1935]

UNITED STATES AND BETHLEHEM STEEL SHOW SHARP EXPANSION IN SALES—1934 VOLUME OF BOTH COMPANIES ENLARGES OPERATING RETURNS

Two leading steel combines—the United States Steel and the Bethlehem Steel Corporations—issued their 1934 annual reports last night. Results of the respective companies differed widely over the term, the United States Steel incurring a total deficit of $28,873,401 last year, whereas Bethlehem had a net income of $550,571. In 1933 United States Steel reported a deficit for the year of $43,706,745. Over the like term Bethlehem reported a deficit of $8,735,723.

The improvement in net deficit of United States Steel in 1934, which was $14,833,343 better than the 1933 returns, was due in part to an increase in the shipment of finished products, reductions in costs arising from larger operations, and the cumulative effect of changes in methods and practices instituted in recent years and a moderate increase in selling prices, the report says.

SALES INCREASE

Total volume of business transacted by all companies in the United States Steel group aggregated $591,609,497 in 1934, an increase of $66,640,729 over 1933.

Total income of the Bethlehem Steel for 1934, after deducting all charges except depletion and depreciation, was $14,350,210, compared with $4,770,535 for the preceding year. After deducting provisions for depreciation and depletion of $13,779,639 net income of $550,571 resulted.

The net billed value of products shipped and of other classes of business done by the corporation during the year was $168,207,394, compared with $120,944,984 in 1933.

WESTINGHOUSE ELECTRIC

The annual report of the Westinghouse Electric & Manufacturing Co. for 1934 shows net income of $189,562, compared with a loss of $8,636,841 in the preceding year. The figures are after depreciation and reserves.

Orders received amounted to $106,473,226, against $72,473,117; unfilled orders at the end of the year amounted to $34,085,921.

AMERICAN SMELTING

The annual report of the American Smelting & Refining Co. and subsidiaries for 1934 shows net income of $7,583,202, after all charges, equal, after preferred dividend requirements, to $1.63 a share on the common stock. This compares with $6,010,383, or 77 cents a common share, in 1933.

MAYTAG

Net profit of $1,960,836 was reported for 1934 by the Maytag Co. The profit compares with net of $1,204,503 in 1933.

MONSANTO CHEMICAL

Monsanto Chemical Co. and subsidiaries for 1934 report net profit of $2,771,629.

[From the New York Herald Tribune, Mar. 9, 1935]

RETAIL STORES REPORT SHARP GAINS IN TRADE—SALES INCREASE 4 TO 10 PERCENT, BUYING VOLUME 20 TO 25; WHOLESALE ORDERS RISE

Retail sales last week gained 4 to 10 percent over the corresponding week a year ago, despite the fact that the Easter buying season at this time last year was on the way to its peak, while this year the Easter stimulus will not be felt until early in April, Dun & Bradstreet reported yesterday in its weekly review of business. A larger volume of buying was noted last week than for several weeks, with gains of 20 to 25 percent recorded in some districts over the figures for 2 weeks ago.

The highest rate of gain over last year, 14 to 20 percent, was registered in the South and Southwest, where spring buying had a flying start because of fair weather. The rural districts of the Middle West were second with gains of 8 to 15 percent, and the Pacific coast areas followed with increases of 7 to 12 percent. New England and the East were held to gains of from 4 to 8 percent.

The upturn in wholesale buying was sharp and broad, the review stated, as retailers hastened to place their delayed orders for merchandise needed urgently for pre-Easter selling events. With orders postponed until a great deal of buying must be crowded into the next 4 weeks, some wholesalers were reported to be swamped as road salesmen started to send in business last week.

Orders for women's coats exceeded those placed for dresses and suits, it was said, thus reversing the trend of the 2 weeks preceding, and considerable interest was shown in the new fur capes to complement spring outfits. Men's clothing and furnishings were reported to be increasingly in demand, with the gains in orders by some houses 10 to 15 percent over those of a year ago.

General industrial operations are expanding more rapidly than in February, with no slowing down in sight, according to the review. New highs for the year are being reached for the production of automobiles, accessories, farm equipment, electric refrigerators, safety glass, paints, and some grades of furniture. Plumbing and heating equipment output is averaging about 20 percent ahead of the first quarter of 1934, and the percentage of aluminum production is constantly increasing over that of a year ago, the review reported.

The accelerated rate of retail sales in women's wear, millinery, hosiery, and shoes, it was said, indicate that sales totals for the comparative months of 1934 will be eclipsed by a wider percentage with each succeeding week until well into May. Retail sales of men's apparel gained last week, particularly in top coats, hats, shirts, and underwear, and the demand for both men's and women's shoes were reported to be continually expanding, with the trend toward higher qualities becoming greater.

Sales of groceries, helped by heavy buying of lenten specialties, made the best showing in more than a month. Housewares are beginning to move more briskly because of necessary spring cleaning, while sales of paints are running well ahead of last year. Curtains, floor coverings, draperies, awnings, leather goods, garden tools, and hardware sold well during the week, it was also reported.

[From the Washington Post, Mar. 9, 1935]

MANUFACTURING CONTINUES GAIN—ACTIVITY UP 9.3 PERCENT IN JANUARY; 4.9 PERCENT MORE WORKERS

NEW YORK, March 8.—Manufacturing activity in January, as measured by man-hours worked, was 9.3 percent higher than in December, the fourth successive monthly gain, according to the monthly survey of the National Industrial Conference Board an-

nounced today. This gain was a result of an increase of 4.9 percent in number of workers employed and an advance of 4 percent in hours worked.

Average hourly earnings were practically unchanged, advancing only from 59.3 cents in December to 59.4 cents in January. Average weekly earnings, on the other hand, increased 4.4 percent from $20.70 in December to $21.61 in January. This increase more than offset the small advance in the cost of living, with the result that real weekly earnings, or the actual purchasing power of weekly earnings, increased 3.3 percent.

Average working hours per week also advanced from 35 hours in December to 36.4 hours in January, a gain of 4 percent. The combined effect of increased employment and longer working hours was further reflected in a 9.5 percent gain in total pay rolls.

Figures for January 1935, indicate a significant gain since January 1934. During the year average hourly earnings increased 7.8 percent; average weekly earnings, 14.4 percent; average hours of work per week, 6.1 percent; real weekly earnings, 8.6 percent; total employment, 7 percent; total man-hours, 13.7 percent; and total pay rolls, 22.4 percent.

The cost of living of wage earners advanced 1 percent from December 1934 to January 1935. This rise, considerably higher than the average seasonal gain, is principally due to an increase of 3.4 percent in retail-food prices. The purchasing value of the dollar in January 1935 was 122.5 cents, as compared with 100 cents in 1923.

[From the New York Times, Mar. 10, 1935]

FILMS SHOW PROFIT ON 1934 BUSINESS—COMPANY EARNINGS AVERAGED 100-PERCENT INCREASE OVER 1933, YEAR BOOK SAYS

The motion-picture industry came out of the red in 1934, according to the 1935 Film Daily Year Book, just issued. Attendance was up, volume and quality of picture production soared, gross receipts were increased, and earnings of the film companies averaged more than 100-percent increase over the previous year.

The average weekly attendance in the Nation's motion-picture theaters increased about 15 percent to an approximate total of 70,000,000. The average had been 60,000,000 in 1933 and 1932, 75,000,000 in 1931 and 110,000,000 in 1930, the all-time high.

A corresponding increase in total box-office receipts was shown. This was due almost entirely to the increased number of patrons rather than a rise in admission prices, which remained almost stationary.

"Despite higher costs under the code," the year book reports, "the industry effected other economies that enabled it to end the year substantially in the black, compared with a loss the year before."

[From the New York Times, Mar. 10, 1935]

JANUARY INDUSTRY BEST IN 17 MONTHS—MORE-THAN-SEASONAL RISE IN OUTPUT PUSHED INDEX TO 90 PERCENT OF 1923–25 AVERAGE—EXPORTS ABOVE DECEMBER—FIRST SUCH INCREASE SINCE 1929—FACTORY EMPLOYMENT ADVANCED BY 1.9 PERCENT

WASHINGTON, March 9.—A more-than-seasonal expansion of industrial production during January was reported today by the Commerce Department's survey of current business, the adjusted index rising to 90 percent of the 1923–25 average. This was the highest point since August 1933, when the precode rush of activity terminated.

Such data as were available for February indicated that the increase in industrial output for that month approximated the usual seasonal change. Production in the first 2 months of 1935 had been the highest for this period since 1930, the survey stated.

The number employed by factories in mid-January showed "a contraseasonal" increase, as compared with December, the adjusted index advancing to 80.4 percent of the 1923–25 average, a rise of 1.9 percent. A further increase for the succeeding reporting period was indicated by available data.

LAG IN DISTRIBUTION

"Distribution series did not follow the trend of the production index," the survey said. "The increase in freight-car loadings during January equaled the usual seasonal rise for the month, while sales through retail stores apparently declined by more than the estimated seasonal amount, following the December gains.

"Sales of automobiles, on the other hand, were sharply higher in January.

"A substantial gain in the volume of residential building featured the construction reports for January. Total construction contracts awarded, however, have been in relatively small volume and the seasonally adjusted index for January, which is based on a 3-month moving average, dropped 4 points to 27 percent of the 1923–25 average."

[From the Baltimore Sun, Mar. 11, 1935]

STEEL OPERATIONS RISE 2 POINTS—MAGAZINE PREDICTS AUTO DEMAND WILL MAINTAIN LEVEL SEVERAL WEEKS—CAN PLANTS SET RECORD—HIGHER PRICES FOR FARM PRODUCTS STIMULATE CALL FOR AGRICULTURAL IMPLEMENTS

CLEVELAND, March 10.—The national average of steel operations last week rose 2 points to 50 percent through sustained shipments and consumption of flat-rolled steel and a moderately broadening demand for structural steel and pipe, the magazine Steel states today.

Sheet and strip mills, operating at 75 percent, have accumulated sufficient backlogs, mainly from automobile manufacturers, to continue at this level for 5 or 6 weeks, with specifications extending as far ahead as May.

AUTO ASSEMBLIES INCREASE

Automobile assemblies, the magazine states, increased to 86,000 units last week from 83,900 the week before. The industry now estimates second-quarter production at from 300,000 to 400,000 per month.

Higher prices of farm products are stimulating demand for agricultural implements. Steel continues. Manufacturers are experiencing their best operations in 5 years and some are encountering a shortage of skilled machine operators.

CAN SPEED TIN-PLATE MILLS

Tin-plate mills are scheduled for an advance from the current rate of 80-percent operation. Two leading can manufacturers have consumed more tin plate so far this year than in any similar period in their history.

Inquiries for structural steel are increasing.

Railroad orders expected to call for 100,000 tons of rails are being deferred until fall, the magazine reports.

Steel-ingot production in February averaged 114,255 gross tons daily, an increase of 8.8 percent above January. It was the highest since June of last year.

CHICAGO AREA GAINS

Chicago steel-works operations last week advanced 2 points to 55 percent, Pittsburgh 1 point to 38 percent, Wheeling 14 to 92 percent, Youngstown 5 to 55 percent, Birmingham held at 55½, Cleveland 74, and New England was down 2 points to 61, Eastern Pennsylvania 1 to 28½, Buffalo 2 to 38, and Detroit 6 to 94 percent.

Steel's iron and steel price composite is reduced 3 cents to $32.40, finished steel unchanged at $54, and the scrap index is down 12 cents to $11.04.

[From the Baltimore Sun, Mar. 11, 1935]

DAWES GIVES DEPRESSION 2 MONTHS TO REACH END

TUCSON, ARIZ., March 10.—Charles G. Dawes, former Vice President, believes the depression will end in another 2 months and that the Nation will realize it not later than July.

Voicing this conviction in an interview, Dawes said the depressions beginning in 1873 and 1893 lasted 5½ years each as measured by the stock market, and that the one that began in 1929 should wind up in about the same length of time.

"Due to an accumulation of 5 years of postponed demands, June or July of this year should see the beginning of a great sustained demand for durable goods", he said.

[From the Altoona (Pa.) Union, Mar. 5, 1935]

FREIGHT TRAFFIC SHOWS INCREASE—MOVEMENT THROUGH ALTOONA YARD AND OVER MIDDLE DIVISION IN FEBRUARY EXCEEDS THAT OF JANUARY

Freight traffic through the Altoona yard and over the middle division of the Pennsylvania Railroad in February showed an increase over the movement during January and December. The gain is distinctly marked, since the movement in the 28 days of the month exceeded that of the 31-day months. The daily average movement was some 400 cars better than January and about 700 better than December.

The measuring yardstick of traffic is at Denholm, just east of Lewistown, where a record is kept of all cars passing that point. The February movement totaled 121,833 cars. This was a substantial increase when compared with January, when 109,353 cars passed Denholm in 28 days and 120,048 cars in the 31 days. The movement also exceeded that of February 1934, when the total was 107,649 cars. An average of approximately 2,000 cars was moved over the Bald Eagle branch of the middle division at Tyrone.

The number of cars dispatched from the Altoona yard in February was 140,177. This was 12,876 cars more than were moved in 28 days in January and 164 less than were moved in the 31 days of the month. The number of cars dispatched in January was 127,301 in 28 days and 140,341 for the entire month.

The number of cars classified and moved over the eastbound and westbound humps in the Altoona yard in February totaled 112,081, as against 103,833 in the entire month of January, a gain of 6,248 cars. It was also an increase of 15,129 cars over the cars humped in December.

The Altoona yard forces in February handled a total of 3,901 trains as against 3,867 trains in January. They were made up of a total of 282,657 cars, an increase of 414 over the number included in all the trains moved in January. The increase in traffic was responsible for the recalling of 43 furloughed brakemen for service in the yard and 10 on the middle division during the month, bringing the total of men called back to work since the beginning of the year to 63.

The number of trains received in the Altoona yard from the middle division was 1,069, with a total of 74,648 cars. The trains dispatched from the yard to the middle division reached a total of 1,024, with 75,178 cars. This was 1 train and 1,976 cars less than were handled throughout the 32 days of January.

There was received from the central region or Pittsburgh division a total of 969 trains made up of 67,832 cars. Trains dispatched from Altoona yard to the Pittsburgh division totaled 839 trains with 64,999 cars. This was 33 trains more than in the whole month of January, but 1,562 cars less in the make-up of the trains. This movement to and from the central region reflects the extent of the traffic being moved over the Pittsburgh division.

Enginemen and trainmen employed in the Altoona yard and on the middle division made good time and in addition the extra men on their rosters enjoyed a greater number of workdays than in the past several months. To handle the increased volume of freight traffic and to keep it moving up to Pennsylvania Railroad standard, it was necessary to recall a half dozen or more extra firemen and 26 yard and 10 road brakemen.

[From the Providence (R. I.) News-Tribune, Feb. 28, 1935]

OLD COLONY BANK SHOWS BIG INCREASE—E. H. WEEKS, RENAMED PRESIDENT, POINTS TO $984,800 INCREASE IN RESOURCES

Edward H. Weeks, who today was reelected president of the Old Colony Cooperative Bank, told stockholders in his annual report that the bank showed a gain of $984,800.43 in resources during 1934.

Home Owners' Loan Corporation bonds amounting to $1,695,150 were acquired by the bank, and he called attention to the fact the bank had subscribed $158,000 to stock of a new home-loan bank opened in Boston. The local bank, Weeks said, ranks seventh in size among members of the United States Building & Loan League.

[From the Boston Transcript, Mar. 5, 1935]

AMERICAN TOBACCO EARNINGS ROSE OVER 36 PERCENT—NET LAST YEAR EQUAL TO $4.46 SHARE, AGAINST $3.04 SHARE IN PREVIOUS YEAR

Consolidated net earnings of the American Tobacco Co. for 1934 were more than 36 percent greater than those in the preceding year, amounting to $24,084,280, after all charges and reserves, but before deducting $870,000 for tax contingencies relative to prior years, according to the annual report issued today. This is equal, after dividend requirements on the 6-percent cumulative preferred stock to $4.46 a share on the 4,688,277 combined common and common B shares, excluding 55,562 shares in the treasury. In 1933 consolidated net earnings amounted to $17,401,208, or $3.04 a share on the common stock.

The consolidated balance sheet for December 31 last shows current assets of $166,861,801 and current liabilities of $9,314,457 compared with $161,097,881 and $7,245,942, respectively, at the end of 1933. Cash was $29,005,961, against $32,958,634. Marketable securities at cost were $5,633,836, while none was held at the close of the previous year. Inventories at cost totaled $121,612,398, compared with $115,480,477. Brands, trade marks, patents, and goodwill were unchanged at $54,099,430. Surplus decreased from $108,627,695 at the beginning of 1934 to $105,251,116 at the close of the year.

[From the New York Herald Tribune, Mar. 8, 1935]

KENNEDY HAILS ISSUE BY SWIFT OF $43,000,000—BREAK IN JAMMED MARKET OF NATION, SAYS LEADER OF REFUNDING PROPOSITION

WASHINGTON, March 7.—The first thaw in the frozen capital market was seen by Joseph P. Kennedy, Chairman of the Securities and Exchange Commission, today in the registration by Swift & Co., of Chicago, of a $43,000,000 issue of 3¾-percent bonds. The proceeds will be used to retire outstanding 5-percent bonds and notes.

The issue, the largest single registration of securities under the 1933 act, is viewed as the first fruit of the new simplified regulations promulgated by the Commission January 14, for "old and going" corporations, in issuing new securities.

In addition to hailing the Swift issue as pointing the way for other important refinancing operations under the new regulations, officers of the Commission noted that the interest rate offered was the lowest for industrial bonds since the World War. The rate is less than 1 percent above the average yield on Government bonds. The registration is the first of the new form A–2, promulgated by the Commission on January 14 for use by seasoned corporations.

[From the New York Evening Post, Mar. 9, 1935]

FACTORIES HUM, PAY ROLLS GAIN, SURVEYS SHOW—JANUARY MARKED BY MANUFACTURING EXPANSION

Reversing the usual seasonal trend, factory pay rolls increased for the second consecutive month in January.

This coincided with an unusually sharp expansion in manufacturing activity.

The gains are reported in a survey by the Alexander Hamilton Institute.

At the same time, however, the Institute reported that the number of unemployed rose in January to 13,657,000 from 13,084,000 in December.

These figures are at variance with an estimate made public earlier this week by Harry L. Hopkins, Federal Relief Administrator, that the number of unemployed had dropped to 11,000,000. Mr. Hopkins said that F. R. A. surveys all over the country showed unemployment on the wane.

TEN-POINT GAIN

The Institute's index of factory output, based on 1923–25 as 100 and unadjusted for seasonal variation, rose from 77 in December to 87 in January. The index thus nearly regained the 1934 peak of 89 reached last April.

Manufacturing activity in January was 16 percent higher than in the corresponding month last year.

The pay-roll gain in January over the previous month, according to the Institute, amounted to 1.4 percent as compared with an average seasonal decrease of 4.2 percent. Since 1919 pay rolls rose in only one other January—1920.

MOTORS IN LEAD

Motor manufacturing led the trade advance this week, steel activity gained momentum, and commodity prices, particularly food and farm prices, climbed to higher levels.

On the other hand, cotton-cloth production slowed down, the stock market continued to slump, and February's construction volume of $75,100,000, reported during the week, was the lowest for any month since May 1933—almost the low of the depression.

This picture of the situation is presented by Business Week in its weekly survey.

Business Week says:

"The one major industry which is undaunted by legislative or monetary threats is the automobile industry. Motor-plant employment has been stepped up to the 1929 level; January output of 303,372 cars was the largest for the month since 1929."

"TAXING FOR PROSPERITY"—EDITORIAL IN WASHINGTON DAILY NEWS

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial entitled "Taxing for Prosperity", which appeared in the Washington Daily News of March 15, 1935. I make this request in view of the pertinency of the editorial to pending legislation.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News, Mar. 15, 1935]

TAXING FOR PROSPERITY

Governor Eccles, of the Federal Reserve Board, is an obstinate witness. Twice within a week he refused to permit House Banking Committee members to limit him to answering their academic questions about currency magic and hypothetical price levels.

Being a realist, Mr. Eccles insisted upon going to the nub of our economic problem—the shrinkage in purchasing power. And in his last statement he took the trouble to explain how purchasing power should be restored. Let the Government, he said, through public-works expenditures, put out money to potential consumers whose incomes are now so low they cannot buy the things they need. Let the Government, he said, get as much money as possible for public works by intelligent income taxes which will drain off surplus savings that cannot be profitably invested in production until the buying market is revived.

Such a program would end the profligate Government borrowing, redistribute our national income and put it to work, help to end unemployment, provide stagnant business with a market for goods and an opportunity to make a profit, and give incentive to investment.

Specific tax plans aimed at this objective have been proposed by Senators COUZENS and LA FOLLETTE.

The Michigan Senator proposes an increase in the coroporation excess-profits tax. Instead of taking 5 percent of profits in excess of 12½ percent, as under the present law, he would have the Government take 5 percent of profits in excess of 8 percent, and graduate the tax up to 40 percent of profits in excess of 30 percent.

Surely this is a fair tax. In times like these, when so many businesses are unable to make any profits, the corporations enjoying unusually high returns should be willing to pay liberally to support the system upon which they depend.

Such a tax might not produce a large revenue, but it would encourage high-profit-making corporations to spend more for wages and thus contribute in another way to purchasing power.

The Wisconsin Senator proposes higher income taxes from the bottom to the top. He would increase the number of income-tax payers by lowering the exemption from $2,500 to $2,000 for married persons and from $1,000 to $800 for single persons. He would hike the normal tax from 4 to 6 percent and increase surtaxes all the way up the ladder, taking 71 percent instead of 59 percent of income in excess of a million dollars.

Senator LA FOLLETTE is right in contending that income-tax payers, both high and low, should pay more. Even the income-tax payers in the lower brackets belong to a select society.

About 37,000,000 families, including unattached single persons, reside in this country, in 1929 about 20,000,000 families had incomes less than $2,000 a year. In 1932 the number of such families was about 35,000,000.

The bill for our huge emergency expenditures must be paid. It is more equitable to tax on an ability to pay basis, by income levies from the few millions who get more than $2,000 a year, than by sales levies that fall heaviest upon the many millions who get less than $2,000 a year.

ST. PATRICK'S DAY—ADDRESSES BY SENATOR GUFFEY AND SENATOR BURKE

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD addresses on St. Patrick's Day delivered by the Senator from Pennsylvania [Mr. GUFFEY] and the Senator from Nebraska [Mr. BURKE] before the Irish Fellowship Club at Chicago, Saturday, March 16, 1935.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

ADDRESS OF HON. JOSEPH F. GUFFEY

God made a generous gift to the world when he placed Irishmen in our midst. Surely no man in politics in the United States has been shown more loyalty and devotion by Irishmen in Pennsylvania than myself. May I also refer to old friends in Chicago whom I was proud to know in an older day, Roger Sullivan and George Brennan, Mayor Dever, and Judge Dunne, and more recently your distinguished and brilliant mayor, Edward Kelly?

I have not held office very long, but my experience in politics has taught me this great lesson—that few of us who reach office and power, gain distinction on the basis of merit alone. We gain office and influence through being lifted upon the shoulders of loyal friends who, forgetting our poor weaknesses, emphasize the few virtues we possess.

History, the highest court of humanity, testifies to the irrefutable fact that in every crisis which has confronted America, Irishmen and the sons of Irishmen have been the sturdiest supporters of our Government in its struggles on land and sea. In a broader aspect, there has been no movement for liberty throughout the world which has not felt the quickening pulse of Irish thought, Irish action, and Irish sacrifice.

In 1776, in the English Parliament, that great Irish triumvirate of force and eloquence, Burke, Barie, and Conally, fought for America's rights. The genius, the statesmanship, the vision, the human sympathy of the Irish have ever expressed themselves in every kind of human activity. That little green isle, smaller than the State of Maine, less in population than the city of New York, has produced men and women who have blazed the way in every avenue of human endeavor; they have garnered all the fields of thought; they have nothing touched they have not adorned.

The wisdom of Irish philosophy, the melody of Irish song, the inspiration of Irish valor, and the pathos of Irish martyrdom will live in the loving memories of men as long as Erin's fields are emerald; as long as the Shannon flows toward the sea.

For centuries Ireland gave her richest gifts to all the world, and her sons went with a smile, not a frown; the barefoot monk with his Bible; the sweet-voiced minstrel with his harp; without thought of self or power, seeking only the salvation and happiness of mankind.

It is a sad commentary that this land which never sought to subdue a neighbor should be the predestined spoil of the invader; that this country whose master passion is the love of liberty should suffer the vilest and most galling servitude ever recorded in all the black annals of oppression.

When I think of Ireland it seems to me as if God had refreshed Himself when He set this emerald in a sapphire sea. A beautiful legend tells us that God, taking all the broken pieces of the world into His mighty hand, fashioned England to give the world solidity. Then He gave the world a rainbow hue when He added France. Wishing to give art, music, and literature to the world, He added Italy and rested content when He gave adventurous Spain her place in the sun. But good St. Patrick, the legend continues, turning to God, said: "Master, Thy work is incomplete. Now give us, good God, a country with the heart of a child and the smile of God." And thus Ireland was born. And so the world was sprinkled with Irish genius, Irish statesmanship, and Irish eloquence.

The incongruous thing is that for centuries Irishmen of rare ability were welcomed everywhere but in their own country. Scattered all over Europe have been found brave Irish generals, dexterous Irish diplomats, Irish counts, Irish barons, Irish Knights of St. Louis and St. Leopold, of the White Eagle and the Golden Fleece, who, had they remained in their own house of bondage, could not have been ensigns of marching regiments or freemen of petty corporations.

For freedom of conscience, of speech, and of the press, for the security of his person, and the sanctity of his home, for the right to serve his country with honor in time of peace and with distinction in time of war, the Irishman has willingly suffered more than 2 centuries of unremitting martyrdom. These rights, purchased at such a price in the Old World, will not be surrendered without a fight in the New, at the behest of man or any set of men. At this good hour, let patriots of every race and creed rededicate themselves to that full measure of freedom for which Irishmen for centuries fought and fell. Let brave and wise men everywhere turn a face of flint to every recurring form of bigotry of oppression, and every attempt to limit, betray, or deny those inalienable rights vouchsafed to us by the wisdom of Irish sages and the valor of Irish heroes.

In these grave crises confronting our country today, we have no choice but to support and cooperate with the President. There is no alternative. Either Franklin Roosevelt and his program succeed, or we fail. Success means happiness and prosperity; failure means ruin. What is the mightiest force the Irish-American man and woman can put behind the President? They can put back of it a force as irresistible as the tides of the ocean; the force of faith, and the force of love of country of every Irish-American in this country.

God save me from the gloomy, sorrowful, melancholy, too logical man, these hapless and hopeless disciples of H. G. Wells and Dean Inge who predict the end of all things by 1960. They are like the doubting Thomases who, sitting at a ball game, believe that every game ends with the defeat of their favorite team in the third inning. They are the gloomy Hamlets who sit by your bedside and with direful forebodings exclaim, "You can't recover", "There is no hope."

Through the generations the doubting Thomases have been the stumbling blocks to progress. They stood at the foot of the cross on the hill of Golgotha and, looking up at the stricken form of their Savior, cried out, "If Thou be Christ, why dost Thou not come down from the cross?"

In the days of Washington they watched the retreat at Long Island with dismay and disdain and though pretending to admire Washington, declared his retreat was an ignoble and futile military move.

These critics of Washington could not see further than the immediate cloudy present; they could not see the star of victory rising in the sky beyond.

We face a like situation today. The hour of faith and of test is here. Unlike the demands made upon our courage and fortitude during the critical days of the war, we are not asked to carry a gun, to die on a sun-bleached battlefield, or cross a submarine-infested sea. But we are asked to support the most courageous President since Illinois gave Abraham Lincoln to the Nation. And we should support Franklin Roosevelt, not merely by believing in his humanitarian policies but "by talking them up" to the doubters and critics who have nothing to offer in their stead. And when it comes to talking for a cause, no one is better fitted to do this than the Irish.

The critics of the various agencies of the administration say they are untried things, experiments with chaos around the corner. These self-same critics are the ones who want to go back to the greed and speculation which brought on the terrible days of 1929.

It is true we are off the beaten path; that through sheer desperation, when there appeared no other way, we blazed a trail through the wilderness of doubt and hesitation to seek a new pathway to opportunity and success. And this under the leadership of Franklin D. Roosevelt. The first thing we did was to recover our lost freedom; to blot out of our Federal Constitution a police regulation which should never have found lodgment there; we freed ourselves from the intolerance of minorities and bigotry and reasserted our right to life, liberty, and the pursuit of happiness by repealing the eighteenth amendment.

In the old days of 1492 when Columbus was battering at the palace doors to induce King Ferdinand and Queen Isabella to endorse his plans and further his hopes, the die-hards and stand-patters were as usual berating, criticizing, and knocking down the new things Columbus stood for and which his genius later made a reality.

The earth was flat and Columbus was insane to argue otherwise. Those doubting Thomases laughed Columbus' new idea to scorn, but Columbus was undeterred. Yet there came a time when even Columbus had to give way when faced with the unknown.

Even the compass which was his guide failed as the servant to his genius. Just recently I ran across the following when reading a sketch of his life: "Columbus, disconcerted by the immensity of space, of which he had reached the boundary, abandoned the route he had traced on the map and followed the flight of the birds, feeling that the instinct of the birds would not direct them all toward one point if they did not see earth there."

This is what we are doing in America today through the activities of our new Federal agencies. We have turned from the old, outworn charts and are following the path of instinct and the urge of conscience, knowing that in the end they will guide us in the right direction.

We are taking part in a war against the twin monsters of depression—hunger and poverty. What Irishman would refuse to enlist under this banner in company with Uncle Sam and Franklin Roosevelt? Never before was the good nature, the fine companionship, and the everlasting faith in the fundamental things of the Irishman so necessary. The Irish child who sprang from poverty knows the blows that are being struck, the blood that is being drawn

Who better than the Irishman is able to glimpse the horizons, to see beyond the vale of this mortal life to the immeasurable hills and stars; to that far-off land where God will gather us all together as brothers within the sacred gates through which St. Patrick passed so long ago. There is no one in all the world who defies adversity like an Irishman nor one so willing to engage it in deadly combat. In victory he shows neither malice nor arrogance; in defeat he smiles through his tears, knowing full well that his faith in God will strengthen him for ultimate victory.

Therefore I have no fear for my country, for as long as there is Irish blood flowing through American veins our freedom is secure and our liberty safe.

ADDRESS OF HON. EDWARD R. BURKE

Almost 200 years ago there was held a celebration of Saint Patrick's Day, the first known to the record, within the borders of what is now the United States of America. On March 17, 1737, the newly organized Charitable Irish Society of Boston met, on the anniversary of St. Patrick's death, to do honor to the memory of Ireland's beloved saint. That custom spread throughout the Colonies, was observed during the years of the Revolutionary War by the Continental Army upon the direct orders of the Commander in Chief, George Washington, and today is recognized by appropriate ceremonies in all parts of the Union.

What is the purpose of this celebration? What profit to us in this age to gather around the banquent board and toast in song and spoken word the memory of Saint Patrick? Two hundred years have passed since that small group of Irishmen met in

Boston. We pause a moment to glance back over the years. That sparsely settled fringe of Colonies clinging to the Atlantic seacoast, struggling for bare existence against a cruel nature, beset by hostile Indians, facing usually a lack of sympathy from the mother country, with jealous continental nations seeking always an opportunity to spread their dominion in the new western world, had problems that must have seemed to them fully as serious as any that we face today. Yet, with undaunted courage, they proceeded to tame the wilderness and establish local government.

The War of Independence was fought and won by patriots, every unit of whose fighting forces on land and sea was filled with Irishmen in the ranks and in places of leadership. A declaration of independence and a constitution for the new union of States were drafted to take high position among the immortal documents of the human race, each bearing the signature of many men of Irish birth and descent. A second war against Great Britain was brought to a successful conclusion. Fifty years later the Union was preserved, and the doctrine firmly established that it shall ever remain "one and inseparable." There followed American participation in the most terrible war in all history. Meanwhile, from a few scattered thousands, a Nation of 125,000,000 has come into being, spread across a vast continent, with splendid cities linked together by a marvelous system of transportation and communication. We call attention in passing only to the fact that on these many battlefields, in the conquest of the wilderness and the desert, in the stupendous growth of business and industry, in the wide diffusion of the arts and sciences, learning and culture, a proud and compelling part was played by Irish men and women.

If it should seem to you tonight, when in memory we retrace these 200 years to the first celebration in America of St. Patrick's Day, that we are going back into history a long time in the effort to shed light on the question as to why we continue to celebrate this day, then you must also keep in mind this thought: More than six times as long a period elapsed between the death of St. Patrick and that first long-ago American celebration in Boston than has passed since then. For, according to what appears to be the authentic record, the date of the death of St. Patrick was about the year 465. We are told that he had been taken as a boy slave to pagan Ireland in the early part of that century. After 7 long years of servitude he either escaped or was permitted to return to the Continent. There, for a quarter of a century, he studied and prayed to prepare himself for the great task to which he had consecrated his life. Something about those wild Irish masters whom he had served, and observed, caused St. Patrick to believe that he had come in contact with a race of men not born to live and die in a day, but with a work to do through all the ages. So he had determined to return, when he had fully prepared himself, as a missionary to this isle of the sea and bring the light of Christianity to its people.

About the year 432, St. Patrick landed once more in Ireland. He came now, not as an unwilling slave driven to daily toil, but freely as a bearer of good tidings. The Irish, even in their pagan state, were by nature deeply religious. They had worshipped the sun, the moon, the trees. No people ever accepted more readily, more joyously, the message of the true Gospel of Christ. It must also be recorded, and shame that it should be so, that no people has suffered more by reason of its conversion. But proudly can it be said that no people ever remained more steadfast therein than have the Irish.

We return now to the question, Why celebrate this day? What profit may come to us as a people by keeping alive the memory of St. Patrick? Shall we say because it affords an opportunity for all those to gather who trace kinship, however remote, to the Emerald Isle in order to pay homage to the great deeds and the heroic exploits of Irishmen? If that be so, then others, with more of Irish eloquence must tell of the patriotic service in every land of her brave men and noble women. Others, again, must sing the sweet, sad songs of Ireland. To others I must leave the joy of telling stories rich with Irish humor, and of painting in bold colors the great contribution of Irishmen to the world's literature and learning. These are, indeed, reasons enough to glory in our Irish ancestry. It is a heritage of which we may well be proud.

I ask you to think tonight of St. Patrick as an inspiring leader, and of the great good that may come when a true leader finds a people with the spirit and the courage that enables them to accept in full degree that leadership. Such a leader was St. Patrick. Such a people were the Irish of that day. They followed him out of the darkness of paganism into the light of Christianity. So great was his influence that through all the succeeding generations, from that day to this, the descendants of those who accepted the leadership of St. Patrick have been willing to endure all manner of hardship, death itself, rather than prove faithless. Centuries have rolled over the grave of St. Patrick, but today, as truly as fifteen hundred years ago, Irishmen gladly acknowledge him as their true leader.

We now in our land face crucial problems. Is there a leader, unselfish, clear visioned, far-sighted, who is able to point the way? Is the spirit of the American people such that they can distinguish the false doctrines always so glibly put forth at such a time, and rallying behind a true leador permit nothing to deflect them either to the right hand or to the left? I declare my faith that we have such a leader. Have we, the people, the common sense and the courage to support that leadership? Only so in no other way than by our united support will it be possible for us to travel far along the path where lies happiness and well-being for all of our people.

There is unrest in America. It is not to be wondered. Millions of citizens denied the opportunity to work. No condition can exist more serious than to have great numbers of our people willing to work, able to work, desperately seeking work, and no work to be found. As the result of that unemployment the purchasing power of our people is so reduced as to destroy the market for the products of our factories and our farms. Since our farm population could no longer purchase the products of our factories, their doors must open and more millions pour forth to join the ranks of the unemployed, thus further reducing the demand for all that the farmer has to sell. Here we have the vicious circle at its worst. Here we have a picture of human bewilderment and woe that must provoke the laughter of the evil spirits—if such there be. A land of plenty, with fertile fields, unbounded natural resources, a vigorous and industrious people. Great stores of goods on the one hand, and on the other a vast army of consumers in need of those very necessities of life but lacking the ability to purchase them. Want, in the midst of plenty. Hunger, with food going to waste. Nakedness, while factories and mills stand idle. Human beings living in hovels, with the materials at hand and the labor ready to build and equip comfortable homes for all. We should be living in a golden age. Instead, our very wealth of all good things has choked the channels until stagnation has brought inevitable decay. In the midst of plenty, a people about to perish!

Then came the new leadership. I speak tonight in no partisan sense. There rallied behind the new leaders men from every walk of life—from business, shop, and farm—all with the hope that ruin might still be averted, that somehow an answer could be found to the riddle that seemed to baffle us.

With boldness and high courage, all will admit—with marked intelligence and clear vision, history will record—the problems were attacked. At once it was proclaimed that food, clothing, and shelter should be provided for all in need, and the far-reaching relief organization began to function. In industry a program to establish maximum hours of work and thus spread employment; minimum wages, and so maintain a decent standard of living. Child labor abolished. Unfair competitive practices largely eliminated. A vast enterprise af public-works developed to take up the slack in employment. In agriculture, an effort to balance production with the effective demand for the products of the farm. Confidence restored in our banking institutions, and needed reforms established in our monetary system. A stupendous effort put forth in every direction under what is admitted to be probably the most inspiring leadership the country has ever known.

Over night almost, the spirit of the people changed. As our Irish ancestors discarded the way of the heathen and accepted the true life set forth by St. Patrick, so the American people in 1933 rallied behind the new leader who came preaching relief, recovery, and reform. Then was observed a unity in our national life seldom before experienced. On all sides men began to say: "Life is once more worth while. All will yet be well with us." True it is that after the first breath-taking days, during which all factionalism had been sunk for the general welfare, there came a revival of opposition on the part of those who would approach these serious problems from a different angle. There was nothing alarming about this. Such criticism is normal, such opposition is to be desired. Mistakes are certain to be made. They can best be held to a minimum, or corrected most speedily when made, if we have the critical appraisal of a virile opposition party.

But now comes the real challenge to the leadership that brought us out of despair, restored our confidence, and put us on the road to national well-being. "This progress is too slow", say these would-be leaders. "Nothing really has been accomplished", we are told. "The depression is still untouched." "The rich continue to grow richer, and the poor poorer." There is held before our eyes the sweet promise of a quick way to recovery, a sure method to bring about a redistribution of wealth, that will give riches, or at least comfort, to every man. It amounts simply to this. Take from those who have. Give to those who have not.

The old order is gone, never to return. It may be, that inherent weakness assured its destruction. It may be, that the shock of the World War was too great to be overcome. In any event, we may as well face the fact that we live in a new day and that a new order is to prevail. The question that we must decide is whether we will go forward under proven leadership, retaining all that is good out of the old order, content to struggle up the slope by slow and painful process, under law, with due protection to person and property; or risking all, in one blind, mad leap, attempt to reach what is so glowingly pictured as the fairer land that lies just across the yawning chasm. We have our choice to make. It is a choice of what leaders we choose to follow.

Under somewhat similar circumstances, a dominant figure has emerged in most of our sister nations. In Italy, a Mussolini. In Germany, a Hitler. In Russia, a Stalin. In the United States of America—what shall the answer be? Shall we stand firm behind the incomparable chief to whom, so short a time ago, we pledged our faith? Shall we recognize the magnitude of the burden upon his shoulders, and help to carry it? Do this, my friends, and the most troublesome problems will yet be solved. Do this, all ye who honor St. Patrick, and unborn generations will bless you for the part you this day took, and the choice you made.

As I draw to a close may I say that it is always a pleasure to visit the truly great city in which we meet tonight. Come here and the pulsing, throbbing life about you leaves no doubt that you are in a place destined to play an important part in the affairs of man as long as our civilization shall last. In the short space of little

more than a century what was a mere trading post has become one of the great metropolitan centers of the world. Who is there with imagination so bold as to be able to look ahead a hundred years and picture the grandeur that then may well be the lot of this city you love?

This day, which we have met in your city to celebrate, has a meaning significant and inspiring. It commemorates a heroic leader of long ago. More than that, it honors a race of people who had the vision and the strength to follow that leader regardless of the cost. So on this St. Patrick's Day in this great city, to you of Irish ancestry, who love this city and honor this saint, I bring my message. Even as your Irish forbears 1,500 years ago were quick to sense the right and pledge their unswerving loyalty to the "true deal" as taught and lived by St. Patrick, so today I call upon you to enlist under the banner of the "new deal" as proclaimed by our great President.

"The 'new deal' is an old deal—as old as the earliest aspirations of humanity for liberty and justice and the good life. It is old as Christian ethics, for basically its ethics are the same. It is new as the Declaration of Independence was new, and the Constitution of the United States.

"Its motives are the same; it voices the deathless cry of good men and good women for the opportunity to live and work in freedom, the right to be secure in their homes and in the fruits of their labor, the power to protect themselves against the ruthless and the cunning.

"It recognizes that man is indeed his brother's keeper, insists that the laborer is worthy of his hire, demands that justice shall rule the mighty as well as the weak.

"It seeks to cement our society, rich and poor, manual worker, and brain worker, into a voluntary brotherhood of freemen, standing together, striving together for the common good of all."

With the words of Franklin Roosevelt, I close:

"Keep that vision before your eyes and in your hearts. It can and will be attained."

OPERATION OF THE N. R. A.

Mr. SCHALL. Mr. President, I ask unanimous consent to insert in the RECORD an article from the Washington Post of Saturday, March 16, showing what a girl in my State had to do in order to get an extra half-hour for lunch from her employer, who operated his business under the N. R. A.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of Mar. 16, 1935]

Miss Ada Erler, employed by the "Bee Hive", operated by J. A. Ochs & Son, Inc., at New Ulm, Minn., wanted an extra half hour for lunch

Here is the record of the case from the files at N. R. A.:

Miss Ada, employed for 20 years by the "Bee Hive", had stomach trouble, and her physician advised rest after meals. Her kindly employer, who was conscientiously operating under the retail code, undertook to extend her lunch period to an hour and a half until she had recovered.

On November 16, 1934, he wrote to N. R. A. petitioning an exemption to this effect and inclosing a physician's certificate that Miss Ada needed the additional rest.

Copies of this petition, together with the physician's report, were sent to all of the N. R. A. advisory boards and to the National Retail Code Authority in order to obtain their recommendations.

The managing director of the National Retail Code Authority in due course reported back to N. R. A. as follows: "In view of the unusual and obviously deserving nature of this case, which is attested to by a physician, I recommend that the petition be approved."

David M. Polak, of the N. R. A. division of research and planning, reported: "The approval of this petition is not contrary to the policy of National Industrial Recovery Act."

Gullie B. Goldin, assistant counsel of N. R. A.'s legal division, reported: "The legal division approves subject to the following:

"1. Line 2 of proposed order, add 'New Ulm, Minn.'

"2. Lines 5, 20, and 24, change words 'applicants', 'they', 'petitioners', etc., to the singular."

Ernest L. Osborne, of the N. R. A. Consumers' Advisory Board, reported: "We have your memorandum of December 5 upon the above subject, and since the question involved is one of hours and no substantial consumer interests appear to be involved, we make no comments thereon at this time."

W. L. Wagler, of N. R. A.'s Industrial Advisory Board, marked his copy of the order "approved."

A. S. Donaldson, acting deputy administrator, reported: "I am of the opinion that the petition has shown undue and unusual hardship as defined in article X, section 6, and warrants approval."

Armed with these recommendations, the final order was issued. After several whereases outlining the facts in the case, the order continued:

"Whereas, the deputy administrator has reported and it appears to the satisfaction of the National Industrial Recovery Board, that the exemption hereinafter granted is necessary and will tend to effectuate the policies of title I of the National Industrial Recovery Act;

"Now, therefore, pursuant to authority vested in it, it is hereby ordered that the above-named applicant be and it hereby is exempted, as of the date of this order from said provisions of said code to the extent hereinafter stated:

"The petitioner is hereby permitted to extend the lunch hour of Miss Ada Erler from 1 hour to 1½ hours until such time as the physical disabilities complained of have been alleviated. This exemption is subject to cancelation by the National Industrial Recovery Board or its agent, with or without hearing."

This order was signed by Harry C. Carr, acting division administrator, and countersigned by A. S. Donaldson, acting deputy administrator, dated January 4. It took 7 weeks.

And that is how Miss Ada got an extra half-hour for lunch.

A tailor who had applied to N. R. A. for permission to work two cutters on Saturday mornings during the November rush season last year got his permission on March 1 of this year.

WORK-RELIEF PROGRAM

The Senate resumed the consideration of the joint resolution (H. J. Res. 117) making appropriations for relief purposes.

The VICE PRESIDENT. The question before the Senate is on agreeing to the amendment offered by the Senator from Virginia [Mr. GLASS]. The amendment will be stated.

The CHIEF CLERK. On page 10, line 3, after the amendment agreed to, it is proposed to insert the following:

The Federal Emergency Administration of Public Works, established under title II of the National Industrial Recovery Act, is hereby continued until June 30, 1937, and is authorized to perform such of its functions under said act and such functions under this joint resolution as may be authorized by the President. All sums appropriated to carry out the purposes of said act shall be available until June 30, 1937. The President is authorized to sell any securities acquired under said act or under this joint resolution, and all moneys realized from any such sales shall be available to the President, in addition to the sums heretofore appropriated under this joint resolution, for the making of further loans under said act or under this joint resolution.

Mr. GLASS obtained the floor.

Mr. McNARY. Mr. President——

The VICE PRESIDENT. Does the Senator from Virginia yield to the Senator from Oregon?

Mr. GLASS. I yield.

Mr. McNARY. I wish to say just a word. I do not desire the Senator from Virginia to misconstrue my attitude on Saturday or believe it to be an implication of my opposition to his proposal. On Saturday afternoon, when the amendment was presented, most of the Members were at their offices looking after public matters; there were but few on the floor, and I thought it was about time to forego consideration of the joint resolution for the day. For that reason only I objected to the consideration of the amendment.

Mr. GLASS. Mr. President, it had been my purpose to withdraw the amendment because there seemed to be indicated some opposition to it which would involve extended debate; but finding that there now appears to be no opposition to it, I ask for a vote.

HIGH COST OF FINANCIAL IRRESPONSIBILITY

Mr. SCHALL. Mr. President, we are today asked to appropriate from a Treasury deficit—the greatest peace-time deficit in the history of this or any other nation on earth—a lump sum of $4,000,000,000 subject to the allocation of the Executive, a sum greater than the total yearly revenues of the Government, and to be expended for other purposes than for running the Government.

It is a sum approximately five times the total revenues collected from income taxes, which are normally presumed to be the main source of Government maintenance.

We are asked to do this in face of the fact that receipts from income taxes are reduced for the year 1934 by $240,000,000 below income taxes for the late depression year 1932.

We are asked to turn over this $4,000,000,000 in the face of a fiscal year deficit nearly double that of the same month last year, and in face of accumulated deficits during this "brain trust" regime amounting to approximately $11,000,000,000.

We are asked to further pile up a public debt which is already $10,000,000,000 above July 1932, the accredited low point of the original depression, and $5,000,000,000 above the World War peak.

Furthermore, by an administration elected on the pledge to "balance the Budget", yes; by a President who before election stumped the country on a "balance the Budget"

plea, we are asked to plunge the Treasury so deeply into the red that his Budget Director resigns and is now denouncing the administration of which he was the trusted financial adviser. When the country's Budget Director, a party leader of the majority in Congress, tells his party and his country and his President that this spending orgy, with fiat money and flat bonds, this irresponsible finance based on a pretense of spending the country out of debt, threatens the breakdown of Government credit and a resultant communism or dictatorship, it would seem to be time for statesmen to ponder.

Since 1932 the public debt has grown by $10,000,000,000, and the yearly interest burden thereon has increased by nearly $200,000,000.

Since 1932 our total yearly receipts from income taxes have shrunk by nearly $240,000,000.

In the fiscal year ending in June 1932 the revenue from income taxes exceeded interest on the public debt by $385,000,000.

In the fiscal year 1934 the case was reversed, and interest on the public debt exceeded total receipts from income taxes, and the same is true for 1933 and again in the current year 1935.

The fiscal year 1931 showed greater receipts from income taxes than the combined 3 years 1933, 1934, and 1935 of the "new deal" in irresponsible finance.

Here we have an object lesson in shrunken yearly income, as against, on the other hand, yearly increasing burdens of debt, doles, and deficits.

What has been accomplished by piling up debt and deficits to burden industry and destroy taxable income? What progress has been made toward employment and reducing the army of unemployed? Has the number of public charges subsisting on public doles been reduced?

Persons on public doles have actually grown in number from 17,000,000 in June 1933 to 22,375,000 in March 1935—an actual increase of 5,375,000, or over 30 percent.

Unemployment in the industrial centers during the same 2 years of the N. R. A. and the "raw deal" has increased by 1,000,000, and unemployment in the rural districts under the "raw deal" of the A. A. A. has increased by 2,000,000.

So the net achievements of 2 years of the "new deal", alias "raw deal", are these:

First. Increase of persons subsisting as public charges, 5,375,000.

Second. Increase of unemployment, including both industrial centers and rural districts, 3,000,000.

Third. Increase of public debt by over $10,000,000,000.

Fourth. Monthly increasing deficits, until the accumulated total since March 1933 exceeds by threefold the combined deficits of the previous years of the depression.

The demand of the President for this additional $4,000,000,000 on top of billions for the A. A. A., the P. W. A., the F. E. R. A., and the ordinary expenditures of Government, says former Budget Director Douglas, as quoted editorially by the Washington Evening Star, has done more to shock the country into a realization of what the future may hold for us than all the criticisms voiced by opponents of Government spending.

It is destroying public confidence until the President and Secretary of the Treasury, in order to market Government bonds, have now entered upon a "baby bond" campaign to unload flat bonds at discount—a $25 bond for $18.75—upon the small investors, the clerks, and wage earners, and savings depositors That is the same game that was played 200 years ago to lift the British debt in the days of the "South Sea Bubble." But even in the days of the "South Sea Bubble" the harebrained promoters never stooped to the present theory of "becoming wealthy by producing less" which means, as pointed out by Mr. Douglas, that "we can become fabulously wealthy by producing nothing."

By "cracking down" and breaking up industrial production under the 731 codes of the N. R. A. we are destroying all the smaller mill and mine industries and thousands of shopkeepers throughout the land and thereby subjecting them to the abject necessity of accepting Federal subsidy in exchange for political support.

By destroying 40 percent of farm production through the expenditure of $1,000,000,000 a year by the A. A. A. we are driving a once independent and hardy agricultural yeomanry to the servitude of accepting Federal corn-hog checks, Federal cotton checks, Federal wheat and tobacco checks, and, in short, spreading the Tammany Hall system of petty subsidies and charities Nation-wide.

Mark Twain, in his famous story, The Man Who Corrupted Hadleyburg, seems to have given this Federal "brain trust" the key to the philosophy of the "new deal" of financial irresponsibility. For the 40,000,000 voters of the United States the average sum of $100 per head exactly meets the amount of the White House allocation—$4,000,000,000. Mark Twain found that Hadleyburg could be handled for much less than that per capita. He simply held out an invitation and spread the ground bait.

This $4,000,000,000 subject to the allocation of the Executive to meet the "emergency of 1936" was at first, as noted in the President's message, to be expended prior to June 30, 1936. But since that message was written a discovery has been made. If the money is to be distributed by June 30, the effect of the subsidy is likely to expire before election day, November 3, 1936. Therefore the revised plan is to extend the period of the $4,000,000,000 expenditure into the fiscal year 1937, so as to cover the month of October 1936, just before election—the method that was so effective in 1934.

In that way the "emergency of 1936", namely, the Presidential election, may bring assured relief to the Executive "allocator", to the 6,000,000 on Government pay rolls, and to all the office-holding barnacles of the 57 alphabetical varieties of Heinz's pickle barrel—the bureaucracy of the "new deal."

Here we have the program which we are met here today to finance. It matters not that we are adding another $4,000,000,000 to the greatest national deficit in world history.

It matters not that we are piling up a mountainous debt billions above the World War peak. Let the next generation meet that—or declare against it a moratorium.

It matters not that income taxes have dropped $240,000,000 below 1932, while interest on the public debt has climbed $200,000,000, until it now exceeds total receipts from income taxes.

It matters not that this Executive allocation of $4,000,000,000 exceeds the total Federal revenues to meet the actual expenditures of constitutional government.

It matters not that the public confidence and public credit of the United States is undermined and on the road to complete paralysis.

It matters not if the industries that pay the taxes are paralyzed or destroyed and the Constitution is violated in all of its vital provisions—provided the so-called "emergency" of November 3, 1936, can be bridged, and the cost passed on to the homes and the workers and their children in the next generation.

One-half of that $4,000,000,000—loaded on top of the further billions for the P. W. A., the A. A. A., and the thousand other demands for government—would meet the actual requirements. All the rest is pure political subsidy. Is this America or a Federalized Tammany Hall?

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Virginia [Mr. GLASS].

The amendment was agreed to.

Mr. ADAMS. Mr. President, I should like to modify the amendment which I have had printed and is now lying on the desk. I send the modified amendment to the desk and ask that it be stated.

The VICE PRESIDENT. The amendment as modified will be stated.

The CHIEF CLERK. In lieu of the amendment heretofore offered it is proposed, on page 2, line 7, to strike out the numerals "1937" and insert in lieu thereof "1936", and in

the same line to strike out "$4,000,000,000" and insert in lieu thereof "$2,000,000,000", so as to read:

That in order to provide relief and work relief, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be used in the discretion and under the direction of the President, to be immediately available and to remain available until June 30, 1936, the sum of $2,000,000,000, together with the separate funds established for particular areas by proclamation of the President pursuant to section 15 (f) of the Agricultural Adjustment Act (but any amounts thereof shall be available for use only for the area for which the fund was established)—

And so forth.

Mr. ROBINSON. Mr. President, may I ask the Senator wherein the revised or modified amendment differs from his original amendment?

Mr. ADAMS. The original amendment changed the language of the joint resolution in several respects. The amendment as modified tends to eliminate not only the conflict between the statement of purposes and the wording of the joint resolution as it stands, but it limits the change to two specific points in order that there might be no confusion in its consideration or discussion. It merely reduces the amount of the appropriation from $4,000,000,000 to $2,000,000,000, and limits the time within which it shall be available, changing it from June 30, 1937, to June 30, 1936. In other words, it cuts $2,000,000,000 off the appropriation and 1 year off the period within which it is available. I think that should simplify the discussion considerably. That presents the point which I wish at this time to submit.

The amendment involves both a vast appropriation and, I believe, a great principle. I trust Senators have not entirely closed their minds upon the question. It seems to me the matter is of such momentous importance that any Senator would be unwise in arriving in his own mind at a verdict before he has heard the case argued.

The premise upon which I wish to argue the case is a text which I am drawing from a statement of the distinguished senior Senator from Arkansas [Mr. ROBINSON] which he made on the 23d of February 1935, at which time, in speaking of the then pending appropriation measure, the leader of the majority said:

The time has arrived when patriotism should be placed above politics, both personal and partisan.

With that statement I agree and upon that statement I stand. I have reached my conclusion reluctantly, not willingly, and I reached it only after hearing the testimony before the Appropriations Committee given by those who are the proponents and advocates of the joint resolution. After having given careful consideration to the joint resolution and to the testimony, I have come to the conclusion, reluctantly, as I have said, that the joint resolution is unsound in its principle and that the cost of its operation will endanger the credit of the United States.

The joint resolution proposes two things. One is the elimination of direct relief, or, as some choose to call it, the elimination of the dole. Secondly, it proposes the establishment of an employment wage scale for relief on a security wage basis.

The appropriation carried in the joint resolution is the largest appropriation, so far as I know, that has ever been made in any bill upon any subject in any legislative body in the world. That of itself entitled it to some consideration, certainly in times of stress.

The arguments for the joint resolution are in substance these: First, it is said that the present method of administering direct relief is destructive of the morale of those receiving it; that it is breaking down the self-respect of the recipients; that it is sacrificing their pride. Secondly, it is said that the joint resolution, by giving work to those on relief instead of merely giving them relief, will give both direct employment to them and indirect employment to others who will provide the material to be consumed in the work.

There is no question as to the argument about morale, there is no question as to the argument about direct employment, there is no question about the argument as to indirect employment. Then it is the hope of those advocating the joint resolution that the back of the depression will be broken and that unemployment will end. That point is the one upon which I disagree.

Morale is mentioned. Unquestionably the morale of men on relief is lowered. Unquestionably it is desirable to have ment put to work. But, as has been stated here by one of the advocates of the measure, the sole purpose of the joint resolution is to put three and one-half million men to work. Unfortunately it is a correct statement, that the only purpose in mind and the only people in mind have been the three and one-half million unemployed on relief and their dependents.

Unfortunately there are 105,000,000, at least, who are being overlooked in the joint resolution. There are 40,000,000 men now at work, and there are many millions of taxpayers. Their morale is likewise involved and should be considered.

We cannot afford to build up the morale of three and one-half million men and destroy the morale of 100,000,000 people. That I am fearful is what will happen. We are overlooking the 40,000,000 employed, we are overlooking the taxpayers, we are overlooking the 7,000,000 unemployed men who are not on relief. The 7,000,000 or more are men who have refused to take relief. They have taken up a hole or two in their belts and are struggling against heavy odds to keep themselves off of relief under conditions of distress and pressure.

Mr. GLASS. Mr. President, will the Senator from Colorado yield to enable me to suggest the absence of a quorum?

The VICE PRESIDENT. Does the Senator from Colorado yield for that purpose?

Mr. ADAMS. I yield.

Mr. GLASS. We are considering an extremely important amendment to the joint resolution, and I think there ought to be a quorum of the Senate present. Therefore, I make the point of no quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Radcliffe
Ashurst	Copeland	La Follette	Reynolds
Austin	Costigan	Lewis	Robinson
Bachman	Couzens	Logan	Russell
Bailey	Cutting	Lonergan	Schall
Bankhead	Dickinson	McAdoo	Schwellenbach
Barbour	Dieterich	McGill	Sheppard
Barkley	Donahey	McKellar	Shipstead
Bilbo	Fletcher	McNary	Smith
Black	Frazier	Maloney	Steiwer
Bone	George	Metcalf	Thomas, Okla.
Borah	Gerry	Minton	Thomas, Utah
Brown	Gibson	Moore	Townsend
Bulkley	Glass	Murphy	Trammell
Bulow	Guffey	Murray	Truman
Burke	Hale	Neely	Tydings
Byrd	Harrison	Norbeck	Vandenberg
Byrnes	Hastings	Norris	Van Nuys
Capper	Hatch	Nye	Wagner
Carey	Hayden	O'Mahoney	Walsh
Clark	Johnson	Pittman	Wheeler
Connally	Keyes	Pope	White

Mr. LEWIS. Mr. President, I rise to reannounce the absence of Senators as previously announced by me today.

The PRESIDENT pro tempore. Eighty-eight Senators have answered to their names. A quorum is present.

Mr. ADAMS. Mr. President, again I wish to call the attention of the senior Senator from Arkansas [Mr. ROBINSON] to the fact that my little talk is based upon premises which he has laid down. I know he will recognize that that is a good starting-point and a sound premise for an argument.

The senior Senator from Arkansas said the time had arrived when patriotism should be placed above politics, both personal and partisan. As stated before, it was upon that ground that I was trying to present this case, which I think does transcend personal and partisan interests, and involves a very great issue of patriotism. We may have different opinions as to the correct conclusion; but, as the Senator from Arkansas has said, it is a decision which should be made in accordance with the welfare of our country, and not in accordance with anybody's personal or political welfare, or the welfare of any party or any group.

This amendment was considered by the Appropriations Committee, and three votes were taken upon it. The first time the amendment carried by a vote of 9 to 8. The second time it was lost on a tie vote. The third time it was lost by a majority of one against it. I merely call that matter to the attention of the Senate so that they may realize that the amendment received serious consideration, and was a subject of decided difference of opinion. I may add that each time the weight of the vote may be questioned, because the senior Senator from Virginia [Mr. GLASS] voted for the amendment, and I am disposed to think his vote ought to be given more than a single count, in view of the fact that he is the best-posted man upon these problems. He, being the chairman of the committee, gave himself only one vote, and I think once he even omitted to vote.

Mr. President, the objections which have occurred to me in reference to this joint resolution are several. I have discussed the fact that it overlooks most of the people in the United States in the interest of a limited group. The fact must also be taken into consideration that by the joint resolution we are increasing the Federal expenditure for relief purposes more than four times, but we are going to provide relief for less people, not for more people. In other words, 5,000,000 heads of families have been taken care of under the Relief Administration. We are turning over one and a half million unemployables to the States. That is being done under this plan, so that the number who are to be recipients either of work or of relief is less by a million and a half than under the present plan, and yet we are going to spend four times as much money. It is going to cost us $4 for relief where we now spend $1.

We are now handling the relief situation upon a monthly cost of approximately $25 per individual head of a family. It is the estimate that it will cost $100 per individual head of a family under this joint resolution. That is to say, instead of the expenditure of Federal funds by the Federal Relief Administration in 1934, amounting to $1,069,000,000, we propose to spend practically $5,000,000,000, and we do not propose to increase the number benefited except as they may be benefited through increased employment caused by the production of material to be used by the relief work.

Mr. President, this program is based upon a new theory of relief, and an abandonment of the existing theory. The present theory of relief is that the Government owes an obligation to its citizens to see that no man shall starve, that no man shall be cold or lack shelter. Relief has been given in proportion to needs. There are in my community individual cases where relief runs anywhere from $10 a month to $75 a month. A single man with some resources may get $10 and a man with a large family may get $75. His relief is based upon his necessities. We propose to abandon the rule of relief in accordance with necessities, and propose to put it upon a basis of wages, of employment.

The man in my town who is now getting $10, because that is all he needs, is to get a $50 job. The man who is now getting $75 will get a $50 job, too. In other words, they are to be paid in accordance with the work they do and not in accordance with their necessities. There is an abandonment of the basic theory of Federal relief.

That is a matter of real importance; and, mind you, it is a new theory. We are going to eliminate the depression by universal employment of all employables. We are going to pay them an average wage of $50 a month, regardless of their necessities, and based solely upon the work they do.

Mr. STEIWER. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Colorado yield to the Senator from Oregon?

Mr. ADAMS. Gladly.

Mr. STEIWER. I know the Senator from Colorado does not desire to make an inaccurate statement. He has just stated that under this program we would eliminate unemployment. Is he not overlooking the other 5,000,000 unemployed who have not yet been reduced to the point where they are obliged to apply for relief?

Mr. ADAMS. I thank the Senator for correcting me. The situation is as he states. There are probably 7,000,000 employables who are unemployed and who are not upon relief. The joint resolution proposes to employ only those upon relief.

It is said, however, that relief under the present conditions is destructive of morale, is destructive of self-respect, is destructive of pride. We are going to put the needy man upon a wage basis, so that there will be no loss of self-respect, no loss of pride, in taking the relief employment. What does that mean? It means that the man among the 7,000,000 unemployed who has been fighting a desperate battle to keep off relief because of the loss of morale will now say, "There will be no loss of morale if I go on relief. There will be no loss of my pride." Therefore we will find the army of unemployed not on relief increasing, and instead of three and one-half million on relief we may have 10,000,000 on relief. That is to say, going on relief will not be objectionable any more. We are to make it attractive. So the number of three and a half million men will be augmented.

In addition to that, Mr. President, since we are going to provide work for three and a half million men, inevitably we are going to take away some work from those who are unemployed and not upon relief. That cannot be escaped. If we undertake any public projects, even such things as soil protection, we are going to give jobs to men on relief at the expense of men who have fought the battle to stay off relief.

I am not criticizing the man on relief. There are men on relief who are as fine citizens as exist in this land. There are men on relief who are as good as men in this body. On the other hand, I will say that the morale of the body of those on relief is not equal to that of the average of the 7,000,000 unemployed who have managed to stay off relief.

Not only are we establishing a new theory as to the administration of relief, but we are assuming a new, a continuing, and I think a perpetual obligation. We are saying that every man in the United States who is on relief shall have a job. We are guaranteeing a job at a security wage. That will not end at the end of the year, at the conclusion of the expenditure of this fund. If there should remain at that time a man unemployed upon relief, the Government is assuming the obligation to keep him employed—an obligation that no country in the world ever before undertook.

Senators may remember, I think in 1930, a battle in this body led by the Senator from Wisconsin [Mr. LA FOLLETTE] and the Senator from Colorado [Mr. COSTIGAN] to get the Federal Government to recognize an obligation to give direct relief to needy citizens. The answer at that time was that it was not the duty of the Federal Government to provide direct relief, and the man in distress was told to go back to his State, to go back to his county, to go back to the Salvation Army. That has been changed. A new administration has come in, a new theory came in, and we recognize that if a country should say to its citizens in time of need, "You owe us your time, your service, and your life, if need be", that country owes to them an obligation to keep their flame of life burning in their time of distress. Following that, we have entered upon a tremendous program of direct relief and work relief.

Now, however, we are asked to go the next step and say, "Not only will we see that you are not in distress, but you shall have a job at the cost of the Federal Government." As I have said, with all the earnestness of which I am capable, it will destroy the credit of the Federal Government if that plan shall be carried out.

Mr. CUTTING. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. CUTTING. I wonder why the Senator calls it a new theory. Does not the Senator recall the statement by President Roosevelt when running for office in 1932, "I believe in the inherent right of every citizen to employment at a living wage, and pledge my support to whatever means and measures may be necessary for inaugurating such public, self-liquidating work." Is not that exactly the theory which is embodied at the present time in the proposed legislation, and if so, why does the Senator speak of it as a new thing?

Mr. ADAMS. I speak of it as a new thing for this reason: the policy-making department of the United States Government is Congress, and Congress has never taken that stand before. Congress is now asked to take that stand. A President may have taken it, but it never has been the policy of the country, and I happen to be one of those with obsolete ideas who believe still that the policy-making department of the Government, the department which provides for the raising of the money and which spends it, is the Congress.

Mr. CUTTING. Mr. President, I do not want my position to be misconstrued. I quite agree with the Senator so far as that goes. All I meant was that I do not think the theory can be considered entirely new, when it was supported by the candidate of the Democratic Party for the Presidency, and was endorsed by most of those who supported him, whatever their previous political affiliations might have been.

Mr. ADAMS. May I say to the Senator from New Mexico that I am trying in the effort I am making, to follow the President of the United States. I am trying to support his administration. I am hoping to make it a success. I am hoping to help, and I hope that when the pages of history shall be written there will appear on them the statement that Roosevelt, President of the United States, brought his country out of the depression, rather than have it written that Roosevelt led his country into further calamity and catastrophe.

I am following, I may say to the Senator from New Mexico, the declarations of the Democratic national platform, which declared for economy. I am following the declaration of the President of the United States made on the 10th of March 1933, when he declared that the continued increase of deficits and debts was largely the cause of the distress in which our country found itself.

Mr. President, as I have said, there is this new continuing obligation which we cannot safely assume. Furthermore, I may say a further thing about the application of this new plan of giving every man a job. It is a fine thing that every man should have a job. Of course, the man who gets a dole, if it may be called that—and those who propose these amendments love to roll the word "dole" on their tongues as if the dole were some outrageous imposition upon the citizen—the citizen who is getting a dole is better off than the citizen who starves. The citizen who gets $50 a month, of course, is better off than the man who gets $25, and the man who would get $100 a month would be better off than the man who was getting $50, and we may go on and give a man $200 a month, and he would be better off. If we are to consider the matter pending here solely from the interest of the recipient of relief, of course, the larger the relief the more delighted and the better off the recipient would be.

Mr. ROBINSON. Mr. President, will the Senator yield to me?

Mr. ADAMS. Certainly.

Mr. ROBINSON. It is my understanding that the figures carried in the joint resolution are the approximate amount which will be necessary to accomplish the purpose of taking those on the relief rolls from the rolls and putting them into work-relief employment, and to perform other services which need not be mentioned in this connection, including the carrying on of emergency relief during the period immediately before us.

I should like to ask the Senator from Colorado upon what theory he bases his proposal to reduce the amount by one-half, and to fix the total appropriation at $2,000,000,000. Is it intended that the entire amount shall be employed in relieving destitution, or is a portion of it to be used in work relief, and if the latter, what portion? I should like to know how the Senator reaches the conclusion that the amount which he fixes in his amendment is the correct amount to be appropriated.

Mr. ADAMS. Mr. President, I am very glad to give to the Senator my views; I do not say my answer is the correct answer, but these are my views.

The joint resolution itself provides $4,880,000,000 and provides that the money may be expended any time up until June 30, 1937; in other words, nearly 2 years and a half from the time when the joint resolution was introduced.

The amendment which I have offered provides an appropriation of $2,880,000,000, or a reduction in amount of $2,000,000,000, and a reduction in the time within which it may be expended of 1 year. In other words, the amount provided by the amendment which I have offered would make possible larger payments per month than would be possible under the amount provided in the larger appropriation.

Mr. President, I am hoping to have work given to every man on relief. I am for work relief. At the present time work relief has been largely the policy of the Federal Emergency Relief Administration. Of the three and a half million employables on relief two and a quarter million have been at work. They have not been at work full time but they have been at work, and have worked to the extent of the amount of relief they have received. In other words, the man on relief could say, "Every dollar of relief which I received I earned."

The Federal Emergency Relief Administration was able in 1934 to give work relief to two and a quarter million people with the expenditure of $1,069,000,000. So the amendment which I have offered would give more than two and a half times as much Federal money as was used during 1934, under which more than two-thirds of those on relief were given employment. In other words, it would provide adequate money to give work relief to every man on relief, but not to guarantee him a job regardless of his necessities, and it would leave adequate money for reasonable public works, if you will.

Some 2 years ago we appropriated $3,300,000,000 for a great public-works program. Of that, roughly $300,000,000 went very promptly for naval expenditures, I understand. Of the remainder, not over one-half has yet been put into circulation in this country. There remains unexpended of this appropriation, roughly, a billion and a half after 2 years. So that my judgment is that if we appropriated $4,880,000,000, we could not put it out where it would be useful. We would be merely destroying Federal credit; we would be assuming a new continuing obligation, dangerous to the morale of the whole Nation. So that the money provided for in the amendment which I have offered is adequate for every fair work-relief program.

While we are talking of work relief, let me make this suggestion as to what we are planning to do under the pending measure; and, of course, the joint resolution must be considered in the light of the statements which have been made in its support by the President and the congressional leaders, because when we talk of security wages and projects we must realize they are not in the joint resolution, they are in the explanations of it. We are planning to take steel workers, shoemakers, carpenters, farmers, and put them to work on soil-erosion projects and reforestation projects. We are planning to put people to work at tasks with which they are not familiar, at which they are not skilled.

Mr. NORRIS. Mr. President, will the Senator yield to me?

Mr. ADAMS. Certainly.

Mr. NORRIS. I am very much interested in what the Senator is saying, but it seems to me that the Senator's amendment would not change the theory of the joint resolution in any particular. It simply would cut down the amount and lessen the time within which it could be spent. The Senator's argument, however, is mostly against work relief and in favor of other methods of relief. Is the Senator intending to offer any other amendment, if the pending amendment shall prevail, to change at all the theory of the joint resolution?

Mr. ADAMS. Mr. President, if the Senator will permit me, I think the figures themselves will furnish the explanation; I do not think any other is necessary. As I said, we cannot put three and a half million men to work and give them $50 a month on a $2,000,000,000 appropriation.

In other words, in order to arrive at the basis of the $4,800,000,000 and to have the computation before the committee, we asked Admiral Peoples and also Mr. Bell, the Acting Director of the Budget, "How did you arrive at the $4,000,000,000 figure? Did you have any projects in mind?"

"No." "Did you have any particular computation?" "No." "Well, what did you do?" "Well", they said, "we figured there were three and one-half million men we were going to put to work and pay them, on the average, $50 a month. That means $2,100,000,000. And we figured it will take $1,900,000,000 for material. So we reached this computation by figuring what it would cost us to put three and one-half million men to work at $50 a month."

If we provide only $2,000,000,000, we cannot put that many men to work and pay them $50 a month. That is, there are limitations in the figures themselves. Work relief is a very different thing from putting people upon the Government pay roll, employing them at a wage. I am in favor of work relief. I am not in favor of the United States employing every unemployed man in the United States on Government work.

Mr. NORRIS. If the Senator will permit me to interrupt him, I will say that it seems to me the Senator's amendment will not do what he says it will do. It will only lessen the number of men who could be put to work, and shorten the time at which they could work. Those who have to carry out the administrative features of the joint resolution would not necessarily be affected at all by the Senator's amendment, it seems to me, except that they would not do as much as they would do if the amendment were not agreed to.

Mr. ADAMS. Mr. President, apparently I have been unable to make myself clear. The President of the United States has put into effect a relief policy which has been in operation for some 2 years. I am in favor of the President's policy. I believe it is sound; I believe it should be continued. I am a supporter of the policy of the President of the United States as put into effect and carried out in 1933 and 1934. I am not in favor of repudiating the policies of the President of the United States under which we have been making headway. In other words, I am in favor of giving to every unemployed man in this country who is in distress relief to the extent of his necessities, and to provide him work, so that his pride, his self-respect, may be saved; so that he may work and earn that relief. I am not in favor of the Government assuming the obligation to give men jobs, pay them a so-called "security wage", the wage to be entirely independent of their necessities, and that all they have to do to get the job is to say, "We are in need to some degree."

When interrupted I was starting to point out an idea which is somewhat incomplete in my own mind. We are proposing to take steelworkers, cement mixers, shoemakers, textile workers, away from the jobs at which they are skilled and to put them to work at jobs at which they are not skilled. Not only that, but the kind of work we are proposing to provide for them is work which is not competitive with other industry, work which is not productive. In other words, we are going to take the man who can be made a producing citizen and put him at some task for which he is not fitted. It will help him, yes; but my inquiry is whether that is the best way to go about it. We have men, women, and children in the United States in need of shoes. When we have idle shoemakers, would it not be better to put them to work at making shoes instead of putting them to work on a soil-erosion project? On the farms, plows and other farm implements of steel are needed. Why should the steelworker in my town be put out on a forestation project when he could be making plows and other farm implements at his regular place of employment? People need houses. Why should we put carpenters to work on reforestation projects when they could be put to work at their accustomed occupation? People need shoes. Why should the shoemaker not be put at his accustomed work rather than on a soil-erosion project? The farmer has a surplus of crop, and he needs shoes, he needs farm implements, and he needs carpenter work.

Why do we have to go about it in the indirect way? We say we are going to put men to work indirectly. How? A man is assigned to the task of building a grade crossing at some place. He is going to use some material, the production of which will put a brickmaker or somebody else to work. Why can we not put people to work on their own jobs where they can be productive? Why do we have to go in a round-about way and waste three-fourths of what we do? Why can we not put the steel worker to work in the steel mill? Why can we not put the carpenter to work building houses? Why can we not put the shoemaker to work at making shoes? I do not know the answer, but I do know that of the various groups there is hardly a man among unemployed group who does not need something which can be produced by someone else in that very group.

Mr. NORRIS. Mr. President, will the Senator yield again?

Mr. ADAMS. Certainly.

Mr. NORRIS. In answer to the Senator's questions which he has propounded—all proper questions, I concede—I will ask the Senator, does he think we will put the steel worker to work making steel and put the shoemaker to work making shoes if we shall adopt his amendment?

Mr. ADAMS. No; but I will say to the Senator from Nebraska that if we take $4,880,000,000 and use it for direct employment, we will do infinitely better with it if we go to the detail which can be gone into of seeing that the money is spent directly to put people to work on their own jobs. We have a great industrial machine. It is stalled. It is a good machine. We have the wealth; we have the man power; we have the need for things which can be produced. We have the capacity to produce them. My inquiry is, if we want to start this stalled machine, had we not better put on the machine the crew which understands how to work it? Are we not more apt to have it started in that way than if we put people at work on the various parts who do not understand the job on which they are engaged? In other words, I think we are going at this problem in a left-handed, a backward way. We have been doing it for 2 years; we have made some headway, but we are not out of the woods as yet.

Mr. BORAH. Mr. President, will the Senator from Colorado yield to me?

Mr. ADAMS. I yield.

Mr. BORAH. I know the Senator has given this subject much more consideration than I have, and that he knows far more about the effect of his amendment than I do, but I am unable as yet to understand how the amendment as now proposed, limiting the time to 1 year and cutting the appropriation down $2,000,000,000, will effectuate what the Senator desires to accomplish. How does it change the program? The Senator proposes simply to limit the expenditure to 1 year and to cut down the amount $2,000,000,000. How does it change the program as it would be under the $4,000,000,000 plan extending over 2 years instead of 1 year?

Mr. ADAMS. As the Senator from Idaho knows, there was no program pointed out in the joint resolution as it originally came to us. It merely provided for an appropriation of a vast sum of money and the delegation of vast power. What we understand as to the security wage program is derived from explanations as to why the money is needed. In the previous appropriation bill, for instance, the one passed, I think, on June 16 of last year, we merely appropriated a large sum of money. We created a Federal Emergency Relief Administration. The sum of money itself points to some limitations. I am perfectly frank in saying to the Senator from Idaho that if the President of the United States, under the reduced appropriation, should insist on putting into effect a security wage-employment program, he could do so, but he could not do that and successfully provide relief for all the people. In other words, the amendment inevitably and necessarily imposes limitations upon the method by which the money is spent, and points out clearly the fact that we prefer a work-relief program to a wage-employment program.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. ADAMS. I yield to the Senator from Florida.

Mr. FLETCHER. The Senator has argued that we have had a fund of this character for 2 years and have not been able to get that money into circulation; that we have not been able to complete the work during 2 years. How does he propose by his amendment to advantage anything by making the limitation 1 year? It seems to me we will scarcely get started on the program in 1 year.

Mr. ADAMS. We must not confuse the two things. The money which has not gone out is the money that went to the Public Works Administration. The money which we turned over to the Federal Emergency Relief Administration has been disbursed. Those are two different agencies, two different plans of expenditures.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. BYRNES. I understand the Senator to say that of the $3,300,000,000 appropriated, one-half had not been spent.

Mr. ADAMS. I will say that approximately one-half of the money has not gone out into the country. The Senator from Virginia [Mr. BYRD], I think, has the figures available and will present the accurate figures.

Mr. BYRNES. May I say to the Senator that the statement from the Treasury will show that, on the basis of checks issued, of the $3,300,000,000, there was a balance of $1,116,000,000, but of that amount $869,245,000 has been contracted for? Thus there remain only $247,000,000 available for further obligation, and of that amount, as the Senator knows, we have withdrawn considerable sums to be transferred to F. E. R. A., but the amount undisbursed, on the basis of checks actually issued, amounts to only $1,116,000,000, and $869,000,000 of that is obligated.

Mr. BYRD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Colorado yield to the Senator from Virginia?

Mr. ADAMS. I yield.

Mr. BYRD. In connection with what the Senator from South Carolina has stated, it is true that there is $1,100,000,000 unexpended from the $3,300,000,000; but the total unexpended balance available for public works from all sources, according to a statement which has come to me from the Secretary of the Treasury, amounts to $1,463,735,845.57. So there is a total already appropriated of approximately $1,500,000,000 available in the Treasury for expenditure on public works at the present time.

Mr. BYRNES. I will not interrupt the Senator's speech further.

Mr. ADAMS. I may say to the Senator that my speech is not of the kind that can be distressed by an interruption.

Mr. President, I have tried to point out why I thought the theory of this measure was unsound.

The other item is the element of cost. Considering that the theory of the joint resolution is sound, that the security wage is desirable, my studies of the finances of the Government persuade me that if we enter upon this expenditure in the total sum proposed we will endanger the credit of the United States.

Again I fall back upon the Democratic leader for my text. Also, on February 23, 1935, as quoted in the New York Times, he said:

> It is impossible for the Federal Government long to carry out a program for a Nation-wide dole or a public employment system.

My judgment is that this program involves a long, Nation-wide public employment system which the Senator from Arkansas says it is impossible for the Treasury of the United States to carry.

The President of the United States in his message of March 10, 1933, laid down a statement of facts and of principles. At that time he said:

> For 3 long years the Federal Government has been on the road toward bankruptcy.
>
> For the fiscal year 1931 the deficit was $462,000,000.
>
> For the fiscal year 1932 it was $2,472,000,000.
>
> For the fiscal year 1933 it will probably exceed $1,200,000,000.
>
> For the fiscal year 1934, based on the appropriations bills passed by the last Congress and the estimated revenues, the deficit will probably exceed $1,000,000,000 unless immediate action is taken.
>
> Thus we shall have piled up an accumulated deficit of $5,000,000,000.
>
> With the utmost seriousness I point out to the Congress the profound effect of this fact upon our national economy. It has contributed to the recent collapse of our banking structure. It has accentuated the stagnation of the economic life of our people. It has added to the ranks of the unemployed. Our Government's house is not in order, and for many reasons no effective action has been taken to restore it to order.
>
> Upon the unimpaired credit of the United States Government rests the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of our agricultural products, and the availability of employment. The credit of the United States Government definitely affects these fundamental human values. It therefore becomes our first concern to make secure the foundation. National recovery depends upon it.
>
> Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger.

Mr. President, that is exactly where I stand. The President of the United States pointed out that a deficit of $5,000,000,000, at a time when the indebtedness of the United States was only $21,000,000,000 at the outside, was endangering the national credit. What is the situation today?

The national indebtedness, Mr. President, is, roughly, $35,000,000,000. In making up that figure there are included the conceded obligations of some twenty-eight and a half billion dollars, the bonus obligation, due in 1945 or 1947, of, roughly, $2,000,000,000, which is an indebtedness, and unexpended allocated appropriated funds awaiting only the action of the administrative authority of some $5,000,000,000. Those funds appropriated and unexpended are not debts as yet, but they are prospective debts; they are on their way to become debts. In other words, we have a real indebtedness facing us of $35,000,000,000.

The President estimates a deficit of four and a half billion dollars this year and an equal amount next year. We are on the road to an indebtedness on the part of this country of $50,000,000,000. If the national credit was in danger when the indebtedness was $21,000,000,000, and when the deficit was $5,000,000,000; and if, as the President says, unemployment, the collapse of our banking structure, and the lowering of industrial activity were due to that course toward bankruptcy, what is to be said today?

Mind you, Mr. President, the income of the United States Government, excluding processing taxes, as to which the Federal Government is merely a collecting agency, in the fiscal year 1934 was $2,700,000,000. We propose to appropriate in one bill almost twice the total national income for a year. We are running behind so rapidly that our income today is only about 37 cents on each dollar of expenditures. Is it not time to take warning; and is it not time to regard what the President of the United States said to us in 1933 when he entered upon a program which has brought us far on the road to recovery?

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. ADAMS. Certainly.

Mr. TYDINGS. Is there any Senator in this body who supposes that at the end of the next 2 years, when all this money shall have been expended, a great deal of the problem which exists today will not then exist; and will those Senators who are going to vote for this $4,800,000,000 appropriation be prepared, at the end of 2 years, to vote for another appropriation of three or four billion dollars?

Mr. BORAH. Let me ask the Senator from Maryland a question.

Mr. TYDINGS. If it is agreeable to the Senator from Colorado, I will be glad to answer if I can.

The PRESIDENT pro tempore. Does the Senator from Colorado yield to the Senator from Idaho?

Mr. ADAMS. Certainly.

Mr. BORAH. The Senator from Maryland has asked a very pertinent question, but, in view of the situation now confronting us of unemployment and many people on the relief rolls, the question is, What are we going to do about it? They must be thought of; and it will take at least a very large sum of money in order to meet that situation. I am not prepared to suggest any exact amount, but there must necessarily be a large sum of money supplied. I see no way to avoid these expenditures; I wish I could.

Mr. TYDINGS. I agree with the Senator that people in distress should not be allowed to starve if they are the victims of an economic depression. My way to provide for them would be to give them enough to live on until the country can get back on its feet, and not put the Government further in debt by providing work, which will simply add to the national debt, delay recovery, and, to a large extent, be a waste of governmental money. Does that answer the Senator?

Mr. BORAH. That presents one view of it very ably.

Mr. TYDINGS. Well, that is my view of it.

Mr. ADAMS. May I suggest that if we have impaired the national credit we can then no longer give either relief or employment? In other words, when the national credit is jeopardized, then we have unemployment without means to meet it. We have gotten into the habit of talking of large figures until we cease to understand what is really involved in them. Millions have become as pennies.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. ADAMS. Certainly.

Mr. TYDINGS. I do not know whether the Senator cares to answer my question, but may I ask him—because I am in sympathy with the general theme of his remarks—if he does not feel that in 2 years a great deal of the unemployment problem as it exists today will be with us again; and how long are we going to take money which we have not got to use for a purpose such as this? How long can we take money—2, 3, or 4 billion dollars a year—and appropriate it to a condition which, in my judgment, is permanent? With high tariffs, with a failure to trade with the world, and with a currency war going on, I think that the unemployment situation is just as permanent as is Gibraltar; and if we are going to run the country that way, we might as well make up our minds that we are going to have to appropriate public funds year after year for people who will have no work in that kind of a society.

Mr. ADAMS. Let me call the attention of the Senator from Maryland to the three authorities on whom I am relying. The gentleman who first induced me to enter upon a study of this situation was the senior Senator from Maryland [Mr. TYDINGS].

Mr. TYDINGS. I thank the Senator.

Mr. ADAMS. I was somewhat amazed at some figures he produced, and I undertook to study them.

The next authority is the senior Senator from Virginia [Mr. GLASS], whom I regard as an authority on all these fiscal questions.

The next was the senior Senator from Arkansas [Mr. ROBINSON], who has said to us, if we should adopt the McCarran amendment, which involved, according to his figures, roughly, an additional expenditure of $2,000,000,000, that we would destroy the credit of the United States. We have gotten that close to the brink. I have heard other Senators speak of the bonus and say that if $2,000,000,000 shall be spent for that purpose, we shall be ruined. Those things have been said in the past when our indebtedness was far less than it is now, so that it seems to me that the question of the Senator from Maryland answers itself largely, that is, we cannot continue to spend beyond the point of safe credit. Now let me give a figure or two.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Colorado yield to the Senator from Idaho?

Mr. ADAMS. I yield.

Mr. BORAH. I take it from the argument that is being advanced that we cannot think of enacting a law to take care of old-age pensions or of the bonus? And yet those matters must have consideration.

Mr. ADAMS. That would be the natural conclusion of some of the arguments which have been made.

Mr. BORAH. That would be the natural conclusion, I take it, of the Senator from Colorado?

Mr. ADAMS. I will state to the Senator from Idaho that I am personally in favor of saving a little money so that we may do some of those things.

Mr. BORAH. That is sound doctrine.

Mr. GLASS. What is the use of saving money and then proceeding to waste it?

Mr. BORAH. I was speaking seriously. The bonus bill is coming to the Senate, and, in all probability, will be passed. Old-age pension legislation also is coming to the Senate, and there is a probability that old-age pension legislation will be passed. The argument which is being presented here this morning would preclude the consideration of those matters from the standpoint of the credit of the Government. The question with me is are we to take a position in advance of their consideration which would seem to preclude their enactment.

Mr. ADAMS. If the Senator from Idaho will permit me to make this comment, I am quite convinced that the credit of the Government can stand certain definite appropriations if that is the end. My point is that we are starting a process, and that it is a continuing process which will lead us into debt beyond our capacity to stand.

Mr. TYDINGS. Mr. President, will the Senator yield further?

Mr. ADAMS. Certainly.

Mr. TYDINGS. I doubt very much if an appropriation of $5,000,000,000 is going to wreck the credit of the Government.

If we add $2,000,000,000 more for the bonus, I doubt very much whether we will wreck the credit of the Government. As I understand, the Senator from Colorado does not contend that to be the case. What he does contend, however, is that each one of these appropriations, which are large, tends to the point where sooner or later Government credit must be wrecked unless we lay taxes to keep down the debt.

With the banks already holding half of the Government indebtedness, of course the banks are going to buy the $7,000,000,000 worth of new obligations, because if they do not buy them, the bonds they already hold would drop in value, and then the credit of the banks would be impaired.

What I am wondering is how much further we can go in these leaps—not slow walking steps, but these financial leaps—before we reach the point where the Government credit will be wrecked. It may be $40,000,000,000, it may be $50,000,000,000, but let me point out that $7,000,000,000 is one-seventh of $50,000,000,000, and the bonus plus the public relief measure now before us will amount to $7,000,000,000. In my judgment, both these measures are going to pass. If $50,000,000,000 is the limit of our credit, and there is not a man here who can say that 2 years from now we will not need appropriations of this kind again, then I say how can we afford to think that $50,000,000,000 is the limit and go ahead and spend $7,000,000,000 of it in a single year when we already have a national debt of $30,000,000,000.

Mr. BORAH. I observe the question of the credit of the Government is always invoked against a measure to which the party invoking it is opposed. The McCarran amendment was defeated largely because the credit of the Government was supposed to be involved and near exhaustion. A very small sum, comparatively speaking, was involved. I suppose an effort will be made to defeat the bonus on the same theory.

Mr. TYDINGS. I do not think the bonus will be defeated, may I say to the Senator from Idaho.

Mr. BORAH. Then we had better save something out of this measure for it.

Mr. TYDINGS. That is the point I am making. If we are going to spend this $4,883,000,000, and then the week following we are going to appropriate $2,500,000,000, and then in a year or two more we are going to appropriate $4,000,000,000 or $5,000,000,000, all of which we have not, all of which we are borrowing, with no one willing to lay the taxes to carry on such an extravagant program, I want to know how long we can run the Government that way before people reach the conclusion that it is not being well run.

Mr. BORAH. Has the Senator read the hearings containing the testimony of Governor Eccles before the House committee?

Mr. TYDINGS. Only sporadically.

Mr. BORAH. He purports to make answer to the Senator's argument on that point.

Mr. TYDINGS. I have not that information.

Mr. ADAMS. Mr. President, there are certain things this country needs. I think the primary thing is to get its people who are unemployed back to work in their jobs in private industry. We need to have private industry become active, undertake its normal business operations, and absorb the unemployment. What is necessary in order that that may be accomplished? The unemployed man does not need to be encouraged to take a job. The man on relief is eager for work. The man who needs encouragement is the man who

has a job which he can give to somebody. We need to encourage industry, commerce, and business. If we are going to get people to work in industry, commerce, and business we have got to let them understand that conditions are secure, that there is an opportunity for profit in their undertakings.

Whenever a man with means is only concerned with saving that which he has, we have unemployment. We must have in that man's mind a feeling that conditions are sufficiently secure and sufficiently attractive so that he may earn a profit out of the employment of his capital, with his factory, or with his undertaking in commerce.

We cannot encourage industry and capital and commerce by piling up debts which threaten the credit of the country. If we continue to increase the deficit, if we exhibit to the country unsound financial policies leading inevitably to repudiation or inflation, we will not secure that which America needs above all other things.

Mr. TYDINGS. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Colorado yield to the Senator from Maryland?

Mr. ADAMS. I yield.

Mr. TYDINGS. Along the line of the thought the Senator has been expressing, trying to keep men in the trades in which normally they work, I wonder if the Senator would bear with me for a moment to permit me to put a brief summary in the RECORD which shows the distribution of positions in the country as to industry?

Mr. ADAMS. Would not the Senator rather do that in his own time?

Mr. TYDINGS. It is not long, and it has a direct bearing on the point the Senator is just making.

Mr. ADAMS. Very well; the Senator may proceed.

Mr. TYDINGS. In 1930, of workers over 10 years of age, there were gainfully employed 41,000,000. I shall give only the round numbers. Of these, 10,600,000 were engaged in agriculture, 270,000 in forestry and fishing, 1,000,000 in extracting minerals, 12,800,000 in manufacturing and mechanical industries, 3,000,000 in transportation, 4,200,000 in trade, 700,000 in public-service work, 2,000,000 in professional service, 3,300,000 in domestic and personal service, and 3,000,000 in clerical occupations. These figures include both male and female.

When we consider what we can do in this matter, I think the normal activities of the persons ordinarily engaged in work in the country ought to be considered.

Mr. ADAMS. Mr. President, I have a few figures which I desire to offer. First, I want to have the Senate understand that the appropriation provided for by the amendment is an enormous appropriation. It is not a trivial appropriation. It is really larger than any relief appropriation ever made. The $3,300,000,000 public-works appropriation was not strictly a relief appropriation. It is almost equal to the total capital, surplus, and undivided profits of all the national banks of the United States. I merely cite that to give some idea of the amount that is proposed to be appropriated by the amendment. It is equal, Mr. President and Senators, to the capital, surplus, and undivided profits of all the national banks of the United States and we think of the national-banking system as an institution of some size. It is in excess of the total revenues of the United States in 1934.

Let me give some statistics from the Budget message of January 1935: For the fiscal year ending June 30, 1934, the expenses of the Government were $7,100,000,000; the revenues were $2,700,000,000; the deficit was $4,000,000,000, the increase in the national debt was $4,500,000,000. That is, the national debt increased one and one-half times the total income for the fiscal year ending June 30, 1934.

For the fiscal year 1935 the Budget estimates are as follows: Expenditures, $8,500,000,000; receipts, $3,100,000,000; deficit, $4,800,000,000; and the national debt will be $31,800,000,000, which does not include the bonus or unexpended appropriations.

For the fiscal year to end June 30, 1936, these figures also coming from the Budget estimate, the deficit is estimated at $4,500,000,000, and the national debt at $40,000,000,000. Again we have to add the other figures which I have mentioned.

How does that compare with the national debts of other days? In 1916 the national debt was $1,225,000,000. In 1919, the high point at the close of the war, the national debt was $25,400,000,000; and let me remind Senators that about that time, or shortly thereafter, Government bonds went down upon the markets 10, 15, and 20 points. If Government bonds went down under a national debt of $25,000,000,000, it may be predicted what may happen when the national debt reaches forty or forty-five billion dollars.

In 1931 the national debt had been reduced until it had reached $16,800,000,000. When this administration went into office it had reached probably $21,000,000,000. We are now in the process of doubling the national debt of the United States.

At the close of the Civil War, when there was question as to the stability of the Government under its load of debt, the total Government indebtedness then was only $2,750,000,000. At that time the Government had issued so-called "greenbacks" to the amount of only $450,000,000, yet they depreciated to 35 cents on the dollar. Government bonds about that time depreciated until they could be bought at 32 cents on the dollar. Government bonds did not reach par for a period of 15 years after the Civil War; neither did the Government credit upon its greenbacks reach par until the passage of the Resumption Act in 1878.

These things are history. We have seen Government credit impaired. We know what it has meant to business; but we are going on, on, on, spending not only great sums but unnecessary sums. That is my complaint about this joint resolution. We can take care of the needy with $2,880,000,000. The $4,880,000,000, the excess of $2,000,000,000, is not needed.

Mr. COSTIGAN. Mr. President, will my colleague yield?

Mr. ADAMS. Certainly.

Mr. COSTIGAN. Has the Senator from Colorado figures showing how the national debt increased during the administration of President Hoover? If not, would it not be well to place in the RECORD the year-by-year increase in the national debt, beginning with the present depression?

Mr. ADAMS. They are available, though they are not on my table. I should be very glad to furnish them. I was trying to avoid more statistics than seemed pertinent to the discussion, but I shall be glad to incorporate them in my remarks.

In addition to these direct obligations we have contingent obligations. The Government has guaranteed the Home Owners' Loan bonds. It has guaranteed the Farm Mortgage Corporation bonds. Its name is upon the Federal Reserve notes of three billion and something. It has guaranteed the Housing Corporation's bonds. It is behind the T. V. A. It is behind the R. F. C., and the obligations of the R. F. C. are unlimited in several respects, whatever may be needed. I think the Senator from New York [Mr. WAGNER], who has had a hand in these pieces of legislation, knows that the Reconstruction Finance Corporation is required to provide whatever funds are needed by the Housing Administration and by several others, and the R. F. C. gets it by borrowing upon the credit of the United States. Then we have the postal savings, which are secured largely by Government obligations.

Interest on the public debt is now approaching $1,000,000,000 a year. At the present time it is something less than that, because the short-time borrowings of the Government are made at extremely low rates; but that may not continue. The average rate, however, upon Government borrowings, even with the low-rate, short-time borrowing is practically 3 percent. It has been going down. When our indebtedness reaches, as it apparently soon will reach, the $40,000,000,000 point, we shall be paying out a billion and a quarter dollars a year in interest—a billion and a quarter out of a total income of $3,000,000,000. That is a fixed charge; and, in addition to that, some day we shall be called upon to pay the principal.

In addition to the national indebtedness, there bears down upon the taxpayer of the land the city, the school, the

county, and the State debts, and they aggregate today over $20,000,000,000. In other words, our total national indebtedness which the taxpayer must carry is now over $50,000,000,000. Today practically 37 percent of the income of the country is consumed in taxes. The per capita Federal debt is nearly $250. The total per capita public indebtedness of all kinds runs over $400; and, mind you, when we figure that we must forget the men on relief, the unemployed. We must think of those who have to pay it. We must think that when we say "per capita", they average four to four and a half per family, so that every family in the United States that has any earnings has a burden of anywhere from $1,600 to $2,500 of indebtedness to carry.

Mr. COSTIGAN. Mr. President——

Mr. ADAMS. I yield to my colleague.

Mr. COSTIGAN. Has my able colleague drawn attention to the fact that in 1919 the Federal debt aggregated approximately $25,482,000,000, and that by 1930, following the World War, by retirement of portions of the debt, it had reached a low level of about $16,185,000,000?

Mr. ADAMS. I gave substantially those figures sometime ago.

Now I come to the total bank deposits, simply to give some more figures, so that Senators may understand the magnitude of the thing. The total bank deposits of the United States, excluding interbank deposits—that is, excluding those bank deposits which duplicate, and counting only the actual deposits in all the banks of the United States—are $42,000,000,000. In other words, our indebtedness is rapidly approaching the point where it would take all the bank deposits in the United States to pay our debt.

Of the national debt, the banks of the country hold $15,500,000,000. In other words, more than one-third of the deposits of the banks are invested in Government bonds. What does that mean? If there should be an impairment, even a slight impairment, of Government credit, if trouble should come to the banks, what would it mean to business, to industry, and to the man seeking employment?

The total capital, surplus, and undivided profits of all the banks, State, National, and others, is less than half of the amount invested in Government bonds. That is, we are putting on the banks a great part of the Government burden. There is one statement which has been made here a couple of times which is slightly in excess of the computations I make. It is said that a 10-percent shrinkage in Government bonds would render insolvent all the banks. I cannot verify that statement from the statistics. I say that because I think it is rather unfortunate to exaggerate our financial dangers. In other words, if there were a 10-percent drop in $15,000,000,000 worth of bonds which the banks of the country hold, they would have a shrinkage of a billion and a half. That would consume only half of their surpluses and undivided profits, and would not impair their capital. Of course, it does not mean that many banks would not be rendered insolvent, because these are aggregate figures. I merely want to give such encouragement as I can.

I now come to the tax situation; and that is what this entire matter comes down to—Who pays the bill? We propose to spend $5,000,000,000 under this joint resolution, and we spend other billions for other purposes. Who pays the bill? I know there is apparently a theory that the money comes down as manna did in the wilderness, that nobody has to produce it. The States today are talking of projects that they have. My State in the past 2 weeks has conjured up over $300,000,000 in projects. They have been gathered in. Apparently, there is a program of encouraging and stimulating the sending in of projects.

My State represents 1 percent of the country. If we get our $300,000,000 the Government is going to have to spend $30,000,000,000, if the money is distributed fairly—and, of course, Colorado would not have anything other than fairness. Of this $5,000,000,000 expense bill Colorado's 1 percent would mean $50,000,000 that we have to pay. Our people do not think of that. They do not seem to realize that the only source of the payment of these debts is the States, the citizens of the States, the taxpayers of the States. We have thirty to thirty-five billion dollars of indebtedness, which on my State means an indebtedness today of $350,000,000. Do Senators think that if my people realized that, they would be telegraphing me to support this joint resolution to spend more money for a lot of unnecessary, unproductive projects?

Mr. President, I am perfectly well aware that economy is unpopular. Any man who is seeking votes, who is seeking success at the polls, should not go out and preach economy. I have tried to follow the declaration of the Senator from Arkansas [Mr. ROBINSON] that patriotism should rule in this matter; and my judgment of the welfare of my country at this time, regardless of its effect upon any of the rest of us, is that this joint resolution, and the policy which it seeks to inaugurate, will endanger the future of my country.

Just a word or two more and I shall conclude.

My judgment is that before the introduction of the measure we were well on our way out of the depression. I think the establishment of sound-banking conditions, the relieving of the home owners and the farmers from loans at excessive rates of interest, and many other things that have been done had started us out of the depression, and we were making headway. I know that in my State conditions were better. Our mines were better. Our cattlemen were beginning to feel better. Agriculture, in some areas outside the drought area, was better. The merchant was doing better, and other things were improving; but today they are frightened at the prospect of financial recklessness. That is true of all those to whom we must look for employment.

Mr. President, in my judgment, this joint resolution is an unwarranted confession of the failure of the national administration's policy. I think the policy has been a success; and when we set about to repudiate the very policy under which we have been operating for 2 years I think it is an undeserved confession that we have failed and that we must turn and go another way. I think we have been on the right track, and I think we were going on. I think the President's message of warning as to expenditures should be blazoned where all can read it.

Supporting that joint resolution, of course, are the relief workers. They, of course, are for its passage. I have received telegrams from relief workers. If I were a relief worker, of course I would rather have $50 than $25. The contractors want the joint resolution passed. The communities that have projects as to which they have thought, "Well, we never can afford them ourselves", now think the Federal Government is going to build them, and they want the joint resolution passed. If we put it through and start on this course of building needless projects and spending money needlessly, I hesitate to prophesy the consequences.

As I have said to the Senate, in my judgment the joint resolution is unsound in its theory.

I think it introduces a dangerous new policy, a continuing obligation. I think that having gotten as far as we have we should follow the policy of a good doctor. When a patient is in desperate condition they give him stimulants, or they give him narcotics, as the case may be. When the patient shows signs of recovery they do not continue to load him with stimulants or with narcotics. In this Nation we show strong and marked signs of recovery. Why should we continue to inject narcotics, why should we continue to inject stimulants? What we need is the natural, normal course of recovery. If we are not careful we will have a land which depends upon narcotics, and we know what that means.

Mr. President, people speak lightly of indebtedness; they seem to think it is fine. We borrow today, and we do not think of pay day.

Senators, this depression owes its origin, more than to any other one thing, to excessive borrowing, excessive lending, excessive spending, speculation, and waste. Everyone here knows men in his State, in his community, who were prosperous a few years ago, but who are broken men, physically as well as financially, due to the fact that they speculated and borrowed beyond their ability to pay.

In 1927, 1928, and 1929 we pledged the incomes, the earnings, which we expected to get in 1930, 1931, and 1932 to buy things in those years, and when the incomes ceased there was nothing with which to buy, there was no one to whom to sell.

We have had an experience in lending. There is an uncollectible $11,000,000,000 item representing money we loaned to Europe. We took $11,000,000,000 of good money of the taxpayers out of this country through Government loans. We lost $17,000,000,000 in private loans to Europe and South America. Yet we wonder why distress fell upon us.

Our capital resources have been impaired in that way. A country brought into distress and depression by reckless borrowing on the part of its citizens seems to think it can as a nation get out of the depression by doing the same thing that brought the country into distress. Borrowing never got any country out of a depression. If we will study the history of depressions, we will find that, without a single exception, recovery has never been secured through government wasteful borrowing or wasteful spending. I do not say that upon my own authority, but speaking to an eminent historian only a few nights ago, I asked him as to that matter, and that was his answer.

The course we are pursuing is a false course. We are near enough to the edge of the precipice, according to leaders, so that an additional $2,000,000,000 might send us over. Yet we are asked to enter upon and to follow a course which may mean five, ten, fifteen, twenty billion dollars of borrowings.

Mr. President, it seems to me that the pending joint resolution hazards the future of America upon the turn of one card. We are told that if we will pass it, it will break the backbone of the depression and all will go back to work. If there were any way of guaranteeing the fulfillment of that prospect I should be glad to vote for the joint resolution, but, as I have said, it hazards the future of our country, the country of those who are to come after us, to whom we owe still greater obligations, upon the turn of a single card, upon the events of a single year, and I for one feel unable to support any such course.

I wish to close by again reading what the President of the United States said in the message of March 10, 1933:

> Upon the unimpaired credit of the United States Government rest the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of our agricultural products, and the availability of employment. The credit of the United States Government definitely affects these fundamental human values. It therefore becomes our first concern to make secure the foundation. National recovery depends upon it.
>
> Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5255) making appropriations for the Departments of State and Justice and for the Judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 5255) making appropriations for the Departments of State and Justice and for the Judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes, and it was signed by the President pro tempore.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

WORK-RELIEF PLAN

The Senate resumed the consideration of the joint resolution (H. J. Res. 117) making appropriations for relief purposes.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Colorado [Mr. ADAMS].

INCREASING DOLES INCREASE THE CHAOS

Mr. SCHALL. Mr. President, in June 1933, when the new deal began with a Federal dole system of so-called "relief and recovery", the total number of people on public relief were 17,000,000. After increasing the public debt by billions and piling up accumulated deficits approximating $11,000,000,000, Uncle Sam finds on his public relief rolls today 22,375,000 persons.

In other words, increasing doles, increasing debt, and increasing deficits have resulted in adding 5,000,000 people to public relief rolls. They also, by the destructive cooperation of such new-deal nostrums as the N. R. A. and the A. A. A., have added 1,000,000 to the number of unemployed in the industrial centers, not to mention a further increase of 2,000,000 unemployed in the rural districts.

In other words, the more we drain the financial resources of the United States Treasury, and the farther away we drift from a balanced Budget and national solvency, the larger grows the army of the public charges and the unemployed.

The greatest obstacle to recovery of our industrial prosperity is the growing threat of this leaning tower of Pisa, built of debts, doles, and deficits, which now overhangs every constructive enterprise—industrial, transportation, utility, commerce, and agriculture.

The road to recovery and permanent relief lies in cutting down, not in piling up, the doles, debts, and deficits, which block national recovery.

Increasing doles and deficits are destroying public confidence and industrial initiative, the foundation source of employment.

Increasing public debt is followed by an increasing interest burden, which already exceeds total receipts from income taxes.

Today, while public debt and bond investment stand at $10,000,000,000 above 1932, the loans to industry are $3,000,000,000 less than in 1932, and the sales of industrial and utility shares in 1934 fell to 100,000,000 less than in 1932.

In short, we are destroying the industries that employ labor and pay the taxes for support of government. And we are erecting a centralized Federal Government which threatens the perpetuity of the Republic.

Today, no man knows whether the end shall be a one-man dictatorship, as in Rome and Berlin, or a Soviet bureaucracy, as in Russia, or another American revolution. Only one thing is plain, this daily drift from the Constitution, from the American regime of common sense and common honesty, is carrying us farther away from the foundation on which we have achieved the greatness of the past 146 years, and threatens the United States with the eventual relapse like that we behold abroad.

We hear the boast that the Senate of the United States is the greatest parliamentary body on earth. We are faced with the problem, Shall government of the people, by the people, and for the people perish from the earth? Here true democracy is making its last stand. Shall we here, in our votes on this $4,000,000,000 Executive demand, vote for true recovery and democracy, or vote for increased dictatorship, doles, debt, and deficits?

It was said by a one-time great Democrat:

> The way to retrench is to retrench.

A vote to cut this $4,000,000,000 lump to actual needs of $1,880,000,000 is retrenchment. It means a marked step in the recovery of public confidence, industrial enterprise, increased employment, expanding production and prosperity, and a stride toward the recovery of all that has made America great—American freedom.

A vote to further expand the debt, deficits, and doles by piling on top of the leaning tower another $4,000,000,000, "subject to the allocation of the Executive", means continued and increasing emergency and depression, until finally we are reduced to the status of Rome, Berlin, and Moscow.

The true road to recovery is plain:

county, and the State debts, and they aggregate today over $20,000,000,000. In other words, our total national indebtedness which the taxpayer must carry is now over $50,000,000,000. Today practically 37 percent of the income of the country is consumed in taxes. The per capita Federal debt is nearly $250. The total per capita public indebtedness of all kinds runs over $400; and, mind you, when we figure that we must forget the men on relief, the unemployed. We must think of those who have to pay it. We must think that when we say "per capita", they average four to four and a half per family, so that every family in the United States that has any earnings has a burden of anywhere from $1,600 to $2,500 of indebtedness to carry.

Mr. COSTIGAN. Mr. President——

Mr. ADAMS. I yield to my colleague.

Mr. COSTIGAN. Has my able colleague drawn attention to the fact that in 1919 the Federal debt aggregated approximately $25,482,000,000, and that by 1930, following the World War, by retirement of portions of the debt, it had reached a low level of about $16,185,000,000?

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Of the national debt, the banks of the country hold $15,500,000,000. In other words, more than one-third of the deposits of the banks are invested in Government bonds. What does that mean? If there should be an impairment, even a slight impairment, of Government credit, if trouble should come to the banks, what would it mean to business, to industry, and to the man seeking employment?

The total capital, surplus, and undivided profits of all the banks, State, National, and others, is less than half of the amount invested in Government bonds. That is, we are putting on the banks a great part of the Government burden. There is one statement which has been made here a couple of times which is slightly in excess of the computations I make. It is said that a 10-percent shrinkage in Government bonds would render insolvent all the banks. I cannot verify that statement from the statistics. I say that because I think it is rather unfortunate to exaggerate our financial dangers. In other words, if there were a 10-percent drop in $15,000,000,000 worth of bonds which the banks of the country hold, they would have a shrinkage of a billion and a half. That would consume only half of their surpluses and undivided profits, and would not impair their capital. Of course, it does not mean that many banks would not be rendered insolvent, because these are aggregate figures. I merely want to give such encouragement as I can.

I now come to the tax situation; and that is what this entire matter comes down to—Who pays the bill? We propose to spend $5,000,000,000 under this joint resolution, and we spend other billions for other purposes. Who pays the bill? I know there is apparently a theory that the money comes down as manna did in the wilderness, that nobody has to produce it. The States today are talking of projects that they have. My State in the past 2 weeks has conjured up over $300,000,000 in projects. They have been gathered in. Apparently, there is a program of encouraging and stimulating the sending in of projects.

My State represents 1 percent of the country. If we get our $300,000,000 the Government is going to have to spend $30,000,000,000, if the money is distributed fairly—and, of course, Colorado would not have anything other than fairness. Of this $5,000,000,000 expense bill Colorado's 1 percent would mean $50,000,000 that we have to pay. Our people do not think of that. They do not seem to realize that the only source of the payment of these debts is the States, the citizens of the States, the taxpayers of the States. We have thirty to thirty-five billion dollars of indebtedness, which on my State means an indebtedness today of $350,000,000. Do Senators think that if my people realized that, they would be telegraphing me to support this joint resolution to spend more money for a lot of unnecessary, unproductive projects?

Mr. President, I am perfectly well aware that economy is unpopular. Any man who is seeking votes, who is seeking success at the polls, should not go out and preach economy. I have tried to follow the declaration of the Senator from Arkansas [Mr. ROBINSON] that patriotism should rule in this matter; and my judgment of the welfare of my country at this time, regardless of its effect upon any of the rest of us, is that this joint resolution, and the policy which it seeks to inaugurate, will endanger the future of my country.

Just a word or two more and I shall conclude.

My judgment is that before the introduction of the measure we were well on our way out of the depression. I think the establishment of sound-banking conditions, the relieving of the home owners and the farmers from loans at excessive rates of interest, and many other things that have been done had started us out of the depression, and we were making headway. I know that in my State conditions were better. Our mines were better. Our cattlemen were beginning to feel better. Agriculture, in some areas outside the drought area, was better. The merchant was doing better, and other things were improving; but today they are frightened at the prospect of financial recklessness. That is true of all those to whom we must look for employment.

Mr. President, in my judgment, this joint resolution is an unwarranted confession of the failure of the national administration's policy. I think the policy has been a success; and when we set about to repudiate the very policy under which we have been operating for 2 years I think it is an undeserved confession that we have failed and that we must turn and go another way. I think we have been on the right track, and I think we were going on. I think the President's message of warning as to expenditures should be blazoned where all can read it.

Supporting that joint resolution, of course, are the relief workers. They, of course, are for its passage. I have received telegrams from relief workers. If I were a relief worker, of course I would rather have $50 than $25. The contractors want the joint resolution passed. The communities that have projects as to which they have thought, "Well, we never can afford them ourselves", now think the Federal Government is going to build them, and they want the joint resolution passed. If we put it through and start on this course of building needless projects and spending money needlessly, I hesitate to prophesy the consequences.

As I have said to the Senate, in my judgment the joint resolution is unsound in its theory.

I think it introduces a dangerous new policy, a continuing obligation. I think that having gotten as far as we have we should follow the policy of a good doctor. When a patient is in desperate condition they give him stimulants, or they give him narcotics, as the case may be. When the patient shows signs of recovery they do not continue to load him with stimulants or with narcotics. In this Nation we show strong and marked signs of recovery. Why should we continue to inject narcotics, why should we continue to inject stimulants? What we need is the natural, normal course of recovery. If we are not careful we will have a land which depends upon narcotics, and we know what that means.

Mr. President, people speak lightly of indebtedness; they seem to think it is fine. We borrow today, and we do not think of pay day.

Senators, this depression owes its origin, more than to any other one thing, to excessive borrowing, excessive lending, excessive spending, speculation, and waste. Everyone here knows men in his State, in his community, who were prosperous a few years ago, but who are broken men, physically as well as financially, due to the fact that they speculated and borrowed beyond their ability to pay.

In 1927, 1928, and 1929 we pledged the incomes, the earnings, which we expected to get in 1930, 1931, and 1932 to buy things in those years, and when the incomes ceased there was nothing with which to buy, there was no one to whom to sell.

We have had an experience in lending. There is an uncollectible $11,000,000,000 item representing money we loaned to Europe. We took $11,000,000,000 of good money of the taxpayers out of this country through Government loans. We lost $17,000,000,000 in private loans to Europe and South America. Yet we wonder why distress fell upon us.

Our capital resources have been impaired in that way. A country brought into distress and depression by reckless borrowing on the part of its citizens seems to think it can as a nation get out of the depression by doing the same thing that brought the country into distress. Borrowing never got any country out of a depression. If we will study the history of depressions, we will find that, without a single exception, recovery has never been secured through government wasteful borrowing or wasteful spending. I do not say that upon my own authority, but speaking to an eminent historian only a few nights ago, I asked him as to that matter, and that was his answer.

The course we are pursuing is a false course. We are near enough to the edge of the precipice, according to leaders, so that an additional $2,000,000,000 might send us over. Yet we are asked to enter upon and to follow a course which may mean five, ten, fifteen, twenty billion dollars of borrowings.

Mr. President, it seems to me that the pending joint resolution hazards the future of America upon the turn of one card. We are told that if we will pass it, it will break the backbone of the depression and all will go back to work. If there were any way of guaranteeing the fulfillment of that prospect I should be glad to vote for the joint resolution, but, as I have said, it hazards the future of our country, the country of those who are to come after us, to whom we owe still greater obligations, upon the turn of a single card, upon the events of a single year, and I for one feel unable to support any such course.

I wish to close by again reading what the President of the United States said in the message of March 10, 1933:

> Upon the unimpaired credit of the United States Government rest the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of our agricultural products, and the availability of employment. The credit of the United States Government definitely affects these fundamental human values. It therefore becomes our first concern to make secure the foundation. National recovery depends upon it.
>
> Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5255) making appropriations for the Departments of State and Justice and for the Judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 5255) making appropriations for the Departments of State and Justice and for the Judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes, and it was signed by the President pro tempore.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

WORK-RELIEF PLAN

The Senate resumed the consideration of the joint resolution (H. J. Res. 117) making appropriations for relief purposes.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Colorado [Mr. ADAMS].

INCREASING DOLES INCREASE THE CHAOS

Mr. SCHALL. Mr. President, in June 1933, when the new deal began with a Federal dole system of so-called "relief and recovery", the total number of people on public relief were 17,000,000. After increasing the public debt by billions and piling up accumulated deficits approximating $11,000,000,000, Uncle Sam finds on his public relief rolls today 22,375,000 persons.

In other words, increasing doles, increasing debt, and increasing deficits have resulted in adding 5,000,000 people to public relief rolls. They also, by the destructive cooperation of such new-deal nostrums as the N. R. A. and the A. A. A., have added 1,000,000 to the number of unemployed in the industrial centers, not to mention a further increase of 2,000,000 unemployed in the rural districts.

In other words, the more we drain the financial resources of the United States Treasury, and the farther away we drift from a balanced Budget and national solvency, the larger grows the army of the public charges and the unemployed.

The greatest obstacle to recovery of our industrial prosperity is the growing threat of this leaning tower of Pisa, built of debts, doles, and deficits, which now overhangs every constructive enterprise—industrial, transportation, utility, commerce, and agriculture.

The road to recovery and permanent relief lies in cutting down, not in piling up, the doles, debts, and deficits, which block national recovery.

Increasing doles and deficits are destroying public confidence and industrial initiative, the foundation source of employment.

Increasing public debt is followed by an increasing interest burden, which already exceeds total receipts from income taxes.

Today, while public debt and bond investment stand at $10,000,000,000 above 1932, the loans to industry are $3,000,000,000 less than in 1932, and the sales of industrial and utility shares in 1934 fell to 100,000,000 less than in 1932.

In short, we are destroying the industries that employ labor and pay the taxes for support of government. And we are erecting a centralized Federal Government which threatens the perpetuity of the Republic.

Today, no man knows whether the end shall be a one-man dictatorship, as in Rome and Berlin, or a Soviet bureaucracy, as in Russia, or another American revolution. Only one thing is plain, this daily drift from the Constitution, from the American regime of common sense and common honesty, is carrying us farther away from the foundation on which we have achieved the greatness of the past 146 years, and threatens the United States with the eventual relapse like that we behold abroad.

We hear the boast that the Senate of the United States is the greatest parliamentary body on earth. We are faced with the problem, Shall government of the people, by the people, and for the people perish from the earth? Here true democracy is making its last stand. Shall we here, in our votes on this $4,000,000,000 Executive demand, vote for true recovery and democracy, or vote for increased dictatorship, doles, debt, and deficits?

It was said by a one-time great Democrat:

> The way to retrench is to retrench.

A vote to cut this $4,000,000,000 lump to actual needs of $1,880,000,000 is retrenchment. It means a marked step in the recovery of public confidence, industrial enterprise, increased employment, expanding production and prosperity, and a stride toward the recovery of all that has made America great—American freedom.

A vote to further expand the debt, deficits, and doles by piling on top of the leaning tower another $4,000,000,000, "subject to the allocation of the Executive", means continued and increasing emergency and depression, until finally we are reduced to the status of Rome, Berlin, and Moscow.

The true road to recovery is plain:

First. Retrench by reducing the $4,000,000,000 to $1,880,000,000, to restore public confidence.

Second. Repeal the N. R. A., which in itself will add to pay rolls of "crack downed" industry the 1,000,000 which the N. R. A. has thrown to unemployment.

Third. Repeal the A. A. A., which has added 1,000,000 to unemployment in the cotton South and another 1,000,000 unemployed in the North and West.

If this first session of the Seventy-fourth Congress should accomplish these three major measures of retrenchment and reform, we shall be able to balance our Budget by 1937, confidence will return, and America will be herself again.

Mr. HAYDEN obtained the floor.

Mr. CONNALLY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Radcliffe
Ashurst	Copeland	La Follette	Reynolds
Austin	Costigan	Lewis	Robinson
Bachman	Couzens	Logan	Russell
Bailey	Cutting	Lonergan	Schall
Bankhead	Dickinson	McAdoo	Schwellenbach
Barbour	Dieterich	McGill	Sheppard
Barkley	Donahey	McKellar	Shipstead
Bilbo	Fletcher	McNary	Smith
Black	Frazier	Maloney	Steiwer
Bone	George	Metcalf	Thomas, Okla.
Borah	Gerry	Minton	Thomas, Utah
Brown	Gibson	Moore	Townsend
Bulkley	Glass	Murphy	Trammell
Bulow	Guffey	Murray	Truman
Burke	Hale	Neely	Tydings
Byrd	Harrison	Norbeck	Vandenberg
Byrnes	Hastings	Norris	Van Nuys
Capper	Hatch	Nye	Wagner
Carey	Hayden	O'Mahoney	Walsh
Clark	Johnson	Pittman	Wheeler
Connally	Keyes	Pope	White

The PRESIDING OFFICER (Mr. BURKE in the chair). Eighty-eight Senators have answered to their names. A quorum is present.

Mr. HAYDEN. Mr. President, I desire to address the Senate on the question of whether the enactment of the pending legislation would tend to destroy or impair the credit of the United States.

We can be of good cheer. Economic conditions in the United States are not so bad as they have been painted. The credit of the United States is sound, and will be maintained. We do not have to believe all we hear or all we read in the newspapers. Some editorial writers have all the mental attributes of "Gloomy Gus", who was at one time quite prominent in the comic strips, but they only repeat unfounded forebodings.

Mr. TYDINGS. Mr President, will the Senator yield?

Mr. HAYDEN. I yield to the Senator from Maryland.

Mr. TYDINGS. I shall not interrupt the Senator any further; but I wish to make a suggestion in the light of his observation. I understand that this joint resolution provides for work for three and a half million men. There are 12,000,000 unemployed. I think it would be a good idea to make the proposed appropriation $16,000,000,000 to take care of them all; to give every man out of work a chance to work and earn a living and get back his self-respect.

Mr. HAYDEN. I know that the Senator from Maryland is not serious in that remark, and no Senator is proposing anything of the kind.

To return to my text, the credit of the United States will not be impaired by the enactment of this legislation. We are so close to the depression, and it has affected many of us in such a serious way, that I fear we cannot see the forest for the trees and the underbrush. Perhaps an outside perspective would be helpful to us in an examination into the situation. We have a great neighbor to the north, Canada. Let me tell the Senate what some responsible Canadians think of the ability of our Government to liquidate the public debt without imposing serious handicaps upon present economic recovery and future economic stability.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. BORAH. Does the Senator from Arizona think the credit of the United States would be impaired if we should pass the bonus bill?

Mr. HAYDEN. I am not in favor of the passage of the soldiers' bonus bill. I have twice voted against it. I do say that the credit of the United States would not be impaired or broken if we should pass the bonus bill.

Mr. BORAH. Or if we should pass the Townsend old-age pension bill?

Mr. HAYDEN. The Townsend old-age-pension bill goes into realms which I am sure the Senator himself will not care to discuss.

Mr. BORAH. No. I am trying to get an idea as to the limit of the credit of the United States. All these matters may be before us for consideration.

Mr. HAYDEN. That is exactly the subject upon which I propose to speak.

Mr. BORAH. Very well.

Mr. HAYDEN. I have here a statement issued by a great and solid bank in Canada. There was not a bank failure in the Dominion during this world-wide depression. In common with many of our larger financial institutions, one of them, the Royal Bank of Canada at Montreal, issues a monthly economic statement. This statement is approved by the officials of the bank and by its economic advisers. I desire to quote from it briefly. In discussing world conditions, the statement says:

> Within the United States excessive pessimism as to world conditions retards improvement, and doubt as to prospects in that country holds back business in other countries.
>
> While there are reasons for this mutual distrust it would seem that the barometer is rising both within and without the United States.

And then, with direct reference to our own country, I ask the Senate to listen with attention to this statement:

> In the United States the depression became more acute than in other countries. If capacity to survive unprecedented shocks constitutes a basis for confidence in the future, the future of the United States is assured. The Government has spent and is spending money freely, but alarm concerning such expenditures would seem to be somewhat exaggerated when it is considered—

And mark these words—

> that if the United States and individual States were to maintain the recent scale of expenditure for 20 years, the resultant debt load would bear no heavier proportion to normal predepression national income than does the present debt load in Great Britain. Further, if the Government, State, county, and municipal debts are combined, the total amounts to less than $50,000,000,000, as compared with a normal income that amounted to between $75,000,000,000 and $80,000,000,000 per year at the price level which prevailed under the old gold standard. With a depreciation of 40 percent, it seems probable that national income may easily exceed $100,000,000,000. The public debt of Great Britain is a sum equal to twice the national annual income, and when the debt of local government bodies is added it comes to a sum more than two and one-third times as large as the (British) national income.

It must not be inferred from this statement that the United Kingdom has not had difficulty in carrying its debt load—for it has.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield to the Senator from Colorado.

Mr. COSTIGAN. Has the Senator before him an indication of the per capita debt in the United States and in the United Kingdom?

Mr. HAYDEN. I have.

Mr. COSTIGAN. Apparently, according to figures before me, in the year ending March 31, 1934, the per capita national debt, not including State and local indebtedness, for the United States was $209. For the United Kingdom, converted to dollars at par, the per capita national debt at that time was $807. Perhaps the Senator from Arizona will be good enough to elaborate on those figures and enlighten the Senate with respect to them.

Mr. HAYDEN. I have here a report made to the Joint Committee on Internal Revenue Taxation which takes into consideration not only the national but the State and local debts.

According to this report, the total per capita public debt of the United Kingdom, national and local, was $991 while

in the United States the per capita public debt was $370. This report was issued in January 1934.

Mr. BORAH. Has the Senator the figures as to the national debt of China?

Mr. HAYDEN. I do not have data as to the Chinese national debt, but I have some figures, which I will be glad to give to the Senate a little later, comparing our own national debt and that of other, perhaps, more economically advanced countries than China.

Mr. BYRD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Virginia?

Mr. HAYDEN. I yield.

Mr. BYRD. I was called from the Chamber for a moment. Did the Senator take into consideration the debts of States, counties, cities, and other political subdivisions?

Mr. HAYDEN. I did all that.

Mr. BYRD. The figures total, as my information is, if this joint resolution shall be passed, approximately $55,000,000,000, which is substantially more than the national income at the present time.

Mr. HAYDEN. The Senator is not quite correct in his figures. The statement made in the Royal Bank of Canada circular was so startling to me and differs so widely from the doleful tales we have been hearing that I determined to find from authoritative sources whether it could be justified. I have done so, and I shall show before I conclude that the statement is quite accurate as to the financial responsibility and burden of the Federal Government and its ability to pay the national debt as the same now exists or may hereafter be increased.

Our gross national debt, to respond to the Senator from Virginia, according to the best available figures—and they are based on a Treasury statement as of January 31, 1934—was $28,479,000,000.

Mr. BYRD. Mr. President, the Senator has got to add $6,000,000,000 to that, because the President says that on July 1, 1935, if this measure shall be passed, the debt will be $34,200,000,000.

Mr. HAYDEN. The President, I am sure, made that statement on the side of caution. It will be remembered that a year ago the President somewhat shocked the country by a statement of what the probable Treasury deficit would be. The actual facts, as they developed, did not justify the prediction he then made. I wish to make it perfectly clear to the Senator that I am talking about the national-debt figures as they existed on January 1, 1935. The Senator from Virginia can perhaps better than I look into the future and say what the public debt will be.

Mr. BYRD. I suggest to the Senator that the passage of the pending joint resolution alone will add $5,000,000,000 to the public debt.

Mr. HAYDEN. As to the gross State and local debt, the best figures which I have been able to obtain were prepared by the Industrial Conference Board, a very reliable institution. In a recent book entitled "The Cost of Government, 1923–34", at page 36, the total is given at $20,173,000,000. So that the combined public debt of the United States, the States, counties, and municipalities in 1934 may be set at $48,652,000,000.

The debt must be paid out of income, and so I have sought to obtain as accurate information as possible as to what has been the national income, from which we may estimate what the national income may be for the future.

The National Industrial Conference Board again prepared a set of figures, which have been checked and brought down to date by the Department of Commerce. I shall quote the totals for the following years:

In 1926 the income produced in the United States was estimated at $78,500,000,000; in 1927 at $77,200,000,000; in 1928 at $80,500,000,000; in 1929, which was the peak year, at $82,935,000,000; in 1930 at $70,588,000,000; in 1931 at $55,334,000,000; in 1932 at $40,755,000,000; and in 1933 at $42,665,000,000. The estimate for 1934 is not available, but from the best data now obtainable it is expected that the amount will not be far from $50,000,000,000.

NATIONAL INCOME PAID OUT

The Department of Commerce, pursuant to a resolution submitted by the Senator from Wisconsin [Mr. LA FOLLETTE], prepared a report on the national income from 1929 to 1932 and adopted a new and rather interesting method. Instead of counting only income produced, the Division of Economic Research of the Department also took into consideration income paid out. The results I have at hand as revised by the Department, and shall read them:

In 1929 the national income paid out was $82,300,000,000; in 1930 it was $75,800,000,000; in 1931 it was $63,300,000,000; in 1932 it was $49,700,000,000; in 1933 it was $46,000,000,000. The best estimate is that the national income paid out for 1934 will be $52,000,000,000.

Since 1929 the debt of State and local governments has increased at the rate of about one-half billion dollars a year, while the gross national debt up to date has increased at the rate of about two and one-half billion dollars a year. We must definitely tie up in any consideration of this problem the annual national income produced and its proportionate ratio in liquidating ability to the public debt. Income paid out means money actually passing into the hands of the income receivers, and is larger than income produced, because it includes interest, dividend, and salary payments out of accumulated surplus. Taxes are actually paid from income paid out, and hence it seems a more logical basis for comparison with the national debt and the service of the national debt.

RETURNS TO LABOR AND CAPITAL

Considerable surprise and concern has been recently expressed at certain figures released by Mr. Leon Henderson, of the National Recovery Administration, which show that at the end of 1934 pay rolls were 60 percent of the 1926 pay rolls and the purchasing power per worker was about the same as in 1926, whereas income from interest and investments was 150 percent of the 1926 income from that source, or half again as great.

The figures I have just read to the Senate in part explain what appears to be a startling discrepancy between the wages of labor and the earnings of capital.

It will be observed that in 1929 the national income paid out was $600,000,000 less than the income produced. In other words, in that year $600,000,000 was saved out of income and made available for reinvestment. In 1930 a radical change took place. The national income produced dropped to $70,000,000,000 and the income paid out amounted to $75,000,000,000. In 1931 the discrepancy rose to $8,000,000,000, because income dropped to $55,000,000,000 and $63,000,000,000 were paid out. The year 1932 was the worst of all. With national income at only $40,000,000,000, $49,000,000,000 were paid out, leaving a net loss of $9,000,000,000. In 1933 there was a change for the better. The national income was increased to $42,000,000,000 and the income paid out was reduced to $46,000,000,000, so that the unfavorable balance was cut more than in half. It is estimated that for 1934 the difference will be only $2,000,000,000.

Mr. TYDINGS. Mr. President——

Mr. HAYDEN. I yield to the Senator from Maryland.

Mr. TYDINGS. The Senator has referred to the national income. I presume what that embraces is value of the products of the farm, the factory, the mine, and the forest produced in that year plus returns on investments outside of products of the kind mentioned—what amount of the national income arises from the creation of new wealth, per se, and what amount of national income arises from wealth created, but not in this country, by investments.

Mr. HAYDEN. That is exactly the distinction I am trying to make to the Senate by stating these amounts, which show that from 1930 to 1934, inclusive, $28,000,000,000 have been withdrawn from reserves and other forms of accumulated capital in order to meet interest and dividend payments. Considering industry as a whole, there was no other source

from which such payments could have been obtained. The heaviest draft on such accumulations was in 1932.

THE WORST IS OVER

The worst of this strain is over and the trend of the figures indicates that this year, 1935, should see our national income produced in excess of $50,000,000,000 and again in excess of the national income paid out. In other words, there has been a substantial reduction in the draft by business upon accumulated surpluses and other assets in order to make current income payments.

For 5 years business generally has been in the "red", but when the American people, as a whole, shall have balanced their budget by producing more than they pay out, we may reasonably expect the Federal Government to balance its Budget, because there will be profits to be taxed, which did not exist during the half decade of depression.

BRITISH NATIONAL AND LOCAL DEBT

The comparative data as to the United Kingdom indicates that Great Britain is in a far less favorable position relative to its total debt and its income produced than is the United States. The London Economist for January 5 gives the figures for the British national debt as of December 31, 1934, at £8,144,000,000, which, converted into dollars with the pound at par, would be $39,579,840,000.

The local authorities of the United Kingdom have incurred indebtedness in the same manner as our States, counties, and municipalities. The following figures, taken from the Seventy-seventh Statistical Abstract of the United Kingdom, published in January 1934, show a total of such debts as being £1,375,293,469, which, converted into dollars, would be $6,682,500,000. The total British national debt, national and local combined, may, therefore, be fixed at $46,262,340,000, as compared to the $48,652,000,000 for the United States.

The table from which I have been reading is as follows:

United Kingdom—Local authorities—Outstanding loan debt (less sinking-fund assets)

England and Wales (Mar. 31, 1931):		
Total	£1,303,633,229	
Less sinking-fund assets	88,454,940	
		1,215,378,289
Scotland (Mar. 31, 1930):		
Total	142,871,158	
Less sinking-fund assets	2,211,601	
		140,659,557
Northern Ireland (Mar. 31, 1932):		
Total		19,255,623
Grand total		1,375,293,469 ($6,682,500,000)

(Source: Statistical Abstract of the United Kingdom—77th no. 1934 (Government publication).)

Mr. THOMAS of Oklahoma. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Oklahoma?

Mr. HAYDEN. I yield.

Mr. THOMAS of Oklahoma. Can the Senator give the Senate an estimate of the private debt owed by the corporations and people of Great Britain?

Mr. HAYDEN. I had not thought it advisable at this time to enter that field, either as to Great Britain or the United States. I am primarily concerned with the ability of the Government of the United States to meet its obligations.

Mr. THOMAS of Oklahoma. The New York Times of yesterday carried a two-column article by some allegedly famous economist of London. I have the clipping, but I cannot find it at the moment. If I read the article correctly, he made the statement that the national debt of Great Britain is much in excess of the national debt in this country per capita, but that the private debt in Great Britain is negligible in comparison with the private debt existing in the United States. While it is true that in this country we have only $30,000,000,000 of national debt, we have approximately $225,000,000,000 of private debt which the people must pay, just the same as they must pay the national debt.

A moment ago the Senator made a statement referring to China as a country not advanced. I wonder if the Senator means that China is a backward country?

Mr. HAYDEN. I made no such reference to China as a backward country. I spoke of other countries more comparable to our own.

Mr. THOMAS of Oklahoma. Last year the House and Senate passed a silver bill which provided for the purchase of silver in the markets of the world. When we entered upon that program we created a demand for silver and silver began to increase in value. Within 30 or 60 days after our silver program began to operate, silver began to respond by going up from 45 to 50 cents an ounce.

Just as soon as silver began to advance in value the Chinese unit, which is the dollar, began to advance in value and that of course had an effect upon Chinese economy. As the dollar became more valuable, commodities and goods in China began to fall. In 30 or 60 days this backward country of China, knowing exactly what was happening to it, filed a protest with our American Government against our policy of bidding up their silver, raising the value of their Chinese dollar, deflating China.

In this country since 1920 we have seen the gold dollar continue to advance in value. That was 15 years ago. While backward China in 30 or 60 days knew exactly what was being done to them and who was doing it, our bright United States financiers, or some of them, have not yet found out what has been done to us after 15 years of the rising value of gold.

Mr. HAYDEN. I was in China last summer. There is no question at all that depreciation in the price of silver had exactly the same effect on Chinese trade that the depreciation of the British pound had upon British trade. The foreign commerce of both countries gained by the depreciation. The action our Government took to raise the price of silver of course deflated commodity prices in China. They were quick to understand that because there are no better business men in the world than the Chinese.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Virginia?

Mr. HAYDEN. I yield.

Mr. GLASS. I do not as yet get the point of the Senator's comparison. Suppose we admit right away that Great Britain is in a worse fix than the United States, is that a logical reason why we should get in as bad a fix as Great Britain?

Mr. HAYDEN. Oh, by no means.

Mr. GLASS. If Great Britain is in such shape that she refuses to pay her indebtedness to the United States, is that a good reason why we should get the United States in such a fix as that we would be unable to pay our indebtedness to anybody?

Mr. HAYDEN. No one in the Senate, I am sure, would argue that our Government should assume any unnecessary burden of debt. The question that is before the Senate is the joint resolution appropriating $4,880,000,000, which Senators are seeking to reduce in amount because they fear the credit of the United States will be impaired.

Mr. GLASS. But the Senator is arguing a comparison between the situation of Great Britain and this Government in order to show that the credit of this country will not be impaired.

Mr. HAYDEN. Exactly so.

Mr. GLASS. I think if the credit of Great Britain has been so badly impaired that for the first time in the whole history of that country she has repudiated her indebtedness to other nations, that does not afford a sufficient reason why we should get into the same fix.

Mr. LA FOLLETTE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Wisconsin?

Mr. HAYDEN. Certainly.

Mr. LA FOLLETTE. I should like to invite the attention of the Senator from Arizona to the fact that apparently the investors of Great Britain regard the credit of their Govern-

ment as being exceedingly sound, because within recent times that Government has been able to make one of the greatest refunding operations in all history, in which they reduced materially the interest rate on their outstanding Government obligations.

Mr. GLASS. That was all a voluntary affair and arose from the extreme patriotism of the British people.

Mr. LA FOLLETTE. I do not believe the people of this country are any less patriotic than those living in Great Britain.

Mr. HAYDEN. Mr. President, I have indicated the national income of the United States and made comparison of the national debt of the United States with that of the United Kingdom. I have been unable to obtain any very recent figures on the national income produced in Great Britain and Northern Ireland. The best figures obtainable are that the sum is between £3,500,000,000 and £4,000,000,000, or between $17,000,000,000 and $20,000,000,000 in American money. Mr. Colin Clark, formerly on the staff of the economic advisory council to the English cabinet, estimates the gross British national income for the years 1929 to 1931, as follows:

1929	£4,434,000,000
1930	4,375,000,000
1931	3,938,000,000

In those years the United States had a national income of about $70,000,000,000. I have shown that the total income paid out in the United States was more than equal to the national debt in 1934.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Maryland?

Mr. HAYDEN. I yield.

Mr. TYDINGS. Assuming that the appropriation of $4,880,000,000 does not impair the national credit, assuming that we shall make some progress with the appropriation in the way of recovery, does not the Senator from Arizona feel that somewhat the same situation will exist as a chronic condition after this money has been expended? If he agrees that such condition will exist, would the Senator then advocate another expenditure of $4,000,000,000 to do the same thing over again?

Mr. HAYDEN. It is true that there has come about a very profound change in economic conditions in our country. After the Civil War, for example, there was the great West open to settlement and homesteading. Anyone without work could go West and obtain a farm. But after the World War the entire country was settled up. We could not provide a home for anyone who sought it in the wilderness. We are coming in this country to be more like the older European countries. There will continue to be in this country a condition which has existed in Europe for centuries—a certain number of unemployed persons. It varies according to world economic conditions.

England has had very serious unemployment which has dropped to a comparatively normal figure. The English have devised a plan of unemployment insurance and methods of taking care of the unemployed. Treating such a situation as a permanent matter is vastly different than to follow the methods which Congress has pursued to merely get out of the depression. The figures I have given the Senate and the facts which I shall present show that we are well on the way out.

Mr. TYDINGS. Mr. President will the Senator yield further?

Mr. HAYDEN. Certainly.

Mr. TYDINGS. I think the Senator has put his finger on the very thing I have in mind. Assuming that there is going to be a chronic condition in reference to unemployment, I think the time has come when we must lay some taxes and formulate a long-range permanent humane program. My protest is that money is being thrown out through what are designated as emergency measures, and we have now had 2 years of this; and I am not inclined to go along and waste four or five billion dollars if we are going to come to the point where we shall have to deal with this matter in a realistic, long-range program.

I have asked my question of the Senator because I think we are at the point where a 2-year appropriation in the hope of "priming the pump", and so forth, is not the right way to approach this question. As long as we remain a creditor and an exporting nation, it strikes me we shall have a permanent unemployment program; and we might as well realize it, and we might as well cut our cloth accordingly. If we insist on running the United States as a nationalistic country, notwithstanding we have twenty-six or twenty-eight billion dollars of Government indebtedness, and insist on selling to the world more than we buy from it, and at the same time we have a well of unemployment, which, in my judgment, will vary between six and fifteen million workable people every year, I cannot see the sense of a program which for 2 years only provides for a third of those people. My point is, Where will we be 2 years from now if we shall not have made an improvement? Are we going on with this sort of legislation over and over again every couple of years?

Mr. HAYDEN. That is the whole question—if we shall have made no improvement. I believe, and I think the country is well satisfied, that the United States has made substantial progress in getting out of the economic depression which began in 1929. We shall meet the situation 2 years from now as we find it, and I am sure it will not be as serious as it is today.

To get back to my theme, I have demonstrated that the national income paid out was more than equal to the National, State, and local debt of the United States in the year 1934. The British gross national income was not equal to half of the national debt in that year.

A farmer with an average net income of $1,000 ordinarily can borrow that amount without difficulty from his local bank. A man who has a steady and assured income of $10,000 each year would not be considered in a bad financial condition if he owed $10,000.

A business with regular earnings of $100,000 per annum would certainly be considered entirely solvent if its total debt was only $100,000. A corporation which shows average profits of a million a year could almost instantly borrow a million for working capital if that sum would represent its total indebtedness.

We stand today, then, with a national debt that is less than 1 year's national income, and it follows inevitably that the credit of the United States is good.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Utah?

Mr. HAYDEN. I yield.

Mr. KING. Does the Senator, in making his admirable argument, take into account as one of the factors to be considered in all our national appropriations the additional fact that the indebtedness of the people of the United States—National, State, political subdivisions, corporations, and individuals—according to the very best authorities, is $275,000,000,000? Does the Senator take into account the fact that the States and counties and the political subdivisions of the States owe approximately $17,000,000,000?

Mr. HAYDEN. Apparently the Senator from Utah did not listen very attentively to my remarks, because I said that the sum of the debts of the States, counties, and municipalities amounted at present to over $20,000,000,000.

Mr. KING. I came into the Chamber after the Senator had made that statement; but, I repeat, is the Senator taking all those factors into account when he is making an appeal for this enormous appropriation?

Mr. HAYDEN. I am, indeed, because in my judgment the entire appropriation is necessary to accomplish the purpose we seek. I am addressing myself to the primary question which has been raised here as to the effect of this appropriation upon the credit of the United States.

Mr. TYDINGS. Mr. President, will the Senator yield there?

Mr. HAYDEN. I yield.

Mr. TYDINGS. I shall not interrupt the Senator again.

Assuming that what the Senator says is true, that he has made out a good case, that this particular appropriation does

not jeopardize the credit of the country, I think the Senator will be fair enough to concede, however, that every billion dollars of debt which we add to the total makes eventual recovery that much more difficult. In other words, the lower we keep the national debt, the lower will be the taxation we shall have to put on the people as they begin to emerge from the depression; and the higher we make the national debt, the more severely we must penalize any progress which we make out of the depression.

Mr. HAYDEN. If the Senator is correct, Congress should not have made any of the relief appropriations that were made heretofore. On the Senator's theory, that was an error, that was a mistake, because it put our country into debt; yet I firmly believe that Congress has made no better investment than we did in the $3,300,000,000 relief bill which was passed during the last Congress.

DISTORTED STATISTICS

It is very easy to pile up figures. There is a gentleman in another body at the other end of the Capitol, for whom I have very high regard—except when he distorts statistics for partisan and political purposes—who took the recent statement of the public debt of the United States and added thereto not only the normal issues of Government bonds, but included as an obligation of the United States the Federal farm-loan bonds amounting to $814,000,000, the Home Owners' Loan Corporation bonds amounting to $1,564,000,000, and the Reconstruction Finance Corporation bonds of $250,000,000—a total of bond issues based upon guaranties made by the United States of $2,600,000,000—and insisted that the entire sum should be counted in as a part of the national debt. That total of $2,600,000,000 will undoubtedly be increased, because there were not of record at that time the bonds of the Federal Housing Corporation, which bear a full Federal guaranty. Everyone knows, however, that behind these bonds there is ample security and that the liability of the United States is only contingent and remote; yet, to spread an alarm, my able friend could not resist the temptation to call this $2,600,000,000 a part of the national debt.

On this very same Treasury statement it is shown that the credit of the United States is pledged to pay the principal and interest of postal-savings deposits amounting to $1,216,252,248.70 and is obligated to redeem at their face value Federal Reserve notes amounting to $3,421,656,824. These two sums, amounting to over $4,637,000,000, could equally well be counted into the national debt by my friend in the other body, yet no fair-minded man would do so, because he knows that no real or substantial liability exists.

Such untrammeled use of pencil and paper to make figures to scare the public is just as unjustifiable as it would be to include on the other side of the ledger the $12,015,000,000 which foreign governments owe to our country. Everyone knows that, save for $8,400,000 which will be paid by Finland, all of the foreign debts must at this time be left out of the calculation of income to the Federal Treasury.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Utah?

Mr. HAYDEN. I yield.

Mr. KING. Is the Senator sure that the obligations due the United States for loans upon homes will be paid? I am told by many, who are familiar with the loans which have been made and the foreclosures which are about to be instituted, that we shall lose from 10 to 25 percent of all that will be loaned to home owners.

Mr. HAYDEN. I am sure there are no authentic data to justify such a pessimistic conclusion. Our experience first began with the Federal Farm Loan System. Congress established that System during the Wilson administration, advanced funds to set it going, and the Federal Government was completely reimbursed within a comparatively few years. Whether the farm loans and the home loans are collected depends solely upon whether or not the American people are doing business at a profit. If the farmer can make a profit on the crops he produces, he will pay his farm loan. If conditions in the United States are prosperous and men have employment, they will pay their home loans. There was no justification for the expansion of the old farm-loan system, nor for the inauguration of the new home-loan system, except that we expect to get out of this depression; we expect again to operate on a basis where the American people generally will be making money with which to pay their debts.

Mr. MINTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Indiana?

Mr. HAYDEN. I yield.

Mr. MINTON. As bearing upon that subject, it might be interesting to the Senator to know that the latter part of last week one of the executive officers of the Federal Land Bank of Louisville, Ky., told me that that institution is collecting more money now than the loans that mature. That is to say, it is collecting all that mature, and is collecting on past-due paper.

Mr. HAYDEN. I have no doubt but that is true, and I think it is particularly due to the very fine price that is being received for tobacco in Kentucky.

Mr. STEIWER. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. STEIWER. Does the Senator from Arizona contend that in calculating the public debt of this country no regard at all should be taken of the so-called "contingent liabilities"? Does he exclude them entirely from his calculations?

Mr. HAYDEN. I do, and I think very properly so, because the moneys advanced from the Treasury in that regard are in one sense an asset rather than a liability. If times are satisfactory in the United States, if the American people are prosperous, the loans thus made will be repaid, and their repayment will tend to reduce taxes in future years. They constitute an asset that the British Government does not possess.

Mr. STEIWER. I heard the Senator's earlier statement that the entire aggregate of these contingent liabilities ought not to be included. With that I agree, because against those liabilities there are assets, and obviously it is not a sound calculation to include the whole liability when it is not all going to result in loss; but let us take, for illustration, the Reconstruction Finance Corporation debentures. Does the Senator feel that he is justified in regarding those transactions as not being productive of loss when we know that losses have already occurred? Take the Chicago situation, for instance. I have heard officials of the Reconstruction Finance Corporation admit that losses will result from the loans made in that area. They did not name the amount. I think they do not yet know the amount; but there is an admitted loss in some of those transactions.

Would it not be sound procedure, in making the calculation, to say that the loss with respect to the contingent liabilities of the Government is such an amount as may prove to be translated into loss after the facts are all known and understood?

Mr. HAYDEN. The precedessor of and the model for the Reconstruction Finance Corporation was the War Finance Corporation created on April 5, 1918, during the World War. That Corporation loaned $690,431,000 of Federal funds, and principally under the able management of Eugene Meyer, $688,475,000 has been repaid. The last annual report of the War Finance Corporation shows that its entire operations have resulted in a net profit to the Treasury of $64,631,000. The collection of interest offset all losses and made a net gain of that amount. The interest collected on the loans that were paid wiped out losses amounting to $2,000,000, just as happens in any large bank.

Mr. STEIWER. That is true; but those operations were carried out on an appreciating market. Does the Senator feel that it is fair to take that as an illustration when we know, with respect to the Reconstruction Finance Corporation, that it has already sustained admitted losses?

Mr. HAYDEN. And yet the report submitted by Jesse Jones shows that up to December 31, 1934, the Reconstruction Finance Corporation has made earnings above interest

and expenses which amount to $65,175,963, which sum may be an offset against the very losses the Senator mentions.

Mr. STEIWER. As far as it will go.

Mr. HAYDEN. As far as it will go, at least.

Mr. STEIWER. I agree with that.

Mr. HAYDEN. I have been furnished by the legislative reference service of the Library of Congress with a comparative tabulation of the British and American debts since the World War which I shall put into the RECORD.

National debt figures for Great Britain and the United States by years 1919 to 1934

Year	Great Britain			United States dollars [4]
	British pounds [1]	Conversion value of pound [2]	American dollars [3]	
	1,000's		1,000's	1,000's
1919	7,481,050	$4 43	33,141,052	25,482,034
1920	7,875,642	3 67	28,903,606	24,297,918
1921	7,623,097	3 85	29,348,923	23,976,251
1922	7,720,532	4.43	34,201,957	22,964,079
1923	7,812,563	4.57	35,703,413	22,349,688
1924	7,707,538	4.42	34,067,318	21,251,120
1925	7,665,850	4 83	36,966,200	20,516,272
1926	7,633,723	4.86	37,099,894	19,643,183
1927	7,652,698	4.86	37,192,064	18,510,174
1928	7,630,073	4 87	37,162,839	17,604,291
1929	7,620,854	4 86	37,037,350	16,931,198
1930	7,506,211	4.86	36,917,585	16,185,308
1931	7,582,000	4.53	34,350,537	16,801,485
1932	7,647,950	3 51	26,844,305	19,487,010
1933	7,859,726	4.24	33,325,238	22,538,672
1934	7,822,060	.....	.....	27,053,086

[1] Statistical Abstract for the United Kingdom, 1912 to 1926, p. 118, 1919 to 1932, p. 146.
[2] Federal Reserve Bulletin, January 1928, p. 56; January 1932, p. 54, February 1935, p. 104.
[3] Computed.
[4] Annual Report of the Secretary of the U. S. Treasury for 1934, p. 350.

I was also furnished with a second tabulation relating to revenue and expenditures of both Governments, which shows that the British budget has been out of balance for 5 years out of the past 9. Yet, as was pointed out by the Senator from Wisconsin [Mr. LA FOLLETTE], that did not prevent a magnificent refunding operation, converting the national debt at a lower rate of interest. The American Budget was balanced for 10 years, from 1920 to 1930. It has been out of balance for only the past 4 years.

The total revenue of the British Government of the past 5 years was $18,420,000,000. The total expenditures amounted to $18,558,000,000, leaving a deficit for that period of $137,000,000.

The total revenue paid into the American Treasury during the same 5 years was $15,132,000,000. The expenditures of the United States were $23,810,000,000, leaving a net deficit for the half decade of $8,678,000,000.

Within the 5-year period I have included the year 1930, when we did not operate at a deficit. Omitting that year, the net increase in the public debt during the past 4 fiscal years was $10,867,000. From June 30, 1934, to January 1 of this year, the American national debt was increased by $1,426,000,000, or at the rate of about $3,000,000,000 for this fiscal year.

Mr. President, I ask that the tables to which I have referred may be inserted in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD.

Total revenue and expenditures for Great Britain and the United States by years, 1919 to 1934

Fiscal year [1]	Great Britain					United States	
	Revenue [2]	Expenditure [2]	Conversion value of pound [3]	Revenue [4]	Expenditure [4]	Revenue [5]	Expenditure [6]
	1,000 £	1,000 £		1,000 U. S. dollars	1,000 U. S. dollars	1,000 dollars	1,000 dollars
1919	889,021	2,579,301	$4 43	3,938,363	11,426,303	5,152,257	18,514,880
1920	1,339,571	1,666,774	3 67	4,916,226	6,113,387	6,694,565	6,403,344
1921	1,425,985	1,196,428	3 85	5,490,042	4,602,398	5,624,903	5,115,928
1922	1,124,880	1,079,187	4 43	4,983,218	4,780,798	4,109,104	3,372,608
1923	914,012	812,497	4 57	4,177,035	3,713,111	4,007,135	3,294,628
1924	837,161	788,810	4 42	3,700,287	3,486,673	4,012,045	3,048,678
1925	799,439	795,777	4 83	3,861,276	3,843,603	3,780,149	3,063,105
1926	812,062	826,100	4 86	3,946,621	4,014,846	3,962,756	3,091,612
1927	805,701	842,395	4 86	3,915,707	4,094,040	4,129,304	2,974,030
1928	842,824	838,585	4 87	4,104,553	4,083,909	4,042,348	3,103,265
1929	836,435	818,041	4 86	4,065,074	3,975,679	4,033,250	3,298,859
1930	811,970	829,494	4 86	3,900,754	4,031,341	4,177,942	3,440,269
1931	857,761	881,037	4 53	3,885,657	3,991,098	3,317,233	3,779,868
1932	851,482	851,118	3 51	2,988,702	2,987,424	2,121,228	4,861,606
1933	827,031	859,310	4 24	3,506,611	3,643,474	2,238,356	4,845,018
1934	809,379	774,927	5 04	4,079,270	3,905,632	3,277,734	6,883,862

[1] Fiscal year ends Mar. 31 in Great Britain, and June 30, in the United States.
[2] Statistical abstract of the United Kingdom 1912 to 1926, p. 107, 1919 to 1932, p. 135; London economist, Budget supplement, Apr. 14, 1934, p. 2.
[3] Federal Reserve Bulletin, January 1928, p. 56, January 1932, p. 54, February 1935, p. 104.
[4] Computed.
[5] Annual report of the Secretary of the United States Treasury for 1934, p. 301.
[6] Ibid., p. 305.

Mr. HAYDEN. On the face of these figures the British have kept their budget much nearer in balance than has our Government. But Great Britain had sound banks that did not require a penny of Government aid to keep them solvent. The American people do business principally with bank checks, and when hundreds of banks failed or were temporarily closed, there was a contraction in our most customary form of circulating medium which amounted to billions of dollars. Furthermore, the British Government was wise enough to go off the gold standard almost 2 years before we did, to the great advantage of both the English foreign commerce and internal trade.

Our Government was compelled to use its credit and borrow money for the purpose of financing banks, insurance companies, and other financial institutions, which otherwise would have utterly collapsed. The British Government was under no such necessity and consequently could keep its budget nearer in balance.

The daily Treasury statement for February 1 contains a combined statement of assets and liabilities of governmental corporations and credit agencies as of January 1, 1935. The total assets of these corporations and agencies is over $10,000,000,000. The total liabilities amount to over six billions. The difference between these assets and liabilities is largely represented by money loaned to these organizations from the United States Treasury, and amounts to $4,474,240,000.

This $4,474,240,000 accounts for just that much of the American budgetary deficit which came from causes which did not exist in Great Britain, and which the British treasury did not have to meet. The $4,474,240,000 has been loaned by our Government on adequate security, and will be repaid in future years to the great relief of American taxpayers. I shall include the statement in an abridged form in the RECORD, which is as follows:

Summary of combined statement of assets and liabilities of governmental corporations and credit agencies of the United States, compiled from latest reports received by the Treasury, Jan. 31, 1935

	Total assets	Liabilities and reserves			Excess of assets over liabilities	Proprietary interest	
		Guaranteed by United States	Not guaranteed by United States	Total		Privately owned	Owned by United States
I. Financed wholly from Government funds:							
Reconstruction Finance Corporation	$2,588,887,714	$250,679,592	$16,989,017	$267,668,609	$2,321,219,105	.....	$2,321,219,105
Commodity Credit Corporation	40,563,292	.....	61,157	61,157	40,502,135	.....	40,502,135
Export-Import Banks	14,207,144	.....	404,634	404,634	13,802,510	.....	13,802,510
Public Works Administration	269,071,605	.....	.....	.....	269,071,605	.....	269,071,605
Regional agricultural credit corporations	90,888,070	.....	612,892	612,892	90,275,178	.....	90,275,178
Production credit corporations	114,507,037	.....	1,601,122	1,601,122	112,905,915	.....	112,905,915
Panama Railroad Co	43,220,103	.....	722,519	722,519	42,497,584	.....	42,497,584
U. S. Shipping Board Merchant Fleet Corporation	210,458,712	.....	16,553,631	16,553,631	193,905,081	.....	193,905,081

Summary of combined statement of assets and liabilities of governmental corporations and credit agencies of the United States, compiled from latest reports received by the Treasury, Jan 31, 1935

	Total assets	Liabilities and reserves			Excess of assets over liabilities	Proprietary interest	
		Guaranteed by United States	Not guaranteed by United States	Total		Privately owned	Owned by United States
I. Financed wholly from Government funds—Continued.							
War emergency corporations and agencies	$14,091,598		$75,000	$75,000	$14,016,598		$14,016,598
Other	356,452,304		101,052,113	101,052,113	255,400,191		255,400,191
Total group I	3,743,247,579	$250,679,592	138,072,085	388,751,677	3,354,495,902		3,354,495,902
II. Financed partly from Government funds and partly from private funds.							
Federal land banks	2,246,582,272		1,884,036,890	1,884,036,890	362,545,382	$107,697,019	253,948,363
Federal intermediate credit banks	244,014,024		175,497,859	175,497,859	68,516,165		68,516,165
Federal Farm Mortgage Corporation	1,278,313,605	1,048,464,633	27,542,947	1,076,007,580	202,306,025		202,306,025
Banks for cooperatives	119,371,702		4,968	4,968	119,366,734	1,614,267	117,752,467
Home-loan banks	110,096,172		4,253,432	4,253,432	105,842,740	23,777,372	82,065,368
Home Owners' Loan Corporation	2,638,587,144	2,205,917,005	344,647,805	2,550,564,810	88,022,334		88,022,334
Federal Savings & Loan Insurance Corporation	102,172,695		324,244	324,244	101,848,451		101,848,451
Federal Savings & Loan Associations	13,663,900				13,663,900		13,663,900
Federal Deposit Insurance Corporation	534,761,002		4,058,467	4,058,467	330,702,535	139,299,557	191,402,978
War Finance Corporation	232,863		10,578	10,578	222,285		222,285
Total, group II	7,087,795,379	3,254,381,638	2,441,277,190	5,695,658,828	1,392,136,551	272,388,215	1,119,748,336
Grand total	10,831,042,958	3,505,061,230	2,579,349,275	6,084,410,505	4,746,632,453	272,388,215	4,474,244,238

Mr. President, the Senator from Oregon [Mr. STEIWER] has referred to the Reconstruction Finance Corporation. I have here its annual statement made in January of this year. Page 8 of that statement shows that the total of loans, investments, and allocations actually disbursed by the Corporation since its inception on February 2, 1932, have been $6,848,073,223, of which $4,858,861,779.66 represents disbursements in its ordinary activities for loans, purchases of preferred stock, capital notes, and debentures of banks, and the purchase of securities from the Federal Emergency Administration of Public Works.

The remainder, $1,989,211,443.64, which is described in detail on page 15 of the report, was disbursed for allocation to other governmental agencies and for relief by direction of Congress and Executive order of the President.

The $4,858,000,000 has been over half repaid and represents the disbursements in ordinary activities of the Reconstruction Finance Corporation. Of that sum there had been repaid, up to December 31, 1934, the sum of $2,465,000,000, or 51 percent of the total, leaving outstanding $2,393,000,000 as of that date, which should be collected in due course of business.

I feel quite confident that interest earned on that vast sum of over $2,000,000,000, which is now loaned on adequate security, will more than compensate for such losses as the Corporation may suffer, just as was the case with the War Finance Corporation.

LOANS TO MUNICIPALITIES

Mr. President, speaking of Government assets which, when collected, will be of benefit to future taxpayers, one of the large items is for loans financed wholly with Government funds through the Public Works Administration. I have here a letter from Secretary Ickes showing that $839,000,000 has been loaned in that regard upon which repayments may be expected. Seven hundred and thirty-four million dollars of that amount was loaned to municipalities, and their bonds have been taken as security. Fifty-three million dollars worth of these municipal bonds have been sold at a net profit to the Treasury of $902,000. The loans are good, and they will be of benefit to future taxpayers. The letter that I have received from the Administrator of Public Works is as follows:

FEDERAL EMERGENCY ADMINISTRATOR OF PUBLIC WORKS,
Washington, March 14, 1935.

Hon. CARL HAYDEN,
United States Senate, Washington, D. C.

MY DEAR SENATOR HAYDEN: Complying with your request for information regarding certain phases of the P. W. A. program, the following is submitted:

Of the funds made available for this administration by the National Industrial Recovery Act of 1933 and the Emergency Appropriation Act, fiscal year 1935, the sum of approximately $839,000,000 from the allotments which have been made is repayable on account of public and private loans. This amount is composed of $105,000,000, representing loans made for reclamation projects through the Bureau of Reclamation and private loans and loans to public bodies amounting to $734,000,000.

Bonds purchased on account of these approved loans have a par value of $340,317,606. Sales which have been effected include bonds having a par value of $53,616,032. Proceeds derived from these security sales have given to this administration a net profit of $902,539 over and above their par value.

Other funds available for public works have been allotted, in part, to the States, cities, counties, and other political subdivisions as grants on non-Federal projects. Large sums have been expended for highway improvements, naval vessels, river-and-harbor work, flood control, seacoast defenses, and other types of projects comparable with the normal program of public construction as referred to in the act. Projects approved under the various classes of work have been studied thoroughly and determined to be economically sound and socially desirable. In the selection of projects for approval consideration has also been given to insure proper geographical distribution, as well as the maximum needed and useful employment.

Among these projects highway work stands out because of the speed with which the highway program has been placed under construction, its great employment-producing capacity, and its wide-spread distribution to every part of the Nation. Both this work and the river and harbor improvements are producing needed and immediately useful facilities which will result in savings in transportation costs.

The public-works program in its entirety contributes directly toward the conservation and development of our national resources and the protection of the life and property of our citizens.

Sincerely yours,

HAROLD L. ICKES, *Administrator.*

AGRICULTURAL LOANS

There has been a vast amount of relief extended to those in distress by governmental agencies financed partly from Government funds and partly from private funds. Chief among these are the banks and corporations under the Farm Credit Administration. I have here a table which shows that $923,168,396 has been advanced during the past 5 years by the Federal Government for the relief of American agriculture. That is nearly a billion dollars which helped to swell our Budget deficit, but which, with a fair price in the future for farm crops, is loaned on good security. The British Treasury was faced with no such problem.

The table is as follows:

Capital and paid-in surplus owned by the Government in institutions and funds under the Farm Credit Administration Dec. 31, 1928, to Dec. 31, 1934

Institution or fund	Capital and surplus owned by the Government		
	Dec. 31, 1928	Dec. 31, 1934	Increase
Federal land banks	$439,225	$176,885,943	$176,446,718
Federal Farm Mortgage Corporation		200,000,000	200,000,000
Federal intermediate credit banks	27,000,000	100,000,000	73,000,000

Capital and paid-in surplus owned by the Government in institutions and funds under the Farm Credit Administration Dec. 31, 1928, to Dec. 31, 1934—Continued

Institution or fund	Capital and surplus owned by the Government		
	Dec. 31, 1928	Dec. 31, 1934	Increase
Production credit corporations		$112,000,000	$112,000,000
Banks for cooperatives		110,000,000	110,000,000
Regional agricultural credit corporations		54,246,602	54,246,602
Miscellaneous funds [1]	$1,193,908	198,668,986	197,475,078
Total	28,633,133	951,801,531	923,168,398

[1] Includes emergency crop and feed loan funds, fund for emergency loans in drought areas, fund for loans by Land Bank Commissioner to joint-stock land banks, and other funds. The distribution of capital and paid-in surplus owned by the Government was not readily available for each of these individual funds.

STATEMENT BY SENATOR BULKLEY

I note sitting near me the senior Senator from Ohio [Mr. BULKLEY]. He delivered a very interesting address not long ago in Philadelphia, and I wish to read one paragraph from his remarks, which is directly in point and which will bring to a conclusion what I have to say with respect to loans made by our Government. The Senator said:

Now, in round figures the Government, through agencies which it has wholly or partially financed, has provided for the making of various kinds of loans to the amount of about seven and a half billion dollars. In the assets of these governmental lending agencies the United States has a proprietary interest, with an actual investment value of nearly four and a half billion dollars. This amount, subject to such losses as may be incurred in the final liquidation of these accounts, plus two billion in gold which has been transferred to the stabilization fund, or a total of some $6,500,000,000 of assets, subject, of course, to possible losses, is held by the Government as a partial offset against the $10,700,000,000 increase in net debt during the past 4 years.

The British Government has never embarked upon any program of public works comparable to our own, although I understand that Mr. Lloyd George is now advocating that our example be followed and that such a policy be adopted in Great Britain. Congress has provided vast sums for public improvements of various kinds, and it has been necessary to borrow the money in order to do the work. However, there are fine results to show for these expenditures.

HIGHWAY CONSTRUCTION

I hold in my hand a statement from the Bureau of Public Roads, showing that in the past 6 years there was expended $1,232,000,000 on highway construction. We have built 99,000 miles of new roads in the United States. Great Britain did not need 99,000 miles of new highways. The United States did, and we have them, and they are here as a permanent benefit to the generation to come, who will pay for the cost of such highways.

The tabulation is as follows:

Statement of expenditures and mileage of construction brought to completion under supervision of Bureau of Public Roads by fiscal years

Fiscal year	Federal funds, total expenditures	Mileage of construction brought to completion during the fiscal year
1929	$95,014,350	9,349.6
1930	88,755,453	9,419.1
1931	174,109,914	10,614.9
1932	213,089,647	16,472.7
1933	180,770,349	14,228.3
1934	246,170,178	21,725.1
July 1, 1934, to Feb. 28, 1935	234,704,754	17,592.3
Total	1,232,614,651	99,432.0

PUBLIC BUILDINGS

The Director of Procurement advises me that in the past 6 years there has been expended on public buildings the sum of $408,000,000. We have the buildings; they were needed; the money was not lost; the buildings are an asset to the United States. The details are as follows:

Amount expended for sites and construction of public buildings by the Treasury Department during the fiscal years 1929 to 1934, inclusive

Fiscal year:	*Expenditures*
1929	$30,525,422.79
1930	42,500,259.94
1931	67,512,633.25
1932	86,288,567.94
1933	105,598,954.63
1934	75,843,351.19
Total	408,269,189.00

RIVERS AND HARBORS

The Chief of Engineers of the Army shows that during the past 6 years we have spent on new construction and in the maintenance of river-and-harbor work the sum of $684,000,000. Commerce and navigation have been aided by those expenditures. The British ports probably needed no such improvement. We have gained an advantage by this definite work which has been done in our country for the benefit of commerce, and we have done it during this period of depression. The works constructed will be there and will be useful to those who have to repay the money borrowed on the credit of the United States to do the work. The break-down of such expenditures by fiscal years is as follows:

Expenditures during fiscal years 1929 to 1934

	1929	1930	1931	1932	1933	1934
Rivers and harbors, new work	$32,063,515	$45,639,073	$48,780,559	$52,042,650	$48,564,343	$78,554,709
Rivers and harbors, maintenance and operation	25,250,073	28,349,481	32,136,374	32,237,426	28,218,969	26,316,944
Flood control	25,300,593	26,455,408	37,891,751	29,228,727	39,576,531	48,143,462
Total	82,614,181	100,443,962	118,808,684	113,508,803	116,359,843	153,015,115
Total for 5 years						684,750,588

WORK-RELIEF PROJECTS

From the Federal Emergency Relief Administration, which has been constantly mentioned in the course of the debate on the pending joint resolution, I have a statement showing that up to date on all work projects there has been spent $1,977,000,000, either through the Civil Works Administration or the Emergency Relief Administration. If the work done was poorly done, if it was done in such an inefficient manner that the administration could not properly ask a credit for the full amount, at least it would be worth a half or a third of what it cost. Out of the total sum expended it is reasonable to claim beneficial results which are worth four or five hundred million dollars. I have made inquiry particularly with reference to roads, and I am told that over 500,000 miles of secondary roads in the United States have been improved by men on work relief.

The C. C. C. camps are another illustration.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield to the Senator from Delaware.

Mr. HASTINGS. In the items which the Senator was giving about the expenditure for the past 6 years for public roads, for public buildings, and for rivers and harbors, the whole amount is not half as much as is included in this joint resolution; is it?

Mr. HAYDEN. No, Mr. President; I was referring to the normal activities of the Government. The conclusion implied in the Senator's question is correct.

Mr. HASTINGS. And for 6 years, the whole of those three activities, they have not spent half as much as is proposed to be appropriated under this joint resolution.

Mr. HAYDEN. That is true; but in the beginning of the 6-year period the American people were not in distress, and

in the middle period we had not learned how to properly carry on such work.

Mr. HASTINGS. I was under the impression, from the Senator's statements, that he tried to give the impression we were not in distress now.

Mr. HAYDEN. I desire to convey no such thought to the Senate. What I am trying to point out is that in the United States we had to meet a very different situation than existed in Great Britain, and that those who insist that we balance our Budget, as Great Britain has successfully balanced hers, do not take into consideration the burdens which our Government had to assume, under conditions with which the British Government was not faced at all.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield to the Senator from New Mexico.

Mr. HATCH. Before the Senator leaves the point he is discussing, will he state whether he has taken into consideration benefits which may arise in the carrying out of the proposed program from, we will say, flood-control, soil-erosion work, and work of that sort, some of which has been slightly mentioned in debate in the last few days?

Mr. HAYDEN. In that respect I was just going to give to the Senate the latest figures obtainable on the expenditures in connection with the C. C. C. camps, which are particularly engaged in the kind of activities the Senator has described.

Mr. HATCH. I want the Senator to go into that, because the term "waste" has been frequently used here today. It has been said that this money has been "wasted." I hope the Senator will go further into that subject.

THE CIVILIAN CONSERVATION CORPS

Mr. HAYDEN. The total obligations for emergency conservation work up to December 31, 1934, have been $586,537,668, and the value of the work completed up to that date, as reported by the Departments of Agriculture, Interior, and War—it is under those Departments that the work was principally done—was estimated at $340,000,000. In other words, the work on soil erosion, on forestry, on flood control, and other constructive projects, has a permanent value of $340,000,000. In addition to that, the funds have been used to purchase forest lands and national park lands at cost, during this same period, of $24,000,000. The United States has the land to show for the $24,000,000, and that land has been improved by the C. C. C. men. During the same period the C. C. C. enrollees allotted to needy dependents $140,000,000. No one normally can become an enrollee in a C. C. C. camp unless he comes from a family on relief, and he receives $30 a month as his pay. He must allot $25 of that to his mother or his brothers and sisters—to his family. To that extent the relief roll where his family resides is relieved. So the actual pay of the enrollee in a C. C. C. camp is only $5 a month.

Mr. HATCH. Mr. President, will the Senator further yield?

Mr. HAYDEN. I yield.

Mr. HATCH. The Senator has discussed this subject from the standpoint of finances only. I was thinking, as he spoke, about the C. C. C. camps in his and my State, many of which I visited during the past year and observed the young men in those camps, many of them taken from the cities, out of lives of idleness, and put out there in our country, in the open air, in useful work. Even if none of the money spent in that way resulted in improvements having any actual physical value, would the Senator say that the C. C. C. work has been "wasted"?

Mr. HAYDEN. It is universally agreed that the greatest value which accrues from the Civilian Conservation Corps camps has been in the improvement of the morale of the men. The result of the expenditures has been to make them feel that they have a country which has an interest in them; to make them love it and want to defend it; to make them better citizens. That has been the biggest asset which has been created.

We were told in the course of this debate that it is all wrong to lay stress upon morale; that the cheapest way to relieve the needy is the best way; and the cheapest way, of course, is to give a family a grocery order and let them be fed; to buy them some clothing and pay their rent. Their distress can be relieved for less money in that way. The effect upon the population, however, is an entirely different question. I think such a policy would build up a generation of paupers.

Mr. HATCH. The Senator thinks, then, that the Congress has a right to take into consideration the increased morale value that comes from these things?

Mr. HAYDEN. There is no doubt about that; but I am pointing out that incidental to these expenditures there are physical improvements which have a permanent value to our country.

GOVERNMENT BONDS HELD BY BANKS

On more than one occasion it has been asserted that American banks hold more than one-half the outstanding United States bonds. I have sought to obtain the facts in that regard, and the figures I shall now quote were obtained in answer to questions I addressed to the Federal Reserve Board.

According to the Treasury statement, the total interest-bearing debt of the United States at the end of 1934 was $27,944,000,000. The total non-interest-bearing debt was $535,000,000. The gross debt was $28,479,000,000.

The Federal Reserve banks held $2,430,000,000 of Government securities at the end of 1934, or 8.7 percent of the interest-bearing debt. The member banks held $9,895,000,000 at that date, or 35.4 percent. This excludes guaranteed bonds, which are also excluded from the interest-bearing debt.

The holdings of Government securities by nonmember banks at the end of 1934 are not available. On June 30 they held $1,880,000,000, which was 6.7 percent of the interest-bearing debt at the end of the year.

Combining these percentages, the total of the interest-bearing debt of the United States held by all banks was 50.8 percent.

The Chairman of the Senate Committee on Appropriations has with propriety included in his calculations certain Farm Loan and Home Loan bonds and other securities issued by Government corporations. From a banker's point of view that is entirely correct, because such bonds, the principal and interest of which are guaranteed by the Government, have all the attributes of a Government bond so far as their market value and subsequent availability for prompt conversion into cash are concerned; but, as I have already shown, the taxpayer must view them in an entirely different light. His liability is merely contingent; and if these corporations function well enough to repay the sums advanced to them from the Federal Treasury, the future tax burden may be actually reduced.

BONDS HELD BY BRITISH BANKS

The total British public debt at the end of 1934 was £8,144,000,000, including the war debt. It was about £7,111,000,000, excluding the war debt. According to the London Economist of January 5, of which I have a copy here, the Bank of England held £344,927,394 of the British public debt at the end of the year, or 4.9 percent of the total debt, excluding the war-debt period. That figure compares with 8.7 percent held by our Federal Reserve banks.

The London joint-stock banks held between £700,000,000 and £740,000,000 at the end of the year, or between 9.8 and 10.4 percent of the total debt, less war debt. That compares with 35 percent of our public debt held by member banks in the Federal Reserve System.

The total loans and investments of the Federal Reserve banks at the end of the year were $2,458,000,000. The total for the member banks was $28,094,000,000. The two taken together aggregated $30,552,000,000. The total loans and investments of all banks in the United States as of June 30 was $42,763,000,000, excluding the Federal Reserve banks. Including the Federal Reserve banks, the figure was $45,225,000,000.

According to the London Economist, the total loans and investments of the London joint-stock banks at the end of December were £1,776,000,000. It is known that these banks

held over 90 percent of the banking assets in England. If the loans and investments of the Bank of England are added, the total is £2,158,000,000, or, in our money, $10,377,000,000, as compared to the total of $45,225,000,000 for American banks.

COMPARISON BY PERCENTAGES

These figures show that the loans and investments of American banks are four and one-half times the loans and investments of the British banks. Now, let me translate these figures into percentages for the purpose of comparison.

At the end of 1934, 50.8 percent of the United States Government debt was held by Federal Reserve banks, member banks of the Federal Reserve System, and nonmember banks. This compares with 15 percent of the British Government debt held by the Bank of England and the 10 London clearing banks. This does not mean, however, that American banks have invested a much larger proportion of their funds in Government securities than have the English banks. The contrary is true.

While member banks in this country hold 39 percent of their loans and investments in the form of Government securities, the London banks have at least 41 percent of their loans and investments so invested. Practically all the earning assets of both the Federal Reserve banks and the Bank of England at the present time consist of Government securities.

That a smaller proportion of the banking resources held in the form of United States securities constitutes a larger proportion of the public debt reflects the fact that this country's banking resources are much greater in relation to our public debt than is the case in England.

The total loans and investments of the Federal Reserve System exceed the national debt by about 10 percent and the loans and investments of all banks exceed our national debt by over 60 percent. On the other hand, the loans and investments of the London banks and the Bank of England are only about 25 percent of the English national debt.

The reasons which have led bankers to invest a large proportion of the resources at their disposal in Government securities are substantially the same in both countries. The demand of business men for loans in recent years has been small; the risks connected with the purchase of other types of securities have been high; and banks could not afford to allow all their funds to lie idle, since it was necessary for them to earn at least enough to pay operating expenses and interest on some of their deposits. From the banker's point of view, Government securities resemble cash in that they can be turned into cash on short notice, and they have the advantage over cash of yielding a small but certain return.

Mr. GLASS. Mr. President, the Senator should know that that is not true. He is obliged to know that if the banks of this country were to undertake to turn their Government securities into cash it would not only destroy the Government bond market but would destroy the bond market of every State, every municipality, and of every private enterprise.

Mr. HAYDEN. Yet the banks in England——

Mr. GLASS. Does not the Senator know that to be so?

Mr. HAYDEN. Of course, what the Senator from Virginia says is true, and it is equally true in Great Britain.

Mr. GLASS. Oh, no; in Great Britain, as I have shown—I have not the official figures before me at this time, but I had them before me when I made the statement—in Great Britain the banks hold 11 percent of the Government securities and here they own approximately 55 percent of the Government securities.

Mr. HAYDEN. I was more liberal than was the Senator. I said that the banks in Great Britain hold 15 percent of the Government securities. But, whatever the percentage may be, the fact remains that our banking resources are four and a half times as great as are the British banking resources.

Mr. GLASS. That I will not deny; but I do challenge the statement that Government securities are liquid and can be disposed of for cash at any time. They cannot be at all.

The Federal Reserve banks own two billion and a half of Government securities, and they do not dare put them on the market, because to do so would destroy the Government bond market and ruin the Government's credit.

Mr. HAYDEN. But I must insist that exactly the same situation exists in Great Britain; and if British banks, holding the vast amounts which they do in British bonds, were to dump them on the market on any one day they would break the market value of those bonds.

Mr. GLASS. And they own only 11 percent of the British Government's securities.

Mr. HAYDEN. A significant comparison, which gives some indication of the extent to which our public debt is a burden to the people, is a comparison of the interest and amortization charges which must be paid on it in relation to the national income out of which the payments are made. The total interest and amortization charges on the United State national debt for the calendar year 1933 were $1,048,000,000 and $1,289,000,000 for 1934. In 1933 the interest and amortization charges on our national debt amounted to less than 3 percent of our national income, while in England such charges amounted to between 8 and 9 percent of the national income.

Another significant comparison is that between the size of the debt of all public bodies and the amount of annual income. The best estimates for 1934 indicate that the debt of all our public bodies, national, State, and local, was about 95 percent of our annual national income, while the corresponding figure for England was approximately 230 percent of the British national income. The conclusion is inevitable that the burden of the English debt on the British people is certainly much greater than is ours on the people of America. I am told that the debt of the Australian Commonwealth and the Australian state governments amounts to almost three times the national income of Australia.

It is interesting to note, as was pointed out in this statement by the Royal Bank of Canada, that in order for our national debt to bear the same relation to our national income as the English national debt bears to the English national income, it would have to be increased to over $100,000,000,000.

The figures cited show that, while our banks hold a larger proportion of the national debt, their holdings constitute a smaller proportion of their total loans and investments. The fact is that, by any measure we can devise, the public-debt burden on this country is much smaller than is that of England on the English people.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Kentucky?

Mr. HAYDEN. I yield.

Mr. BARKLEY. Does the Senator intend to give, or has he given, the comparative figures as to other countries than England?

Mr. HAYDEN. I have a table here which I shall quote in just a moment. It is not, however, very recent.

Mr. BARKLEY. My recollection is that in a publication recently issued there is a comparison of our public debt, based on population and on income, with that of other nations, which shows that, by any comparison, it was smaller, by a considerable percentage, than that of any other country that might be fairly compared with ours, including England, France, Germany, Italy, Japan, and all the others of the first-class nations.

Mr. HAYDEN. With the international currency disturbed as it is, it is very difficult to make a factual comparison. However, I have here a table which cites the relative position of the United States and several other countries in 1929, or 5 years ago. While the emergency expenditures made during the last 4 years affect these figures, they, nevertheless, clearly indicate the basic economic situation of our country and other countries so far as material wealth is concerned. In that year the wealth per capita of the United States was $3,259; in the United Kingdom of Great Britain it was $2,514; in Canada it was $2,827; in France it was $1,653; and in Italy, $723.

The per capita public debt, including local debts, in the United States then was $243; in the United Kingdom, $938; in France, $450; and in Italy, $233.

The income per capita of the United States for that year was $734; in England it was $415; in France it was $219; and in Italy, $120. Any comparison made at any time between our resources and those of other nations in the world clearly demonstrates our ability to meet the debt which we have incurred or which we are likely to incur during the depression.

The tabulation is as follows:

Country	Wealth per capita	Public debt per capita (includ ing local debt)	Percent of debt to wealth	Income per capita
United States	$3,259	$243	7.5	$734
Canada	2,827	474	16.8	571
United Kingdom	2,514	938	37.3	415
France	1,653	450	27.2	219
Italy	723	233	32.2	120
Japan (proper)	636	59	9.3	70

Mr. BYRD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Virginia?

Mr. HAYDEN. I yield.

Mr. BYRD. Is it not true that if we increase the public debt of $34,000,000,000 the interest rate will be approximately $1,000,000,000 a year, which will necessitate that the first item of appropriation each year must be 33 cents out of every dollar of normal income so as to pay the interest, without any allowance for a sinking fund?

Mr. HAYDEN. The Senator's figures are not quite large enough. The interest charge on the national debt already amounts to more than $1,289,000,000 a year.

Mr. BYRD. On the present basis?

Mr. HAYDEN. On the present debt.

Mr. BYRD. With a normal income of approximately $3,000,000,0000 then we will have to write as the Senator's estimate that approximately 40 cents out of every dollar of normal income must go to defray interest charges without a single dollar being set aside for a sinking fund.

Mr. HAYDEN. When the Senator refers to the normal income he undoubtedly has in mind the income for the present fiscal year. I have in my mind a summary of the British Tax System, with Special Reference to Its Administration, prepared for the Joint Committee on Internal Revenue Taxation by Mr. Magill, Mr. Parker, and Mr. King, the very able employees of that committee. I am going to include as an exhibit to my remarks an extract from this pamphlet which I am sure Senators will read with interest.

The PRESIDING OFFICER. Without objection the extract will be printed at the conclusion of the speech of the Senator from Arizona.

(See Exhibit A.)

Mr. HAYDEN. I asked a member of that committee, one whom we all know very well, Mr. L. H. Parker, to furnish me a statement, which I am sure will be helpful to the Senator from Virginia. I shall put his letter in the RECORD. He states, for instance—

> That the 1918 income- and profits-tax rates on individuals and corporations if continuously applied for subsequent years would have extinguished the national debt by July 1, 1927.

Those rates were the high war rates. If we had kept them in force, we would have paid the entire national debt within 8 or 9 years.

He also states—

> That the 1919 income- and profits-tax rates on individuals and corporations if continuously applied for subsequent years would have extinguished the national debt by July 1, 1931.

I ask that the entire letter from Mr. Parker may be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit B.)

Mr. BYRD. Mr. President, let me ask, When does the Senator from Arizona think the present national debt can be extinguished?

Mr. HAYDEN. We are going to extinguish the national debt by balancing the Budget and having money left over with which to pay it.

Mr. BYRD. When does the Senator favor balancing the Budget?

Mr. HAYDEN. As soon as we possibly can. There are two ways of balancing the Budget, either to increase——

Mr. VANDENBERG. We are now following two ways of balancing it, are we not?

Mr. HAYDEN. We may either increase the revenues or decrease the expenditures. Those who so earnestly urge that governmental appropriations be reduced, as was done in Great Britain, seldom say much about levying the taxes which are imposed in that country. They demand that public works shall cease, but squirm when the English income-tax rates are mentioned. Of course, Congress will have to levy taxes to pay off the deficits now being incurred, which are added to the public debt. The best time to impose such taxes is when the country is prosperous. Our hindsight is better than our foresight, but it is generally admitted that a mistake was made during the Harding and Coolidge administrations by not maintaining higher rates of Federal taxation in order more speedily to pay off the national debt. Instead of doing so Congress listened to "the greatest Secretary of the Treasury since Alexander Hamilton", who, with his usual tenderness for those who possess great wealth, advised the Congress to reduce taxes. If that had not been done, and if we had disregarded the advice of Mr. Mellon, the national debt would not be nearly so great as it is today.

Mr. COUZENS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Michigan?

Mr. HAYDEN. I yield.

Mr. COUZENS. May I point out to the Senator that the Democratic members of the Finance Committee joined with Mr. Mellon in meeting the request for a reduction in taxes, and the records will show that they even wanted to go lower than did Mr. Mellon.

Mr. HAYDEN. I have no doubt that the Senator from Michigan makes a very correct statement, but we were living then in an era when sound finances were not considered, when it was taken for granted that the prosperity then enjoyed would continue forever. Congress should have kept the income-tax rates up. I confess that a mistake was made. We should not have followed Mr. Mellon's advice. All those who ultimately went broke playing the stock market during the feverish years of speculation would have been no worse off in the end if they had been compelled to pay a greater part of their winnings to reduce the national debt.

The statement is made in the letter from Mr. Parker to which I have referred that if we now had the 1927, 1928, and 1929 national income, the existing tax rates on the statute books today, instead of bringing in $3,000,000,000, which is the standard by which the Senator from Virginia [Mr. BYRD] measures our national income, they would produce $6,000,000,000. In other words, it is not so much a question of balancing the Budget by cutting down expenditures, but of collecting taxes from a people who are able to pay. The Treasury is able to do that in prosperous times, and we should have taxed ourselves more in the years of prosperity than Congress did. If Congress had done that, we would not have as great a national debt as now exists. As the country comes back into prosperity, Congress can go about reducing the national debt without serious injury to American industry, without hardship to the American people. I do not believe it will be necessary to go as high as England has in the matter of rates; but, if necessary, I am willing to go as high as the British rates, when our taxpayers can afford to pay them.

Mr. COUZENS. If the Senator's contention is that there is an upturn of business and that we should take advantage of the upturn by collecting the taxes, it would seem to me we ought to take advantage of the upturn of business and get the money while the getting is good.

Mr. HAYDEN. The Senator is making his argument apply to an amendment to this joint resolution which he has pending. I have not made a very careful study of his proposal. I say we should pay as we go as far as we are able to pay. I voted for what appeared to be very high taxes during the World War. I am sure that our Government, better than any other government, paid its way during the war, and still the United States had to go into debt.

According to the report to the Joint Committee on Internal Revenue Taxation, if the United States can again attain a national income comparable to that which was secured prior to the depression, the existing rates will produce not $3,000,000,000 as a normal tax, but $6,000,000,000 each year. If it is the desire of the Senator from Michigan to take $7,000,000,000 or $8,000,000,000 or $10,000,000,000 away from the American people, I have no doubt he can find a rate that will do it. The question is whether it is wise to do that at this time or whether it is better to wait until the country stands more solidly on its feet and is, therefore, better able to pay.

Mr. COUZENS. Of course, politically it is wise to put off such an operation as long as possible.

Mr. BYRD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Virginia?

Mr. HAYDEN. I yield.

Mr. BYRD. The Senator has said there is a growing improvement in business and that in normal times the present income of $3,000,000,000 would be increased to $6,000,000,000. The actual receipts for the fiscal year ending June 30, 1934, were only $2,949,000,000. Evidently the improvement that has occurred in the country, to which the Senator has called attention, has not been very great.

Mr. HAYDEN. All I know about that is, like Will Rogers, what I read in the newspapers, and the late reports are that the income-tax returns filed on the 15th of March show higher receipts than were expected.

Mr. MURPHY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Iowa?

Mr. HAYDEN. Certainly.

Mr. MURPHY. The income taxes collected show an increase of 30 percent for the calendar year 1934.

Mr. BYRD. But that was an increase over the previous year and not an increase over the estimates upon which the Budget was based.

Mr. HAYDEN. The Treasury has depended ordinarily and very largely upon the income taxes paid by individuals and corporations, and excess-profits taxes. In the normal years of 1926, 1927, and 1928 there was collected over $2,000,000,000 from such sources. When the panic struck the country, when the depression came on, profits ceased and income from those sources dropped down to about $600,000,000. It was not an increase in public expenditure that unbalanced the Budget during the Hoover administration. It was a decline in revenue. There is no dispute about that.

Mr. BYRD. It is an increase in expenditures now that is unbalancing the Budget, because we are spending $9,000,000,000 and the total income of the country is only $4,000,000,000, including the processing taxes.

Mr. HAYDEN. I am sure I would not and I doubt if any other Senator would propose to levy a tax sufficient in 1 year to collect that sum of money. The Senator from Virginia would not vote for such a tax.

Mr. BYRD. I should like to call the attention of the Senator that a sales tax has been suggested, but it would take a 36-percent sales tax to balance the Budget this year, because 1 percent would derive a revenue of only $250,000,000.

Mr. HAYDEN. I am not in favor of a national sales tax.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. THOMAS of Oklahoma. I understood the Senator to say there were only two ways possible for us to work out of the difficulty in which we find ourselves at the present time. One is by raising the tax rates in the hope of raising more revenue and thereby balancing the Budget. The second way is to cut down the expenditures, which means reduced appropriations. Are those the only two ways the Senator has in mind for assisting, at least, to work out of the depression?

Mr. HAYDEN. I was referring to balancing the Budget. We were discussing that particular problem. Congress can balance the Budget either by increasing revenue or by reducing expenditures.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield further?

Mr. HAYDEN. Certainly.

Mr. THOMAS of Oklahoma. Is it not a fact that unless times get better and the people have more money, the increasing of tax rates would not necessarily raise additional revenues?

Mr. HAYDEN. That is completely proven by the fact that the existing rates, with a lack of profit on the part of the great majority of the American people, resulted in lower revenues.

Mr. THOMAS of Oklahoma. Then the other remedy is the reducing of appropriations. I think the Senator will remember we have made an effort in past years to follow that plan, and that practically every time we have reduced any particular item the next Congress or perhaps the same Congress would restore the item, having particularly in mind the economy bill. The second remedy, while it is possible, therefore, is not practicable.

The only remedy the Senator can urge is the one to bring back prosperity to the country whereby and wherein and whereunder the people can make some profits, and, when they have the profits, to take the tax under the rates we now have on our statute books. If the people can get some prosperity back, the Senator maintains we have sufficient rates to raise sufficient funds to balance the Budget. Have I correctly interpreted the Senator's views?

Mr. HAYDEN. The Senator has done so.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Illinois?

Mr. HAYDEN. I yield.

Mr. LEWIS. I wish to ask the able Senator from Arizona—who has given such diligent study to the subject before the Appropriations Committee—on what theory of American government that which is called "balancing a budget" is at all necessary either to the institutions of the United States or the prosperity of the people? Where does this "balancing a budget" become in itself a necessary instrument or a necessary undertaking to provide for the people of America?

Will not the Senator say that "balancing a budget" only applies when conditions are normal and intended to apply to normal circumstances? When we contemplate that the drought alone would have made it impossible for the United States to balance any budget this last year, based on the theory of announcing what would be the needed taxes on the one hand and what would be the needed expenditures on the other, assuming that to be a balance, I ask the Senator from Arizona if it is not true that these extraordinary conditions are such as to make inapplicable a doctrine of "balancing the Budget" under the theory of doing the thing necessary as it arises. Is this not the true policy of our Government?

Mr. HAYDEN. The Senator is perfectly correct. There is no virtue in balancing the Budget merely to have it in balance. On the other hand, no government should deliberately go into debt——

Mr. LEWIS. Unnecessarily?

Mr. HAYDEN. Yes; unnecessarily. That is just as true of a government as it is of an individual, because debt is a tyrant that should be avoided. The day of reckoning always comes. What is easy to borrow is hard to repay. Certainly not a dollar of borrowed funds should be wasted, because to it is attached the burden of future taxes to replace it in the Treasury.

I point out to my friend from Illinois, however, that the ability to go into debt, while not always, may sometimes be a blessing. If one is hungry, he is entitled to credit wherewith

to purchase food, particularly if there is any reasonable possibility that the loan may be repaid. When the life of a government is at stake, as in the case of war, it must borrow or perish. If the people of a country are in great distress, any reasonable increase in the public debt is justifiable to tide over the period of their suffering. That, and no more, is what our Government has done for the American people up to this time. We can look with confidence to a future when every dollar borrowed by the United States Government will be repaid by imposing no more of a tax burden than can be carried without undue hardship—a tax burden that need not be as large as that now imposed by Great Britain.

Mr. President, the sun rose yesterday. It rose today, and it will rise tomorrow.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. TYDINGS. I should like to call the Senator's attention to the fact that it also set on those 3 days. [Laughter.]

Mr. HAYDEN. Very true, because the night always follows the day. Nevertheless, as the night follows the day, so can we depend upon the courage, the industry, and the ability of the American people. We have within this Nation every resource to sustain a prosperous and contented population. The days of our distress will surely pass away. I fear that the Senator from Maryland is among those who have but little faith. Let me again urge him to be of good cheer. Nothing has yet happened, and nothing will happen, to destroy the credit of the American Government.

I thank the Senate.

EXHIBIT A

[From A Summary of the British Tax System With Special Reference to Its Administration, prepared by Roswell Magill, L. H. Parker, and Eldon P. King, for the Joint Committee on Internal Revenue Taxation]

III. GENERAL STATEMENT ON BRITISH TAX REVENUE

1. REVENUES

A fair idea of the importance of the various British National Government taxes may be obtained from an examination of the revenues derived from such taxes. This revenue is shown for the fiscal years 1932–33 and 1933–34 in the following table:

Classification of tax	Exchequer receipts	
	1932–33	1933–34
Income tax	£251, 539, 000	£228, 932, 000
Surtax	60, 650, 000	52, 590, 000
Death duties	77, 140, 000	85, 270, 000
Stamp taxes	19, 220, 000	22, 710, 000
Excess profits duty, etc. (back taxes)	2, 200, 000	1, 800, 000
Land tax and miscellaneous	770, 000	800, 000
Total internal revenue	411, 519, 000	392, 102, 000
Customs	167, 235, 000	179, 177, 000
Excise	120, 900, 000	107, 000, 000
Total customs and excise	288, 135, 000	286, 177, 000
Motor vehicle duties (exchequer share)	5, 000, 000	5, 200, 000
Grand total tax revenue	704, 654, 000	683, 479, 000

It is apparent from the above figures that the income and surtax form the most important source of the British tax revenue. The percentage of total tax revenue returned by each tax shown in the table already given is set forth below for 1933–34, the taxes being arranged in order of their productivity:

	Percent
Income and surtax	41.2
Customs	26.2
Excise	15.6
Death duties	12.5
Stamp taxes	3.3
Motor vehicles duties (exchequer share)	.8
Excess profits duty, etc. (back taxes)	.3
Land tax and miscellaneous	.1
Total	100.0

It will be interesting to compare the Federal revenue receipts with the British revenue receipts for the fiscal year 1934, as follows:

Percentage of yield of tax to total yield

Classification	United States [1]	British
Income and surtax	31.3	41.2
Customs	12.0	26.2
Excise	49.9	15.6
Death duties (and gift tax)	4.3	12.5
Stamp taxes	2.5	3.3
Miscellaneous		1.2
Total	100.0	100.0

[1] Processing tax not included in United States tax.

It can be seen from the above table that a greater proportion of the tax burden is placed on income in Great Britain than is placed on incomes in the United States. The customs collections are greater in Great Britain. Nearly 40 percent of the British customs collections, however, come from tobacco, while in the United States our customs collections from this source are comparatively small and we obtain a very large revenue from the excise tax on tobacco. The British derive little revenue from excise taxes on tobacco as practically no tobacco is grown in England. The British collected about twice as much from the estate duty than was collected in the United States. Total tax collections in Great Britain, however, amounted to $3,417,395,000 against $2,614,250,000 in the United States (processing taxes in the United States of $371,000,000 excluded). This represents a large difference in the tax burden imposed by the National Governments when it is recalled that the population of the United Kingdom is about 46,000,000 against about 126,000,000 for the United States. It must not be overlooked, however, that the local taxes in the United Kingdom are considerably less than in the United States.

We now come to the question of the total tax burden. In neither the United States nor Great Britain are the data covering local revenue or receipts entirely satisfactory or up-to-date. However, some close approximations of the total tax burden may be made.

Tax and customs revenue, United Kingdom, year 1933–34

Total National Government receipts, taxes, and customs	$3, 417, 395, 000
Total local government receipts from taxes	[1] 1, 142, 425, 000
Total	4, 559, 820, 000
Per capita burden	99.11

Tax and customs receipts, United States, fiscal year 1934

Total National Government receipts, taxes, and customs	[2] $2, 985, 673, 000
Total local government receipts from taxes	[1] 6, 416, 064, 000
Total	9, 401, 737, 000
Per capita burden	74.37

It can be seen from the above data that the per capita tax burden in Great Britain is about 33 percent more than the per capita burden in the United States. The British National Government collects about three times the amount collected by the local subdivisions. In the United States the reverse is true, and the local subdivisions collect over twice the amount of tax collected by the National Government.

2. EXPENDITURES

It should be noted, however, in connection with the fact that the per capita tax burden in the United States is considerably less than in the United Kingdom, that in respect to expenditures at this particular time a number of factors must be considered. Although between March 4, 1933, and June 30, 1934, the national debt had increased by about six billion, there are important offsets to this amount, including such items as an increase in cash balance, "profit" resulting from the change in the gold content of the dollar, securities consisting of notes and other obligations held by various agencies in which the Government has an interest, and projects financed in whole or in part from Federal funds. In making comparisons of the local and national tax burdens in the two countries it is difficult to give effect to the weights of these various factors. Therefore for present purposes they are eliminated, and the following comparisons are noted merely from the angle of actual expenditures:

Total expenditures

United Kingdom, year 1933–34:	
Total National Government expenditures, including grants to local governments	$3, 467, 095, 000
Total local government expenditures, excluding expenditures out of grants from National Government	[3] 1, 840, 000, 000
Total	5, 307, 095, 000
Per capita expenditure	115

[1] Partly estimated and based on 1932–33 data.
[2] Includes processing taxes.
[3] Estimated and based on prior year figures.

Total expenditures—Continued

United States, fiscal year 1934:	
Total National Government expenditures	$7,105,050,000
Total local government expenditures	[1] 9,679,000,000
Total	16,784,050,000
Per capita expenditure	133

In respect to expenditures, therefore, it would appear that the per capita expenditure in the United States during the past fiscal year was about 16 percent more than the per capita British expenditure.

The above comparisons do not take into account certain receipts from interest, lands, tolls, etc., in the respective countries.

3. NATIONAL DEBT

It is perhaps fitting to compare the national debt of the United Kingdom and the United States, since the payment of these debts is an important consideration in connection with revenue requirements.

National debt

United Kingdom, Mar. 31, 1934:	
Total internal debt	$34,543,405,000
Total external debt	5,182,725,000
Total gross debt	39,726,130,000
Total net debt	39,111,650,000
Per capita debt	850
United States, June 30, 1934:	
Total public national debt	27,053,141,414
Per capita debt	215

It further may be estimated from reliable sources that the debt of the local subdivisions in the United Kingdom amounts to about $6,505,000,000, and in the United States to about $19,600,000,000. Accepting these figures as approximately correct, we may state the grand total of all public debts per capita in the two countries as follows:

Total per capita public debt

United Kingdom (national and local)	$991
United States (national and local)	370

It is obvious, therefore, that as to the total per capita public debt the United States is in a much better position than Great Britain.

To sum up the comparative revenue and financial situation of the United States and the United Kingdom, the following points will be briefly stated:

1. The total tax burden per capita is about 33 percent more in Great Britain than in the United States.

2. In respect to the relative productivity of the taxes imposed by the National Governments, there is comparatively little difference in the two countries, except that the United Kingdom derives somewhat more from death duties and income taxes in proportion to the total collection and somewhat less from excises than is the case in the United States.

3. The per capita expenditure in the United States is about 16 percent greater than the per capita expenditure in Great Britain.

4. The per capita public debt of the United Kingdom, including the debt of the local subdivisions, is approximately two and one-half times the per capita public debt of the United States and the States, including their local subdivisions.

EXHIBIT B

In accordance with your request, I have made an approximate computation, based on the assumption that increased tax rates would not materially retard business, which indicates:

(1) That the 1918 income and profits tax rates on individuals and corporations, if continuously applied for subsequent years, would have extinguished the national debt by July 1, 1927.

(2) That the 1919 income and profits tax rates on individuals and corporations, if continuously applied for subsequent years, would have extinguished the national debt by July 1, 1931.

In explanation of the above, I would state that the rates of tax in force for 1918 in the case of individuals consisted of a 6-percent normal rate on the first $4,000 of net income and 12 percent on the balance of the net income over $4,000. The surtax rates on individuals were graduated from 1 percent on net incomes in excess of $5,000 and not in excess of $6,000 to 65 percent in the case of net incomes in excess of $1,000,000. The 1918 rates on corporations consisted of a 12-percent standard rate and an excess-profits tax graduated to 65 percent, and also a war-profits tax which might reach 80 percent.

The rates of tax in 1919 consisted of a normal rate of 4 percent upon the first $4,000 of the net income in the case of individuals and 8 percent on the balance of the net income in excess of $4,000. The surtax rates for 1919 remained the same as for 1918. In the case of corporations, the standard rate of tax was 10 percent, the excess-profits tax was graduated to 40 percent, and the war-profits tax was not operative.

In respect to the computations upon which the estimates made are based, it is very difficult to submit these in any comprehensible form. Allowance has to be made for the decrease in income due to the payment of the prior year's tax and also account has to be taken of the fact that interest charges would be reduced by an earlier payment of the debt. As already stated, no allowance has been made for the possibility of a diminished business activity on account of the higher tax rates. It will be recalled that one argument made for lowering the taxes was that business would be stimulated. To what extent business actually was stimulated by the reduction of taxes is not a fact which can be mathematically demonstrated.

The following statistics may be of some interest to you:

The total receipts of the Federal Government for the fiscal year ending June 30, 1920, amounted to $6,694,000,000. This was the year of maximum collections.

The total receipts of the Federal Government for the fiscal year ending June 30, 1932, amounted to $2,121,000,000. This was the lowest year of collections since 1917.

From the above two figures it is believed that possibilities of additional revenue can be visualized.

The total gross debt of the United States on June 30, 1919, amounted to $25,482,000,000. On June 30, 1930, the public debt amounted to $16,185,000,000. It can be seen, therefore, that the public debt was actually reduced about $9,000,000,000 in 11 years. The total gross public debt on January 31, 1935, amounted to $28,475,000,000. Our total tax and customs revenue for the fiscal year 1934 amounted to about $2,985,000,000. This comparatively small revenue was primarily due to reduced business profits. I have no doubt, if we now had business profits and volume of business equal to 1928 and 1929 levels, that even under existing rates our revenue would be nearly double, or close to $6,000,000,000.

[1] Estimated and based on prior year figures.

"ON OUR WAY" TO DELAWARE AND MOSCOW

Mr. SCHALL. Mr. President, perhaps no more widespread nationalistic plan of Federal socialism has yet been devised than the one under consideration, with the single exception of that presided over by the Soviet Executive Council at Moscow.

Neither Hitler nor Mussolini, as I understand, provides for taking over private enterprises under Federal ownership and operation. They grant private ownership and operation of industry in general. The only broad example of this new deal seems to be in Moscow.

The difference between the socialism of the Socialist party, as advocated by Norman Thomas, and as initiated by the "brain trust", here outlined, seems in the main to be this:

First. Thomas would go frankly before the American people with his socialist program, submit it to a popular referendum, and elect a Congress committed to it; whereas the "brain trust" of Franklin Delano Roosevelt would put over his plan sub rosa by the Delaware corporation route after the fashion of holding corporations.

Second. Norman Thomas would develop his program by acts of Congress, as provided in the Constitution. Franklin Roosevelt would accomplish a system of Federal socialism by the Fabian method, by successive Delaware incorporations and Executive decrees without the knowledge of Congress. Certainly no measure has been submitted to Congress that would contemplate public debate on a program of national socialism. I am certain that the White House does not desire to have me even now lay the plan before the Senate.

It seems to be plain that the 57 alphabetical bureau units—beginning A. A. A., C. W. A., N. R. A., and the rest—are preparatory steps for the socialistic regime to be perfected by successive Delaware and other State corporations.

Take the 700 codes of the N. R. A. They centralize the big corporations of a given industry into one compact industrial group for ready handling under a Delaware corporation. The small fellows are eliminated, cast into the junk pile, for efficiency and economy of Federal action. So this is to be the fate of N. I. R. A.—a Federal corporation or holding company incorporated in Delaware.

Take the A. A. A.—or Federal control of agriculture after the plan of Moscow. By an A. A. A. "emergency fund", now amounting to $1,300,000,000, a preponderating majority of cotton growers, grain, and livestock growers, are already subsidized into submission to Federal rulings with regard to production, acreage, crop plowing under, pig sabotage, cow decimation, and curtailment of crops. During recent months the A. A. A. control, through distribution of checks drawn on the Treasury "deficit", has been extended to tobacco—plug and smoking, wrapper and filler, down to the price of cigarettes, with "two-for-a-quarter" limit—peanuts, molasses, milk, bees and honey, citrus fruit, cherries, rice, sheep, beans, and now they propose to subsidize the potato growers in order to carry Idaho, Minnesota, Michigan, and Maine. By the time the A. A. A. has been incorporated under the laws of Dela-

ware—with a hundred millions for Farley patronage to man the corporation—an American farmer will not be able to hitch a mule to a corn plow without the authority of Under Secretary Rexford Guy Tugwell.

As in Soviet Russia, the American farmer will become a peasant—his status fixed under the corporation laws of Delaware. The American agricultural yeomanry, the freemen who once fought the battles of the Republic and "fired the shot heard around the world", will become the peasantry of a feudal lord, or a Federal boss, incorporated under the laws of Delaware.

Control of 7,000 national banks has been assured in advance by purchase of $1,200,000,000 of preferred shares by the Federal Government—the checks drawn against the Treasury "deficit", which is to be met by the "coming generation."

Director Eastman, Director General of Railroads through retiring the Interstate Commerce Commission, has just submitted his report urging Federal operation of railroads—and other public utilities will follow the same route—provided that Congress continues its present status of "rubber stamp lying down."

Unless we follow the suggestion of Secretary Wallace and turn over the American fleet and shipping to Great Britain, we shall have a Federal shipping corporation incorporated under the laws of Delaware.

In order that this program may be financed without debate and without undue public knowledge, we were prevailed upon, without material discussion, only as far back as January 30, 1935, to pass House bill 4304, which, as I observe by reference to the CONGRESSIONAL RECORD of that day, raises the bond limit of $28,000,000,000, provided in time of war, to $45,000,000,000, or twenty billions above our World War peak.

Thus the "emergencies" created by the new-deal system are twenty billions more expensive—that is, to the coming generation—than a World War. And the whole bankrupt socialistic program is to be incorporated under the laws of the little State of Delaware.

Question 1. Who is going to pay the Federal taxes after the principal tax-paying industries and utilities have come under Federal dominion? The answer is, doubtless, the "forgotten man", namely, the consumer. He will pay for all of Farley's patronage.

Question 2. Who will pay off that forty-five billion national debt? Answer. The coming generation or some succeeding administration that has the idea of financial responsibility and realizes that to every nation, as to every man, there comes a pay day.

Is this program to be arrested? Are the American people to be given a voice? Is Congress to be consulted? Are we to pass upon this socialistic program by the Delaware corporation route and subject it to the provisions of the Constitution? Or has Congress abdicated and turned over all legislative functions to the White House and a Farleyized bureaucracy?

In this connection I desire to call the attention of the Chairman of the Committee on Agriculture and Forestry, the distinguished Senator from South Carolina [Mr. SMITH], to a paragraph in a lecture delivered by Dr. Rexford Guy Tugwell on November 16, 1933, when Tugwell was a Government official, Assistant Secretary of Agriculture—an official document distributed by the Government—and ask him if his committee noted the following excerpt therefrom. I am incorporating in my remarks the following paragraph, found on page 19, of an address delivered by Assistant Secretary of Agriculture Tugwell only 14 months ago, and 8 months after the Roosevelt inauguration, and now available as a public document, a copy of which was obtained from the Department of Agriculture. Inasmuch as Tugwell is advertised as "brain truster no. 1" and frequently of late sits in the White House Cabinet meetings, this paragraph is illuminating. Says Tugwell:

> I have had a chance to see the truth of the saying that ours is a government of men. The fiction that it is a government of laws would, I think, never have attained its great prestige if the right men had been called to govern.

That is to say, if I may interrupt the Tugwell monologue, "government by laws", which means acts of Congress, is a fiction, and therefore Congress itself is the author of fiction, and fiction is not government.

Our great historic backwardness is due to the fact that we have not had the "right men." We have had such so-called "men" as Washington and Jefferson, John Marshall and Justice Hughes, Abraham Lincoln and Woodrow Wilson. Not till now have we had the "right men"—Franklin Delano Roosevelt and Rexford Guy Tugwell.

Tugwell then passes to the new deal and says:

> Much has been said lately of the new institutions which have been invented, of the changes which have overtaken hitherto accepted arrangements. It is possible to overemphasize this idea. In fact, a careful examination of the new legislation will disclose that its novel characteristic is its provision of freedom of action for those who do the acting.

Note the following sentence in Tugwell's official Government document:

> The powers granted are mostly permissive; the rules written are mandates for performance. Everything depends on men.

A splendid illustration, let me add, is the appropriation bill now before us. Roosevelt demands that $4,000,000,000 be voted to him in practically one lump sum, "subject to the allocation of the Executive."

Our "permissive" function goes so far that the White House demands that we leave the allocation of appropriations—a power hitherto exercised by Congress under the Constitution for 145 years—to one man—the Executive. The "fictional" lawmaking body is to abdicate.

> Ours is a government of men—

To h—— with the lawmaking body! "Government of laws" is a fiction, the Supreme Court of the United States to the contrary. So says Tugwell, who now sits in the President's Cabinet.

Under a system of "government by men" it was not necessary to bring before Congress and the people of the United States the question of Federal socialism. Those "men" simply incorporated their holding companies under the laws of Delaware, as other corporations do. That "fiction" the lawmaking Congress, and the people of the States whom Congress represents, has nothing to do. Our bureaucracy is incorporated under the laws of Delaware, where moth nor rust, the people nor Congress may not corrupt. Mr. Farley will attend to the rest.

Did the Members of the Senate note the following warning in the President's message of January 4?—

> Let him who, for speculative profit or partisan purposes, without just warrant would seek to disturb or dispel this assurance, take heed before he assumes responsibility for any act which slows our onward steps.

The "assurance" named in the preceding sentence was that the new deal up to date had the support of American "confidence and faith." Anyone seeking to "disturb or dispel" this assurance was warned to "take heed."

If a business man expresses fear that his "profit" might fade away through this socialistic scheme, or if a public official seeks to disturb this "confidence and faith" with "partisan purpose"—for example, if he belongs to the opposing political party, and sits on my side of the aisle—"let him take heed before he assumes responsibility for any act which slows our onward steps."

A Republican Member, a Progressive, a democratic Democrat—anyone except a "pork" Democrat—appears to be in the same danger as that tailor who was thrown into jail for pressing a suit for 35 cents when the code prescribed 40 cents.

In The Economic Consequences of the New Deal, by Benjamin Stolberg and Warren Jay Vinton, on the outside cover page appears this interesting sentence:

> There is nothing the new deal has so far done that could not have been done better by an earthquake.

It is plain that both the publishers and the authors are in danger of that White House threat—"Let him take heed." For aught I know I may myself be due for jail for "lese majeste."

In the secret sessions of diplomacy, the White House and State Department, in conference with Belgian diplomats, have consummated a tariff treaty which the diplomats declare will enrich both countries. All that was necessary to do was to eliminate the legislative branch of government from the tariff making, article I of the Constitution to the contrary notwithstanding.

In the Chicago platform of 1932, for which the President vowed he stood 100 percent, the tariff making was to be done by—

a fact-finding Tariff Commission free from Executive interference.

The new deal thus far has produced three tariff treaties, one each with Cuba and Brazil and the last with Belgium, of which the outstanding tariff-making feature is that the duties are fixed in star chamber without legislative "interference." Our Minnesota potato growers who are selling their potatoes for 12 cents a bushel will be glad to note that in the Cuban treaty the duty on potatoes has been cut from 70 cents to 35 cents.

Under article I of the new deal, accordingly, the power over revenue, formerly the first and chief power of Congress, is transferred to the White House. The same rule, apparently, applies to the power of government in the matter of appropriation, as witness the "four billion lump" appropriation "subject to the allocation of the Executive."

Though the Belgian Tariff Treaty does not come before Congress for consideration, I am assuming that we still have the power to speak about it in order that our constituents at home may know what has been done to them and their industries in this White House-Belgian star-chamber proceeding.

There is a 33⅓-percent reduction in our tariff duty on plate glass consumed by American farmers, wage earners, and country homes in the interest of Belgian labor.

There is a 25-percent cut on cement, asbestos, shingles, waterproof cloth, cordage, certain woven fabrics, and photographic paper, and on certain steel products, such as ingots, billets, die blocks, and boiler plate, which, though not commonly consumed in American homes, give employment to American labor, and therefore, under lower duties, will benefit Belgian labor and lead to further unemployment of American labor.

In exchange for these benefits to Belgian labor and capital, Belgium gives American "benefits" as follows:

Reduction of 15 percent on automobiles and parts, and on radios and parts, also a reduction on grapefruit, dried peaches, canned sardines, and prunes. On apples the Belgian duties are to be "frozen" at 20 percent. On lard and pork products, which we are now shipping in from Canada, silk hosiery, collars and cuffs, the Belgian duties are not changed, but the "quotas" are extended. On dictating machines the 9-percent luxury tax is "suppressed." Some 76 articles of commerce which affect 47 industries have been affected by this treaty.

That seems to be practically the extent of this great "tariff reform" by star chamber, so far as the contents thereof have leaked to the press. No American industry is given a hearing. The effects upon American labor will not be known until Belgian imports begin to come in to take the American market. It is assumed that our automobile and radio manufacturers, and our producers of grapefruit and sardines, will extend their Belgian trade, though if it is worth much to Americans no one knows it, except possibly a few auto salesmen abroad.

The anticipated "benefits" are supposed to extend to 47 Belgian products imported to an amount of $5,000,000, and now possibly to be doubled, thereby reducing the market for 47 American products on which American labor is employed. And for this Belgium reduces its duties on 22 items supposed to benefit American sales in Belgium to a like amount.

The State Department says this means—

More trade, more production, and more employment of labor in both countries.

That is to say, Belgium will get more labor employment in 47 industries in which American employment will be correspondingly depressed. And, vice versa, American labor will get more employment in making 22 products at the expense of Belgian employment. Thus when the Belgian Peter robs the American Paul, and vice versa, both get "more trade, more production, and more labor employment in both countries." And that is the new-deal system of tariff reform.

The Belgian Minister, in behalf of Leopold III, says that—

President Roosevelt has clearly seen that without foreign trade no real prosperity is to be dreamed of, and that it is a fallacy to imagine that one can develop exportation while keeping down importations to the lowest level.

Of course, the country will be glad to learn from Leopold III and his emissaries the true destiny of the new deal. The President's book entitled "On the Way" failed to state where the way led. It seemed to lead, first, to Fascist Rome, then to Nazist Germany, and, lastly, to Soviet Moscow, via Delaware. But it seems that the new-deal way leads to Belgium by giving Belgium lower duties in 47 industries.

Let us hope that this Belgian tariff will give this country such "work relief" that the President will not need that $4,000,000,000 "subject to the allocation of the Executive."

The President's book, On Our Way, does not tell us where the policy will lead, and no one yet who has read that book has ventured to suggest that it pointed anywhere.

The other day a sigh arose from the majority across the aisle, and the purport of that sigh was "the great trouble with our new deal is that we have no terminal facilities."

Let me point out that the new deal seems to have extensive "terminal facilities", all incorporated and ready for traffic, and that the location thereof is in Wilmington, Del.

The thirteenth century gave the English-speaking world that well-known charter known as "Magna Carta." It remains for the twentieth century to produce for the Government of the United States, and for the economic regulation of the world, not one charter, but six charters, which history may well describe as maximi cartorum, all domiciled in the little State of Delaware.

George Washington, so history records, crossed the Delaware over 150 years ago. But Franklin D. Roosevelt, with four of his Cabinet generals and nine bureau colonels, and with all patronage battalions that General Farley has had time to allocate, has been camped in Delaware, it seems, for over a year, just waiting for a lump sum "subject to the allocation of the Executive" before he begins his Delaware offensive operations.

George Washington, it seems, had no middle name. Not so with the new-deal incumbent. Even the 1 year and 4 months of his present occupation of Delaware entitles him to be known to history as "Franklin Delaware Roosevelt."

But the chief distinction between the Delaware hero of 150 years ago and the Delaware commander of today is in the mission. The mission of George Washington was to establish the principles of the Constitution. The mission of the new-deal leader today, as revealed by the provisions of the six Delaware charters, is to evade the Constitution and set up a dynasty of economic socialization embracing all industries, enterprises, and activities, in which "any corporation now or hereafter organized" may engage.

The powers assumed under these Delaware charters today, as distinguished from the simple democratic plan of 150 years ago, embrace all the socialistic powers of the Soviet Executive Council. Washington and his followers aimed to restore all the rights of liberty and property to the American people. The new-deal plan chartered in Delaware aims to take all liberty and property from the individual American citizen and confer these rights upon Federal boards incorporated in Delaware, along with such powers, as stated in one of these charters, as—

* * * may be delegated or assigned to, or conferred upon, the corporation by the President of the United States of America. * * *

There is another sharp distinction as between the term of Washington's commission and the tenure of new-deal power as now chartered in Delaware. Washington laid down his commission when the temporary "emergency" was crossed.

The " new dealers " of today, carrying 2-year commissions from Congress, go over into Delaware and incorporate themselves under a provision that reads:

This corporation is to have perpetual existence.

It is that provision which gives their new deal its long-sought " terminal facilities." They are all located in Delaware. We are " on the way," hell-bent for Delaware.

In Delaware, where holding companies and explosive companies have central offices, are the " terminal facilities " of the new deal.

If ever there was any doubt in the minds of the American people, or of their representatives in Congress, with regard to the wisdom of article I of the Constitution placing power over appropriations in the hands of the legislative branch of Government, that doubt would appear to be removed by recent demands and actions, as witness:

First. The demand of the President that $4,000,000,000 be turned over to him in one lump sum, " subject to the allocation of the Executive."

Second. The incorporation by members of the President's Cabinet and his bureau heads, through the medium of Delaware holding companies, of six quasi-governmental merger corporations seeking to give " perpetual existence " to temporary " emergency " bureaus as permanent barnacles on the United States Treasury.

We are confronted here today with a joint resolution (H. J. Res. 117) practically calling for " four billion lump ", and neither the parentage of the resolution nor the purpose of it are divulged beyond the usual camouflage.

Frank R. Kent, in the Democratic paper, the Baltimore Sun, says:

The striking thing about the pending $5,000,000,000 work-relief bill continues to be the cloak of mystery with which the plans for the expenditure of this vast sum are enshrouded.

When the allocations of the appropriation are made by act of Congress, which has been the American custom for 143 years up to the present administration, there has been no " cloak of mystery." Every dollar of the appropriation is of public knowledge, and is discussed, first, in committee with hearings thereof, and then the appropriation bill runs the gantlet of public debate in both Houses. Use of the public funds when the expenditure is made pursuant to the Constitution is never enshrouded in a cloak of mystery, as found by Mr. Kent of the Baltimore Sun, and as known to Members of the Senate.

It is only when Congress follows the blind alley of the " brain trust " instead of the Constitution made by the people of the United States that we hear of huge lump sums, " subject to the allocation of the Executive ", enshrouded in a cloak of mystery.

But we now see that even hocus pocus with the public funds cannot long remain a mystery, however clever the thin camouflage. It takes no Sherlock Holmes to unravel the skein of this " four billion lump " mystery. Police find there is no perfect crime. Auditors find there is no perfect embezzlement. Anyone can decipher the purpose of a large chunk of this " four billion lump " in the charter provisions of six Delaware holding companies incorporated by members of the Cabinet and by the bureau chiefs of this new deal Federal bureaucracy.

It is quite possible that the administration fears to expose its plan of socialization, revealed by these charters for permanent industrial corporations, even to the Senators and House Members of the Democratic Party. The White House may have cause to doubt that the party followers of Jefferson, Jackson, Cleveland, and Woodrow Wilson are ready yet to espouse a Socialist program which begins in Moscow and ends with a blind appropriation for Federal industrial mergers chartered in Delaware and other States.

Certainly nothing has appeared in the Democratic national platforms of the past 100 years which could be twisted into a plank carrying such an instruction as this, which seems to be the Delaware platform:

We demand the expansion of the Federal bureaucracy, whereby, under White House leadership, we may organize pursuant to the approved policy of Wall Street, a group of federalized Delaware holding companies with perpetual charters to operate all branches of manufacturing and public utilities in the United States, the Treasury paying the bills.

Nevertheless, that very thing has been done, as shown by the CONGRESSIONAL RECORD of February 6, in which I have published—notwithstanding the official order, " Do not publish "—the photostatic copies of these charters for the complete socialization of American industry.

Four members of the President's Cabinet—Wallace, Ickes, Perkins, and Morgenthau, Jr.—are members of the first boards of directors of 5 of these Delaware holding corporations chartered for owning and operating manufacturing in-industries, and 2 of which are also to operate utilities and any other business in which corporations engage.

Secretary Ickes appears to be chairman of the board in three of these industrial and utility corporations—manned by Federal officeholders with corporate offices at 100 West Tenth Street, Wilmington, Del.

Secretary Wallace appears to be chairman of the board of the Commodity Credit Corporation, with Secretary Morgenthau as a member of the board.

In the first articles of the Federal Surplus Relief Corporation, filed October 4, 1933, Secretary Wallace is apparently chairman of the board, with Ickes and Hopkins making up the board of three. But the revised articles filed January 10, 1934, mentions Harry L. Hopkins as president and chairman of the board, with Secretaries Ickes and Wallace holding subordinate posts in the directorate.

In making up the boards and controlling officers of the six industrial and utility quasi-Government mergers incorporated in Delaware—including the Electric Home & Farm Authority, which has corporation offices in both Delaware and Tennessee—the administration seems to have resorted to the bureaus for official timber to the extent of using nine bureau chiefs—Hopkins, Kohn, Johnston, Chapman, Wilson, Walters, Lilienthal, A. E. and H. A. Morgan. Hopkins is head of the F. E. R. A., and Morgan of the T. V. A.

One of the interesting features of these Delaware charters is a provision like this, in the Federal Subsistence Homesteads Corporation:

Eighth. The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever.

Doubtless our thrifty bureaucrats believe that the taxpayers of the United States should meet the losses, either out of the Treasury " deficit " or out of this " four billion lump ", or some other lump.

The already delivered Subsistence Homestead Corporation began with an initial cash capital of $10,000, which doubtless came out of the United States Treasury. As shown by the Senator from Iowa [Mr. DICKINSON] in the RECORD of February 21, page 2390, it had purchased up to January 31, 1935, 59,292 acres of land to an amount of $1,445,739, which also came from the Treasury. Therefore, it is fairly plain that part of this " four billion lump ", concerning which the Baltimore Sun has diagnosed a shroud of mystery, will go through the bookkeeping ledgers of this Delaware holding company, of which Harold L. Ickes is chairman of the board, with corporate office at 100 West Tenth Street, Wilmington. That is where Auditor General McCarl may have to go to verify the vouchers, if these " terminal facilities " receive from us the demanded subsidy.

The Senator from Iowa [Mr. DICKINSON], and also the Senator from Michigan [Mr. COUZENS], and the Senator from California [Mr. JOHNSON], have attempted to obtain enlightenment from the Senator from South Carolina [Mr. BYRNES], who in many respects appears to be our " contact " with the White House, why the Government or its bureau heads are incorporating these Delaware industrials and utilities for the United States Treasury to finance.

My friend from California [Mr. JOHNSON] has put this question for administration authorities to answer:

Why should the United States Government go into a single State in the Union and organize corporations with the broadest conceivable powers for its different activities and different departments?

It is possible that the distinguished Senator from Mississippi [Mr. HARRISON], Chairman of the Senate Finance Com-

mittee, may be well informed, in part, in view of the fact that no less than six Delaware "homestead" corporations appear to be allocated to Mississippi, as follows:

Richton Homesteads of Mississippi, Inc., incorporated December 29, 1933.

Laurel Homesteads of Mississippi, Inc., incorporated December 29, 1933.

Meridian Homesteads of Mississippi, Inc., incorporated December 29, 1933.

McComb Homesteads of Mississippi, Inc., incorporated December 29, 1933.

Tupelo Homesteads of Mississippi, Inc., incorporated December 29, 1933.

Hattiesberg Homesteads of Mississippi, Inc., incorporated January 16, 1934.

Being Chairman of the Senate Finance Committee, and therefore on speaking terms with the White House, as well as distinguished senior Senator from Mississippi, doubtless he may be able to throw upon our deliberations that calcium of light which may enable us to know:

Why the United States Government, as the Senator from California [Mr. JOHNSON] has pointedly inquired—

Should go into a single State in the Union and organize corporations with the broadest conceivable powers for its different activities and different departments?

It is also pertinent to the consideration of the joint resolution before us—House Joint Resolution 117—to know if the shroud of mystery surrounding this demand for $4,000,000,000 in one sum "subject to the allocation of the Executive" extends to financing these Delaware industrials and utilities, and thereby puts the United States Government into the "socialization" business as in Moscow.

I am wondering if there is a Senator, even on the other side of this aisle, who is not in the dark as to the undivulged purposes and employment of this four-billion allocation, as we, on this side of the aisle, and the general public are.

On Tuesday, the 19th, as I recall, the Senator from Kentucky [Mr. LOGAN] found, if I may quote the RECORD:

The great trouble that I find with the new deal—and I am for it—is that we have never found any terminal facilities.

It would certainly, I fear, be of great satisfaction to him and to all other Members, if we found that the "terminal facilities" were the Delaware holding corporations which seek to involve the United States Government in government ownership and operation of every conceivable industry and utility in which corporations engage. Is Uncle Sam to find "terminal facilities" for public funds in Wilmington, Del.?

I was deeply impressed, as I am sure other Senators were, when the Senator from Kentucky [Mr. LOGAN] continued in these words:

We are sailing on an uncharted sea; we have no place where we are going to stop. I have been waiting and waiting for someone to say that we are going to this particular point and there we will anchor, our work will be done; but I have heard no such word.

In another section of his address, the Senator from Kentucky [Mr. LOGAN] raises the following significant question:

Who can tell whether next year at this time we will be called upon to make another $5,000,000,000 appropriation?

If we are to finance all the kinds of corporations covered by the 10 pages of fine print of the six Delaware charters published on pages 1552–1561 of the CONGRESSIONAL RECORD of February 6, the answer to the Senator's inquiry might be, "Yes; next year, and as long as the American people will stand for a Moscow regime of socialization, and for that kind of a Federal administration."

Such billions as may go into these Delaware subsidiaries of the new deal this year will be swallowed up in real-estate investment and overhead for the patronage "pork."

The $5,000,000,000 of next year will be swallowed up by contracts with the building and machinery corporations that have the proper "political pull" to land high bids over low-bidding competitors who neglect to subscribe to the "right" campaign fund.

If we are to sink our poor legislative powers under the Constitution in this uncharted sea of "socialization"—this four-billion lump is only the first drop in the Moscow-Tammany Hall bucket.

From Berlin comes the news that Chancellor Hitler has written for himself a huge "blank check", ostensibly for "work relief", the particulars of which are known only to himself and cabinet. The German public has received from the Chancellor, according to John Elliott in a special to the New York Herald Tribune, a communique stating that the Nazi Cabinet had authorized the Finance Minister to issue funds for the Government's "new plan" to an amount which is to be decided by Der Reichsfuehrer. That sounds almost like Washington, D. C.

It seems in Berlin, as here, the "new plan" had increased the unemployed this winter by 400,000 over the mark of a year ago. Hitler's so-called "new plan" had resulted in a "new deficit" of 2,000,000,000 marks and a new floating debt of 5,000,000,000 marks, or about $2,000,000,000. So Hitler writes for himself a new "blank check", supposed to be about half of that which the Senate is asked to vote in a lump, "subject to the allocation of the Executive."

Our uncharted seas have many of the aspects of the German North Sea. New deals which evade the Constitution are, in the last analysis, much alike. However, the German "new plan" does not call for the incorporation of industrial and utility holding companies with cabinet officials as the boards of directors. Our new deal of Federal socialization via Delaware seems to have been borrowed from the "new plan" of Soviet Moscow. What Moscow is to the U. S. S. R., the city of Wilmington, Del., seems to be to the "new deal" of the United States of America. However, Moscow puts on no cloak of mystery. The Soviet Executive Council frankly directs the writing of the check, and also tells the world what the check is for, namely, the socialization of all Russia. Here we have a crossword puzzle and a guess.

"FABIAN" APPROACH TOWARD "SOCIALIZATION"

The difference between the "new plans" in Europe—Rome, Berlin, and Moscow—and the new deal here is in the method of approach. We have on our side of the Atlantic the smiling exterior of beneficent paternalism and the billions in doles and the steady encroachment of the Federal Government over the industrials and utilities, over the railways and banks, and over all branches of agriculture and commerce, both interstate and intrastate; whereas "over there", in Rome, Berlin, and Moscow, there is the blunt appeal to force. In Europe the "new plans" may be effective through "shock troops", whereas here the more effective method is by subsidy and control of communications.

So our "new dealers" have adopted the method of Fabius Maximus, five times consul, twice censor, and dictator of Rome, in the third century B. C.

It will be recalled from our school-history days how Fabius Quintus, afterward known as Maximus, was the cautious general who defeated Hannibal in the second Punic War by harassing tactics which won for him the surname of "The Delayer." That appears to be the method employed by the White House to conquer the Senate on this "four billion lump" bill and the gradual socialization of American industry.

This Fabian approach to the socialization of the United States by the method of incorporating Delaware holding companies is not at all fanciful. It is a concrete actuality with a strong international organization behind it.

Doubtless no Senator here is unfamiliar with the history of that socialistic order known as the "Fabian Society." Among its best-known figures in the United Kingdom is George Bernard Shaw, just as among its best-known workers in the United States is Bernard M. Baruch. Former Representative McFadden, of Pennsylvania, for 11 years Chairman of the House Committee on Banking and Currency, has published in the CONGRESSIONAL RECORD during past years, even up to the RECORD of the Seventy-third Congress, hundreds of pages on the history of the Fabian Society, both abroad and in America.

The dominant idea of the Fabian Society, formally organized in 1883, is explained in its charter, which, to quote from the cyclopedia—

Aims of the reorganization of society by the emancipation of land and industrial capital from individual class ownership, and vesting of them in the community for the general benefit.

The cyclopedia tells us that the Fabian Society maintains "lectureships" and "watches and seizes its opportunities to achieve socialist results; hence its name."

Those who have followed the weekly lectures of Dr. Rexford Guy Tugwell, Under Secretary of Agriculture, and a weekly attendant at the President's Cabinet meetings, whose lectures are delivered from week to week in various parts of the country and then sent out from the Government Printing Office as public documents, will recognize Tugwell as conducting the principal "lectureship" of the Fabian Society in the United States. The so-called "brain trust", of which the founder was Bernard M. Baruch, with Tugwell as no. 1 spokesman, is nothing more nor less than the American edition of the Fabian Society, which today controls the new-deal policy of "bold experiments", the boldest of which is to control Congress and transfer its legislative functions to the White House.

Note that Fabius Maximus was twice censor and dictator of Rome. He invented the Fabian method of harassing the enemy by feints, false rumors, and delays—the methods of the Fabian Society in getting control of government and aiming at reorganization of society by collectivist control of land and industrial capital and the overthrow of individual ownership and operation.

If one wishes all the industrial ownership aims of the Fabian Society in America, all he has to do is to read the dozen pages of the CONGRESSIONAL RECORD of February 6, 1935, published by my persistent effort, reproducing the six Delaware charters for socialization of American industry—in all, 75 sections and 119 subsections—embracing the whole program of both the Fabian Society of Europe and also the soviet system of state socialism.

Astounding as this revelation may appear to all imbued with American ideas of liberty and property, the significant fact is that each of these Delaware charters bears the signatures, over their oaths and notarial seals, of members of the President's Cabinet and chiefs of his alphabetical bureaus.

If one reads the 194 provisions of these quasi-governmental socialistic charters, he must say:

Well, here is the complete program of the Fabian Society of Europe. There is not an industrial, financial, or commercial enterprise or activity that is omitted. Here is the Fabian plan of society complete.

Then we begin reading the names of the signers and incorporators:

H. A. Wallace, Oscar Johnston, H. Morgenthau, Jr., Harold L. Ickes, Frances Perkins, Robert D. Kohn, and again the last three repeated, Harry L. Hopkins, Harold I. Ickes, Henry a Wallace, and again the last three repeated, in different order, Harold L. Ickes, Oscar L. Chapman, M. L. Wilson, Arthur E. Morgan, Harcourt A. Morgan, David E. Lilienthal, and finally, Harold L. Ickes, Oscar L. Chapman, T. A. Walters.

All of these signatures are duly witnessed and carry the notarial seals. The charters and two amended versions bear the notarial legend:

Given under my hand and seal of office the day and year aforesaid.

Then appear, attached to the respective documents, the names of District of Columbia notaries in seven instances where Federal officials sign, the name of a New York notary in the case of Lilienthal, and the name of a Tennessee notary in the case of the Morgans.

But all of these quasi-government Delaware mergers have a corporate office with the Corporate Trust Co., resident agent, "No. 100 West Tenth Street, in the city of Wilmington, New Castle County, State of Delaware."

Members of the Senate, at least on the other side of the aisle, may desire to write to these Fabian society corporations there. Be sure to read the text of the published charters in order to get the name of the right Cabinet official to address as "president" or "chairman of the board."

If Senators read section "fourth" of the charter of the Commodity Credit Corporation, page 1552 of the RECORD, they will note that 30,000 shares are issued, par value $100 per share, aggregate par value $3,000,000.

The 30,000 shares of this first Fabian corporation seem to be based upon the count of 3,000 counties in the 48 States, or 10 shares to each county.

If my amendment is adopted to House Joint Resolution 117, prohibiting allocation of public funds to any new-deal corporation, except by express authorization of Congress, there will be no "preferred", no dividends, no Government ownership or operation, and not even an army of the politically employed for Mr. Farley to "allocate."

Let me sketch the nature of the business of these respective Delaware corporations having Federal Cabinet members for presidents or chairmen.

If you own a share or shares in the Commodity Credit Corporation—H. A. Wallace chairman of the board—you are engaged in—see subsection k—

Handling, carrying, processing, manufacturing, storing, preparing for markets, and marketing agricultural and/or other commodities and/or products thereof

Therefore, you may be running a grain elevator, flour mill, breakfast-food factory, packing house, a smokehouse for razorbacks, a cotton gin, or a tobacco factory.

Your corporate place of business may be in any State or Territory, or, we are told, in any of the "colonies of the United States." This term "Colonies of the United States" is a new-deal term that began with the reign of Roosevelt II.

Moreover, your place of business as a socialistic owner—see subsection 1—may be outside the United States or even its "colonies", as witness this addendum—

and in any and all foreign countries.

This might include Japan, Russia, or Manchukuo, where a Japanese "brain trust" maintains Emperor Pu Ji on a puppet throne at the capital, Hsingking—which, in American, means the same as Sing Sing. One of the advantages of being a stockholder in this Delaware corporation might be the chance to junket abroad on one of the new-deal battleships.

Besides being engaged in manufacturing "agricultural and/or other commodities and/or products thereof", the investor—subsection d—acquires power "to borrow money * * * without limit as to amount"—and also—subsection f—"to loan money"—though the term "without limit" fortunately does not attach to loans.

These financial powers will be of great political value; provided, of course, my amendment should not be adopted.

Among the other functions of this Commodity Credit Corporation, incorporated in Delaware, is to give "perpetual existence" to the A. A. A., the N. R. A., the F. E. R. A., the R. F. C., the E. R. A., and other obnoxious alphabetical emergency institutions.

In going after votes and patching up political fences, the administration never knows how many alphabetical emergency powers he is going to need.

Certain investors may be so fortunate as to be one of the three preferred stockholders of the Public Works Emergency Housing Corporation, which has unlimited powers—see subsection 1—

Delegated or assigned to, or conferred upon, the Corporation by the President of the United States of America.

This Corporation has power—

(4) To manufacture, buy, sell building or other materials and supplies of every kind, nature, and description.

It also has the power to go into the public-utility field—

(7) to furnish, equip, operate * * * without limitation the supplying of heat, steam, water, gas, and electricity, and transportation, telephone, and any other facilities necessary, suitable, or convenient.

All of which might come in handy in a campaign. If the powers conferred upon this Corporation by the President, however, work like other P. W. A. enterprises, the State of Minnesota or Louisiana might have different powers from those conferred, for example, on Mississippi and Arkansas.

However, this Corporation in its charter powers defined in its original charter of October 27, 1933, as Chairman Ickes will inform you, engages in the following broad field of manufacturing industries:

(4) To manufacture * * * building materials and other products of every kind, nature, or description, including without limitation, iron, steel, granite, stone, brick, cement, wood, paper, and plaster.

So here is an industrial investment which might fit the requirements of a Senator from Pennsylvania or Colorado, from New York or Alabama, though it might not be so useful to a Senator from Louisiana, except in the item of "plaster." For further information on this Corporation, please write Chairman Ickes at 100 West Tenth Street, Wilmington, Del., or his Delaware secretary, Robert D. Kohn, or call up the post office and ask for General Farley, particularly as to building materials, by advice of the distinguished Senator from Louisiana [Mr. LONG].

For the best investment information with regard to the Federal Surplus Relief Corporation, Chairman Harry L. Hopkins of the F. E. R. A., is the official source, though either of his assistants, Harold L. Ickes and Henry A. Wallace, may doubtless serve the same end. In all cases, address them at their corporate office, 100 West Tenth Street, Wilmington, Del. This Corporation also has unlimited power to borrow or loan money, deal in capital stock or bonds, engage in "processing" and "manufacturing", and furthermore is world-wide in its international operations, as witness its business "without limit" in subsection—

(t) To have one or more offices, to carry on all or any of operations or business and without restriction or limit as to amount, in any of the States, districts, territories, or colonies of the United States, and in any and all foreign countries.

So this Corporation could have offices in Moscow itself, and could be making loans to the Soviet Executive Council out of our unlimited Treasury "deficit." Farley is already hauling mail into Soviet Russia by way of Alaska.

When Secretary Wallace, assistant to Chairman Hopkins, wrote his book America Must Choose, he may have had in mind the question whether the foreign office of this "Federal Surplus Relief Corporation" was to be located in Rome, Berlin, or Moscow, or, on the other hand, in one of the "colonies" of the present dynasty, such as Cuba when Wall Street and the United States Navy complete their political demonstrations down there. Therefore, "America must choose."

Mr. President, there is no need to go farther in the enumeration of this dreary list. Senators have eyes to see for themselves what 194 sections and subsections of these six Delaware charters call for.

They call for as complete a socialization of America as the Soviet program of Russia. He who votes public funds "subject to the allocation of the Executive" to these holding companies of the new deal is not only "on our way" to Delaware but he is on the way to Moscow.

These Delaware charters are plainly based on the powers of Stalin and his 17 commissars over Russian industry. Any billion voted "subject to the allocation of the Executive", who by his Executive orders and executive bureaus created these Delaware political mergers, is a billion to convert the United States of America into imitation of the Union of Soviet Socialist Republics.

These Delaware charters disclose whither we are "on our way", just as the President's book enshrouds the way in a cloak of mystery. Do we propose to pave the way to Delaware with public funds? If not, then vote for my amendment, which restricts all appropriations for work-relief projects to those projects for which Congress has expressly authorized expenditure.

If we are to finance the "terminal facilities" of the new deal out of revenue collected from taxpayers, it is our sworn duty under the Constitution to specify both the amount and the project. To do otherwise is to betray our constituents. Once the avenues of information are cleared of the present censorship, there is no cloak of mystery that will long enshroud those who deliberately usurp the Constitution and betray our country into the socialistic regime of a Delaware-chartered Soviet.

I cannot conceive of any one here knowingly embarking on such an enterprise. Then, if not, the time has come to chart our course to a known port. Are we for America or for Moscow via Delaware? Are we "on our way"—and whither? Are we statesmen or just drifters? Are we "on the way" to Moscow via Delaware?

The Senator from Iowa [Mr. DICKINSON] laid before us on February 21, as appears on page 2390 of the RECORD, a chart showing last year's land acquisitions for new-deal terminal facilities.

He showed that the F. E. R. A. had bought 15,470,000 acres for $68,241,000.

He showed that Emergency Conservation had bought 7,584,000 acres for $24,000,000.

He showed that subsistence homesteads had bought 59,292 acres for $1,445,000.

All of these temporary "emergency" bureaus are incorporated in Delaware under charters which read:

This Corporation is to have perpetual existence.

If we put through this $4,000,000,000 lump sum "subject to the allocation of the Executive", we vote not only to acquire the lands for "terminal facilties", under the Delaware charter provisions, "to acquire improved or unimproved real estate", but we lay the foundations and start the superstructures under another provision of these charters, which reads:

To construct, reconstruct, alter, or repair, or to aid financially or otherwise in the construction—

And so forth.

Thus by 1936 we may have not only the terminal facilities but the first equipped traffic lane to give the people of the United States a joy ride into the summer resorts of "socialization" or into the winter resorts of Siberia.

The $45,000,000,000 bonded-debt limit voted a few days ago looks like a trip into Siberia. Think of it! The war-time limit for second Liberty bonds was $28,000,000,000, whereas the peace-time limit for socialization is expanded to billions far above the peak of the World War!

Having exhausted the confidence of investors, the administration now is preparing, under the guidance of Secretary Morgenthau and F. E. R. A. Administrator Hopkins, a "baby bond" campaign to unload the goldless flat bond inflation on the younger generation, who will have these millstones of interest burdens around their necks throughout their natural lives, and then will be compelled to hang the principal of those debts on the necks of their children or grandchildren—unless and until the people of the United States follow the illustrious example of our debtor nations abroad, and repudiate the bonds, and throw the "brain trusters" into a mill pond.

So we have the terminal facilities of the new deal, or a part of them. This bill is the first call to get out the transportation. Are we ready for the ride?

Are we "on the way" to Delaware? Have we a through ticket to Moscow? Are the people ready to give up their liberty and their property, and join on the long socialistic trip that leads to Moscow, perchance to Siberia? Or are we hiding that ticket in a cloak of mystery?

The sign "Do not publish" demands explanation. We have had none. The expansion of the debt limit to $45,000,000,000 is certainly a caution sign. The fact that during the past year, when the administration lay camped in ambush in Delaware, investment in industrial common stocks declined one-half compared with 1933, and was 100,000,000 shares less than in 1932, showing that someone already has "smelled a rat." Someone suspects there is something rotten in Delaware, notwithstanding the hitherto excellent reputation of Delaware. These Government charters have made Delaware smell like the traditional odor of Denmark.

If we are not "on the way" to Delaware, then let Senators vote for my amendment prohibiting all expenditure of public funds in terminal facility or other projects except as ex-

pressly authorized by Congress under the terms of the United States Constitution.

FREE SPEECH

Mr. COSTIGAN. Mr. President, I ask unanimous consent to place in the RECORD an Associated Press dispatch from New York, of March 16, 1935. It purports to quote the noted British visitor, author, economist, and lecturer, John Strachey, in denial of the charge recently made against him that he is a member of the Communist Party.

The PRESIDING OFFICER (Mr. LEWIS in the chair). Is there objection to the request of the Senator from Colorado?

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

BELIEF IN VIOLENCE DENIED BY STRACHEY—WRITER ALSO SAYS HE WAS NEVER A MEMBER OF COMMUNIST PARTY

NEW YORK, March 16.—John Strachey, the British author and economist, arrived in New York tonight from Detroit and the middle-western scenes of his attempted deportation with fresh denials of alleged Communist affiliations.

"I was never a member of the Communist Party", he said, "nor have I applied for membership."

Strachey is threatened with deportation because of replies the Government says he made to the customary questions asked upon his entry into the country for a lecture tour.

"I said in my answers to the questionnaire", said Strachey, "that I am not a polygamist nor an anarchist and that I do not intend to overthrow the United States Government by force or violence. I repeat that declaration now."

Mr. COSTIGAN. Mr. President, one may well ask in these troubled hours, what has become of certain fundamental pillars in the temple of American liberty. Have they been destroyed, or merely covered over by the dust of a heedless and forgetful generation? Are they no longer significant for the lives and well-being of mankind? Is freedom not precious in its own right? Or are we merely blinded for the moment by an avalanche of stormy economic forces?

The recent hue and cry over the reported frank thinking and speaking of Mr. Strachey provides one of the latest reasons for soul-searching in America. Whether he is a Communist or not I have not the slightest idea, except that he says he is not; but have we reached a pass in this country when we may not discuss governments, their merits and demerits, and their relation to human welfare the world round without inviting the haunting presence and heavy hand of espionage and repression?

A great American, who for years before his recent death was hailed and is now mourned throughout the world, especially in all Anglo-Saxon countries, as one of the noblest jurists in history, held other views of the place of American constitutional principles in the sun. Lest we forget, I think it appropriate that we should recall some of his words by placing in the CONGRESSIONAL RECORD, as I now request leave to do, his carefully formulated views, as expressed in two notable cases, one decided in 1919, the other in 1928. The first was *Abrams* v. *U. S.* (250 U. S. 616), in which his dissent begins at page 624; the second, *U. S.* v. *Schwimmer* (279 U. S. 644), where his statement commences at page 653. In the former case, the United States Supreme Court had before it indictments and convictions of Russian-born persons, who in 1917 printed and circulated leaflets vigorously criticizing America's refusal to protest intervention by the Allies in Russia. In part, it warned the workers in ammunition factories that they were producing bullets and cannon not only to murder Germans but Russians fighting for freedom. It also strongly criticized the President of the United States.

The United States Supreme Court upheld the convictions, but Mr. Justice Holmes and Mr. Justice Brandeis, for reasons stated, insisted that the evidence that the defendant aliens were anarchists was slight. In his dissenting opinion, Mr. Justice Holmes made some statements which I ask to have incorporated in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

In this case sentences of 20 years' imprisonment have been imposed for the publishing of two leaflets that I believe the defendants had as much right to publish as the Government has to publish the Constitution of the United States now vainly invoked by them. Even if I am technically wrong and enough can be squeezed from these poor and puny anonymities to turn the color of legal litmus paper—I will add, even if what I think the necessary intent were shown—the most nominal punishment seems to me all that possibly could be inflicted, unless the defendants are to be made to suffer not for what the indictment alleges but for the creed that they avow—a creed that I believe to be the creed of ignorance and immaturity when honestly held, as I see no reason to doubt that it was held here, but which, although made the subject of examination at the trial, no one has a right even to consider in dealing with the charges before the court.

Persecution for the expression of opinions seems to me perfectly logical. If you have no doubt of your premises or your power and want a certain result with all your heart you naturally express your wishes in law and sweep away all opposition. To allow opposition by speech seems to indicate that you think the speech impotent, as when a man says that he has squared the circle, or that you do not care whole-heartedly for the result, or that you doubt either your power or your premises.

But when men have realized that time has upset many fighting faiths they may come to believe even more than they believe the very foundations of their own conduct that the ultimate good desired is better reached by free trade in ideas—that the best test of truth is the power of the thought to get itself accepted in the competition of the market, and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution. It is an experiment, as all life is an experiment. Every year if not every day we have to wager our salvation upon some prophecy based upon imperfect knowledge. While that experiment is part of our system I think that we should be eternally vigilant against attempts to check the expression of opinions that we loathe and believe to be fraught with death, unless they so imminently threaten immediate interference with the lawful and pressing purposes of the law that an immediate check is required to save the country.

I wholly disagree with the argument of the Government that the first amendment left the common law as to seditious libel in force. History seems to me against the notion. I had conceived that the United States through many years had shown its repentance for the Sedition Act of 1798 by repaying fines that it imposed. Only the emergency that makes it immediately dangerous to leave the correction of evil counsels to time warrants making any exception to the sweeping command, "Congress shall make no law * * * abridging the freedom of speech." Of course, I am speaking only of expressions of opinion and exhortations, which were all that were uttered here, but I regret that I cannot put into more impressive words my belief that in their conviction upon this indictment the defendants were deprived of their rights under the Constitution of the United States.

Mr. COSTIGAN. Mr. President, in the Schwimmer case citizenship was denied in the United States District Court to a woman applicant for naturalization, about 50 years of age, who said she would not agree to take up arms for this country. The district court refused naturalization. The circuit court of appeals considered her statement immaterial because women are considered incapable of bearing arms. A majority of the Justices of the United States Supreme Court were of the opinion that Mrs. Schwimmer lacked, in Mr. Justice Butler's words, "that attachment to the principles of the Constitution of which the applicant is required to give affirmative evidence by the Naturalization Act." Mr. Justice Holmes and Mr. Justice Brandeis dissented, and, in the course of the dissenting opinion, Mr. Justice Holmes made some statements which I ask to have incorporated in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

The applicant seems to be a woman of superior character and intelligence, obviously more than ordinarily desirable as a citizen of the United States. It is agreed that she is qualified for citizenship except so far as the views set forth in a statement of facts "may show that the applicant is not attached to the principles of the Constitution of the United States and well disposed to the good order and happiness of the same, and except insofar as the same may show that she cannot take the oath of allegiance without a mental reservation."

The views referred to are an extreme opinion in favor of pacifism and a statement that she would not bear arms to defend the Constitution. So far as the adequacy of her oath is concerned I hardly can see how it is affected by the statement, inasmuch as she is a woman over 50 years of age, and would not be allowed to bear arms if she wanted to. And as to the opinion, the whole examination of the applicant shows that she holds none of the now-dreaded creeds but thoroughly believes in organized government and prefers that of the United States to any other in the world.

Surely it cannot show lack of attachment to the principles of the Constitution that she thinks it can be improved. I suppose

that most intelligent people think that it might be. Her particular improvement looking to the abolition of war seems to me not materially different in its bearing on this case from a wish to establish cabinet government as in England, or a singe house, or one term of 7 years for the President. To touch a more burning question, only a judge mad with partisanship would exclude because the applicant thought that the eighteenth amendment should be repealed.

Of course, the fear is that if a war came the applicant would exert activities such as were dealt with in *Schenck* v. *United States* (see p. 231). But that seems to me unfounded. Her position and motives are wholly different from those of Schenck. She is an optimist and states in strong and, I do not doubt, sincere words her belief that war will disappear and that the impending destiny of mankind is to unite in peaceful leagues.

I do not share that optimism nor do I think that a philosophic view of the world would regard war as absurd. But most people who have known it regard it with horror, as a last resort, and even if not yet ready for cosmopolitan efforts, would welcome any practicable combinations that would increase the power on the side of peace.

The notion that the applicant's optimistic anticipations would make her a worse citizen is sufficiently answered by her examination, which seems to me a better argument for her admission than any I can offer. Some of her answers might excite popular prejudice, but if there is any principle of the Constitution that more imperatively calls for attachment than any other it is the principle of free thought—not free thought for those who agree with us but freedom for the thought that we hate. I think that we should adhere to that principle with regard to admission into, as well as to life within this country.

And recurring to the opinion that bars this applicant's way, I would suggest that the Quakers have done their share to make the country what it is, that many citizens agree with the applicant's belief and that I had not supposed hitherto that we regretted our inability to expel them because they believe more than some of us do in the teachings of the Sermon on the Mount.

THE CLASSIFIED CIVIL SERVICE

Mr. BANKHEAD. Mr. President, there has been a great deal of discussion recently relative to the extension of the classified civil service to include the emergency organizations, where appointments now may be made without regard to the civil-service rules and regulations. I am one of those who believe that our public service should represent the highest degree of ability to be found anywhere. It should set an example for efficiency to our commercial and industrial life, and lead, rather than trail, private industry.

That great Democratic President, Grover Cleveland, who said, "A public office is a public trust", did more to advance the merit system than anyone else since the approval of the Civil Service Act on January 16, 1883. The patriot and statesman, Col. Theodore Roosevelt, another champion of the merit system, served as Civil Service Commissioner under Mr. Cleveland; and when Colonel Roosevelt became President, following the example of Grover Cleveland, he further enlarged and extended the classified service. Grover Cleveland and Theodore Roosevelt were our two greatest advocates of taking the public service out of the realm of partisan politics.

I do not believe there is a single Member of the Senate who believes in trying to fill a round hole with a square plug in the public service; and I am convinced, after giving the matter considerable thought, that the present administration is adhering to very high standards in filling positions in the branches of the service excepted from the civil-service rules and regulations—in some instances higher than those required by the Civil Service Commission itself.

In our zeal to improve the Federal service I think we should be careful not to go too far, and should constantly bear in mind that policy-forming positions should be open and free for appointment, so that the appointing power may appoint to such positions individuals who are responsive to the will of the people as expressed at the polls. Good government must always permit the changing of policy-forming officials whenever the people desire a change of administration.

I am not one of those who believe that a man is any less efficient because he happens to be recommended by one of the chosen Representatives of the people; nor do I believe that because a man is in the classified service he should become a mere machine, and be afraid to express his honest convictions on controversial or public questions. We are attempting to get a high type of personnel in the Government service; and if we succeed, as I believe we are succeeding, we shall have in the public service people who are much above the average degree of intelligence. Rather than hide their light under a basket, I would absolutely require that employees in the public service with voting residence in one of the States exercise the right of suffrage as a condition to their continuance in office; and if they have a superior knowledge of government, as they should have, they are persons who should, above all others, express at the polls their preference based on their knowledge of government.

Webster tells us that politics is the science and art of government. I think every intelligent citizen should be proud of being a student of the science of government, and should exercise the right of suffrage. We should always remember that under any system the price of good government is eternal vigilance.

As a member of the Committee on Agriculture and Forestry, my greatest interest is centered around the Department of Agriculture, which is endeavoring so nobly to uplift the American farmer. In this critical period of our Nation's history I believe we are, indeed, fortunate in having at the head of that great Department a very able man, and, doubtless, the most constructive Secretary who has ever presided over the Department of Agriculture since the establishment of the office of Secretary of Agriculture in 1889, during the closing days of the first Cleveland administration. I have been in sufficiently close touch with the policies and high purposes of that Department to know the type of individuals being appointed in the Department of Agriculture to positions excepted from civil-service examination. It has been impressed upon me repeatedly that anyone appointed to a position in the Department must have every qualification necessary for the position sought, "and then some." In the Department the theory is being practiced that the greater includes the lesser, and that it is better to have a man who is bigger than the job than a man who is not quite big enough.

While I favor a true merit system, with full authority vested in the appointive power to appoint policy-making officers at will, I believe in giving every man his just dues, and I will not belittle anyone simply because he happens to hold a Government position outside of the realm of the classified civil service.

In the Department of Agriculture not only is efficiency the primary consideration precedent to appointment, but the law of apportionment requiring that appointment to positions at the seat of Government be apportioned among the several States and the District of Columbia on the basis of population is enforced, as well as section 9 of the Civil Service Act, which bars appointment of more than two persons in one family, and section 213 of the Economy Act, relative to husband and wife being in the service at one and the same time.

In order that the Senate and the country may know the type of persons who are being appointed to positions outside the classified civil service in the branch of the Department of Agriculture where appointments may be made without regard to the civil-service law—the Agricultural Adjustment Administration—I recently requested that I be furnished with a list of the individuals appointed to positions excepted from examination, together with a statement of their education. I hold in my hand, Mr. President, a list of individuals appointed in the Agricultural Adjustment Administration to positions excepted from examination, at salaries ranging from $840 to $2,600 per annum, inclusive, showing the name of the appointee, the State or District to which accredited, the designation of the position, the salary, the degree obtained, as well as the colleges which conferred the degrees; and I ask unanimous consent that it be inserted in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The list is as follows:

List of individuals appointed in the Agricultural Adjustment Administration

Name of employee	Legal residence	College or university from which graduated	Degrees attained
		$840 class	
Power, William A	Missouri	Alabama Polytechnic Institute	B. S. (mechanical engineering).
		$1,080 class	
Campbell, Thomas J	New Jersey	Catholic University of America	B. A.
Freund, John L	District of Columbia	Georgetown University	B. A.
McLaughlin, Merrill M	Colorado	University of Colorado	B. A.
		$1,260 class	
Adams, Edward L	Minnesota	University of Minnesota	B. A.
Adams, Forest John	Missouri	Kansas State College	B. A.
Argel, Manuel A	Illinois	National University	B. A.
Baca, Antonio R	New Mexico	University of New Mexico	B. A. (political science and languages).
Barger, Joseph D	North Carolina	Elon College	B. A
Barnes, Pauline	do	Meredith College, Raleigh	B. M
Bernard, David M, Jr	Florida	Davidson College, Davidson, N. C	B. S. (economics).
Bieber, Harry	Nebraska	University of Nebraska	B. S.
Bittick, Ralph	Missouri	William Jewell College, Liberty, Mo	B. A. (chemistry and English)
Boyd, Jack H, III	North Carolina	University of North Carolina	B. S. (commerce)
Britzius, Harold A	Minnesota	University of Minnesota	B. A.
Bugen, Paul	Pennsylvania	Lafayette College	B. S.
Burch, L. O	Missouri	Central College, Fayette, Mo	B. A. (economics).
Carter, Hunnel	South Carolina	Wofford College, Spartanburg	B. A.
Castles, Ira C, Jr	Louisiana	Louisiana State University	B. S.
Cherry, Elisabeth	Missouri	Lewis College, Glasgow, Mo	B. S.
Colter, Bertha M	Pennsylvania	Wilson College, Chambersburg	B. S.
Covington, Mabel L	Texas	Baylor University, Waco	B. A.
Croom, Arthur B	North Carolina	North Carolina State College	B. S (chemistry).
Daniel, R L	Kentucky	Owensboro College	B. L.
Davis, Edward T	Oklahoma	Oklahoma Agricultural and Mechanical College	B. S. (agriculture).
Davis, Orpha	Idaho	Utah State Agricultural College	B. S. (science an l commerce)
Dillman, Virginia Lee	South Dakota	George Washington University	A. B. (foreign service)
Dreiling, Edwin J	Kansas	Fort Hays State College	B. A.
Durcan, William H	Missouri	Rockhurst College, Kansas City	B S. (premedical)
English, Logan B	Kentucky	{Centre College, Danville {South Baptist Theological Seminary	B A., M. A. Th M.
English, William E	Missouri	Westminster College, Fulton	B. A.
Eyeac, Louis E	California	St. Mary's College, California	B. A.
Flaherty, Thomas F	Massachusetts	Boston College	B. A.
Flug, Anneleonse	Minnesota	American University	B. A.
Friend, Carter W	Virginia	Hampden-Sydney College	B. S. (mathematics).
Gursch, Howard J	Iowa	Columbia College, Dubuque	B. A.
Gobrecht, Hilda E	Pennsylvania	Garfield M. Hospital	R. N.
Golladay, Virginia J	Tennessee	Cumberland University	B. A.
Gouse, Constance Y	Maine	Colby College, Waterville	B. A.
Gudenkauf, Pete L	Missouri	Rockhurst College, Kansas City	B. S. (chemistry)
Gunning, Ray A	Colorado	University of Colorado	LL B
Hancock, Wilbur C	Nebraska	Fremont College, Fremont	B. S. C.
Hartlee, Harry T	South Carolina	Clemson College	B. S. (agricultural engineering).
Harrington, Richard G	Kentucky	Shelbyville College	B S.
Hartsfield, Augustus M	Georgia	{University of Georgia {Georgetown Law School	B. A. LL B
Holman, Raymond G	Missouri	{University of Missouri {Moberly (Mo.) Junior College	B. J. A A
Hume, C M	Tennessee	University of Tennessee	B. S (agriculture).
Hunt, Ray M	Kentucky	University of Kentucky	B. S. (commerce).
Jamison, Edith V	Arkansas	University of Arkansas	B. A.
Kelley, Oscar L	Georgia	Emory University, Atlanta	B. A. (biology and chemistry)
Kemper, Anne M	Minnesota	Northwestern Hospital Training School	R N
Kent, Ramon L	Washington	Washington State College	B. S. (agriculture).
Kindoll, Clarence M	Kentucky	University of Kentucky	B S. (agriculture)
Lane, Edward Rudolph	North Carolina	Washington and Lee University	B. S. (business administration).
Lapidus, Milton	Texas	University of Texas	B S. (electrical engineering)
Larin, Lenore	North Dakota	University of North Dakota	B. S.
Leach, Clayton B	Missouri	Park College, Parkville	B. A.
Leecraft, Donald S	Oklahoma	Southeastern Teachers' College	B. A.
Lester, William G, Jr	Virginia	King College, Bristol, Tenn	B. A
Lyle, Gordon R	Tennessee	Maryville College	B. A.
Maloney, John J	Missouri	Rockhurst College, Kansas City	B. S.
Marshall, Benjamin W	Virginia	Hampden-Sydney College	B. S. (mathematics and chemistry)
Meeks, Bernard M	Georgia	University of Georgia	B. S. (commerce).
Metz, Jack G	Arizona	St. Mary's College, California	B. A.
Michael, Robert S	Kentucky	Ohio State University	B. A.
Minshew, Will R	North Carolina	Duke University	B. A.
McDonald, Fred	Arkansas	Arkansas College	B. A.
McNeill, Paul J	Pennsylvania	Georgetown University	B. A.
Neumann, Mrs. Dorothy R	South Dakota	Mount Holyoke College, South Hadley, Mass	B. A.
Nichols, Gladys	Indiana	Indiana University Training School for Nurses	R. N.
O'Neill, John J, Jr	Massachusetts	Villanova College, Pennsylvania	B. A.
Parker, Bernadine G	South Carolina	Syracuse University	B. A.
Parrill, Mildred A	West Virginia	Pennsylvania College for Women	B. A.
Pate, George D	Alabama	Birmingham-Southern College	B. A. (economics).
Pearson, G D	North Carolina	University of North Carolina	B. A.
Powers, William T	Virginia	Randolph-Macon College	B. S.
Purrington, Sara G	North Carolina	University of North Carolina	B. A.
Putnam, Velma	Missouri	University of Kansas	B. S. (business administration).
Rapier, James L, Jr	Kentucky	University of Dayton, Ohio	B. S. (commerce).
Reedy, Marie E	Kansas	Kansas State Teachers College	B. S.
Reid, Alice	Missouri	{Park College, Parkville {Colorado Teachers College	L. B. B. A.
Renfrow, William F	North Carolina	University of North Carolina	B. A.
Rogers, Leslie L, Jr	South Carolina	The Citadel, Charleston	B. S. (physics).
Rudolph, Robert L	Kentucky	University of Kentucky	B. S. (agriculture).
Schindler, Mary W	Minnesota	College of St. Catherine, St. Paul	B. A.
Schoepflin, Wilma	Kansas	University of Kansas	B. A.
Scholl, Oscar A	Missouri	Publicam Business College, St. Louis	B. C. S.
Shepard, Hazel	Pennsylvania	Ohio State University	B. A., M. A.
Shipp, Warren E	Utah	Brigham Young University, Provo	B. S. (agriculture and chemistry).
Sinquefield, James R	Florida	University of Florida	B. S., B. A. (business administration).
Smith, Alice P	Oregon	North Dakota State College	B. S.
Smith, John William	North Carolina	North Carolina State College	B. S. (electrical engineering).
Smith, Solace Adelaide	New York	Russell Sage College, Troy	B. S.

List of individuals appointed in the Agricultural Adjustment Administration—Continued

Name of employee	Legal residence	College or university from which graduated	Degrees attained
		$1,260 class Continued	
Smithwick, W. V	Georgia	George Washington University	B. A.
		University of Florida	J. D
Spence, Dorothy	do	Peabody College, Nashville, Tenn	B S.
		University of Illinois	B S (library science).
Stinson, Flora Mary	Tennessee	University of Tennessee	B. A
Stoll, Norman A	Wisconsin	University of Wisconsin	Ph B. (economic law)
Thompson, John L	Massachusetts	Vermont University	B. S. (commerce and economics).
Tilton, Bert A	Iowa	University of Iowa	B A., LL. D.
Townsend, James B	Missouri	St. Louis University	LL. B.
Twomey, Grace M	California	San Francisco State College	B. A.
Waller, R. H	Kentucky	Georgetown College, Kentucky	B. A.
Warner, Marjorie M	Oregon	University of Oregon	B. A.
Watts, J. C., Jr	Arkansas	Elon College	B A.
Wells, Henry N., Jr	Mississippi	Mississippi State College	B. S.
Wells, Virginia Rose	Kentucky	Ohio State University	B. S.
Wheeler, Virginia	Nebraska	Hastings College, Hastings	B A. (public-school music).
Wiegers, Cecelia D	Missouri	University of Missouri	B A.
Wiesner, Fred L	Kansas	Creighton College of Commerce, Omaha	B S. C.
York, Harold C	Maine	National University Law School	LL B.
		$1,440 class	
Abrams, Marian F	Ohio	Benjamin Franklin University	B. C S. (accountancy).
Adams, Louis McGill	Delaware	University of Delaware	B. A.
Adams, Stanley T. F	Nebraska	University of California	B A.
Addams, Harvey J	Kansas	Kansas University	B A. (business administration).
Ames, C. Carlisle	Kentucky	University of Kentucky	B S.
Amis, Edward S	do	do	B. S., M S.
Anderson, Dora Mae	Arkansas	University of Arkansas	B. S (home economics).
Anderson, Mary E	Mississippi	Mississippi Women's College	B A. (biology).
Anselmo, Amerigo P	Connecticut	Georgetown University	Ph B.
		Georgetown Law School	LL B.
Armbruster, Frances	Nevada	University of Nevada	B A.
Atkinson, Reilly, Jr	Idaho	University of Washington	B A
Austin, Rosalie H	New York	St Lawrence University, Canton	B A.
Austin, Willis H	Wisconsin	University of Wisconsin	B. A.
Avera, Nicholas	New Jersey	North Carolina State College	B A. (accountancy).
Ayers, Willard C	West Virginia	University of West Virginia	B. A.
		National University Law School	J. D
Bannister, William K	Ohio	University of Chicago	Ph. B.
Barlow, Thurston N	Texas	University of Texas	B. A. (government and economics).
Barry, John P	Massachusetts	Boston College	B. A.
		Catholic University	M. A. (history).
Bean, Fellmer B	Kentucky	University of Kentucky	B. S.
Beaumont, Edmund W	Maine	Bowdoin College, Brunswick	B. A.
Bell, Walter R	Nevada	University of Nevada	B. S.
Bernard, Mrs. Ruth M	Oklahoma	University of Oklahoma	B. A.
Binder, Sidney	New York	College of the City of New York	B. A.
Bishop, Clair R	Nebraska	University of Nebraska	B. A.
Black, Pitzer D	Kentucky	Centre College, Danville	B. A.
Block, Raphael H	Arkansas	University of Chicago	Ph B.
Bolkovatz, Walter H	Montana	Georgetown Foreign Service	B F S.
		Georgetown Law School	LL. B.
Boring, Merle	Georgia	Piedmont College, Demorest	B. A.
Bowman, Mrs. Irene S	Colorado	Colorado College	B. A.
Boyles, Robert	Missouri	Park College, Parkville	B. A.
Boyles, William A	West Virginia	University of Maryland	B S, M. S.
Braunstein, Ira T	New York	Royal University, Lemberg, Austria	LL. D.
		New York University	M. A.
Bray, Harriet E	Texas	Hollins College, Hollins, Va	B. A.
		University of Maryland	M S.
Brett, Eloise	Tennessee	Southwestern College, Memphis	B A
Briggson, Fred O	Wisconsin	University of Wisconsin	B S (dairying).
		University of Missouri	M A. (dairying).
Brinkmann, George L	Missouri	do	B. A., B. J.
Brown, Paul Jean	Illinois	Southern Illinois State Normal University	B A.
Brown, Robert L	Missouri	University of Missouri	B. A.
Bryant, Gretchen C	Ohio	Ohio University	B. S.
Buch, Richard P	Missouri	Harvard University	B. A.
Buchtel, William	Colorado	University of Denver	B A.
Buffum, Fenwick N	New York	Middlebury College, Vermont	B. S.
Burton, Wilson E	Minnesota	State Teachers' College	B. E.
Callender, Howard C	do	Catholic University of America	LL B.
Campbell, Frank G	Missouri	University of Missouri	B. S.
Campbell, Ralph	Arkansas	College of the Ozarks, Clarksville	B. S (biology and chemistry).
Canning, Thomas J	Massachusetts	Georgetown Law School	LL. B.
Carew, Richard J	Pennsylvania	University of Pennsylvania	B. S
Carpenter, Mrs. Elizabeth B	Alabama	Mary Baldwin Seminary, Staunton, Va	B. M. (music).
Carrigan, William A	Arkansas	Duke University	B. A.
Carson, Milton R	Pennsylvania	University of Pittsburgh	B. S., M. A.
Carter, Joseph A	Missouri	George Washington University	B. S. (physical education).
Castiello, Joseph F	Pennsylvania	Albright College, Reading	B. A.
		Catholic University	LL. B.
Causey, Anne M	Florida	Smith College	B A.
Cheney, George P, Jr	Connecticut	Holy Cross College	B A.
Childers, Dorothy N	Missouri	University of Missouri	B. A., B. J.
Christianson, Carl G	Indiana	Notre Dame University	B. A. (journalism and advertising).
Clark, Floyd M	Texas	Simmons University, Abilene	B. A.
Clark, Mrs. Lura S	Mississippi	Waverly Institute, Byhalia	B. A.
Clay, Edna L	Alabama	Tulane University, New Orleans, La	B. A., B. S.
Cleary, William H	Minnesota	Notre Dame University	B. A.
Clift, Charles H	Oklahoma	Oklahoma University	B. A.
Clifton, Robert J	Indiana	University of Pennsylvania	B. S. (economics).
Cole, Erma E	Iowa	Upper Iowa University	B A.
		Yale University	Ph. D.
Connolly, Frank	Indiana	Notre Dame University	B. A.
Cowan, Mrs. Margaret	Arkansas	Galloway College, Searcy	B. A.
Cowser, Charlotte E	Illinois	Northwestern University	B. S.
Crawford, Donald R	West Virginia	University of Washington	B. S., M. S.
Crawford, Robert L	Utah	University of Utah	B A.
Cureton, West M	California	University of California	B. A.
Currie, Daniel A	North Carolina	Davidson College, Davidson	B. S.
Dailey, Walter S	Arkansas	University of Arkansas	B A., B. S.
Daly, Edward F	Wyoming	Columbus University	B. C. S. (accountancy).
Davis, Dorothy O'Neal	Louisiana	Randolph-Macon Women's College, Virginia	B. A.

List of individuals appointed in the Agricultural Adjustment Administration—Continued

Name of employee	Legal residence	College or university from which graduated	Degrees attained
		$1,440 class—Continued	
Davis, Olga M	Massachusetts	Simmons College, Boston	B. S. (secretarial).
Dean, Helen E	Washington	University of Washington	B. A.
Donavan, Robert P	Illinois	Columbia College, Dubuque, Iowa	B A.
Donoho, Donovan H	Florida	Vanderbilt University, Nashville, Tenn	B. A.
		LaSalle Extension University, Philadelphia	LL. B.
Duffy, William F	New York	University of Notre Dame	Ph. B. (commerce).
		Harvard University	M. B. A.
Duggan, Helen	Connecticut	Smith College, Northampton, Mass	B. A. (history and government).
		Columbia University	M. A. (history).
Dusche, Harry J	Minnesota	Catholic University of America	LL. B.
Dwyer, Rita L	Massachusetts	Marywood College, Scranton, Pa	B. A.
Dye, James G	Kentucky	University of Kentucky	B. S. (agriculture).
Earle, Samuel B., Jr	South Carolina	Clemson College	B. S. (architecture).
		Cornell University	M. S. (architecture).
Edens, Baxter C	do	University of South Carolina	B. S. (economics and accounting).
Elder, Walter E	Kansas	University of Kansas	B. A.
Ellis, Robert B	Illinois	University of Missouri	B. A.
Engelking, Helen C	Texas	University of Texas	B. A.
Everhart, Herbert W	West Virginia	West Virginia University	B. S. (agriculture).
		Shepherd College	B. A (social and biological sciences).
Falabella, Joseph F	Pennsylvania	Temple University, Philadelphia	B. S. C.
Faulkner, Sallie E	South Carolina	Winthrop College, Rock Hill	B S. (business administration).
Fenton, Richard H	Connecticut	Connecticut State College	B. S.
Figert, Frederick M	Iowa	Morningside College, Sioux City	B. A.
Finn, Thomas B., Jr	Colorado	Catholic University of America	B. A., LL. B.
Flanagan, W. Donald	Wisconsin	Oshkosh State Teachers' College	B E.
Floyd, Ruth	Georgia	Elon College	B A.
Foster, John B, Jr	Illinois	Washington University, St. Louis, Mo	B.A., B. S.
Foster, Robert M	Michigan	University of Michigan	B. A. (journalism).
Fowler, Thelma May	Kansas	State Teachers' College	B. S.
Fox, Nannie	Alabama	Women's College	B A.
		George Washington University	M. A.
Fox, Richard K	Wyoming	University of Montana	B. A. (business administration).
Francavilla, Joseph P	Connecticut	Fordham University	B S.
Freeman, John F	Kentucky	University of Kentucky	B S (commerce).
Fried, Lillian	California	San Diego State College	B A.
Frost, Ruth M	North Dakota	North Dakota State College	B. S. (home economics).
Fulks, Frances B	New York	Greenville College, Illinois	B. A.
Furrey, Verna Frances	District of Columbia	Trinity College	B. A.
Garretson, Mary L	Georgia	Agnes Scott College, Decatur	B. A.
Gaukel, Maxine	South Dakota	South Dakota State College	B. S.
Geer, James M	Nebraska	Northwestern University, Evanston, Ill	B. S. (commerce).
Geier, Benjamin G	Wisconsin	University of Wisconsin	B A.
Getz, Howard	Pennsylvania	Syracuse University	B. S. (business).
Giles, Mrs. Elizabeth D	Oklahoma	University of Oklahoma	B. A.
Gilmer, Jesse B	New Mexico	New Mexico State College	B S (civil engineering).
Given, J B	South Carolina	Biltmore School of Forestry	B F.
Gleason, William J	New York	Canisius College, Buffalo	B. S.
Gledhill, Albert H	Connecticut	Connecticut State College	B. S. (economics).
Goldberg, Abraham	Pennsylvania	Lehigh University	B. A.
Gordon, Benjamin E	Massachusetts	Boston University	B. A.
		Harvard Law School	LL. B.
Gordon, Emanuel	New Jersey	Dickinson School of Law, Carlisle, Pa	LL B.
Goshorn, Walter S	Ohio	College of Wooster	B. A. (mathematics).
Grady, Edmund J	North Dakota	University of North Dakota	B. C. S. (commerce).
Gray, Wayne T	Kentucky	University of Nebraska	B. S. (agriculture).
		University of Wisconsin	M. A., Ph. D.
Green, Mrs. Dorothy F	Mississippi	Mississippi State College for Women	B. S.
Green, Martha K	Ohio	Miami University, Oxford	B S. (education).
Gross, Philip	Minnesota	Catholic University	B. S.
Guiler, William P	New York	St. Vincent College, Latrobe, Pa	B. A.
Gurley, Marie	Missouri	University of Missouri	B. A.
		George Washington University	M. A.
Hall, Chadwick O	South Dakota	Sioux Falls College	B. A.
Hall, Joseph P	West Virginia	Wesleyan University	B. S.
Halpin, James D	Missouri	St. Aloysius, Kansas City	B. A.
		St. Benedict's College, Atchison, Kans	B. S (premedical).
Halverson, Earl F	Wisconsin	University of Wisconsin	B. A.
Hammons, Clinton B	Kentucky	Union College, Barbourville	B. S.
Hannon, Anthony R	Ohio	St John's University, Toledo	B. A.
		St. Mary's University, Cincinnati	M. A
Hargrave, Fearman W	Michigan	University of Michigan	B. A., M. B. A.
Harmon, Joseph L	Missouri	University of Missouri	B. A. (economics).
Harris, Mary L	Mississippi	Mississippi State College for Women	B A.
Harvey, Donald R	Nebraska	University of Nebraska	B. S. (education).
Hendricks, Lewis E	South Carolina	Clemson College	B. S. (agricultural economics).
Hermida, Thomas J	New Jersey	Newark Tech	B. S. (civil engineering).
Hickey, John H	do	Catholic University	B E. E.
Hickman, Thorval L	Utah	Utah State Agricultural College	B. S.
Hicks, Mabel A	New York	University of Rochester	B. S.
Hodge, Frank D	Utah	University of Utah	B. A. (biology).
Hogue, Mrs. Mary P	Kansas	University of Kansas	B. A.
Holloman, Will White	Tennessee	Southwestern College, Memphis	B. S.
Hookom, Don W	Iowa	Iowa Wesleyan College	B. S.
		University of Maryland	M. S.
Hope, Mildred C	Pennsylvania	Columbus University	LL. B.
Howard, Robert F	California	University of California	B. A. (political science).
Hranac, M Edith	Nebraska	University of Nebraska	B. S.
Hughes, Edgar E., Jr	Arkansas	Hendrix College, Conway	B. A.
Hurley, Charles	New Hampshire	Holy Cross College	Ph. D.
		Georgetown University	LL. B.
James, Robert M	Ohio	Bowling Green State College	B. S.
Jeter, Madeleine	Arkansas	Hendrix College, Conway	B. A.
		George Peabody College, Nashville, Tenn	M. A.
John, Henrie E	California	University of Southern California	B. A. (commerce and political science)
Johnson, Sara Strother	North Carolina	East Carolina Teachers' College	B. A. (science and home economics).
Johnston, Helen E	Illinois	University of Illinois	B. A.
Jones, Daniel O	Idaho	Utah State Agricultural College	B. S.
Junkin, George	Texas	Washington and Lee University	B. A.
Kelley, Mrs Will N	South Carolina	Converse College, Spartanburg	B. A. (mathematics).
Kelsey, William E	Indiana	Oakland City College	B. A.
Kennedy, Esther M	Oklahoma	Oklahoma College for Women	B. S. (commerce).
Kent, Mary L	Pennsylvania	Goucher College, Baltimore, Md	B. A.
Kilgore, John P	Colorado	University of Colorado	L. B.

List of individuals appointed in the Agricultural Adjustment Administration—Continued

Name of employee	Legal residence	College or university from which graduated	Degrees attained
		$1,440 class—Continued	
King, Russell J	Minnesota	University of Minnesota	B. B. A.
Knight, Helen M	Nebraska	State University of Nebraska	B. F. A.
Koch, Robert W	Illinois	University of Illinois	B. S.
Kopecky, John W	Texas	Spring Hill College, Ala	B. A.
Krixtein, Simon	Massachusetts	Harvard College Harvard Graduate School of Arts and Sciences	B. A. (history, government, and economics).
Lalle, Anthony W	New York	Canisius College, Buffalo	Ph. B.
Lamb, Charles F	Missouri	Southeastern State Teachers' College	B. A.
Lancaster, Lula Mae	North Carolina	Flora McDonald College, Red Springs	B. A.
Larson, Morris	North Dakota	George Washington University	B. A. (economics and commerce).
Larson, Vincent V	Utah	State Agricultural College	B. S.
Law, John H	Pennsylvania	St. Thomas College, Scranton Georgetown University	B. A. LL. B.
Law, Raymond T	do	St. Thomas College, Scranton Georgetown University	B. A. LL. B.
Leap, James B	do	St Francis College, Loretto	B. S.
Lehman, John W	Wisconsin	University of Wisconsin	B. A., M. A. (economics).
Leonard, Frederick S	Iowa	Columbia College, Dubuque	B. A.
Lister, Joseph J	New Jersey	Niagara University, Niagara Falls Columbia University	B. A. (economics) M. A. (sociology)
Lively, Carl B	West Virginia	Washington State College	B. S. (forestry and botany).
MacMillan, J. Rankin	Ohio	Muskingum College, New Concord	B. A. (business administration).
MacNutt, Leta	Florida	Florida State College for Women	B. A
Maher, Laurence F	New Mexico	University of Notre Dame	B. A. (commerce).
Maley, Austin P	Pennsylvania	College of the Holy Cross	B. A.
Malone, Richard S	Ohio	Oberlin College	B. A.
Mannix, Charles J., Jr	Indiana	Notre Dame University	B. A.
Marcoux, Roger W	Maine	Duke University	B. A.
Mark, Albin O	North Dakota	Macalester College, St. Paul, Minn	B. A (economics).
Mark, Roland P	do	University of North Dakota	B. S. C (commerce and journalism).
Martin, Margaret Bell	Kansas	Washburn College, Topeka	B. M
Martin, Virginia C	Pennsylvania	William Woods College for Girls	B. A., B. D. S
McCarron, George C	Ohio	Mount St. Joseph College, Baltimore, Md	M. A.
McCarthy, Timothy W	Connecticut	Catholic Univeristy of America	B. A
McCreary, Robert M	Colorado	University of Colorado	B. A (economics).
McCrite, Lucille W	Washington	State College of Washington	B. A.
McDonald, Mrs. Dorothy R	Texas	Randolph College, Cisco	B. A.
McKinnon, Mrs. Edna R	Montana	University of Montana	B. A., LL. B.
McKone, Michael	Ohio	London University, London, England	B. A
McLoughlin, Thomas F	Connecticut	Worcester Polytechnic Institute	B. S.
McLucas, John D	Colorado	University of Colorado	B. A.
McMillan, Donald M	California	San Francisco Law School	LL. B
Meade, Thomas A	Connecticut	Harvard University	B. S. (economics).
Melville, Elmer O	Missouri	Kansas City School of Law Columbus University	LL. B LL. M
Miller, Thomas H	West Virginia	National University	LL. B
Miller, Virginia E	Florida	Florida State College	B. A (French and sociology).
Milroy, Charles K	Oklahoma	Oklahoma Agricultural and Mechanical College	B. S
Mitchell, Burl K	Illinois	Eastern Illinois Teachers' College	B. E.
Mittelman, Albert	New York	College of the City of New York	B. S. S.
Moore, M. Lucile	North Carolina	North Carolina College for Women	B. A.
Moran, Dorothy J	Georgia	University of Georgia Middlebury College, Vermont	B. A. M. A.
Morris, Katharine	Maryland	Swarthmore College	B. A.
Mortenson, N. Arthur	Utah	University of Washington	B. A.
Moss, Phyllis H	do	University of Utah	B. A.
Mulliner, Louise	do	University of Idaho	B. A (business).
Munson, Sam C	Mississippi	Mississippi State College	B. S (general science). M. S (biology)
Murphy, Mildred L	Puerto Rico	Maryland College for Women	B. A
Murphy, Thomas Anthony	Connecticut	Catholic University	B. A.
Murray, Budd M	Colorado	Colorado Agricultural College	B. A (agriculture).
Murray, Regina M	New York	Georgian Court College, Lakewood, N. J	B. A., M. A.
Myers, Jefferson H	Minnesota	University of Minnesota	B. S
Nance, Edna Mae	Arkansas	Stephen's College, Hoboken, N. J University of Missouri	A. A. LL. B.
Nealon, Miriam D	Pennsylvania	Simmons College, Boston, Mass	B. S.
Needham, Maurice d'Arlan	Arkansas	University of Iowa	B. A.
Nelson, Ealton L	Iowa	University of Missouri	B. J.
Nichols, Edward J	California	Gonzaga University, Spokane, Wash	B. A.
Niland, Edward M	Pennsylvania	Marquette University, Wisconsin	B. E. E.
Noble, William R	Kansas	University of Kansas	B. A.
Notte, Dominic	Oklahoma	Georgetown University	B. S.
O'Brien, Charles H	Maine	do	B. F. S.
O'Connell, Francis J	Massachusetts	Catholic University	B. A.
O'Connell, William L	do	Holy Cross College	B. A.
Olman, Marjorie D	Wisconsin	University of Wisconsin	B. S.
O'Loughlin, James M	Massachusetts	College of the Holy Cross	B. S.
O'Reilly, John E	New York	University of Rochester St. John's University Law School	B. A. LL. B.
Orlandi, José D	Puerto Rico	Pennsylvania State College	B. S.
Orlando, Pompei L	Pennsylvania	Muhlenberg College, Allentown	A. B., Ph. B.
Osborne, Annette M	North Carolina	North Carolina College for Women	B. A.
Owen, Margarite	South Carolina	University of North Carolina Winthrop College, Rock Hill	M. A B. S (business administration).
Palmer, Herbert M	Oklahoma	Central Teachers' College Oklahoma City University	B. S B. A.
Paradine, Richard V	Pennsylvania	Williams College, Williamstown	B. A. (political science).
Parker, Ruth Elizabeth	Ohio	Ohio State University Catholic University	B. S. (physical education). M. S (biology).
Parks, Mary Louise	District of Columbia	George Washington University	B. A (finance).
Payne, Patricia A	Nebraska	Maternity Hospital Training School	R. N.
Peake, Redge	South Carolina	George Peabody University Lander College, Greenwood	B. S. (physical education). B. A.
Penn, Mary	Tennessee	Columbia University	B. A.
Perry, H. Judson	North Carolina	Acadia University Colgate University	B. A B. D., M. A (theological).
Phifer, Charles W	Ohio	Washington College of Law	LL. B., M. P. L.
Phillips, Tobias C	West Virginia	Washington and Lee University	B. A., LL. B
Pittenger, Eugene L	Kansas	State Teachers' College	B. S. (education).
Polen, William J	Massachusetts	Suffolk Law School	LL. B.
Powell, Elizabeth	Alabama	Blue Mountain College, Mississippi	B. A.
Preheim, Arnold W	South Dakota	Yankton College, Yankton	B. A.
Prendergast, Robert M	Montana	Montana University	B. A.

List of individuals appointed in the Agricultural Adjustment Administration—Continued

Name of employee	Legal residence	College or university from which graduated	Degrees attained
		$1,440 class—continued	
Presti, Arthur A	Ohio	Hiram College, Hiram	B. A. (premedical).
Prichard, Elmer	Kentucky	Mississippi College	B. A.
		University of Richmond	M. A. (botany).
Pritchard, Arthur O., Jr	California	Pomona College, Claremont	B. A. (physical science).
		Columbia University	M. A. (public law).
Protas, Harry	District of Columbia	National University Law School	LL. B.
Puhl, June	Texas	University of Texas	B. S.
Purl, Virginia L	Oklahoma	Northeastern Teachers' College	B. A.
Randolph, Sandford F	West Virginia	Salem College, Salem	B. A., B. S.
Ray, Frank J	Tennessee	University of Tennessee	M. A., B. A.
Reed, Allen E	Ohio	Bethany College, Bethany, W. Va	B. A.
Reed, Reece	Arkansas	College of the Ozarks, Clarksville	B. A.
Rees, Maurice P	Colorado	Denver University School of Commerce and Finance	B. B. A.
Reese, Julia	Georgia	Georgia State College for Women	B. A.
		Vanderbilt University, Nashville, Tenn	LL. B.
Regan, Joseph H	Connecticut	University of Notre Dame	B. C. S. (business administration).
Richman, William	Pennsylvania	Villanova College, Villanova	B. S. (premedical).
Riffel, Edward Riddick	Arkansas	Hendrix College, Conway	B. A. (economics).
Ringness, Ethel L	North Dakota	State Teachers' College	B. A.
Ritzen, David H	Minnesota	University of Minnesota	B. B. A.
Roddy, James H	Nebraska	University of Notre Dame	B. A.
Rogers, Arthur L	Mississippi	George Washington University	B. A. (economics).
Rogers, Jeptha S	Arkansas	University of Arkansas	B. A.
Rohlck, Mrs. Marie A	Minnesota	Iowa State College	B S. (home economics and education
		Columbia University	M. S. (education).
Roman, Helen J	Missouri	S W. Missouri State Teachers' College	B. S.
Romig, Mrs. Margaret S	West Virginia	Ohio University	B. S.
Ross, James C	Iowa	St. Ambrose College, Davenport	B. A.
		Georgetown Law School	LL. B.
Rostocil, Edward	Missouri	Kansas State College of Agriculture and Applied Science	B. S.
Rowe, Mrs. Irene K	Tennessee	State Teachers' College	B. S. (home economics and English).
Rubin, T. Gertrude	New Jersey	Barnard College, New York	B. A.
Russell, Francis S	Massachusetts	Boston College, Chestnut Hill	B. A.
Russell, Ted	Illinois	Iowa State College	B. S.
Sapp, Louis R	Ohio	Ohio State University	B. S. (business administration).
Schmidt, Thomas C	Wisconsin	University of Wisconsin	B. S. (agriculture).
Schubert, Wallace L	Minnesota	Augsburg College, Minneapolis	B. A. (history and political science).
Schumacher, Paul D	South Carolina	Clemson Agricultural and Mechanical College	B. S. (agricultural entomology).
Scott, Harold L	Arkansas	Arkansas University	B. S. (electrical engineering).
Seale, Rosa Lee	Kentucky	Bureau Academy	B. A.
		University of Kentucky	M. A.
Seeley, Reynolds W	New Mexico	New Mexico Normal University	B. S. (electrical and mechanical engineering).
Sellers, Jean	California	University of Southern California	B. A., M. A.
Selmecy, Steven	Michigan	Kalamazoo College	B. A.
Shannon, Kenneth J	North Dakota	University of North Dakota	B. S (commerce).
Sheehan, William R	Massachusetts	Holy Cross College, Worcester	Ph. B.
Sheppard, Clara	South Carolina	Erskine College, Due West	B. A.
Shuman, Calvin W	Pennsylvania	Pennsylvania State College	B S.
Simpson, Leonore	Missouri	Kansas City School of Law	LL B., LL. M.
Slaughter, John J	Ohio	Ohio State University	B. S. (biology).
Smith, Chester Ronald	Utah	Utah State Agricultural College	B. S. (chemistry).
Smith, Kate Cooper	Arkansas	University of Arkansas	B. S (business administration).
Sneed, William G	North Carolina	Iowa Christian College	B. A.
Sokoloski, Alexander J	Pennsylvania	Susquehanna University, Selinsgrove	B. A. (social science).
Sosna, Leon	Missouri	Washington University, St. Louis	B. S , B. A. (commerce and finance).
Sourwine, Mary N	Nevada	University of Nevada	B. A., M. A.
Sparks, Dade	Texas	East Texas Teachers' College	B. A. (history).
		University of Texas	M. A. (history).
		Duke University	Ph D. (history).
Stanley, Berry W	Missouri	William Jewell College, Liberty	B. A.
Stanton, Elizabeth D	Louisiana	Whitworth College, Spokane, Wash	A. A.
		Birmingham Southern College	B. A.
Stanton, Katherine	Maryland	George Washington University	B. A
Steger, Frank D	Ohio	Ohio Wesleyan, Delaware	B A
		Columbia University	M. A. (political economics).
Stepakof, Harry	Connecticut	George Washington University	B. A. (economics).
Stevens, Rita	New York	College of New Rochelle	B. S. (biology).
Stoney, Paul D	South Carolina	Clemson College, Clemson	B. S. (agriculture).
Straight, John H	California	University of California	B. A.
Sudnick, John F	Texas	National Law School	LL. B.
Summers, Walter A	Pennsylvania	University of Virginia	B. S. (economics).
Taylor, Esther M	Kansas	Teachers' College	B. S. (music).
Taylor, James O	Mississippi	University of Mississippi	B. A.
Terlizzi, Carmelo L	Pennsylvania	University of Pittsburgh	B. S.
Thomas, Reuben R	Arkansas	Arkansas Teachers' College	B. A. (history).
Tierney, John L	Mississippi	Loyola University of New Orleans	B. A.
Tiger, Lillian R	Missouri	Washington University, St. Louis	B. A.
Tipp, David F	Georgia	University of Pennsylvania	B S. (economics).
Traxler, Frank A	Minnesota	University of Minnesota	B. S. (agricultural education)
Trent, Virginia Ann	Illinois	University of Illinois	B. S.
Turechek, Imogene E	Nebraska	Chadron State Normal College	B. S.
Turner, Arthur J	Missouri	Drury College, Springfield	B. A.
Vana, Gene M	Nebraska	Creighton University	B. S. (commerce).
Walch, Ralph A	Minnesota	University of Minnesota	B. A.
Walker, Walter S	Virginia	Virginia Polytechnic Institute	B. S. (civil engineering).
Waller, Henry, Jr	Oregon	Washington and Lee University	B. A.
Warner, Birk	West Virginia	West Virginia University	B. A.
Webb, Arch G	Utah	University of Utah	B. S.
Webb, Mrs. Phyllis	do	do	B. A.
Webster, George M	Kansas	University of Oklahoma	B. A.
		Harvard Business School	M. B. A.
Weinstein, Julian J	Florida	University of Florida	B. S.
		Harvard University	M. A. (biology).
Weisblut, Harold J	Missouri	Washington University, St. Louis	B. S.
Welborne, William Jackson	Arkansas	University of Arkansas	B. S.
West, Edward H. F	New York	Yale University	B. A.
Westbrook, Wilson E	Nevada	William and Mary College	B. A.
		Columbia University	M. A.
Wetmore, Waldo B	Kansas	Wichita University	B. A. (political science).
Whetsell, Floyd G	West Virginia	Davis Elkins College, Elkins	B. A.
Wieland, Joseph H	North Dakota	St. John's University, Collegeville, Minn	B. A.
		Georgetown University	M. S.
Williams, William E	North Carolina	Davidson College	B. A.
Willis, Doyle H	Texas	University of Texas	B. A., B. S.

List of individuals appointed in the Agricultural Adjustment Administration—Continued

Name of employee	Legal residence	College or university from which graduated	Degrees attained
		$1,440 class—Continued	
Windle, F. Jack	Kansas	University of Kansas	B. A.
Wise, Merrill S.	Tennessee	Mississippi A. and M. College	B. S.
Witter, Raymond B.	New Jersey	Alfred University, Alfred, N. Y.	B. S. (ceramic engineering).
Wolfe, Beulah E.	South Carolina	Berea College, Kentucky	B. A.
Wolfe, M. Estelle	New York	American University	B. A. (academic psychological business administration).
Woodford, Harold C.	West Virginia	Davis-Elkins College, Elkins	B. A.
Young, Dorothy	Alabama	Florence State Teachers' College	B. S.
Zimmers, Neal F.	Ohio	Denison University, Granville	B. A. (economics and accountancy).
		$1,620 class	
Acott, Lloyd A.	Colorado	Colorado Agricultural College	B. S. (agronomy).
Adney, C. G.	Utah	University of Kansas	B. S.
Alewine, William M.	Georgia	National University	LL. B.
Alexander, Theodore H.	Nebraska	University of Nebraska	B. S. (agriculture).
Anderson, Ervin	Texas	North Texas State Teachers' College	B. A.
Ansley, Fred	Pennsylvania	Washington School of Accounting	B. S.
Armstrong, William Rush	Massachusetts	George Washington University	B. S. (engineering).
Bachman, George V.	Iowa	University of Missouri	B. A.
Baker, Charles E.	California	Leland Stanford University	B. A., M. A.
		Georgetown University	Ph. D.
Ball, Frederic L.	Washington	University of Washington	B. S. (premedical).
Ballantine, Henry T., Jr.	Oklahoma	Princeton University	B. S.
Bankhead, John E., Jr.	Texas	North Texas State Teachers' College	B. S. (economics and government).
Barnes, Charles M.	Arkansas	Georgia School of Technology	B. S. (electrical engineering)
Barnes, Gordon	Kentucky	Asbury College, Wilmore	B. A.
Benjamin, Lemuel George, Jr.	South Carolina	University of South Carolina	B. A., LL. B.
Bentley, Osce M.	Alabama	Howard College, Birmingham	B. S.
Benton, Luther L.	South Carolina	Clemson College, Simmonsville	B. S. (agronomy).
Bergner, John F.	Pennsylvania	South Eastern University	LL. B.
		Silver Bay Y. M. C. A. College	C. B. S.
Bergstrom, Kenneth	Minnesota	Gustavus Adolphus College, St. Peter	B. A.
Billingsley, Edward J.	Arkansas	Washington University, St. Louis, Mo.	B. S. (electrical engineering).
Bogan, John A.	Illinois	Catholic University of America	B. S. (chemical engineering)
Boone, John Simeon	North Carolina	Duke University	B. A. (business administration).
Borda, Joseph L.	New York	Notre Dame University	B. A.
Bordeau, LeRoy	do	Georgetown University	Ph. B.
Boterweg, Mrs. Cora C.	Georgia	Bessie Tift College, Forsythe	B. A., M. B.
Botzenhardt, August, Jr.	Montana	University of Montana	B. A.
Bredenberg, Harry T.	Nebraska	University of Nebraska	B. S. (business administration).
Brennan, Redmond S., Jr.	Missouri	University of Rome, Italy	B. A.
Brist, Uriah M.	Iowa	Mount Allison University, Sackville, N. B.	B. A.
Brookshire, Joseph O.	Florida	University of Mississippi	B. A.
Bryan, Oscar W.	Nevada	University of Nevada	B. A.
Buchanan, Mrs. Leah	Missouri	University of Missouri	B. S. (education).
Bullock, R. A.	North Carolina	Davidson College, Davidson	B. A.
Burchett, Elsie M.	Arizona	University of Arizona	B. S. (business administration).
Burke, Joseph A.	Massachusetts	Georgetown University	LL. B.
Burke, Martin L.	North Carolina	National University Law School	LL. B.
Burns, William R.	Alabama	University of Alabama	B. A.
		National University	LL. B.
Burton, L. W.	Oklahoma	William Jewell College, Liberty, Mo.	B. A.
Campbell, Fred E.	Missouri	University of Missouri	LL. B.
Carrigan, John R.	Vermont	University of Vermont	B. S. (commerce and economics).
Carroll, Jerome D.	Iowa	Georgetown University	LL. B., Ph. D.
Carroll, Milus H.	South Carolina	University of North Carolina	B. S. (commerce).
Carroll, William J.	Connecticut	University of Notre Dame	B. A.
Carter, James A.	South Carolina	The Citadel, Charleston	B. S. (chemistry).
Chadwick, John R.	Alabama	Alabama Polytechnic Institute	B. S.
Chirieleison, Frank	Ohio	George Washington University	B. A. (commerce).
Churchill, Lake G.	Illinois	Knox College, Galesburg	B. S.
Cockburn, William F.	North Dakota	North Dakota State College	B. S.
Collins, Wilkie, Jr.	Oklahoma	Oklahoma A. and M. College	B. S.
Colosimo, J. Vincent	Maryland	University of Maryland	B. A. (business administration).
Congdon, Richard G.	New Jersey	George Washington University	B. A.
Consedine, William R.	New York	St. Bonaventure's College, St. Bonaventure	B. A.
Conter, William K.	Minnesota	Catholic University	B. A.
Cordiner, Margaret E.	Wyoming	University of Wyoming	B. S.
Costello, Hilary	Massachusetts	Georgetown Law School	LL. B.
Coster, Albert H.	District of Columbia	University of Tennessee	B. A.
		Southeastern University, District of Columbia	B. C. S.
Cox, Donald M.	Utah	Utah State Agricultural College	B. S. (animal husbandry and agricultural economics).
Coxen, Mrs. Anne	California	Butler University, Indianapolis	B. A.
		University of Maryland	M. A.
Craven, Mildred A.	Massachusetts	University of Wisconsin	B. A. (psychology)
Crites, Robert S.	Colorado	Colorado Agricultural College	B. S. (horticulture and agronomy).
Crumpton, J. W.	Mississippi	University of Tennessee	M. D.
Davenport, Wayne	Texas	Simmons University, Abilene	B. A.
Davis, John J.	North Carolina	Elon College	B. C. S.
Davis, Owen M.	Utah	Brigham Young School, Provo	B. A. (biological science), M. A. (agronomy)
Davis, R. H.	Georgia	Georgia School of Technology	B. S. (civil engineering)
Dean, Paul J.	Illinois	University of Illinois	B. S., LL. B.
Deschamps, Ray	Idaho	Utah State Agricultural College	B. S. (agricultural economics).
Dittmore, Marlin	do	do	B. S. (accounting statistics).
Dotson, William R.	Texas	Baylor University, Waco	B. A., LL. B.
Dunne, James E.	Rhode Island	Providence College	Ph. B.
Easterling, Carson L.	South Carolina	The Citadel, Charleston	B. A. (business administration).
Eastham, Alice	Oklahoma	Oklahoma A. and M. College	B. S.
Endicott, Benjamin E.	Arizona	Virginia Military Institute	B. S. (chemical engineering).
English, Edward	Ohio	Georgetown University	B. A., LL. B.
Fuiella, Ralph H.	New York	St. John's University, Brooklyn	B. S.
		Catholic University of America	M. A.
Farley, Horace B.	Michigan	Michigan State College	B. S. (agriculture)
		University of Maryland	M. S. (horticulture).
Farrell, Thomas A.	Pennsylvania	American University	B. A.
		Georgetown University	LL. B.
Favrot, J. St. Clair, Jr.	Louisiana	Louisiana State University	B. A.
Ferguson, Herbert H.	South Carolina	Presbyterian College, Clinton	B. A.
Fickel, Mrs. June M.	Iowa	Simpson College, Indianola	B. A.
Figuers, Thomas N.	Tennessee	Cumberland University, Lebanon	LL. B.
Fisher, Shelton	do	U. S. Naval Academy	B. S.
Fisher, Walter J.	New York	University of Pennsylvania	B. S. (economics).

List of individuals appointed in the Agricultural Adjustment Administration—Continued

Name of employee	Legal residence	College or university from which graduated	Degrees attained
		$1,620 class—Continued	
Fisher, William C	Virginia	Virginia Polytechnic Institute	B. S. (agriculture).
Fleming, Oliver P., Jr	Tennessee	Harvard University	B. A.
Frey, William H	California	Hampden-Sydney College, Hampden-Sydney, Va	B. A.
		University of Virginia	M. A.
Friedman, George	New Jersey	New York University	B. S., LL. B.
Fritz, Alvin F	Pennsylvania	Temple University, Philadelphia	B. S. (real estate and commerce).
Fuller, Graham	North Dakota	North Dakota Agricultural College	B. S. (agriculture).
Fulton, Dorothy M	Nebraska	University of Nebraska	B. S. (education).
Galloway, James H	South Carolina	University of South Carolina	B. S. (commerce).
Gecenok, Morris	New Jersey	Duke University	B. A.
Gerth, Arthur W	Missouri	American University	B. A.
Gleim, Irvin V	Ohio	University of Dayton	B. S. (chemistry).
Gochnauer, Wade A	do	Mount Union College, Alliance	B. S.
Goodman, Joseph	Wisconsin	University of Wisconsin	B. A. (economics).
Goodman, Robert	do	do	B. A. (commerce).
Graff, Edward E	Ohio	Ohio State University	B. A.
Grant, George B	South Dakota	Cornell College, Mt. Vernon, Iowa	B. S. (latin and science).
Graves, Charles G	Nebraska	Bellevue College, Bellevue	Ph. D.
Greenfield, Max H	Michigan	Detroit Institute of Technology	B. C. S. (accountancy).
Gyorda, John M	Pennsylvania	St. Thomas College, Scranton	B. A.
		University of Notre Dame	M. A.
Haddad, Lester M	Ohio	University of North Carolina	B. S.
Haggerty, LeRoy F	Connecticut	Georgetown University	Ph. B.
Hall, Charles A	Massachusetts	Harvard University	B. S. (chemical engineering).
Hall, James H	Illinois	Millikin University, Decatur	B. S. (commerce and finance).
Ham, Horatio	South Dakota	South Dakota School of Mines, Rapid City	B. S. (electrical engineering).
Hamilton, Ed	Alabama	University of Alabama	B. S.
Hansen, Lawrence H	Minnesota	University of Minnesota	E. M.
Hanson, Jesse B	Georgia	Mercer University, Macon	B. S. (commerce).
Hardy, Leonard D	Mississippi	University of Mississippi	B. A. (science).
Harned, Joseph D	Kentucky	Bowling Green Bus. University, Ohio	B. C. S.
Harris, Henry H	North Carolina	University of Virginia	B. S.
Harris, William F	District of Columbia	Southeastern University, Washington	B. C. S. (accounting and legal).
Hellmuth, Sybel M	Virginia	Eastern College, Front Royal	B. A.
Henning, John M	Colorado	Colorado State College	B. A.
Hildre, George B	North Dakota	North Dakota Agricultural College	B. S.
Hirst, Edward B	Wyoming	University of Nebraska	B. A.
Hisle, Clinton M., Jr	District of Columbia	Southeastern University, Washington	B. C. S. (accounting and commercial law).
Hodgson, Arthur C	Kansas	University of Kansas	B. A.
Hollingsworth, David W., Jr	Alabama	Davidson College, Davidson, N. C	B. A. (history and English).
Homer, David	Utah	Utah State Agricultural College	B. S., M. S.
Hopper, Herman W	North Carolina	University of North Carolina	B. S. (commerce).
Howell, James D., Jr	do	Wake Forest College	B. A.
Hoy, John C	Arizona	Georgetown University	B. A.
		National University Law School	LL. B.
Huckabee, James G	North Carolina	Duke University	B. A.
Hurley, Henry W	Tennessee	University of Tennessee	B. S. (civil engineering).
Hutmire, Edward H	California	Tri State College, Angola, Ind	B. S. (electrical engineering).
			B. S. (mechanical engineering).
Hynes, James H	Tennessee	Springhill College, Mobile, Ala	B. A.
Ivey, Reef C	North Carolina	North Carolina State College	B. S. (agricultural economics and accounting).
Jackelen, Henry J	Wisconsin	St Thomas College, St. Paul, Minn	B. S. (commerce).
Jackson, Frank H	Utah	Ohio State University	D. V. M.
Jarrett, Charles E	Montana	Montana State College	B. S (animal husbandry).
Jay, Louis J	Colorado	State Technological Institute	B. S. (mechanical engineering and economics).
Jones, Mrs Marion K	Maine	Portia Law School, Boston, Mass	LL. B.
Julicher, Henry A	New York	Georgetown University	LL. B.
Juricak, Mary Helen	Missouri	University of Kansas	B. A.
Kellam, Nettie Lee	Texas	University of Texas	B. A.
Kells, Robert H	Wisconsin	Hamline University, St. Paul, Minn	B. S.
Kellmurray, Bernard M	New York	Yale University	B. A.
Kelly, Ada Jane	Mississippi	Mississippi State College for Women	B. A.
Kerr, Mrs Harriet A	New York	Mount Holyoke College, South Hadley, Mass	B. A.
Kinzer, Charles W	Virginia	Roanoke College, Salem	B. S. (chemistry).
Klaus, Karl H	Michigan	University of Michigan	B. A.
Komer, Arthur W	Virginia	Virginia Mechanics Institute	E. E.
Kornhauser, Lester L	Ohio	Ohio State University	B. A.
Koster, Jack L	Nebraska	Nebraska University	B. S. (civil engineering).
Kroger, John F	New York	Catholic University	B. S.
Kurtz, Alfred S	Kentucky	New York University	B. S. (accountancy).
		Columbia University	M. S. (economics).
La Farge, Charles A	Washington	University of Washington	B. A (journalism).
		George Washington University	M. A. (foreign service).
Landsiedel, E. Erna	Iowa	State University of Iowa	B. A.
Lavelle, Vincent F	Ohio	University of Notre Dame	B. C. S. (accountancy).
Leary, Edward F	Connecticut	Georgetown University	Ph. D.
Lillywhite, Don C	Arizona	Brigham Young University, Provo, Utah	B. S.
Line, Sol	Indiana	Indiana University	B. A.
Lindley, Robert T	South Dakota	Creighton University, Omaha, Nebr	Ph. D. (arts and science pharmacy).
Linsenmeyer, George A	Wyoming	University of Wisconsin	B. A. (economics and engineering).
Logan, R. H	Washington	Washington State College	B. S. (architecture).
Lovett, Tom S	Arkansas	University of Arkansas	B. A.
Luecker, Milton E	Wisconsin	University of Wisconsin	Ph. B (economics).
Lynch, John K., Jr	New York	Union College, Schenectady	B. A.
Mabry, Burnett	Mississippi	Spring Hill College, Spring Hill, Ala	B. S. (commerce).
MacConnell, John C	North Carolina	Davidson College, Davidson	B. S.
Maher, William F	Connecticut	College of the Holy Cross	B. A
Malone, Robertson	Georgia	North Georgia College	B. S.
Marsh, Frank E	Missouri	Knox College, Galesburg, Ill	B S.
Mayer, John M., III	Pennsylvania	George Washington University	B. A.
Mazzola, Alphonse	New York	Niagara University, Niagara Falls	B. S.
McAllister, J. Hector	do	Holy Cross University	B. A. (classical and business administration.
McGarry, J H	North Dakota	University of Minnesota	LL. B
McGuire, James C	District of Columbia	Georgetown University	A. B., M. A.
McMahan, Leonard C	North Dakota	Hamline University, St. Paul, Minn	B. A.
McNew, Vern	Missouri	University of Chicago	B. A.
McRae, Maurice D	North Dakota	North Dakota Agricultural College	B. S.
McTigue, James J	Massachusetts	Georgetown Law School	LL. B.
Mekvold, Alf B	North Dakota	Dickinson State Teachers College	B. A.
Menzie, Hermine	Missouri	University of Chicago	Ph. B., M. A.

List of individuals appointed in the Agricultural Adjustment Administration—Continued

Name of employee	Legal residence	College or university from which graduated	Degrees attained
		1,690 class Continued	
Mickler, S. Albert	Florida	Georgetown University	LL. B.
Miller, Harold W	South Carolina	Wofford College, Spartanburg	B. A.
		Duke University	M. A., Ph. D.
Miller, Harris Kirk	Oklahoma	Oklahoma Agricultural and Mechanical University	B. S. (agricultural administration).
Miller, Kenneth K	Michigan	George Washington University	B. A.
Minicker, Jacob A	Delaware	University of Delaware	B. A.
Monroe, H. Dana	Texas	Baylor University, Waco	B. A.
Moon, George W	Pennsylvania	Penn State College	B. A.
Moore, George H	Virginia	University of Cincinnati	B. A.
Moore, Stuart S	New York	Columbia University	B. L.
Moore, Thomas I	do	Catholic University of America	B. S. (civil engineering).
Moore, William E	Arkansas	Peoples College, Kansas City, Mo	B. A.
Moran, F. A	Oklahoma	Southwestern State Teachers' College	B. S.
Morrow, George W	Wyoming	Missouri Teachers' College	B. S.
Moss, Joseph Alexander	Arkansas	Southwestern College, Memphis, Tenn	B. A.
Mott, Richard H	Maryland	Haverford College, Haverford, Pa	B. S. C.
Murphy, George L	Montana	University of Notre Dame	LL. B.
Murphy, Gerald, J	Vermont	St. Michael's College, Winooski Park	B. A.
Murray, Roland N	South Carolina	Wofford College, Spartanburg	B. A.
Neal, John Richard	New York	Dartmouth College	B. A.
Neary, Bernard A	Connecticut	Georgetown University	B. S. (business and foreign service).
Neas, Mrs. Frieda	Tennessee	North Carolina State College	B. S., M. S.
Neville, James F	New York	Georgetown University	B. A.
Noonan, John F	do	St. Bonaventure College, New York	B. A.
		Georgetown University	LL. B.
Norton, Edwin	South Dakota	Catholic University	B. A.
O'Boyle, William J	Wyoming	St. Mary's College, Kansas	B. S.
O'Brien, J. Frank	do	Columbus University	LL. B.
Ogden, J. F	Utah	Utah State Agricultural College	B. S. (agriculture).
Ogle, James H	Alabama	Howard College, Birmingham	B. A.
O'Kelly, Miss Willie D	Georgia	Southern College, LaGrange	B. A.
		Columbia University	B. S., M. A.
Olson, Emmett K	Utah	University of Utah	B. S., M. E.
Olson, Philip J	North Dakota	North Dakota Agricultural College	B. S. (agriculture).
O'Neil, Annette Cecelia	California	University of California	B. A.
Orr, Donald F	Georgia	University of Georgia	B. A.
Owsley, William A	Oklahoma	Oklahoma A. and M. College	B. S. (agriculture).
Parnell, Furniss L	South Carolina	Wofford College, Spartanburg	B. A.
Payne, Clarke B	Indiana	Indiana State Teachers' College	B. S.
Pearce, Hardy L	Texas	Simmons University, Abilene	B. A.
		George Washington University	B. S., M. A.
Pennington, Joe, Jr	North Carolina	Duke University	B. A.
Peterson, Mrs. Blanche	Kansas	Campbell College	B. A.
Philbin, John M	Ohio	John Carroll University, Cleveland	B. S., M. S.
Phillips, Morris L	Oklahoma	Oklahoma Agricultural and Mechanical College	B. S. (agriculture).
Pilson, T. Alfred	Kentucky	Asbury College, Wilmore	B. A.
Pierrou, Arch W	Nebraska	Kansas State University	B. A.
Pollack, Abraham	Rhode Island	Rhode Island State College	B. S. (agriculture)
Pollock, Philip B	North Carolina	University of North Carolina	B. A., M. A.
Pooley, John W	Iowa	Grinnell College, Grinnell	B. A. (business administration).
Porter, Alexander M	Oklahoma	George Washington University	B. A.
Potter, Francis P	Pennsylvania	Villanova College, Villanova	C. E., B. S.
Potts, Ira N	Ohio	Ohio State University	B. S.
Powell, Eleanor	New York	Vassar College	B. A.
Powell, George A	Alabama	Mississippi State College	B. S. (agricultural engineering).
Powell, George E	Georgia	Georgia Institute of Technology	B. S. C.
Purdy, Bronson H	New York	Dartmouth College	B. A.
Ramey, Charles A	North Carolina	Mount St. Joseph's College, Philadelphia, Pa	B. A.
Raysor, Clifford R	Florida	Florida Agricultural College	B. A.
Reilly, Mary D	Pennsylvania	Marywood College, Scranton	B. A.
Reynolds, Charles J	California	St. Ignatius College	B. A.
		Georgetown University	M. A.
Reynolds, John J. A., Jr	Rhode Island	Providence College	B. A.
Rhodes, F. Marion	Washington	State Teachers College, Missouri	B. A.
Rhodes, Francis M	Missouri	State Teachers College	B. A.
Richards, Edward H	Kentucky	Davidson College, Davidson, N. C	B. S. (chemistry).
Robertson, Ronald C	South Dakota	South Dakota State School of Mines	M. E.
Robideaux, Phyllis	Minnesota	University of Minnesota	B. A.
Roper, L. Foust	Missouri	University of Missouri	B. J.
Rounsaville, James H	Texas	University of Texas	B. B. A.
Rowe, Ross T	Idaho	Utah State Agricultural College	B. S. (agriculture and mathematics)
Rowland, Virgil	Texas	Texas Technological College	B. A. (economics)
Rupert W. J	Nebraska	University of Nebraska	B. S. (agriculture).
Rush, Eugene A	Texas	University of Texas	B. A.
Sander, Victor Theodore	North Dakota	University of Nebraska	B. S. C. (agriculture)
Savage, Theodore H	Pennsylvania	University of Pittsburgh	B. A.
Scarbrough, Louis	Washington	University of Washington	B. A. (business administration).
Schaeffer, Lowell F	Michigan	Michigan State College	B. S. (economics)
Senf, Catherine	Ohio	Antioch College, Yellow Springs	B. S. (mathematics).
Sherer, Howard	Pennsylvania	Pennsylvania State College	B. A.
Shorrock, Arthur V	Washington	University of Washington	B. A.
Simmons, Benjamin S	Kentucky	University of Maryland	B. A. (business administration).
Simms, George Dyson	Virginia	George Washington University	B. A.
Smith, Mrs. Francys	Kentucky	University of Kentucky	B. S. (commerce).
Smith, James K	Texas	University of North Carolina	B. S. (economics).
Smith, Lloyd T	Mississippi	Southwestern University	B. C. S.
Smith, Michael Paul	Connecticut	Catholic University	B. A. (economics).
Smith, William C	Mississippi	Mississippi State College	B. S. (engineering).
Solem, Custer G	North Dakota	Concordia College	B. A.
Spry, John	Illinois	Yale University	Ph. B.
Spurling, William C	South Dakota	South Dakota State College	B. S. (agriculture).
Southam, John E	North Dakota	North Dakota Agricultural College	B. S. (agriculture).
Stanko, Billie	Wyoming	University of Wyoming	B. S. (commerce).
Stockdale, Robert C	New Mexico	Allegheny College, Meadville, Pa	B. A.
		Washington State College	B. S. (agriculture).
Stone, Wayne C	Oklahoma	Oklahoma University	B. A. (economics).
Stroupe, Henry	Arkansas	University of Arkansas	B. A., C. E.
Sugar, Aaron	District of Columbia	Georgetown University	B. S., LL. B.
Sughrue, Cecile Virginia	Kansas	University of Kansas	B. A., M. A.
Swearingen, Carrie H	Mississippi	Edward McGehee College	B. S.
Tall, Asael	Idaho	University of Idaho	B. S. (premedical).
Taylor, Frank A	Kentucky	Western Kentucky Teachers' College	B. A.
Taylor, Robert A	Texas	Texas Technological Institute	B. A.
Teal, Mrs. Frances Alexander	North Carolina	Winthrop College, Rock Hill, S. C	B. A.
		University of North Carolina	M. A.

List of individuals appointed in the Agricultural Adjustment Administration—Continued

Name of employee	Legal residence	College or university from which graduated	Degrees attained
		$1,620 class—Continued	
Thompson, Marshall A	North Carolina	Princeton University	B. A., M. A.
Thornton, Harrison A., Jr	Alabama	University of Michigan	B. A.
Thurlow, Mrs. Winifred B	Tennessee	Carson-Newman College, Jefferson City	B. A.
		Columbia University	B. S. (home economics).
Tierney, Elizabeth K	Kentucky	University of Louisville	B. S.
Tilden, Mrs. Thela C	Kansas	Washburn College, Topeka	B. A.
Todd, Joseph J	Kentucky	University of Kentucky	B. S. (commerce).
Torrens, Helen B	Minnesota	State Teachers' College, Missouri	B. S.
Townsend, Robert Mc	District of Columbia	University of Pennsylvania	B. S.
Trampe, Robert G	Illinois	University of Illinois	B. A., LL. B.
Triplett, Jewell M	Missouri	Stephens College, Columbia	A. A.
		Southwest State Teachers' College, Springfield	B. A., B. S.
Turner, Fred N	Georgia	Atlanta Law School	LL. B.
Turner, Frances E	Ohio	Ohio Wesleyan University	B. A.
Vanderbeek, Herbert C	Michigan	Syracuse University	B. S.
		Detroit Institute of Technology	M. S. (business administration).
Varni, Edward J	California	University of San Francisco	LL. B.
Violett, Robert T	Maryland	Benjamin Franklin University	B. C. S.
Wade, Thomas D	Rhode Island	Providence College	B. A.
Walker, John H., Jr	Texas	University of Texas	B. A.
Walleker, Floyd E	Alabama	Washington Missionary College, D. C	B. A.
Warden, Marvin I	Montana	Iowa State College	B. C. E.
Waring, George S	Arkansas	Spring Hill College, Mobile, Ala	B. S.
Warras, John	Michigan	University of Detroit	B. S.
Warren, Clifton C	Texas	Texas Agricultural and Mechanical College	B. S., M. S.
Watson, Mrs. Lucy	do	Baylor College, Belton	B. A., B. S.
Watts, Mrs. Justine P	do	College of Industrial Arts, Denton	B. S.
Webb, Paul G	Missouri	University of Missouri	B. A., B. S.
		Kansas City School of Law	LL. B.
Webb, Robert M	Texas	Texas Technological College	B. A.
Whims, Edmund J	Pennsylvania	Lehigh University	C. E.
White, Clark	New York	Syracuse University	B. S. (civil engineering).
Williams, Charles E	Pennsylvania	Gettysburg College, Gettysburg	B. S.
Williams, George P	South Carolina	Clemson Agricultural and Mechanical College	B. S.
Wilson, Paul M	Maryland	Benjamin Franklin University	B. C. S., M. C. S.
Woodward, Julius A	North Carolina	Wake Forest College	B. S. (mathematics and science), M. A.
Yap, Diosdado M	Illinois	Crane College	A. A.
		Lewis Institute of Technology, Chicago	B. S.
		George Washington University	M. A.
		National University	M. S.
Yates, William A	New York	Georgetown University	LL. B.
York, Joseph E	Montana	Montana State College	B. S. (agriculture).
Youngman, Emma P	Pennsylvania	Park College, Parkville, Mo	B. A.
		Bucknell University, Lewisburg	B. A.
Zibart, Carl F	Tennessee	Vanderbilt University, Nashville	B. A. (English, business and economics).
		$1,800 class	
Abrahamson, Paul E. R	North Dakota	North Dakota Agricultural College	B. S.
Altenburg, Martin C	do	do	B. S.
Antwerp, A J	Nebraska	Fremont College	B. S. (engineering).
Berntson, Byron	North Dakota	North Dakota State College of Agriculture	B. S.
Biggs, John W	Oregon	Pike College	M. A.
Bowen, Roy E	Georgia	University of Georgia	B. A. (journalism).
Bowers, Alfred W	North Dakota	Beloit College, Beloit, Wis	B. S.
		University of Chicago	M. A.
Briggs, Hilton M	do	Iowa State College	B. S. (animal husbandry).
Cannon, Howell Lee	Utah	Utah State Agricultural College	B. S. (agricultural economics).
Catron, Davie	Mississippi	Millsaps College, Jackson	B. A.
Chapman, Fred A	Alabama	Alabama Polytechnic Institute	B. S.
Dreilbelbis, Ernest G	Pennsylvania	Pennsylvania State College	B. A
Dusenberry, Harold L	Montana	Montana State College	B. S.
Ellingson, Palmer	Wisconsin	University of Wisconsin	B. A.
Ertel, Paul J	Indiana	Northwestern University, Evanston, Ill	B. S. (commerce).
Evans, Truett	Texas	Simmons University, Abilene	B. A.
Freeman, William	North Dakota	State College, Fargo	B. S. (agriculture).
Friedman, Maurice	Connecticut	George Washington University	B. A.
Hansen, Harold H	Mississippi	University of Copenhagen	B. A.
Hecht, Fred J	Illinois	Loyola University, Baltimore, Md	B. C. S (commerce).
Hunt, William L	Missouri	Carleton College, Farmington	B. A.
		Research University, Washington, D. C	B. C. S.
Jensen, Chris	North Dakota	Iowa State College	B. S., M. S (dairying).
Jones, Ewing	Oklahoma	Oklahoma A. and M. College	B. S (general business).
Jorgenson, Peter	North Dakota	North Dakota Agricultural College	B. S (agriculture).
Lea, Walter E	South Carolina	Roanoke College, Salem, Va	B. A.
Lee, Jesse W	Puerto Rico	Columbia University	B. A. (chemical engineering).
Manes, Virgil D	Illinois	University of Illinois	B. S.
Martineau, Charles F., Jr	California	Utah State Agricultural College	B. S (agricultural chemistry).
Maxey, Richard P	Oklahoma	Oklahoma Agriculture and Mining College	B. S. (agriculture).
McConnell, David Moffatt	South Carolina	Davidson College, North Carolina	B. S.
McKenzie, Cedric F	Minnesota	University of Minnesota	B. S.
McKinnell, Wendel Bollman	Maryland	New York University	B. B. A.
McKinnon, Wayne T	Wyoming	University of Wyoming	B. S (agriculture).
Moriarty, Daniel J	Rhode Island	Georgetown University	LL. B., LL. M.
Mowrer, Delbert	New Mexico	New Mexico Agricultural College	B. S. A.
Mullen, M. Frank	Oregon	Creighton University, Omaha, Nebr	LL. B.
Munsell, Elmer S	Connecticut	Rensselaer Polytechnic Institute, Troy, N. Y	C. E.
Nicholls, William H	Kentucky	University of Kentucky	B. A. (german and economics).
Paton, James F	Texas	Baylor University, Waco	B. A
Rich, C. Carlyle	Utah	Weber Junior College, Ogden	A. S (civil engineering).
		Utah State Agricultural College	B. S. (civil engineering).
Rigney, Fleming	New Mexico	New Mexico Agricultural and Mining College	B. S. (agriculture).
Ross, Charles E	Mississippi	Mississippi State University	B. S (agriculture).
Rutter, Janet G	District of Columbia	Cornell University	B. A. (economics).
		George Washington University	LL. B.
Schmidt, Henry G	Maryland	Johns Hopkins University	B. S. (economics).
Shaw, John Arthur	Rhode Island	Southeastern University, District of Columbia	B. C. S. (accountancy).
		George Washington University	LL. B.
Shaw, K. J	North Carolina	North Carolina State College	B. S.
Thiel, J. J	Washington	Grinnell College, Grinnell, Iowa	B. A. (language).
Thompson, Chas. P	Arizona	University of Arizona	B. S. (agriculture).
Upham, Warren P	Idaho	University of Maine	B. S. (forestry).
Van Hoy, John	Indiana	Purdue University	B. S. A. (rural economics).
Weeks, Joseph	Virginia	University of Virginia	B. S., M. S.

List of individuals appointed in the Agricultural Adjustment Administration—Continued

Name of employee	Legal residence	College or university from which graduated	Degrees attained
		$1,800 class—Continued	
West, Clarence H	Mississippi	Mississippi State College	B. S. (agriculture).
Whitehead, Walter H	Virginia	Washington and Lee University	B. S. (commerce and business administration)
Wright, Bertram C	Connecticut	Connecticut State College	B. S. (economics).
		$2,000 class	
Akins, S. B	California	University of California	B. S. (agriculture).
Allred, David H	Utah	Brigham Young University, Provo	B. S. (economics).
Austin, Richmond Orrin	Mississippi	Mississippi State College	B. S. (chemistry).
Book, Abraham Benjamin	North Carolina	Duke University	B. A., LL. B.
Bowers, Charles J	Tennessee	University of Tennessee	B. S. (agriculture).
Branch, William V	North Carolina	University of North Carolina	LL. B.
Brokaw, Herbert D	New York	Cornell University	B. S.
Browne, E. Wayles, Jr	Louisiana	Stanford University	B. A.
		Harvard University	M. B. A.
Bryan, Herbert K	Maine	Colby College, Waterville	B. S. (business administration).
Boutz, William F	New Mexico	New Mexico College of Agriculture	B. S. (electrical engineering).
Biggs, Harold W	Louisiana	University of Chicago	B. S. (economics).
Chelf, Walter B	Kentucky	Centre College, Danville	B. A.
		Cumberland University, Lebanon, Tenn	LL. B.
Christian, Ralph W	Georgia	University of Georgia	B. S. (forestry).
Cline, Walter L	Washington	Washington State College	B. A.
Cox, Robert H	Mississippi	University of Mississippi	B. A.
Cox, T. Hillard	Iowa	University of Iowa	B. S., M. A. (commerce).
Cunningham, Horace	Mississippi	Iuka Normal Institute	B. A., B. S.
Dalton, John J	Iowa	Iowa State College	B. S. (animal husbandry).
Davis, Charles V	New York	Y. M. C. A. School of Commerce, Cincinnati, Ohio	M. S. (agricultural economics). B. C. S. (accountancy and business administration).
Dorf, Alfred L	New Jersey	National Law School	LL. B.
Easterbrooks, Wilfred R	Rhode Island	Rhode Island State College	B. S. (civil engineering)
Flythe, Julian T	North Carolina	Wake Forest College	LL. B.
Gachet, Thomas M	Alabama	University of Alabama	B. S.
Gannaway, J. W., Jr	Iowa	Grinnell College, Grinnell	B. A. (business administration).
Gelfeld, Albert	District of Columbia	National University	LL. B., LL. M., M. P. L.
Gillis, Leslie, Jr	do	George Washington University	LL. B.
		Virginia Military Institute	B. A.
Goodwin, Ann	Arkansas	University of Missouri	B. J.
Hager, Daniel I	West Virginia	University of West Virginia	LL. B.
Haycraft, Sylvester Jolly	Minnesota	University of Minnesota	B. S. (business administration).
High, Lena B	South Carolina	Limestone College, Gaffney	B. A.
Hole, Erling	Iowa	Iowa State College	M. S. (agricultural economics).
Holland, Joshua H	California	University of California	B. A.
		Harvard University	M. B. A.
Holloway, Jerome K	New York	Neff College	B. S.
Hurd, Hugh C	Arkansas	University of Arkansas	B. S. (business administration).
Johnston, Everett Otis	Illinois	University of Illinois	B. S. (agriculture).
Kadlec, George C	North Dakota	North Dakota Agricultural College	B. S.
Leton, Mercia	Oregon	Northwestern College of Law	LL. B.
Lovendahl, Mrs. Helen A	Wisconsin	University of Wisconsin	B. A. (economics).
Macfarlane, Francis A	New York	St. John's Law College, Brooklyn	LL. B.
Magruder, John K	Virginia	University of Virginia	B. A.
Marchetti, Randolph O	Wisconsin	George Washington University	B. A., LL. B.
Millsap, Reuben	Alabama	University of Alabama	LL. B.
Monson, J. Harold	Utah	Utah State Agricultural College	B. S. (business administration and economics)
Munro, Stanely E	New York	Cornell University	B. S. (agriculture).
Patterson, Walter P	Michigan	University of Detroit	B. A., B. C. S.
Permenter, Eugene S	Tennessee	University of Tennessee	B. S. A.
Resnick, L. Rella	Massachusetts	Radcliffe College, Cambridge	B. A.
		Yale Law School	LL. B.
Robinson, Ben L	South Dakota	Montana State College	B. S. (animal husbandry).
		South Dakota State College	M. S. (dairy husbandry).
Robinson, Mrs. Leo D	Arkansas	National University of Law	LL. B.
Rubel, Donald M	California	University of California	B. S. (agricultural economics).
Scott, Walter W	Virginia	New York University	B. S. (civil engineering).
Selvig, Helen Marion	Minnesota	University of Minnesota	B. A.
Shelton, Farrar V	Virginia	Virginia Polytechnic Institute	B. S. (agriculture).
Sitton, Floyd W	Texas	Simmons University, Abilene	B. A.
Smith, Garland F	do	University of Utah	B. A.
		University of Hanover, Germany	L. S. T.
Smith, Robert H	North Dakota	State College, Dickinson	B. A.
Snelus, Martin J	Texas	National University of Law	LL. B.
Stone, Ewel H	Oklahoma	Oklahoma Agricultural and Mechanical College	B. S. (agricultural administration).
Strother, Claude	West Virginia	University of Michigan	B. S. (agriculture).
		Ohio State University	M. S. (agriculture).
Thompson, Esther K	Wisconsin	Wisconsin University	Ph. B.
Troth, James R	Maryland	University of Maryland	B. A. (economics).
Walsh, Joseph A	New York	Fordham College	B. A., LL. B.
Wendt, Basil S	Nebraska	University of Nebraska	B. S., M. A. (agriculture).
Willis, Arthur B	Georgia	Benjamin Franklin University	B. C. S.
		$2,200 class	
Morgan, Roy L	Virginia	University of Virginia	B. S., LL. B.
		$2,300 class	
Beal, William F	North Carolina	North Carolina State College	B. E.
Bertoglio, James E	Montana	National University	LL. B.
Blair, Coy S	Minnesota	Ellsworth College, Iowa	B. A.
Cox, Charles M	Georgia	Mercer University, Macon	B. A., LL. B.
Danner, Harvey C	Mississippi	Benjamin Franklin University	B. C. S.
France, Douglas C	North Carolina	University of Virginia	B. A.
Gammage, Charles E	Georgia	Georgia School of Technology	B. S., C. E.
Getz, Benjamin L	Pennsylvania	Lehigh University	B. S.
		Georgetown University	LL. B.
Gilson, Albert F., Jr	New Jersey	do	LL. B.
Goldman, Milton	Massachusetts	Boston University	LL. B.
Harris, Jesse M	Tennessee	Cumberland University, Lebanon	LL. B.
Hunt, Thomas S	Iowa	Iowa State College	B. S. A., M. S. A. (agronomy).
Johnson, Albert L	Washington	Washington State College	B. S. (agricultural administration).
Joyce, James A	Pennsylvania	Georgetown University	LL. B.
		National University	B. A. (economics and government)

List of individuals appointed in the Agricultural Adjustment Administration—Continued

Name of employee	Legal residence	College or university from which graduated	Degrees attained
		$2,300 class—Continued	
LaFollette, Walter T	Arkansas	Missouri State University	LL. B.
Lagerson, Linwood E	Maine	Colby College, Waterville	B. S.
Leonhard, Paul B	Indiana	Franklin College, Franklin	B. A.
Lindsay, John T	Wis	Marquette University, Milwaukee	LL. B.
McDill, Paul	Nebraska	University of Nebraska	B. S. (agriculture).
McClure, Frank	Rhode Island	Georgetown University	LL. B.
McIntire, George B	West Virginia	West Virginia University	B. S
McMahon, James J., Jr	New York	Fordham Law School	LL. B.
Meehan, Leo J	do	Georgetown University	B. S. (business administration).
		Brooklyn Law School	D. D. L.
Menefee, Melville M	Virginia	Virginia Military Institute	B. S.
Nesbitt, Wallace M	District of Columbia	National University	LL. B.
Newton, Miles C	New York	Cornell University	C. E.
O'Donnell, James A	do	Georgetown University	LL. B.
Orcutt, Edwin P	Montana	Montana State College	B. S. (animal husbandry).
Perkins, Lewis B	Virginia	National University	LL. B
Pinckney, Rueben M	Minnesota	University of Nebraska	B. S., M. A.
		University of Minnesota	Ph. D.
Posson, Melancthon B	Nebraska	Nebraska College of Agriculture	B. S.
Roberts, James G	New Mexico	Mercer University, Macon, Ga	LL. D.
Venlel, J Robert	Indiana	Rose Polytechnic Institute, Terre Haute	B. S. (civil engineering).
Wells, James H	Mississippi	Mississippi State College	B. S. (civil engineering).
		$2,600 class	
Ahlbrand, Brunow Walter	Indiana	Purdue University	B. S. (agriculture).
Alexander, Maxie Miller	North Carolina	George Washington University	B. A.
		Georgetown University	D. D. S.
Ayers, Arthur W	Montana	Montana State College	B. S. (agriculture).
Baker, Vernon W	Washington	Washington State College	B. S. (agricultural economics).
Baldwin, Lawrence A	Maryland	University of Pennsylvania	B. S. (agricultural engineering).
Bele, Frank A	Minnesota	University of Minnesota	B. S., M. S. (agriculture).
Berry, Benjamin Clark	Missouri	University of Missouri	B. S. (business and public administration).
Bierly, Stuart J	Illinois	Northwestern University, Chicago	B. S. (commerce).
Bohling, Frederick J	Wisconsin	Marquette University, Milwaukee	B. S. (business administration).
Bonwit, Murray J	New York	City College, New York	B. S.
		New York University	C. P. A.
Booker, George F	Michigan	Iowa State College	B. S. (agronomy).
Brewer, Fletcher F	Arkansas	University of Arkansas	LL. B.
Brown, Kenneth H	North Carolina	North Carolina State College	B. S.
Burbank, Richard W	District of Columbia	Georgetown University	B. F. S. (foreign service).
Burkinshaw, William P	Connecticut	do	B. S. (foreign service).
Burrows, Robert N	Texas	University of Texas	B. A.
		University of Wisconsin	M. A. (economics).
		American University	Ph. D. (economics).
Casteel, Charles G	Georgia	Emory University, Atlanta	LL. B.
Caudle, Charles B	North Carolina	Wake Forest College	LL. B.
Cloonan, Thomas J	New York	Boston University	B. B. A.
Colebank, Andy W	Tennessee	University of Tennessee	B. S. (agriculture).
Columbus, Joseph C	District of Columbia	Benjamin Franklin University	B. C. S.
Cooley, Hubert B	North Carolina	Wake Forest College	B. S.
Cotton, Albert H	do	Duke University	B. A., LL. B.
Council, Charles M., Jr	Georgia	Princeton University	B. A. (economics).
Covington, John M	North Carolina	Wake Forest College	B. S. (commerce).
Crane, Dwight W	Nebraska	University of Florida	B. S.
Dahl, Gerhard H	Illinois	Luther College, Decorah, Iowa	B. A.
Davidson, Robert D	Oklahoma	Oklahoma A. and M. College	B. S. (agricultural administration).
			M. S. (agricultural economics).
Davis, D. Elmer	Massachusetts	Northeastern University	B. C. S. (accountancy).
Davis, Herbert L., Jr	Maryland	University of Maryland	B. S. (statistics and animal husbandry).
Davis, J. Burnam	Kentucky	University of Kentucky	B. A.
Dimitry, Thomas D	Louisiana	College of Immaculate Conception	B. S.
		Loyola University, New Orleans	LL. B., LL. M.
Dinges, Harold R		Shenandoah College, Reliance	B. S. (history and science).
Donohue, Francis H		St. Viator College, Bourbonnais, Ill	B. A.
Drow, Bernard H		University of Wisconsin	B. A. (commerce).
Dunbar, David C	California	University of Utah	B. A.
Emery, Harlan J	do	University of Maine	B. S. (agriculture).
		Oregon State Agricultural College	M. S.
Endersbee, William J	New York	College of Forestry, Syracuse	B. S. F.
Evans, Robert C	Florida	University of Florida	B. S., B. A. (business administration).
Fedderson, Howard C	Colorado	Colorado University	B. A.
Ferguson, Eli	South Dakota	South Dakota State College	B. S. (commerce).
Forrester, Dick R	Missouri	Oklahoma A. and M. College	B. S. (animal husbandry).
		Iowa State College	M. S. (animal nutrition).
Fuchs, Robert H	District of Columbia	American University	B. A.
Fuhrman, George F	Maryland	Baltimore City College	B. S.
		University of Pennsylvania	B. S. (accountancy).
Funk, LeRoy C	Utah	Utah State Agricultural College	B. S. (agriculture).
		Iowa State College	M. S. (agriculture).
Furnell, William W	Oklahoma	Marshall College, Huntington, W. Va	C. P. A.
Gallahue, Edward E	Illinois	Catholic University of America	B. A., M. A.
Gooze, Charles	New York	College of the City of Detroit	B. A.
		Clark University, Worcester, Mass	M. A., Ph. D.
Greenberg, William	do	George Washington University	B. S. (civil engineering).
		St. John's College, Brooklyn	LL. B.
Greenman, John R	Florida	University of Florida	B. S. A.
Crest, Edward G	Minnesota	University of Saskatchewan, Saskatoon	B. S. A., M. S. (agriculture and farm management).
Grey, George R	Louisiana	International Accountancy Society	C. P. A.
Greene, Tom U	Florida	University of Florida	B. S. (agricultural economics).
Haggerty, John J	Montana	Montana State College	B. S. (agriculture).
		University of Wisconsin	M. S. (land economics).
Hall, Clifton G	New Hampshire	University of Maryland	B. S.
Hallock, Bernard N	Pennsylvania	Benjamin Franklin University	M. C. S (accountancy).
Hartmann, Emile D	California	University of California	B. S. (civil engineering).
Held, Christian	Indiana	Purdue University	B. S., M. S. (agriculture).
Henika, Franklin S	Wisconsin	University of California	B. S. (agriculture).
		University of Wisconsin	M. S., Ph. D. (genetics).
Henriksen, John H	Utah	Southeastern University of District of Columbia	B. C. S., M. C. S. (accountancy).
Herbert, William H	Mississippi	U. S. Naval Academy	B. S.
Hewitt, Ryland H	New York	Cornell University	B. S. (agriculture).
Hinshaw, R. F	Arkansas	Morningside College, Sioux City, Iowa	B. A. (economics).
Hoffman, George C	Illinois	Northwestern University	C. P. A.

List of individuals appointed in the Agricultural Adjustment Administration—Continued

Name of employee	Legal residence	College or university from which graduated	Degrees attained
		$2,600 class—Continued	
Hoffman, Ralph R	Kansas	University of Denver	B. S. (commerce).
Holliday, James T., Jr	Illinois	Washington University, St. Louis, Mo	B. S.
Human, Ida M	do	Chicago Law School	LL. B
Jacob, Morey D	Missouri	St. Louis University School of Commerce	C. P. A.
Jamerson, Roy	Pennsylvania	Clemson College, South Carolina	B. S. (business and accounting).
James, Mrs. Margaret H	Maine	Vassar College	B. A.
		Columbia University	M. A. (statistics and economics).
James, R. Bleakley	Virginia	Washington and Lee University	LL. B.
Jenkins, Eben C	Maryland	Virginia Polytechnic Institute	M. S., B. S (agricultural economics and business administration).
Johnson, Paul E	Minnesota	University of Minnesota	B. A.
Jurgelonis, Cleophas	Lithuania	DePaul College, Chicago, Ill	LL. B.
Kebric, Harry L	California	Columbia University	B. S.
		University of Cologne, Germany	Ph. D. (sociology and economics).
Kendall, C. Victor	Ohio	University of Akron	B. S. (scientific agriculture).
		Ohio State University	B. S. A., M. A. (rural economics and administration).
Kirwan, Cornelius A	California	University of Vermont	B. S.
Koffsky, Nathan M	New York	Cornell University	B. A. (economics).
Krewatch, Albert V	Maryland	University of Delaware	B. S., M. S. (electrical engineering).
Lacy, William Sterling Byrd	Colorado	University of Colorado	B. A. (economics).
Leffelman, Louis J	South Carolina	University of Minnesota	B. S. (forestry).
		Yale School of Forestry	M. S. (forestry).
Levy, Jack I	Pennsylvania	University of Michigan	B. A., J. D.
Lewis, Laurence E	District of Columbia	Chiropractic Research University, Army Medical School	D. C.
Lizzi, Julio S	Massachusetts	Benjamin Franklin University	B. C. S., M. C. S. (accountancy).
Loan, Charles J	do	Boston University	B. B. A.
Long, Stephen F	Illinois	St. Viator College, Bourbonnais	B. S. C. (commerce).
Loomis, Robert M	Wisconsin	University of Wisconsin	Ph. D. (political science).
Lowe, Isadore J	Massachusetts	Boston University Law School	LL. B.
Lowenstein, Lloyd L	New York	Cornell University	B. A.
Lukeman, Elmer J	Illinois	Illinois College	B. A.
Macaulay, John	Michigan	University of Detroit	B. S. (commerce).
Malgret, John A	Kentucky	Western Kentucky State Teachers' College	B. A.
		Indiana University	M. A.
Mason, Malcolm S	New York	Columbia College	B. A.
		Columbia Law School	LL. B.
Matthews, Albert J	Minnesota	Cardiff Technical School	C. E.
McAfee, Wayne D	Ohio	Iowa State College	B. S.
McCormick, James H	Illinois	Campion College, Prairie du Chien, Wis	B. A.
		Georgetown University	M. S.
McEntire, W. Davis	Utah	Utah State Agricultural College	B. S. (economics and political science).
		Duke University	M. A. (economics and political science)
McGuire, William J	District of Columbia	Georgetown University	B. A., LL. B.
McIntire, Guy F	Maryland	Northeastern University	B. C. S.
McMurray, Walter	Louisiana	Loyola University, New Orleans	B. A.
McNeil, James F	New York	Georgetown University Law School	LL. B., LL. M.
Merrifield, Paul D	Illinois	University of Michigan	B. A.
Mershon, Ralph	Alabama	University of the South, Sewanee, Tenn	B. S.
		Harvard University	M. B. A.
Miles, Herbert R	District of Columbia	Benjamin Franklin University	M. C. S.
Miller, Donald C	Pennsylvania	Pennsylvania State College	B. S.
Miller, T. H., Jr	Utah	University of Utah	B. S.
Morrison, Arthur R	New Jersey	University of Southern California	B. A.
Nelson, Arthur B	North Dakota	North Dakota State College	B. S. (agriculture).
Newson, William C	Tennessee	Iowa State College	B. S.
Nixon, Alvar J	Minnesota	University of Minnesota	B. B. A.
Noble, Leonard	South Dakota	South Dakota State College	B. S. (animal husbandry).
O'Brien, J. Harold	Montana	University of Chicago	B. S.
O'Mahony, William J	do	Georgetown University	LL. B.
Perkins, Thomas N	Massachusetts	Harvard University	B. A., LL. B.
Otten, Russell J	Indiana	Purdue University	B. S. A.
Painter, Samuel R	West Virginia	Roanoke College, Salem, Va	B. S.
Panossian, Aram G	New York	Brusa Agricultural College, Turkey	B. S.
		Washington College of Law	LL. B.
Parks, Wallace J	Maryland	Williams College, Williamstown, Mass	B. A.
Phucas, Andrew B	Massachusetts	University of Maryland	B. S. (dairying).
		Cornell University	M. S. (agricultural engineering).
Powell, William H	California	University of Kansas	LL. B.
Prichard, George L	North Carolina	University of North Carolina	B. A.
Priode, Carl N	Virginia	Virginia Polytechnic Institute	B. S. (agronomy).
Proulx, Emil A	California	Gonzaga College and University, Spokane, Wash	B. A.
		University of Minnesota	B. S. (business).
Pyne, Sydney A	Illinois	Northwestern University	C. P. A.
Quinn, William H	Oregon	St. Marys' College, Emmitsburg, Md	C. P. A.
Radabaugh, James H	West Virginia	Iowa State College	B. S. (agriculture).
Richards, Samuel E	Oklahoma	Georgetown Law School	LL. B.
Rochester, Morgan C	South Carolina	Clemson College	B. S. (agriculture).
		University of Florida	M. S. (agricultural economics).
Romen, Anthony B	New York	Washington School of Accountancy	C. P. A., B. C. S.
Rubenstein, Jacob H	Virginia	Columbia College	B. S.
Schalet, Jacob J	New York	St. John's University Law School, Brooklyn	LL. B.
Schickele, Rainer	District of Columbia	Landwirtschaftliche Hochschule, Berlin, Germany	Ph. D.
Schweitzer, F. Vernon	Texas	University of Southern California	B. A. (commerce and sociology).
Schwenger, Robert B	Wisconsin	University of Wisconsin	B. A. (economics).
Shields, Joseph J	Pennsylvania	LaSalle College, Philadelphia	B. A.
Shumway, Kenneth G	Wisconsin	University of Wisconsin	B. A.
Simcox, Glenn R	Iowa	Georgetown University	LL. B.
Smith, LaFayette R	Georgia	University of Georgia	B. S. A.
Smith, Thomas L	South Carolina	Clemson A. and M. College	B. S. (agriculture).
Spilman, Robert F	Wisconsin	Oklahoma A. and M. College	B. S. (agriculture).
Stocking, Frank A	Texas	Columbia University	B. A. (economics).
Struwe, Earl L	do	College of Texas	B. S. (agricultural administration).
Sturke, Louis, Jr	New York	Harvard University	B. A.
Sufrin, Arthur U	Pennsylvania	Wharton School of the University of Pennsylvania	B. S. (economics).
Taylor, John Samuel	South Carolina	University of South Carolina	B. S. (commerce).
Templeton, Mrs. Margaret B	Wisconsin	University of Wisconsin	B. A., M. A.
Terry, George M	Oklahoma	George Washington University	LL. B.
Thompson, Howard W	California	University of California	B. A. (economics).
		Harvard University	M. B. A.

List of individuals appointed in the Agricultural Adjustment Administration—Continued

Name of employee	Legal residence	College or university from which graduated	Degrees attained
		$2,600 class—Continued	
Tipton, James C	North Carolina	University of North Carolina	B. A.
Travis, Joseph J	New York	New York University	B. C. S. (accountancy and foreign trade).
Tripp, John Earl	Minnesota	Iowa State College	B. S. (animal husbandry).
Turner, George A	Georgia	University of Georgia	B. S. A.
Varnell, Malcolm K	Maryland	Georgetown University	LL. B.
Vaughan, Ross L	North Carolina	Wake Forest College	B. A.
Wager-Smith, David R. W	New Mexico	New Mexico Agricultural and Mechanical College	B. S. (civil engineering).
Walston, Frank L	North Carolina	University of North Carolina	B. A.
Walstrom, Joe D	Missouri	George Washington University	B. A.
Warner, Earl E	Ohio	Ohio Wesleyan University	B. A.
		Ohio State University	M. A. (political science).
Wermel, Michael T	New York	New York University	B. S. (economics).
		Columbia University	M. S.
Wilson, James A	California	State Agricultural College, University of Minnesota	B. S. A.
Wolf, John F	New York	University of Pennsylvania	B. S. (economics).
Woodruff, Marion T	Iowa	National University, School of Law	LL. B.
Young, Martin G	Florida	University of Florida	B. S. A., M. S. A. (agricultural economics).
Young, Percy C	Tennessee	Trinity College, Durham, N. C	B. A.
Youngs, Frederic A	Texas	Tulane University, New Orleans, La	B. B. A.
Zatzman, Adolph W	Illinois	John Marshall Law School	LL. B.

Mr. BANKHEAD. This list indicates that 1,094 persons, with college degrees, have been appointed to positions in the Agricultural Adjustment Administration, within the salary range indicated, outside the classified service.

Certainly no governmental agency can show a higher type personnel.

I am of the opinion—and I think with this statement the Civil Service Commission will agree—that for the general run of clerical positions in the classified civil service, no more appropriate examination can be had than a proven statement of the requisite education, plus an intelligence test, together with such character examination as may be deemed necessary. This is essentially the test given in the Agricultural Adjustment Administration for nonclassified positions.

I shall not vote for any extension of the classified civil service unless there is vested in the Chief Executive ample power to protect policy-forming positions, to the end that the President as well as the heads of the several executive departments and independent governmental establishments may have in key positions persons who are in full accord and sympathy with the aims, purposes, and ambitions of the administration, be it Democratic or Republican. On the administration in power rests the responsibility for carrying out its program and policies; and I shall oppose any extension of the classified service which would deny the appointing power sufficient latitude to enable him to secure both loyalty and efficiency on the part of those who execute the administrative program. There can be a merit system such as has existed in the Department of Agriculture under the able leadership of Henry A. Wallace and Chester C. Davis without the positions necessarily being in the classified civil service.

We may have the best form of government in the world and a poor personnel functioning under that form, and we will have poor government; or we may have a poor form of government and a good personnel functioning under such form, and we will have good government. In other words, I fully agree with Alexander Pope in his Essay on Man when he wrote:

> For forms of government let fools contest;
> Whate'er is best administer'd is best.

BOUNDARY LINE BETWEEN DISTRICT OF COLUMBIA AND VIRGINIA

Mr. ROBINSON. Mr. President, I ask unanimous consent for the present consideration of Order of Business 308, House Joint Resolution 134, the proposal to continue for 9 months the commission for determining the boundary line between the District of Columbia and the State of Virginia. I will state that the authorization is $10,000, which is necessary for the purpose of enabling the commission to complete its labors.

Mr. McNARY. Mr. President, let me ask the Senator the reason for taking up the joint resolution out of order.

Mr. ROBINSON. The commission's time has expired, and it is unable to function further until his measure is passed.

Mr. McNARY. Has the joint resolution been reported favorably by the committee?

Mr. ROBINSON. It has passed the House of Representatives and has been unanimously reported by the Senate Committee on the District of Columbia. The chairman of the committee had expected to call up the joint resolution for consideration at this time, but he is not present.

Mr. McNARY. I have no objection to the consideration of the joint resolution, in view of the statement made by the Senator from Arkansas.

There being no objection, the joint resolution (H. J. Res. 134) to continue the commission for determining the boundary line between the District of Columbia and the State of Virginia for not to exceed 9 additional months, and to authorize not to exceed $10,000 additional funds for its expenses was considered, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That the commission to determine the boundary line between the District of Columbia and the State of Virginia created under the act entitled "An act to provide for the appointment of a commission to establish the boundary line between the District of Columbia and the Commonwealth of Virginia", approved March 21, 1934 (48 Stat. 453), as constituted on the date of enactment of this resolution, shall continue to function under such act until the completion of its report, but not after December 1, 1935.

SEC. 2. For the purpose of carrying out the provisions of such act and the payment of salaries and compensation under such act, the sum of $10,000 is hereby authorized to be appropriated in addition to any sums authorized prior to the date of enactment of this resolution.

EXECUTIVE SESSION

Mr. GLASS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. LEWIS in the chair) laid before the Senate messages from the President of the United States submitting a nomination and a convention, which were referred to the appropriate committees.

(For nomination this day received see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the nominations of John P. Hurley, of New York, and David B. Macgowan, of Tennessee, now Foreign Service officers of class 3 and consuls, to be consuls general.

Mr. KING, from the Committee on the Judiciary, reported favorably the nomination of Clifton Mathews, of Arizona, to

be United States circuit judge, ninth circuit, to succeed William H. Sawtelle, deceased.

Mr. LOGAN, from the Committee on the Judiciary, reported favorably the nomination of John M. Moore, of Kentucky, to be United States marshal, eastern district of Kentucky, to succeed James H. Hammons, term expired.

Mr. BARKLEY, from the Committee on the Library, reported favorably the nomination of Robert D. W. Connor, of North Carolina, to be Archivist of the United States, to which office he was appointed during the last recess of the Senate.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

RECONSTRUCTION FINANCE CORPORATION

The PRESIDING OFFICER. The calendar is in order.

The Chief Clerk read the nomination of Charles T. Fisher, Jr., of Michigan, to be a member of the Board of Directors of the Reconstruction Finance Corporation.

Mr. McNARY. Mr. President, information reached me a few moments ago through the assistant secretary of the minority, Mr. Foster, that the Senator from Delaware [Mr. HASTINGS] could not be present at this time, and asked that the nomination go over for the day. I make this statement because the information reached me only a short time ago.

Mr. VANDENBERG. Mr. President, I assume it is reasonable to ask for one further day's delay in the consideration if any Senator seeks it, but I should like to give notice that I shall resist any further effort to postpone action on the nomination, because there is not one reason on earth why it should not be confirmed.

The PRESIDING OFFICER. On request of the Senator from Oregon, the nomination will go over.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc. That completes the calendar.

CLIFTON MATHEWS

Mr. KING. Mr. President, I was instructed this morning by the Judiciary Committee to report favorably the nomination of Clifton Mathews, of Arizona, to be United States circuit judge, ninth circuit, to succeed William H. Sawtelle, deceased. The Senator from Delaware [Mr. HASTINGS] is a member of the Subcommittee on the Judiciary which passed upon the nomination. It is a unanimous report, and there is no objection. Judge Sawtelle died some time ago, and there is a vacancy which ought to be filled promptly.

Mr. McNARY. Mr. President, did the committee act on the nomination favorably?

Mr. KING. Yes; the committee acted upon it favorably today. It was referred to the subcommittee last week and the subcommittee considered it very fully. I ask unanimous consent for the immediate consideration of the nomination.

Mr. McNARY. Mr. President, I do not think anything has been said by the Senator from Utah that would indicate an emergency. In view of that situation I think the nomination should go over.

Mr. KING. Very well; I withdraw the request.

The PRESIDING OFFICER. The nomination will be placed on the calendar.

RECESS

Mr. GLASS. Mr. President, as in legislative session, it is now my purpose to move a recess until 12 o'clock noon tomorrow, but I wish to give notice that hereafter I am going to ask the Senate to remain in session until a reasonably late hour and try to dispose of the amendments to the joint resolution. I shall ask the Senate to remain in session until at least 6 o'clock, and possibly later.

I now move, as in legislative session, that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 45 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Tuesday, March 19, 1935, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate March 18 (legislative day of Mar. 13), 1935

SOLICITOR GENERAL

Stanley Reed, of Kentucky, to be Solicitor General, vice James Crawford Biggs, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 18 (legislative day of Mar. 13), 1935

POSTMASTERS

ARKANSAS

Author M. Steele, Gentry.
Will A. Bostick, Van Buren.

KENTUCKY

William T. Carlin, Bucchel.
Ruby V. Vaughn, Clay.
John A. Goodman, Elkton.
Joe R. Richardson, Glasgow.

MICHIGAN

Frank E. Kroc, Alanson.
Henry W. Boyle, Bark River.
Mayme Arnestad, Marenisco.
John C. Vaughan, Trout Creek.

NEBRASKA

John F. McGill, Center.
George J. Scott, Crawford.
Albert J. Nacke, Hebron.
George D. Parker, Johnson.
Herman Stahly, Milford.
Mable A. Foreman, Palmyra.
Charles J. Mullaney, Walthill.

NEW YORK

Glen H. Smith, Mexico.

TEXAS

James C. Erwin, Alto.
Luther G. Porter, Bangs.
Albert P. Hinton, Columbus.
Anton C. Mussil, Granger.
Fred M. Carrington, Marquez.
Robert H. Patterson, Mullin.

VERMONT

Daniel P. Healy, White River Junction.

WASHINGTON

Fred E. Booth, Castle Rock.
Edith M. Lindgren, Cosmopolis.
Lonnie L. Grant, Langley.
Leonard McCleary, McCleary.
Leon L. Stock, Marysville.
Peyton B. Hoover, Rochester.
Raymond M. Badger, Winthrop.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 18, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Shepherd and Bishop of our souls, Thou hast again opened Thine hand and showered blessings upon us. We pray that we may show our gratitude to Thee by serving wisely and lovingly our country and our homes. By the breath of Heaven and the currents of earth, forever hold us

from the cruel sin of ingratitude, which wrings suffering hearts and freezes the finest emotions of the human breast. Blessed Lord, keep our faith in men undimmed, and may we pour into them the spirit of a conquering life, which is the supreme chivalry of earth. Heavenly Father, be merciful to deliver us from the misunderstandings, the misrepresentations, and the exasperations which poison life. Give to all who thus suffer, beauty for ashes, the oil of joy for mourning, and the garment of praise for the spirit of heaviness. Guide all who wander; give certitude to the oppressed and help to all who are perplexed. O let love do its perfect work, and Thine shall be the praise forever. Amen.

The Journal of the proceedings of Friday, March 15, 1935, was read and approved.

CASIMIR PULASKI

Mr. PETTENGILL. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 107, authorizing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

This is a matter in which at least 75 Members of the House are interested and there is no opposition that I know of, and I hope there will be no objection to this request.

The Clerk read the title of the joint resolution.

Mr. SNELL. Mr. Speaker, reserving the right to object, from what committee does this joint resolution come?

The SPEAKER. From the Committee on the Judiciary.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, I understand this bill is on the Consent Calendar, which is to be called this afternoon, and while I am in favor of the bill——

Mr. SNELL. I think I am, too.

Mr. O'CONNOR. I do not think this unusual procedure should be followed. A large number of people are in favor of the measure, and if it is not reached on the call of the Consent Calendar this afternoon I would be in favor of one of the advocates of the bill calling it up before we adjourn tonight. There are a number of people who have worked on this bill for years around here, but I do not think this unusual procedure should be followed.

Mr. PETTENGILL. It will only take 2 or 3 minutes to dispose of it.

Mr. SNELL. If we start this procedure we will have to follow it for some other request.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, I would call attention to the fact there is legislation pending making Armistice Day, November 11, a proper holiday, and I see no reason why this measure should take precedence over that one. I think we should pass legislation declaring November 11 a proper holiday.

Mr. PETTENGILL. I will go along with the gentleman. The gentleman and I can agree very nicely about that.

Mr. McFARLANE. I see no reason why this measure should go ahead of that one.

Mr. DUFFEY of Ohio. Mr. Speaker, reserving the right to object, this matter has been before the Committee on the Judiciary. Is the gentleman a member of the Committee on the Judiciary and by what authority has he submitted this request?

Mr. PETTENGILL. I am not a member of the Committee on the Judiciary, but in two previous Congresses I have moved the adoption of a similar resolution. This is a duplicate of a bill of my own. The one on the calendar is that of the gentleman from Connecticut [Mr. CITRON], and I am calling up his bill with his approval.

Mr. DUFFEY of Ohio. I may say that this procedure has not been authorized by the Committee on the Judiciary.

Mr. MICHENER. Mr. Speaker, reserving the right to object, this bill has been reported out and there is also a measure to celebrate Leif Ericson Day and five or six more bills of a similar character.

Mr. Speaker, this bill provides for this celebration for 1 year. A similar bill was passed in the last Congress for last year. If we are going to continue this custom, why not make all these occasions national holidays and have the flag up all the time, rather than just passing a bill each year the purpose of which is political in character? I think if the matter is worthy of being brought up and being made permanent, that is one thing, but I do object to bringing up these bills each year for political effect. If we are going to bring them up for political effect, let us bring them up just in the election years; or if it is proper in all years, let us make it permanent. I do not want to object, but I want the House to think about this.

Mr. JENKINS of Ohio. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JENKINS of Ohio. I should like to know what we are trying to do here.

The SPEAKER. The gentleman from Indiana has asked unanimous consent for the immediate consideration of a joint resolution which the Clerk has reported.

Mr. JENKINS of Ohio. Is this bill on the Consent Calendar?

The SPEAKER. It is.

Mr. JENKINS of Ohio. Why take up any measures on the Consent Calendar out of order? Under a reservation of the right to object, I would like to submit this question to the gentleman.

Mr. PETTENGILL. If I may say so, a number of Members who are interested in this particular resolution want to be on the floor at the time it is brought up and I asked the Speaker if he would recognize me at this time and we have notified these Members to be present, so far as we could, and that is the reason for the request at this time.

Mr. JENKINS of Ohio. Mr. Speaker, I object.

Mr. PETTENGILL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. PETTENGILL. Mr. Speaker, will this joint resolution be in order at the end of the day after the disposition of the cotton bill?

The SPEAKER. If the Consent Calendar is reached, it will be in order when reached on that calendar, and it will also be in order at any time during the day for the gentleman to renew his request.

Mr. JENKINS of Ohio. Mr. Speaker, I do not want to work any hardship on anybody here and if there is any special reason why this matter should come up out of order I shall withdraw my objection, but my position, as one who defends the Consent Calendar on this side, is that I think these things should come up in their order. This bill is on the calendar and so far as I know on our side there is no objection to it, and my only purpose in objecting is to protest the consideration of the calendar in the regular way.

Mr. PETTENGILL. The gentleman, perhaps, has not been receiving the large number of telegrams that others have received from Polish-American organizations all over the United States trying to get this measure disposed of today.

The SPEAKER. Objection is heard.

PERMISSION TO ADDRESS THE HOUSE

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to make a statement for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, I have asked for this minute to explain in advance the unanimous-consent request I am going to prefer after the minute expires. It is to take up a bill to confer the Congressional Medal of Honor upon Gen. Adolphus Washington Greely, who 1 week from tomorrow will be 91 years old.

That bill is on the Private Calendar and therefore cannot be put on the Consent Calendar, and we wish the bill to pass the House today. I believe it can be passed by the Senate tomorrow, and I have the assurance of the floor leader of the Senate that he will be glad to try to pass it, with the Senate's consent, and it can be passed and approved by the President by the ninety-first birthday of that grand old hero who first

explored the Arctic regions, and present him with the medal of honor so long past due.

I therefore, Mr. Speaker, ask unanimous consent that the bill (H. R. 5322) authorizing the President of the United States to present in the name of Congress a Medal of Honor to Maj. Gen. Adolphus Washington Greely be taken up for immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. SNELL. As I understand from the reading of the bill, it does not carry any provision giving him the privileges of the floor—and probably a man 91 years old would not exercise that privilege. But it is the principle that I am interested in.

Mr. McSWAIN. I beg to assure the gentleman that I have investigated the rule and this does not confer the thanks of Congress, but simply confers the Congressional Medal of Honor.

Mr. REED of New York. Reserving the right to object, and I shall not object, I was wondering why this bill, if on the Consent Calendar, should be taken up at this time.

Mr. McSWAIN. It is not on the Consent Calendar, and cannot be, because it is on the Private Calendar.

Mr. MARTIN of Massachusetts. Reserving the right to object, and I am not going to object, I want to commend the gentleman from South Carolina for bringing in this bill. General Greely is a native of Massachusetts and a noted explorer.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized to present in the name of Congress a medal of honor to Maj. Gen. Adolphus Washington Greely, United States Army, retired, for his life of splendid public service, begun on March 27, 1844, having enlisted as a private in the United States Army on July 26, 1861, and by successive promotions was commissioned as major general February 10, 1906, and retired by operation of law on his sixty-fourth birthday.

Under leave to extend his remarks, Mr. McSWAIN offers the report of the Committee on Military Affairs on H. R. 5322, for printing in the RECORD, giving detailed information concerning the public services of General Greely:

The Committee on Military Affairs, to whom was referred the bill (H. R. 5322) authorizing the President of the United States to present in the name of Congress a medal of honor to Maj. Gen. Adolphus Washington Greely, having considered the same, submit the following report thereon with the recommendation that it do pass.

The following is a statement of the military service of Gen. Adolphus Washington Greely:

WAR DEPARTMENT,
THE ADJUTANT GENERAL'S OFFICE,
Washington, January 28, 1935.

STATEMENT OF THE MILITARY SERVICE OF ADOLPHUS WASHINGTON GREELY

Born in Newburyport, Mass., March 27, 1844. Appointed from Louisiana, private, corporal, and first sergeant, Company B, Nineteenth Massachusetts Infantry, July 26, 1861, to March 18, 1863; second lieutenant, Eighty-first United States Colored Infantry, March 18, 1863; first lieutenant, Eighty-first United States Colored Infantry, April 14, 1864; captain, Eighty-first United States Colored Infantry, March 26, 1865; honorably mustered out, March 22, 1867; second lieutenant, Thirty-sixth United States Infantry, March 7, 1867; accepted, May 20, 1867; unassigned, May 19, 1869; transferred to Fifth Cavalry, July 14, 1869; first lieutenant, Fifth Cavalry, May 27, 1873; captain, June 11, 1886; brigadier general, Chief Signal Officer, March 3, 1887; accepted, March 8, 1887; major general, February 10, 1906; accepted, February 10, 1906; retired, March 27, 1908. (By operation of law, sec. 1, act June 30, 1882.)

VOLUNTEER RECORD

He entered the service as a private in Company B, Nineteenth Massachusetts Infantry, July 26, 1861; was promoted corporal, May 15, 1862, and first sergeant, January 1, 1863.

He served with his regiment in the Army of the Potomac until wounded at the Battle of Antietam, Md., September 17, 1862; was absent on account of wound to November 1862, and with his regiment to March 18, 1863, when he was mustered in as second lieutenant, Eighty-first United States Colored Troops; was promoted first lieutenant, April 26, 1864, and captain, April 4, 1865.

He received the brevet of major of Volunteers March 13, 1865, "for faithful and meritorious services during the war."

He served with his regiment, Eighty-first United States Colored Infantry, in the Department of the Gulf (being on sick leave from Oct. 6 to Nov. 15, 1864) until his muster out of service, November 30, 1866, and was then retained in service on detached duty in New Orleans, La., to March 22, 1867, when honorably mustered out.

REGULAR ARMY SERVICE

He joined his company August 7, 1867, and served with it at Fort Bridger, Wyo., from August 7, 1867, to November 1867, and at Fort Douglas, Utah, to October 8, 1868; was on duty as Acting Signal Officer, in the office of the Chief Signal Officer, Washington, D. C., to March 29, 1869, and as Chief Signal Officer, Department of the Platte, to March 8, 1871. He joined the Fifth Cavalry March 15, 1871, and served with it at Fort Laramie, Wyo., to July 15, 1871. He was on duty in the office of the Chief Signal Officer, Washington, D. C., from July 29, 1871, to June 19, 1881. While on this assignment he was absent on signal duty, tours of inspection, etc., as follows: February 17 to November 19, 1873, December 1, 1873, to August 25, 1874; September 28 to December 2, 1874; December 3, 1874, to March 13, 1875; in charge of military telegraph line, Denison, Tex., March 26, 1875, to May 24, 1876, and on leave of absence to November 24, 1876; February 5, 1877, to January 1878; at St. Paul, Minn., and Bismarck, Dakota Territory, June 6, 1878, to January 6, 1879. He commanded the Lady Franklin Bay Expedition from June 20, 1881, sailing from St. Johns, Newfoundland, July 4, until rescued by the expedition under the command of Captain Schley, United States Navy, near Cape Sabine, June 22, 1884; landed at St. Johns, Newfoundland, July 17, 1884; on temporary duty at Portsmouth, N. H., August 1 to October 6, 1884, and was on sick leave to November 22, 1884, when he returned to duty in the office, Chief Signal Officer, Washington, D. C., where he served until December 13, 1886; in charge of the office of the Chief Signal Officer, to March 7, 1887; Chief Signal Officer and in charge of War Department library, March 8, 1887, to February 10, 1906, being on various occasions on detached service abroad. He visited Cuba March 25 to April 11, 1899; attended a meeting of the National Geographic Society at Berlin, Germany, September 14 to October 14, 1899; in the Philippine Islands, Japan, England, and France, on special service, May 24 to November 7, 1901; Alaska, in connection with Alaska cable, June 27 to August 15, 1902; in London, England, attending International Telegraphic Congress, May 12 to June 14, 1903; Berlin, Germany, Conference on Wireless Telegraphy, July 22 to August 29, 1903; in Alaska and Ottawa, Canada, June 14 to August 15, 1904; Berlin, Germany, on public business, August 20 to September 7, 1904.

He was frequently on detached service to various points in the United States in connection with the duties of his office, the installation of electrical equipment for the use of the Army, and the laying of cables.

Following his appointment as a major general, he was on special duty in the office of the Chief of Staff to February 13, 1906; commanding the Division of the Pacific March 9, 1906, to (temporarily commanding the Department of Columbia, July 24 to Aug. 3, 1906, and the Department of California, July 26 to Aug. 2, 1906) August 7, 1906; on leave of absence to September 9, 1906; commanding the Northern Division at St. Louis, Mo., from September 16, 1906, to (temporarily commanding Department of Dakota, Sept. 16 to Oct. 2, 1906; Department of Missouri, Oct. 3-29, 1906, Department of Missouri, Dec. 5, 1906, to May 21, 1907) November 13, 1906. He was in charge of the relief work of the Army following the San Francisco earthquake after April 22, 1906. He was in command of the Northern Division, Chicago, Ill., to July 7, 1907; Vancouver Barracks, Wash., commanding Department of Columbia, to December 10, 1907; St. Paul, Minn., commanding the Department of Dakota, December 11-24, 1907; on leave of absence from December 25, 1907, to the date of his retirement.

He was designated to represent the War Department to assist His Excellency John Hays Hammond, Ambassador Extraordinary, at the coronation of King George V of England, in June 1911.

General Greely was awarded the Purple Heart with oak-leaf cluster on account of wounds received in action June 30, 1862, at Battle of Glendale, Va., and September 17, 1862, at Battle of Antietam, Md., while serving as a corporal, Company B, Nineteenth Regiment of Massachusetts Volunteer Infantry. Silver Coronation Medal of Great Britain, 1911.

General Greely is still on the retired list of the Army. Latest address, 3131 O Street NW., Washington, D. C.

By authority of the Secretary of War:

[SEAL] JAMES F. McKINLEY,
Major General,
The Adjutant General

The following concerning Maj. Gen. Adolphus Washington Greely is taken from Who's Who in America, 1934-35, volume 18:

"Maj. Gen. Adolphus Washington Greely, United States Army; born, Newburyport, Mass., March 27, 1844; son of John Balch and Frances (Cobb) Greely; graduated Newburyport High School, 1860, married Henrietta H. C. Nesmith, June 20, 1878; children—Antoinette, Adola, John Nesmith, Rose Ishbel, Adolphus W., Gertrude Gale. Served in Civil War, 1861–65, private to captain, and received the brevet of major of volunteers (thrice wounded); appointed second lieutenant, Thirty-sixth United States Infantry, March 7, 1867; first lieutenant, Fifth Cavalry, May 27, 1873; captain, June 11, 1886; brigadier general, Chief Signal Officer, United States Army, March 3, 1887; major general, February 10, 1906. First volunteer private soldier of Civil War to reach grade of brigadier general, United States Army. Constructed 2,000 miles military telegraph in Texas, Dakota, and Montana, 1876–79, in pursuance of recommendation of Hamburg International Geographical Congress (1879) was placed, 1881, in command of United States expedi-

tion to establish 1 of a chain of 13 circumpolar stations; his party of 25 reached farther north (83°24') than any previous record; discovered new land north of Greenland and crossed Grinnell Land to the Polar Sea; 2 relief expeditions failed to reach the party, which retreated south to Cape Sabine, where, relief still failing, the party largely perished of starvation, only 7 survivors being found by third expedition under Capt. Winfield S. Schley.

"During military operations abroad (1898–1902) there were built and operated under his direction 1,000 miles of telegraph in Puerto Rico, 3,800 miles in Cuba, 250 miles in China, and 13,500 miles of lines and cables in Philippine Islands; installed system of 3,900 miles of telegraph lines, submarine cables, and wireless in Alaska, 1900, 1904, the wireless section of 107 miles, from Nome to St. Michael, being the first successful long-distance wireless operated regularly as part of a commercial system. Member of board to regulate wireless telegraphy in United States, 1904; member of board to report on coast defenses of United States, 1905; United States delegate to International Telegraph Conference, London, 1903; and International Wireless Telegraph Conference, Berlin, 1903. Commanding Pacific Division and in charge relief operations, San Francisco earthquake sufferers, April–August 1906; commanding Northern Division, 1906; Department of Columbia, 1907; retired by operation of law, 1908. Gold medalist, Royal, American, and French Geographic Societies.

"Author of Isothermal Lines of the United States, 1881; Chronological List of Auroras, 1881; Diurnal Fluctuations of Barometric Pressure, 1891; Three Years of Arctic Service, two volumes, 1885; Proceedings of Lady Franklin Bay Expedition, 1888; American Weather, 1890; American Explorers, 1894; Handbook of Arctic Discoveries, 1896; Rainfall of Western States and Territories, 1888; Climate of Oregon and Washington, 1889; Climate of Nebraska, 1890; Climatology of Arid Region, 1891; Climate of Texas, 1891; Public Documents First Fourteen Congresses of United States, 1900; Handbook of Polar Discoveries, 1909; Handbook of Alaska, 1925; True Tales of Arctic Heroism, 1912; Reminiscences of Travel and Adventure, 1927; Polar Regions in Twentieth Century, 1928; Representative United States of America at Coronation of George V of England, 1911.

"Address, Cosmos Club, Washington, D. C."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. MCSWAIN, a motion to reconsider the vote whereby the bill was passed was laid on the table.

PAYMENT OF WORLD WAR ADJUSTED-SERVICE CERTIFICATES

Mr. O'CONNOR, Chairman of the Committee on Rules, by direction of that committee, reported the following rule, which was read, referred to the House Calendar, and ordered printed:

House Resolution 165

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 3896, "A bill to provide for the immediate payment of World War adjusted-service certificates, to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes"; and all points of order against said bill are hereby waived; that after general debate, which shall be confined to the bill and continue not to exceed 10 hours, to be evenly divided and controlled by the chairman and ranking minority members of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider as substitute amendments for the bill any such amendments that relate to the payment of World War adjusted-service certificates, and such substitute amendments shall be in order, any rule of the House to the contrary notwithstanding. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except two motions to recommit, with or without instructions: *Provided, however*, That if the instructions in such motions relate to the payment of World War adjusted-service certificates, they shall be in order, any rule of the House to the contrary notwithstanding.

WE THE PEOPLE

Mr. LEE of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address which I made at Martinsburg, W. Va., to the Old Hickory Club on the anniversary of the birth of Andrew Jackson.

The SPEAKER. Is there objection?

There was no objection.

Mr. LEE of Oklahoma. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered at Martinsburg, W. Va., March 15, 1935, before the Old Hickory Club, on the occasion of the anniversary of the birth of Andrew Jackson at the annual Jackson Day dinner:

Richard Henry Lee made a motion that the Colonies declare their independence. Thomas Jefferson reduced that motion to writing, which is now a venerable document, and Gen. George Washington and the colonial troops made it effective.

The Revolution itself was a democratic movement. Its controlling motive was stimulated by democratic ideas. All of the typical Revolutionary utterances breathe throughout the spirit of democracy. This spirit is the essential and living element in the Declaration of Independence.

Then there came the Constitutional Convention, and from it the Constitution. In the very first words of that great document we see the influence of this formulating, crystallizing democracy. How does the preamble begin? Being the supreme law of the land, it must begin by naming the authority from whence it came. Since all just power comes from the consent of the governed, the preamble to the Constitution begins by naming this fountainhead from which power emanates. It begins with these thrilling words of democracy: "We, the people * * *"—"We, the people of the United States * * * do ordain and establish this Constitution."

Not George Washington, not Benjamin Franklin, not Alexander Hamilton, but "We, the people."

It was not "I, the king", nor "I, the prince", nor "I, the czar", nor, "I, the mikado", nor "I, the emperor", but "We, the people."

At the beginning of Washington's administration the wealthy, aristocratic classes were in control. Alexander Hamilton, a Federalist, was Secretary of the Treasury. He set to work to establish a moneyed aristocracy as the permanent ally of the Government.

This tendency of the new government toward a plutocracy crystalized the opposition, thus unifying the Democratic feeling throughout the States, thereby formulating the national Democratic Party. The leader and founder of this new party was Thomas Jefferson.

This Democratic wave spread rapidly through the States. Opposition to the aristocratic principles of the Federalists, who were the Republicans of that day, increased. Hamilton wanted to make a great imperialistic nation of pomp and glory and pageantry and ceremony and paraphernalia and titles, and regalia. But the wave of opposition grew and spread, until by 1800 it had engulfed and completely annihilated the Federalist Party. It was as dead as a door nail and Thomas Jefferson was in the saddle.

Yes, sir; Thomas Jefferson, the champion of the Democratic cause, was at the helm of the ship of state. He came from one of the first families of Virginia. Wealthy and blue-blooded—an aristocrat by birth, but a Democrat by choice. He wrote the Declaration of Independence, which is the charter of the Democratic Party and the first public document of the Democratic movement.

Thomas Jefferson was the indirect author of the first 10 amendments, the Bill of Rights, the 10 torches of liberty.

Thomas Jefferson alone and single-handed destroyed the ancient law of primogenitor, which gave to the first born male all of the inheritance. "Give me one reason," said Jefferson, "why the first-born male child should have any more of the inheritance than the other children." And that one reason has not been given to this day. Jefferson, therefore, destroyed in this country that undemocratic law of primogenitor.

Hamilton would make the Union great and glorious, but Jefferson would make every citizen strong and free. Education hitherto was only for the rich, but Jefferson established the University of Virginia, the first State institution of its kind. He placed the jam and cookies on the lower shelf so every person could reach them, regardless of whether he was rich or poor.

These are the things that Jefferson stood for. These are the same principles that the same Democratic Party stands for today. And when I get to thinking of the virtue of these great doctrines, I feel like the mouse in the cellar. There was a keg of well-seasoned rye whisky, a little of it was dripping from the spigot. The mouse caught a few of these drops and then backed up against the keg and said, "Now bring on that ol' cat!"

When I dip into the fountain of democracy and drink anew from its inspiring stream I can back up against those principles and say, "Now bring on that old wolf of Wall Street, for who is afraid of the big, bad wolf!"

Then as the new Nation developed there came the era of good feeling, and the once dead Federalist or Republican Party began to show signs of life again. Gradually it revived. There grew up a clamor for more parade in government. Thus the Republicans regained control of the Government and began to use its power for special privileges. The commercial and industrial interests began to ask for laws favorable to them.

But a man came out of the West—it was the West then—a pioneer, as hard as the hickory with which he grew, a representative of "the plain people." Andrew Jackson, the lion of democracy, was in the saddle, and,—excuse the slang—but what I mean, he was in the saddle.

He spurred them in the shoulder, he spurred them in the flank, he rouled them on the ribs, and he whipped them over the head with the bridle. He turned those fat-handed, chronic, perpetual officeholders out by the droves; he cleaned the White House from attic to basement. He cleaned the Capitol from floor page to gallery loafer; and he went out among the pioneers and the plain common people, and he collected a bunch of the hornyhanded old Democrat boys and turned them in on the clover. He turned out the blue blood and turned in the red bloods. He decreased the economic advantage of the New England merchants and

increased the chances of the southern and western farmers and traders and trappers and woodcutters.

Jackson didn't wait for opportunities; he made them. He made them! At New Orleans he did not sit down and wring his hands and say, "This is a psychological situation. If I only had a good steel breastwork, I could meet the enemy." He built a breastwork of cotton bales and, in one of the bloodiest battles ever fought in history, defeated General Packingham, who outnumbered him 3 to 1.

With Jackson we see the second demise of the now Republican Party. Again it was as dead as a doornail. Were that party built upon principles as eternal as those that underlie the Democratic faith, it would not have so many funerals.

Pardon me, friends, if I seem to lean toward the Democratic faith; you see, my father's name was Thomas Jefferson Lee; my name is Joshua Bryan Lee.

I was rocked in a Democratic cradle,
I was fed on Democratic food,
I was spanked with a Democratic paddle,
And raised in a Democratic brood.

So please make allowance for my bursts of enthusiasm. Those truths that underlie the Democratic Party are eternal.

What has this party done? I can only hit the high spots. The following territories have been added to the United States under Democratic administrations:

The Louisiana Purchase was made by Jefferson in 1803. Florida purchased in 1819. Texas annexation in 1845. Oregon Treaty in 1846. Mexican cession in 1848. Gadsden Purchase in 1853.

The Louisiana Purchase was of far-reaching importance. It was prompted purely by a democratic motive. Spain had control of the lower Mississippi River and collected high tolls from the farmers and fur traders of the Missouri River Basin. Spain wanted to purchase this land from Napoleon to complete her control of the river. The merchants of the East opposed the United States purchase of this territory, because, first, it would anger Spain and they would lose much of her trade; and, second, if Spain closed the Mississippi to the farmers and fur traders of the basin, they would be forced to send their produce through the eastern markets. Therefore, the Democratic administration cast the ballot in favor of the pioneer and the farmer. Jefferson, by the Louisiana Purchase, kept the river for the United States and made possible our western expansion.

The following are the States that have been carved altogether or in part from land acquired under the Democratic administrations:

Montana, Nebraska, North Dakota, South Dakota, Minnesota, Iowa, Wyoming, Colorado, Oklahoma, Kansas, Florida, Missouri, Arkansas, Louisiana, Mississippi, California, Nevada, Arizona, New Mexico, Texas, Washington, and Oregon.

The States that have been admitted under the Democratic administrations are:

	Year
Ohio	1803
Indiana	1816
Mississippi	1817
Illinois	1818
Alabama	1819
Maine	1820
Michigan	1837
Iowa	1846
Wisconsin	1848
Utah	1896

The Republican Party comes to life only in periods of peace and prosperity; but when there is a national crisis to meet, the people turn to the party of Jefferson and Jackson.

When foreign nations threatened to gain footing on the American Continent it was a Democratic President who announced the bold and daring Monroe Doctrine under whose sheltering protection the Latin American Republics have grown free and prosperous.

When foreign nations were destroying our marine commerce it was a Democratic administration that waged and won the War of 1812.

It was a Democratic administration that fought the Blackhawk War.

It was a Democratic administration that reached a long arm across the ocean and hacked the steel from the mailed fist of Germany and offered open-handed justice to the world.

And, finally, in this depression, the greatest crisis of all, the people have turned once again to the Democratic Party.

Do you remember those last hectic days under Mr. Hoover? Now Mr. Hoover comes out of the storm cellar in his new book and says there wasn't any storm. Do you remember those last 3 months under his administration? The soup lines lengthened. Communism was knocking at our door; foreclosures on every hand. There were food riots. The feet of the unemployed wore down the grass in our public parks. The wolf of hunger crouched at a million doors.

One morning you picked up the paper and read where the banks in Arkansas closed. Next the banks in California went; and Minnesota followed with her bank holiday. Then Ohio closed, then Michigan, then New York. People stood around on the street corners and whispered to each other: "What is going to happen to our Government? Is our Constitution going to stand? Will our Government endure?" Joseph Stalin, in Russia, laughed up his sleeve. Adolf Hitler, in Germany, pointed to the United States as an example of the failure of Democratic government.

But in that critical hour there arose a clarion voice calling the people to a crusade, a crusade against selfishness; a crusade for "the forgotten man", a crusade for human rights above property rights. That means but one person, that spells but one name: Roosevelt!

The same democratic spirit with the same lion-hearted leadership is typified by Roosevelt in his crusade for "the forgotten man" that was expressed by Jackson in his fight for "the plain people." No matter whether that leadership has come from the hermitage of Tennessee, or from Hyde Park of New York, it has been motivated by the one purpose of returning this Government to the people who ordained and established its Constitution.

COMMUNISTIC PROPAGANDA

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOUSTON. Mr. Speaker, for several years we have witnessed the efforts of patriotic Americans to end the dissemination of subversive, communistic propaganda. Many of the earnest men and women who engaged in this fine work did not find it easy to carry on amid the cynical attitudes of those who derided the possible dangers which could be seen only by those familiar with the situation.

However, in the course of the past 3 or 4 years, investigations conducted by the House and various other inquiries have established the fact that there exists real danger in these activities.

It has been proven that undesirable aliens not only foment strikes and disorder, but also deprive native-born citizens of employment. And the outrages committed against our American institutions both by words and deeds leave no doubt that drastic action is necessary and cannot longer be delayed.

The chief offender, as a body, is the Communist Party.

The evidence is in. Indictments on several counts have been returned. All that remains to be done is the pronouncement of sentence upon the culprit—this enemy of our organized society under our cherished and free democratic government.

The Communist Party in the United States is not a national political party in the sense that it strives to bring about changed conditions for the common man. Rather, this party enters a national ticket for the sole purpose of publicizing their group and bringing together the various malcontents and unbalanced minds which, unfortunately, are present everywhere.

The 25,000 enrolled members of the Communist International cannot by any stretch of the imagination be compared with the established party organizations maintained by the other political groups which participate in orderly elections in this country. Peaceful debate based upon intelligent principles is not to be found anywhere in their literature. Force, violence, and bloodshed are their watchwords.

Now, Mr. Speaker, no man is more concerned than I with the sanctity of our Constitution and the laws which have been established thereunder. It has been and is now contended that there is danger of violating the free-speech clause of the first amendment to the Constitution when we enact legislation to prevent the advocacy of the overthrow of our Government by force or the teaching of communistic doctrine in our schools. Those who make such contentions are no doubt correct; but there is nowhere any justification for failing to make mandatory the deportation of alien criminals. As a matter of fact, we already have, as you well know, in the act of June 5, 1920, sufficient legislative power to deport undesirable alien Communists. And here we come upon a singular situation, which I almost hesitate to point out. This situation involves the following purported facts:

First. The center of communistic agitation in New York City, where permits for parades and demonstrations are obtained with ease. At the call of their leaders, thousands of reds can be assembled in Union Square within a few hours. Plans hatched here are executed in the fruit-growing centers of California and the mines of Alabama; among the dock workers of San Francisco and in the cotton fields of the South. If the gathering of Communists in other great metropolitan centers is as nothing compared to New York, why cannot this foremost city of the world—and of which we are

all proud—why cannot this city also keep these exhibitionists from parading themselves before gullible workers?

Second. Is there any significance in the fact that our admirable and otherwise efficient Secretary of Labor comes to us from the great State of New York? I hope not, for if the two facts here recited can be said to be linked together, then the greatest responsibility for un-American activities in the United States may be laid at the threshold of New York City.

I am not attempting to impugn the honor and integrity of either the State or the city of New York; nor am I seeking to embarrass the Secretary of Labor. However, do you not feel that those Members of this House who are perturbed over the rapidly increasing growth of communism should have an explanation from some responsible source as to why the Department of Labor has been so lax in enforcing the laws regarding aliens?

It has been claimed that there are at least several thousands of aliens illegally in the United States. In this connection I wish to call attention to the open letter recently addressed to the President of the United States by an organizaion known as the "American Coalition." Expecting that an excess of patriotic zeal prompted many of the allegations contained in this letter, I have made a cursory inquiry to determine the truth. Unfortunately, I am compelled to admit that, as far as I have gone, I have encountered no reason to doubt the contents of this letter. This is a very serious matter, Mr. Speaker, and I do not believe I am unreasonable in reiterating that this House should have an explanation as to why the immigration laws have not been better administered. I would not like to find it necessary to formally investigate the administration of the Labor Department. I would rather go on record as being willing to receive any explanation which might be made and to place it before the House.

Several bills have been introduced providing for the deportation of undesirable aliens and to make it a crime to advocate or promote the overthrow of government by force. I feel that such legislation is imperative and most certainly will support the proper measure when it is presented for action. In the meantime, however, let us learn, if we can, what is being done to enforce similar laws already on the statutes.

CONFERENCE OF NEW MEMBERS WITH PRESIDENT URGED

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter which I addressed to the President on March 5 last.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOEPPEL. Mr. Speaker and Members, on the various occasions on which I have met our President, I have been favorably impressed with his sincerity and honesty of purpose. As I am more interested in national recovery than I am in party politics, and as it is further my sincere belief that our most practical hope for the alleviation or elimination of the distress of our people lies with the President, I addressed a letter to him with a view to cooperating with him along the lines of what I believe to be the "voice of the people."

Without in any way criticizing the older Members of Congress, nevertheless, it is self-evident that new Members may be expected to have a more intimate and personal understanding of the problems of the people whom it is their honor to represent in the National Capitol. Fully cognizant as I am of the high character and sincerity of purpose of the more experienced Members of the House of Representatives, with whom I feel that it is a privilege to be associated, at the same time I feel that the "young blood" of the House also has a very definite contribution to make to the solution of the problems of our people. It was this conviction which prompted me to address the letter to the President, which I herewith insert in the RECORD.

For the information of the Membership, it may be well to remark that this letter was addressed to the President prior to the call which was made assembling certain Members of Congress to a conference to discuss liberalization of House rules and the enactment of liberal legislation:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 5, 1935.

His Excellency the PRESIDENT OF THE UNITED STATES,
Washington, D. C.

MY DEAR MR. PRESIDENT: In the parlance of the advertiser—even a man's best friends will not tell him. It would appear that your immediate advisers are either ignorant of the actual status of affairs or that they are reluctant to give you the facts which, as our Chief Executive, I think you should know since I am confident that you are amenable to criticism as well as to just praise, whenever such is merited.

Since my return to the Capital, I have received only three letters out of my huge mail wherein the correspondents spoke favorably of the administration. Two of these were from Democratic politicians who were looking for jobs, and the other, from a Republican who supported your views against the McCarran amendment. All other mail has been of an extremely critical nature and some, especially condemnatory, which indicates beyond a question of doubt that the people are beginning to lose confidence in your administration and in the Congress.

There are a large number of Representatives in the House who are more friendly to you and more concerned in the welfare of the Nation than their votes and activities would perhaps indicate. The newer Members of Congress, especially from the Western and Northern States, who had a battle to be elected or reelected, could give you a panoramic picture of conditions and the recent developments which would prove that you may profit if you would consult with them.

I am anxious to see your administration a success, but my correspondence from outstanding leaders and thinking men would indicate that the new deal must be lubricated with a different kind of lubricant if it is to move forward successfully. Those of us who represent the uncertain political sections of the Nation, and who, because of our brief experience as Representatives, have not as yet absorbed the veneer of indifference to the public interest, may be in a position, if called upon, to give constructive criticism which would react in your own interest as well as that of national recovery.

If you are inclined to receive a delegation of 15 or 25 of the newer Members of Congress, to obtain from them their viewpoints on the progress thus far attained and the prospects for the future, I would be pleased to suggest a list of names of such Members who wish to cooperate with you to the fullest possible extent, but who are sacrificing their own interests if they permit conditions to develop which only radical measures may counteract.

This is submitted in your interest and in the interest of our people in the hope of alleviating, as expeditiously as possible, the increasing distress which evokes the reversal of sentiment which not only I but other Members of Congress report.

I shall be pleased to cooperate with you in the furtherance of the above suggestions at any time.

With best wishes, I am

Sincerely yours,

J. H. HOEPPEL.

EUGENE G. GRACE—SUPERPATRIOT, OR WHAT?

Mr. FADDIS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FADDIS. Mr. Speaker, the attitude of Eugene G. Grace, as reflected by his statements before the Senate Munitions Committee, is more dangerous to this Nation than is all of the communistic propaganda emanating from Soviet Russia. In one breath he upheld the privilege of him and his class to extract from his nation in time of war excessive profits with which to pay ridiculously large bonuses and fat dividends; but he objected to the men who were in the danger zone asking for the one three-thousandth part of what he received. It is all too indicative of his class in their attitude toward the welfare of the Nation; whenever any of whom they regard as the proletariat expresses the desire to better his condition by fair wages, reasonable working hours, safety appliances, better living conditions, or economic security it is the "let them eat cake" attitude of the nobility of France preceding the French Revolution.

Mr. Grace is undoubtedly an able captain of industry; but evidently is a poor judge of our present national psychology. The hopes and desires of mankind cannot be forever melted in the crucible of necessity and cast in the mold of unequal distribution of profits. Pig iron and human nature are not analogous. The determination of mankind to advance is irresistible. It is like the progress of a mighty river, and although it may be temporarily held in check will eventually break forth and reach its destination. When those of the type of Mr. Grace oppose such movements as the one to take the profits out of war they only attract attention to their own provincialism which, after all, is woe-

fully limited. The Nation to him is bounded by the fences of the Bethlehem Steel Works along the Lehigh River, guarded by his private police force. Here he is king, and every human consideration is secondary to the making of steel.

Such monarchs as Mr. Grace are ever beseeching Congress for a tariff on their products under the plea that they desire to protect the American workingman from the cheap labor from abroad. What a plea, when they are the very ones who have been the most active in importing cheap foreign labor to compete with American labor in its own dooryard. With industries organized upon such a magnificent scale as ours, with our domestic supply of raw material and splendid fuel, with our network of transportation lines, with the undisputed higher standard of skill and ingenuity of our workmen American industry could easily compete with foreign industry if it were not forced to pay dividends on watered stock, outrageous salaries and bonuses to active officials, and ridiculous pensions to retired officials. What a class of people to complain of a bonus to men who have made "their breasts a barricade between their country and its foes."

WE MUST PROTECT THE LITTLE FARMER

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein some statistics from the Agricultural Department.

The SPEAKER. Is there objection?

Mr. RICH. Mr. Speaker, reserving the right to object, how much of the RECORD is going to be taken up by the statistics of the Agricultural Department?

Mr. SNYDER. About 4 or 5 inches of a single column.

The SPEAKER. Is there objection?

There was no objection.

Mr. SNYDER. Mr. Speaker, in the early part of the seventeenth century our forefathers started the agricultural and industrial development march westward across our continent. The first obstacle to overcome was that of the Indians. The second was the task of clearing off sufficient acreage for farm land on which they could raise the food products necessary for a comfortable living.

Year after year the frontier moved westward until, we might say, 1849, when the gold rush to California brought about conditions that prompted men to improve transportation, take up land grants and mineral rights in such a rapid fashion that when the nineteenth century opened our lands were practically all surveyed and available for development.

Forty or fifty years ago the great fertile fields of the Middle West produced such an abundance of corn, wheat, hay, and other major crops that it astounded the Eastern farmers. One by one the more ambitious individuals interested in farming would go West and secure acreage for homes and farms not only in the Middle West, but the great Northwest and the Southeast.

From this came a development of farm machinery, mining machinery, and lumber machinery, and when the call for a superabundance of production came with the World War we were in a position not only to furnish farm products, but equipment of all kinds that was used both at home and abroad in the great world struggle.

Mills and factories sprung up as if my magic. Coal mines, ore mines, zinc mines, copper mines, and all other mineral developments were pushed to the limit.

After the war we had a relapse of 1921, and, due to the fact that we had depleted our home storehouses very largely during the war period and the war had destroyed mills and factories of many of the European countries, we found a ready market for 6 or 7 years in furnishing food products as well as manufactured products for the rehabilitation of the institutions in the war-stricken nations. Of course, the sad part of the story is, that during the fat years 1922 to 1929, our economic and social institutions were so badly managed that when the inevitable came, the crash of 1929, our institutions were not able to function.

The fall of the Roman Empire did not have the ill effects on the people of Rome as the financial and economic crash in the United States had on our people in 1929. The financial institutions of our Nation were operating on a quicksand basis, and when they were supposed to stand up and give relief to our institutions they tottered and fell, taking with them multiplied billions of dollars that the people thought was safely stored away for the rainy days ahead.

During these fat years the people flocked from the little farms and homes to the mills and factories where high wages attracted them. They were led to believe that this production period would not only continue but expand as time went on. They were not acquainted with the facts. They did not know that we had loaned foreign countries millions to buy our products to rehabilitate their countries and that this loan would not be paid when it fell due by many of the nations who borrowed from us. The result was that the mills and factories were obliged to close down. There was no demand for our products. Men by the tens of thousands were thrown out of employment, and a large percent of them are still unemployed.

We failed to keep alive in the minds of our citizens that the only creative wealth of a nation is the wealth that comes from the ground—agricultural wealth.

I fear that our schools let down in teaching the youth of the land that a nation is only prosperous in proportion as the farmers of the Nation are prosperous. I sometimes think that we fail to keep before the mental gaze of the youth of our Nation the fundamental fact that the tillers of the soil are the bulwark of a nation at all times. Furthermore, that nations decay when industry overtaxes and domineers the agricultural interests of the people.

Mr. Speaker, in making appropriations for the several phases of agriculture we must bear in mind that the first thing to consider is the time period ahead. We must not only build so that our agricultural resources will take care of us in the immediate future, but that our building may expand in such a way that future generations will have agricultural facilities commensurate with the demands and needs of the day in which they live.

We cannot hope to hand down to our posterity agricultural facilities unless we immediately start on a broad and comprehensive program of developing our watersheds and forests. It is our duty right now, Mr. Speaker, to improve streams and build hundreds of dams and watersheds throughout the Nation. It is our duty to plant millions and millions of trees on the hillsides and slopes of our Nation in order that moisture may be stored to take care of dry seasons. Mr. Speaker, we see the folly of the plans and procedures of farming as it has been carried on in the Middle West for the last 50 years. It is now evident that the procedure was to get while the getting was good. Get everything from the soil and give nothing in return to the soil. That was the practice of 50 years. What is the result?

The drought in the Middle States was brought about largely because we did not protect our streams and plant trees. If the States of the Nation had been provided with sufficient watersheds and at appropriate places in these States millions of trees had been planted, there would have been no drought last summer in that once great fertile region.

Mr. Speaker, at this point I am reminded of the "pumper" from California who was storm stayed in a Quaker town in Pennsylvania one Saturday night. The next morning he went to the only church in the town, which happened to be a Quaker church. After a period of time the spokesman in this church arose and said, "Brethren, none of you seem to be moved by the Spirit this morning, so we will return to our homes." At this point the "pumper" from California jumped up and said, "Mr. Leader, if nobody has anything to say about the Spirit, I would like to put in a good word for California."

At this place I want to put in a word for Pennsylvania, my native State, along the line of agriculture. My fellow colleagues mean well, I am sure, but ofttimes one would judge from the remarks and debates that Pennsylvania was not

included among the great agricultural States of the Nation. Thus I ask the privilege of inserting at this point some data and statistics with reference to the major agricultural products of the Nation, comparing Pennsylvania with the other States in the production of the several farm and commodity products here enumerated.

Potatoes

State	Acreage harvested (1,000 acres)			Yield per acre (bushels)			Production (1,000 bushels)			Prices received by farmers, Dec. 1 (per bushel)			Total value basis, Dec. 1 price (1,000 dollars)		
	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934
Maine	170	150	168	238	280	335	40,460	42,000	56,280	$0.25	$0.60	$0.20	10,115	25,200	11,256
New York	210	200	210	135	123	155	28,350	24,600	32,550	.37	.75	.34	10,490	18,450	11,067
Michigan	260	265	268	115	78	128	29,900	20,670	34,304	.23	.65	.28	6,877	13,436	9,605
Wisconsin	260	230	261	87	70	120	22,620	16,730	31,320	.23	.55	.29	5,203	9,202	9,083
Idaho	99	95	104	200	230	185	19,800	21,850	19,240	.17	.41	.36	3,366	8,958	6,926
Pennsylvania	195	189	200	110	113	170	21,450	21,357	34,000	.45	.90	.41	9,652	19,221	13,940
Tennessee	51	54	60	69	66	72	3,519	3,564	4,320	.59	1.01	.76	2,076	3,600	3,283
South Carolina	17	16	21	85	100	125	1,445	1,744	2,625	.75	.78	.62	1,084	1,360	1,628

Pennsylvania production

	1932	1933	1934	Rank
Corn (92,200,000 bushels):				
Average price (per bushel)	$0.41	$0.52	$0.77	Ninth.
Value	19,000,000	26,000,000	40,000,000	
Rye (1,344,000 bushels)				
Average price (per bushel)	.44	.67	.75	Seventh.
Value	682,000	1,076,000	1,800,000	
Buckwheat (3,105,000 bushels):				
Average price (per bushel)	.39	.49	.52	First.
Value	983,000	1,347,000	1,934,000	
Hay (2,569,000 tons)				
Average price (per ton)	9.49	10.49	15.49	Fourth.
Value	24,800,000	32,672,000	39,785,000	
Oats (34,915,000 bushels)				
Average price (per bushel)	.28	.39	.52	Seventh.
Value	6,740,000	8,117,000	12,956,000	
Wheat (14,000,000 bushels)				
Average price (per bushel)	.52	.81	.92	Eleventh.
Value	7,600,000	12,784,000	13,582,000	

Mr. Speaker, Pennsylvania contributes to the National Treasury more money than any other one of the 48 States of the Union, except New York. It is only natural that those outside of the State think of Pennsylvania as industrial, a place where they produce iron and steel products; but Pennsylvania takes her place among the first States in the Union in the production of a number of the major crops.

The Department of Agriculture just informed me where Pennsylvania ranks in the production of a number of the major crops, and since I have cited the above seven crops with the purpose of showing Pennsylvania's production, I will use the same seven crops as a basis of rank:

In States producing potatoes Pennsylvania ranked first on a basis of dollar value and third in the number of bushels produced as indicated above.

In States producing buckwheat Pennsylvania ranked first.

In States producing corn Pennsylvania ranked ninth.

In States producing rye Pennsylvania ranked seventh.

In States producing hay Pennsylvania ranked fourth.

In States producing wheat Pennsylvania ranked eleventh.

In States producing oats Pennsylvania ranked seventh.

The above table will show how absurd it is for the opponents of collective bargaining to say that the N. R. A. has caused Southern States like Tennessee to plow down their acreage for potatoes and thus crowd the northern market.

For instance, look at the potato production of Tennessee for the last 3 years. Few more bushels were grown in the entire State than was grown in one of my counties, Somerset County, Pennsylvania. Furthermore, the Department of Agriculture informs us that not one single carload of Tennessee potatoes in 1933, 1934, or 1935 was unloaded in Pennsylvania.

Mr. Speaker, it will be observed that the price of potatoes during the last 3 years in the several States enumerated fluctuated—1933 being the peak year of the 3 years. Of course, that is nothing unusual. When potatoes reached the price they did in 1933, the Department of Agriculture shows that potato growers increased their acreage and thus put on the market for 1934 many more millions of bushels. Now, those who are not favorable to the Agricultural Adjustment Act, naturally are satisfied with the prices as they come and go. They have no complaint to make if potatoes are 20 cents one day and 60 cents the next, because they hold that the law of supply and demand should govern the price. On the other hand, those who believe that there should be a minimum and maximum of stability in prices in the various crops favor the crop production act. It is as self-evident as night follows day, that if the present procedure is dropped, the little farmers in the East, such as Pennsylvania, will go back just where they were in 1932 when wheat was selling for 52 cents per bushel as compared with 92 cents per bushel this year.

Of course adjustments in farm-crop production cannot be set aright in a year or two. It will take time—a space of years. All progressive farmers concede that conditions that existed in 1931 and 1932 should not be permitted to return. Little by little the Agriculture Department is adjusting this phase in favor of the small farmer, and if given time the small farmer will be restored to a place where he will be on a par with the large producers, and the cutthroat practices will be eliminated.

ANDREW JACKSON

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent to extend in the RECORD an address delivered by the gentleman from South Carolina [Mr. RICHARDS] on Andrew Jackson.

The SPEAKER. Is there objection?

There was no objection.

Mr. McREYNOLDS. Mr. Speaker, under leave to extend my remarks, I desire to insert an address delivered by Hon. J. P. RICHARDS, Member of Congress, on March 15, 1935, the birthday of Andrew Jackson, at the memorial exercises held at the Andrew Jackson Monument, Washington, D. C., sponsored by the Women's Democratic Educational Council.

The address is as follows:

Madam president, members of the Women's Democratic Educational Council, distinguished guests, I appreciate very much the invitation you have extended me to be present here today and to deliver this memorial address in honor of the birthday of Andrew Jackson, great Democrat, great American, and seventh President of the United States. You have selected the appropriate place for this occasion—here within a stone's throw of the White House, where he lived and labored as President for a number of years—here in the shadows of the great bronze monument erected to his memory by a grateful Nation.

Long ago the earlier civilizations of this planet adopted the custom, and found it to be a worth-while investment in the development of a better citizenship to erect monuments and memorials to departed great men who had lived and wrought for the lasting benefit of the people whom they left behind. The people of Rome built monuments to her Emperors, and to her lawmakers who had thundered in the Roman Senate. The Egyptians built the pyramids to protect the dead bodies of her Kings. Greece perpetuated the memory of her patriots by likenesses of beautiful marble. The people of our own civilization also believe in this custom, and today monuments to illustrious departed sons, who helped to mold these United States, dot every square of this, the Capital of our country, as they dot the gathering places in our other cities and towns.

But, Madam President, the greatest monument built to any man is the reservation of a place in the hearts of a people in memory of the works he has done. Stone or marble or bronze may not stand forever, but a place in the hearts of men and women lingers for unnumbered generations and will never perish.

So we have come to the foot of this monument today, at the request of this patriotic band of Democratic women, honored by the presence of one of Andrew Jackson's distinguished relatives, not only to gaze upon the likeness of this great Democrat, whose soul was returned 90 years ago to the God who gave it, but also to proclaim to the men and women of our country our reverence for his memory and the political principles he stood for and fought for with the flaming sword of conscientious conviction.

This man Andrew Jackson, "who came from nowhere, determined to be somebody", how did he stamp his personality upon a nation? By what means did he breathe life into a great slumbering political party? Why is his memory ever present everywhere in this country where battle is being waged for the rights of the masses of our people today? Where was he first nursed on the milk of love for liberty?

The life and achievements of this man stagger the imagination and lend hope to every obscure lad today facing poverty, adversity, and seemingly insurmountable obstacles. His father, a poor Irish immigrant, came to this country in 1765 and settled in the Waxhaw's old Lancaster district, now Lancaster County, S. C., and died a few months before his great son's birth at the Crawford place in Lancaster County on March 15, 1767. His bones still rest in the old Waxhaw cemetery a few miles north of the town of Lancaster. Andrew Jackson's mother died during his early youth. Faced with almost every known hardship he was able to attend school very little in his boyhood. His earliest impressions were received in the fiery crucible of the Revolution, and this period branded patriotism and love of freedom on his heart. He, himself, took part in battle at the age of 11, and even so early his spirit would admit no defeat. Ambitious to be a lawyer, but without education, he was undismayed, and after moving to North Carolina was admitted to the bar of that State. Then, sensing the possibilities of the frontier, he moved to what is now the State of Tennessee and established a law office at the present site of the city of Nashville. From then on his rise was meteoric. He was solicitor of the superior court, member of the first constitutional convention of Tennessee, Member of Congress, then United States Senator, which position he resigned to sit on the Supreme Court of Tennessee; planter, trader, and merchant, major general of militia, Indian fighter, and duelist, victor over the British at New Orleans in the War of 1812, conqueror of the Indians at Horse Shoe Bend, conqueror and territorial governor of Florida; nominated by the Democrats for the Presidency in 1822, sent again to the Senate 1823, nominated again for President by the Democratic Party and elected President in 1828 and served two terms; always during the entire period of his political activity he was a flashing meteor across the horizon of his country.

His career covered amazingly one-third of the States of the Union, and everywhere, always, he was a man of action. As a general, he was unversed in the written art of war, but a genius in the leadership of men. While unfamiliar with the culture of superficial society, still he was a master of the graces when he chose. His love for his wife was beautiful, and he was the soul of chivalry in his dealings with all of the gentler sex. A diamond, admittedly unpolished by our so-called "civilization", but also uncorrupted by its glamour.

Andrew Jackson was a loyal friend but a bitter enemy. Such a man is always great or ignoble in the eyes of his contemporaries. It is admitted here that he erred time and time again, but never did he indicate weakness of character. But we, who have gathered here today in his memory, have come to review his works over the smoldering ashes of almost a century. Providence brought him to the Nation at a critical time. Our country then was torn within. Then, as now, the fight was the masses against special interests. Jackson grasped the flaming banner of democracy and coined the phrase that has been the battle cry of democracy since that time—"Let the people rule." Protection of the rights of the whole people was his aim to the point of obsession; yet he was one of those strong characters often seen in the van of world events, who, while demanding and obtaining consideration of his own personal views by those over him in authority, still could understand and brook no opposition to his own opinions when he himself was the commanding officer—a strange inconsistency we often find in the lives of the great.

The enemies of Jackson say that he practiced in politics the "spoils system", and attempt to damn him for this as the most vulnerable spot in his armor. This determination of Jackson to have around him in office only those of his own political party was more than a mere desire to reward friends; it was because of an abiding belief that real loyalty in politics, or elsewhere, can come only from friends. He knew that to carry out his policies he must have the faithful around him and he believed that one traitor in his own camp is more dangerous than a thousand without. Could we expect otherwise of a man who was nursed in the cradle of the Revolutionary War, where every man in his eyes was a patriot or a traitor; of a man who had battled against the Indians, where the combatants in his eyes were either civilized or savage; of a man who had faced all the hardships of the frontier and found men of that day, as now, either true or false? After all, who is there among us here today who does not believe in rewarding a friend before an enemy; who of us would not select a Democrat to carry our Democratic principles in preference to someone of another political faith?

The Democratic Party has ever been the party of the real people of this country. There have been times when because of overdoses of prosperity we have been lulled to sleep; but, in times when the welfare of our people have been at stake, it has been to our great old party that the people turned for relief; and on such occasions a Democrat has, with possibly one or two exceptions, been placed in the White House. The names of Jefferson, Jackson, Wilson, and now Franklin D. Roosevelt challenge comparison with the names of the great from any other political faith. They came from divergent stations and walks of life but came with eyes set to the same goal—a happier and more prosperous people.

As I stand here today, I let my mind's eye go back for over a century and a half to the lonely Waxhaw country in the red hills of my home county and State. I see a lonely, hungry, homely country boy, without one single favorable advantage except courage and ambition and an abiding faith in the future of his country—I see him leave his home and blaze a path to fame—I see him enter the doors yonder as President of the United States. I see him leave those walls and go back to his home in Tennessee to die enshrined in the hearts of his people—a great reward for courage and honesty, and a tribute to the possibilities for youth in this great country of ours.

Another great Democratic President is over there in the White House now. He did not come from poverty as Andrew Jackson did, but he has the same unquenchable desire to help all of the people of our country. Sometimes when he is wearied by toil and the responsibilities of his great office, or, perchance, discouraged by setbacks of the day, I can imagine his looking across the way to the old warrior, sitting his charger here, for a comforting word; and I can almost hear Jackson whisper: "Fight it out. Have faith in democracy. Listen to your real friends. Let the people rule!"

PAYMENT OF THE ADJUSTED-SERVICE CERTIFICATES

Mr. WHITE. Mr. Speaker, the Legislature of the State of Idaho has memorialized the Congress in respect to the payment of the adjusted-service certificates. I ask unanimous consent that the memorial referred to appear in the RECORD and that it appear in the RECORD at this point.

The SPEAKER. Is there objection?

Mr. O'CONNOR. Mr. Speaker, I reserve the right to object. During the present session of Congress I think we have fallen into a very bad practice of inserting in the body of the RECORD resolutions and memorials from States and city councils, and so forth. I observed in the RECORD the other day a resolution or memorial from even a city council.

The universal practice heretofore has been merely to file these resolutions from States and legislative bodies, together with other petitions or memorials, and they are noted in the Appendix of the daily RECORD, but not printed in full. That has, I believe, been the invariable practice.

Mr. SNELL. And that is correct, too.

Mr. O'CONNOR. I feel quite sure that the practice of incorporating in the body of the RECORD petitions and memorials and what not from States and boards of aldermen throughout the Nation is a practice that has grown up in this session of Congress.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. BLANTON. There are 48 States whose legislatures are continually passing resolutions. It so happens that in the Legislature of the State of Texas, I think our State senate, has already passed half a dozen resolutions which they have sent up here to the Texas Members of Congress. Suppose we printed all of them in the RECORD and then printed a like number from all of the other 47 States. If we are going to continue to put them into the body of the RECORD, it will cost a lot of money, and we will not have any place for the regular proceedings of the House.

Mr. O'CONNOR. Further, the great State of Wisconsin the other day wrote to both branches of Congress and asked if these petitions or memorials from the States addressed to Congress were of any worth, or had any influence. As far as I know that great State of Wisconsin received a reply that it might just as well save the expense of printing those memorials and resolutions. I think the practice which has grown up is objectionable and that it should not be permitted to continue. It is all right, perhaps, to refer to these memorials in the Appendix of the daily RECORD, as in this instance it could be properly noted that a memorial had been filed by the great sovereign State of Idaho.

Mr. RICH. Mr. Speaker, I reserve the right to object, to ask the gentleman from New York [Mr. O'CONNOR] if he expects to object to having this inserted in the RECORD at this point?

Mr. SABATH. If the gentleman does not, I shall.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

Mr. WHITE. Mr. Speaker, the people of the great State of Idaho, represented by their legislature, and their Representatives here at the Capitol, desire this information to be conveyed to the Congress. I know of no better way of doing it than this.

Mr. KNUTSON. Mr. Speaker, in order to expedite the business of the House, I object.

The SPEAKER. Is there objection to the request of the gentleman from Idaho that these resolutions be printed in the Appendix of the daily RECORD?

There was no objection.

Mr. WHITE. Mr Speaker, in view of the importance of the legislation to be considered on the floor of this House within the next few days to provide for the immediate payment of the ex-service men's adjusted-compensation certificates, and that the Members of this body may know the sentiment of the people of the State of Idaho as expressed by their duly elected Representatives, I desire to place before the House a joint resolution of the Idaho State Legislature, urging Congress to pass this legislation.

STATE OF IDAHO,
DEPARTMENT OF STATE.

I, Franklin Girard, secretary of state of the State of Idaho and custodian of the seal of said State, do hereby certify:

That I have carefully compared the annexed copy of senate joint memorial no. 1 with the original thereof adopted by the Senate and House of Representatives of the extraordinary session of the Twenty-third Legislature of the State of Idaho and filed in the office of the secretary of state of the State of Idaho March 11, 1935, and that the same is a full, true, and complete transcript therefrom and of the whole thereof, together with all endorsements thereon.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State. Done at Boise, the capital of Idaho, this 12th day of March, A. D. 1935.

[SEAL] FRANKLIN GIRARD,
Secretary of State.

Senate Joint Memorial 1

(By Mr. Dow)

A joint memorial

To the honorable Senate and House of Representatives of the United States of America in Congress assembled:

We, your memorialists, the Legislature of the State of Idaho, respectfully represent:

Whereas there is now pending before the Congress of the United States a bill to provide for the full and immediate payment of the adjusted-service certificates with all interest and charges against them eliminated; and

Whereas, should this be enacted into law at the present time, it will alleviate suffering among thousands of needy ex-service men and will in a large measure restore confidence; and

Whereas it will throw into the channels of trade and commerce many millions of dollars: Now, therefore, be it

Resolved by the Senate of the State of Idaho (the house of representatives concurring), That we most respectfully urge upon the Congress of the United States of America early and favorable consideration of such legislation as will bring about the full and immediate payment of the adjusted-service certificates; be it further

Resolved, That the secretary of state of the State of Idaho be authorized, and he is hereby directed, to immediately forward certified copies of this memorial to the Senate and House of Representatives of the United States of America and to the Senators and the Representatives in Congress from this State.

This senate joint memorial passed the senate on the 9th day of March 1935.

G. P. MIX,
President of the Senate.

This senate joint memorial passed the house of representatives on the 9th day of March 1935.

TROY D. SMITH,
Speaker of the House of Representatives.

I hereby certify that the within senate joint memorial no. 1 originated in the senate during the extraordinary session of the Twenty-third Legislature of the State of Idaho.

MORRIS STACY,
Secretary of the Senate.

PROBLEMS OF A NEW CONGRESSMAN

Mr. KVALE. Mr. Speaker, I ask unanimous consent to extend my remarks by including therein an address delivered over the radio last night by my colleague from Texas [Mr. MAVERICK] on the subject of free speech.

The SPEAKER. Is there objection?

There was no objection.

Mr. KVALE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address of Hon. MAURY MAVERICK, of Texas, March 17, 1935:

Fellow Americans, I am a new Congressman, so you'll forgive me for repeating my name just once, MAURY MAVERICK—last name M-A-V-E-R-I-C-K, MAVERICK. I hail from the great State of Texas and from the famous city of San Antonio, where stands the Alamo—you know about the Battle of the Alamo, where every man died in defense of liberty.

Let me tell you a little about being a new Congressman and how it feels. You see, there are a hundred and ten of us, mostly Democrats, but also Republicans, Progressives, and Farmer Laborites. About 1 in 4 of all the Members of the House of Representatives are new, and I consider it an honor to serve with such a group of fine men. Without respect to party, I consider these new men the best set of soldiers of the Republic that I have ever known.

Of course, we had a lot to learn, but we're learning fast and working hard, and I am not apologizing either for myself or for the group. We were sent here to represent our districts now; not 2 years from now, but right now. The situation that faces you and me in our daily lives, and our children—who ought to have some future—and our old people—who ought to have some security in their old age—is nothing less than desperate. Of course, things are getting better and at our noonday pompous luncheon clubs we still slap each other on the back and sing Ring around the Rosy, our chambers of commerce everywhere still boost our particular city as having the best water and scenery on earth, but you know and I know we are face to face with a great stone wall of truth and can't get around it.

Let me make a point which you already know, and that is the Government is not in Washington but where you hear this voice. Here in this room, your room, and others all over the Nation, the people of this country, why, there is your government. And you know if we here in Washington appropriate, say, a million dollars or a billion or so, we—that's you—pay it back plus interest from now to all eternity. What we must do is to find a way to solve this depression, to revive business, and put our people back to work.

But about the new Congressmen—after we were assigned our offices, we began to read our trunks and bales of correspondence, and soon we found we have the hardest jobs of our lives, must learn new rules of procedure, myriads of governmental questions, meet new people, learn the town, find out something about some several thousand bills that have already been introduced concerning every idea, panacea, and remedy on earth—and after a good 12 to 16 hours' work a day, we must find time to sleep a little.

On the first day of Congress I walked in and all the old Members were shaking hands; we freshmen walked in like scared rabbits and couldn't tell a new Member from an old, except that a new Member looked lonesome and an old Member looked happy. I never loved my home town of San Antonio, Tex., so much in all my life; I felt homesick; and I sort of wanted to be home and hear some of our American Mexicans sing El Rancho Grande—amigos de San Antonio salud!—but in a few days we could at least get in the door without being stopped as a wide-eyed tourist, and then we began to feel natural again.

Oh, fellow Americans, this is a grand and beautiful city, when we came it was snow-clad, but now the buds are coming out; and you'll have to give it to Mr. Roosevelt, he moved the Capitol away from his home town down here to Washington. You see, the Capitol was really up a little street in New York, but now it's on one end of Pennsylvania Avenue, in Washington, D. C., where it belongs. And I hope I can help in keeping the Capitol here in Washington, because the crowd up the little street in New York seem to make progress, occasionally, in taking the Government back away from us.

But old and new—Congressmen have plenty of work. And it has been pleasant here, because the old Members of Congress have been very kind to us; and if I have any idea of Congress at all, we came at the most critical time in history. In a time like this we must be calm and steadfast.

And the basic foundation of our country, the first amendment to the Constitution, is still more important than all the rest—listen. It says:

"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech or of the press; or the right of the people peaceably to assemble and to petition the Government for a redress of grievances."

Now why is it important? The reason is that unless we preserve these rights we will never know the truth or have the right kind of Government. For the Lord said: "Ye shall know the truth and it will make thee free."

Remember also that free speech means free speech, and do not be deterred from protecting it in every way, including those whom you bitterly oppose. Don't let some big shot, or some poor fellow fed with lies or propaganda shout "radical" or "socialist" and stop you from listening or thinking. No label put on you can keep you from being a good American. Roosevelt needs men and women who use their own heads.

You should oppose all legislation which prevents the exercise of our constitutional liberties, because you cannot then protect yourself; without free speech there will be no intelligent education, no knowledge, and no progress.

Here's something important—read the President's message to Congress about the Power Trust and the holding companies. That

is by far the best State document our President has written at this term of Congress. Don't believe the propaganda of the Power Trust that anything is going to be confiscated by your Government. Do you think the Government would treat you like the Insull interests treated the people? This is a move in exactly the right direction. If you really want a copy, reviewing the whole power question, write to your own Congressman for a copy of the President's message.

And now, my friends, I'll have to leave you for the while. Remember two things: First, to preserve free speech and liberty for everybody—listen, think, and study; and, second, that the President is all right on the power issue, and needs the help of you people who use your own heads.

Good night to my people back home. Say! they tell me the bluebonnets are out, and the laurel and huisache are beautiful. And good night to everybody everywhere in the country.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, I ask the attention of the gentleman from New York [Mr. O'CONNOR]. Is it the plan to call up the rule on the bonus matter tomorrow?

Mr. O'CONNOR. Mr. Speaker, I am subject to the leadership of the House. I understand that is the plan.

Mr. SNELL. I am doing the gentleman the honor of taking it for granted that he is a part of the leadership of the House.

Mr. O'CONNOR. Oh, no; I am subject to the leadership, and if the leadership directs me to call up the rule tomorrow, I should be glad to do so.

Mr. SNELL. Can the gentleman say whether we may expect that rule to be called up tomorrow?

Mr. O'CONNOR. That is a reasonable expectation.

Mr. TAYLOR of Colorado. Mr. Speaker, my understanding is that the rules provide for 1 hour's debate upon the rule itself and 10 hours' debate upon the bill. It will be in order tomorrow, and I think nothing else will interfere with it.

LEAVE TO ADDRESS THE HOUSE

Mr. LUCKEY. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUCKEY. Mr. Speaker, tomorrow, the 19th of March, will the seventy-fifth anniversary of the birthday of William Jennings Bryan. I represent his district in Congress. I ask unanimous consent to address this House tomorrow for 10 minutes upon the life and character of William Jennings Bryan. [Applause.]

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

STATE, JUSTICE, COMMERCE, AND LABOR DEPARTMENTS APPROPRIATION BILL—1936

Mr. OLIVER. Mr. Speaker, I call up a conference report on the bill, H. R. 5255, making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes; and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. The gentleman calls up the conference report on the bill, H. R. 5255, and asks unanimous consent that the statement may be read in lieu of the report. Is there objection?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5255) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1933, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 26, 34, 35, 48, and 49.

That the House recede from its disagreement to the amendments of the Senate numbered, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27, 28, 29, 30, 31, 32, 36, 38, 39, 41, 46, and 50, and agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$67,000"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "$25,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: ": *Provided further*, That this limitation shall not operate to reduce the compensation of any stenographer now employed nor shall the salary of any stenographer drawing more than $2,500 per annum hereafter be increased"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows: "the Air Commerce Act of 1926, as amended"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$758,000"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$671,500"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,802,500"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$1,600,000"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Shellfish investigation: To provide for the investigation, control, and eradication of marine organisms injurious to shellfish in the Atlantic and Gulf States, including purchase of equipment and supplies, including boats and floating equipment and the maintenance and operation thereof; hire and charter of vessels and boats; pay of officers and crews and other personal services, including temporary employees (not exceeding $4,000 in the District of Columbia) as may be necessary, printing and binding, and all other necessary expenses connected therewith, $100,000, of which $50,000 shall be immediately available."

And the Senate agree to the same.

W. B. OLIVER,
THOS. S. MCMILLAN,
ROBERT L. BACON,
Managers on the part of the House.

KENNETH MCKELLAR,
RICHARD B RUSSELL, Jr.,
KEY PITTMAN,
FREDERICK HALE,
GERALD P NYE,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R 5255) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying report as to each of such amendments, namely:

Amendments nos. 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 18, 19, 20, 21, 22, 27, 28, 29, 30, 31, 32, 36, 40, 41, 48, 49 are all clarifying amendments of a minor character. The House managers have concurred on all amendments except no. 48 and no. 49, upon which the Senate managers have receded.

On amendment no. 1: Appropriates $23,000, as proposed by the Senate, for publishing territorial papers of the United States, instead of $18,000, as proposed by the House.

On amendment no. 2: Appropriates $3,293,395 for salaries of Foreign Service officers, as proposed by the Senate, instead of $3,150,000, as provided by the House.

On amendments nos. 15, 16, 17, and 23: Restores to the bill $1,470, as proposed by the Senate. The effect of these three amendments is to permit the American member of the International Institute of Agriculture at Rome, Italy, to receive a salary of $7,500 per annum, as proposed by the Senate, instead of $6,000, as provided by the House.

On amendment no. 24: Appropriates $60,000, as provided by the Senate, for a survey to be made by the American section of the International Boundary Commission, United States and Mexico.

On amendment no. 25: Appropriates $67,000 for special surveys or investigations to be made by the International Joint Commission, instead of $52,000, as provided by the House, and $71,000, as proposed by the Senate. The effect of this amendment is to reduce the amount available for the so-called "sulphur fumes" investigation from $19,000, as proposed by the Senate, to $15,000.

On amendment no. 26: Appropriates $164,000 for the expenses of the General and Special Claims Convention, United States and Mexico, as proposed by the House, instead of $170,000, as provided by the Senate.

On amendment no. 33: Appropriates $25,000 for printing and binding in the Court of Claims, instead of $24,000, as proposed by the House, and $31,000, as provided by the Senate.

On amendment no. 34: Eliminates the allowances for living quarters and fuel, heat, and light for the officers and employees of the United States Court for China. The Senate amendment proposed to authorize these allowances, which had been eliminated by the House.

On amendment no. 35: Allows $40,000 for expenses of the United States Court for China, as proposed by the House, instead of $43,410, as approved by the Senate.

On amendment no. 37: Inserts the Senate amendment preventing the limitation on salaries of stenographers to circuit or district judges of the United States from operating to reduce the salary of any stenographer now employed, and further provides that no stenographer now drawing more than the $2,500 salary limitation shall hereafter be increased in salary.

On amendment no. 38: Inserts the Senate amendment permitting the appropriation for the Bureau of Air Commerce in the Department of Commerce to be used for investigation, research, and experimentation to develop and improve aids to aircraft, aircraft power plants, and accessories.

On amendment no. 39: Inserts the Senate amendment permitting the use of the appropriation for the Bureau of Air Commerce in the Department of Commerce to replace four airplanes instead of two, as provided by the House.

On amendment no. 42: Appropriates $758,000 for testing and inspection work of the Bureau of Standards, Department of Commerce, instead of $743,000, as proposed by the House, and $763,000, as approved by the Senate.

On amendment no. 43: Appropriates $671,500 for research and development work of the Bureau of Standards, Department of Commerce, instead of $656,500, as proposed by the House, and $676,500, as agreed to by the Senate.

On amendments no. 44 and 45: Corrects the total of appropriations for the Bureau of Standards to accord with action taken on amendments nos. 42 and 43.

On amendment no. 46: Appropriates $15,000 for enforcement of the black bass law, Bureau of Fisheries, Department of Commerce. This item was eliminated by the House and inserted in the Senate.

On amendment no. 47: Appropriates $100,000 for a shellfish investigation by the Bureau of Fisheries, Department of Commerce, of which amount $50,000 is made immediately available. The amendment of the Senate appropriated $250,000 and made $125,000 immediately available. The amendment as agreed to reduces the amount for personal services in the District of Columbia from $7,500 to $4,000.

On amendment no. 50: Increases the House limitation of $22,600 for allowances for living quarters, heat, fuel, and light, Immigration and Naturalization Service, Department of Labor, to $36,000, as proposed by the Senate.

W. B. OLIVER,
THOS. S. MCMILLAN,
ROBERT L. BACON,
Managers on the part of the House.

Mr. OLIVER. Mr. Speaker, I move the adoption of the report; but pending that I will ask the gentleman from New York [Mr. BACON] if he desires any time?

Mr. BACON. I would like to have not more than 5 minutes to discuss two phases of this report just for the RECORD.

Mr. OLIVER. I yield 5 minutes to the gentleman from New York [Mr. BACON].

Mr. BACON. Mr. Speaker, there are two phases of this conference report that I want to touch upon for the RECORD.

When the bill was before the House we brought to the attention of the House the fact that the Foreign Service of the United States, unless there was restoration of the cut made by the Budget, would be very adversely affected and would probably be on the road to disintegration. I am glad to say that the President reconsidered the proposal and sent a special message and a special budget recommendation to the Senate, and the approximate amount originally cut from the bill has been restored. I am informed by the State Department that this will permit of a new class coming in at the bottom by competitive examination. There has not been a competitive examination since 1931.

Mr. OLIVER. Will the gentleman yield?

Mr. BACON. I yield.

Mr. OLIVER. I know the gentleman desires to be accurate, but the President did not reconsider. He had that in mind at the time the cut was made, and that statement was made to the House.

Mr. BACON. Yes. That is quite correct. I accept the correction of the gentleman from Alabama.

There is one other matter I want to touch upon, and that is the appropriation for the eradication of the pests that are now threatening the oyster industry from Maine to Texas. The gentleman from Virginia [Mr. BLAND] brought in a bill authorizing $500,000. The Senate granted $250,000, and we have cut that estimate to $100,000. Mr. Speaker, I ask unanimous consent to include in my present remarks at this point a break-down of how that money will be spent by the Bureau of Fisheries. This break-down was furnished me by the Bureau of Fisheries.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. BACON]?

Mr. MCFARLANE. Reserving the right to object, what is the nature of the break-down?

Mr. BACON. This is an appropriation for the eradication of the pests that are destroying the oyster industry. Because of the fact that the matter never came before the Appropriations Committee of the House, and was inserted in the Senate, there being no hearings before the House Committee on Appropriations, it seems wise to inform the membership of the House who are interested, how that money is going to be spent.

Mr. MCFARLANE. I withdraw my reservation of objection.

The SPEAKER. Is there objection?

There was no objection.

The matter referred to is as follows:

OYSTER-PEST CONTROL BY THE BUREAU OF FISHERIES

The production of oysters in the United States has fallen from one hundred and fifty to one hundred and sixty million pounds from 1912 to 1929 to 70,000,000 pounds in the last 3 years. The decrease was accompanied by a considerable reduction in price to the fishermen, so that the majority of them are in great economic distress. This situation has been aggravated further by an extraordinary abundance and spread of oyster enemies, chiefly the starfish, drill, and leach. The latter, for instance, has destroyed in less than 2 years approximately one million bushels of marketable oysters in Apalachicola Bay, Fla., and is now spreading to adjacent areas.

Because of the wide spread of the pests and their tendency to migrate from one place to another without regard to State boundaries, their eradication and control require a well-organized and unified campaign which the individual States are unable to undertake. The following project combines investigational activities with the practical measures of eradication. Investigation is especially urgent in case of the leech, the life history of which is not known. Although the presence of this organism on oyster beds was reported about 20 years ago, it has not been considered destructive to oysters until its recent outbreak in Florida.

The oystermen in New England and North Atlantic States have been fighting the starfish since the beginning of the oyster industry. During the last 5 years there has been a considerable increase in the abundance of this pest in northern waters, and thousands of bushels of oysters ready for the market were destroyed. The Bureau has made preliminary experiments with the use of various chemicals in combating the starfish, but the work was discontinued 3 years ago on account of lack of funds.

Further experimentation is necessary for developing a more efficient method of eradication than dredging or mopping which is now in use.

Several years ago, as a result of careful studies, the Bureau published two papers on the drill in which the methods of control were suggested. It is therefore necessary to carry on field experiments with the view of improving the effectiveness of the traps designed by the Bureau. The same program is applicable to the conch or borer which takes the place of the drill in the southern waters.

The proposed work comprises three separate projects which geographically overlap each other. The States of Massachusetts, Rhode Island, Connecticut, and New York are primarily concerned with the starfish and to a lesser degree with the drill. In the States of New Jersey, Delaware, Maryland, Virginia, and to a certain extent in North Carolina, South Carolina, and Georgia, the oyster drill is of paramount importance. The outbreak of the leech in Apalachicola Bay and the possibility of its spread to the

adjacent waters is of great concern in Florida. In Alabama, Mississippi, Louisiana, and Texas the oyster bottoms suffer from an attack of conch or borer, the distribution of which is highly localized.

In order to provide for an efficient management of the campaign of eradication, the whole coastal area will be divided in four principal sections with a regional director in charge of each section. The first section comprises Massachusetts, Rhode Island, Connecticut, and New York, with headquarters at New Haven, Conn. The second section covers New Jersey and Delaware, headquarters at Port Norris, N. J.; the third one includes Maryland, Virginia, North Carolina, South Carolina, and Georgia, headquarters at Beaufort, N. C.; the fourth section comprises Florida, Alabama, Mississippi, Louisiana, and Texas, headquarters at Apalachicola, Fla. A brief outline of the work to be carried out in each section follows:

FIRST SECTION (FROM MASSACHUSETTS TO NEW YORK)

Control of starfish by means of dredging and mopping. Investigation regarding the life history, spawning habits, and migrations of starfish. Field experiments with traps. Study of the chemical-control methods laboratory and field experiments with copper sulphate, alum salts, and other substances. Eradication of oyster drills by means of traps. Amount allotted, $73,000.

SECOND SECTION (NEW JERSEY AND DELAWARE)

Control and eradication of the drill. Field experiments with improved types of traps. Observations on migrations and spawning habits of the drill. Control of starfish (mopping and use of chemicals). Amounted allotted, $19,000.

THIRD SECTION (FROM MARYLAND TO GEORGIA)

Control and eradication of the drill in lower Chesapeake Bay, Tangier Sound, and eastern shore of Maryland and Virginia. Field experiments with improved types of traps. Survey of oyster bottoms in North Carolina, South Carolina, and Georgia, with the view of determining the places of infestation by drills and conchs; eradication of these pests by dredging and trapping. Amount allotted, $55,000.

FOURTH SECTION (FROM FLORIDA TO TEXAS)

Investigation of the life history of the leech. Experiments on methods of its eradication. Dredging and cleaning the destroyed reefs in Apalachicola Bay. Survey of oyster bottoms in Alabama, Mississippi, and Texas, with the view of determining the localities infested with conchs and boring clams. Eradication of these pests by dredging and trapping. Control and eradication of conch in Louisiana. Amount allotted, $100,000.

Estimated expenditures, oyster-pest project, by States

		Labor	Other	Total
Massachusetts, Rhode Island, Connecticut, New York	Starfish	$45,000	$28,000	$73,000
New Jersey, Delaware	Drill	15,000	4,000	19,000
Maryland	do	25,000	5,000	30,000
Virginia, North Carolina, South Carolina, Georgia	do	20,000	5,000	25,000
Florida	Boring sponge	40,000	25,000	65,000
Alabama, Mississippi	Conch, Leech	15,000	4,000	19,000
Louisiana, Texas	Conch, Boring clam	15,000	4,000	19,000
Total		175,000	75,000	250,000

Estimated expenditures, oyster-pest project

Personnel:	
Investigative, administrative, supervisory, and clerical positions, including travel and subsistence, 20 percent	$50,000
Labor for trapping drills, mopping starfish, and tonging and dredging leech-infested waters, 50 percent	125,000
Other expenses:	
Materials and supplies, 10 percent	24,000
Equipment, 4 percent	10,000
Purchase, hire, and maintenance of vessels, vehicles, and laboratories, 14 percent	36,000
Miscellaneous, 2 percent	5,000
Total	250,000

REDUCED PROJECT FOR OYSTER-PEST CONTROL

Should the appropriation for the pest-control project be limited to $100,000, the work in general will follow the outline given above, with the difference that the greatest part of the money will be spent for investigation and field experiments in those sections where the pests are already known to be very abundant and destructive. The two projects differ in the amount of actual eradication work.

Under $250,000 appropriation an additional $125,000 will be spent for manual labor engaged in eradication work and $25,000 for hire of boats and purchase of material and supplies. Consequently under the smaller appropriation there will be a higher overhead, for the same amount of research work carried out.

The difference in actual operations in various sections can be summarized as follows: In the northern section no dredging and mopping of starfish will be carried out, and the work will consist of field and laboratory experiments on extermination of starfish, studies of its migration, use of chemicals in protecting oyster beds, and destroying young starfish.

In New Jersey, Delaware, Maryland, and Virginia the number of drill traps used in eradicaion will be materially reduced. In Florida the work will be limited to the study of the life history of the leech, methods of eradication, and their application in the field. No dredgings or tonging will be carried out on the destroyed reefs, the centers of infestation from which the leech spreads to adjacent territories.

In the Gulf States a distribution of the pests will be studied and field experiments on their eradication will be carried on on a small scale.

Estimated expenditures, oyster-pest project, by States

State	Labor	Other	Total
achusetts, e Island, Connecticut, New York	$16,500	$8,950	$25,450
New Jersey, Delaware	10,000	2,000	12,000
Maryland, Virginia	10,100	5,000	15,400
North Carolina, South Carolina, Georgia	6,700	3,250	9,950
Florida	11,600	11,250	22,850
Alabama, Mississippi, Louisiana, Texas	5,400	2,000	7,400
	4,700	2,250	6,950
Total			100,000

Estimated expenditures, oyster pest project, total, $100,000.

Personnel:	
Investigative, administrative, supervisory, and clerical positions, including travel and subsistence	$36,000
Labor, for field tests, trapping drills, tonging oysters, and boat crews	23,000
	59,000
Other expenses:	
Materials and supplies	10,500
Equipment	7,500
Purchase, hire, and maintenance of vessels, vehicles, and laboratories	20,500
Miscellaneous	2,500
	41,000

Mr. COCHRAN. Will the gentleman yield?

Mr. OLIVER. Yes.

Mr. COCHRAN. I notice in the report that there has been placed in the bill the amount necessary for the enforcement of the Black Bass Act.

Mr. OLIVER. Yes.

Mr. COCHRAN. I was very much amused, being a member of the Committee on Accounts, to see on the bill of fare in the House Restaurant time and time again fresh-water bass. I know that our distinguished colleague in charge of the restaurant would not tolerate the purchase and sale of any bass contrary to law. Fresh water is probably a misnomer, and by calling attention to it I know the matter will be corrected.

Mr. OLIVER. I will state that our committee has felt this appropriation item should either be discontinued or preferably the item transferred to the Department of Agriculture, where in our judgment it appropriately belongs, and can with the aid of the Department of Justice be effectively enforced. The Senate, however, holds a different view and we have yielded to their insistence.

Mr. COCHRAN. I do not object to the appropriation, but I do not think the law should be violated in the Capitol.

Mr. MEAD. Will the gentleman yield?

Mr. OLIVER. I yield.

Mr. MEAD. With regard to the eradication of pests in the oyster industry, there was a measure introduced in the House by the gentleman from Virginia [Mr. BLAND]. The House took a definite attitude in connection with that item. There was a committee appointed by the Speaker of the House, of which the gentleman from Virginia [Mr. ROBERTSON] is chairman. I really believe that the appropriation

with regard to matters of this particular kind ought to be considered and acted upon by that committee that has been created to consider subjects of that kind. I would like to ask the gentleman from Virginia [Mr. ROBERTSON] if he has had an opportunity to go into this matter of the eradication of pests in the oyster industry.

Mr. ROBERTSON. The investigation is very necessary.

Mr. MEAD. But the gentleman's committee has not had an opportunity to go into it as yet?

Mr. ROBERTSON. No.

Mr. OLIVER. The President vetoed the bill reported out by the committee to which the gentleman referred, and in the veto message stated there was existing authority, in his opinion, to make the appropriation. This appropriation is more than the Bureau of the Budget estimated was necessary, and since the gentleman from New York [Mr. BACON] has inserted in the RECORD the break-down of how the Bureau of Fisheries has indicated the money might be spent, I simply want to say that the expenditure will be carefully reviewed by the Secretary of Commerce and the Director of the Bureau of Fisheries, and perhaps by the President, with a view of seeing that no money is imprudently spent. Neither the gentleman from New York [Mr. BACON] nor I wish any of the money uselessly spent. We are hopeful that there will first be a scientific study, with a view of determining whether some way can be found for eradicating the pests, because it is a matter of great importance to the oyster industry. Simply because we give them $100,000 is no invitation to wastefully spend the money. I have communicated with the Bureau of Fisheries, who have very distinguished scientists, and we think they will be cautious in the expenditure of this money. They will make preliminary studies with a view of determining whether there is reasonable promise of practical remedies being found whereby these pests can be eradicated before spending large sums on untried methods.

Mr. MEAD. But in view of the fact we have this separate committee, I just thought I would bring it to the attention of the House that the Members might know what was being done in the matter.

Mr. OLIVER. Mr. Speaker, I had intended to make a statement this morning in reference to some items carried in the four department bills, and especially in connection with the Bureau of Foreign and Domestic Commerce of the Commerce Department. I find, however, that there is an important bill which the House is anxious to dispose of today, which will be taken up after this conference report, and for that reason I will omit any extended statement as to the matters I had intended discussing.

I will ask your unanimous consent to insert, as a part of my remarks, selected excerpts from four statements made by representatives of leading business organizations before our committee when hearings were being had on the appropriations for the Department of Commerce. Since these statements are from distinguished representatives of large business organizations, I invite the careful reading of the same by Members of the House. The appropriations for the Bureau of Foreign and Domestic Commerce were drastically cut as a result of our drive for economy in Government expenditures from more than five millions to approximately $2,000,000, and the useful service it had been rendering was seriously interfered with. The Budget submitted an increase for this Bureau for 1936, and our committee increased the Budget recommendation, but still the amount carried for this important service is, in my judgment, probably inadequate. The statements made by business organizations as to the helpful service which this Bureau is rendering at this time suggests that when this matter is later brought to the attention of the President and the Bureau of the Budget the appropriation for this Bureau will be further increased, and I wish now to say that our committee, in view of the representations which business men generally have submitted to our committee, will give sympathetic consideration to any reasonable increase in appropriations for this Bureau. Dr. Murchison, the Director, is able and enjoys the full confidence of the American business men, and deserves credit for the efficient service which the Bureau has rendered with its limited appropriation. Dr. Dickenson, Assistant Secretary of Commerce, under whom this Bureau falls, is likewise very much interested in its work, and at the suggestion of our committee, extended to certain representative business men an invitation to appear before our committee when the hearings were being had. From the statements made by these business men, I now ask unanimous consent to insert excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. OLIVER. The gentlemen who appeared before the committee and made statements were as follows:

Mr. Harry Tipper, executive vice president American Manufacturers' Export Association; Mr. Phanor J. Eder, director of international and comparative law section of the American Bar Association, Pan American Society, and Colombian American Chamber of Commerce; Mr. Wallace Thompson, representing National Federation of Foreign Trade Associations; Mr. Eugene Thomas, president National Foreign Trade Council, New York City.

I first submit the following excerpts from the statement of Mr. Harry Tipper. The full statement of Mr. Tipper will appear on pages 283 and 284 of the hearings—

Mr. TIPPER. Mr. Chairman, the association that I represent has 450 members who are scattered generally over the United States, and the industrial divisions include practically every form of exporting, from locomotives to chewing gum, so that the association deals widely with the subject of export trade.

The board of directors of the association has been gravely concerned over the curtailment of the services of the Bureau of Foreign and Domestic Commerce, because of the numerous reactions from the members of the association in that they have not been able to secure the customary services from the Bureau to the extent and with the facility that they were able to secure them in the past. At a time when the conditions of doing export business are more severe and involve more problems than heretofore, and when the information has become increasingly important and valuable and more imperative, it has been rather tragic that the services should be so seriously cut. The most important questions and those which are asked most frequently by our members relate to economic conditions abroad, in various countries—the financial conditions of the country, the general trade conditions, the balance of trade, the specific character of trade, the principal products of the country; the tariff and regulation conditions, which are subject to a vast amount of change and involve a vast amount of difficulty; customs procedure, and information on the general consumption and the general competitive situation nationally; that is, what other countries are supplying to that region and what competition there is from other nations in the market.

Those are the questions that our members indicated they asked most frequently, and it is for that reason that they so regularly apply to the Bureau for information, in addition, of course, to using the statistics which the Bureau supplies regularly, and upon which all exporters depend for their basic information.

Mr. OLIVER. The members of the committee are quite familiar with the history of this Bureau. Of course, at one time it was very rapidly expanded in its personnel, both at home and abroad, and I assume that special attention was given them, and has been given since, to the selection of business men well qualified to understand business problems and to interpret the information which you sought in the language of the business man here at home. If this service has been helpful to you, as you indicate, it is probably primarily due to the fact that such statistics as may have been gathered abroad or at home have been interpreted in the light of your present business problems, and by persons who were familiar with business conditions at home.

I now wish to quote the following parts of the statement made by Mr. Phanor J. Eder. His full statement will be found on pages 284, 285, and 286:

Mr. EDER. Mr. Chairman and members of the committee, I have been in business contact with the export and import trade for about 30 years, sometimes almost personally engaged in it, but chiefly as a lawyer for export houses and some import houses.

There is very little that I can add to what Mr. Tipper has said, except that he has emphasized only the export end. The importation of products which we do not produce in this country is also necessarily an important factor to which the commercial attachés abroad lend their help.

I have come in personal contact abroad—I have done a lot of traveling, especially in the Latin American countries—with the commercial attachés and can testify to the very sincere and very helpful work that they do. They occupy a position in countries abroad which cannot be filled by any other agency of the Government. It cannot be filled, for instance, by the consuls because, although as a matter of law and theory a consul is not a diplomatic officer but a commercial representative of his country, nevertheless, as far as the general public atmosphere in those countries is concerned he is, in fact, looked upon as a representative of the foreign

office and not in any way as a commercial representative. The consul is handicappel by that fact in obtaining the information and giving the help that the commercial attachés can furnish; and it seems to me that it would be eminently desirable to extend the work and the status of the commercial attachéship offices abroad and increase the number of commercial attachés.

Mr. OLIVER. May I ask whether in your travels abroad, since you have indicated you have frequently had occasion to travel, you have found that foreign governments maintain abroad, and in the countries in which you have traveled, officials similar to trade commissioners?

Mr. EDER. Oh, yes, sir.

Mr. BACON. As a matter of fact, there has been a very great expansion of that activity on the part of the Government of Great Britain, has there not?

Mr. EDER. Yes, sir; I understand so; and France also, and Germany at one time engaged very extensively in that work, and even some of the smaller countries. I have been surprised by the work that a country like Mexico is doing in other parts of Latin America.

I now wish to submit the following excerpts from Mr. Wallace Thompson's statement. His full statement may be found on pages 286, 287, 288, 289, and 290 of the hearings:

Mr. THOMPSON. Mr. Chairman, there are 18 associations that are members of the National Federation of Foreign Trade Associations. They are as follows:

Baltimore Export Managers Club, Export Managers Club of Chicago, Export Managers Club of St. Louis, the Foreign Trade Association of San Francisco Chamber of Commerce, Foreign Trade Club of Cincinnati, Foreign Trade Club of Newark, Foreign Traders Association of Philadelphia, Houston Foreign Trade Club, Manufacturers Association of Connecticut, Inc., Overseas Automotive Club (National), Brooklyn Chamber of Commerce, Pittsburgh Foreign Trade Council, Akron Chamber of Commerce, Northwest Foreign Trade Club (Minneapolis-St. Paul), Los Angeles Foreign Trade Association, Buffalo Export Club, Cleveland Export Club, Export Club of Detroit.

These clubs and associations represent, in a way, the "little fellows", the export managers of the whole country, as well as of those cities. These men are now trying to do a very large proportion of their work by mail and advertising and through contacts other than their own personal representatives or the representatives of great export companies. They make journeys through the foreign field from time to time, but they depend basically for the material with which they plan their campaigns upon the Bureau of Foreign and Domestic Commerce. They have built the outside contacts of their companies through the Bureau; and the history of the Bureau, from Mr. Redfield down, is written in the books of these young and old—and all of them experienced—export managers in all parts of the country.

We have had contacts with these men ourselves, from New York, and always in the most delightful way; but in every case they have been coming to Washington rather than to New York for their introductions to foreign business men. They go abroad and come back enthusiastic over the service that has been given them. They are introduced to business men; they are given statistics; they get by word of mouth, in the field, from the commercial attachés and the trade commissioners, the names of possible representatives—things that cannot be put on paper—things that the State Department could not possibly touch.

They go to the field and they can get a service which gives them the opportunity to play the game on an equal footing with, first, Great Britain, and after that the lesser nations, and today, above all others, Japan. They have come to look upon the representatives of the Bureau of Foreign and Domestic Commerce as their spearhead. They know them as the persons who will come back to them with the information that they must have for planning their campaigns for going out and building this strong backbone, as it is, of our world commerce.

In other words, we are asking for the continuing help without which we cannot carry this banner of trade over the world. Trade has decreased all over the world in the last few years, of course, but today it is reviving. There are many indications of this revival.

We feel that the Bureau's service as it is progressing now has proven to be the right service, and is proof in very concrete form of the growing confidence that is going to make it possible for us to go forward in pushing foreign trade.

Mr. OLIVER. It occurs to me that the strength of this service has been, we must assume, that there has been care shown in the selection of men who were business men to perform this duty and who viewed it from a business standpoint. The Department is clothed with full authority at any time, when they have made a mistake in their selection of a man to carry on this work, to make a change at once.

I have felt that in matters where business problems are constantly changing, as we know they are and will continue, it is of the utmost importance that the business man be consulted as to whether those who are representing his interest in the collection of information, such as has been referred to, are really performing efficiently, and, if not, there should be absolutely no restraining influence of any kind, legal or otherwise, from making a change immediately and putting a man in who can do the work.

Mr. BACON. As a matter of fact, at this moment we are more in need of help from commercial attachés due to the increasing competition from Japan; is not that true?

Mr. THOMPSON. Yes, sir; that is very true.

I now quote from the statement of Mr. Eugene Thomas, who is probably one of the most widely known business men in the foreign field. Mr. Thomas' complete statement may be found on pages 290–295:

Mr. THOMAS. Mr. Chairman and gentlemen of the committee, I had the pleasure of appearing before this committee on December 20, 1932, before the plans of the present administration were inaugurated, looking to the drastic curtailment of the services abroad of the Bureau of Foreign and Domestic Commerce. Immediately those plans were announced as being in process of formulation, the various foreign-trade associations and organizations throughout the country began to make their wishes known in Washington and as a result of a questionnaire sent out by Secretary Roper, May 8, 1933, the organizations throughout the country unanimously signed a memorial in which they set forth their views as to the future organization and conduct of the Bureau of Foreign and Domestic Commerce, particularly with respect to its agencies abroad.

Since that time—and I may say parenthetically that a number of the recommendations made by these organizations jointly were followed, but the process of drastic curtailment went entirely too far, as a consequence of which the services have been seriously impaired and in the opinion of the foreign traders of the United States represented by these organizations are hopelessly inadequate on the present basis.

This continuing interest on the part of the foreign traders culminated again in March 1933 in a great convention in Pittsburgh, at which resolutions were adopted and forwarded to the various departments and administrations along the same lines.

These activities also continued to a point where memorials were addressed to the President of the United States in June of this year, signed by many foreign-trade organizations.

This particular subject, therefore, has been a continuing one, of intense interest to all of these organizations, to the extent that it has formed at monthly meetings the chief topic of conversation or discussion in New York.

I should like to have for the record the names of these organizations, including those represented here by Mr. Tipper and Mr. Thompson. Mr. Tipper represents the American Manufacturers Export Association; Mr. Thompson, the National Federation of Foreign Trade Associations, among the leading organizations throughout the country. In addition to these, this joint committee for foreign-trade action, which I have referred to, represents the National Foreign Trade Council; the American Japanese Trade Council; the American Chinese Trade Council; the Council on Inter-American Relations; the Export Managers Club of New York, an organization of over 400 exporting firms; the National Association of Credit Men; the National Council of American Importers and Traders; the World Trade League of the United States; and the Textile Export Association of the United States.

Representatives of these various organizations gathered on last Friday in New York and this subject was considered of so much importance that we immediately telephoned to Washington in an effort to obtain from you, Mr. Chairman, if practicable, an extension of time so that representatives from all over the country could appear before this committee to submit the necessary detailed memorials. We found the time not sufficient and therefore we three have been delegated to come down to represent this joint foreign-trade community.

The exporters of this country believe that they, as taxpayers, are entitled to the same sort of representation that they had in previous years; and, moreover, there is a wide-spread belief that this would not cost the Government anything additional, because it has been proved, or is capable of proof, that the actual assistance rendered by the representatives of the Bureau abroad has been reflected in such increased volume of business that the profits on that volume of business, reflected in the taxes collected by the Government, are many, many times greater than necessary to compensate for the outlay of the Government in providing these facilities abroad. It is simply a question of dollars and cents. If we can restore, in any part, the $3,000,000,000 of export trade alone that we have lost, and which is capable of restoration with proper representation abroad, both by governmental agents and by the firms themselves, the profits on that business will be reflected to a degree which will make any large increase in the present appropriation more than justified in returns into the coffers of the Government.

Mr. BACON. An increase in our foreign trade to the point where it was in 1929 or 1930 would restore a great many thousand people back to work in this country, would it not?

Mr. THOMAS. It would restore many. Mr Tipper had an estimate of the number of people who are affected by our volume of foreign trade, which I should be glad if he would present to you

Mr. TIPPER. We prepared for the National Industrial Conference Board meeting the other day the results of an examination of the dependency of employment on foreign trade. We have had various calculations on employment, some of which have dealt specifically with those who are actually in export organizations or on docks that were actually moving export goods, but nothing has been done to indicate the real dependency on foreign trade.

For instance, we called attention to the fact that the State of Texas, which exports 90 percent of its cotton crop, normally has over 3,000,000 people dependent upon foreign trade for their livelihood; 1,700,000 people in the rural sections and approximately 1,500,000 in the urban sections whose livelihood would be lost if that trade were eliminated.

Mr. McMILLAN. Let me interrupt to ask, is that not true to greater or lesser extent throughout the Cotton Belt?

Mr. TIPPER. It is true throughout the country. We exhibited a map before the Senate Finance Committee last year which showed that every State in the Union has an interest in foreign trade. We showed the extent of that interest in dollars. The conclusion is that there is not a single State in this country that is not dependent to some extent upon foreign trade for its employment.

Mr. THOMAS. What is the total of the figures that you show as to the dependency on foreign trade for employment?

Mr. TIPPER. The dependency on export, the total figures are 3,000,000 on the farms, 1,300,000 in industry, and 7,000,000 in trade, transportation, and supplementary services—over 7,000,000 people, workers, not families.

Mr. THOMAS. Mr. Chairman, I should like to go on from that point and say that that represents merely exports. But the interest of this administration has been clearly expressed frequently in the necessity of increasing imports, to carry out its policies and to compensate not only for our existing volume of exports but for the increased volume which is expected to result from the operation of the reciprocal trade agreements and from the export-import banks and other agencies which are being set up by the Government.

Adequate attention has not been given to the information which is properly necessary to be supplied in foreign countries to enable that expansion of imports into this country which is absolutely necessary if the policies of this administration are to be carried out and we are to have that degree of balancing of trade which will not necessitate the continued extension of very large foreign loans abroad, to compensate for the excess balance of exports over imports.

Mr. ROBERTSON. Mr. Speaker, will the gentleman yield?

Mr. OLIVER. I yield.

Mr. ROBERTSON. Mr. Speaker, with respect to the comment of my distinguished colleague the gentleman from Missouri [Mr. COCHRAN] about the sale of black bass in the Capitol restaurant, I am pleased to assure him that I have made an investigation and have found that the black bass served in the House restaurant are not the large-mouthed black bass of fresh waters in which the disciple of Izaak Walton is so much interested, but are black sea bass, a salt-water fish, which, under the law, can be sold legally.

Mr. COCHRAN. Then they should take off the menu in the restaurant the description "Potomac bass", because there is no salt water where those bass are found in the Potomac River. Bass of that kind do not come out of salt water; I have caught too many of them for the gentleman to tell me that.

Mr. ROBERTSON. I was told that by the manager of the House restaurant; that the sale of Potomac black bass was illegal. He assured me these came from Chesapeake Bay; that these were black sea bass.

Mr. COCHRAN. If the gentleman will read the menu he will see that it reads "Potomac black bass"; and if he will look at them he will find they are fresh-water bass.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield for a brief question?

Mr. OLIVER. I yield.

Mrs. ROGERS of Massachusetts. Did the conference committee increase the amount for the Bureau of Foreign and Domestic Commerce?

Mr. OLIVER. Yes; the President submitted a Budget estimate for $143,000 plus, and that has been approved.

Mrs. ROGERS of Massachusetts. That is for the Foreign Service, and I am delighted; but was the amount increased for the Department of Commerce, the Bureau of Foreign and Domestic Commerce?

Mr. OLIVER. Only the Bureau of Standards, which is under Mr. Dickinson. The appropriation for the Bureau of Standards was increased by $30,000, and the House conferees concurred in that. That, however, is within the estimate originally submitted by the Budget. Our committee increased the appropriation for the Bureau of Foreign and Domestic Commerce $30,000, which the House approved. The Senate approved the House increase.

The bill for the four departments as now reported is $1,376,757 under the original Budget estimates.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider the vote by which the conference report was agreed to was laid on the table.

MINORITY VIEWS

Mr. CALDWELL. Mr. Speaker, I ask unanimous consent for the filing and printing of the views of the minority members of the Committee on Foreign Affairs on Senate bill 267, for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of nature.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

OLD-AGE PENSIONS

Mr. ROGERS of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a radio address delivered by me on the subject of old-age pensions.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ROGERS of Oklahoma. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address which I delivered March 17, 1935, on the subject of the Old-Age Pensions:

Good evening, my fellow Americans, the Roosevelt administration and the Seventy-fourth Congress are definitely committed to a sane and reasonable system of old-age pensions. It has been said that President Roosevelt was running on every ballot in the Nation last November. You will remember that candidates everywhere during the last election, seeking offices from the United States Senate down to constable, exploited a platform which favored a system of old-age pensions. There have been many social-security bills introduced in the present session of Congress. Most of these proposals have been either so fantastic in their generosity to the aged or so ultraconservative and pinchpenny that the noble purpose would be defeated by their enactment. But now the first blush of excitement for something too opulent and far too radical has subsided into a saner demand for a reasonable, just, and equitable method of providing a program, not spectacular but a program that will redound good of a lasting and permanent nature for the aged people of this Nation.

I have the honor of having introduced in the present Congress the first measure dealing with old-age pensions. You may be sure that I am not an egotist who thinks that mine is the only plan. But because of the universal acclaim that my proposal has received I beg leave to discuss with you briefly the outstanding tenets of my measure. First, however, let me explain that my bill, H. R. 2856, has the endorsement of the National Old-Age Pension Association. Dr. J. E. Pope is president of this organization. He has done a wonderful work in creating favorable sentiment for security legislation. He has been tireless in his efforts and deserves universal acclaim for his work. My bill provides that all citizens of the United States over the age of 55 years shall receive $30 per month, provided they are not engaged in the field of competitive earning.

If a citizen of the United States who has been a resident of this country for 20 years is unemployed or does not have sufficient income to maintain himself, he would be entitled to receive $30 per month from the Federal Government. This plan does not require the cooperation of the various States. Most of them are unable to assume any additional burdens, so this proposal is confined to the Federal Government. My bill also provides that any citizen of the United States above the age of 21 years, who is physically or mentally unable to earn his living, would receive $30 per month. Necessary funds would be provided by a levy of 1½ percent on all earnings of persons between the ages of 21 and 45 years. The plan calls for an appropriation of $250,000,000 to initiate the program. I have drafted amendments, to be submitted when the bill is considered on the floor of the House, which propose to pension persons between the ages of 60 and 65 in the amount of $40 per month, and persons over the age of 65, $50 per month.

President Roosevelt has submitted an old-age-pension plan to Congress that calls for a maximum of $15 per month to citizens over 65 years of age, with a method of State participation. Numerous States have indicated that their financial condition will not permit this cooperation. I am not opposed to President Roosevelt's old-age-pension plan. It is a great step forward, but it does not go far enough. It represents the most conservative plan of social security. It is good and desirable as far as it goes, but the fact remains that it is inadequate. It does not make ample provisions for social security. It would be discriminatory in its effects with the aged of the various States. It does not provide for our elderly people until the beginning of the fiscal

year 1936. The State legislatures would have to meet and make appropriations to match all or any part of the $15 Federal fund. At best, it would be late 1936 or 1937 before our needy aged could realize the benefits of the administration's program. What we need is an equitable, reasonable Federal system of old-age pension now.

Since I introduced H. R. 2856 last January 3, I have received millions of signatures to petitions from people in every State in the Union urging immediate congressional action on my bill. You can look in the CONGRESSIONAL RECORD any day and find listed, under the heading of "Petitions", page after page where people by the thousands and millions are sending me petitions favoring this bill. The mere listing of these by town and county requires from 3 to 9 pages of the CONGRESSIONAL RECORD every day. The number of petitions favoring this plan of old-age pensions exceeds by far those received on all other legislation combined. It is phenomenal that this proposal has such wide-spread acclaim. It is looked upon as a plan that is conservative enough to satisfy those who would protect the Federal Treasury and progressive enough to meet the demands of social security. It takes a middle course.

Old-age pensions was once considered a wild, radical scheme. Those who were bold enough to advocate pensions for our aged were met with distrust and suspicion of their fellow men. No longer does this hold true. No longer do we undertake to condone the philosophy of these lines:

In savage tribes where skulls are thick
And primal passions rage,
They have a system sure and quick
To cure the blight of age.
For when a native's youth has fled
And years have snapped his vim,
They simply knocked him on the head
And put an end to him.
But we of this enlightened age
Are built of sterner stuff,
And so we look with righteous rage
On deed so harsh and rough.
For when a man grows old and gray
And weak and short of breath,
We simply take his job away
And let him starve to death.

Ludicrous as these lines may seem, we are faced with the fact that they contain what has been our principle of social economy in the past. Today we all recognize the need for an adequate system of old-age pensions. Embodied in H. R. 2856 a far-reaching humane plan of national old-age pensions is a schedule that will provide security for the aged, and at the same time will add no hardship to the tax-paying public. It is another way to spread the wealth of this Nation. It is an open road to happiness and contentment in old age. Since Congress is pledged to enact some system of old-age security, and since the President is committed on this problem, I feel that the adoption of my proposal will aid in breaking the depression, will help us to be our brother's keeper, will make us remember the forgotten man, and will serve as an effective supplement to the program already initiated by the Roosevelt administration.

COTTON CONTROL

Mr. JONES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6424), to continue the Cotton Control Act, to exempt a limited quantity of cotton from the tax thereunder, to provide for the better administration of such act, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6424) to continue the Cotton Control Act, to exempt a limited quantity of cotton from the tax thereunder, to provide for the better administration of such act, and for other purposes, with Mr. LANHAM in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. JONES. Mr. Chairman, this bill is composed of amendments to the so-called "Bankhead bill." It does three things: First, it exempts the producer, whether owner, share cropper, or tenant, who has been producing cotton and who has a base production of less than 2 bales, the amount of his production this year to be not to exceed 2 bales; second, it provides an appeal board consisting of a representative of the Secretary of Agriculture, the Attorney General, and the secretary of agriculture of each cotton State, to which board appeals may be made of disputes relative to decisions of county committees; third, it provides a compensation for the ginners of 25 cents per bale.

We have endeavored to get figures as to the amount of increase that would be allowed by virtue of the 2-bale exemption. It has been impossible to get accurate figures. The Department has taken the base production in five States of those who made 2 bales or less and assumed that the same ratio applied in other States, and on this basis have estimated that there are 518,000 farmers who have allotted or who have a base production of 2 bales or less.

It is probably fair to assume, according to the figures which they have, that the average production which they have in those 518,000 will be about 1⅓ bales; so the only possible increase would be the other two-thirds of a bale for those who produce this year an amount in addition to the average production which they had heretofore. Those figures assume that every one of them would produce the full 2 bales. There would be a possible additional allotment for those who had a little above 2 bales who by virtue of the reduction program would be reduced below 2 bales. There are 418,000, I think it is estimated, who produce between 2 and 3 bales. Some of those in their actual allotment this year would be reduced below 2 bales. They would get an additional possible production in order to bring them up to the 2 bales. That has been estimated by various individuals at about 117,000 bales. I take it the only possible addition, the way this is worked out, would be probably between 400,000 and 500,000 bales. This is assuming that our estimates as to the number of farmers is correct.

The Department estimates that the increase would be greater than I have estimated. I include at the end of my speech the estimates of the Department.

The Department is authorized under the bill to fix the allotment for this year. That can be absorbed in the regular allotment, or added to it, depending on the attitude of the Department. Mr. Chairman, there are a number of Members interested in this measure, so I will reserve the balance of my time.

Mr. SNELL. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from New York.

Mr. SNELL. If these small producers produce say 400,000 bales more than they would under the allotment, will that be taken away from the large producers, or will it be just so much more cotton produced?

Mr. JONES. That will depend on the total baleage fixed by the Department.

Mr. SNELL. I thought we had fixed that at 10,000,000 bales?

Mr. JONES. That was the first year. The second year it was to be fixed by the Department, based on existing conditions.

Mr. SNELL. They may do anything they like?

Mr. JONES. Yes; of course, those figures are not accurate. The Department estimates it would be a little more than that, but I am giving the best I can under the circumstances.

Mr. MOTT. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Oregon.

Mr. MOTT. Can the gentleman tell us the total number of cotton growers?

Mr. JONES. Yes; approximately—about 2,400,000.

Mr. TABER. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from New York.

Mr. TABER. Will the gentleman tell us about how many bales of cotton are now being produced?

Mr. JONES. I can give the gentleman the figures for last year and for a series of years, if he wishes that information. I can also give him the carry-over. The production for the season 1933–34 was 13,047,000. For the season just passed, 1934–35, the production was 9,731,000 bales.

Mr. TABER. How much of each year's production was exported?

Mr. JONES. I have not the figures accurately. The exports from the United States for the season 1933–34 were 7,534,000 bales. We do not have those figures complete for the 1934–35 season. I have that somewhere in my papers however. I may say it is much less this year than last year.

Mr. TABER. Does the gentleman estimate about 4,000,000 bales?

Mr. JONES. No; I do not think there was that much. You understand that there was a drought in a great stretch of the cotton country, and the exportations for this past season were comparatively small. I do not know exactly what it was. I have it somewhere in my papers. However, it was comparatively small this last year.

Mr. TABER. Were the 1934–35 figures above or below the allotment?

Mr. JONES. Does the gentleman mean the export figure or the production figure?

Mr. TABER. No; I refer to the allotment figure.

Mr. JONES. The total carry-over of American cotton was reduced last year.

Mr. TABER. And the production was below the allotment or above?

Mr. JONES. Yes. The production was a few hundred thousand below.

Mr. TABER. What is expected this year in the way of allotments?

Mr. JONES. I believe the Department has set a tentative figure that the allotment will be 10,500,000 running bales plus the outstanding certificates, which, as I recall, are around 400,000. Those figures are all approximate.

Mr. DIRKSEN. Has the gentleman the figure for the present carry-over?

Mr. JONES. Yes. For 1934–35 the carry-over of American cotton in America on August 1, which was the beginning of the season, was 7,647,000 bales, and the American cotton in world trade was 10,634,000.

Mr. TARVER. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Georgia.

Mr. TARVER. I understood the chairman of the committee to say that it is the purpose of the committee by this bill to allow the exemption to every producer of cotton whether he be the owner of land, a tenant, or share-cropper, and to give him the privilege of marketing two bales of cotton exempt from the tax.

Mr. JONES. True, if he has been and is a producer of cotton. It would not give the privilege to new men unless they came under the terms of the original act.

Mr. TARVER. It seems to me the language of section 2 is difficult of construction, and I doubt if the Department of Agriculture would definitely and clearly construe this language as effectuating the gentleman's purpose and the committee's purpose. If that is true, would the gentleman or the committee have any objection to clarifying that section in order to make clear the purpose?

Mr. JONES. If the object is to clarify and not complicate some of the other language, there would be no objection. I may say that we had the best cotton men in the country go over this bill, and they think there is no doubt about the language.

Mr. Chairman, I reserve the balance of my time.

Number of cotton growers producing on the average of 2 bales and less, and between 2 and 3 bales during 1928 to 1933, in 1934 for selected States with an estimate for the entire Cotton Belt

(From 1934 Bankhead applications, on basis of 478-pound bales)

State (1)	2 bales or less (2)	Between 2 and 3 bales (3)	3 bales or less (col. 2+col. 3) (4)
Alabama	61,895	49,515	111,410
Arkansas	33,833	32,897	66,730
New Mexico	260	314	594
North Carolina	56,624	30,779	87,403
Oklahoma	30,907	32,940	63,847
Tennessee	22,936	19,733	42,669
Total	206,475	166,178	372,653
Estimate for entire Cotton Belt [1]	518,781	417,532	936,314
Estimated average production [2]	518,781	1,043,830	1,922,611
1935 allotment, assuming 35 percent reduction	337,208	678,460	1,015,668
Plus 103,000 bales allowed for making allotments as regulations now read in determining the national allotment of 10.5 million			1,118,668
Estimated requirements for making allotments by proposed plan [3]	1,037,562	835,064	1,872,626
Necessary increase in allotment			753,958

[1] Assuming that the same relationship for small producers as compared to the number of applications exists in the remainder of the Cotton Belt.

[2] Assuming one bale as average for the group included in two bales or less.

[3] Granting two bales to each producer unit falling in the two groups.

The two groups above do not include the 1934 Bankhead applications covering farms on which cotton was grown in 1934 for the first time since 1927, a large percentage of which fall in the two groups. There were approximately 75,000 such applications on which it is estimated there were about 60,000 producer units growing less than 3 bales and would increase the 753,958 bales to 850,000 bales.

It is estimated that the producer units omitted from applications in 1934 and the increase in 1935 of the number of producer units would easily increase the draw upon the national allotment to from 1,500,000 to 2,500,000 bales.

Mr. HOPE. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Chairman, under the unanimous-consent agreement through which the pending legislation became privileged, it was agreed the first section of the bill concerning the extension of the processing taxes for an additional year will be eliminated. I believe this is good judgment, as it will not complicate the situation. The poor tenant farmer of the South, who has suffered untold hardships and misery through the curtailment program will not be forced to carry on his back the extension of the law. That can be considered later and on its own merits.

With the section eliminated, I recognize the urgency and the need for the prompt passage of the legislation. Hundreds of thousands of cotton farmers, that class for which the American people have the most sympathy, have been pushed into dire distress through the operations of the curtailment program. These small farmers, whose total income from cotton production would be only $120 a year, have been obliged to bear additional burdens. Think of it: Placing increased burdens on a people who find it almost impossible to obtain the bare necessities of life, and whose greatest worry last fall was to obtain the needed cotton cloth, that their children might be enabled to go to school. I am reliably informed six or seven thousand families in Alabama alone were in that situation last September. Only an appeal to the relief officials solved their problem. J. S. Wannamaker, of South Carolina, president of the Cotton Growers' Association, has stated the curtailment program forced 40 percent of the cotton growers onto the relief rolls. Certainly it must be evident to anyone there can be no recovery in this country through a law which operates in this manner.

I am for the amendments which would eliminate the two-bale tenant farmer from the tax, even if the Department is reported to look with disfavor on the proposal. It is absurd to think of taxing a cotton grower whose income is $120 a year, or $180 a year. It is like going to the poorhouse and taking up a collection for charity. What if the large grower does find he is hit a little through the relief given to the small growers? He must expect to make some contribution to the task of rescuing the submerged millions in his own neighborhood.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. JOHNSON of Oklahoma. Does not the gentleman believe that Congress might well go further and exempt four bales rather than only two bales?

Mr. MARTIN of Massachusetts. Personally, I would think that four bales of cotton is a small enough amount, because, after all, what is $240 a year to the small cotton growers.

Mr. JOHNSON of Oklahoma. I may say to the gentleman that I have an amendment prepared which will do that very thing.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. DIES. I want to state to the gentleman that in my district farmers who produce a bale of cotton were cut down by the Department of Agriculture to as low as 250 pounds of cotton, and this was not just one instance, but occurred in numerous instances.

Mr. MARTIN of Massachusetts. I do not subscribe to regulation of that character. I know how it has already affected the South. I know the misery it has brought to many people.

Mr. NICHOLS. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. NICHOLS. Does the gentleman understand that this bill provides for the exemption of two bales of cotton to every cotton farmer who came within the purview of the act of last year?

Mr. MARTIN of Massachusetts. I would not want to answer that question because I do not know just who did come under the act of last year.

Mr. NICHOLS. If he did come under the act of last year his two bales of cotton will be exempt under this bill, will it not?

Mr. MARTIN of Massachusetts. I would prefer that the gentleman address his question to the chairman of the committee.

Mr. JONES. That is correct; it affects his production this year up to that amount.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. DIES. Does not the gentleman believe that it would be far wiser for Congress to provide a domestic allotment plan giving to the farmers direct out of the Treasury a subsidy and enable us to hold and maintain the markets of the world for our cotton producers.

Mr. MARTIN of Massachusetts. I think the gentleman is absolutely correct, and a little later I hope to approach that subject more in detail.

Mr. EAGLE. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. Yes.

Mr. EAGLE. I am very pleased to have the assistance of my colleague from Texas, and I may refer to the fact that 2 months ago I introduced a domestic-cotton allotment bill and shortly we will have open hearings and I want everybody to help us perfect that measure.

Mr. MARTIN of Massachusetts. I am not concerned about any opposition that the large cotton grower may have to the legislation that is pending here today. I think the large cotton growers should be willing to make some contribution to the welfare of these submerged millions, particularly when they live in their own part of the country.

We have a great problem to solve as to cotton. All of us are interested in a proper solution, whether we represent cotton growers, cotton spinners, or the consumers. We must not act too hastily. The ablest business men of this country are trying to reach a just solution. That is why it would have been ridiculous to try to give the verdict in a 2-hour Saturday afternoon discussion, with the main proposal tied up as a rider on a relief bill for the poor tenant farmer.

I am neither sectional nor partisan in my consideration of this problem. The cotton grower and the cotton spinner, whether they be in the North or the South, have a common bond of interest. It is decidedly to the benefit of each that the other shall be prosperous. If the cotton grower obtains a fair price for his cotton, he will be prosperous and he will have the purchasing power that will materially contribute to the activity of the cotton spinner. If the price is too high, beyond the figure which the consumer will pay, there will be a lessened demand and the grower and spinner alike will suffer.

If the cotton spinner is unduly penalized, if he is forced out of business, the grower loses a home customer which he will never replace. If the price is forced beyond a figure which will permit the export trade, there is sure to be an economic crisis in the South because more than half of the cotton grown has in the past found its way to foreign countries.

The foreign trade is seriously threatened. This notwithstanding the fact that it is generally recognized the best cotton in the world is grown in the South. It has more character than the cotton of India or Brazil; it permits greater efficiency in operation. All this may well be true, and yet it will be found price will be a determining factor in export trade.

Japan, Greece, and Yugoslavia are trying to produce cotton in a small way. Great Britain, Belgium, and Italy are giving their encouragement to the production of cotton in their colonial empires in Asia and Africa. Japan is stimulating cotton growing in Manchukuo and Korea. Brazil dreams of a cotton empire which will be larger than that now in the South. With these movements throughout the world, the United States must move cautiously if cotton is to maintain its traditional place in American life.

We cannot play too lightly with the economic future of millions of our countrymen. It is all right to try experiments, it is all right to give subsidies, but no experiment should be attempted unless it is thought clear through. And if it be demonstrated the experiment helps only a few and places an impossible burden on many millions of our people, we should be frank enough to admit failure and try some other method of giving relief.

I am for relief for the cotton farmer. I believe he is entitled to aid, but I want that relief given in such a way it will not bring disaster to millions of other people and in the end bring destruction to the cotton grower himself.

I am not for letting a few theorists in the Department of Agriculture make this decision. I believe this great problem could be solved in a more equitable way if we invite leading cotton growers, cotton spinners, representatives of the consumers, outstanding business men of the country, to come here and discuss this problem in a judicial way, with the one thought in mind of what is best for the country.

If we did this, we would get legislation which would give some promise of solution and would make a real contribution to recovery. This method of just getting the testimony of a representative of the Department of Agriculture, who is probably most concerned in building up the numerical strength of his division, and then reporting out what he wants after a perfunctory discussion, is not going to solve a problem of this magnitude. It is not going to rescue the American people from poverty and distress.

During the last 2 days representatives of the cotton-spinning industry from all sections of the country have been gathered here in Washington. They have come to see if plans could be devised which would save their industry from the threatened destruction.

Mr. DIES. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. DIES. Do not the figures show that our exports of cotton are rapidly declining every month in comparison with the consumption of foreign cotton?

Mr. MARTIN of Massachusetts. The facts show the gentleman is correct. The distress in the cotton-spinning industry is most acute.

One large mill in North Carolina has recently closed its doors. A large mill in Georgia is facing a similar fate within a few weeks. Another large mill in Georgia, for the first time in its history, saw red figures appear last July. Since that day, every month has seen similar red figures. It is one of the best-managed mills in the South, and is known to pay wages 15 percent higher than most southern mills, yet it cannot live under present conditions. Mills in Massachusetts, Rhode Island, Connecticut, Pennsylvania, Alabama, and South Carolina are similarly threatened. It is not a local menace, but one Nation-wide in its scope, embracing every part of the country.

It is a real peril, and the President of the United States is the one man who can help the most. I hope he will not permit an industry to perish, an industry which directly employs 500,000 persons and which indirectly provides a livelihood for several million additional families.

The cotton grower of the South is vitally concerned with the peril of his best customer. It is no profit to him to see this home market steadily slipping. If foreign competition becomes acute, he will need more than ever the home market, and it is to his interest that it be maintained.

The processing tax has been a burden which the textile industry has not been able to pass along to the consumer except in few instances. In theory the consumer was expected to pay the entire bill, but with the purchasing power of the masses actually less this year than last year, it has not been possible to pass the tax along.

There was reached in many instances a price which could not be exceeded without stifling demand or else losing the

market to substitutes. Consequently an industry which has been stripped of its reserve surpluses through years of adversity has found itself fettered with unbearable taxes to pay for the relief of cotton growers.

The cotton grower should be given his relief. I am for this, but I say it is manifestly unfair to drain the lifeblood of one industry to pay the bill of what is distinctly a national problem. Not only is it unfair but unwise as well. If you rescue one group at the cost of the destruction of a larger group, you have not made any progress toward recovery.

Much more sensible would it be to give the cotton grower his relief directly from the Treasury or, at least, widen the base of the assessments to the end that no one would be ruined.

If this processing tax was shifted from the cotton industry, jobs would be available for thousands of more people. No greater relief contribution could be made than to put more people back to work in private employment at real wages.

Mr. McCORMACK. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to my colleague.

Mr. McCORMACK. Are not our textile industries being placed in jeopardy by imports from Japan?

Mr. MARTIN of Massachusetts. The gentleman is correst. It is a serious threat, and if the deluge continues there will be very little of the textile industry left in this country.

I believe the one man who can help us is the President of the United States, and I hope he will do so. He can arrest these tremendous importations from Japan coming into this country every day and depriving the American people of the opportunity to work that belongs to them.

Last year there was imported from that country 7,000,000 square yards of cotton goods. In the month of January 5,000,000 square yards were imported and as much more on the 1st day of February alone. All that has caused loss of employment to American workers.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. Yes.

Mr. McCORMACK. The figures show that in 1933, 1,700,000 square yards of cotton cloth were imported from Japan. In 1934, 7,700,000 square yards, and in January 1935, 7,000,000 square yards; in February 1935, 12,000,000 square yards; and on March 1, that day alone, 5,000,000; making a total of 24,000,000 square yards to date in this year, over three times the total in 1934, and many times more than the total of 1933.

Mr. MARTIN of Massachusetts. I thank the gentleman for his valuable contribution. The full extent of the peril is obvious to anyone who investigates the subject. It is obvious to the workers who daily see their opportunity to earn a living by honest toil being taken from them.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. Yes.

Mr. SUMNERS of Texas. I interrupt to state that the gentleman in his broad approach to this subject affords a good example to the Members of the House in dealing with a great economic problem at this time.

Mr. MARTIN of Massachusetts. No one is more interested than I am in solving this problem. That is why I am glad it is going to be delayed so we can approach the subject in an intelligent and honest way. It is too great a national problem to try to solve in 2 hours of general debate.

Mr. CITRON. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. Yes.

Mr. CITRON. Our textile exports have decreased in the last 5 years from almost a billion dollars to about $400,000,000. This whole textile situation is a matter not only for the manufacturers, but for the cotton growers, and is a complicated matter. Many of our factories are leaving this country because of various reasons. I have introduced a bill which provides for a study of the whole situation, and I hope the gentleman will come to the support of my bill so that we can get all of the facts.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. Yes.

Mr. KNUTSON. The gentleman from Connecticut is mistaken. Our exports are six times as much as the gentleman gives them. Has the gentleman any information as to where the cotton that Japanese cloth is made of comes from? I understand that it comes from India.

Mr. MARTIN of Massachusetts. A great deal of it.

Mr. VINSON of Georgia. Oh, no.

Mr. KNUTSON. Those are the facts. And the records will show that Japan is putting in a big acreage in Manchukuo and will be independent of American cotton in 3 years.

Mr. DIES. And is not the cause of the increase in the importation of cotton from Japan due to the depreciation in the yen?

Mr. MARTIN of Massachusetts. Also, labor gets only 20 to 22 cents a day in Japan.

Mr. DIES. But the yen has been steadily falling.

Mr. MARTIN of Massachusetts. And the labor lives on rice, and it does not cost much money to buy rice in Japan.

Mr. McMILLAN. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. Yes.

Mr. McMILLAN. May I state for the information of the gentleman from Massachusetts that in addition to the great amount of finished cotton goods now being annually imported into our country, to which reference has just been made by our friend and colleague [Mr. McCORMACK], that many thousands of bales are also annually imported for manufacturing purposes directly in competition with our own cotton. The Bureau of Foreign and Domestic Commerce has just recently supplied me with some statistics in this connection which are most impressive. For instance, in 1932 there were 104,000 bales imported; 1933, 146,000 bales; 1934, 144,000 bales. It seems to me that some policy should be immediately adopted to prevent, if possible, the importation of cotton grown in foreign countries, if our farmers and the cotton industry are to be protected.

Mr. MARTIN of Massachusetts. The gentleman is entirely correct.

Our task today is a simple one. Let us give relief to the tenant farmers. God knows no one will deny him his humble place in life or want to make it worse. Let us delay action on the extension of the life of this experiment. Then let us all get together and forget about the department brain trusters and see if we cannot work out relief for the cotton grower which will give him a chance to save both his home and foreign markets, and at the same time not bring about the destruction of his best customers, the cotton spinners, both North and South.

It is one of the gravest problems before the American Government today and worthy of the most serious consideration. Certainly, as the law now stands, it gives a very minimum of relief and is slowly but steadily strangling the cotton spinner and the small cotton grower, and eventually will ruin the South. The problem should be approached in a genuine patriotic way, with a realization all have a right to live and the country advances though all being prosperous. [Applause.]

Mr. DONDERO. How many bales of cotton are we importing from abroad now?

Mr. MARTIN of Massachusetts. The gentleman from South Carolina stated 144,000 bales.

Mr. JONES. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. DOXEY].

Mr. DOXEY. Mr. Chairman, ladies and gentlemen, knowing full well the interest of those who have the welfare of the cotton South at heart, and especially the Members of this body who by their words and acts have expressed themselves in favor of a better and more equitable administration of the present Cotton Control Act, better known as the Bankhead Law, I desire to express my sincere appreciation to each and every one who has made it possible, over much opposition, for us to be able to consider my bill (H. R. 6424) at this time.

Realizing that quite a number of you have already requested time to discuss this bill together with the fact that our time is limited, it will not be my purpose to dwell upon conditions of the cotton producer, the nature of complaints in regard to the administration of the act last year, or the reasons that prompted me to introduce this bill and do all that I could thus far to have it enacted into a law. The hearings before our full committee for several days, then the time and study given it by our subcommittee, and the general developments, are partially reflected in the printed hearings on this bill to which I invite your careful consideration.

Some rather unusual things have transpired since February 12, 1935, the day I introduced the original bill (H. R. 5578), which has been the basis of our consideration and is amended by this bill (H. R. 6424). The Secretary of Agriculture since then has issued quite a number of regulations and proposed rules looking forward this year to a better and more equitable administration of the present Cotton Control Act. In my humble judgment, however, he has not yet gone far enough and has not yet set up the right administrative machinery to do the job properly or to give the relief that I feel the cotton producer, who should be classed as owner, tenant, and share-cropper, is entitled to. I am afraid that unless we enact definite and specific legislation, clearly expressing that it is the intent of Congress that the small farmer, including the tenant and share-cropper, is to be given some of the "breaks", so to speak, he—the small producer, owner, tenant, and share-cropper—will find that in the administration of the act this year he will fare about as he did last year.

We want to better his condition and give him at least a 2-bale exemption tax free this year, providing he raises that much.

We also want an appeal board to whom any producer of cotton, feeling that his county committee has not given him his full share of cotton allotment tax free, can appeal his case, present his claim, and procure relief if he is entitled to it. We want and expect each allotment to each individual farmer to be made public.

We also want the ginners paid out of the funds set aside to administer this act, a reasonable fee for the extra trouble and expense they are put to in ginning the cotton and making their report in regard thereto.

We further feel that some of the regulations of the Secretary of Agriculture last year should be changed, and that the cotton farmer should be permitted to express himself this fall, as he did last year, as to whether he desires a continuation of some form of cotton-production control next year.

Permit me here to remind you and to earnestly warn you that there are some powerful influences against this bill, as well as against any legislation, whatsoever, dealing with our cotton situation. They do not want us to legislate at all in our efforts to benefit the cotton farmer. They would like to see this bill amended so as to wreck it, and in fact to destroy the entire cotton program that has been of such great benefit thus far to the cotton farmer. Do not be deceived and vote for amendments that will kill the bill. To load it down with amendments or to materially change it, means no legislation at all in this regard at this session of Congress, and will make matters more and more complicated when we try to legislate on the subject next session.

Some of us know of the efforts of the opposition. We all have within the last few days seen unmistakable evidences of the plan to demoralize the efforts of this administration, and to bring about a radical change of policy by propaganda and by otherwise arousing and poisoning the minds of the people. Everything is being done to counteract the great relief thus far given agriculture by this administration. There is a well-organized and powerful influence doing effective work in breaking the cotton market. The recent downward trend and violent break in the price of cotton, whereby cotton declined in a single day nearly 2 cents per pound, is positive proof of what the manipulators, speculators, and cotton-market gamblers are trying to do and what they can do.

Recently I introduced a bill (H. R. 5367) for the prevention and removal of obstructions and burdens upon interstate commerce in cotton by regulating transactions on cotton-futures exchanges, and for other purposes, which, in my judgment, will go a long way toward remedying such a disastrous situation.

Our Committee on Agriculture has given much time and thought to this proposition, and on March 14 voted to report out of the committee favorably H. R. 6772, "To amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity-futures exchanges, and for other purposes", which includes the principles set forth in my bill H. R. 5367 with reference to regulating cotton transactions on the cotton-futures exchanges. In other words, H. R. 6772 amends the Grain Futures Act by including cotton as a commodity, which has never heretofore been in any wise regulated as to transactions on futures exchanges, which bill we hope will soon be enacted into a law.

In the well-organized scheme to pound down the price of cotton and in other ways to discredit and thwart the efforts of the Roosevelt administration, all kinds of false rumors are being published and disseminated throughout the land, not only in this country but also in foreign countries, in an effort to bring about a lower price at the expense of the Government, which is now holding several million bales of farmer cotton, and at a great loss to the cotton farmers of this country.

Our enemies have said and published that this administration was going to change and even abandon its loan and crop-restriction policies with reference to cotton. Special mention was made of the Doxey bill (H. R. 6424) that we are now considering.

It was charged that as the Rules Committee of the House had given a rule on the Doxey bill and that bill would have the right-of-way, there would certainly be an increase in cotton production this year if the bill should be enacted into law. Nothing is further from the truth. The Doxey bill in no wise changes or increases the total present allotment to the entire country or to any cotton-producing State or county. It simply changes the method of distributing the same total allotment of cotton. It permits the little cotton producer to grow and sell more cotton tax free and requires the big grower to produce and sell less tax-exempt cotton.

I do not believe the Members of this House or the country at large will be deceived by any such false and extensive propaganda that is now flooding the country.

The situation is serious, our responsibilities are grave. Are we going forward or backward? The fate of this particular bill, so far as this House is concerned, is in your hands. The friends of this measure have brought it to you, wide open, so to speak. Any amendment that is germane is in order. If we can strengthen and better the bill by amending it, I am for amendments. If not, I am against them. Let us make the best bill possible and pass it today.

Would that I had the time to give you certain facts and figures in regard to this cotton situation as it exists today and to take this bill up section by section and analyze it and give you the reasons therefor. Time will not permit a detailed explanation. My printed report (No. 335) on this bill is an effort to give a comprehensive and concise explanation of the bill as amended by the committee.

The original bill, H. R. 5578, that I introduced is as follows:

A bill to continue the Cotton Control Act, to exempt a limited quantity of cotton from the tax thereunder, to provide for the better administration of such act, and for other purposes

Be it enacted, etc., That the second and third sentences of section 2 and the first sentence of section 3 (a) of the act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes", approved April 21, 1934, as amended, are amended by inserting after the phrase "the crop year 1935–

36", wherever such phrase appears, the phrase "or the crop year 1936–37."

SEC. 2. (a) Section 4 of such act, as amended, is amended by inserting at the end thereof the following new subsection:

"(h) If the allotment of tax-exempt cotton to land of any producer of cotton (on his behalf as share-cropper or tenant) is less than two bales for the crop year 1935–36, there shall be exempt from the tax imposed under this act so much of the cotton harvested on such land during such crop year as is in excess of the allotment but not in excess of two bales. No producer shall be entitled to exemption certificates on the amount of cotton exempt from tax under this subsection, but, upon proof of the right to exemption under this subsection in accordance with regulations prescribed by the Secretary of Agriculture and the Secretary of the Treasury, bale tags shall be issued for such cotton. For the crop year 1935–36, the quantity of cotton allotted under section 3 (a) shall include the amount which the Secretary of Agriculture estimates will be tax-exempt under this subsection and the amount of cotton apportioned under section 3 (b) shall be the amount so allotted minus the amount of tax-exempt cotton so estimated."

(b) Section 23 of such act, as amended (relating to the definition of "bale"), is amended by inserting after "3", in the last sentence thereof "4 (h)."

SEC. 3 Section 6 of such act, as amended (relating to allotments to producers) is amended by inserting "(a)" before the first sentence thereof, and by inserting at the end thereof the following new subsections:

"(b) (1) The Secretary of Agriculture is authorized and directed to establish, as soon as practicable, in each State a board to be known as the 'Allotment Appeals Board', which shall consist of a representative of the Department of Agriculture designated by the Secretary, and, with the consent of the State, the attorney general of the State or a person designated by him, and the secretary of agriculture of the State of a person designated by him.

"(2) Subject to such rules and regulations as the Allotment Appeals Board may prescribe relating to the time, place, and manner of hearing and disposing of appeals, any producer of cotton or any share-cropper or tenant who has been granted an allotment by, or whose application for an allotment has been denied by, the county committee, may appeal to such Appeals Board from the action of the county committee. The Appeals Board shall consider such appeal and, on the basis of the law and facts, shall affirm, modify, or set aside the action of the county committee. The decision of the Appeals Board shall be final and the Secretary of Agriculture shall make provision for carrying out such final decisions.

"(3) The members of the Appeals Board shall be allowed compensation at the rate of $5 per day while actually engaged in the work of the Board, except that the representative of the United States Department of Agriculture shall be paid such compensation as the Secretary may fix. Subject to the approval of the Secretary of Agriculture, the Appeals Board may appoint such clerical and stenographic assistants as may be necessary and may incur such expenses as may be necessary. An itemized statement of salaries and other expenses so incurred shall be submitted to the Secretary of Agriculture at such time as he may require and shall, when allowed by him, be paid out of moneys available for administrative expenses under this act.

"(c) The allotment to each producer in each county for the crop year 1935–36 shall be made public either by posting on the bulletin board of the courthouse in that county, or by publication once in a newspaper of general circulation within the county, the name, address, and amount of allotment to each producer."

SEC. 4 Section 9 (d) of such act, as amended (relating to transfer of exemption certificates), is amended by inserting after the first sentence thereof the following new sentence: "No rule or regulation of the Secretary of Agriculture shall prohibit the transfer or assignment by a cotton producer of certificates issued or reissued by him to another cotton producer who is a resident of the same State."

SEC. 5. Section 17 of such act, as amended, is amended by inserting "(a)" before the first sentence thereof and by inserting at the end thereof the following new subsection:

"(b) Appropriations for administrative expenses under this act are authorized to be made available to enable the Secretary of Agriculture to pay any person, who, in connection with the operation of any cotton gin, was obliged to collect tax imposed under this act on any cotton harvested during the crop year 1934–35 or during the crop year 1935–36, and who applies to the Secretary therefor, compensation for the collection of such tax at the rate of 25 cents per bale of 478 pounds (and fractional parts of a bale in proportion) for collecting the tax on each such bale."

Mr. Chairman, time will not permit me to discuss the merits or the demerits of the Bankhead bill. The amendments proposed in my bill are what I shall endeavor to explain to you, and how they will work if we adopt them. My good friend from Massachusetts, Mr. MARTIN, has just made a most interesting and illuminating speech with reference to conditions in New England regarding the processing tax. It does not bear on this bill at all. Out of deference for these people here and in view of the fact that we wanted to expedite the passage of this important measure, as time is the essence, we agreed to eliminate, for the present at least, section 1 of the bill H. R. 6424, which I introduced, and therefore we will not discuss whether or not the Bankhead Act shall be continued or whether the people at this time shall have the opportunity to vote. With section 1 of the bill for the present eliminated by agreement for the purposes I have outlined, what does section 2 do? Section 2, in as clear language as we were able to express, provides that the two-bale farmer—and the farmer is to be classed as owner, sharecropper, and tenant—is to be given an exemption of two bales of cotton, provided he raises that much, if he has any allotment at all coming to him. That is section 2 of my bill, and that is all it is. I am for anything that will better the bill, and I hope that we will do what we can to try to better it; but I ask you gentlemen to remember and to beware and realize we could kill this whole proposition by loading it down with amendments, whether they sound good or not. We can do too much in trying to have our cake and eat it too. We can easily talk this bill here to death as well as try to get something we know will not be passed by the Senate or approved by the President. We know the opposition to this bill is powerful and far-reaching. We know people say it cannot be administered because of the two-bale exemption to the little farmer. They estimate it will take too much cotton away from the sum total allotted to the country at large.

Mr. TARVER. Will the gentleman yield?

Mr. DOXEY. I am always glad to yield to the gentleman from Georgia or anybody else if I can answer their questions in the limited time I have.

Mr. TARVER. I know the gentleman's purposes are sincere, but I call his attention to the language of section 2, the first portion of which reads as follows:

If the allotment of tax-exempt cotton to land of any producer of cotton is less than two bales—

And so forth. It seems to me there is a very good chance for the Department of Agriculture to construe this to tie the allocation to the land, and not to provide for a minimum allocation to the producer who has no land, who is a tenant or share-cropper of as much as two bales. I know that is not the purpose of the Doxey bill, but the language could very easily be clarified by providing for the allocation to each producer unit of not less than two bales.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. DOXEY. I yield.

Mr. VINSON of Georgia. Let me call attention to lines 24 and 25 in the Doxey bill which provide distinctly that it shall be a tenant or a share-cropper cultivating the land.

Mr. TARVER. Oh, no; it does not say that. It says where the land is cultivated by a tenant or a share cropper the certificate shall be issued to him. How many certificates? Does it mean two bales' worth of certificates to 5 or 6 tenants or share-croppers on the land? The bill is indefinite in that particular and it ought to be clarified if the gentleman from Mississippi intends to provide for a two-bale allocation to each producer.

Mr. DOXEY. I am sure both gentlemen know that was and is the intention of the author of the bill, who is myself. Under the 5-minute rule this bill will come before you open, and it can be clarified and amended, but let us not make any amendments except those that may clarify or clear up our intentions specifically.

Mr. VINSON of Georgia. Will the gentleman yield further?

Mr. DOXEY. I yield, gladly.

Mr. VINSON of Georgia. Before the gentleman gets away from section 2 let me give the gentleman this information: In the State of Georgia last year there were 28,029 producer units, that is, individual farmers, receiving less than a two-bale allotment; 1,228 receiving only 240 pounds, 6,203 receiving from 240 to 478 pounds, 9,016 receiving from 479 to 717 pounds, and 11,541 receiving between 718 and 959 pounds of cotton.

Mr. DOXEY. I appreciate the contribution from the gentleman from Georgia. We are all familiar with the figures and conditions of our respective States, yet we know the figures which the Department now has are not complete, and they will admit it, and this is an estimate only.

I want to tell you how this bill will work and what will happen with reference to this allotment if we pass this bill, which I hope we will.

I believe the figure which the gentleman gave for Georgia shows more than 20,000 cotton farmers in his State who will be in the two-bale class, but I am confident we can take 20,000 as an average for the 13 cotton-producing States and we will have somewhere in the neighborhood of a correct estimate of how many farmers will be affected by the bill we are considering today. Thirteen considered as the cotton States times 20,000—the average for each State, just for the purpose of illustration—is about 260,000. That is the number of two-bale farmers that will be affected throughout the cotton-producing States of this country. If each farmer produces two bales—two times 260,000 is 520,000 bales That is less than a million bales; approximately a half million bales that go for the purpose of continuing the thing we are trying to do—that is to help the small farmer—and if it is taken from the allotment of the big farmers or the great cotton producer, I say to you it is nothing but right. But under the facts and the plan I propose, the Secretary of Agriculture can so allot it that nobody will be hurt, and all this bugaboo about the impossibility of administration and the telegrams that you are receiving and I am receiving in opposition to it, inspired from Washington and other sources and places throughout the country, appear to me to be rather far-fetched and based on a false premise, and I do not believe they are based on the facts and figures if it is worked out in a practical way.

Now, I want you to know that the general pool will be about 10,500,000 bales; unaccounted for, nearly 700,000 bales last year. I make the prophecy—and my guess is no better than anybody else's guess—that no farmer this next year will get a smaller allotment than he got last year if you pass my bill, and those farmers who did not get what they were entitled to will get the benefit of it, especially the 2-bale farmers. You know it cannot likely be extended beyond the 2 bales, because that was the pronouncement of the President and that is what they voted on. If the program would stand more, all well and good.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. DOXEY. I yield.

Mr. COOPER of Tennessee. I am hoping the distinguished gentleman from Mississippi, author of the bill, will not consume all of his time without at least discussing the other two phases of the matter covered by this bill.

Mr. DOXEY. The gentleman appreciates that we are pushed for time. Now, I will discuss the next section.

Mr. NICHOLS. Will the gentleman yield on section 2?

Mr. DOXEY. I will yield, but we can take that up and work it out under the 5-minute rule.

Mr. NICHOLS. It seems to me it is timely that the gentleman from Mississippi further explain section 2.

Mr. DOXEY. I ask the gentleman not to take up all my time please. I would not make that request, except that we can take care of all these things under the 5-minute rule.

Section 3 of this bill provides for an appeal board. We had no appeal board last year. Does not everyone agree that we want better administration of the Bankhead bill than we had last year? [Applause.]

Your applause and your other expressions of approval show you agree with me. You will not get it, in my judgment, if you do not pass some legislation. When you analyze the rules and regulations that have been issued by the Department of Agriculture, you will see that we have given to the farmer various things but the share-cropper and the tenant are not classed as farmers by the Department of Agriculture as Congress intended. That appears in the hearings and I invite your attention to the hearings.

Section 3 of my bill sets up an appeal board. Any farmer who is aggrieved, whether his allotment is 2 bales or 1,500 bales, can appeal to this board. I am not so much interested in the personnel of the appeal board as I am that there shall be an appeal board to whom the farmers can go with their allotment grievances.

I know that making the allotments public will tend toward a better administration of the act and will give more general satisfaction among the farmers.

Section 4 of my bill speaks for itself, and I feel that there is no opposition to it here on the floor.

Section 5 of my bill provides a fee of 25 cents per bale to the ginners for the cotton they gin this year. They are entitled to at least this amount. There is much that could be said in regard to this section. I know there is strong opposition to paying the ginners anything and opposition to it will no doubt develop here on the floor during the consideration of this bill. Strong opposition to it developed in the committee. However, I hope and trust that we will keep this provision in my bill and be able to pay the ginners at least the amount provided for in section 5 of this bill.

I must conclude, as my time has nearly expired, but I want to say that no administration in the history of this Nation has done more for distressed agriculture than has the Roosevelt administration. We all know, speaking in terms of the cotton producer, that if it had not been for the heroic efforts of this administration and the aid given the cotton producer, he would have been forced to sell his cotton anywhere from 5 to 7 cents per pound. The Government pegging the price of cotton at 10 cents and 12 cents each year for the last 2 years, together with the cash benefits paid directly to the producer by the Government, has been the salvation of the cotton farmer and should we have raised a crop of 15 or 16 million bales of cotton, it is likely that we would not have been able to sell our cotton at all with the great carry-over that we have had and the attitude of foreign countries in not buying our cotton for reasons evident to all of us.

The agricultural program of the present administration is broad and far-reaching. The emergency with which we were faced and which still exists, demanded action. The Bankhead bill was an emergency measure and these amendments that I have proposed are designed to provide for a better and more equitable administration of the original act during this emergency at this time.

The House Committee on Agriculture, of which I am privileged and have the honor to be a Member, has worked long and hard, night and day, on this program. As individuals and as members of the committee, we have been in contact with the authorities who are to administer this act. We have tried to reach an agreement as to just how the law is to be administered this year. As Members of Congress we have nothing to do with the administration of the act. That is the responsibility of the executive branch of the Government. Our part of the Government is the legislative branch, but as Members of Congress we have a right to express our interest, views, and intentions. It is our privilege to suggest and advise and if necessary pass additional legislation if it takes that to have a better and more satisfactory administration of any law. From what I know of the cotton situation from practical experience and from what I have learned of the Department's attitude in this matter, and considering some of the rules and regulations that have been recently issued by the Secretary of Agriculture, I am convinced that satisfactory results will not be obtained in the administration of the Bankhead Act this year, unless we do pass this additional legislation in this form and definitely and specifically express the intention of Congress on these controversial and, to my mind, highly important questions. It means much to our farmers and the success of this phase of the agricultural program in which we should all be vitally interested. Therefore, I am ready and anxious to pass this legislation. That is my reason and purpose in introducing this bill, pushing this measure, and doing all I can to secure its enactment into a law as speedily as possible.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. DOXEY. Mr. Chairman, I shall not ask for further additional time, because I appreciate how many Members want to speak on this subject. I say simply that in bringing in this bill we have tried to bring in the best possible legis-

lation we could in regard to the subject. I thank you all for your valuable assistance and help in passing this bill today. [Applause.]

Mr. KINZER. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, the history of the attempt to regiment the American people in the field of agriculture and in the field of industry has been one of disastrous failure. The other day on the floor of the House the distinguished gentleman from Missouri [Mr. CANNON], one of the ablest Members of the House, stated that the farmers were in worse condition now than they were at the outset of the present administration by reason of the operation of the N. R. A. The gentleman from Missouri [Mr. WOOD], a leader in civil life in the labor field, able, and scholarly, stated that the industrial worker was worse off than he had been before by reason of the operation of the A. A. A. General Johnson, the present spokesman of the administration, says that the N. R. A. is as dead as a dodo. The Secretary of Agriculture, Mr. Wallace, stated in New York on Saturday last that controlled production was through.

I recall the passage of this bill in the House and the forebodings and fears that were expressed on this side of the aisle as to the effect of its passage. Every one of those fears has been realized, and today controlled production of cotton has resulted in three concrete things: First, it has taxed the American people $235,000,000 to no purpose; second, the cotton farmer of the South has lost the markets of the world; and, third, and most dreadful of all, is the fact that it has put a million people, a million human souls, in the highways and the byways of the Southland.

On February 20 in the present year the New Republic carried an article on the conditions in the South. The New Republic is a factual magazine; it does not carry any advertising, so it always prints the facts. I do not agree with its political philosophy, I do not subscribe to that at all times, but at least it is a factual magazine. This magazine had this to say with reference to the conditions in Arkansas, one of the cotton States:

> The situation in Arkansas has now become an open national scandal. Many thousands of share-croppers and tenant farmers have been dispossessed by landlords seeking to take advantage of the cotton-restriction scheme. Some of these persons are put to work in the fields at long hours for wages of 50 or 75 cents a day. Others, men, women, and children, are simply turned out along the highway—to starve, for all the landlords care. Mary Connor Myers, investigator for the A. A. A., whose report of conditions in that area has thus far been suppressed by Department of Agriculture officials, is known to have compared conditions with those in Belgium during the Great War. It is not surprising that the victims of this treatment should have organized into a Southern Tenant Farmers' Union. The landlords, aided by subservient local officials, have broken up all meetings of this union, have jailed its leaders, and are seeking to terrorize its members into accepting starvation conditions.

This, of course, is a wholesale and a complete indictment of this whole scheme.

Mr. AMLIE. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. I yield.

Mr. AMLIE. Is there any way in which Congress can secure access to reports of the kind made by Miss Myers?

Mr. CULKIN. I will say to the gentleman from Wisconsin that I have requested a copy of this report.

Mr. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. I yield.

Mr. ANDRESEN. The committee tried to get that report. We did have the report up to the committee, but we were not able to have the facts in the report disclosed to the committee, because they said the investigation was not completed.

Mr. CULKIN. It is a matter which was in the public prints on February 20.

I wish to call the attention of the House to the humanitarian phase of the situation. This article goes on to state in the editorial vein, if you please:

> When we reflect that all this is the result of the Roosevelt administration's great humanitarian policy of helping the American farmer, we have something that can be nominated for the grimmest joke of the century.

The State of Alabama contains about 2,000,000 people; it is potential in the oil field, it is potential in agriculture, and is very rich in timber. The Federal Government, I will say, Mr. Chairman, has paid in processing taxes to this State $21,629,000, while these unfortunates, white and colored, are walking the highways and the byways with no place to hide their heads or to shelter their children.

This State paid on relief $16,169,000, 94.8 percent of which was contributed by the Central Government; on non-Federal P. W. A., $9,000,000; on Federal P. W. A., $22,000,000; a total disbursement by the Federal Government in that State of $69,733,000. Yet, by virtue of the operation of this bill, the results of which were prophesied in advance, hundreds of people are suffering and living under a condition comparable to the conditions of the Belgians after the German Army machine had passed. Nor, Mr. Chairman, does the financial drain end there; and, I repeat, I am more concerned about the human equation than I am about the money involved. The gentleman from Alabama, Senator BANKHEAD, has introduced in the other House a corollary to this bill. His bill proposes, if you please, that in the rough the Government shall spend another $1,000,000,000 to house the victims of this policy, which has destroyed industry, which has destroyed labor, and which has brought to the dust the southern cotton farmer. This pending bill seeks to right a wrong that has occurred.

It is belated, but what I wish to call to the attention of the Members of the House is that this whole policy is fatal to the Nation. It is fatal to the farmers of the Nation. It is fatal to the men in industry and is a continuing leak from the Federal Treasury, which will eventually destroy our credit and drive us into inflation.

Let me give you one of the results of this fatal policy. In my own town we had a bag factory erected at a cost of about a million dollars. Under the processing tax this factory was unable to operate and, of course, had to shut down. America took from Japan and Germany dominance in the rayon industry, which in this country employed thousands of people. Today that is lost. Brazil is at the present time putting 3,000,000 acres of land into cotton. The whole policy of regimentation, I repeat, Mr. Chairman, is fatal and is destructive of the best interests of America. It is time that this House call a halt on these theorists and "brain trusters" who have led America astray. [Applause.]

[Here the gavel fell.]

Mr. DOXEY. Mr. Chairman, I yield 10 minutes to the gentleman from South Carolina [Mr. FULMER].

Mr. FULMER. Mr. Chairman, I appreciate the speech made by the gentleman from Massachusetts a few minutes ago, taking into consideration the broad national scope of this legislation, inasmuch as it is not only of interest to the cotton sections of the United States but would help every section of this country.

If what the gentleman who has just preceded me said is true, certainly he ought to be heartily in favor of the passage of this bill, because we propose to take care of the very type of people about which he has been talking; and certainly, if we can make the cotton South prosperous, it will be reflected in every section of the United States.

Mr. Chairman, much has been said through the mails, by the press, and especially by the enemy of the cotton program, in reference to destroying our foreign markets. I want to say to you that two-thirds of it is nothing more or less than propaganda. When we poured millions into foreign countries during the war our exports were fine. After the war, when our Government came to a halt in making loans, what happened? The great banking interests of the country conceived an idea that they would take up where the Government left off. They proceeded to flood the country with millions of worthless foreign stocks and bonds. During this time our exports were good, regardless of the

price of cotton in the United States. In 1929, when the crash came and innocent banks and the innocent investing public realized what had happened to them in that the value of these stocks and bonds were worthless and the flood of American money to foreign countries came to an end again, our exports began to slow down. I want to state, if we will extend credit to a great many of these foreign countries, they would again take our cotton and other products. There are several things which must be taken into consideration in regard to regaining our foreign markets—the monetary policy, tariff, and the importation of foreign goods.

WHAT ARE THE FACTS?

In August 1934 the exports of cotton were 83 percent of the 10-year average—1923 to 1934—exports for that month. The greatest reduction in exports was in the shipments to the so-called "gold bloc" countries. Consumption of cotton goods, both in foreign countries and in the United States, has fallen off. Why? Because of the lack of purchasing power. Those who are opposing the A. A. A. and the Bankhead bill want normal production, stating in so doing we will regain our foreign markets, which according to their statements will save the cotton South.

During the period 1900–1901 to 1933–34, grouped into years when exports were 6,600,000 bales or less, when exports were between 6,610,000 and 8,600,000, and when exports were 8,610,000 and above, what happened?

Results

Group	Number of years	Average annual exports	Average per pound received by producer	Average annual farm value of quantity exported	Acres required to produce quantity exported annually
1	12	5,738,000	19.8	$559,146,917	17,004,352
2	15	7,582,000	12.6	480,873,267	20,445,066
3	7	9,356,000	10.0	474,576,071	22,668,976

The above table illustrates clearly the effect of price on both exports and farm income from exports. For 12 of the 34 years—1900–1901 to 1933–34—the farm price of cotton averaged 19.8 cents per pound and exports averaged 5,738,000 bales per year and the farm value of the cotton exported averaged $559,146,917. While on the other hand, for 7 of the 34 years the farm price of cotton averaged 10 cents per pound and exports averaged 9,356,000 bales per year, and the farm value of the cotton exported averaged $474,576,071. For each of the 7 years during the period cotton producers planted and cultivated 5,664,624 more acres and harvested, ginned, and marketed 3,618,000 bales more than they did during each of 12 years of the period and received $84,570,846 less for the cotton produced for exports each year. Who profited from these increased exports? Cotton producers did not.

Exporters, cotton merchants, and handlers of cotton secure their profits per bale, the larger the number of bales the larger their profits. What about the farmer? The larger the number of bales, the harder his work, the longer his hours of toil, and the smaller his profit, or no profit at all, and in many cases poverty and bankruptcy. Farmers have played their part. They have never ceased their farming operations to catch up with this surplus; they have not turned off their tenants, but have continued to divide with them, pay their taxes, pay their doctor bills, and bury them when they die. This is not true with the cotton-mill business, banking, or any line of industry. The banking interest, big business, and industry are putting out propaganda at this time that they are hesitating because of what the present administration is doing. They are stating: "If the Government will cut out farm control, stop trying to control or hamper business, business will go forward."

Oh, yes; prior to 1933, during a Republican reign, under farm products to feed and clothe the world but they had that the Government did not attempt any of the present policies. In fact, business, banking, and industry were sitting in the saddle, or, I should say, had complete control, of the administration in power and the Congress. What happened? When Mr. Roosevelt took charge he found that farmers had plenty of cotton, wheat, hogs, and all other farm products to feed and clothe the world but they had no market. Big business, the large banking interests, and industry, had bled the people white; they had no place to go. They "hesitated" while farmers were going into bankruptcy and unemployment and breadlines increased.

We have heard much from these groups that are hesitating about the Government plowing under cotton and killing hogs to get rid of the surplus. Yet, when they hesitate, from time to time, packers refuse to buy hogs, farm prices go down, cotton mills slow down, even close down, and in the meantime they are able to make profits by cutting down and controlling their production. In the meantime, however, by so doing, they are placing farmers and wage earners into bankruptcy, breadlines, and many of them to untimely graves.

Quoting Mr. Anderson some days ago when he appeared before the Agricultural Committee opposing farm legislation, he stated in answer to a question by me that the great flour-milling industry prior to 1933 when these mills were buying farmers' wheat at 30 cents per bushel, they made money. Although he was opposing the wheat program and the processing tax that under Mr. Roosevelt has given wheat farmers 90 cents for wheat, he acknowledged the fact that his industry made more profits in 1933–34 than they did prior to 1933 at which time farmers in the West were burning corn and going on a strike.

Why not investigate the fact that during the time the price of cotton was cheap and when the farmers were starving, certain large cotton merchants in this country exported cotton to the foreign countries and stored it there. During the past year 1934–35 you will find American cotton was consumed by the industries of foreign countries to about the same extent as in previous years. But, we did not export as much cotton for the reason that these large exporters already had the cotton over there and for the further reason they have not the purchasing power.

Now, Mr. Chairman, why the necessity of this bill? It is because under the administration of the Department of Agriculture the purpose and intent of the original bill was not carried out.

If you will refer to sections 7 and 8 of the old bill and the subsections thereunder, it proposed to take into consideration the tillable land on each farm, and whether or not a farmer had voluntarily reduced, or whether or not on account of drought or flood, his production had been cut down.

SECTIONS 7 AND 8

SEC. 7. (a) The amount of cotton allotted to any county pursuant to section 5 (b) shall be apportioned by the Secretary of Agriculture to farms on which cotton has been grown within such county. Such allotments to any farm shall be made upon application therefor and may be made by the Secretary based upon—

(1) A percentage of the average annual cotton production of the farm for a fair representative period; or

(2) By ascertaining the amount of cotton the farm would have produced during a fair representative period if all the cultivated land had been planted to cotton, and then reducing such amount by such percentage (which shall be applied uniformly within the county to all farms to which the allotment is made under this paragraph) as will be sufficient to bring the total of the farm allotments within the county's allotment; or

(3) Upon such basis as the Secretary of Agriculture deems fair and just, and will apply to all farms to which the allotment is made under this paragraph uniformly, within the county, on the basis or classification adopted. The Secretary of Agriculture, in determining the manner of allotment to individual farmers, shall provide that the farmers who have voluntarily reduced their cotton acreage shall not be penalized in favor of those farmers who have not done so.

(b) After the crop year 1934–35 the apportionment shall not be on the basis set out in paragraph (1) of subsection (a) of this section.

(c) The total allotment to farms in each county under this section shall not exceed the approximate number of bales allotted to that county under section 5 (b).

SEC. 8. Whenever an allotment is made pursuant to section 3, not to exceed 10 percent of the number of bales allotted to each State shall be deducted from the number of bales allotted to such State, and allotted in such State—

(a) To producers of cotton on farms where for the preceding 3 years less than one-third of the cultivated land on such farms has been planted to cotton;

(b) To producers of cotton on farms not previously used in cotton production;

(c) To producers of cotton on farms where, for the preceding 5 years, normal cotton production has been reduced by reason of drought, storm, flood, insect pests, or other uncontrollable natural cause; and

(d) To producers of cotton on farms where, for the preceding 3 years, acreage theretofore planted to cotton has been voluntarily reduced so that the amount of reduction in cotton production on such farms is greater than the amount which the Secretary finds would have been an equitable reduction applicable to such farms in carrying out a reasonable reduction program.

The allotments provided for in this section shall be in addition to the amounts apportioned to the counties under section 5 (b).

A lot of these large farmers known as "cotton hogs", who have been planting practically all of the tillable land on their farms were not cut in line with the provisions of the bill just read to you. The type of farmer we are interested in here is the farmer who was unable to buy but little fertilizer, who was unable to get sufficient supplies and may I say further that when he asked for a seed loan, he had to reduce his acreage 30 percent or he could not even get that small loan with which to carry on.

What position do we find these large farmers and these little farmers in? Let us take 2 farms with 50 acres of tillable land in each. We will assume that both farmers have the same number of acres. One of the farmers continues to make 30 bales of cotton, the thing that has brought about the surplus. The other farmer, because of poverty or voluntarily, reduces to 10 bales, or perhaps, had to cut, as stated, to get a seed loan. Those who framed the bill and worked for its passage intended that the bill would be so administered as to bring the 10-bale farmer up and cut the other farmer down so that they would both be on the same basis. But what happened? They cut both down on the same percentage basis, giving the 10-bale farmer 6 bales and the other farmer with the same size farm, same size family, 18 bales. This is responsible for the poverty in connection with both the Negroes and small white tenants and farmers who own and control the small farms or who farm as tenants.

When we had normal prices and somewhat normal prosperity that same class of farmer, with, usually, a large family, producing three, four, five, or six bales, lived in poverty and could not produce any more. He is still being penalized, and under this bill, while the larger farmers and those who are responsible for the surplus received hundreds and thousands of dollars in rental and parity price checks. These are the farmers who are able to walk around with plenty of money, whooping up the Bankhead bill, while the small farmers and those discriminated against, producing five, six, or seven bales, with large families, are being reduced to poverty and forced to seek relief from the Government.

Mr. Chairman, one of the things that the gentleman [Mr. DOXEY] referred to awhile ago was the Appeals Board. The Department states that they do not want any legislation; that they can handle this; in fact, I have already appointed the Appeals Board. I tried last year, even wired the Department, to appoint an appeals board for each county, but they refused. Farmers, especially those who had not received a square deal, were writing and coming to see me, many of them with tears in their eyes, but I was unable to secure relief for them. We propose under this bill to create an appeals board and not permit the Department of Agriculture to appoint the members of the appeals board, which the Department has already stated would come from the extension service, or recommended by the extension service. The bill under consideration proposes to let the Department name one member, and the other two members will be appointed on the recommendation of the Attorney General and the secretary or commissioner of agriculture in each State. I would like to see a disinterested board in each county. We would then have a board to which farmers can appeal and get justice, wipe out discrimination, and cut down or put up allotments in accordance with what they are entitled to receive under the bill.

I was at the Department recently and find that they have a number of statisticians and economists who will tell you that, to make this little increase up to two bales, it will mean about 2,000,000 bales that will have to be taken from the larger farmers. I want to say to you that, if you will increase it up to three bales, it will not take over 1,000,000 bales. They will also tell you that if you give these little farmers 2 bales, a farmer with 10 tenants will put on his farm 20 tenants. This will not happen and if so that can be taken care of under the rules and regulations under the original Bankhead bill.

Mr. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield.

Mr. ANDRESEN. The gentleman has no confidence, then, in the figures of the Department of Agriculture.

Mr. FULMER. The gentleman is absolutely correct. I do not deny the facts as presented but I disagree with their conclusions, for the simple reason that their facts are based on the wrong premises. If a farmer does not produce over 2 or 3 bales of cotton, why would he need a tenant? If he produces 10 bales, perhaps, he would not have over 1 tenant. There are not many tenants who would come under the provisions of the 2-bale exemption except in small sections of the various cotton States where, perhaps, the major crop is tobacco or some other basic crop. In this case, certainly, the major crop should be taken into consideration and not the small acreage planted in cotton. In other words, they should take into consideration the planting of these other major crops in allotting cotton to these farmers.

Mr. ANDRESEN. If the gentleman will yield further, the gentleman feels that the operation of the Bankhead Act last year was a failure due to the unfairness of the Department.

Mr. FULMER. As far as being fair to all cotton farmers, and especially the small cotton farmer, yes. As a whole, certainly it has improved the agricultural condition in the South wonderfully. The controlling of production and on account of the benefits received under the A. A. A. many farmers have been able to pay past due taxes, interest, and payments on their mortgage indebtedness, and are in a much better position to buy the things manufacturers have to sell. These improvements in the farming sections have helped business and employment.

The tendency on the part of those who oppose the Bankhead bill and the cotton program, including the large cotton merchants and the cotton mills that talk about the processing tax, is that they want the cotton South to go back to twelve to fifteen million bales. Why? As stated, because their profits are per bale, and therefore they would be able to make more money—purely a selfish interest.

Much has been said about foreign countries shipping in cotton, cotton goods, and other goods that compete with cotton here. Under the Agricultural Adjustment Act, the Secretary of Agriculture can put on a compensatory duty on foreign imports and take care of this situation, and this has nothing whatever to do with the merits of the bill.

The bill provides for the payment to ginners 25 cents per bale for their extra expense, cost of bond, extra bookkeeping, and acting as tax collectors on overproduction by the Treasurer of the United States, provided they do not enter into an agreement or operate under a code which would enable them to take care of the extra expense. If I had my way in writing and passing this bill, I would graduate allotments so as to be fair to small one-, two-, and three-mule farmers and tenants. If this is not eventually done, this class of farmers will have to be taken care of by the Government. The movement has already been started by the Government to rehabilitate these farmers by renting lands and furnishing stock, fertilizer, and supplies. I predict that the next move on the part of the Government will be to buy lands, placing buildings thereon for these unfortunate farmers. What will happen then? Some of these large farmers, some of whom produce one, two, five, and even ten thousand bales of cotton, will be begging for tenants, or will have to sell some of their large holdings.

I was told one farmer in Texas received a rent check for $25,000. Mr. Oscar Johnston, who is holding a very important position with the Agricultural Department here in Washington, produces 20,000 bales of cotton in Mississippi. I would like to hold his rental check in my hands for a while.

Who is responsible for our production? Who are receiving the greater benefits under the Bankhead bill? The answer is simple.

In closing may I state that we can continue to issue bonds, appropriate billions, but until agriculture gets a square deal, farmers get a fair price for their products, cheaper interest rates, and their just portion of the dollars paid by the ultimate consumer, just so long will taxes increase and prosperity remain around the corner.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Chairman, this bill has some very good features, and one feature which, I believe, is very bad.

I believe it is advisable to extend the operations of the Bankhead Act for 1 more year, particularly in view of the fact that its life depends upon the willingness of the farmers to have it extended for an additional year, because under the provisions of this bill we provide a referendum held by the farmers must show that they want the bill to be in effect or to be operative for an additional year.

I am particularly pleased with the provision written into the bill which gives a 2-bale exemption to the small producer, to the share-cropper, to the tenant, and to the other farmers who produce 2 bales or less of cotton annually. In other words, the bill makes the first 2 bales of cotton exempt from tax, and I think this will materially assist the small farmer, the share-cropper, and the tenant farmer.

The provision of the bill that sets up an appeals board is considered of vital importance, and although I have not had sufficient contact with the old appeals system to know how it has been operating, it seems that those who are interested in the operation of this measure feel that an appeals board, set up as proposed in this bill, is very essential.

The one objection I have to the bill is the language contained in section 5, providing for a fee of 25 cents per bale to be paid to the ginners.

I wish to call your attention to the fact that there are about 14,000 cotton gins in the country that have been collecting these taxes during the past year from the producers and turning them over to the Federal Treasury. These ginners estimate that the average cost to them to collect this tax and pay it over to the Federal Treasury averages about 50 cents per bale and they have come before the committee and have asked the committee to put a provision in the bill whereby they shall be compensated for the cost of collecting this ginning tax.

In my opinion it would be absolutely unjust and unfair for the Government to pay this fee to the ginner. The ginners say that they are collecting this money for the Government and that therefore the Government should compensate them for their services in collecting the tax.

It is true that the money goes into the Treasury of the United States, but it is not put into the Treasury of the United States for general fund purposes but for the purpose only of assisting cotton farmers. So in reality the expense incurred in collecting the tax is for the benefit of the farmer, and if there is anyone who should pay that cost, it should be the producer of the cotton for whom the service was rendered.

The General Treasury does not benefit from the tax collected under the Bankhead Act. During last year, only $90,000 was collected under the provisions of the Bankhead Act.

The bill provides that 25 cents a bale shall be paid to the ginner. It is estimated that there will be more than 10,000,000 bales ginned during the next year. That would be two and a half million dollars collected by the 14,000 ginners that perform this service for the farmer. In view of the fact that the Bankhead Act collects $90,000 a year, and I cannot see any hope of collecting any more, I do not see how the country can get two and a half million dollars out of the $90,000 found. It is clear in my mind that part of the money heretofore appropriated for the general purposes of the Agricultural Adjustment Administration will have to be spent to pay this fee to the ginners. I do not believe it is fair; I do not believe it is just and right for them to come here and ask us to pay the cost of collecting the tax.

The cost of collecting that tax should be assumed by the ginner or be passed on to the producers by an increase in the price they charge for ginning cotton. They say that cannot be done. Why, in the name of common sense, can it not be done? It is part of the operating cost of doing business. My opinion is that it can be considered the same as any other item of cost—the cost of machinery, depreciation, labor, and all that goes into the cost of ginning cotton. This service should be performed by the ginner and charged up against the industry rather than coming out of the general fund.

Mr. GREEN. Will the gentleman yield?

Mr. BOILEAU. I will yield to the gentleman from Florida.

Mr. GREEN. I am inclined to think that the gentleman from Wisconsin is correct. Ginners used to charge $2 and $2.50 a bale, and now the price has been pyramided up to $3 and $4 a bale.

Mr. BOILEAU. I thank the gentleman for his contribution. The average charge last year was $4.10 a bale. I am satisfied that they should include in the cost of operation, the cost of collecting the tax. The ginners coming here and asking for this hand-out, is unjustifiable, and when the proper time comes I propose, if no one else does, to offer an amendment to strike out section 5, take that provision out of the bill, and thereby prevent the Government from giving the ginners what I consider an unfair and unjustifiable fee.

Mr. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. Yes.

Mr. ANDRESEN. Mr. Cobb from the Department, stated when before our committee that if Congress did not take action on compensating the ginners, they could or would, by rule or regulation, pay the ginners for their services.

Mr. WHITTINGTON. Oh, I do not think the gentleman will find that statement in the hearings.

Mr. ANDRESEN. He told the committee that.

Mr. WHITTINGTON. In the committee before the hearings he stated they could provide for everything except that.

Mr. BOILEAU. Mr. Cobb did say before the committee that he was sympathetic with the idea of paying something to the ginners for collecting this tax, and he gave the impression, although without using the direct words to the committee, that if we let them go along without in any way amending the act, leaving them to go ahead and do as they saw fit, that they would provide for some kind of compensation to the ginners. If we say definitely, by our action here, that we do not want to pay this fee, I do not think they would have the nerve to go ahead and pay it, even though they thought they could under existing law.

Mr. STUBBS. I would like to point out to the Congress that by adopting this amendment we are going to emasculate the bill and do a real injury to the farmer.

Mr. BOILEAU. I do not think this will emasculate the bill. It is only one phase of the operation of this entire system, and during the last year they have operated without compensating the ginners, and in view of the fact that they are performing no service for the Government I cannot see why the Government should pay them that fee. Of course they are assisting in the collection of a tax that goes into the Federal Treasury, but as the gentleman knows, the United States Treasury does not benefit by the operation of the Bankhead Act, and the act was not intended as a revenue measure.

Mr. DOXEY. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. Yes.

Mr. DOXEY. Does not the gentleman know that the Bankhead Act or the general cotton program, not only by the exemption certificates and other phases, is paying its way, and its assets exceed its liability?

Mr. BOILEAU. I thank the gentleman for that contribution, and they should continue to pay their way, and the Bankhead Act should be forced to pay its way. We should

not pay this two and a half million dollars in the form of a hand-out to the ginners. [Applause.]

Mr. DOXEY rose.

Mr. BLANTON. Mr. Chairman, would the gentleman from Mississippi permit me to ask him one question?

Mr. DOXEY. I have not any time. I wish I had. The only time I have is at the disposal of gentlemen who have been allotted time. The gentleman from Texas will have time under the 5-minute rule.

I yield 3 minutes to the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. Mr. Chairman, I am going to vote for this bill, but I am just wondering where we are going. I shall vote to cut out section 5 as I do not believe the ginners are entitled to this extra fee. I am wondering if we are not overloading the whole Triple A Act. Within a few days we are going to be asked to vote on making potatoes a basic commodity. Then if any grower of even an acre of potatoes expects to sell a few pounds, he must have an allotment. Hops must come under the sheltering wing of the Government. It will not be long before we will have the question as to whether or not we are going to impose a processing tax on beef and lamb for the benefit of the corn-hog program. I am wondering if we are not overloading the whole act. Are the consumers going to be able to pay the cost of the commodities after the various middlemen have added all their extra charges? It is beginning to look very serious to me.

Oregon has benefited very much from the Triple A Act, especially in regard to wheat and somewhat in regard to hogs. I have no doubt that the South has been benefited on cotton. Can the cotton and wheat producers meet the competition that must be met in the world's markets? The export market for our wheat is already gone. Only 18,000,000 bushels of wheat were exported last year. You gentlemen from the South are in the same position on cotton. You are fast losing your export market. The Pacific Northwest must find an outside market for thirty or forty million bushels of wheat grown in Oregon, Washington, and Idaho every year. Where is it going? Formerly it went to Europe. Right now some of it is being sold in the Mississippi Valley by reason of a subsidy from the triple A funds. I know full well that this cannot continue indefinitely. Are we approaching this problem from the right direction? I am going along with the cotton Representatives because I am so anxious to see something done. I realize all that you say about the small cotton producers of the South as well as the much harassed farmers of all other regions. Are we moving in the right direction? There are 10,000,000 still unemployed and 20,000,000 on the relief rolls, half fed, not half clothed.

Mr. ANDRESEN. The gentleman has expressed a doubt as to the benefit of the present program. Would it not be better for us to abandon that program and seek an export outlet for our surpluses which we produce in this country rather than continue under the present program of the A. A. A.?

Mr. PIERCE. I am just thinking. I have no decided opinion, but I am beginning to be somewhat worried about the triple A being topheavy, and the whole thing toppling down on our heads. My program would be to reduce interest rates first. Interest on money should never be over 2 percent annually. Interest rates on farm mortgages should never be over 1½ percent annually. Then railroad freight rates should be cut one-half. Every person able to work should have a job even if only that of raising his own food. Tax-exempt bonds should be at once abolished. If all had a chance to consume I do not believe there would be much surplus.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. Mr. Chairman, I did not know until it was disclosed on the floor a few minutes ago by the gentleman from Massachusetts [Mr. MARTIN] that we were going to defer consideration of section 1 of this bill which provides for extending the Bankhead Cotton Act to 1937. Otherwise I would have had no particular desire to speak on it at all.

I am going to vote for the amendments exempting small farmers from the operation of the act, and, with proper amendments, I shall also vote for the other provisions, since none of them extend the life of the original act. I think there is no opposition to the bill with section 1 eliminated. At least, I am sure there is no opposition on the Republican side, and I have not heard of any even on the Democratic side.

Mr. STUBBS. Will the gentleman yield?

Mr. MOTT. I yield to the gentleman from California.

Mr. STUBBS. I wish to say there is opposition. I represent a great cotton-producing area, where legitimate farming is carried on.

Mr. MOTT. Very well. I will qualify my statement on that point and will say merely that there is no opposition on the Republican side. We all favor these amendments, just as we all opposed and still oppose the original Bankhead Act. I am going to vote for these amendments because I think they will take at least a little of the injustice and the inequity out of the Bankhead bill.

The Bankhead bill, in my opinion, was one of the very worst pieces of legislation that has ever been passed by the Congress of the United States. Not only has it caused more hardships and suffering to thousands of our people than any other agricultural bill that has ever been passed, but it also went further along the road to complete congressional abdication than almost any other law. And as long as the Congress of the United States continues to abdicate its jurisdiction, and as long as it continues to refuse to legislate on important legislative subjects and turns the jurisdiction of those subjects over to the executive department of the Government, as it did when it passed the Bankhead Act, we will have the same trouble that we are now having under the administration of this act.

You cannot allow the executive department to make the law and expect to get justice for anybody. We had the same experience under the economy act, and we had to repeal it in order to get justice for the veteran. We are having the same experience under the Foreign Trade Agreement Act, and we will have to repeal that before we can get justice. At the present time, under the Bankhead Act, we have learned again that whenever you give the executive department the right to make law the people will suffer.

I opposed the Bankhead Act for several reasons. One was because it provided for compulsory reduction of an agricultural crop, which is wrong in principle, and which, as far as I know, never has worked, either in this or any other nation. I opposed it because I knew if this act were to become even partially successful, probably by this time we would have compulsory crop-reduction laws for every agricultural product in every State in the United States.

As a matter of fact Mr. Tugwell, before the close of the last session, had already introduced in the Senate a bill providing for the same kind of dictatorial, compulsory power over the production of wheat and corn and every other product that the Bankhead bill now provides over cotton; and I say to you now, had it not been for the doubt which existed in the minds of the majority at the last session that the Bankhead bill would work, I believe that broader compulsory crop-reduction laws would have been passed by Congress before the adjournment of the Seventy-third Congress.

Now, although the Bankhead Act has been of very great admitted detriment to a large number of small farmers in the South, and although we are sorry to see the suffering that has been caused by the utter failure of this act to work, yet from another point of view I think the failure of the Bankhead Cotton Act—and the introduction of these amendments is the best proof of its failure—I say that the failure of this bill to work is in some respects very fortunate indeed. It ought to teach us, if it teaches us nothing else, from this time on to take jurisdiction of important legislation in our own hands, to recapture it, if you please, instead of continuously and forever passing the buck on every kind of

legislation to some officer, some theoretical, inexperienced, incompetent person in the executive department, and permitting him by blanket authority to make law for us.

That is what the Bankhead bill did. In that bill you gave the Secretary of Agriculture power to make cotton-production law. That is what the Economy Act did. In that bill you gave the President power to make veteran law. That is what the Foreign Trade Agreement Act, the Tariff Act of 1934, did. In that bill you gave the President power to make tariff law. All those things are wrong. When you surrender legislative jurisdiction to an officer in the executive department you will always find yourselves in trouble, and you will always find that sooner or later you will have to repeal the law by which you surrendered that jurisdiction.

I have already attended two or three hearings on proposed trade agreements with foreign nations, agreements which involve a reduction by Executive order in the protective tariffs which we now have on many of our commodities.

Without exception, on every one of those hearings, every delegate in Congress from every State of the Union which grew or manufactured the products involved in the proposed trade agreement, was in attendance before the committee for reciprocity information. They were there, Democrats and Republicans alike, begging that committee not to injure or not to reduce any of those tariffs. They were begging the President, in other words, not to exercise the discretionary authority which they gave him when they voted for that law. That is the situation that we get into whenever we surrender any part of our legislative jurisdiction to anyone in the executive department. I have always voted, and always will vote, against every law of that kind.

I hope, when we consider section 1 of this bill, that we will recapture the jurisdiction surrendered through the enactment of the bill and that we will proceed to repeal the Bankhead Law altogether.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. MOTT. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. What does the gentleman say about the success of the wheat program?

Mr. MOTT. The success of the wheat program is doubtful. I get many letters every day from farmers in my district. I should say the great majority of them are utterly dissatisfied with the working of the A. A. A. And I may say also that that has begun to be the case with the N. R. A. We did not go so far in surrendering legislative jurisdiction under these laws as we did under the Economy Act, the tariff act, the Taylor grazing bill, and the Bankhead Act, but to a certain extent we did lay down on the job of evolving and enacting legislation on these subjects, and we turned that responsibility to somebody in the executive department who had never had any experience either in legislation or in the field of business involved in those particular subjects.

Mr. WHITTINGTON. Will the gentleman yield further?

Mr. MOTT. I yield.

Mr. WHITTINGTON. Did not the gentleman support the legislation for the wheat grower?

Mr. MOTT. I voted for the A. A. A. as an emergency provision for voluntary crop control and for the reason that most other members of my party voted for it. We needed, in that emergency, some regulation, and the only bill that the Congress was allowed to consider on this subject was the A. A. A. We offered you a better solution, but at the behest of the administration you ignored it, and it was a question of taking that or nothing. It came up in such a way that it could not be amended. You saw to that through your gag rule.

But, understand, I am not putting the A. A. A. in the same class as the Bankhead bill, because the Bankhead bill goes much further. The A. A. A. is voluntary. The Bankhead bill is compulsory. It turns the entire control of cotton in the United States over to the discretion and the whim of one man. It makes the Secretary of Agriculture the absolute dictator over the fortunes and destinies of every cotton farmer in the United States.

Mr. PIERCE. Mr. Chairman, will the gentleman yield?

Mr. MOTT. I yield to my colleague from Oregon.

Mr. PIERCE. Did I understand the gentleman to say that the wheat allotment is not satisfactory to the wheat growers of Oregon? The gentleman does not want to go on record that way, does he?

Mr. MOTT. I said the farmers in my own district. I understand quite well that the farmers in the district my colleague represents are on a little different footing than the ones in western Oregon, because they are wheat growers exclusively and they would benefit to a greater extent than those engaged in the diversified farming of western Oregon.

Mr. PIERCE. Is it not true that the wheat grower who has received an allotment is highly satisfied with it?

Mr. MOTT. No; I would not say so at all. The general sentiment among the farmers of my district seems to be that as long as the Government is handing out this money for destroying crops they might as well take it, but they are not satisfied by any means.

I will state to my colleague what legislation the farmers of my district want. My State is one of 25 States in the Union whose legislatures by formal action have memorialized Congress to pass the Frazier-Lemke farm-mortgage refinancing bill. That is what they want in the way of refinancing aid; and they also want us to pass the Swank-Thomas cost-of-production bill to give them cost of production plus a reasonable profit on that part of their crops which is sold and used in the United States. [Applause.] If the Congress will pass these two bills and in addition will pass legislation to take care of our exportable surplus along the lines proposed in the old debenture bill, our agriculture will proceed immediately along the road to recovery; but if we continue to pass legislation of this kind, the kind exemplified in the Bankhead Act, we shall never get out of the depression and shall never see that long-promised and long-hoped-for brighter day. [Applause.]

[Here the gavel fell.]

Mr. DOXEY. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Chairman, when the Bankhead bill was passed, many of us were led to believe that it would not affect the small farmers. I recall that my friend, the gentleman from Mississippi, Mr. Busby, offered an amendment to exempt the small farmer from the tax, but it was defeated on account of the assurance that in the operation of the law the small one-horse farmer would be taken care of. Much to my surprise, in my district which consists largely of small cotton producers, farmers who in the first instance had raised a bale of cotton, were reduced to 250 pounds. The fact that a man had a wife and four or five children did not make any very deep impression upon those who were enforcing the law from the Washington headquarters. As a consequence, hundreds of small farmers in my congressional district found themselves with an allotment insufficient to pay even the cost of production; and I am very glad indeed that Congress by this act is going to exempt the small producers. We should exempt at least four bales.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. DIES. No; I have too short a time. Within the first few days of this session I introduced a domestic-allotment plan. It has been my thought that there are two things the farmer is entitled to. The first is a parity price for his product. As long as we have tariff laws in this country to protect certain industries it is our duty to make these tariff laws function for the agricultural producer of exportable surpluses. The second thing to which the farmer is entitled is the foreign market. The Bankhead bill, and the way it is being administered, in my judgment, will close the foreign markets to the American producer of cotton [applause], because we are storing in Government warehouses thousands of bales of cotton upon which we have loaned 12 cents a pound; and, of course, we cannot sell 12-cent cotton on the markets of the world when the purchasers can buy cotton for much less. So it seems to me we might as well recognize this situation as it is. The farmers of this country will be satisfied if you give them on their domestic consumption, or rather, on the portion of their crop domestically consumed, a tariff benefit that will make the tariff laws func-

tion for them the same as they function for other protected industries. Then let the farmers raise as much cotton as they want to and let the laws of supply and demand control the surplus cotton. [Applause.] It seems to me that by such a measure we would give the farmer an opportunity to earn a profit, an opportunity to hold for us the markets of the world instead of permitting consumption of foreign production to increase. The percentage of cotton consumed on the markets of the world is steadily coming from sources other than our own country.

Mr. Chairman, it stands to reason that if we continue this policy of curtailment, not only will we destroy the small cotton farmer, the farmer who raises from 2 to 10 bales of cotton, but we increase distress. It is not the little farmer who is responsible for the so-called "overproduction"; it is the great plantation owner, the corporate farm. It is the large producer who is responsible for overproduction, yet you are penalizing the little farmer by strictly applying this law to him and reducing him to a ridiculous allotment, even as low as 250 or 300 pounds of cotton, not enough to support one of his children. When you do that you drive him on relief. I received letters from farmers stating that if we do not permit them to make a living by raising cotton, then they will have to go to relief headquarters and apply for help. On the other hand, those producers of cotton who had not produced the amount that was allotted to them received their certificates and sold those certificates to little farmers.

Mr. Chairman, it seems to me this is merely an act of common justice. Either we exempt these people and give them the opportunity to secure a little cash to try to pay their taxes and buy the things for which they have to pay in cash, or they go on relief; and it seems to me the next step is to enact a domestic-allotment plan. I have been an advocate of the domestic-allotment plan for a long time. In fact, my original farm-silver bill which passed the House would have been far more helpful than the Bankhead bill.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GILCHRIST].

Mr. GILCHRIST. Mr. Chairman, at the time of the passage of the Bankhead Act I said I wanted to go along with the Members who represented other sections of the country than mine in an effort to try to do something to relieve the whole farm situation. I am still of that opinion. With section 1 out of the bill by agreement, there is nothing controversial except section 5, and as to that there may be a difference of view and a division of the vote. We should all join hands to help each other and to restore agriculture to safety and prosperity.

Mr. Chairman, in the few minutes allotted to me, I wish to call attention to a thing that will do the farmers of the country much more good than anything that is proposed in this bill or in any bill regarding allotments or production control. I have reference to the lowering of interest upon farm mortgages.

That is a thing that will relieve the farmers generally throughout the whole country. Reduce interest on farm mortgages and you will do more good than by reducing crop production. This Congress should address itself at once to the subject of stopping farm foreclosures and of reducing interest rates.

This particular bill was introduced in the Congress on March 5. Long before the bill was even introduced, and on the 18th of February, as shown by the CONGRESSIONAL RECORD, the chairman of this great committee stood here on the floor and said that he would bring before us Senate 1384, the Farm Credit Act, which had attached to it the Wheeler amendment. That is one month ago today, and still this House has had no chance or opportunity to pass upon that bill or even consider it at all.

Mr. McFARLANE. Does the gentleman know of any reason why that bill has not been brought up?

Mr. GILCHRIST. I have not asked the chairman of the committee. I supposed he was acting in good faith when he stood here on that day and made the following statement, as shown by page 2112 of the RECORD:

> We had hoped to get it up tomorrow, and in any event we expect to take it up just as soon as we can possibly get the right of way.

The chairman no doubt is doing what he believes to be his full duty to the committee and to the Congress, but may I say that several times I have tried to get this relief measure, which I think it is agreed will help the whole country, before this Congress. We have waited one full month since it was given a preferential standing in this House, and yet we stand here today without action and with no apparent probability that we will ever have action.

Mr. Chairman, it seems to me we have been patient long enough. It seems to me that those who are in control of the machinery of this House ought to give us a chance to vote upon this bill. The committee has voted it out. Read the RECORD. It was given a preferential standing one month ago today. Since then we have been in recess on Saturdays and on many other days. Oftentimes we have had nothing to do. We have had to listen to general debate on idle subjects not infrequently during this month. But the Wheeler amendment has not been brought to our attention. Our hands are tied.

Mr. MICHENER. Will the gentleman yield?

Mr. GILCHRIST. I yield to the gentleman from Michigan.

Mr. MICHENER. I would like to ask the chairman, who is on the floor, when we will hear from that bill?

Mr. McFARLANE. Did the committee favorably report the bill containing the Wheeler amendment?

Mr. GILCHRIST. The Wheeler amendment was given a preferential standing on February 18. Yes, the committee made a favorable report.

Mr. McFARLANE. Let us draw up a petition and put it on the desk and have it brought up.

Mr. JONES. Mr. Chairman——

Mr. GILCHRIST. I hope this will not be taken out of my time.

Mr. JONES. Well, it is not going to be taken out of my time.

Mr. GILCHRIST. I want to call attention to the fact that on page 2111 of the RECORD the gentleman from Texas asked unanimous consent that Senate bill 1384, which is the bill containing the Wheeler amendment, may be given a preferential standing and such consent was given. The bill containing the Wheeler amendment should properly have come up and should have been debated long ago. I want to go along with agriculture. I would like to join the gentlemen from the South who think cotton should be helped, and I have tried to do so. I also want to go along with all agricultural people, and I have tried to do that. But let us join together now in an effort to get something that will be beneficial to the farm people throughout the whole country. Let us get this Wheeler amendment before the Congress, or the Frazier-Lemke bill, or some measure that will really protect the homes of our farmers from foreclosures and sheriffs' sales.

[Here the gavel fell.]

Mr. DOXEY. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Chairman, in common with all of my colleagues I would like to improve the condition of the average cotton farmer, share-cropper, and tenant.

Under the Cotton Control Act, or the Bankhead Act, as it was passed last year, there was a limitation on the production of cotton to 10,000,000 bales, which limitation was a wise one. This was distributed among the States based upon the average production of the preceding 5 years. The State production was in turn distributed among the various counties. There were discriminations and inequalities, but, in my opinion, the Cotton Control Act has been greatly beneficial to the growers, large and small, in the cotton area of the country.

Mr. Chairman, the bill under consideration proposes to enlarge the provisions of the act that we passed last year in one important particular, and that is by exempting two bales of cotton to every grower. I believe the President of the United States was right when he said, on December 5 in a press release, that there should be exempt to every farmer two bales of cotton. I am going to read the President's statement, which is as follows:

If the Bankhead Act is continued in effect for another year, it is my purpose to recommend to the Congress an amendment granting exemption for the full amount of his base production to each farmer who has an established base production of not more than two bales of cotton.

The Agricultural Adjustment Administration is carrying out that recommendation. The regulations announced for 1935 provide for that exemption. I believe that is just as far as we can safely go. In our desire to help the share-cropper and the tenant we must not injure the small landowners of the country, the man that produces 4, 5, or 6 bales of cotton. While a good deal has been said about the large landowner and the large plantation, I remind you that such plantations are made up of share-croppers and other tenants. The average farmer rather than the large landowner uses tractors. Tenants are more numerous on the plantations. I have heard about mechanical cotton pickers but I never saw one successfully operated. Cotton is a hand crop, and it takes people to raise cotton. But whenever you enlarge the exemption, you take it away, in most cases, from the average farmer, the man who owns his farm. That is the man the President of the United States wanted to help and the man he is helping. I take it he is satisfied with the regulations that have been promulgated by the Agricultural Administration to carry out his promise and recommendation. It would be unwise to go beyond the President's promise—there is danger of wrecking the program.

Mr. DOXEY. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I will yield if the gentleman will yield me more time.

Mr. DOXEY. As the gentleman knows I cannot yield him any more time.

Mr. WHITTINGTON. In just a moment, I shall be pleased to yield to the gentleman, because I understand his desire to improve general cotton conditions.

What will be the effect of adopting the pending bill to extend the exemption not only to the farmer who raises two bales of cotton, but to the share-cropper and the share tenant? I am not asking you to take my figures. The chairman of the committee has not given us any figures furnished him by the Agricultural Adjustment Administration. I am going to refer to the hearings as to what would obtain in Chatham County, N. C. If you make the exemption to all producers, including the tenant and the share cropper, it would require more cotton than the entire amount of cotton allotted to that county.

I have before me a statement furnished by the Director of the Cotton Division with respect to Walker County, Ala., if this bill is adopted so as to extend the exemption to the share-cropper and the share tenant. Mr. Cobb states that in that county this means that the producers who produced 38 percent of the cotton in the period of 1928 to 1933, received 38 percent of the 1934 allotment, while in 1935 this group of small producers would receive 89 percent of the entire production in the county. Surely the small landowner, the owner-farmer would be discriminated against.

What about the small farmer who owns his own farm and has not paid his Federal land-bank loan? You are not going to be able to take any bales from the large landowners except as you take them away from his share-cropper and his share tenant and from the small landowners.

I favor the exemption of 2 bales to the farm owner advocated by the President and by Mr. Cobb, who states, as shown by page 105 of the hearings, that the exemption of 2 bales to the farm can be administered without disrupting the county quotas. There would be an increase in allotments. In North Carolina it would take 6,115 bales to provide for an exemption of 2 bales to the farm. It would take 8,299 bales to provide for such exemption in Mississippi, as shown by statement from page 105 of the hearings, which I intend to include in my remarks.

[Here the gavel fell.]

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to extend and revise my remarks and include therein a statement by Director C. A. Cobb as to the effect of a 2-bale exemption in North Carolina, as shown by page 103 of the hearings; a statement by Director Cobb as to the effect of a 2-bale exemption in Chatham County, N. C., as shown by page 104 of the hearings; a statement furnished me by Mr. Cobb, giving the estimated allotment necessary to allot each producer in Franklin County, Ark., 2 bales; a statement furnished me by Mr. Cobb respecting the estimated allotment necessary to allot 2 bales to Walker County, Ala.; a statement furnished me by Mr. Cobb giving the number of growers producing on the average of 2 bales and less and between 2 and 3 bales in 1934 in Mississippi, Arkansas, New Mexico, North Carolina, Oklahoma, and Tennessee, showing a necessary increase in allotment in these States only of 753,958 bales, and a statement by Mr. Cobb, as shown by page 105 of the hearings, showing that the 2-bale exemption advocated by President Roosevelt and now being put into effect by the Cotton Division will not disrupt the county quotas.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent to extend his remarks in the manner indicated. Is there objection?

There was no objection.

Mr. WHITTINGTON. I include the following from page 103 of the hearings:

THE EFFECT IN NORTH CAROLINA OF ISSUING A MINIMUM ALLOTMENT OF 2 BALES OF TAX-EXEMPT COTTON TO EACH PRODUCER LOCATED ON A FARM WITH AN ADJUSTED AVERAGE BASE PRODUCTION OF 3 BALES OR LESS

There are slightly more than 87,000 producers in North Carolina who would qualify for a minimum allotment of 2 bales. One hundred and seventy-four thousand eight hundred and six bales of 478 pounds net weight would be required to make a minimum allotment of 2 bales to each such producer in North Carolina. This is 31.5 percent of the estimated allotment for North Carolina in 1935.

These growers produced 18.4 percent of the adjusted average production for North Carolina during the base period. We would thus find growers who had in the past produced approximately 18 percent of the cotton in the State receiving in 1935 slightly more than 31 percent of the State's allotment. The allotment to such producers would have to come out of the allotment due to growers normally producing about 82 percent of the State's crop of cotton.

The producers on farms with an adjusted average production of 3 bales or less received an allotment of 95,961 bales in 1934, or 18.2 percent of the total allotment to North Carolina in 1934. These growers produced 18.4 percent of the adjusted average production for North Carolina during the base period. It is thus seen that in 1934 the allotment to such producers was approximately the same percentage of the total allotment to the State as their production was to the total production in North Carolina during the base period.

While 87,000 producers in North Carolina would get an average increase of 82 percent in their allotment in 1935 over that received in 1934, the remaining 102,000 producers would receive a 12-percent smaller allotment in 1935 than they received in 1934, and this in spite of the fact that the allotment to North Carolina in 1935 will be 26,400 bales larger than the allotment received in 1934.

TABLE 1.—*North Carolina—A comparison of 1934 allotments, etc.*

Production range	Number growers or producer units	Estimated average bales produced per unit	Average total bales produced during base period (column 2 × column 4)	Estimated allotment, (1934) (column 4 ×62205)
(1)	(2)	(3)	(4)	(5)
0–239	5,488	0.45	2,470	1,635
240–478	15,708	.80	12,566	8,319
479–717	17,981	1.25	22,476	14,880
718–956	17,447	1.75	30,532	20,214
957–1,195	15,480	2.25	34,830	23,059
1,196–1,434	15,299	2.75	42,072	27,854
Total	87,403		144,946	95,961

87,403×2 bales=174,806 bales or 31.5 percent of estimated allotment in 1935.
North Carolina 1934 allotment, 528,688 bales.
North Carolina 1935 allotment, 555,122 bales (estimated).
The 1934 allotment to producer units with adjusted average production of 3 bales or less was 95,961 bales or 18.2 percent of the total allotment to North Carolina in 1934.
174,806 bales—95,961=78,845 bales increase in 1935 over 1934 to these growers.
144,946÷786,342 bales=18.4 percent of the adjusted average production for North Carolina.

I include the following from page 104 of the hearings:

THE EFFECT IN CHATHAM COUNTY, N. C., OF ISSUING A MINIMUM ALLOTMENT OF 2 BALES OF TAX-EXEMPT COTTON TO EACH PRODUCER UNIT WITH AN ADJUSTED AVERAGE BASE PRODUCTION OF 3 BALES OR LESS

There are about 1,999 growers in Chatham County, N. C., who would qualify for a minimum allotment of 2 bales. To give each of these producers a minimum allotment of 2 bales would require 3,998 bales, or 123.9 percent of the estimated 1935 allotment to Chatham County. These growers produced 66 percent of the average adjusted production in Chatham County during the base period and in 1934 they received 66 percent of the total allotment made to Chatham County under the Bankhead Act.

To make a minimum allotment of 2 bales to each grower who would qualify would require 1,969 bales more than the same growers received in 1934. This would exceed the estimated allotment to the county for 1935 by 770 bales, or 23.9 percent. This would mean that other producers in the county would receive no allotment of tax-free cotton and an additional 770 bales would have to be taken from producers in other counties.

The growers in Chatham County who received allotments of less than two bales each in 1934 in the majority of cases are located on farms with other sources of cash-farm income. In 1929 the value of all farm products in Chatham County was $2,083,052. The value of farm products on cotton farms that year was $656,001, or 31.5 percent of the total for the county.

Of the 2,240 farms reporting cotton in 1929, only 1,152 were classed as cotton farms This means that in 1929 only 1,152 of these farms received as much as 40 percent of their income from cotton. In 1929 there were over one-half as many pounds of tobacco produced in the county as there were pounds of cotton. Wheat was relatively important in 1929. In that year 1,572 farms reported 10,626 acres of wheat.

To make a minimum allotment of 2 bales of tax-exempt cotton to each producer located on farms with an adjusted average base production of 3 bales or less in Chatham County, it would be necessary to take such cotton out of allotments due cotton producers located in strictly cotton-producing areas where cotton is practically the only source of cash farm income.

TABLE 2.—*Chatham County, N. C.—A comparison of 1934 allotments, etc.*

Production range (1)	Number growers of producer units (2)	Estimate average bales produced per unit (3)	Average total bale produced during base period (col. 2 × col. 3) (4)	Estimate allotment, 1934 (col. 4 ×77139) (5)
0–239	235	0 45	106	81
240–478	577	.80	462	352
479–717	512	1 25	640	487
718–956	302	1 75	528	402
957–1195	193	2. 25	434	330
1196–1434	180	2. 75	495	377
Total	1, 999		2, 665	2, 029

1,999×2 bales=3,998 bales or 123 9 percent of estimate allotment in 1935.
Chatham County, N. C., 1934 allotment 3,074 bales
Chatham County, N. C., 1935 allotment 3,228 bales (estimated).
The 1934 allotment to producer units with adjusted average production of 3 bales or less was 2,029 bales or 66 percent of the total allotment to Chatham County, N. C., in 1934.
3,998 bales−2,029 bales=1,969 bales increase in 1935 over 1934 to these growers.
(2,665 ÷4,038) bales=66 percent of adjusted average production of Chatham County.

I include the following statement furnished by C. A. Cobb:

Franklin County, Ark.—Estimated allotment necessary to allot 2 bales to each producer-unit having an average production of 2 bales or less, and to allot not less than 2 bales to each producer-unit having an average production of more than 2 bales

Production range (pounds produced per producing unit) (1)	Number of producer units (2)	Average bales produced per unit (3)	Total bales produced during base period by ranges (4)	1934 allotment in bales by ranges (5)
From 0 to 239	113	0. 45	51	30
From 240 to 478	624	.80	499	291
From 479 to 717	631	1. 25	789	460
From 718 to 956	210	1. 75	368	215
From 957 to 1,195	259	2. 25	583	340
From 1,193 to 1,434	129	2. 75	355	207
Total	1, 966		2, 645	1, 543

The average production of cotton in Franklin County, Ark., by 2,240 producers in the period 1928 to 1933 was 4,602 bales. Of this amount 1,966 producers, each having an average production of 3 bales or less, produced 2,645 bales. The total county allotment in 1934 was 2,772 bales, of which 1,543 bales were allotted to these small producers of 3 bales or less, while in 1935 they would receive 3,932 bales if 2 bales were allotted to each producer having an average production of 2 bales or less and not less than 2 bales were allotted to each producer having an average production of more than 2 bales. Relatively, this means that producers who produced 57.5 percent of the cotton in the period 1928 to 1933 received 57.5 percent of the total county allotment in 1934, while in 1935 this same group of small producers would require 41.8 percent more than the total county allotment.

I include the following statement furnished by C. A. Cobb:

Walker County, Ala.—Estimated allotment necessary to allot 2 bales to each producer unit having an average production of 2 bales or less, and to allot not less than 2 bales to each producer unit having an average production of more than 2 bales

Production range (pounds produced per producer-unit) (1)	Number of producer-units (2)	Average bales produced per unit (3)	Total bales produced during base period by ranges (4)	1934 allotment in bales by ranges (5)
From 0 to 239	132	0 45	59	31
From 240 to 478	518	.80	414	215
From 479 to 717	500	1. 25	625	324
From 718 to 956	516	1 75	903	468
From 957 to 1,195	397	2. 25	893	464
From 1,196 to 1,434	493	2. 75	1, 356	703
Total	2, 556		4, 250	2, 205

The average production of cotton in Walker County, Ala., by 4,546 producers in the period 1928 to 1933, was 11,042 bales. Of this amount, 2,556 producers, each having an average production of three bales or less, produced 4,250 bales. The total county allotment in 1934 was 5,727 bales, of which 2,205 bales were allotted to these small producers of 3 bales or less, while in 1935 they would receive 5,112 bales if 2 bales were allotted to each producer having an average production of 2 bales or less and not less than 2 bales were allotted to each producer having an average production of more than 2 bales. Relatively, this means that producers who produced 38 5 percent of the cotton in the period 1928 to 1933, received 38.5 percent of the total county allotment in 1934 while in 1935 this same group of small producers would receive 89.3 percent of the total county allotment.

I include the following statement furnished by C. A. Cobb:

Number of cotton growers producing on the average of 2 bales and less, and between 2 and 3 bales during 1928 to 1933, in 1934 for selected States with an estimate for the entire Cotton Belt

(From 1934 Bankhead applications—on basis of 478-pound bales)

State (1)	2 bales or less (2)	Between 2 and 3 bales (3)	3 bales or less (column 2+ column 3) (4)
Alabama	61, 895	49, 515	111, 410
Arkansas	33, 833	32, 897	66, 730
New Mexico	280	314	594
North Carolina	56, 624	30, 779	87, 403
Oklahoma	30, 907	32, 940	63, 847
Tennessee	22, 936	19, 733	42, 669
Total	206, 475	166, 178	372, 653
Estimate for entire Cotton Belt [1]	518, 781	417, 532	936, 314
Estimated average production [2]	518, 781	1, 043, 830	1, 922, 611
1935 allotment assuming 35 percent reduction	337, 208	678, 460	1, 015, 668
Plus 103,000 bales allowed for making allotments as regulations now read in determining the national allotment of 10,500,000,000			1, 118, 668
Estimated requirements for making allotments by proposed plan [3]	1, 037, 562	835, 004	1, 872, 626
Necessary increase in allotment			753, 958

[1] Assuming that the same relationship for small producers as compared to the number of applications exists in the remainder of the Cotton Belt.
[2] Assuming 1 bale as average for the group included in 2 bales or less.
[3] Granting 2 bales to each producer unit falling in the 2 groups.

The two groups above do not include the 1934 Bankhead applications covering farms on which cotton was grown in 1934 for the first time since 1927, a large percentage of which fall in the two groups. There were approximately 75,000 such applications on which it is estimated there were about 60,000 producer units growing less than 3 bales and would increase the 753,958 bales to 850,000 bales.

It is estimated that the producer units omitted from applications in 1934 and the increase in 1935 of the number of producer units would easily increase the draw upon the national allotment to from 1,500,000 bales to 2,500,000 bales.

I include the following from page 105 of the hearings:

THE GENERAL EFFECTS OF ALLOTTING TO FARMS HAVING AN ADJUSTED AVERAGE PRODUCTION OF NOT MORE THAN 3 BALES THEIR ADJUSTED AVERAGE PRODUCTION UP TO 2 BALES (956 POUNDS) AND ALLOTTING 2 BALES TO EACH FARM HAVING AN ADJUSTED AVERAGE PRODUCTION RANGING BETWEEN 2 BALES AND 3 BALES

An analysis of the States of North Carolina, Mississippi, and Oklahoma indicates that 130,000 to 150,000 additional bales would be required (a) to allot to farms having an adjusted average production of 2 bales or less their full adjusted average production, and (b) allowing 2 bales to each farm having an adjusted average production ranging between 2 and 3 bales. This would mean that such farms would get an increased allotment of approximately 25 percent over that received in 1934. It would further mean that the increased allotment to such farms would take up approximately 30 percent of the increased national quota for 1935.

A minimum allotment of their adjusted production to farms averaging 2 bales or less during the base period and allotting 2 bales to the farms with an adjusted average production of between 2 and 3 bales can be effectively administered in 1935, and would occasion no material delay in making allotments as prescribed in the act.

Such a plan can be administered without disrupting county quotas.

This plan can be put in effect without serious injury to the established cotton producers.

A comparison of 1934 allotments on farms having an adjusted average production of not more than 3 bales with the estimated 1935 allotments permitting each such farm its adjusted average production up to 2 bales (956 pounds) and allotting 2 bales to each farm having an adjusted average production ranging between 2 and 3 bales

State	Number farms producing—		Allotments				
	2 bales or less	Between 2 and 3 bales	Adjusted averages of farms producing 2 bales or less	Number farms (column 2) times 2 bales	Estimated total allotment 1935 (columns 3 and 4)	Allotment in 1934	Additional cotton to provide minimum allotment
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Farms	*Farms*	*Bales*	*Bales*	*Bales*	*Bales*	*Bales*
North Carolina	23,687	14,488	28,480	28,976	57,456	51,341	6,115
Mississippi	18,514	16,075	24,262	32,150	56,412	48,113	8,299
Oklahoma	14,901	15,426	20,396	30,852	51,248	36,662	14,586

I anticipated that it would be argued that the exemption to the small farmer, tenant, or share-cropper would be taken from the large planter. I, therefore, furnished information, not based upon my opinion, or my guess, but I have given the facts as furnished me by Mr. C. A. Cobb, the Director of the Cotton Division.

As I pointed out, if an exemption is made to each producer rather than to each farm, 87,000 producers in North Carolina would receive an increase of 82 percent in their allotment, while the remaining 102,000 producers would receive a 12-percent reduction.

Again, as shown by the statistics furnished by Mr. Cobb, there are 1,999 growers in Chatham County, N. C., who would qualify for the allotment of two bales. This would require 1,969 more bales than the same growers received in 1934. This would exceed the estimated allotment to the county by 770 bales. The result would be that other producers in the county would receive no allotment and an additional 770 bales would have to be taken from producers in other counties.

Walker County, Ala., is not a county of large cotton planters. The figures furnished by Mr. Cobb show that the producers who produced 38.5 percent of the cotton from 1928 to 1933 received 38.5 percent of the total county allotment for 1934, while under the exemption to the farmer, share-cropper, and tenant the same group in 1935 would receive 89.3 percent of the total county allotment. The farmer who has denied and sacrificed, who is anxious to pay the loan on his farm, where he produces five or six bales of cotton, will be discriminated against. Farmers will want to know why their allotments were reduced from the 1934 allotment when the total cotton crop was increased 500,000 bales over the 1934 crop.

The case of Franklin County, Ark., covers a county of average farmers. Those who produced 57.5 percent of the cotton in the period of 1928 to 1933 received 57.5 percent of the allotment for 1934; while in 1935 the same group would require 41.8 percent more than the total county allotment. Some other county in Arkansas will receive less than its share.

The gentleman from Texas [Mr. JONES] stated that the Department of Agriculture had furnished him with no figures as to how many bales would be required to provide for the 2-bale exemption to each farm owner and each share cropper and share tenant. I wanted to know the facts. Mr. JONES stated that his information was it would take something like 500,000 bales. Mr. Cobb estimates that in Mississippi, Alabama, Arkansas, North Carolina, Oklahoma, and Tennessee it will take 753,958 bales. Mr. Cobb states that it would take from 1,500,000 to 2,500,000 bales to provide for the 2-bale exemption to the farm owner, share-cropper, and tenant. He opposes it. He states it would really wreck the program.

I have pointed out that the President had in mind an exemption of two bales to the farm owner. We should know the effect of such an exemption. Such an exemption would require 8,299 bales in Mississippi. It would not disrupt the county quotas.

In extending my remarks I am advised that with section 1 of the bill eliminated the 2-bale exemption to each farm owner, appeal boards, and adjustments on account of drought, flood, or diversified farming can be made by regulation of the Agricultural Adjustment Administration. All of the provisions of the bill except that which applies to compensation to ginners can be provided by regulation. I am in sympathy with the provisions for compensation to ginners, but I think all ginners should pay a fair price for cottonseed. The ginners have been called upon to do much additional work, not for the benefit of the producers, but to enable the Government to collect the tax. Ginners are required to give bond; they are required to keep numerous additional records and to file lengthy reports with the Collector of Internal Revenue. They are entitled to compensation. This compensation would be paid out of the same fund that is used in paying the other expenses of the administration of the Cotton Control Act. It is a source of satisfaction that the Cotton Control Act is more than self-liquidating. The processing taxes are ample to provide the costs of administering the Cotton Control Act. The ginners should be paid out of the general funds.

Section 2 of the bill provides for an exemption of two bales to the farm owner, to the tenant, and to the share-cropper. I have stated that the President advocated the exemption to the farm owner. I have also stated that the crop in 1934 was fixed at 10,000,000 bales. As provided by law, the Agricultural Adjustment Administration has fixed the crop for 1935 at 10,500,000 bales. They have issued regulations exempting two bales to the farm owner. Unless the production is materially increased it would be most hazardous to increase the exemption.

Again, section 2 increases the weight of the bales from 478 pounds to 500 pounds. The increase in the weight of the bales would require a larger crop. Large crops mean small prices. It means increased carry-over.

Section 3 of the act provides for appeal boards. Its purpose is to eliminate inequalities and to correct injustices. It provides for boards of three members, one to be appointed by the Secretary of Agriculture, the second to be appointed by the attorney general of the State, and a third by the Commissioner of Agriculture. I believe that this provision is unwise. The Secretary of Agriculture is charged with the administration of the act. If mistakes were made in the allotments they were made by the county committees. The Secretary has profited by last year's administration.

The committees for the year 1935 are elected by the farmers, share-croppers, and tenants. The Secretary of Agriculture is arranging for adjustment boards. He realized that mistakes were made last year. I believe that he should have the right to appoint the members of the boards.

After all, the boards should be governed by fixed rules and regulations. It will be the province of the boards to see that all growers are accorded the same rights and that the same yardstick obtains in all allotments.

It has been said there was politics in the local boards. If the appointees of the attorney general of the State and of the State commissioner of agriculture are substituted for the appointments by the Secretary of Agriculture, there will be more politics. Moreover, the rules and regulations may be entirely different from the other rules and regulations by the Secretary of Agriculture. I believe, therefore, that section 3 of the act should be amended so as to provide that the adjustment boards shall be appointed by the Secretary of Agriculture, and that these boards shall be governed by rules and regulations made by him.

Personally I believe that the Agricultural Adjustment Administration did a good job in the plow-up campaign of 1933 and the reduction program of 1934. Mistakes were made, but all allotments were based upon acreage and production. If the grower was not allotted an adequate production, it was because his 5-year average did not warrant it. The Cotton Control Act provided that there should be uniformity of reduction. If there had been diversification, it was because diversification was profitable. The farmer who had diversified was given 65 percent of his production; the farmer who raised five or six bales of cotton was given the same percentage; the large owner with many tenants and share-croppers was given the same percentage. The yardstick was certain and definite. The acreage and the production controlled.

Exemptions to the home owner in the city and in the country are made in many jurisdictions. The Government encourages the farm owner. The President had this point in mind when he advocated the 2-bale exemption to the farm owner. The Agricultural Adjustment Administration interpreted the President's language to mean an exemption of two bales to the farm owner. The Administration has not waited on Congress. The President's recommendation has already been embodied in regulations that have been prepared for the 1935 crop. I have asked Mr. Cobb to furnish me with an amendment that will embody the exemption of two bales. I shall offer it as a substitute for section 2 of the pending bill. At the same time I have asked Mr. Cobb to furnish me with a copy of the regulation for adjustment boards for 1935. It is my purpose to offer an amendment to provide that the adjustment boards be appointed by the Secretary of Agriculture and that the program announced by the Secretary in this regard be embodied in the pending bill.

Adjustment or appeal boards are imperative. In 1934 there were mistakes. Greater consideration should have been given to the flood and drought areas and to the farmers who diversified. Congress provided the necessary machinery. The Secretary evidently thought that his rules and regulations were sufficient. He set aside 10 percent of the entire production for the contingencies mentioned. It would have been sufficient to have given the small farmer a 2-bale exemption and to have given the farmer who suffered from drought or flood or who had diversified a relatively larger production. Such was the intent of Congress. While the Agricultural Adjustment Administration made a good job of the control program in 1934, it knows the problems and is prepared to profit by its mistakes. I believe that inequalities will be removed by the boards.

All Members of Congress are interested in the welfare of the share-cropper and the tenant. He has fared better under the Agricultural Adjustment Administration than he has for years. In 1932 he was receiving $30 a bale for his 3 bales of cotton. In 1935 he received $60 a bale for his 3 bales of cotton. He could afford to pay the tax and still have his income increased. All growers, both large and small, are entitled to equal treatment. All had been growing too much cotton; the carry-over had reduced the price; it had made slaves of all growers. Instead of arraying the large grower against the small grower, I am asking for cooperation. Let all do their part.

I believe in home ownership. The 2-bale exemption will encourage it. It is justified, but share-croppers and renters obtain on large plantations in greater number than on small plantations. They will be entitled to their exemptions.

INEQUITABLE AND INSURMOUNTABLE

If the cotton-control or Bankhead Act has not been beneficial it should be repealed. The administration should not be hamstrung in its enforcement.

The Agricultural Adjustment Administration has made its program for 1935. It has fixed the production, it has provided for the 2-bale exemption, it has provided for adjustment committees, elections have been held for county committees. It is the most democratic of all regulations. Every share-cropper, tenant, and landowner had the right to vote for members of the county committees. If mistakes were made it was the mistake of the growers and producers.

I am in favor of limiting the exemption of 2 bales to landowners because additional exemptions would greatly increase the exemptions provided in the program. The 500-pound bales would increase the amount of exemptions. The total amount of the exemptions would come out of the national allotment. Some States would have their allotments reduced; some counties would have their allotments reduced; some growers would have their allotments reduced; there would be innumerable complaints. The average farm owner will want to know why his production was cut down in 1935 when there was an increased crop of 500,000 bales provided.

The landlord shares in the exemptions. If the allotment is less than 2 bales the bill provides that the difference between the allotment and the 2 bales shall be covered by bale tags to the tenants. The landlord will be denied his share. No class of our citizens has been having more trouble than our landowners; they pay the taxes; they pay the mortgages. They will be discriminated against under the pending bill.

I am advised by the Agricultural Adjustment Administration that it would be difficult if not impossible to make fairly and equitable the estimate providing for the exemptions. The 1934 figures included farms; they did not include new share tenants or new share-croppers. It would take some time to secure the necessary data. Data for the 2-bale exemption to the owner has been secured. If the Secretary of Agriculture overestimated the amount which would be tax exempt if the bill is adopted, the national allotment would be to that extent decreased below the 10,500,000 bales. If the Secretary of Agriculture should underestimate, the national allotment will be increased beyond the 10,500,000 bales.

In many counties all of the cotton allotted in 1934 would be consumed; other counties will hardly give up their allotments without protest for the benefit of 2-bale exemptions to tenants, share-croppers in other jurisdictions.

The administrative difficulties, I am advised, are practically insurmountable. It is desirable that the tax-exempt certificates be in the hands of the grower by the harvesting season of 1935. If the bill is passed, there will have to be a change in all of the forms that have been prepared; it might be harvest time before the certificates are ready. This would mean a delay that would cause great confusion.

In the opinion of Mr. Cobb, as I have heretofore pointed out, it will be necessary to raise the national allotment of 10,500,000 bales to a figure higher than the national allotment by an amount estimated at from 2,000,000 to 3,000,000 bales. The interest of the cotton growers would be hindered and not helped by the pending bill.

The Agricultural Adjustment Administration has leaned over backward to aid the tenant and the share-cropper. I prefer to follow the recommendation of the President rather than to endanger the entire control act by unreasonably increasing the production.

Mr. DOXEY. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. Tarver].

Mr. TARVER. Mr. Chairman, the gentleman from Mississippi [Mr. WHITTINGTON] in construing the statement of the President, issued on December 5 of last year, has made the same mistake made by the director of the cotton section, Mr. Cobb, when he was testifying before the Committee on

Agriculture, in that he does not consider anybody a farmer unless he owns a farm, thereby making farmers out of all the mortgage companies, banks, insurance companies, lawyers, doctors, and city folks throughout the country owning farming lands, and preventing from being considered as farmers the more than a majority of the farming population who cultivate the lands but do not own them.

Now, this is a view that may be appropriate to the Delta country of the Mississippi where, I understand, the gentleman owns several large plantations. It may be that in that section of the United States only a man is considered a farmer who is fortunate enough to be vested with the ownership of land; but I am interested, and I think the Membership of this House should be interested if it intends to bring about any measure of relief by the passage of this bill, in the majority of the farming population of the South who are tenants or share croppers, and some of whom beyond dispute, have been ground into the dust in the administration of the Bankhead Act.

I only have 5 minutes and no one can undertake to discuss this proposition in 5 minutes, but I want to tell you that you are in danger of being deceived into believing you are passing something for the benefit of this class of farmers, when you are not doing it, or at least I am afraid that the provisions of section 2 of this bill, providing for this small exemption, will be so construed by the Department of Agriculture as to nullify the benefits that you intend to bring about. Read it, and read it carefully, and see if you find in that section any provision which assures the cotton producer, if he be a tenant, or share cropper and not owner of land, 2 bales of tax-exempt cotton. It is not there unless the Department of Agriculture in construing it shall read it into the bill, and my observation of constructions made by the Department of Agriculture has been that these constructions so far have been against the interests of the little farmer. I can only hope, if the language of this section is not changed, that the Department will construe the language to assure the minimum exemption to each producer, and not merely to each farm.

One word with regard to this appeals provision. This bill proposes to set up a board of appeals. God knows one is very necessary. Some method of correcting the mistakes made by county committees ought to be provided, but the machinery set up in this bill will not give any relief. You cannot find three men in any State who can take the time to investigate and decide upon their merits all of the thousands of appeals that will come before them for decision.

Last year, while they say we did not have any appeals board, they told us we had one and told us to submit our appeals to that board, and for my own congressional district I assisted in presenting approximately 1,000 of these appeals. None of them received any consideration except the appellant received a consoling letter; but in my State, if every congressional district had as many appeals as there were from mine, there would have been 10,000 cases for the consideration of this board of three men, and if you do not provide anything except one State board of three men to consider these appeals, requiring farmers who may desire to appeal to travel, in some instances, hundreds of miles in order to testify personally before that board, or to carry their witnesses that far in order to have the proper facts presented for their consideration, then you have not provided machinery here by which any man who is complaining of an adverse decision of the county committee can secure any remedial action.

I intend to propose an amendment at the proper time providing for arbitration in the county of the residence of the appellant, allowing the appellant to name an arbitrator, the authorities of the Department of Agriculture to name one, and these two to name the third.

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks, and to include therein a newspaper clipping now being published in the papers of the South stating that this 2-bale exemption has already been made by the Department, when in fact we all know the Department does not intend to make any exemption to the tenant farmer, and its officials have frequently so stated, and some excerpts from a letter sent to me by the chairman of my State allotment board, Mr. G. V. Cunningham.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to revise and extend his remarks as indicated. Is there objection?

There was no objection.

The statements referred to are as follows:

[From the Walker County Messenger, Mar. 15, 1935]

WALLACE EXEMPTS 2-BALE FARMERS FROM COTTON ACT

Farmers who produce 2 bales or less of cotton were exempted last week by Secretary of Agriculture Wallace from provisions of the Bankhead production control act. This was done under regulations governing operations of the act instead of through legislation, as had been expected.

The exemption was granted in answer to protests from Southern Senators and Representatives who declared that operation of the act last year penalized small producers

Cully A. Cobb, director of the cotton division, was unable to say whether the 2-bale exemption total would be taken out of State quotas before they are distributed among counties. "County allotments will be made as before without reference to the 2-bale exemption", he said.

Under provisions of the Bankhead Act a tax of 50 percent of the market value of cotton is levied on all production above 10,983,264 bales of 478 pounds net weight.

STATE OF GEORGIA COOPERATIVE EXTENSION WORKS,
Athens, Ga., March 7, 1935.

Hon. M. C. TARVER,
Member of Congress, Washington, D. C.

DEAR CONGRESSMAN TARVER: Thank you very much for the copy of the CONGRESSIONAL RECORD which contained your speech with reference to the Bankhead Act and the letter I wrote you on December 15. You are right. I hope you will stay with it.

I, of course, am not a lawyer and have had no legislative experience. But when it comes to the application of the Bankhead Act as of 1934, I am sure, doubly sure, that corrections along the lines I have suggested are necessary, and those of us who can should plead and fight for the small farmer for a few crumbs of additional cotton to come from the tables of the more fortunate those whose financial status has allowed them to maintain a good base even though they have practically gone broke before the Government came to their rescue

As to how the 2-bale allotment minimum to producer-units would affect Georgia, I submit the following figures:

The records here show that there were 28,029 producer-units receiving less than 2-bale allotments. There were: 1,228 that received 240 pounds or less; 6,203 that received between 240 and 478 pounds, or less than a bale; 9,016 that received between 479 and 717 pounds; 11,541 that received between 718 and 956 pounds, 41 miscellaneous producer-units that received from less than 240 pounds up to 956 pounds.

The total number of bales received by these producer-units amounted to 36,811 bales. Had each producer-unit received a minimum of 2 bales they would have received 56,058 bales, or an increase of 19,247 bales. I estimate that about 5 percent of the producer-units were not indicated on forms BA 8 and 9, so that there were approximately 30,000 producer-units that received less than 2 bales.

The records here show something over 209,000 producer-units. If my estimate is correct of there being approximately 5 percent not recorded on forms BA 8 and 9, then there are approximately 220,000 producer-units in Georgia. Subtracting the 30,000 producer-units receiving less than 2 bales from the 220,000 would leave approximately 190,000 producer-units that received more than 2 bales.

Now, Georgia's allotment was 875,000 bales. The 30,000 producer-units receiving less than 2 bales per producer-unit received 36,811 bales, according to our records, to which should be added about 5 percent because of those left off of forms BA 8 and 9, which gives about 38,000 bales. So that those receiving above 2 bales per producer-unit received 837,000 bales. This means that this group received an average of 4.4 bales per producer-unit, as compared with those receiving less than 2 bales per producer-unit.

Now if those receiving less than 2 bales per producer-unit were given a minimum allotment of 2 bales, it would increase the number of bales going to this group about 20,000 bales, as can be determined from the figures submitted. If these 20,000 bales were taken from the group receiving above 2 bales, it would still leave to this group an average of 4.3 bales per producer-unit.

Taking the figures I have submitted as to what might be expected for the belt as a whole, it would mean that approximately 360,000 producer-units in the belt received less than 2 bales per producer-unit, though I am inclined to believe that the records would show that this number would be a bit less, since the producer-units in the West are much larger than in this area (Since Georgia's allotment is approximately one-twelfth of the total allotment for the belt).

You will note that I have made provision that the 2-bale minimum allotment shall not apply to producer-units where the acreage grown to cotton exceeds one-third the acreage grown to all crops, and where the acreage grown to cotton is less than 3 acres. You can naturally see the reason for this is to prevent

small town-lot farmers getting the advantage of a 2-bale allotment to which they are not entitled.

Now I want to discuss the other amendments with reference to this matter. In doing so, I should like to refer to my general letter regarding this written you on December 14, 1934, a copy of which I am attaching hereto, so that you may have the principles that I had in mind.

One of the recommendations made in there is, as you will note, that 50-percent consideration be given to the man and 50-percent consideration be given to the land. With this end in view, you will note the suggested amendment to section 6 to be inserted between the first and second sentences. This is further provided for in the amendment to subsection 7 (a). You will note here that the 50-percent consideration of the man and 50-percent consideration of the land is modified so that injustice shall not be done to a farm which receives a decrease because of the application of the amendment which would bring the farm below a base cotton acreage of one-third of the cultivated area, and also that a farm will not receive an acreage base or production in excess of one-third of the cultivated area.

You will note that I have suggested "(5)" under subsection 7 (a) which contains a plan of appeal that can be an appeal board in reality, an appeal board within their own county composed of farmers whom they know and should know them and are in better position to judge what is right and just in consideration of their allotments. The provision of an appeal to the State allotment board or State board of review cannot amount to more than listening and, in fact, telling them nothing can be done. There is not time enough for a single board to handle such cases, for there will be thousands of such cases where appeals will be made.

On the question of tax-exemption certificates not to be sold in excess of those needed to gin cotton produced tax free, you will note the amendment I have suggested; and to carry out the provisions of this amendment, I have suggested the subsection providing for the tax-exemption certificates to be handled in the county office with the ginners being required to deal with the matter of tax-exemption certificates through that office and furnish proof that any cotton ginned is the property of the farmer for whom ginned and produced by the farmer submitting the cotton to be ginned. And you will note that provision is made for those farmers who have suffered because of drought and other causes that they shall receive their tax-exemption certificates to be sold.

That section 23 is amended in such a way as to so define "producer-unit" and the term "producer" that there will be no mistake as to the meaning of what is intended.

The bill as a whole, of course, will need to be reviewed and worded in such a way as not to have conflicting wording with reference to the amendments I have suggested. With your interest and the interest of others, I feel sure that a workable, livable, and heart consideration, as well as a price-objective program will be developed.

Likewise, I feel the voluntary program should be amended along the lines suggested, since it becomes a basis and guide for Bankhead allotments, and injustices in bases are as prevalent.

With best wishes, and kindest regards, I am,

Yours very truly,

G. V. CUNNINGHAM,
Chairman State Allotment Board.

The CHAIRMAN. The gentleman from Mississippi has 12 minutes remaining and the gentleman from Kansas 9 minutes.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, in the spring of 1933 we passed the A. A. A. bill. It was a measure designed to reduce and control production of agricultural products. It was a measure designed to put the farmer under the control of a bureaucrat and make him a slave, and that has been the result of the operation. The Bankhead cotton bill was brought up here a year ago and that was a measure designed first to control and enslave the farmer, and it has worked that way. It has benefited the cotton farmer in just this way: It has reduced his production by upward of a third, and it has practically cut his export in half. While the whole world was producing just about the same amount of cotton this year that it did last year, the United States is producing only 43 percent of the total production, whereas the previous year it produced 60 percent, and we have destroyed our export markets.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. TABER. Not now. I shall later, if I have the time. Our exports are dropping away. On top of that, this pegged market here in this country has so attracted the attention of foreign bankers and traders that they have come in here and broken our cotton market. Do not deceive yourself on that. That is what happened. On top of that, they have come in here and broken our market for butter, and they are coming in here and they are going to bust our market on other agricultural products. That will be the result of the position in which we put ourselves. A few years ago Great Britain and Holland put themselves in the position of pegging the price of rubber, and our bankers and brokers broke that peg, and the coffee peg was broken in the same way. Why cannot we learn a lesson from those things and stop this whole A. A. A. performance? Instead of just knocking out some of the worst spots of the thing, why not repeal the whole thing? It is destroying American agriculture. A lot of progress has been made on the Democratic side in the last year. At the present time I understand that the President of the United States favors the passage of this bill exempting the farmer producing a couple of bales. I call the attention of the House to the fact that a year ago a bill was passed to exempt the small producer of hogs up to 1,500 to 2,000 pounds, and that bill was killed in the Senate at the request of the President and we were not able to do anything to help out our farmers, who have been ruined, many of them in my country, by this processing tax. I do not like to see people put on the relief rolls as a result of fake relief measures. I should like to see this whole A. A. A. wiped out, instead of thinking about extending it, and I understand there is an agreement that the extension part of the bill shall go out. We should go a little further than this bill does. We should wipe out the whole business. [Applause.]

I yield back the remainder of my time.

Mr. HOPE. Mr. Chairman, I yield 4½ minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, this processing tax affects perhaps more than anybody else the cotton farmer of the South and the textile manufacturer of the South and the textile manufacturer of the North. In my own district, in the mills that the South has not taken from us, they are in a struggling condition, which means a resultant loss of work for employees. And work is needed so desperately at this time. I earnestly hope something can be done to eliminate this processing tax. One of the prime factors in the production costs of the textile industry is the processing tax. The tax represented in 1934 about 40 percent of the wage bill of the industry and about 40 percent of its raw-material cost. Strange as this may seem, the cost of the processing tax in the case of some of the cheaper goods and yarns is actually greater than the labor cost. Call it a processing tax if you will, but it is in effect a sales tax on all consumers of cotton goods, levied at the factory and paid by the consumer at the counter, and this is where you of the midwestern country come in. Your consumers and your farmers are paying so much of the cost. In levying the tax in this manner it has worked out that the consumer is obliged to pay more than the Government received.

The effect of this tax, coming as it did at about the same time as an increase in the hourly wage in the industry, has had a dislocating effect. These cost increases, together with a 100-percent increase in the price of raw material, resulted in a decided decrease in 1934 in the consumption of domestic raw cotton.

Basing my figures on Bureau of Labor statistics for 1910–14, inclusive, the average price of 38½-inch, 64 by 60, 5.35 print cloths was 5.17 cents per yard. Last December this same fabric sold for 6.75 cents per yard, which included the processing tax. This represented an increase of 30.6 percent. The fabric which I have used as an example is that which is produced in largest volume by the industry and is therefore a fair index of the effect of the tax. In making this comparison it is applicable to state that in the same periods the increase in prices on all commodities was only 12.3 percent. Removing the tax, the December 1934 price for the fabric I have used as an index would still be 14.23 percent above the average price of the 1910–14 period. So, with the removal of the tax, cotton textile prices would be about in line with other commodity prices.

Mr. ANDRESEN. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. Gladly, although my time is limited.

Mr. ANDRESEN. Has the importation of cotton goods interfered with the mills in the gentlewoman's section?

Mrs. ROGERS of Massachusetts. Yes, that is true. Of course, the Japanese importation of textiles, especially, has interfered a great deal, but that is only part of the reason we are having such a struggle. I am sorry. I wish I could yield further.

Mr. ANDRESEN. Can the lady estimate the number of men taken out of employment due to these importations?

Mrs. ROGERS of Massachusetts. I can put that in my remarks later. I do not want to take up the time now.

Although the cotton-processing tax alone cannot be held responsible for the high prices of cotton textiles and the decrease in cotton consumption, still the disparity in textile prices is approximately the amount of the processing tax and even if the rate of the tax is only sufficient to bring about parity as to raw cotton prices, the tax must be regarded as largely responsible for this disparity.

This cotton-processing tax is obviously a sales tax on necessities of life. As such it falls with the greatest burden on the poorer people. In its operation the cost of the actual amount of the tax per yard was far heavier in the cost of heavy goods purchased by the workingman than in the finer semiluxury goods.

You know how many of the poor people must wear cotton clothing, must buy cotton sheeting, and cotton pillows and towels. It is working a tremendous hardship upon them.

Based on today's market figures, the cost of the tax is about one-third of the market price for the commodity. This seems to me to be more than a reasonable share of the expense in raising funds for benefit payments. Certainly it has shown its effect in the reduction of raw cotton consumption.

It seems as if the poorer man must always pay the price.

There has been a great deal of difficulty in collecting this tax. While most of the industry pays the levy with reasonable promptness, there are cases, I am told, where these delinquencies amount to more than the value of the plants. This has a tendency to throw prices out of line and make for unfair competition. It has resulted in the fly-by-night type of manufacturer who leases a plant, fills his orders, and then, when the tax is about to be collected, closes his factory and looks for another opportunity to beat the law. This has had a demoralizing effect on the textile market.

Numerous complaints have been heard that the Government is not policing, or in any event adequately policing, the payment of these taxes. Thus a further premium and obstacle is placed upon the manufacturer who operates honestly and fairly.

I wish to present figures which show the collections of the tax since its inception to the end of 1934:

Collections of tax with respect to cotton under the Agricultural Adjustment Act

Month	Processing tax	Compensating tax	Floor tax other than retail	Floor tax retail	Total
1933					
August		$104,838.31	$2,433,865.97	$83,000.62	$2,621,704.90
September	$869,892.39	106,808.76	9,358,507.91	1,606,799.33	11,942,008.39
October	5,714,906.38	111,800.15	8,839,431.12	3,273,751.53	17,039,889.18
November	5,343,749.04	72,250.02	9,505,287.58	2,405,896.00	17,327,182.64
December	14,540,038.92	66,263.07	12,310,032.38	2,529,500.98	29,445,835.35
1934					
January	11,995,000.26	84,474.05	2,047,225.96	1,252,280.29	15,378,980.56
February	8,115,412.21	97,085.17	815,232.88	202,742.27	9,230,472.53
March	9,081,033.80	107,734.75	296,813.28	68,443.02	9,554,024.85
April	8,725,936.71	102,482.72	306,281.60	64,593.85	9,199,294.88
May	11,570,518.63	104,287.05	265,900.78	55,193.68	11,995,900.14
June	9,756,871.18	128,749.40	196,460.94	49,857.70	10,131,939.22
July	9,965,169.98	127,656.06	166,659.66	22,004.90	10,281,490.60
August	7,853,342.02	68,153.30	108,343.69	15,608.59	8,045,447.60
September	7,285,187.69	108,836.58	101,359.81		7,495,384.08
October	7,833,612.57	116,417.52	69,178.10		8,019,208.19
November	6,294,871.39	115,885.47	65,407.64		6,476,164.50
December	8,233,066.49	114,648.93	45,531.29		8,393,246.71
	133,178,609.67	1,738,371.31	46,931,520.59	11,629,672.76	193,478,174.33

From office of finance officer of Agricultural Adjustment Administration

Have actually paid through Dec. 31, 1934, to the farmers in benefit payments out of processing taxes	$202,500,000
Total receipts	204,800,000
Total expenditures, including administrative and refunds	218,000,000
Straight benefit payments to farmers:	
1933	112,600,000
1934	115,000,000
1935 (estimate)	125,000,000

I cannot speak too strongly of the evils which I feel the processing tax has brought on, or hope too much that the processing tax will be eliminated. [Applause.]

The CHAIRMAN. The time of the lady from Massachusetts has expired.

Mr. DOXEY. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. KELLER].

Mr. KELLER. Mr. Chairman, at the proper time and place I am going to offer a small amendment to this bill. It is simply this: That last year, when the bill was passed, I was in favor of it, because I believed then and I believe now that the principle involved in this and in the A. A. A. is the only possible way to get our feet on solid ground and get rid of the surpluses that existed at that time.

I believe that has been well proven.

At that time the States of Missouri and California asked for and received a provision in the Bankhead bill providing—as you will find in section 5 of the bill—that any State which had produced 250,000 bales could not be allotted less than 200,000 bales. Frankly I overlooked the fact that Illinois had not been classed properly as a cotton-producing State, and therefore had not its records in shape to receive its allotment. Where the fault of that lies I am not sure. Here are the facts in the case:

Beginning back in 1925 when the first record of the State of Illinois was kept, and back of that for some time, Illinois, and principally the two southern counties of Illinois, raised between 6,000 and 7,000 bales of cotton per year. The small flood of 1926 cut that down to 3,700 bales. The great flood of 1927 cut it within 1,000 bales. It was difficult to get back, because that had the same effect as the flood the year before, and we got 940 bales the next year. The droughts of 1930 and 1931 reduced that to almost nothing, so that we only had 619 bales allotted to that little section of Illinois which had previously raised 6,000 or 7,000 bales a year. I went to the Department and they showed clearly that under the letter of the law it could not be remedied except by an amendment to this bill. Therefore, I am offering an amendment to follow out the same proportion, that is, 80 percent of the allotment, to the State of Illinois. I am asking that any State that produced as much as 5,000 bales shall not be allotted less than 4,000. Last year we came back to something near our original amount and we raised around 4,500 bales. This is not at all unfair. It is exactly what California and Missouri really got for a very large amount. But if we take 6,000 bales, which we originally raised, and take 65 percent, which all the cotton States agreed to, we would still have approximately the amount I am asking for. I hope there will be no opposition to this amendment. I want it to be remembered that I helped on the Bankhead bill, because I thought it ought to have been done, and I think it has worked well.

I thank you.

[Here the gavel fell.]

Mr. DOXEY. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. JOHNSON].

Mr. JOHNSON of Oklahoma. Mr. Chairman, I do not feel like the distinguished gentleman from Illinois [Mr. KELLER] in that I am so proud of having voted for the Bankhead bill. I do not agree that it has been a decided success. Many of us have been disappointed and chagrined at the manner in which it has been administered. I supported the original bill reluctantly, because of the fact that we had a great surplus of cotton, and because it was conceded that America was faced with 4- or 5-cent cotton. Members of this House were assured over and over again that the

small cotton farmer would not be discriminated against. Something had to be done and that very quickly. Congress passed the Bankhead bill as an experimental plan to save the cotton farmers of the South from 4-cent cotton. Some of us offered and suggested amendments. I offered a suggestion at that time that farmers producing only 4 or 5 bales should be exempt from the tax. I believed that was right then, and I still believe so. I propose to offer an amendment at the proper time to exempt the first 4 bales from this processing tax. Of course, the reply of the sponsors of this bill will be that the Department of Agriculture says, "You will wreck the bill if you exempt 4 bales." But last year when we tried to get 2 bales exempted from the tax, our same distinguished leaders, high-pressured the Bankhead bill through this House. To declare that any amendment "will wreck the entire bill" is not a new slogan for the distinguished committee chairman who is schooled in the art of putting legislation through this House. Mr. Chairman, wreck or no wreck, this bill ought to be liberalized by exempting at least the first 4 bales from this processing tax.

Furthermore, I have prepared another amendment to section 3 proposing to graduate the processing tax under the Bankhead Act. It is absurd to say that the small cotton farmer, be he tenant farmer or small landowner, should pay the same rate of tax as the big plantation owner.

The most pitiable thing in connection with the operation of the Bankhead law, the thing that will make anyone heartsick, is to go into the homes of many of the small cotton farmers, where children are hungry with scarcely enough clothing to cover their bodies. We must take the small cotton farmers of the South from the relief rolls and give them a chance to earn a decent living. My amendment to exempt 4 bales from the processing tax will take thousands of these farmers off the relief rolls and give them at least a fighting chance. I want to congratulate the gentleman for offering this bill. It is a step in the right direction, but it does not go far enough.

Mr. DOXEY. Mr. Chairman, I yield the remainder of my time to the gentleman from California [Mr. STUBBS].

Mr. STUBBS. Mr. Chairman, in my district I have neither the share-cropper nor the plantation owner, but I have a county that grows more cotton per acre than any county in the United States; and I come to speak for those cotton farmers who are home owners and who have an investment by virtue of the fact they must irrigate; and it is very expensive to produce their cotton. While I am in greatest sympathy with the share-cropper, I should like to state that when you pass this Doxey bill, these amendments to the Bankhead Act, you are increasing the burdens of every legitimate cotton raiser not only in my California but in every cotton-growing State of this Union. I myself should like to see this bill voted down.

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That (a) the second and third sentences of section 2 and the first sentence of section 3 (a) of the act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" approved April 21, 1934, as amended, are amended by inserting after the phrase "the crop year 1935–36", wherever such phrase appears, the phrase "or the crop year 1936–37."

Mr. MARTIN of Massachusetts. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MARTIN of Massachusetts. Is the bill to be read by sections?

The CHAIRMAN. The bill not being an appropriation bill, and no agreement having been made to the contrary, the bill will be read by sections.

The Clerk read as follows:

(b) Section 3 (a) of such act, as amended, is amended by adding at the end thereof the following new sentence: "Any questionnaire or other method of ascertaining the sentiment of the producers with respect to the crop year 1936–37 shall be submitted in such manner as to permit clear expression as to whether such producers would prefer the compulsory tax features of this act or whether they would prefer a domestic allotment plan with premiums paid on that portion of the cotton crop consumed in the United States."

Mr. MARTIN of Massachusetts. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARTIN of Massachusetts: Beginning on page 1, in line 3, strike out all of line 3 on page 1 down to and including line 4 on page 2.

Mr. MARTIN of Massachusetts. Mr. Chairman, it is not necessary to say very much about this amendment. In order that the bill might be considered under unanimous consent, the understanding was that the extension of the Bankhead Act would not be taken up at this time and that the bill which would be for the relief of the small tenant farmer would be allowed to be enacted into law without being handicapped by any major controversy. I hope that the amendment will be adopted.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. JONES. Mr. Chairman, in view of the understanding of the House that the bonus bill would be taken up tomorrow and occupy practically the entire week, and in view of the necessity for early action if the pending bill is to be made effective at all, we felt it better to agree to this amendment rather than have the whole thing go over until such time as we might be able to take it up, which time might be too late. We agreed that the amendment might be adopted.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. MILLER. Does the gentleman's amendment strike out lines 4 to 13, inclusive?

Mr. MARTIN of Massachusetts. The matter of submitting the questionnaire?

Mr. MILLER. Yes.

Mr. MARTIN of Massachusetts. I do not strike that out. That might as well go out. There would be no object in holding a referendum if the act is not to be extended.

Mr. MILLER. Personally, I see no object in retaining it.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. DIES. I will tell the gentleman why it should be retained; we ought to have a fair election on this question, which we did not get last time when they asked the farmer whether or not he would have this or nothing and that if he voted against it he would not get anything.

Mr. MILLER. We will be voting on nothing.

Mr. MARTIN of Massachusetts. I would suggest to the gentleman that this is my amendment; that if he wants to strike out something else, I, of course, have no control over that. I simply want this one matter taken care of.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. BOILEAU. I would like to call to the attention of the gentleman from Massachusetts, and also to the attention of the gentleman from Texas, that this referendum applies only to the crop year 1936–37, so the gentleman from Arkansas is perfectly right.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the chairman of the committee.

Mr. JONES. The gentleman understands that for a referendum no law is necessary. There was a referendum before any Bankhead bill was written. We simply provide here that if they have any sounding of sentiment, or any determination in reference to the crop year 1936–37 as to the basis for any future legislation, they shall submit to the

farmers a choice instead of submitting simply the one proposition.

Mr. BOILEAU. What could they do by submitting a choice embodying compulsory tax features?

Mr. JONES. That is what they submitted before when there was no Bankhead Act. It simply gives them a choice in any such sounding of sentiment; and there could not be any possible objection to giving the farmer a choice if there is to be any sounding of sentiment.

Mr. BOILEAU. I have no objection to leaving it in if it will serve any good purpose. My opinion is that it will not serve any good purpose.

Mr. MARTIN of Massachusetts. Mr. Chairman, I insist on a vote on my amendment.

Mr. DOXEY. Mr. Chairman, will the gentleman yield before he does that?

Mr. MARTIN of Massachusetts. I yield.

Mr. DOXEY. I want to be perfectly fair and frank. I hate to see a controversy arise about section 1 when the purpose of agreeing to the amendment was to avoid any controversy about this section. I believe the gentleman will remember that all of us thought when we made the agreement that section 1 as a section would go out.

Mr. MARTIN of Massachusetts. That was the first understanding.

Mr. SNELL. That was the understanding I had of this agreement that section 1 would go out.

Mr. MARTIN of Massachusetts. I have no objection to the second part of section 1.

Mr. JONES. That is the way it was reported to me; I understood that all of the first section should go out.

Mr. MARTIN of Massachusetts. Mr. Chairman, I ask for a vote.

Mr. JONES. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Massachusetts, in order properly to identify the section after the stricken matter is taken out.

The Clerk read as follows:

Amendment offered by Mr. JONES as a substitute for the amendment offered by Mr. MARTIN of Massachusetts. On page 1, strike out, beginning in line 3 down to line 5 on page 2, and insert:

"That section 3 (a) of the act entitled 'An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes', approved April 21, 1934, is"; and on page 2, line 12, after "prefer", insert a comma and the following: "in connection with a cotton adjustment program."

Mr. JONES. Mr. Chairman, there were many who felt that when a referendum is taken with reference to future legislation, there should be a clear submission of a choice on the part of the farmers between two definite courses of procedure. This amendment was inserted for the purpose of assuring that that course would be taken. This was inserted when it was thought that there would be a vote on the extension which would practically give it the effect of law when the President issued the proclamation.

The question of extension for 1 year by law has been eliminated. That brings us back to the point where we will be at the end of this year when there is no legislation. This is the situation in which we found ourselves when they took the first referendum. In that referendum the sole question of whether they wanted the compulsory features of a tax act enacted was submitted. Then, when the question last fall was again submitted the sole and single question that was submitted was whether they wished that act.

Mr. Chairman, a great many people have complained to me that the farmers or a great many of them were led to think at that time that it meant the retirement of the entire program; in other words, that they had to vote for or against any program. Now, even with the extension privilege going out they may conduct such a referendum that they conducted just before the enactment of the first act. How anyone can object to the farmer having clearly and specifically placed before him the question of whether he wants a compulsory tax feature act or whether he favors the voluntary domestic allotment program under the Adjustment Act, I cannot understand.

Mr. BOILEAU. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. Would not the gentleman also want the farmers to have a choice as to whether they want anything or not; in other words, having a three-way choice?

Mr. JONES. I do not think the gentleman will find that there is 1 person in 12 in the South that wants no program. No one in the South wants to go back to the conditions that existed before we had any program. It is unnecessary to have a vote on that question.

Mr. BOILEAU. I agree with the gentleman that that may be true as of 1935, 1936, or 1937, but in the next year or two there may be a change of sentiment.

Mr. JONES. Technically, the gentleman may be right, but there would be so many choices that it might cause confusion. Everyone in the South practically agrees that the conditions demand some sort of a program. Here is a deliberate choice that is allowed between the two main programs which are before the public. Why not give them the opportunity of a liberal choice between the two? That seems to me to be fair, and I do not see why anybody should object to that.

Mr. DIES. If we do not have some provision in this bill, the Secretary of Agriculture may conduct an election without submitting the question of the domestic allotment to them?

Mr. JONES. Yes; he may, like he did in the first instance, and I do not offer that in criticism.

Mr. HOPE. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Kansas.

Mr. HOPE. At the present time there are two programs, the voluntary and the compulsory program, in operation. Suppose that the farmer wishes to have both programs continued, is there any way under this provision that he can say that he desires to have both programs in effect?

Mr. JONES. He probably would have both if he had the compulsory-tax feature.

Mr. HOPE. This is to force him to choose between the two?

Mr. JONES. The Bankhead bill clearly shows by its language that it is merely a supplementary program. That is also shown in the committee report. The difficulty was that the impression was created in many sections that it was a choice between this program and no program. Nobody wants that kind of a situation.

Mr. HOPE. Suppose the vote should be favorable to the compulsory program as compared with the voluntary program; then would it be the gentleman's idea that the Department would adopt a voluntary program?

Mr. JONES. No; they would have both programs.

Mr. FULMER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I understood under the agreement yesterday that section 1 of the bill was to be stricken entirely. If the amendment that has just been offered is adopted and the question is submitted to the farmers to vote for or against the tax on overproduction, the enemies to the whole program, including the Agricultural Adjustment Act, and all of those who are interested in overproduction will spend time and money to vote farmers against the tax on overproduction so as to bring back overproduction. These people are interested in large production; are interested because their profits are per bale. You gentlemen who are interested in getting away from the processing tax or cutting down the processing tax, if you vote for this amendment will bring about a larger processing tax. It will bring about a lowering of the world-basis price to such basis that the processing tax will have to be increased to take care of overproduction, which as stated, will lower the world-basis price in line with prices prior to 1933.

Mr. Chairman, I hope we will stand by the agreement and strike section 1 entirely. It was understood yesterday that we would cut out that whole section. The cotton people

of the South generally, and specifically the cotton farmers of the South, do not want that type of provision in there, so I hope the amendment will be voted down.

Mr. TARVER. Mr. Chairman, the gentleman from Massachusetts [Mr. MARTIN] stated the other day at the time the gentleman from Texas called up this bill, as follows:

Mr Speaker, reserving the right to object, I understand when this bill is taken up the committee will not object to the elimination of section 1 from the bill?

Mr. JONES. That is the general understanding.

This quotation appears in the CONGRESSIONAL RECORD on Friday, March 15, 1935.

Mr. FULMER. Mr. Chairman, I understand the 4.2 cents processing tax today is costing the consumer a large amount of money. It is expensive to the consumer. But if you bring the world-based price down to 5, 6, or 8 cents, and then try to maintain a parity price, you will have to increase the processing tax.

Mr. JONES. Mr. Chairman, I ask for recognition.

It was my understanding that paragraph 1 was all that was involved. I had no thought of taking out paragraph 2 and that is the way I understood the agreement. There were several of us working on it. May I ask the gentleman from Massachusetts if that is not his understanding?

Mr. MARTIN of Massachusetts. When we first talked about it, it was about striking out the entire section and afterward the gentleman came to me and wanted to know if I would insist on the whole section going out, stating he would prefer to have the second paragraph continued. I said I had no objection to that at all because my thought was that the question of extension was a big subject and was one that should come up on the floor on its own merits.

Mr. JONES. That was my understanding all along, that there was some question about striking out the entire section, but the report came to me that it was the first paragraph that was involved and after I talked to the gentleman, I understood it in that way, but if I answered in the RECORD as my friend from Georgia states I did, although I understood the gentleman was referring to paragraph 1, in view of the fact the RECORD states "section", if I made such an agreement I shall stand by the agreement regardless.

Mr. DIES. What about other amendments?

Mr. JONES. The gentleman can offer an amendment. I want to assure the gentleman I thought paragraph 1 was the only thing involved, but the RECORD shows otherwise. I misunderstood the question of the gentleman from Alabama, but in view of the situation I ask unanimous consent, Mr. Chairman, to withdraw my amendment.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to withdraw the substitute amendment offered by him to the amendment offered by the gentleman from Massachusetts. Is there objection?

There was no objection.

Mr. MILLER. Mr. Chairman, I offer a substitute amendment to the amendment of the gentleman from Massachusetts striking out the entire section.

The CHAIRMAN. In the opinion of the Chair, that would not be a substitute for the amendment offered by the gentleman from Massachusetts.

Mr. DOXEY. Mr. Chairman, I desire to offer an independent motion. If it has been agreed here by all the parties concerned and there has been unanimous consent that the gentleman from Texas may withdraw his amendment, then section 1 is not subject to any amendment, because we are not considering section 1, and that entire section is eliminated.

The CHAIRMAN. The Chair may say to the gentleman from Mississippi that the gentleman from Massachusetts offered an amendment striking out all of the first paragraph of section 1, to which the gentleman from Texas offered a substitute. No amendment is pending with reference to the elimination of the entire section.

Mr. DOXEY. Then, in view of the statement of the gentleman from Texas, I am sure, in the interest of harmony and expedition, the gentleman from Massachusetts will also ask unanimous consent to withdraw his amendment so we can proceed with the consideration of section 2.

Mr. MARTIN of Massachusetts. If it is agreeable to the chairman of the committee, I will change my motion and move to strike out the entire section.

Mr. MILLER. That is right.

The CHAIRMAN. Without objection, the Clerk will report the amendment offered by the gentleman from Massachusetts modifying his original amendment.

The Clerk read as follows:

Amendment offered by Mr. MARTIN of Massachusetts: Page 1, beginning at line 3, strike out all of section 1.

Mr. LEE of Oklahoma. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to see the cotton farmers have a chance to vote on the question of a choice between two forms of aid. The last vote they had was to vote for the Bankhead plan or vote against any form of aid, or at least they understood it that way.

Oklahoma ranks from third to fifth in the production of cotton. I know how many backaches there are in a bale of cotton. I have chopped, it seems like, a hundred miles of cotton; and when the cotton farmers were faced with the situation of voting for this Bankhead plan, which was the only aid available as they saw it, or voting no, which seemed like cutting off all hope of aid, they voted for the Bankhead plan.

The Bankhead plan has been criticized, but it has helped. We were in an emergency. It needs no apology. A great Government has done a great good for the cotton farmers, but we should make progress, and I hope we do make progress in this matter.

I personally favor the domestic allotment plan.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LEE of Oklahoma. I yield.

Mr. MARTIN of Massachusetts. I would suggest to the gentleman that if we strike out the entire section at the present time, unquestionably this legislation will be here again before Congress adjourns and at that time the gentleman could offer any proposal he may have in mind with respect to a questionnaire.

Mr. LEE of Oklahoma. I hope to finish my remarks at this time.

Cotton farmers, as has already been said, are in a desperate condition. Cotton pickers for years have been making enough cash money by picking cotton to grubstake them for the next crop. This year they were on relief. I favor the domestic allotment plan, because it will return to the farmer his rightful prerogative of putting in the amount of cotton he wants to. Today I introduced a bill to that effect, giving him a Government benefit on the amount of cotton that is used domestically and letting him produce what he wants to. The price of world cotton will automatically curtail production. No man who knows the drudgery of raising cotton, when he is confronted with the proposition of raising some cotton at a profit and the rest at a loss, is going to raise much cotton at a loss. He may put in enough to have a safe margin in order that he may get the benefit of the total amount allotted to him, but he will not run away with production.

Perhaps you are thinking that he did overproduce before the passage of the Bankhead law, but I point out that then he was faced with the proposition of raising no cotton at all or else raising it all at a loss, whereas, under my plan, he would receive Government benefits on that amount allotted to him to produce for domestic consumption, thus emphasizing the fact that he was losing on the amount he produced above his allotment. The result would be that he would diversify his crops and curtail his own production according to the world market price of cotton.

We are losing our world markets. Already this season we have exported 2,350,000 less bales than we did over the same period last season, and the exportation a year ago was considerably less than it has been in the past.

In order to raise the price of cotton the United States cut down her production, but other nations increased. We re-

treated while they advance and the market has not been materially helped.

I do not believe we should teach Russia how to power-farm on a grand scale and then give her the world markets. I believe we ought to go out and knock on their doors and ask for their trade, and we ought to have an exportable surplus that would give us something to sell them.

We should give our farmers an outright Government benefit on that amount of their crop which is produced for domestic use and then sell the remainder to the other nations at what we can get for it. If we will stop trying to hold prices up artificially and offer our commodities to the world at a price where the other nations can buy, we can sell to them. From the world standpoint there is no such thing yet as overproduction. It is rather underconsumption.

Why, last year 4,000,000 people starved to death for the want of bread in China and India, and here in America we starved because we had too much.

I believe that the emergency has partially passed and that the time has come when we should have a permanent program that will go out and get foreign markets. Then, when the other nations are willing to meet America and divide the world markets, we will be in a better position to get that part of the world trade that rightly belongs to us. If we sell our surplus commodities at a price that other nations can afford to pay, we will thereby create greater markets by increasing the consumption of wheat and cotton. Why, there are 450,000,000 Chinamen. If we could persuade them to lengthen their shirt tails half an inch, it would absorb our cotton surplus overnight. [Laughter and applause.]

I would like to see us look forward to a permanent solution of this problem by substituting the plan of an outright Government benefit to the farmer on his allotted amount and removing all limitations on his production, such as is contained in the bill which I introduced today.

By so doing you will first remove the objectionable limitations on production, and return to the farmer the freedom of planting what he wishes and as much as he wishes.

Second, you will save the expense of paying rentals on land not in cultivation.

Third, you will regain our foreign markets.

Fourth, you will give employment to the millions of cotton pickers who are now on relief.

Fifth, you will give employment to the almost 2,000,000 persons normally employed in the ginning, compressing, transporting, and handling of cotton.

Sixth, you will restore the natural operation of the law of supply and demand and prevent market crashes like the one just experienced, because it was thought that the Government was not going to loan further on cotton.

Finally, you will make the production of cotton profitable to the farmer by the payment of the benefit, thereby restoring to him the dignity of running his own farm.

Mr. Chairman, I would like to see the farmers have a chance to vote on this domestic allotment plan. [Applause.]

Mr. JONES. Mr. Chairman, in regard to the understanding about the amendment, I had the impression it was the first paragraph that the gentleman from Massachusetts offered to strike out. In answer to the question of the gentleman from Georgia, I did not have the bill before me.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. MARTIN] to strike out the first section.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

SEC. 2. (a) Section 4 of such act, as amended, is amended by inserting at the end thereof the following new subsection:

"(h) If the allotment of tax-exempt cotton to land of any producer of cotton is less than 2 bales for the crop year 1935–36, there shall be exempt from the tax imposed under this act so much of the cotton harvested on such land during such crop year as is in excess of the allotment, but not in excess of 2 bales. For the purpose of making effective the benefits of this subsection, in the case of land cultivated by a tenant or share cropper, if the allotment to such land to a person as owner thereof would be less than 2 bales, the allotment shall be made to and the exemption certificates shall be issued to the tenant or share cropper. No producer shall be entitled to exemption certificates on the amount of cotton exempt from tax under this subsection, but, upon proof of the right to exemption under this subsection in accordance with regulations prescribed by the Secretary of Agriculture and the Secretary of the Treasury, bale tags shall be issued for such cotton. For the crop year 1935–36 the quantity of cotton which the Secretary of Agriculture determines under section 3 (a) should be allotted shall include the amount which the Secretary of Agriculture estimates will be tax exempt under this subsection and the amount of cotton apportioned under section 3 (b) shall be the amount of the allotment so determined minus the amount of tax-exempt cotton so estimated."

(b) Section 23 of such act, as amended (relating to the definition of "bale"), is amended by inserting after "3," in the last sentence thereof "4 (h),".

Mr. FULMER. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 2, line 22, strike out the period following the word "bales", insert a comma, and the following: "3 bales (if the allotment is 2 bales or more but less than 3 bales); 4 bales (if the allotment is 3 bales or more or less than 4 bales), as the case may be."

Mr. FULMER. Mr. Chairman and gentlemen, I am not going to take much of your time, but we have been talking about the small farmer and what has been done to that class of farmers, usually with large families, who, because of poverty, are able to produce only 1, 2, 3, 4, or even 5 bales of cotton. Under my amendment we will remedy this situation, and the farmer that grows 1, 1½, 1¾ bales, or where he grows 3 bales, he does not get any more under my amendment than the difference between his allotment and the number of bales I propose to give him. If his base production is, say, 6 bales, and if his allotment is 3 bales or a little more, we give him 4 bales.

The only difference is that the small amount between 2½ and 2 bales is to make it 3, between 3 and 3¼ bales to make it 4, and it would not amount to 150,000 bales of cotton. Certainly this would come from the large cotton farmer such as we have in the Delta section of Mississippi, and be given to small farmers in the hill section of Mississippi, and this would apply in each State. This would help to give to that little farmer a few more dollars that he may be able to pay his taxes, and buy some clothes for his children. It would take away from the fellow who has been getting the benefit under the original bill, being able to walk around with tax-exempt certificates, a large rent check, and a large parity check. This will not amount to what the Department of Agriculture has told you with regard to 2 bales. It is only the small difference after the allotment has been made.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. FULMER. Yes.

Mr. CULKIN. The gentleman refers to the man who has title to his own land. He, of course, will benefit by this bill, but what about the man who does not own any land, who has heretofore been a tenant farmer? Will the gentleman tell what his fate is?

Mr. FULMER. He is the fellow that I am trying to help, the fellow that rents a small farm or that owns a little piece of land—a farmer who does not farm like myself, with 20 tenants on my farm.

Mr. CULKIN. What I do not understand is how this amendment which the gentleman proposes, and I know he does so in good faith, reinstates the tenant farmer in a new lease.

Mr. FULMER. It would give him that extra little amount over and above the allotment given him under the program.

Mr. CULKIN. That must be the act of the owner of the land—the landlord.

Mr. FULMER. It does not apply to the landlord, unless he is a little 4-bale farmer, or a smaller farmer.

Mr. CULKIN. So, so far as the landlord is concerned, the situation of the tenant farmer is the same as it was before.

Mr. FULMER. Absolutely, unless his allotment is less than 3 or 4 bales.

Mr. JONES. Mr. Chairman, I rise in opposition to the amendment. We may just as well have a clear understanding about this matter. If we are going to amend the bill in such fashion as this, the bill may just as well be abandoned; and I ask everyone who is interested in having some provision made for the small share-cropper, the small tenant, the small landowner, to vote against this amendment. The Pres-

ident practically made the statement before the vote was taken last fall that there would be a 2-bale exemption. We are trying to keep faith with that promise; and if you load this bill down with amendments, there will not be any legislation. You will be back where your tenants with 300 or 400 pounds or 1 bale would have only that amount. Are you for that provision, or are you for playing to the gallery? That is the whole thing at issue. There are 2,400,000 producers of cotton. They produced last year less than 5 bales each, on an average. They ordinarily produce between 5 and 6 bales. Any man who thinks this thing through must realize that if we are to have a program we must stay within the range of reason. Do you want a program, or do you want to make it seem as if you want to do a whole lot more and get nothing done? That is the issue here, and that is all.

Mr. MILLER. Mr. Chairman, I offer the following substitute amendment for the Fulmer amendment.

The Clerk read as follows:

Substitute offered by Mr. MILLER for the amendment of Mr. FULMER: Strike out the word "two", in lines 18 and 22, on page 2, and in line 1, on page 3, and insert in lieu thereof the word "three."

Mr. MILLER. Mr. Chairman, I ask the attention of the Committee for just a few minutes to reply briefly to some remarks by the beloved Chairman of the Committee on Agriculture, the gentleman from Texas, Mr. JONES. I may be charged with playing to the gallery by undertaking to amend this bill and with wrecking the act, but justice to the host of small farmers is all I am asking by this amendment. To be perfectly frank with you, I do not want to wreck the Bankhead Cotton Control Act. It is the only bill that has passed the Congress since I have been here upon which I made two or three speeches. At the time we were considering the original bill I took for granted that the Agricultural Adjustment Administration would equitably and rightfully administer the law. That has not been done, and the only way to correct that is to put into the law the amount of bales that must be exempted to the share-cropper, the small farmer, and to the tenant. You cannot avoid the human equation in this question. We cannot afford to starve the tenant and other small farmers of this Nation. We cannot afford to pauperize the small landowner and enrich the plantation owner. The Bankhead Cotton Act is, in its provisions, all right, but here is your trouble—it has not been justly, fairly, and equitably administered. They say that this will mean the wrecking of the act. It will not mean the wrecking of the act.

Mr. FULMER. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Yes.

Mr. FULMER. Is it not a fact that with the little renter who does not own any land, who gets 2 bales exemption, it takes practically every bale to pay his rent?

Mr. MILLER. Let me give you the situation. Here is a man who has four or five children in his family. He obtains 2 bales of cotton. He is a share-cropper. He must pay half of that to his landlord. That leaves him 1 bale, or $50, and that is what he receives from his summer's work in producing that cotton.

The Bankhead Act was not intended, and we were assured of it, to penalize that man and put him on the relief roll; yet it has done just exactly that. The reason it has done it is because the great producers of cotton in this country have through its administration been able to obtain satisfactory allotments at the expense of the small producer. They have succeeded in having the Secretary of Agriculture utterly disregard subsection 3 of section 7 of the original law. Mind you, this was the thing that caught us boys representing hill districts and small-farm districts when we were supporting the Bankhead cotton bill. I took it at its face value. This is what it says:

Upon such basis as the Secretary of Agriculture deems fair and just and will apply to all farms to which the allotment is made under this paragraph uniformly, within the county, on the basis or classification adopted. The Secretary of Agriculture, in determining the manner of allotment to individual farmers, shall provide that the farmers who have voluntarily reduced their cotton acreage shall not be penalized in favor of those farmers who have not done so.

Yet they have been penalized, and nobody will deny it. You take the hill section of Arkansas or the hill section of every other cotton-producing State in this Nation, and those men have constantly over a period of years reduced their cotton to the amount that is absolutely necessary to sustain themselves and their families; yet the owners of the plantations in the Delta area have grown exclusively cotton. The Secretary in making the allotments utterly disregarded the law and failed to take into account these facts. The result is that the small producer has been and is being seriously damaged while the plantation owner was not materially reduced and not more than be should have been willing to reduce.

[Here the gavel fell.]

Mr. MILLER. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

Mr. JONES. In connection with that I ask unanimous consent that all debate on this amendment close at the end of that time. This is not closing debate except on this amendment.

Mr. McFARLANE. Reserving the right to object, I want to speak on this amendment, and I hope the gentleman will not make that request.

Mr. JOHNSON of Oklahoma. I want to speak on this amendment also. I think this is the most important amendment in this bill.

Mr. JONES. Very well, I will withdraw the request for the moment.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas [Mr. MILLER]?

There was no objection.

Mr. MILLER. The adoption of this amendment will not wreck the Bankhead Cotton Act at all. This it what it will do: An allotment is made to a State of so many bales of cotton. That allotment is then apportioned and allotted to the various counties. From whom is this exemption taken? It is taken from the amount apportioned to the county. This amendment will compel the Secretary to enforce the original law as it was written and the 3-bale exemption will be taken from the big producer, that man who has in the past arbitrarily refused to voluntarily reduce his acreage. This will give to the small producer who has heretofore actually and in good faith cooperated in every movement to reduce the production of cotton.

Mr. CULKIN. Will the gentleman yield?

Mr. MILLER. Yes; I yield.

Mr. CULKIN. The gentleman believes that in order to save the little fellow, this amendment is essential to the bill?

Mr. MILLER. There is no doubt about it.

Mr. CULKIN. As the law is now, the little man is discriminated against?

Mr. MILLER. He is penalized. He is worse than discriminated against.

Mr. CULKIN. He is penalized and driven into the earth?

Mr. MILLER. Absolutely. Now, I want to appeal to the sense of fairness of the membership of this House that this amendment be adopted. Do not be scared by the bugaboo or the threat that it means the abandonment of this bill or its veto. The President may favor only 2 bales exemption, but that is not sufficient and we must, as Members of Congress, exercise our own judgment.

Mr. DIES. Will the gentleman yield?

Mr. MILLER. I yield.

Mr. DIES. And is it not a fact that the large cotton producer can produce his cotton much cheaper than the small "one horse" cotton farmer?

Mr. MILLER. Yes. The operations of the great cotton producers are highly and efficiently mechanized and they can cheaply produce cotton. They can even pay the tax and then make more clear money than the small farmer can on

exempt cotton. They are the men who have brought about our trouble and not the little man nor the tenant.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. MILLER. I yield.

Mr. JOHNSON of Texas. The provision which the gentleman read in the former bill that the Secretary of Agriculture should not discriminate against these small farmers who had already reduced their acreage was my amendment, and I want to agree with the gentleman that it has not been enforced.

Mr. MILLER. It has not been enforced. There is the trouble.

I want to see somebody in charge of the Department of Agriculture who does not lose sight of that tenant and that share-cropper and that small farmer—who, after all, constitute the backbone of our Nation. Under the original act these men should have better treatment. They were discriminated against, and I am not willing to leave this matter in the discretion of anyone. I say frankly to you—and I am just as serious as I ever was in my life about anything—that if agriculture is to be maintained in the South, and if we are to maintain harmony among our people, we must give to every class of them, whether they be share-croppers or plantation owners or whatnot, an opportunity to earn a living for themselves and their families. [Applause.] I appeal to you to support the amendment.

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last word.

I sent an identical amendment to the Clerk's desk a moment ago. When the Bankhead cotton bill was introduced originally notice was served on the cotton buyers of the world to look for a substitute for cotton in one of two forms, either in the form of material that is not cotton, to take its place, or in the form of a substitute field on which to grow cotton. Immediately the cotton-buying world outside continental United States began to look for that substitute. The figures are before us today as to what has happened. The balance of the world has taken our export market away from us; the southern cotton farmer has been seriously injured as borne out by the debate here today, and the Bankhead Cotton Act has failed.

I know something about the cotton business. I know what men mean when they speak about blocking and thinning and picking cotton. I know that 2 bales' exemption is not sufficient to feed and clothe and shelter the small share croppers who rent lands for one-half of the return, who go to the commissary stores and purchase their bacon, their lard, and their meal. So much has been said on this floor in times past about the bad working conditions in the beet fields of the North. Yet we have Members here today who are voting against this 3-bale exemption provision which leaves the cotton-growing family with less than $75 cash income per year for the whole family. If this is not injustice; if this is not unfair dealing to the little farmer in the South; if this is not starvation wages for him and his family to limit them to only 3 bales—I ask what is it? Three bales is not sufficient to protect these small cotton growers and landowners from great suffering, but it is 50 percent more than the bill now provides for, and it is 50 percent more than the President has indicated. At least it will help some.

I know that 3 bales will not wreck the structure. If taking the small farmer and share-croppers off the welfare list will wreck the structure, perhaps it should be wrecked. If the structure is to wreck the great cotton South, perhaps it is not so good to preserve the structure. Three bales' exemption will not wreck the structure from the standpoint of excess production. No figures have been presented to show that would happen, and I am in favor of the 3-bale exemption. As the gentleman from Arkansas has said, it is necessary to make the bill effective to protect the small grower of cotton. It is perfectly natural for the large operator and farmer to claim 3 bales will wreck the structure. Such a plea is always made by the large operator. In spite of what the Chief Executive has said with reference to the 2 bales, and with all due respect to what he did have to say, I hope the House will support the 3-bale amendment to the end that the people down there in the cotton South may use some discretion with reference to producing enough cotton to keep their bodies and souls together, and to the end that a little more cotton may be produced with which to recover some of the world markets. [Applause.]

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. There is pending an amendment, a substitute amendment, and an amendment to the substitute.

Mr. WHITTINGTON. I want to strike out the section.

The CHAIRMAN. The only amendments in order at this time are perfecting amendments.

Mr. WHITTINGTON. I merely serve notice at this time, then, that I shall offer such an amendment.

LET US ADOPT THE 3-BALE EXEMPTION—THAT IS LITTLE ENOUGH FOR THE SMALL FARMER TO LIVE ON

Mr. McFARLANE. Mr. Chairman, I rise in favor of the amendment offered by the gentleman from Arkansas.

Mr. Chairman, I hope the House will adopt this 3-bale exemption.

Mr. DOXEY. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. DOXEY. Is this a 3-bale or a 5-bale exemption?

Mr. McFARLANE. The substitute now pending is the amendment offered by Mr. MILLER and I am heartily in favor of his 3-bale exemption amendment.

Mr. DOXEY. That is not before the House.

Mr. McFARLANE. Let us understand each other. I think the gentleman's amendment was to increase the exemption from 2 to 3 bales.

The CHAIRMAN. Without objection, for the information of the Committee, the Clerk will again read the substitute amendment offered by the gentleman from Arkansas to the amendment offered by the gentleman from South Carolina.

There being no objection the Clerk again read the substitute amendment offered by Mr. MILLER.

Mr. McFARLANE. Mr. Chairman, the amendment now pending would allow the share croppers and the tenant farmers of the Cotton Belt to grow 3 bales of cotton without paying the processing tax. I know and you know that you cannot keep body and soul together on less than this.

I do not know of any reason why this Congress should not recognize fundamental facts. You say "2 bales of cotton" when you know, if you will just stop and analyze the situation, that a man and his wife and two, three, four, or half a dozen children cannot begin to live on that. In the South cotton is recognized as the one money crop the farmer has, and if you tax him to death on this crop you have made it impossible for the farmer to begin to buy the necessities of life. Why not recognize this fundamental principle? You say if you adopt this amendment it will throw the plan out of adjustment. Why, Members in the Cotton Belt here on the floor are winking at each other. We might as well drive the nigger out of the woodpile. If you adopt this additional limitation as it is written in this bill it is going to take some of the cotton allotment from these big cotton plantations and corporation farms; it is going to take a little bit of "gravy" out of their platter. That is all there is to it. Now, let us recognize the rule of right; that is all there is to it, and we ought to be willing to do that. If you do not recognize this principle and liberalize this section some, I predict that it will not be long until the cotton farmers of the South will come here and demand it be done. If you do this you are going to vote for at least a 3-bale exemption, and in the absence of domestic allotment legislation that we are all in doubt about at this time, I hope that this Congress will go on record favoring at least a 3-bale exemption so that this poor tenant farmer and share cropper, who is trying to keep body and soul together, trying to keep his self-respect, and trying to keep off relief rolls, will have a chance to do so; but he cannot do it if you do not give him at least 3 bales' exemption from the tax. [Applause.]

Mr. FORD of Mississippi. Mr. Chairman, I rise in favor of the amendment offered by the gentleman from Arkansas [Mr. MILLER] providing that 3 bales shall be exempt to all growers and producers of cotton from tax under the Bankhead Act.

Before adoption of the Bankhead Act cotton was selling for less than 6 cents per pound. Not long after the adoption of the Bankhead Act cotton was bringing 10 cents a pound, and it is now pegged at 12 cents a pound by the Government. It therefore appears that as an emergency measure this law has been a salvation to the cotton farmers of our country, but I desire to call the attention of the membership of the House to some very important things regarding the future of our cotton industry. Since the Bankhead Act has been in force cotton production in the United States has decreased about 43 percent, while cotton production in India has increased about 8 percent; in Brazil, nearly 22 percent; and in Egypt, 68 percent. America's export trade has dropped about 50 percent. The statistics show that during the last 2 years millions of dollars' worth of our improved farm machinery has been shipped to foreign countries, and that those foreign countries have employed our experts at high salaries to teach them how to produce more cotton. I am afraid that we will not accomplish very much if we cut the production of cotton in this country by compulsory methods while the foreign countries increase their production. Heretofore we have been able to export about 60 percent of the cotton produced in the United States, but in recent years our export trade has dropped considerably, and I think we should give serious consideration to this matter. I am glad to see the provision of the bill continuing the act for the crop year 1936–37 eliminated by the agreement of the Committee on Agriculture until we can give further consideration to the matter.

Mr. Chairman, while the Bankhead Act has been of great value as an emergency measure in restoring the price of cotton, it has also worked many hardships on the small landowner and tenant farmers of our country, and I commend the forethought and efforts of my colleague from Mississippi [Mr. DOXEY], the author of this bill, in bringing a measure before this Congress in order that we might vote some relief to the small cotton producers, however, I am constrained to agree with the gentleman from Arkansas [Mr. MILLER] and say that it would be much better if Congress would exempt 3 bales to every producer instead of 2 as provided in the bill.

Some few years ago the Department of Agriculture, through the various agricultural colleges and extension agents in the cotton-producing States began to teach the cotton farmers that they should diversify instead of trying to grow so much cotton. About that time a move was started by some of the cattle growers of the Northwest to sell high-priced dairy cattle to the southern cotton farmers, and they joined in with the extension forces and sold the idea to the small cotton farmers that they should go into the dairy business and grow more feed and less cotton. The result was that long before the Bankhead Act was enacted, the small landowners and tenant farmers of Mississippi and every other cotton-producing State had already cut their cotton acreage, while the large landowners, and particularly the ones living in the fertile sections, continued to plant every available acre in cotton. Because the small farmer followed the advice of the agricultural leaders and diversified his crops he found that when a 5-year average was established as a basis of tax-free quota his allotment was far too small to meet his demands for the necessities of life. The discriminations in this connection from which the small farmers have suffered is everywhere evident in the cotton-growing States and we must take some action to remedy this situation and restore their rights.

Mr. HOOK. Will the gentleman yield?

Mr. FORD of Mississippi. I gladly yield to my friend from Michigan.

Mr. HOOK. The Bankhead bill is supposed to be self-sustaining, is it not?

Mr. FORD of Mississippi. That is true.

Mr. HOOK. I want to secure some information, because I am from the North and I desire to go along with the boys in the cotton industry. I do not know anything about the cotton industry and I want to get some information.

Mr. FORD of Mississippi. I will gladly give the gentleman any information that he desires.

Mr. HOOK. If we allow this extra bale exemption, will the Bankhead bill still be self-sustaining?

Mr. FORD of Mississippi. It will. There will be no change in the allotment to the counties. It will take a little off of the allotment that has heretofore been made to the big producer and will give the little producer, who has been diversifying and cutting his acreage in the past, a chance for a fair allotment with the 3-bale exemption.

Mr. Chairman, by a vote taken last fall the farmers approved the continuance of the Bankhead Act, but this was done because they were given the assurance that their Senators and Representatives in Congress would take immediate action to remove the discriminations against the small producer. I hope we will live up to our plain duty in this matter and vote to remove these restrictions. I say this because I realize that the cotton crop is the only source from which the southern farmer can obtain funds with which to pay his taxes, meet his cash obligations and provide for his family. It is with this thought in mind that I contend that the 2-bale exemption is not sufficient, and I plead with you to grant a more liberal basis than that. A 3-bale exemption is also insufficient, but the force of circumstances dictates that we accept that if nothing better can obtain. [Applause.]

Mr. HOLMES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to call the attention of the House to a fact which I think will interest every Member. In the issue of Fiber and Fabric of December 22 is a very interesting story about raising cotton in New England. This cotton was raised in my own district 18 miles east of my own home. I had the pleasure of watching that cotton grow, seeing the plants blossom, and I have here a sample of the cotton picked.

Up in New England we used to sing the old favorite song about how we wished we were "in the land of cotton", but if we keep on up there in New England we will have cotton plantations right in our own back yards.

Mr. Chairman, I have here pictures which show the cotton plantation referred to. While this was only an experiment, and it was at first very doubtful whether or not the cotton would actually blossom and grow to maturity, it was successfully carried out by Mr. Victor Depres, who owns and lives on the old estate where Eli Whitney, the inventor of the cotton gin was born.

Mr. Chairman, I am very much interested in the legislation under consideration. I think we ought to have an exemption of 3 or 4 bales. Here is some cotton that was picked in my district and although we always thought it was impossible to raise cotton so far north in Massachusetts the experiment was rather successful. The seed was not planted before May 10, and on August 11 the first blossoms appeared on these vines. The lower ones came first, and they matured first. I believe we have to do something up in my section of the country to help offset some of these processing taxes, and I think for future experiments it will be of some value to our producers in Massachusetts to get this exemption, so that they can raise 3 or 4 bales and have them tax exempt. Having that amount tax exempt I think will go a long way to help them cultivate and also to further experiment on this matter of planting and growing cotton.

I hope that the Massachusetts State Agricultural College will take this matter up, and go more extensively into the possibilities we have up there for the raising of cotton, so that we may enlarge our production of cotton, not only in Massachusetts, but carry it into New Hampshire, Maine, Vermont, Connecticut, and Rhode Island. The Chairman of the Agricultural Committee stated awhile ago that there are 2,400,000 small producers of cotton—5 bales or less. In this connection the gentleman wants to add 1 more to his figures and made it 2,400,001.

I thought the Members of the House might be interested in seeing these pictures and in seeing cotton actually produced in my district, 18 miles from my own home. I have taken a great deal of interest this past season in watching Mr. Depres develop and plant this experimental acreage which he has so successfully done.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

Mr. McCLELLAN. Mr. Chairman, reserving the right to object, I want to speak in favor of this amendment and will require 2 or 3 minutes at least.

Mr. NICHOLS. Mr. Chairman, this is the most important part of this bill. After we get through this section it will not take long to finish the bill.

Mr. TARVER. Mr. Chairman, reserving the right to object, I want to call the attention of my colleagues to the fact that they are talking this bill to death. We have until 5 o'clock to pass it. We will have the bonus bill before us the rest of the week. If the gentlemen insist on talking 5 minutes, they are going to bring about the death of this legislation.

Mr. JONES. Mr. Chairman, I want to change my unanimous-consent request. I ask unanimous consent that all debates on this section and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. JONES]?

Mr. NICHOLS. Reserving the right to object. If I have 5 minutes in which to make some remarks in reference to this amendment I shall not object. Otherwise I will be forced to object.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. NICHOLS. I object.

Mr. JONES Mr. Chairman, I move that all debate on this section and all amendments thereto close in 30 minutes.

Mr. MICHENER. Mr. Chairman, I offer as an amendment to that motion that all debate on the section and all amendments thereto close in 20 minutes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan to the motion of the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. KELLER) there were—ayes 86, noes 36.

So the amendment to the motion was agreed to.

The CHAIRMAN. The question is on the motion of the gentleman from Texas, as amended by the amendment of the gentleman from Michigan.

The motion, as amended, was agreed to.

Mr. JONES. Mr. Chairman, in order that a number of the Members may have time, I ask unanimous consent that under this limitation all speeches be limited to 3 minutes instead of 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HOPE. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I hope the amendments which are now pending to increase the exemption above 2 bales will not prevail.

I am one of those who opposed the Bankhead bill when it came up last year. I am still opposed to the principle of that bill, but if we are going to have a measure of this kind, we ought to do everything we can to make a success, and, at least, we should not do anything deliberately which will have the effect of preventing the purpose of the act from being carried out.

There is a very good reason, I think, for providing for this 2-bale exemption, and that is that the President of the United States before the referendum was had on the Bankhead bill last fall made a statement in which he said there would be a 2-bale exemption granted to the small farmer, and relying upon this statement, the referendum resulted in an affirmative vote of about 9 to 1 in favor of a continuation of the act. This is all that was promised. Everyone who voted to continue the act relied upon a 2-bale exemption, but no one had any right to rely upon there being any larger exemption than 2 bales.

Even a 2-bale exemption, according to the figures which have been furnished by the Department of Agriculture, will result in an increase in cotton production this year. They do not have figures covering the entire cotton section, but for the State of North Carolina, which we may assume is typical of the cotton-growing sections, a 2-bale exemption would result in an increase of 31 percent in the cotton acreage this year over last. If you have a 3-bale exemption or a 4-bale exemption, it can very readily be seen there will be a still greater increase.

If you believe that a 2-bale exemption is not sufficient, then it seems to me you ought to take the position that we should repeal the entire Bankhead bill, because the hardships, which are incident to the enforcement of this act, are the result of the logic of the bill itself.

In passing this 2-bale exemption we are doing all that has been promised and all that can reasonably be expected.

[Here the gavel fell.]

Mr. KLEBERG. Mr. Chairman, I have no desire on this occasion to take up much time, and in order to save time I call attention to the fact that I have just sent an amendment to the Clerk's desk, striking out all of section 2.

Candidly, I feel if exemptions are necessary under this law, possibly my friend the gentleman from Kansas [Mr. HOPE] is correct, and the law should be repealed.

In my candid opinion, Mr. Chairman, if we are to have equality of privilege in this land of ours we should be willing to assume equality of obligation.

Unquestionably, we have definite evidence of many failures and mistakes in various laws we have passed, but one thing remains definite and proven, that at the time the Bankhead Act was passed we had cotton bales then worth around $37. Not so very long ago they were up to $80. The 2-bale farmer was better off with 1 bale 10 days ago than he was a little over a year ago with 2 bales.

I fear, Mr. Chairman, that the effort to consider this bill, dividing us again into classes, which seems to be a popular pastime now, will not only endanger the price of the South's greatest agricultural product, but, as a matter of fact, will lend fuel to the fire which seems to be prone to burst now and again, dividing this country of ours into distinctions, denominations, and classes.

Mr. Chairman, every Member of this House wants to see this country of ours a better United States, wants to see this country a richer United States, and I am sure that every thinking Member wants to see this country a fairer United States and a more intelligent United States. This can best be done by not indulging in the fallacious idea that one may have his pie and eat it, too, and for this reason, and without more ado, when the time comes I shall ask the Chair for a vote on my amendment. [Applause.]

Mr. McCLELLAN. Mr. Chairman, I have not been in absolute accord with the provisions of the Bankhead law. I favor the domestic allotment plan, but the Bankhead law is the program we have and I am in favor of this bill, because I think it is an improvement and makes changes that will be beneficial and because it undertakes to speak the will of the Congress.

The original act delegated the power and authority to the Administrator to make the allotments. You thought you placed a provision in it whereby the small farmer would be taken care of, but you are here today saying the way the act was construed and administered he has not been protected. Therefore, I favor the amendment offered by my colleague [Mr. MILLER] exempting three bales to the small farmer. By adopting this amendment Congress will speak its will in unmistakable terms, giving him the protection he is entitled to, and I do not believe the language of this act including this amendment will be susceptible of two constructions or interpretations.

This is a step in the right direction, because when we legislate, as far as possible, we should speak the will of this

body plainly and with such positive language that some executive charged with the duty of administering the law cannot place an interpretation or construction that in effect defeats the intention and very purpose of the law. I believe that Congress has the intelligence to say what it means and the courage to mean what it says.

In my district many small farmers had allotments of 1 bale and less. That, Mr. Chairman, means a money crop of $50 and less for whole families. It is obvious that this is wholly inadequate, and as a result many of these farmers and their families are now on relief, as has been stated here this afternoon. If granted a 3-bale exemption it will have the effect of restoring many to a position where they will be self-sustaining. They are not on relief by choice. They have been reduced to this unhappy status by circumstances beyond their control. They prefer to work to produce and earn a livelihood. The enactment of this bill with the 3-bale exemption amendment will restore to many this opportunity.

I am sure, Mr. Chairman, this legislation is necessary. If no legislation is enacted and the Bankhead law is left to the Secretary of Agriculture and those under him charged with its administration, in my judgment, the small farmer will again be penalized this crop year. By the enactment of this bill we take away some of the discretionary powers delegated in the original act, and instead direct how the act should be administered to better protect those who are in dire distress and require this help.

Based on the experience we have gained in the operation of the Bankhead law thus far, I am convinced we can adopt this amendment without doing violence to the whole program. It is not our purpose to obstruct or hinder, but rather to assist, aid, and protect those who need this help. We can give relief in this way. If we deny it, we will add to the length of the relief rolls.

Let us adopt this amendment and then pass this bill. [Applause.]

Mr. WHITTINGTON. Mr. Chairman and gentlemen, the gentleman from New York [Mr. TABER] said he understood the President was in favor of this legislation. I do not so understand. The Director, Division of Cotton, and other officials of the Agricultural Adjustment Administration are not in favor of it. On the contrary, they are opposed to it. They speak for the administration.

Now, much has been said about taking the allotment from the large producer and giving it to the small producer. There is just as much reason in saying that you are going to take the production away from Texas and give it to other States as to make that statement. The bill makes no change in the basis of allotment. The same yardstick applies to all States and to all farmers, whether large or small.

It is said that we have large plantations in Mississippi, but we also have small farms, and there are more tenants and share croppers on the large plantations than on the small farms. Mr. Chairman, I would like to exempt 3 bales, but the chairman of the committee [Mr. JONES] says it would wreck the program. Mr. JONES says to increase the exemption from 2 to 3 bales would wreck the program. Mr. Cobb says that to extend the exemption to the tenant and share cropper would wreck the program. I prefer to follow the President.

That will accomplish just exactly what the President of the United States wanted us to do in his statement of December 5. Mr. Chairman, I submit that I am governed by the recommendations of the Department of Agriculture. I have a statement here that was furnished me by Mr. Cobb, the Director, on the 15th of March 1935. It says:

> It is obvious for the reasons presented that in order to allot anything like an equitable quantity of tax-exemption certificates to producers growing on the average more than 2 bales of cotton, it will be necessary to raise the national allotment of 10,500,000 bales to a figure higher than the national allotment already determined by a quantity estimated at some two to three million bales. The result would tend to nullify the effect of the Bankhead Act.

Mr. Cobb is the spokesman for the Administration. I am willing, under the Kleberg amendment, to leave it to the Administration, because they have provided for the 2-bale farm just as the President promised. If you go further, you will have to take it from the 4-bale or the 5-bale farm, you will have to take it from Texas and give it to Arkansas, or from Arkansas and give it to North Carolina in the first place.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I have been very much interested in the remarks of my distinguished friend and colleague from Mississippi [Mr. WHITTINGTON]. Possibly if I lived down in his section, with the large plantations, I would take the same position that he does; but I do not live in that section. I see this from the viewpoint of the small operator, the farmer who grows only 2 or 10 bales of cotton, and I know that he is the man who is being penalized in the present law. According to the argument of the gentleman from Mississippi, the little, struggling corner grocery could operate as cheaply as does the big chain store. His philosophy does not pan out. If I lived in southern Texas and had a million-acre farm, like my good friend the distinguished gentleman from Texas [Mr. KLEBERG], I would probably be favoring the same kind of an amendment that he has offered; but I do not happen to own a million-acre farm or have any constituents who do. So, obviously, we do not all see things alike. I have notified the committee that I have prepared an amendment to exempt the first 4 bales, and at least a dozen or more Members have told me that they propose to support that amendment. I appeal to all of you who have said you will support the amendment to exempt 4 bales to support this pending amendment. If we cannot get 4 bales, that now, I regret to say, seems obvious, let us do the next best by exempting 3 bales.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. Yes.

Mr. McFARLANE. If we adopt the 3-table amendment, the only effect it will have will be to take that bale additional off these big cotton farmers.

Mr. JOHNSON of Oklahoma. Yes; that is correct.

Mr. McFARLANE. And that is the reason they are howling for it.

Mr. JOHNSON of Oklahoma. Yes; that is the situation.

Mr. LEE of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. Yes.

Mr. LEE of Oklahoma. The gentleman from Mississippi [Mr. WHITTINGTON], I believe, suggested that there is no argument in saying that simply because the producer is a big producer he ought to be held down and the smaller producer benefited. I submit that the same argument would contend that your little corner grocery store can produce as well and just as cheaply as the largest corporation in the country. That will lead to corporation and syndicate farming. There ought to be a progressive reduction or allotment even above the 4-table exemption.

Mr. JOHNSON of Oklahoma. The gentleman, my distinguished colleague from Oklahoma, is absolutely right about it. Unless something is done to relieve the small cotton farmer, we will soon have syndicated and corporation farming in the South to a much larger extent than we now have.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. NICHOLS. Mr. Chairman, let us see what this terrible thing is that we are about to do. What is this gigantic program in which we are about to indulge, which is of such proportion that it will wreck the entire program of the A. A. A.? Do you know what it means? They have suggested that you give a farmer a 2-bale exemption. Do you know how much that is? That is $100. This amendment would give him a 3-bale exemption and would give him an additional $50 a year. If there is any Member of this House who will tell me that he thinks that a man who works in the fields all the summer long to raise cotton is not entitled to at least $150 a year, then let that Member be the first to vote against this amendment. That is all this amendment does.

Does anyone mean to tell me that this cotton farmer, who takes his little children and wife out at sunup in the morning and goes to the field and with the brawn of his muscle plants and harvests the cotton, is not entitled to protection to the tune of $150 a year? If this House is willing continually to go on record to pass legislation to protect the wages of the laboring man, if this House is willing continually to go on record and provide subsidies for the big industries of the country, then why is not the little tenant farmer down here entitled to the protection of $150 a year? Oh, no; $50 a year will not tear this plan down. One bale of cotton will not stop the operation of this plan; and, if it will, well, it is probably time that we started protecting in a serious manner some of these folks we do so much talking about giving protection to. A good average price for cotton is 10 cents a pound. Cotton weighs 500 pounds to the bale, generally. All you are doing is telling that man he can have $150. I will tell you what I think you ought to do. I think you ought to raise the penalty in this bill from 50 percent to 75 percent. The way it is now, this bill really stops the small cotton farmer of Oklahoma, Texas, Louisiana, and the other cotton States from selling any cotton over his allowable; but you gentlemen who have in your districts the plantations of the South, where you raise cotton in hundreds and hundreds and hundreds of acres, plant it with machinery, never chop a stalk of it, pick it with machinery, can sell over and above your allowable with a 5-percent penalty and still make money; and we are absolutely prohibited from it. I hope you will support this 3-bale amendment.

[Here the gavel fell.]

Mr. NICHOLS. I want to clarify my remarks above, wherein I state that I think the penalty should be raised from 50 percent to 75 percent.

I would at this time offer an amendment to that effect were it not for the fact that that section of the original act is not now under consideration, and were I to offer the amendment at this time the same would be held not germane; but I wish to serve notice upon the House of Representatives that before the session is over I propose to offer an amendment to the original act which will raise the penalty from 50 percent to 75 percent. My reason is this:

The small cotton farmer who farms by hand generally tends only from 10 to 40 to 80 acres of land, and it costs him as much money to plant and harvest a crop of cotton on this small acreage as it does the plantation farmer to plant and harvest a crop of several hundred acres, because the plantation farmer plants and harvests his crop with modern machinery, while the small farmer plants by hand and tends and harvests his crop by hand.

For example, say, cotton is selling at 10 cents per pound; the small farmer can make a little money at 10-cent cotton, but he absolutely cannot make any money at 5-cent cotton. Therefore, the 50-percent penalty prohibits him from selling any cotton above his allotment, while the plantation farmer, who plants and harvests his crop with modern machinery, has several hundred acres of cotton to sell, if he can get 10 cents a pound for his allotment of cotton.

Then, by reason of his great production, he can sell the remainder of his crop, above his allotment, at 5 cents per pound, and still make a little money.

Thus, the very purpose of the Cotton Control Act is defeated because the purpose of the act was to limit the amount of cotton placed on both the domestic and the world market for consumption, and as long as the plantation farmer can realize any profit above his allowable, the market will continue to be flooded by overproduction of cotton.

Therefore, I say that the penalty should be raised to a sufficient percentage, that the plantation farmer could not profitably market any cotton above his allotment, and thus put his own at parity with the small cotton farmers of eastern Oklahoma, and other like sections of the cotton country.

In supporting the present amendment, which provides for the exemption of 3 bales, I want to say to the members of the committee that in my opinion this is not adequate. I am of the opinion that there should be a 5-bale exemption granted and in that connection I wish to state that it is not the 5- and 6-bale cotton producer who floods the market with a surplusage of cotton. Your surplusage of cotton, and the flooding of the market, is caused by the plantation growers of the South who dump literally thousands of bales of cotton on the market off of a single farm, and who could well exempt 5 bales and permit a man to earn $250, without being penalized, and still not hurt the A. A. A., nor the operation of the Cotton Control Act.

I therefore sincerely trust that since it looks as though it would be impossible from the votes that have been recorded heretofore on this bill to get a 5-bale exemption, that you folks will, by your vote, stay with the small cotton farmer and give him this 3-bale exemption.

Mr. KELLER. Mr. Chairman, I never came on this floor and asked a favor. I am not doing it today. But I am coming here to ask a very small measure of justice to a part of my country that has been overlooked in this cotton bill. I was for the Bankhead bill. I thought it was right. I think it is right now. But when a great overflow paralyzed the industry in my district and then when we had three droughts it cut us so deeply that we were only allowed 619 bales by allotment. I come and say to you that only as a matter of fairness and decency we ought to be given exactly the same kind of deal that was obtained for California and Missouri under the Bankhead bill originally. I am asking that. I hope you will all remember that I have not come here asking favors. I am not asking a favor today, but I am asking it as a matter of justice. I cannot stop a drought any more than anybody else.

Mr. HOFFMAN. Will the gentleman yield?

Mr. KELLER. I yield.

Mr. HOFFMAN. Is not this plan working?

Mr. KELLER. It is working to this extent, that down in my district, where we had three droughts one after another, and a great overflow, it paralyzed us so that when we had to go on a 5-year average from 1927 to 1932 it only left us 619 bales instead of 4,000, as should have been given us.

Mr. HOFFMAN. I understood the Bankhead bill fixed everything.

Mr. KELLER. Well, it did not fix everything.

Mr. HOFFMAN. Oh, I beg the gentleman's pardon.

Mr. KELLER. I have here the official figures. I am not doing any guesswork. I hope when the Clerk reads my amendment you will remember that I have not asked any favors, and I am only asking the same thing for my little spot of cotton down in Illinois that the rest of you have for yours. I trust it will be given to me when that amendment is called up. I hope you will not forget it. I thank you.

[Here the gavel fell.]

The CHAIRMAN. All time has expired on this section.

Without objection, the Clerk will again report for information the amendment offered by the gentleman from South Carolina [Mr. FULMER] and the substitute amendment offered by the gentleman from Arkansas [Mr. MILLER].

The Clerk again reported the Fulmer amendment and the substitute amendment offered by Mr. Miller.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Arkansas.

The question was taken; and on a division (demanded by Mr. JONES) there were—ayes 91 and noes 52.

So the substitute amendment was agreed to.

The CHAIRMAN. The question recurs upon the amendment offered by the gentleman from South Carolina [Mr. FULMER] as modified by the substitute amendment offered by the gentleman from Arkansas [Mr. MILLER].

Mr. NICHOLS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. NICHOLS. Is this vote on the amendment as it was amended by the adoption of the substitute which was just voted on?

The CHAIRMAN. It is.

Mr. NICHOLS. Then a vote "no" on this amendment will be exactly as a vote "no" on the previous amendment?

The CHAIRMAN. The Chair will state that is not a parliamentary inquiry.

The question is on the original amendment offered by the gentleman from South Carolina [Mr. FULMER], as modified by the substitute amendment offered by the gentleman from Arkansas [Mr. MILLER].

The question was taken; and on a division (demanded by Mr. JONES) there were ayes 93 and noes 49.

So the amendment, as modified by the substitute amendment, was agreed to.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: Strike out section 2 (lines 15 to 25 on page 2 and lines 1 to 19 on page 3) and in lieu thereof insert the following:

"SEC. 2. Section 4 of such act, as amended, is amended by inserting at the end thereof the following new subsection:

"'(h) If the allotment basis (average production in the applicable base period) of any farm on which cotton was planted in any year after 1927 and before 1935 is 956 pounds or less, the allotment shall be 100 percent of the allotment basis; and if in prorating the county allotment the application of the necessary percentual figure to the allotment basis of any farm with an allotment basis of more than 956 pounds on which cotton was planted in any year after 1927 and before 1935 results in a figure of less than 956 pounds the allotment shall notwithstanding be 956 pounds.'"

Mr. JONES. Mr. Chairman, I offer a perfecting amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Texas.

The Clerk read as follows:

Amendment offered by Mr. JONES: Page 2, line 25, after the word "a" insert "bona fide."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was agreed to.

Mr. TARVER. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Amendment offered by Mr. TARVER: Amend by striking out, on page 2, all language beginning with line 17 and ending with the words, "in excess of two bales", in line 22, and inserting in lieu thereof the following:

"(h) Where during the crop year 1935–36 cotton is harvested on land with respect to which an allotment of tax-exempt cotton has been made, if the allotment made is less than 3 bales to each producer unit thereon, no tax shall be imposed under this act with respect to so much of the amount of cotton harvested from such land cultivated by said producer unit as is in excess of said allotment but not in excess of 3 bales: *Provided*, That the provisions of this subsection shall not apply with respect to a producer unit where the acreage grown to cotton exceeds one-third the acreage grown to all crops."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. TARVER and Mr. MCFARLANE) there were—ayes 24, noes 49.

So the amendment was rejected.

Mr. WHITTINGTON. Now, Mr. Chairman, I ask for a vote on my amendment that proposes to exempt 2-bale farms as recommended by the administration.

The CHAIRMAN. The Chair will ask first if there are other perfecting amendments. [After a pause.] There seems to be none.

The question is on the amendment offered by the gentleman from Mississippi.

The amendment was rejected.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Texas [Mr. KLEBERG].

The Clerk read as follows:

Amendment by Mr. KLEBERG: Page 2, strike out all of section 2, on pages 2 and 3.

The CHAIRMAN. The question is upon the amendment offered by the gentleman from Texas.

The amendment was rejected.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Illinois [Mr. KELLER].

The Clerk read as follows:

Amendment offered by Mr. KELLER: Page 3, after line 19, insert the following:

"SEC. 3. Section 5 (a) of such act as amended is amended by inserting before the period at the end of the first sentence thereof a colon and the following:

"'*Provided further*, That no State shall receive an allotment for any crop year beginning with the year 1935–36 of less than 4,000 bales of cotton if during any one of the 10 crop years prior to the crop year 1935–36 the production of such State equaled 5,000 bales.'"

Mr. DOXEY. Mr. Chairman, I think the amendment is subject to a point of order, but I want to give every consideration in the world to those States which would be protected by this amendment.

Will the amendment affect the program in any way? I know a point of order would lie because we are not trying to amend section 5, but I do not want to make the point of order if by so doing it will work a grave injustice on any State.

Mr. KELLER. It would do a great injury to my district.

Mr. DOXEY. In view of the statement of the gentleman from Illinois, I withdraw my point of order.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

The Clerk read as follows:

SEC. 3. Section 6 of such act, as amended (relating to allotments to producers), is amended by inserting "(a)" before the first sentence thereof, and by inserting at the end thereof the following new subsections:

"(b) (1) The Secretary of Agriculture is authorized and directed to establish, as soon as practicable, in each cotton-producing State, a board to be known as the 'Allotment Appeals Board', which shall consist of a representative of the Department of Agriculture designated by the Secretary, and, with the consent of the State, a person designated by the attorney general of the State, and a person designated by the secretary of agriculture of the State.

"(2) Subject to such rules and regulations as the Allotment Appeals Board may prescribe relating to the time, place, and manner of hearing and disposing of appeals, any producer of cotton (including any share-cropper or tenant) who has been granted an allotment by, or whose application for an allotment has been denied by, the county committee, may appeal to such Appeals Board from the action of the county committee. The Appeals Board shall consider such appeal and, on the basis of the law and facts, shall affirm, modify, or set aside the action of the county committee. The decision of the Appeals Board shall be final and the Secretary of Agriculture shall make provisions for carrying out such final decisions.

"(3) The members of the Appeals Board shall be allowed compensation at the rate of $10 per day while actually engaged in the work of the Board, except that the representative of the United States Department of Agriculture shall be paid such compensation as the Secretary may fix. Subject to the approval of the Secretary of Agriculture, the Appeals Board may appoint such clerical and stenographic assistants as may be necessary and may incur such expenses as may be necessary. An itemized statement of salaries and other expenses so incurred shall be submitted to the Secretary of Agriculture at such times as he may require and shall, when allowed by him, be paid out of moneys available for administrative expenses under this act.

"(c) A list containing the name, address, and amount of the allotment of cotton to each producer in each county for the crop year 1935–36 shall be made public in such county."

With the following committee amendments:

Page 4, line 6, after the word "State", insert:

"The Secretary of Agriculture is authorized and directed to establish such additional appeals boards as he finds necessary in any State and to fix the geographical jurisdiction of the respective boards in such State."

Page 4, line 22, strike out the word "provisions" and insert in lieu thereof the word "provision."

Page 5, line 6, strike out "and stenographic" and insert in lieu thereof "stenographic, and other."

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition to the committee amendments to state my opposition to section 3. I have no desire to detain the Committee except to say that I understand some injustice and some inequalities were made by the county boards last year and that the object of this section of the bill is to remove them this year and to provide for an appeals board. I am in sympathy with this purpose, but inasmuch as the administration of this act is under the Secretary of Agriculture, if any material feature is taken out of the hands of the Secretary of Agriculture and put into the hands of the State governments or

some agency of the State governments, we are likely to get more inefficient administration and more injustice than we had last year.

My understanding is that the inequalities of the act last year are being remedied by boards that are now being set up by the Secretary of Agriculture. If we adopt this amendment, instead of authorizing the Secretary of Agriculture to appoint the members of these boards and provide for the appointment of somebody who is recommended by the Attorney General of the State of Texas, and some person recommended by the commissioner of agriculture of the State of Georgia or Texas, who may not be in sympathy with this act, we are hamstringing the administration of the act and we may get more injustices than we have had. I think it is doubtful if we can remedy these inequalities or remove politics by putting it into the hands of State administrations rather than leaving it in the hands of the Secretary of Agriculture; and at the proper time I shall offer an amendment which has for its purpose the appointment of the members of these boards by the Secretary of Agriculture. He appoints all other officials charged with the administration of the control act, and I think that to charge him with a part of the administration of the act and leave the balance of the administration of the act to the attorneys general of the States affected is likely to cause more injustice and more inefficiency in the administration of the act, and more inequalities than we met with last year. I am just afraid that by putting a part of this administration in the hands of the officials of the State, taking it out of the hands of the Secretary of Agriculture, we will be paving the way for more inefficiency.

Mr. WILSON of Louisiana. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Louisiana.

Mr. WILSON of Louisiana. Would it not be better if we had local field boards for each county?

Mr. WHITTINGTON. My understanding is that the Department of Agriculture, in response to the gentleman's suggestion, has already provided for the election this year of the county committees, giving the farmer, share-croppers, and tenants the right to vote for them. The Department has also set up and is prepared to set up these appeal or adjustment boards. I favor the principle of this bill in this respect. If we take this matter out of the hands of the Agriculture Department and put it in the hands of the attorney general of the State or the secretary of agriculture who will appoint their political friends, we are likely to get more politics than we had last year. For this and other reasons, we should leave the administration of this matter to the Secretary of Agriculture.

Mr. FULMER. I may say the Secretary in the administration of this act stated to the committee that he was going to appoint the same people who, in the first instance, passed upon these things, and the farmer just as well not go anywhere to ask for an appeal.

Mr. WHITTINGTON. Mr. Chairman, I understand they are going to appoint men with qualifications similar to the qualifications the men had last year. For instance, if in Illinois they had a drought and flood, that board was restricted by rules and regulations adopted last year by the Department. Any board that is appointed will have to be governed by rules and regulations, and I respectfully submit that the Department of Agriculture, with the benefit of last year's experience, is better qualified than the attorney general in Illinois, or any other State, or even the secretaries of agriculture of the various States, because some of them are opposed to the act.

My thought is that we shall have adjustment or appeal boards, and the members ought to be familiar with this act. The Secretary of Agriculture, if he is responsible for the success of this act, ought to have the right to name these boards, and if does name them and restricts them by rules and regulations, he has the responsibility. If the bill is passed, the appointees of the attorney general and commissioner of agriculture could adopt rules that would nullify the program, and we would thus wreck the act with a vengeance.

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, may I state that in the administration of the Bankhead control bill last year, it was largely through the extension service and the allotment board that farmers had the right of appeal, this board being composed of the same people and not a single person thereon being appointed by anyone else except the Secretary of Agriculture, they were unable to secure any results or get relief.

If there is any other way whereby we might be able to select a disinterested board to which farmers may appeal so as to be able to get rid of discriminations and the acts of the allotment committee, that would be perfectly satisfactory to me. Some of these allotment committees gave themselves and their relatives and friends large allotments at the expense of other farmers and the little farmer who had no chance to get a fair allotment. When the farmers appealed, they had to go to the same people who spoke the same language and who belong to the same organization, so to speak. Why should the secretary of agriculture of South Carolina or the attorney general of South Carolina appoint somebody that would want to wreck the whole program? The object is to appoint somebody to see to it that fair treatment is given to each one who files an appeal. If we have a disinterested board appointed by the secretary of agriculture and the attorney general in the State we may rest assured that the county allotment committees and those who have charge of the program will be fair because they will know that there is a board which complaints can be filed with that will uncover any errors as well as discrimination. I hope that the committee amendment will be agreed to, because it is one of the most important parts of the bill and will result in a square deal being given to the farmers down in the cotton South.

Mr. McCLELLAN. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. McCLELLAN to the committee amendment: In line 8, after the words "appeal boards", insert the following: "In the manner hereinabove provided."

Mr. McCLELLAN. Mr. Chairman, the purpose of the committee amendment is to amend the bill as originally drawn as to that part of it which provides for the establishment of additional appeal boards if the Secretary of Agriculture finds it necessary. The bill provides that one State appeal board shall be established. This merely says if any more are established by the Administrator—and I think they will be necessary, for I do not think one appeal board can possibly expedite all the work which will come before it without making arbitrary decisions—that all of the appeal boards which are set up by the Secretary of Agriculture should be established in the same manner.

Mr. JONES. I do not think there is any objection to the amendment. I may say to the gentleman that we discussed whether we would have representatives or additional appeal boards, and we expect them to be selected in the manner set out. That just clarifies the matter.

The CHAIRMAN. The question is upon the amendment to the committee amendment as offered by the gentleman from Arkansas.

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

Mr. TARVER. Mr. Chairman. I reserve the right to object. I desire at least 5 minutes.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto

close in 15 minutes, and that speeches hereafter on this section and all amendments thereto be limited to 3 minutes.

Mr. WHITTINGTON. Mr. Chairman, reserving the right to object, and I am not going to object, but I have an amendment to offer. I withdraw the pro forma amendment.

Mr. MICHENER. Does the gentleman expect to finish the bill this afternoon?

Mr. JONES. We certainly do.

Mr. MICHENER. How long does the gentleman expect to take to finish the bill?

Mr. JONES. We expect to finish in a little while. I do not think there is much of a controversial nature hereafter. There are just two more sections.

Mr. MICHENER. If this request is granted, will the gentleman close debate on all the rest of the bill very shortly?

Mr. JONES. Within a reasonable time. I will do my best and will make it just as short as I can.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. NICHOLS. Mr. Chairman, reserving the right to object this is a very important bill. I know the committee has worked hard on it, but some of the rest of us think we have just as important ideas to express here as the gentlemen of the committee.

I do not want to object, but I cannot see that it matters if we take a couple of extra hours in order to consider the problem of the farmers of this country. If it is going to take until midnight to finish this bill, why not let us work on it and finish it? It is not necessary to pass it in the next 30 minutes, and unless those of us who have amendments to offer are recognized I shall object.

Mr. MICHENER. Regular order, Mr. Chairman.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that all debate on this section and all amendments thereto be limited to 15 minutes, and that all remarks be limited to 3 minutes. Is there objection?

There was no objection.

Mr. JOHNSON of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Texas: On page 4, line 6, after the word "secretary" insert the words "or commissioner."

Mr. JONES. Mr. Chairman, there is no objection to the amendment. I think it is a proper one.

The amendment was agreed to.

Mr. TARVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TARVER: On page 3, line 24, strike out all of section 3, beginning with the words "the Secretary of Agriculture" in line 24, down to and including the word "act" in line 8, on page 5, and insert in lieu thereof the following:

"Where the producer and the Secretary of Agriculture or his authorized agents cannot agree upon the base acreage and/or production, the producer shall have the right of appeal to an arbitration committee of three producers within his county or parish, one member of which to be selected by the complaining producer, one member by the Secretary or his authorized agents, and the third member by the other two members. If the two members selected cannot agree upon the third member within 10 days from their appointment, the third member shall be appointed by the local official or official of such county or parish whose office has jurisdiction over county or parish finances. The arbitration committee shall provide for an open hearing within 10 days after completion of its membership, shall hear all material evidence offered, and shall decide the issue within 5 days after the hearings are completed. Members of said committee shall serve without charge to the Agricultural Adjustment Administration. The findings of the committee shall be final."

Mr. TARVER. Mr. Chairman, if I may have the attention of my colleagues for a moment, I am seeking to provide by this amendment for local arbitration in the county where the producer resides, 1 arbitrator to be appointed by the producer, 1 by the Secretary of Agriculture or his agent, and these 2 to select another, with certain provisions made for the selection of a third in the event they cannot agree. The entire procedure is to be had without any expense to the Agricultural Adjustment Administration.

If you set up an appeals board located at the State agricultural college, State capital, or elsewhere distant from most of the farmers of your State, it naturally follows that a great many of the farmers will never be able to present their appeals. They cannot go that distance and carry their witnesses with them and undertake to present their case to such an appeal board. No one or two or three appeals boards could possibly hear the thousands of appeals that would arise in any State. Last year, as I stated to the House, there would have been at least 10,000 appeals in my own State of Georgia.

I am seeking to provide a simplified procedure here without any expense to anybody, the Government or anybody else, by which a man's own neighbors within his county may hear the evidence in his case and arrive at a decision which shall be final.

It seems to me there can be no reasonable objection to this amendment. The other procedure you have provided for in this long section as now amended provides for stenographers and clerical help and the establishment, perhaps, at the State capital or elsewhere in the State of a number of boards the members of which shall get $10 a day. The Lord only knows how much expenditure will be occasioned by this procedure. All that is certain is that the farmer will not get anything out of it except a letter, after about 60 days, in which they will tell him nothing can be done about his case. If you want to do anything for the farmer, if you want to give him an opportunity to have a review of the decision of the county committee by people who will hear the case on its merits, and give a decision in a reasonable time, let him have this arbitration procedure which, as I have said, is simple and inexpensive.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The amendment was agreed to.

Mr. STUBBS. Mr. Chairman, the acceptance of this amendment offered by the gentleman from Georgia covers practically the amendment I had intended to offer. So I shall not offer my amendment at this time.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 3, after line 19, insert the following:

"SEC. 3. Section 4 of such act, as amended, is amended by inserting at the end thereof the following new subsection:

"'(1) Notwithstanding the provisions of subsection (a) of this section, the rates of tax on cotton harvested during the crop year 1935–36 shall be as follows: '"

Mr. JONES. Mr. Chairman, sufficient has been read of the amendment offered to show that it is subject to a point of order for two reasons. In the first place, we have passed the section, and in the second place it is not germane to the bill.

Mr. JOHNSON of Oklahoma. I admit, Mr. Chairman, that a point of order will lie against this amendment, but I certainly hope the gentleman will not insist on his point of order. The gentleman certainly will reserve his point of order.

Mr. JONES. I ask unanimous consent that the amendment be printed in the RECORD.

The CHAIRMAN. Without objection, it will be printed in the RECORD.

Mr. JOHNSON of Oklahoma. The purpose of this proposed amendment is to provide for a graduated exemption tax. It proposes to insert a provision in the bill that would give the little fellow a break, so that the farmer growing under 6 bales would pay a small processing tax under the Bankhead bill. Those farmers raising over 6 but under 11 bales would pay a larger tax, and so on. Of those who write me their objections to the Bankhead bill, more complain about the injustice of the processing tax than any other provision of the law. There is no reason why a farmer growing 6 bales or less should pay the same processing tax as the one who produces 600 bales or more. Unless we do something along this line to relieve the small cotton farmer, we are going to have more corporation cotton growing in the

South, and more and more the little fellow will be squeezed out.

The Johnson amendment is as follows:

Amendment by Mr. JOHNSON of Oklahoma: Page 3, after line 19, insert the following:

"SEC. 3. Section 4 of such act, as amended, is amended by inserting at the end thereof the following new subsection:

"'(1) Notwithstanding the provisions of subsection (a) of this section, the rates of tax on cotton harvested during the crop year 1935–1936 shall be as follows:

"'(1) On the amount of cotton in excess of the allotment harvested on any farm the allotment to which is not more than six bales, 10 percent of the average central market price per pound of lint cotton, but not less than 1 cent per pound;

"'(2) On the amount of cotton in excess of the allotment harvested on any farm the allotment to which is more than 6 bales but less than 11 bales, 20 percent of the average central market price per pound of lint cotton, but not less than 2 cents per pound;

"'(3) On the amount of cotton in excess of 50 bales harvested on any farm, regardless of the amount of the allotment to such farm, 75 percent of the average central market price per pound of lint cotton, but not less than 10 cents per pound; and

"'(4) In all other cases the rate provided in subsection (a) shall apply.'"

Mr. WHITTINGTON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment by Mr. WHITTINGTON: Strike out lines 34 and 35 on page 3, and lines 1 to 10 on page, 4, and insert the following:

Mr. TARVER. Mr. Chairman, the language the amendment proposes to strike out has already been stricken from the bill.

The CHAIRMAN. That language has been stricken out, and new matter has been inserted in lieu of that language.

Mr. McFARLANE. I make the point of order that the language is not germane to the point of the bill at which it is ordered.

Mr. WHITTINGTON. Do I understand that section 3 down to and including line 10 has been stricken out?

Mr. TARVER. Yes.

The CHAIRMAN. The Chair calls attention to the fact that the amendment adopted was offered by the gentleman from Georgia [Mr. TARVER], and begins at line 24 on page 3 and goes through line 8 on page 5. The Chair sustains the point of order and recognizes the gentleman from Oklahoma.

Mr. WHITTINGTON. Mr. Chairman, then I offer this as a substitute for the amendment offered by the gentleman from Georgia.

The CHAIRMAN. The Chair cannot entertain an amendment of that character after action has been taken by the committee. A motion to strike out an amendment already adopted would have to come upon a request for a special vote in the House after the Committee goes back into the House. The Chair recognizes the gentleman from Oklahoma.

Mr. NICHOLS. Mr. Chairman, I have an amendment on the desk which was directed at a portion of the bill which has been striken out by the amendment offered by the gentleman from Georgia [Mr. TARVER]. I ask unanimous consent that the RECORD may show my proposed amendment having been filed for that purpose.

The CHAIRMAN. Without objection the proposed amendment of the gentleman from Oklahoma, will be printed in the RECORD.

There was no objection.

The proposed amendment of Mr. NICHOLS is as follows:

Amendment offered by Mr. NICHOLS: Page 4, line 1 insert before the word "cotton", "congressional district of each", and at line 4 after the first comma strike out all language down to and including the period in line 6, and insert, in lieu thereof, the following: "and a member selected by the Governor of said State, and a member selected by the agricultural division of the State government."

Mr. NICHOLS. Mr. Chairman, I have just received unanimous consent from the House to have incorporated in the RECORD an amendment which I had on the Clerk's desk, which amendment was directed at section 3 of the bill, wherein there was provided one appeal board for each State.

I realize, as does everyone else who has had any connection with and seen in operation the Bankhead Act in the past year, that there is a great necessity for some method of appeal from the rulings of the local county committees; but I also am aware that a three-man board, acting for the whole State, could not, by any stretch of the imagination, adequately take care of the appeals that would come to them. Therefore, my amendment provided for the creation of a three-man appeal board in each congressional district of each of the cotton-producing States. Before the consideration of my amendment was reached, there was adopted an amendment to section 3 which provided for the creation of a local board of arbitration. I supported, of course, this amendment—not because I thought it was adequate, but because I figured we would be able to get nothing better, and by the adoption of that amendment, the amendment which I proposed will be held on a point of order as not being germane.

Thus, my reason for requesting unanimous consent to extend my remarks in explanation of why my amendment was never reached for consideration after it is shown by its inclusion in the RECORD that it was on the Clerk's desk.

Mr. JONES. Mr. Chairman, I expect to make a request when we get into the House that all Members may extend their remarks in the RECORD.

Mr. MASSINGALE. Mr. Chairman, I offer the following amendment which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. MASSINGALE: Amend subsection (a) of section 7 of the act of April 21, 1934, known as "Public, No. 169", by adding a new paragraph numbered paragraph 4 following paragraph 3 of said subsection (a) as follows:

"Upon determining the allotment to any farm, the Secretary of Agriculture shall consider the class of the land as to productivity, and shall not permit discrimination in the amount of allotted cotton between similar producing lands in any locality or in any county."

Mr. JONES. Mr. Chairman, I reserve the point of order.

Mr. MASSINGALE. Mr. Chairman, I am sorry I have not the original act here so that I may show the pertinency of this amendment. This proposed amendment therefore might not appear pertinent without that, though I can explain it briefly in this way. The practical operation of the Bankhead Law down in our country is this. The appraisers will go out to a man's farm—and I shall give you a concrete illustration: I know of two instances in which there is only a turned row between two farms. The land is exactly alike. One farmer was allowed his claim on the basis of a lint production of 300 pounds to the acre and another man just a step from him, just a row, was allowed 150 pounds per acre. That means that one man gets $3 per acre on the land that he leaves out of cultivation while the other man gets $1.50. There is no difference at all in the productivity of the land or in its general farm value. They simply observe the land, and they just take a fellow's word for it. If one man will tell them that his land will produce 300 pounds of lint per acre, in the practical operation of this bill as it now is, they take his word for it, while if the other fellow tells them the truth about it and says that his land makes only 150 pounds of lint per acre, he gets $1.50 in parity for having told the truth. This amendment simply provides that the land should be classified according to its productivity, and that the Secretary shall not permit discrimination in the amount of allotted cotton between similar producing lands in any locality or in any county.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. JONES. Mr. Chairman, I make the point of order that this is a proposal to amend section 7 of the act of April 21, 1934. Section 7 is not involved in this proposed bill. The amendment, therefore, is not germane.

Mr. MASSINGALE. Mr. Chairman, I confess that I do not know so much about parliamentary rules and holdings, but last week, if the precedent is worth anything, under similar circumstances, in the amendment to the H. O. L. C., we had three acts under consideration, and every amendment we offered to those acts was held to be pertinent and

germane. This goes to the act that this amendment is seeking to correct.

Mr. DIES. In the case of those two farmers, did one have seniority over the other?

The CHAIRMAN (Mr. LANHAM). The Chair will say that that bill was much broader in scope than the present bill. Section 7 of the act of April 21, 1934, is not touched in the pending bill, and the amendment offered by the gentleman from Oklahoma would not be germane. The Chair is forced to sustain the point of order.

Mr. TARVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TARVER: Amend on page 5, line 12, by adding a new section, as follows:

"SEC. 4. Section 7 (a) of such act is amended by inserting after subsection 3 thereof the following: 'or (4). A percentage of the sum of the average annual cotton production of the portion(s) of the farm operated as producer-unit(s) thereon, after giving 50 percent credit to the acreage and cotton production thereon and 50 percent credit to the acreage and cotton production of any other farm(s) or part(s) thereof previously owned, rented, share-cropped, or controlled by the same producer(s) for a fair representative period: *Provided*, Any increase in acreage of a producer-unit because of the application of this provision shall not be permissible as a base in excess of one-third of the cultivated area for the crop year for which tax-exemption certificates are applied.'"

Mr. JONES. Mr. Chairman, I make the point of order that the amendment is not germane. This section does not deal with allotments but with the method of appeal from allotments, and the section which makes allotments to individuals is not involved in this, except by way of appeal; not the actual schedules themselves.

Mr. TARVER. Mr. Chairman, may I say that I concede the point of order, although I regret that the gentleman from Texas is directing it. I feel that this subject matter ought to be dealt with in this bill.

The CHAIRMAN (Mr. LANHAM). The Chair sustains the point of order.

Mr. FULMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULMER: On page 5, line 13, after the word "name", strike out the word "address."

Mr. JONES. Mr. Chairman, I see no objection to that amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. FULMER].

The amendment was agreed to.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Oklahoma: Page 5, strike out all of lines 13 to 16, both inclusive.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. JOHNSON].

The amendment was rejected.

The Clerk read as follows:

SEC. 4. Section 9 (d) of such act, as amended (relating to transfer of exemption certificates), is amended by inserting after the first sentence thereof the following new sentence: "No rule or regulation of the Secretary of Agriculture shall prohibit the transfer or assignment by a cotton producer of certificates issued or reissued to him if such transfer or assignment is to another cotton producer who is a resident of the same State."

Mr. BULWINKLE. Mr. Chairman, I move to strike out the last word.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this section conclude in 7 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BULWINKLE. Mr. Chairman, in the short time that I have I shall not attempt to discuss the provisions of this bill, but I wish to call attention to the Membership, and especially my colleagues from the South, that we may be treading on dangerous ground by continually attempting to pass legislation affecting cotton. In the last session of Congress we passed the Agricultural Adjustment Act, and this act provided a processing tax of 4.2 cents a pound upon all cotton processed. The imposition of this tax means that on all carded yarns the manufacturer paid a tax equivalent to 5 cents a pound and that on all combed yarns practically 6 cents a pound was paid on account of the 4.2 cents on the cotton and the waste incurred in the manufacture.

Now, on cotton's chief competitor—rayon—there is no tax. Rayon is made from 70 percent wood pulp and 30 percent linters. The cost of the raw material is nothing like the cost of cotton. In 1920, 9,000,000 pounds of rayon was manufactured in the United States. In the year 1935, I am informed that something in excess of 225,000,000 pounds were manufactured. Two hundred and twenty-five million pounds of rayon fiber is equivalent to nearly 700,000 bales of staple cotton. The world production of rayon last year was approximately the equivalent of 1,200,000 bales of cotton. In the United States alone a great many articles that used to be made out of cotton, such as paper tape, towels, paper bags, and many other articles formerly used that were made out of cotton, were made out of substitutes; and the entire amount of all these manufactured articles and cloths used the equivalent of over 2,000,000 bales of cotton.

In the last few years you have noticed, no doubt, that in many instances wearing apparel made out of rayon can be purchased cheaper than the same class of goods made out of cotton in the stores. I call this to your attention, and especially you gentlemen from the South, that because of the competition caused from the substitute for cotton we are fast losing our internal trade on cotton goods, and on account also of the attempted artificial raising of the price of cotton by different pieces of legislation we are in serious danger of losing our export trade in cotton.

The cotton textile manufacturing industry of the Nation is being hurt by the levy of the processing tax, and when the manufacturers are hurt the farmers are likewise hurt; and the cotton farmers of the South will continue to be hurt, both by the domestic use of cotton as well as the loss of export trade. I voted for the Bankhead bill as an emergency measure. I am voting for this legislation today as an emergency measure. But I think, and I am exceedingly serious about it, that those of us from the cotton States, sooner or later, had better get together in order that we can formulate legislation which in the end will not prove detrimental to the cotton farmers of the South.

Whenever the price of cotton gets beyond a certain level, then you will find that cotton will be produced at a small profit in many of the foreign countries in competition with the American cotton.

Mr. ANDRESEN. Will the gentleman yield?

Mr. BULWINKLE. Certainly.

Mr. ANDRESEN. It was my understanding that the old law provided that the Secretary of Agriculture could levy a processing tax upon substitutes. Has he done that?

Mr. BULWINKLE. The Secretary of Agriculture has not levied a processing tax on substitutes because, while a great many of us felt and knew that the increased cost of goods caused by the processing tax aided in the substitution of rayon, yet the law provided that unless the shift towards a competing substance, such as rayon, was caused by the levying of the processing tax that it could not be placed upon the substitute. Rayon manufactured into goods is very pretty and has a nice texture. A great many people may use it on account of its looks. The compensating tax would not have anything to do with this, but I feel that the time is coming when, of necessity, not alone for the cotton-textile industry of this Nation but for the farmers themselves, that the processing tax should be removed. The law should be repealed which provides it. If this is done, it will have a tendency to increase the use of cotton in America. The question is, especially with those of us from the South, whether we want to increase the domestic consumption of cotton goods.

Mr. HOLMES. I am in hopes that the cotton manufacturers of Massachusetts will give their cotton the same sheen you are speaking of with respect to rayon.

Mr. BULWINKLE. I agree with the gentleman; only I will go further and hope and trust that the cotton-textile manufacturers of the United States by their efforts will be able in the future to produce cotton goods which in every way will be as pretty as rayon.

In conclusion, let me say to you of the South that the time is now at hand, and not only the southern Members of Congress but the southern Governors and commissioners of agriculture in the various States, when we should formulate plans for the production of cotton in the Southern States, in order that we may retain our domestic market and gain back our foreign trade.

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment by Mr. TARVER: Amend, on page 5, end of section 4, by striking the quotation marks and adding the following: "There shall not be issued to any producer tax-exemption certificates in excess of those necessary to gin tax free the cotton grown by such producer during the year for which tax-exemption certificates are applied; unless such producer, as the Secretary of Agriculture or his authorized agent(s) finds, has suffered a reduction from normal cotton production during the year for which tax-exemption certificates have been applied by reason of drought, storm, flood, insect pests, or other uncontrollable natural cause."

Mr. JONES. Mr. Chairman, I reserve a point of order.

Mr. TARVER. One of the most frequent objections to the enforcement of the Bankhead Act comes from farmers who have not received enough certificates of exemption to market their cotton and who have near them neighbors who have received more certificates than they need, and who, after having marketed all of their own crop, proceed to sell their excess of certificates to their less fortunate neighbors.

This amendment simply provides that no man shall have an allotment of cotton-exemption certificates beyond what is necessary to market tax free his own crop.

It seems to me the committee should agree to accept this amendment. There is no reason founded in justice why some favored farmer should be in the receipt of certificates far beyond his needs during a normal season when he produced all the cotton he would have normally produced and his neighbors, because of having been less fortunate in their allotments from the county committee, not be allowed to market all of their cotton without the payment of taxes or the purchase of certificates.

Mr. JONES. Mr. Chairman, I regret I shall be compelled to insist on the point of order. This particular section applies only to the transfer and assignment of certificates, whereas the amendment refers to the issuance to the producer, which is an entirely different matter, and which is not germane.

The CHAIRMAN. Does the gentleman from Georgia desire to be heard on the point of order?

Mr. TARVER. Mr. Chairman, it appears to me that the line of demarcation between what is in order according to the opinion of the gentleman from Texas [Mr. JONES] and what is not in order is rather finely drawn, and that it necessarily follows from a reading of the section of the bill to which the amendment I have offered has been proposed, section 4, that anything relating to the issuance of these tax-exempt certificates or to their transfer, or seeking to restrict their transfer, will necessarily be within the purview of the section and in order.

I cannot undertake to discuss the matter at length, because it had not occurred to me that any gentleman would raise a point of order of this character, and I have not studied the parliamentary question involved. It is impossible, however, for me to see how the point of order can be successfully invoked.

The CHAIRMAN. Inasmuch as the section purports to deal with section 9 (d) of the act relating to the transfer of exemption certificates, and inasmuch as the amendment of the gentleman from Georgia does not refer to the subject, in the opinion of the Chair the point of order is well founded.

The Chair sustains the point of order.

The Clerk read as follows:

SEC. 5. Section 17 of such act, as amended, is amended by inserting "(a)" before the first sentence thereof and by inserting at the end thereof the following new subsection:

"(b) Appropriations for administrative expenses under this act are authorized to be made available to enable the Secretary of Agriculture to pay any person who, in connection with the operation of any cotton gin, incurred additional expense in connection with the administration of this act with respect to cotton harvested and ginned during the crop year 1935–36, and who applies to the Secretary therefor, compensation at the rate of 25 cents per bale of 478 pounds (and fractional parts of a bale in proportion) of such cotton ginned by such person. No payment shall be made under this subsection with respect to cotton ginned after the effective date of any code, license, or marketing agreement entered into or issued under the National Industrial Recovery Act, as amended, or the Agricultural Adjustment Act, as amended, if under such code, license, or agreement any part of the charges for ginning or other services performed by the ginner includes any expense incurred by the ginner in connection with the administration of this act."

With the following committee amendment:

Page 6, beginning in line 11, strike out "of 478 pounds (and fractional parts of a bale in proportion)."

The committee amendment was agreed to.

Mr. KLEBERG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KLEBERG: Page 6, line 9, after the word "during", insert the words "the crop year 1934–35 and;".

On line 11, after the word "compensation", insert the following: "at the rate of 35 cents per bale for the year 1934–35 and for the year 1935–36."

Mr. JONES. Mr. Chairman, I desire to make a point of order against the amendment.

The bill under consideration simply covers 1 year, the crop year of 1935–36, and provides for the payment, or refunding, of some expense to the ginner for this year. This amendment is an attempt to add another year, a different year, and the payment of expense for that additional year. That portion of the amendment which undertakes to increase the rate for this year would be germane, but undertaking to include a previous year, an entirely different transaction, or different year which has already passed, is not germane because this bill covers just 1 year. If there were 2 years, a third could be added, but where there is just 1 year, a second cannot be added.

The CHAIRMAN. The Chair will hear the gentleman from Texas.

Mr. KLEBERG. The amendment for the inclusion of last year could very properly follow this part of the bill.

This year's requirement, of course, will be lower and I cannot see why the inclusion of an additional year would not be just as germane as the inclusion of the following year.

The CHAIRMAN. In the opinion of the Chair, this bill deals simply with the crop year 1935–36 and the Chair thinks that an amendment relating to a preceding crop year would not be germane to the pending bill. The Chair therefore sustains the point of order made by the gentleman from Texas [Mr. JONES].

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 12 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Chairman, I ask unanimous consent that under this limitation all speeches be limited to 3 minutes, with the exception of that of the gentleman from Wisconsin [Mr. BOILEAU].

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BOILEAU. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: On page 6, line 1, strike out all of section 5.

Mr. BOILEAU. Mr. Chairman, I have no desire to consume the entire 5 minutes, unless perhaps some members of the committee desire to ask questions with reference to this particular section.

I made some remarks earlier in the day in general debate with reference to this particular section, no. 5, which my amendment seeks to take out of the bill. I want to call the attention of the committee to the fact that under the exist-

ing law the ginners of cotton are required to make certain reports to the Treasury and are required to render certain services with reference to the collection of the tax. They now seek by this amendment to have the United States Government pay them for the service they render to the farmers, because after all no one can claim that the service they render in collecting this tax is a service to the Government. The Treasury of the United States certainly does not benefit as the result of the Bankhead Act. We are using the taxing power of the Government to assist the farmers in getting a better price for their cotton and to control production. There is no question but what the service rendered by the ginners in the collection of this tax is a service they render to the farmers and it should be a proper charge to that industry.

Mr. Chairman, under this amendment the United States Treasury would be forced to pay out about two and a half million dollars to the ginners. May I say that in my opinion it would be legalized graft, racketeering. They should be willing to perform this service for the farmer. During all of the hearings before the Committee on Agriculture on all of these bills we have processors coming in and saying, "Why, our interests are tied up with the farmers'. We have a mutuality of interest." We always hear them say that their interests are tied up with those of the farmer, that they are trying to help each other, but during the consideration of this bill is the first time I heard a processor come up and admit that maybe his interest was not quite as mutual with the farmer as other processors had attempted to make us believe. This is a service for the farmer. There is no justification for the United States Treasury paying two and a half million dollars to the ginners for performing this service.

Mr. Chairman, I submit the amendment should be adopted, and the section stricken from the bill.

Mr. ANDRESEN. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Minnesota.

Mr. ANDRESEN. Is it not a fact that in connection with last year's crop they only collected $90,000 in taxes for which they wanted $5,000,000 compensation?

Mr. BOILEAU. There is no question about that, and if their proposition had been in effect last year the Bankhead bill would have brought in $90,000 and we would have paid out $5,000,000 for collection purposes.

Mr. HOPE. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Kansas.

Mr. HOPE. Assuming there were some revenues collected and the work which was performed was on behalf of the Government of the United States, would there be any difference in the work that these ginners do as compared with the work that many others do who pay Federal taxes, such as keeping their books and records and transmitting their reports to the United States Government?

Mr. BOILEAU. That is true. You might just as well say that a man who pays an income tax to the Government should be paid for making out his tax return.

Mr. KVALE. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Minnesota.

Mr. KVALE. Will the next step be to give a payment to the elevator men, to the millers, and to the other processors in the case of other commodities?

Mr. BOILEAU. There is no question about that. If we make this provision applicable to the ginners we will have to go ahead and pay all of those people who collect the processing taxes, the packers, and the rest of them.

Mr. Chairman, I submit the amendment should be adopted.

Mr. TABER. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from New York.

Mr. TABER. Under the A. A. A., the Treasury Department is reimbursed out of the A. A. A. collections for the operations of collecting?

Mr. BOILEAU. That is part of this money.

Mr. TABER. This goes out of the Treasury?

Mr. BOILEAU. In a sense—it is out of appropriations made for the Agricultural Adjustment Administration. If you give the ginners two and a half million dollars, it means two and a half million dollars less money available to help the farmers.

Mr. DOXEY. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. DOXEY. Is it not a fact that this is not a direct appropriation coming out of the Treasury, but is a fund set aside for this particular purpose, and when they say only $90,000 was collected, they do not take into consideration the certificates which were sold at 4 cents a pound, and many of which are now outstanding.

Mr. BOILEAU. The gentleman does not want to give the impression that the United States benefits from the sale of these pool tickets?

Mr. DOXEY. The pool tickets go to pay the administrative expenses.

Mr. BOILEAU. Those men who sell their certificates in a pool are paid directly and that does not go into the Treasury. They put their tickets in a pool and they are paid back, so there is no benefit to the Government as a result of the operation of such a pool. The only money this Bankhead Act brought in was $90,000.

Mr. DOXEY. And they have 700,000 bales which they have not sold.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, for the sake of clarity I should like to ask the chairman of the committee whether there is an analogy between the service offered by the packing plants in Chicago and the milling establishments in Minneapolis and that which is rendered by the ginners in the South; and if this is true, then, in all logic and reason, the packers and the millers as processors, would be fully justified in rendering a bill of particulars to the Government of the United States and asking for a similar hand-out, if that is what it is.

Mr. JONES. I think the analogy does not run complete at all, for the reason that the processing fee is a fee due by the packers themselves. The ginning tax involves a good deal more than the processing tax. The ginning tax involves the collection of a tax. It involves separate provisions they must make for the different kind of tags and a reporting system. It is the collection of a tax for the farmer and I think it goes much beyond the processing tax.

Mr. DIRKSEN. Yet it is substantially the same kind of service which would justify them in submitting a bill.

Mr. JONES. Except the ginning tax involves a much greater expense because they have so many more details.

Mr. DIRKSEN. What about the processors under the Kerr tobacco bill?

Mr. JONES. Well, we have not had that. The collections under the Bankhead bill will be far more than sufficient to cover any amount that will be paid out in this tax. There are 400,000 of these certificates yet undisposed of.

Mr. DIRKSEN. But it is money that comes out of Uncle Sam's Treasury and is handed over to individuals.

Mr. JONES. No; all administrative expenses are paid out of the collections under the Agricultural Adjustment Administration Act.

Mr. DIRKSEN. But the ultimate consumer has to pay for the benefit that is rendered to an individual.

Mr. JONES. That is a different story altogether.

Mr. DIRKSEN. But it involves the same principle.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. BOILEAU. I should like to ask the chairman of the committee, if the gentleman will permit, whether it is a fact that last year there was only collected $90,000 under the Bankhead Act?

Mr. JONES. Ninety-two thousand up to a certain time, but there are 400,000 certificates yet outstanding, and the gentleman understands that a lot of that cotton was taken back.

Mr. BOILEAU. But the cotton is practically all ginned.

Mr. JONES. But last year was the year of the great drought, and the production was much below the Bankhead allotment.

Mr. BOILEAU. The production was not materially below the allotment.

Mr. JONES. About six or seven hundred thousand bales.

Mr. BOILEAU. That is not a great deal.

Mr. JONES. That is a good deal of cotton.

Mr. BOILEAU. It is not sufficient to bring in enough money to take care of these additional taxes?

Mr. JONES. I think normally we will collect probably several million dollars through these Bankhead taxes.

Mr. BOILEAU. Not if the bill is successful.

[Here the gavel fell.]

Mr. KLEBERG. Mr. Chairman, I rise in opposition to the amendment of my distinguished friend from Wisconsin [Mr. BOILEAU] and to call attention to the fact that his argument apparently is based on a theory that does not fit the picture at all. He is talking about the ginners wanting to charge $5,000,000 for having collected $90,000 in taxes. I call his attention to the combination between the plow-up campaign and the operations of the Bankhead Act, where, with the nearly 10,000,000 bales we have now, each bale is worth more than twice as much as they were prior to the plow up and the operation of the Bankhead Act, as a result of the service the ginner did, not only for the farmer, as the gentleman put it, but for this Government.

I call my friend's attention to the fact that the service he speaks of, and bemoans as a paltry service in the collection of $90,000, increases the earning capacity of real property in the entire South.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. KLEBERG. This is the foundation of the credit structure. I cannot yield to the gentleman.

Mr. BOILEAU. The gentleman wants to be fair. He has misstated my position.

Mr. KLEBERG. I cannot yield. I asked the gentleman to yield to me and he did not yield.

Mr. BOILEAU. That is true.

Mr. KLEBERG. I also want to call attention to the fact that the real service done for the farmer by the ginners was not the collection of the tax, but was far and above anything the gentleman knows about, and they did this at their own expense. The average ginner in my district paid at least 90 cents per bale for the privilege of serving the farmer.

Does the gentleman believe it is fair for one group of American citizens to be put out of pocket by a law passed by Congress and the administration?

Mr. BOILEAU. I mean to say that the bill would not be self-supporting. The Treasury of the United States is not benefited by the administration of the Bankhead Act.

Mr. KLEBERG. Does the gentleman think that they should be out this money for the service for nothing?

Mr. BOILEAU. No. I say that is a part of the cost of doing business, and they could pass it on to the producer just as they do for labor and machinery.

Mr. KLEBERG. Did the gentleman ever see an agent of the Government work for nothing?

Mr. BOILEAU. Anybody who makes up a tax report is doing something.

Mr. KLEBERG. Did the gentleman ever hear of a tax collector being paid a salary?

Mr. BOILEAU. They do not collect the taxes in the true sense. The United States is not benefited by it.

The CHAIRMAN. All time has expired, and the question is on the amendment offered by the gentleman from Wisconsin [Mr. BOILEAU].

The question was taken; and on a division (demanded by Mr. BOILEAU) there were—ayes 37, noes 81.

So the amendment was rejected.

Mr. JONES. Mr. Chairman, I ask unanimous consent to return to page 1 for the purpose of making a correction. In striking out the paragraph the necessary preliminary declaration was stricken out, and I desire to offer the following amendment.

The Clerk read as follows:

Page 2, line 15, strike out all of line 15 and insert:

"Section 2 (a) of the act entitled 'An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes', approved April 21, 1934, is."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken, and the amendment was agreed to.

Mr. JONES. Mr. Chairman, I ask unanimous consent that the subsequent section numbers be corrected.

The CHAIRMAN. Without objection, the Clerk is authorized to correct the section numbers.

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Oklahoma: On page 6, after line 22, insert the following:

"(c) Appropriations for administrative expenses under this act are authorized to be made available to the Secretary of Agriculture to enable him to mail exemptions certificates to applicants by registered mail."

The CHAIRMAN. All time upon this section has expired.

Mr. JONES. I make the point of order that the amendment is not germane.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I ask unanimous consent to proceed for 2 minutes.

Mr. TABER. Do I understand the gentleman from Texas to reserve his point of order?

Mr. JONES. I reserve the point of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma that he be permitted to proceed for 2 minutes?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Chairman, the purpose of this amendment is to require the Secretary of Agriculture to send the exemption certificates to the farmer by registered mail rather than to force the farmer to go 10 or 15 miles or farther to the county agent's office. Under the present rules the cotton producer must travel to the county seat, call on the county agent, and lose a better part of a day to make an application for his exemption certificate; then go back to the same place and stand in line for 3 hours or 3 days, as the case may be, to get his exemption certificate.

It is said that it will cost some money to send these exemption certificates by registered mail. The cost will only be 10 or 12 cents. Surely this great Government of ours can afford to spend 10 or 12 cents rather than the cotton farmer can afford to spend a day and probably a dollar or a dollar and half or $2 to go to town to get his exemption certificate. This is one of the weaknesses of the Bankhead Act. It is absurd to require the farmer to go to town to the county agent's office and stand in line to get his exemption certificate. I hope the Chairman will not press his point of order against this amendment, but will permit the Committee to vote on its merits. Since the Department has thus far refused to do anything to correct this obnoxious practice Congress ought to do so.

Mr. JONES. Mr. Chairman, this is an administrative matter. I make the point of order that it is not germane.

The CHAIRMAN. The Chair rules that the amendment is not germane in view of the fact that it provides for the mailing of the exemption certificate, which has nothing to do with the bill under consideration. The Chair sustains the point of order.

Mr. JONES. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LANHAM, Chairman of the Committee of the whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 6424, and had directed him to report the same back with sundry amendments, with the recommendation that the

amendments be agreed to and that the bill as amended do pass.

Mr. JONES. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded upon any amendment? If not the Chair will put them en grosse.

The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be read a third time and was read the third time.

Mr. BOILEAU. Mr. Speaker, I offer the following motion to recommit which I send to the desk.

The SPEAKER. Is the gentleman opposed to the bill.

Mr. BOILEAU. I am.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Mr. BOILEAU moves to recommit the bill to the Committee on Agriculture, with instructions that the committee report the bill back forthwith with the following amendment:
Page 6, line 1, strike out all of section 5.

Mr. JONES. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division, demanded by Mr. BOILEAU, there were—ayes 41, noes 106.

Mr. BOILEAU. Mr. Speaker, I object to the vote on the ground that there is no quorum present and make the point of order that there is no quorum present.

Mr. JONES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their own remarks on this bill.

The SPEAKER. Is there objection?

There was no objection.

HOW THE FEDERAL LAND BANK AT ST. PAUL OPERATES WITH FARMERS OF THE NORTHWEST AND HOW THE PRESENT SYSTEM CANNOT RELIEVE THE FARMERS

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BURDICK. Mr. Speaker:

FEDERAL LAND BANK, ST. PAUL, ESTABLISHED IN 1920

PRESENT OFFICERS

Roy A. Nelson, president. Republican. South Dakota banker formerly connected with Northwest National Bank of Minneapolis, member Northwest Bank Corporation, former receiver Southern Minneapolis Joint Stock Land Bank.

Frank G. Wanek, vice president and secretary. Republican; Hoover appointee. Secretary from 1928 to 1933. Now vice president. Chain banker.

G. S. Gordhamer, vice president and treasurer. Banker; Republican. Chain banker.

F. H. Klawon, was director and president from 1928 to 1934, but on the demands of thousands of complaints coming from North Dakota, Klawon was removed as president, and Roy A. Nelson took his place. Klawon was a banker connected with the Minneapolis and St. Paul chain-bank ring. A Republican.

Being requested to resign, we lost sight of Klawon for about 24 hours. When the smoke of complaint cleared, we find him complacently sitting behind the desk of the president of the intermediate credit bank, just across the street, where he still remains, entrenched through the power of the Twin City chain-bank ring.

There were, of course, other directors, but they were scattered around the country. All bankers and all Republicans, but who were not actively engaged in the business.

The complaints against the bank still come in and the main complaint is that, no matter what the interest rate is, even if it were as low as the rate in the Frazier-Lemke bill, still the Federal land bank would not serve the farmers generally. It is manned by too many bankers, and by those whose reactionary tendencies renders them quite incapable of rendering a service that is imperative and necessary.

I have not made an investigation of the countless army of field men, attorneys, and appraisers, but this I do know that a great many of these men are "busted bankers" of the Northwest.

In the period from May 1, 1933, to December 31, 1934, the number of farm-loan applications from North Dakota alone to this bank was 41,759. Of this number only 13,377 land-bank loans were made, or 32 percent.

Seventeen thousand two hundred and sixty loans were converted into commissioners' loans, which required chattel security and crop security. Eleven thousand one hundred and twenty-two farmers from North Dakota were turned away, not receiving any help from either the bank or the commissioner.

In addition to this it must be remembered that of the loans actually made, all on an average were reduced 26 percent. In other words, of the original land-loan applications made by farmers only 74 percent of them were not reduced, and of this 74 percent considered only 32 percent were made by the bank. This leaves the percentage of loans made on the original applications only 26.88 percent.

In all, only $73,567,000 was loaned in North Dakota by both the Federal land bank and the commissioners. The farm indebtedness on land in North Dakota is three hundred million, nearly, if not all, of which is due. There is still needed two hundred and twenty-seven million to take up the debt. It cannot be had, and that is the reason why we have had to resort to Holiday Association activity and secure State-wide moratoriums against foreclosures.

The financing of farms under the present Federal land-bank plan means in North Dakota, if all loans were made by the bank, an annual interest charge of $18,000,000. Under the Frazier-Lemke plan the annual interest charge would be on $4,500,000 and principal payments of $4,500,000, or a saving of $9,000,000 per year, and with the further security that as the annual payments were made, the whole debt would be wiped out at the end of the loan period. In 47 years—the loan period under the Frazier-Lemke bill—the farmers would make a saving of $423,000,000, and besides, the debt would be fully paid at the end of the period. Under the Federal land-bank plan in 47 years the farmers in North Dakota would have paid in interest alone $846,000,000, and they would still owe the debt of $300,000,000 besides.

The net difference would be, for North Dakota alone, $723,000,000, or nearly two and one-half times the amount of the present indebtedness.

Could the farmers of North Dakota buy anything with this seven hundred and twenty-three million? Would they become customers again in the trade channels? Would they buy manufactured products from the East and South? Would men who have no work find work?

Let each Congressman apply these figures to his own State and thus determine what can be done by a change in our system of farm loans.

In the meantime, how would the Government fare? The Treasury bills issued to finance the Frazier-Lemke plan would not draw interest. The Government would be out just the cost of printing. Today the Federal Reserve notes are issued in the same manner. Nearly $4,000,000,000 of them in circulation. When the Government wants money, bonds are issued, and then sold to the financial system at 3½-percent interest. Sometimes more. The Government loses this interest and private interests gain that amount. If the Government issued currency to finance the farm indebtedness of $9,000,000,000, they would save under this system $315,000,000 annually. In 47 years the Government would save $14,705,000,000, or enough to pay one-half of the World War debt.

The Government would be the winner, the farm homes would be saved and the unequal distribution of wealth in the Nation would be on the way to adjustment. This unequal distribution of wealth never would have taken place

if we had, as voters, determined that this Government should control its finances and not turn that important function over to private interests.

The complaint lodged against many of the men who have been connected with these Government institutions and referred to as Republicans is not to say that no Republican should be connected with the institutions, but when I have used the word Republican, I mean reactionary Republican. By reactionary I mean one who is satisfied with and connected with a business system that can see nothing but profits and business gain; one who believes that all new measures intended to bring back to the people a greater share of the Government, is visionary, disquieting to business—their profit business—and that the sponsors of these new measures are demagogues and reds. Any one who intimates the curtailment of private profits is looked upon as an enemy of the country. These reactionaries have been in possession of the machinery of Government so long that they are actually beginning to believe they own the Government.

It is men of this type that have been intrusted with the responsibility of handling these Government agencies concerned with advancing credits to the people of the Northwest. If the Democratic Party is the party of progress, the party which hopes to restore the Government to the people, it can make no faster headway than to remove every reactionary in control of these finance institutions. The Democrats could not do a worse job, and besides, there are some progressive Democrats who are capable of handling important business. Why does not the Democratic administration clean house in the Twin Cities? Can it be that these wily, reactionary Coolidge-Hoover Republican appointees have been wise enough to make liberal contributions to the Democratic Party? I do not know that they have, but I do know they would if they thought that meant leaving them in the Government cream pan. It may be due to the fact that between these men in control in the Twin Cities and the higher-ups here at Washington there is a community of interest arising from the profession (financial brotherhood), that is stronger than any political party. Whatever the reason they are still doing business at the old stand.

Do these reactionaries turn down applications of farmers because they are what they are pleased to call "radical"? The answer is absolutely "yes." I have had filed with me during the past year complaint after complaint where the failure of a loan was due to the fact of the applicant's political belief. The whole finance administration in the Northwest is out of sympathy with the people. The directors, officers, appraisers, and every last employee is known to be "conservative." They make conservative loans. I have never yet met any director, officer, appraiser, attorney, or other employee of this whole Federal land bank set-up, outside of the Federal Land Bank Commissioner, who can stomach the word "progressive", yet the great majority of the people with which this organization deals is overwhelmingly progressive. The farmers know their friends and sympathizers are not in control.

I have many complaints here which show that the farmer was turned down because he was a nonpartisan. I have complaints here that Communists because they were Communists have been turned down. I have complaints here that because farmers were radical and did not mind their own business, caused a rejection of their applications.

Reactionary treatment of that kind only makes the matter worse. I think it perfectly fair to make this statement, that the reactionaries in America are doing more to build up the ranks of the Soviet than all the Communist organizers in America. The American farmer is not naturally a Communist; he is an individual and believes in individual property and individual expression, but I want to also add that the reactionaries are doing the best they know how to drive him into communism. A half-starved man with underfed children, with starving livestock in the sight of Government feed, knowing that the administrators of relief are against him, a man who has been turned down in his loan and sees the sheriff coming for a foreclosure sale, will embrace any belief which promises any measure of protection. Reactionary business men do not know this principle of human nature. They have never known it. In the history of the world, men of this type have always refused to see the evidence before them, and the future of the country which protects them concerns them not. Their patriotism is one of more profits, more gain, more money, and let the common people be damned.

PUBLIC OPINION AND THE FRAZIER-LEMKE BILL. H. R. 2066—S. 212

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. McFARLANE. Mr. Speaker, there is now pending on your desk House Resolution 123 by Mr. WILLIAM LEMKE, of North Dakota, which provides for the discharge of the Committee on Agriculture from further consideration of H. R. 2066 commonly known as the "Frazier-Lemke bill", the farmers' farm-relief act. This is a bill to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, through the use of the Farm Credit Administration, the Federal Reserve banking system, and creating a board of agriculture to supervise the same.

This measure and similar measures have been widely discussed for the past several years throughout the Nation. There are now on file before this Congress concurrent resolutions enacted by the house and senate of 29 State legislatures memorializing Congress to speedily enact this legislation into law, as follows: Montana, Nevada, Wisconsin, Illinois, Minnesota, North Dakota, California, Nebraska, Oregon, Indiana, Arizona, Idaho, Colorado, Oklahoma, South Dakota, Tennessee, Iowa, South Carolina, Kansas, Michigan, Ohio, Texas, Kentucky, Wyoming, North Carolina, Arkansas, New Mexico, New Jersey, and Washington.

The lower houses of the following State legislatures have memorialized Congress to enact this law: New York, Delaware, Alabama, and Missouri.

In addition, the following Governors have sent telegrams, within the last 10 days, urging their representatives in Congress and the Committee on Agriculture to have the bill reported out for discussion and passage on the floor: Governor La Follette, Wisconsin; Governor Floyd Olson, Minnesota; Governor Berry, South Dakota; and the Governor and Legislature of Michigan sent a special delegation to Washington last week to urge their representatives to sign the petition to bring the Frazier-Lemke bill out on the floor for discussion on its merits and passage.

Mr. J. Edward Anderson, State secretary, Minnesota Farmers Union, has received the following telegram from Governor Olson, of St. Paul, Minn., showing his attitude and the attitude and the sentiment in Minnesota regarding this legislation:

ST. PAUL, MINN., *March 14, 1935.*

J. EDWARD ANDERSON,
State Secretary Minnesota Farmers' Union, Harrington Hotel.

The people of Minnesota are solidly behind the Frazier-Lemke bill. Nineteen thirty-three legislature passed concurrent resolution memorializing the President and Congress to enact bill. This bill represents the only legislation now proposed before Congress which will assist Minnesota farmers in retaining their homes.

FLOYD B. OLSON, *Governor.*

Mr. Speaker, it was mentioned today by one of our colleagues "Some of them (memorials) are about as foolish as I have ever seen written on paper. If we are going to continue to put them into the body of the RECORD, we will not have any place for the proceedings of the House."

It seems that the above-quoted memorials by a large majority of the States throughout the Nation urging Congress to enact this legislation is beginning to worry some of the Members of Congress. At this time 124 Members of the House have signed the above resolution to discharge the Agriculture Committee from further consideration of the bill and to bring this legislation before Congress for a vote.

An effort was made in the last session of Congress to force a vote upon this question and through a maneuver in par-

liamentary procedure such a vote was avoided by the leaders of the House. The farmers of the Nation are demanding this legislation and the sooner this legislation is brought before the House the better pleased the farmers and their friends will feel about this legislation.

EXTENSION OF REMARKS—COTTON CONTROL

Mr. WHELCHEL. Mr. Speaker, I am intensely interested in the subject that we now have under discussion; that is, a bill introduced by Mr. DOXEY, a member of the Agriculture Committee, to amend the Bankhead law.

On Janauary 28, 1935, I introduced a bill, it being H. R. 4882. I did not feel that the small farmers were getting a square deal, by reason of the operation of the Bankhead bill, and, as a result of this, I was actuated to introduce the bill that I have just mentioned. The provisions of my measure were to the effect that a small farmer be exempted 2 bales of cotton, and in addition thereto, one-half bale for each dependent of his family, exclusive of himself and wife, and also to pay a reasonable compensation for the ginners, who had been occasioned so much work and worry, by reason of collecting the imposed taxes.

Now, as I understand, this bill, it being H. R. 6424, provides for an exemption of 3 bales to each farmer and 25 cents per bale for the ginners, and also an appeal board is provided in this bill, H. R. 6424.

If I understand correctly, it is the purpose of this measure to exempt 3 bales to each farmer. My information is that the Department of Agriculture insists that an exemption of 2 bales shall be given to only land-owning farmers, which would exclude tenants and croppers.

These provisions of the Department, making the allowance thus, would work a hardship more than ever on the small farmers. Since H. R. 6424, as I understand proposes to make the exemption to every farmer, this to include land-owning, cropper, or tenant farmer, and rather than take a chance of getting the whole measure defeated, and it be in force, as of last year, I am not insisting that my bill be made a substitute for the one now under consideration.

While this measure does not do justice to the small farmers, in my opinion, it is much better than the previous provision, and will make the burden of the small farmer, to some extent, lighter.

Mr. SMITH of Washington. Mr. Speaker, I am glad to support this legislation, as amended, in the hope that it will render a greater measure of justice and benefit to the small cotton farmers of the South and the Nation.

Mr. Speaker, we can have no permanent business prosperity unless it is based on agriculture, and it is essential that our cotton, tobacco, grain, and dairy farmers be recognized and treated in all our legislation on a parity with industry.

I desire to quote a brief statement from Louis J. Taber, master of the National Grange, contained in his address delivered before the National Grange annual session at Hartford, Conn., on November 14, 1934:

In May of 1933 the industrial price level stood at 101 and the agricultural prices at 62 of pre-war, giving a spread of 39 points to the disadvantage of agriculture. There has been definite improvement during recent months, and the October price index of the Department of Agriculture shows that farm prices have risen to 102 of pre-war (1909–14), while industrial prices have climbed rapidly and stand at 126. Thus, farm-purchasing power is still retarded and the farm dollar stands at but 81 cents. Restored farm-purchasing power still remains an essential step to national recovery as well as to rural welfare. Every constructive step that the administration, Congress, organized agriculture, and farmers themselves can take should be directed toward bringing the farm dollar to par, not only for the good of agriculture but of the Nation itself. It is true that in some sections we find certain commodities that have now reached their pre-war level. Other commodities, like dairying and some types of vegetable growing and general farming, are in less satisfactory condition than a few years ago. On the whole, the agricultural picture is encouraging. Farm conditions have improved during the last year. The farmer can look toward 1935 with more assurance than in any year in a decade. While the fight for equality and price parity is far from won, agriculture's leadership must not be modest in demanding their own rights, because we cannot benefit the farmer without benefiting those in every walk of life.

THE EMERGENCY PROGRAM

This Congress and administration received a mandate from the people to seek a solution of the farm problems, and the heroic and unusual steps taken were made necessary by the seriousness of the farm situation. The Agricultural Adjustment Act was the method selected to fulfill the pledges to the public. While emergency and experimental in its character, automatically passing out whenever the President declares the emergency is passed, service has been rendered to many commodities in distress. Acreage restriction has been of value to many crops, and benefit payments have had a tendency to restore farm purchasing power. As a result of the drought, acreage restrictions are not now so seriously needed, but guidance and balance will be essential to ease agriculture through their period of readjustment. With practically all of our burdensome surpluses under control, with an actual shortage in seed and forage, little reduction is required for 1935, and we can hope for gradual elimination of restrictive measures.

OUR LONG-TERM PROGRAM

President Roosevelt and his administration, the Department of Agriculture, and the A. A. A., are to be commended for the thoughtful efforts being made to develop a long-time agricultural program that can meet the changing conditions confronting our farm life.

Mr. Speaker, we have made substantial progress in our efforts to rehabilitate agriculture, as evidenced by increased prices of all farm products, but our goal will not have been attained until the farmer receives a reasonable profit above the cost of production.

Mr. COLMER. Mr. Speaker, I am very much interested in this bill, which was introduced by my colleague the distinguished gentleman from Mississippi, WALL DOXEY. It will be recalled by members of the Agricultural Committee and other interested parties that early in the session I introduced a similar bill. The only substantial difference between my bill and the one now under consideration is that the bill of my distinguished colleague [Mr. DOXEY] provides for a 2-bale exemption to the small cotton farmers of the South and mine provided for a 5-bale exemption. Inasmuch as Mr. DOXEY is the ranking member of the Agriculture Committee, it was only appropriate that the committee should have reported out his bill. Moreover, Mr. DOXEY has given much thought to this problem and is certainly one of the ablest members of that distinguished committee.

However, my colleague from Arkansas, who is also very much concerned about this matter, has offered his amendment to Mr. DOXEY's bill, which would increase the exemption from the processing tax from 2 bales to 3 bales. At the time Mr. MILLER obtained recognition from the Chair to offer his amendment I was on my feet seeking recognition so that I might offer my amendment to increase it to 5 bales. Nevertheless, I shall support my colleague's amendment to Mr. DOXEY's bill, with the hope that it would have a better opportunity of passing and thereby secure a 3-bale exemption from this tax rather than to run the risk of muddying the waters by my amendment and possibly not getting more than a 2-bale exemption.

But, Mr. Speaker, we are told that the Agricultural Adjustment Administration officials do not look with favor upon any exemption measure. It is said that they claim that we will disrupt the whole Bankhead control program if we grant these exemptions to the small farmer. Frankly, I would vote for this exemption to our small farmers from this tax if I knew that it would disrupt the whole control program. But I do not believe that it will have any such effect. The truth is that while it appeared last year that something had to be done in order to save the cotton farmer of the South and that the Bankhead Cotton Control Act was enacted into law for that purpose, and while it is true that we were in a great economic disturbance and a national emergency, yet I doubt seriously that any such program as this is economically sound. And I would not be a party to it as a permanent institution. Moreover, I doubt seriously that if I had an opportunity now to vote on the question of continuing the act for another year that I would vote for it. At the best it is a makeshift proposition. We must realize sooner or later that the law of supply and demand is as immutable as the stars in the heavens. In this time of great economic depression, I am wondering if we have not been doing many things that were an attempt to hold in abeyance, if not repeal, this law. The only justification that can be made of that type of legislation is that it was justified by the great national emergency.

If the Members of the House could have witnessed first hand what I witnessed down in the cotton-growing section of the South, there would be no doubt about the passage of this amendment to the control act. They would have seen, not in one isolated instance, but in thousands of instances, some poor farmer coming to the gin with his 2 or 3 bales of cotton to be ginned. These 2 or 3 bales of cotton represented his entire wealth for that year. Upon his ability to sell it depended his ability to pay the supply merchant for the supplies advanced and his ability to feed, clothe, and educate his children for the coming winter. Then only to be confronted at the gin with the proposition that under the allotment of that particular county that they were entitled to only gin possibly 200 pounds, or maybe a bale, without paying the exorbitant processing tax upon the balance. If this tax were paid, of course the farmer would not break even. Yet many of them in their desperation paid the tax and their families suffered the consequences.

It is very obvious that the danger of losing our foreign market is great if any control of our domestic production is continued. Other parts of the world have learned that they too can grow cotton. Not only can they grow cotton, but in many instances they can grow it cheaper than we can here. It is obvious to one who stops to think that if we continue to curb our production in this country those countries of the world who can grow cotton will speed up their production in order to take advantage of the increased price and the scarcity of cotton on the market. I am very apprehensive that if this control policy continues we will lose the world market. In furtherance of this thought it is a significant fact that while we were reducing our production of cotton under the Bankhead Act last year, there was a sharp increase in the production in other countries. For instance, India increased her production 8 percent, Egypt increased her production 22 percent, and Brazil increased her production 68 percent.

It is therefore quite evident that this question of the world market is in no sense a light matter. It requires and demands our most thoughtful consideration. I cannot see how we can continue this control policy and at the same time keep our world market.

What I should like to see done would be to peg the prices of the cotton to be consumed in this country at a definite figure, say, 12 cents. Then say to the farmers of the country that they can raise all the additional cotton over the domestic market that they see fit and take a chance on the world market for what they may get for it. Mr. Speaker, I have under consideration just such legislation, which I hope to discuss at a future date.

And in conclusion may I say to my colleagues who reside north of the Mason and Dixon's line that this cotton problem is primarily our problem in the South just as other questions are peculiarly our questions in the South. The great majority of the southern Representatives in this House are in favor of this exemption, and I appeal to you to go along with us in this and let us have this exemption and thereby help the poor southern farmer to this extent at least.

Mr. MAHON. Mr. Speaker, I wish to express my conclusions with reference to H. R. 6424, which is a bill introduced by Mr. DOXEY, of Mississippi, and which provides for certain amendments to the Bankhead bill. I represent 25 agricultural counties, most of which are devoted to cotton production.

Now, a section of the Doxey bill, as amended, provides that cotton farmers who have a tax-exempt allotment of 3 bales or less shall be permitted to sell tax free 3 bales of cotton. This section does not mean that all cotton farmers shall have the right to sell 3 bales tax free. It only applies to the 3-bale farmers. I am informed that in certain portions of Arkansas and in portions of other southern States the great majority of the cotton farmers in particular sections are so-called "3-bale farmers", or produce less than 3 bales. If this provision becomes a law, the number of 3-bale farmers will, in my opinion, greatly increase. The allotment of these States will be greatly increased. This will result in decreasing the allotment for Texas and especially west Texas. The average farmer in the Nineteenth Congressional District is not a so-called "big planter", but he is by no means a 3-bale farmer. The farmer having an allotment of 5, 10, 20, or 30 bales will reap no benefit from this section of the Doxey bill, but, on the other hand, will be penalized and discriminated against. I think this provision is unwarranted and unwise and is destined to wreck the reduction program. There are many vicious evils in the Bankhead bill that ought to be remedied, but in this 3-bale exemption provision we are curing none of the evils and are discriminating against the biggest cotton-producing State in the Union.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. FITZPATRICK, for 2 days, on account of important business.

To Mr. LAMNECK, indefinitely, on account of illness.

To Mr. TONRY, for today, on account of illness.

To Mr. WILSON of Pennsylvania, indefinitely, on account of illness.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1386. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim, or claims, of Duke E. Stubbs and Elizabeth S. Stubbs, both of McKinley Park, Alaska; to the Committee on Claims.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 5255. An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

On March 16, 1935:

H. R. 5221. An act to amend the Agricultural Adjustment Act with respect to rice, and for other purposes.

On March 18, 1935:

H. R. 5255. An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 47 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 19, 1935, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. JONES: Committee on Agriculture. H. R. 6772. A bill to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity futures exchanges, to limit or abolish short selling, to curb manipulation, and for other purposes; without amendment (Rept. No. 421). Referred to the Committee of the Whole House on the state of the Union.

Mr. JOHNSON of Texas: Committee on Foreign Affairs. H. R. 6453. A bill to amend the act of May 13, 1924, entitled "An act providing for a study regarding the equitable use of the waters of the Rio Grande", and so forth, as amended by the public resolution of March 3, 1927; without amend-

ment (Rept. No. 422). Referred to the Committee of the Whole House on the state of the Union.

Mr. COLDEN: Committee on Disposition of Useless Executive Papers in the United States Civil Service Department. (Rept. No. 423). Referred to the House Calendar.

Mr. MANSFIELD: Committee on Rivers and Harbors. H. R. 6732. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes; with amendment (Rept. No. 424). Referred to the Committee of the Whole House on the state of the Union.

Mr. WOOD: Committee on War Claims. H. R. 2024. A bill for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899; with amendment (Rept. No. 425). Referred to the Committee of the Whole House on the state of the Union.

Mr. CONNERY: Committee on Labor. S. 147. An act to alter the amount apportioned to certain States for public employment offices affiliated with the United States Employment Service; without amendment (Rept. No. 426). Referred to the Committee of the Whole House on the state of the Union.

Mr. CONNERY: Committee on Labor. S. 857. An act to authorize the Department of Labor to continue to make special statistical studies upon payment of the cost thereof, and for other purposes; without amendment (Rept. No. 428). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BEITER: Committee on War Claims. S. 941. An act for the relief of William J. Cocke; without amendment (Rept. No. 427). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 2398) granting a pension to Mary Wyse Benson; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 4222) granting an increase of pension to Margaret A. Skeel; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McSWAIN: A bill (H. R. 6793) to amend the Tennessee Valley Authority Act of 1933; to the Committee on Military Affairs.

By Mr. ROGERS of Oklahoma (by departmental request): A bill (H. R. 6794) to provide for the payment of certain Creek equalization claims, and for other purposes; to the Committee on Indian Affairs.

By Mr. KERR: A bill (H. R. 6795) to authorize the deportation of the habitual criminal, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. COCHRAN: A bill (H. R. 6796) to provide for the payment of veterans' adjusted-service certificates in bonds of the United States; to the Committee on Ways and Means.

By Mr. GIFFORD: A bill (H. R. 6797) to establish protective tariff on all importations of scallops; to the Committee on Ways and Means.

By Mr. HENNINGS: A bill (H. R. 6798) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching; to the Committee on the Judiciary.

By Mr. HUDDLESTON: A bill (H. R. 6799) to amend section 1 of the Interstate Commerce Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCIALKOWSKI: A bill (H. R. 6800) authorizing the construction of buildings for the United States High Commissioner to the government of the Commonwealth of the Philippine Islands; to the Committee on Insular Affairs.

By Mr. ROBINSON of Utah: A bill (H. R. 6801) to provide for the construction of a post-office building in Provo, Utah; to the Committee on Public Buildings and Grounds.

By Mr. SEARS: A bill (H. R. 6802) to provide for the manufacture of citrus-fruit brandy and the use of such brandy in the fortification of citrus wines, and for other purposes; to the Committee on Ways and Means.

By Mr. WILSON of Louisiana: A bill (H. R. 6803) to authorize funds for the prosecution of works for flood control and protection against flood disasters; to the Committee on Flood control.

By Mr. ANDREWS of New York; A bill (H. R. 6804) to provide for the payment of veterans' adjusted-service certificates in bonds of the United States; to the Committee on Ways and Means.

By Mr. HARTLEY: A bill (H. R. 6805) to provide for the appointment and promotion of substitute postal employees; to the Committee on the Post Office and Post Roads.

By Mr. KENNEY: A bill (H. R. 6806) to provide for a loan committee in the Reconstruction Finance Corporation to pass on industrial loans; to the Committee on Banking and Currency.

Also, a bill (H. R. 6807) to authorize the Commissioner of Education in the Department of the Interior to conduct a study and disseminate his findings and recommendations regarding suitable aviation-instruction courses for the public schools, and for other purposes; to the Committee on Education.

By Mr. KRAMER: A bill (H. R. 6808) to apply the quota system to immigration from the Republic of Mexico and the Philippine Islands, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. LEE of Oklahoma: A bill (H. R. 6809) to give the cotton farmer Government benefits on domestically consumed cotton without limiting production, and for other purposes; to the Committee on Agriculture.

By Mr. McSWAIN: A bill (H. R. 6810) to provide for the national defense by promoting the development and improvement of military aircraft, and for other purposes; to the Committee on Military Affairs.

By Mr. SUMNERS of Texas: A bill (H. R. 6811) to enforce the twenty-first amendment; to the Committee on the Judiciary.

By Mr. CONNERY: Resolution (H. Res. 166) providing for the consideration of H. R. 2827, a bill to provide for the establishment of unemployment, old-age, and social insurance, and for other purposes; to the Committee on Rules.

By Mrs. GREENWAY: Joint resolution (H. J. Res. 218) to authorize funds for work and work relief, to be used for the construction of homes for aged (public) pensioners; to the Committee on Ways and Means.

By Mr. CROSSER of Ohio: Joint resolution (H. J. Res. 219) extending the effective period of the Emergency Railroad Transportation Act, 1933; to the Committee on Interstate and Foreign Commerce.

By Mr. SIROVICH: Joint resolution (H. J. Res. 220) providing for the establishment of an executive department to be known as the "Department of Science, Art, and Literature"; to the Committee on Patents.

By Mr. IGLESIAS: Joint resolution (H. J. Res. 221) to amend a joint resolution entitled "Joint resolution for the relief of Porto Rico", approved December 21, 1928, as amended by the Second Deficiency Act, fiscal year 1929, approved March 4, 1929; to the Committee on Insular Affairs.

By Mr. KELLER: Joint resolution (H. J. Res. 222) to provide for the appointment of Gutzon Borglum as a member of the Board of Regents of the Smithsonian Institution; to the Committee on the Library.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Nebraska, re the distribution of grain for seed purposes to needy farmers; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Nebraska, re an antilynching law; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Tennessee, re the taxation of sales in interstate commerce; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Tennessee, re the construction of certain dams by the Tennessee Valley Authority; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AMLIE: A bill (H. R. 6812) for the relief of John Reinke; to the Committee on Claims.

By Mr. ASHBROOK: A bill (H. R. 6813) for the relief of Jennie Williams; to the Committee on Claims.

By Mr. BLAND: A bill (H. R. 6814) for the relief of the Eastern Shore of Virginia Produce Exchange, Inc.; to the Committee on Claims.

By Mr. COLE of New York: A bill (H. R. 6815) to extend the benefits of the Federal Employees' Compensation Act approved September 7, 1916, as amended, to LaVantia H. Simmons; to the Committee on Claims.

By Mr. CONNERY: A bill (H. R. 6816) for the relief of Andrew J. Wendling; to the Committee on Military Affairs.

By Mr. HOFFMAN: A bill (H. R. 6817) to correct the military record of Charles B. Holmes; to the Committee on Military Affairs.

By Mr. JOHNSON of Oklahoma: A bill (H. R. 6818) conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Kiowa, Comanche, and Apache Tribes of Indians may have against the United States, and for other purposes; to the Committee on Indian Affairs.

By Mr. LEA of California: A bill (H. R. 6819) granting a pension to Thomas J. Davis; to the Committee on Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 6820) granting a pension to Lucy Jones; to the Committee on Invalid Pensions.

By Mr. SANDERS of Louisiana: A bill (H. R. 6821) for the relief of Alfred J. White and M. J. Banker; to the Committee on Claims.

By Mr. SAUTHOFF: A bill (H. R. 6822) for the relief of George C. Mansfield Co., and George D. Mansfield; to the Committee on Claims.

By Mr. SCOTT: A bill (H. R. 6823) granting a pension to Laura B. Perley; to the Committee on Pensions.

By Mr. SHORT: A bill (H. R. 6824) granting an increase of pension to Christina M. Sharp; to the Committee on Invalid Pensions.

By Mr. SMITH of Virginia: A bill (H. R. 6825) for the relief of Mrs. Clarence J. McClary; to the Committee on Claims.

By Mr. WHELCHEL: A bill (H. R. 6826) to correct the military record of Jonathan Waters; to the Committee on Military Affairs.

Also, a bill (H. R. 6827) granting an increase of pension to Eugene B. Dougherty; to the Committee on Pensions.

Also, a bill (H. R. 6828) granting 6 months' pay to George H. Smith; to the Committee on Claims.

By Mr. WOLCOTT: A bill (H. R. 6829) authorizing a preliminary examination of Sebewaing River, in Huron County, Mich., with a view to the controlling of floods; to the Committee on Flood Control.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4151. By Mr. AMLIE. Petition of the City Council of Kenosha, Wis., urging the adoption of the resolution providing that a General Pulaski Memorial Day be created; to the Committee on the Judiciary.

4152. Also, petition of the City Council of Kenosha, Wis., urging the adoption of the Patman bill, providing for an immediate cash payment of the bonus; to the Committee on Ways and Means.

4153. Also, petition of the City Council of Kenosha, Wis., urging that Congress request that Order No. 23709, of the Federal Emergency Administration of Public Works, be vacated, inasmuch as this order, if permitted to stand, will, it is alleged, result in crippling or destroying organized labor; to the Committee on Labor.

4154. By Mr. BLAND: Petition of 23 citizens of Accomac County, requesting that Congress pass a uniform Federal old-age pension law that must be adopted by the States before any Federal aid or relief is available; to the Committee on Ways and Means.

4155. By Mr. BOYLAN: Petition signed by Henry Lahm and other residents of the Fifteenth Congressional District of New York, opposing the passage of the Wheeler-Rayburn public-utility bill; to the Committee on Interstate and Foreign Commerce.

4156. Also, petition signed by Salvatore Citrano, of New York City, favoring the passage of the Vinson bill; to the Committee on Ways and Means.

4157. By Mr. BUCKLER of Minnesota: Petition of C. M. Ellingson, commander, and members of the American Legion, Department of Minnesota, of Nielsville and vicinity in Minnesota, asking for passage of the Vinson bill (H. R. 3896) to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

4158. Also, petition of Mrs. Louis Rodal, unit secretary, in behalf of the members of the Nielsville (Minn.) Ladies Auxiliary Unit of American Legion Post, No. 336, Department of Minnesota, praying for the passage of the Vinson bill (H. R. 3896) to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

4159. Also, petition of Clarence A. Oefstedal, commander, and Paul Taallerud, adjutant, of Fertile, Minn., of the Post No. 238 of the American Legion, in behalf of members of the post, praying for the passage of legislation to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

4160. By Mr. BURDICK: Petition urging the Agricultural Adjustment Administration to work out a cattle program to provide for adjustment benefits to the end that parity prices may be obtained for cattle, and producers of cattle enabled to reestablish their almost depleted estates; to the Committee on Agriculture.

4161. By Mr. BURNHAM: Petition of National Indian War Veterans, United States Army, by Joseph H. McKenna, San Diego, Calif., asking for the passage of the bill (H. R. 2857) to amend an act entitled "An act granting pensions to certain soldiers who served in the Indian wars from 1817 to 1898, and for other purposes", approved March 3, 1927"; to the Committee on Pensions.

4162. Also, resolution by the Townsend Old-Age Revolving-Pension Club, No. 33, of San Diego, Calif., urging Congress to immediately enact into law a bill (H. R. 3977) known as the "Townsend revolving-pension plan", to promote the general welfare, to assure permanent employment, and social security for all, and to stabilize business conditions through an assured definite and constant circulation of money and credit by the National Government, and for other purposes; to the Committee on Ways and Means.

4163. Also, resolution no. 1314, by the City Council of the City of Coronado, Calif., urging Congress to immediately enact into law a bill (H. R. 3977) known as the "Townsend revolving-pension plan", to promote the general welfare, to assure permanent employment and social security for all,

and to stabilize business conditions through an assured definite and constant circulation of money and credit by the National Government, and for other purposes; to the Committee on Ways and Means.

4164. By Mr. CARTER: Petition of the Board of Supervisors of the County of Alameda, State of California, urging Congress to remove all unwarranted obstacles to wine distribution; to the Committee on Ways and Means.

4165. By Mr. CROWE: Petition of the Aurora Fish and Game Club of Aurora, Ind., by J. H. Trester, president, signed by 175 members and citizens of Aurora, urging the passage of the Crowe bill (H. J. 157), joint resolution to authorize a compact or agreement between Kentucky and Indiana with respect to hunting and fishing privileges, and other matters relating to jurisdiction on the Ohio River, and for other purposes; to the Committee on the Judiciary.

4166. By Mr. CROWTHER: Petition of Group No. 878, of the Polish National Alliance of the United States, favoring enactment of House Joint Resolution 81; to the Committee on the Judiciary.

4167. By Mr. CULLEN: Petition of the Legislature of the State of New York, urging Secretary of the Interior Ickes to appropriate funds for slum clearance and better housing in certain sections of the area contained within the third and fifth assembly districts, within the Thirteenth Senate District in the Borough of Manhattan, extending from Tenth Street to Sixty-third Street, west of Seventh and Eighth Avenues, and sections being commonly known as "Greenwich Village" and "Chelsea" on the west of Manhattan Borough; to the Committee on Appropriations.

4168. By Mr. DELANEY: Petition of the Senate of the State of New York, urging that the Secretary of the Interior appropriate funds for slum clearance and better housing in the Third and Fifth Assembly District in the Borough of Manhattan, N. Y.; to the Committee on Appropriations.

4169. By Mr. EKWALL: Petition of Group No. 549, of the Polish National Alliance of the United States of North America, memorializing the Congress of the United States to enact House Joint Resolution 81 and Senate Joint Resolution 11, directing the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

4170. By Mr. FOCHT: Resolution of J. R. Gearhart, of the Pennsylvania Dairymen's Association, urging import duty on registered dairy cattle from other countries; to the Committee on Agriculture.

4171. Also, resolution of the Mount Union Council of Junior Order United Americans, in regard to report submitted by special committee to the Secretary of Labor in reference to immigration; to the Committee on Immigration and Naturalization.

4172. Also, resolution of the Mount Union Council of Junior Order United Americans, in regard to millions illegally residing in this country; to the Committee on Immigration and Naturalization.

4173. By Mr. GINGERY: Petition of James J. Patterson, Post No. 813, Veterans of Foreign Wars, civic organizations, and citizens of Du Bois, Pa., requesting support of House bill 1, commonly known as the "Patman bill"; to the Committee on Ways and Means.

4174. By Mr. HOEPPEL: Petition of the City Council of the City of Montebello, Calif., expressing support of the Townsend plan of old-age pensions and urging its enactment into law; to the Committee on Ways and Means.

4175. Also, petition of business and professional men and women of Azusa, Calif., requesting that the McGroarty bill, embodying the Townsend old-age revolving-pension plan, be reported out of committee to the floor of the House for full and unhampered debate; to the Committee on Ways and Means.

4176. By Mr. HOFFMAN: Petitions presented by Earl Irwin, John Colbe, Thomas Darling, Merrill F. Fitch, John J. Miller, F. P. Hutchins, and Ray Welker, containing signatures of 242 persons, all residents of the Fourth Congressional District of Michigan, favoring enactment of the Frazier-Lemke bill; to the Committee on Agriculture.

4177. By Mr. HOOK: Resolution adopted by the Common Council of the City of Norway, Mich., as favoring legislation to proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

4178. Also, resolution passed by the Common Council of the Village of Laurium, as going on record as favoring a strong national policy by the Government of the United States, and recommending and urging the enactment of such legislation as may be necessary and proper to effectively prohibit the importation of any foreign produced, raw or refined copper; to the Committee on Ways and Means.

4179. Also, petition of Edward Ollila of Ironwood, Mich., and several other railway postal clerks and substitute railway postal clerks, asking assistance in protecting their rights as Wisconsin clerks to jobs rightfully theirs on trains running in and through Wisconsin, to the Committee on the Post Office and Post Roads.

4180. Also, resolution passed by the Common Council of the City of Detroit, asking for an appropriation to construct a Veterans' Administration hospital in the Detroit area; to the Committee on World War Veterans' Legislation.

4181. Also, resolution adopted by the Houghton County, Mich., association of commerce as being opposed to legislation being enacted to make potatoes a basic commodity under the Agricultural Adjustment Act; to the Committee on Agriculture.

4182. By Mr. KEE: Petition of citizens of the city of Bluefield, W. Va., urging the passage of House bill 5262; to the Committee on Interstate and Foreign Commerce.

4183. By Mr. KENNEY: Resolution of the Institute of Rural Economics of State of New Jersey, urging our President to use every effort to execute tariff and trade agreements which will maintain and increase foreign outlets for apples; to the Committee on Ways and Means.

4184. Also, petition of Sun-Ray Democratic Association, No. 1, of New York City, endorsing the national lottery bill; to the Committee on Ways and Means.

4185. Also, petition of Loggia Giuseppe Scarlata, No. 73, Ordine Indipendente Figli D'Italia, of Corona, Long Island, New York City, heartily endorsing the national lottery bill; to the Committee on Ways and Means.

4186. Also, petition of Jack Ingegnieros Democratic Association, No. 1, of New York City, urging adoption of the national lottery bill; to the Committee on Ways and Means.

4187. Also, resolution adopted by the board of directors of the Jersey Chick Association, favoring House bill 5802; to the Committee on Agriculture.

4188. Also, resolutions adopted by the Institute of Rural Economics of the State of New Jersey, favoring support of the President in maintaining wage scales on relief projects slightly less than those prevailing in the community; to the Committee on Appropriations.

4189. Also, resolutions adopted by the Institute of Rural Economics of the State of New Jersey, favoring our National Government to adopt a more consistent policy directed toward the establishment of a prosperous agriculture in this country; to the Committee on Agriculture.

4190. By Mr. LAMNECK: Resolution of the Columbus Chamber of Commerce, Columbus, Ohio, protesting against the wage-schedule provision passed by the Senate under what is known as the "McCarran amendment"; to the Committee on Labor.

4191. By Mr. LESINSKI: Resolution of the Common Council of the City of Detroit, Mich., respectfully petitioning the President of the United States and Congress to authorize and appropriate sufficient moneys to build a Veterans' Administration hospital of 500-bed capacity in the Detroit area; to the Committee on World War Veterans' Legislation.

4192. Also, resolution of members of the American Jugoslav Educational League, being directly or indirectly dependent upon copper mining for a living, petitioning the Congress of the United States to sustain the present excise tax on

copper and to increase same to 8 cents per pound or to put an embargo on all foreign copper; to the Committee on Mines and Mining.

4193. Also, resolution of Calumet Business Men's Association, Calumet, Mich., petitioning, urging, and recommending the enactment of legislation to effectively prohibit the importation of any foreign-produced raw or refined copper; to the Committee on Mines and Mining.

4194. Also, resolution of the executive board of the Slovenic-Croatian Union, a fraternal organization at Calumet, Mich., urging and recommending the enactment of legislation to prohibit the importation of any foreign-produced copper; to the Committee on Mines and Mining.

4195. Also, resolution of International Workers' Order, Branch 2088, Detroit, Mich., urging the enactment of the workers' unemployment, old-age, and social-insurance act (H. R. 2827) in the interest of the toiling masses of the United States of America; to the Committee on Labor.

4196. Also, resolution of the Slovak Evangelical Union, No. 218, urging the enactment of the workers' unemployment, old-age, and social-insurance act (H. R. 2827); to the Committee on Labor.

4197. Also, resolution of the Evangelical Slovak Women's Union of Detroit, Mich., urging the enactment of the workers' unemployment, old-age, and social-insurance act (H. R. 2827); to the Committee on Labor.

4198. Also, resolution of the Michigan Federation of Labor, urging and favoring legislation and regulation limiting the length, weight, and speed of commercial vehicles using the public highways and also limiting the hours of service of the drivers of such vehicles so as to protect the safety of the general public; to the Committee on Interstate and Foreign Commerce.

4199. By Mr. KRAMER: Resolution of the Los Angeles City Council, relative to the immediate establishment of a national civil academy, etc.; to the Committee on Education.

4200. Also, resolution of the Kiwanis Club of Englewood, relative to legislation on un-American activities, etc.; to the Committee on the Judiciary.

4201. By Mr. MEAD: Petition of the Marine Workers Industrial Union, Waterfront Unemployed Council, American League of Ex-Servicemen, urging that Congress enact pending legislation to pay immediately the adjusted-compensation certificates; to the Committee on Ways and Means.

4202. By Mr. MERRITT of New York: Petition of Vernon B. Walters and 10 other citizens of New York, concerning the Rayburn-Wheeler public-utility holding companies bills (H. R. 5423 and S. 1725); to the Committee on Interstate and Foreign Commerce.

4203. Also, petition of Kathryn Hinnenkamp and 10 other citizens of New York, concerning the Rayburn-Wheeler bills; to the Committee on Interstate and Foreign Commerce.

4204. Also, petition of Thomas J. Coffey and sundry residents of New York City and Brooklyn, N. Y., urging Congress to defeat the Rayburn bill; to the Committee on Interstate and Foreign Commerce.

4205. Also, petition of Warren B. Sheldon and sundry residents of Brooklyn and New York City, appealing to Congress to defeat the passage of the Rayburn bill; to the Committee on Interstate and Foreign Commerce.

4206. Also, resolution of the World Trade League of the United States, Inc., New York City, N. Y., heartily supporting the efforts of the Government under the able direction of Secretary of State Hull and his collaborators to accord in reciprocal trade agreements, etc.; to the Committee on Foreign Affairs.

4207. Also, petition of the Holy Name Society of St. Matthias Roman Catholic Church, Ridgewood, Brooklyn, N. Y., concerning conditions in Mexico; to the Committee on Foreign Affairs.

4208. By Mr. MILLARD: Resolution adopted by the Father Edward F. O'Sullivan Council, Knights of Columbus, Harrison, N. Y., protesting certain activities of the National Revolutionary Party in Mexico; to the Committee on Foreign Affairs.

4209. Also, resolution adopted by the Architectural and Engineering Alliance, of White Plains, N. Y., urging the enactment of the so-called "Hayden highway amendment" to House Joint Resolution 117; to the Committee on Appropriations.

4210. By Mr. PFEIFER: Petition of Kings County Pattern & Model Works, Brooklyn, N. Y., favoring the passage of House bill 4027; to the Committee on the Judiciary.

4211. Also, petition of the Kings and Queens Counties Roofers and Sheet Metal Contractors Association, Brooklyn, N. Y., concerning amendment to work relief bill whereby private contractors will be permitted to participate and bid on proposed projects; to the Committee on Appropriations.

4212. Also, Concurrent Resolution No. 89, Senate of the State of New York, Albany, urging the Secretary of the Interior appropriate funds for slum clearance and better housing in Greenwich Village and Chelsea sections of Manhattan, from Tenth to Sixty-third Streets, west of Seventh and Eighth Avenues; to the Committee on Appropriations.

4213. Also, petition of Piel Bros., Brooklyn, N. Y., urging defeat of Senate bill 626 and House bill 5851; to the Committee on Agriculture.

4214. Also, petition of the Merchants Association of New York, concerning the public utility bills of 1935 (S. 1725 and H. R. 5423); to the Committee on Interstate and Foreign Commerce.

4215. Also, petition of the Bellis Wire Works, Inc., Brooklyn, N. Y., concerning House bill 4027; to the Committee on the Judiciary.

4216. Also, petition of the East Brooklyn Savings & Loan Associations, Brooklyn, N. Y., concerning discrimination against State-chartered savings and loan associations; to the Committee on Banking and Currency.

4217. By Mr. RABAUT: Resolution of the Detroit Fire Department Post, No. 1339, Veterans of Foreign Wars of the United States, petitioning the President of the United States and Congress to authorize and appropriate sufficient moneys to build a Veterans' Administration hospital of 500-bed capacity in the Detroit area; to the Committee on World War Veterans' Legislation.

4218. Also, Concurrent Resolution No. 6, Senate of the State of Michigan, memorializing the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in Congress; to the Committee on the Judiciary.

4219. Also, Concurrent Resolution No. 5, Senate of the State of Michigan, memorializing the Congress of the United States to pass suitable legislation or the Postmaster General take suitable action to deed to the State of Michigan the old post-office site and building in Lansing, Mich.; to the Committee on Public Buildings and Grounds.

4220. Also, Resolution 13006, of the Common Council of the city of Dearborn, Mich., asking that October 11 of each year be set aside as General Pulaski's Memorial Day; to the Committee on the Judiciary.

4221. Also, resolution of the United Racial Groups of America, favoring old-age pension laws be approved and made applicable to noncitizens as well as citizens, providing that such noncitizens be residents of the United States for not less than 10 years prior to the passage of such legislation; to the Committee on Ways and Means.

4222. By Mr. ROGERS of Oklahoma: Petition of A. Tolman and numerous other citizens of Dallas, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4223. Also, petition of W. A. Norman and numerous other citizens of Brownwood, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4224. Also, petition of E. Craig and numerous other citizens of Baytown, Tex., favoring House bill 2856, by Con-

gressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4225. Also, petition of G. Smith and numerous other citizens of Center, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4226. Also, petition of Vernon Furlow and numerous other citizens of Alvord, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4227. Also, petition of G. C. Huffman and numerous other citizens of Lingleville, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4228. Also, petition of H. C. Subers and numerous other citizens of Eastland, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4229. Also, petition of L. Sikes and numerous other citizens of Huffman, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4230. Also, petition of A. Hollingsworth and numerous other citizens of Cooter, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4231. Also, petition of A. Bowens and numerous other citizens of Blytheville, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4232. Also, petition of M. Burnett and numerous other citizens of Hooks, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4233. Also, petition of John Norfleet and numerous other citizens of Fort Worth, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4234. Also, petition of John Roberts and numerous other citizens of New Boston, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4235. Also, petition of C. H. Webster and numerous other citizens of the county of McCurtain, in the State of Oklahoma, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4236. Also, petition of J. W. Bearden and numerous other citizens of Wright City, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4237. Also, petition of B. L. McPhearson and numerous other citizens of Conway, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4238. Also, petition of W. J. Stone and numerous other citizens of Vilonia, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4239. Also, petition of C. J. Vaughn and numerous other citizens of Royston, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4240. Also, petition of G. S. Drake and numerous other citizens of Comer, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4241. Also, petition of O. L. Osley and numerous other citizens of Bowman, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4242. Also, petition of C. H. Frye and numerous other citizens of Pinnacle, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4243. Also, petition of G. B. Rockett and numerous other citizens of Winston-Salem, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4244. Also, petition of W. L. Dobbins and numerous other citizens of Yadkinville, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4245. Also, petition of C. R. Reeves and numerous other citizens of the county of Amite, in the State of Mississippi, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4246. Also, petition of Lawrence Westbrook and numerous other citizens of Smithdale, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4247. Also, petition of C. A. Voyles, and numerous other citizens of Birch, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4248. Also, petition of J. A. Williamson and numerous other citizens of Persimmon Creek, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4249. Also, petition of L. H. Picklesimon and numerous other citizens of Suit, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4250. Also, petition of John W. Keenum and numerous other citizens of Vests, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4251. Also, petition of Andrew Gregory and numerous other citizens of Brinkley, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4252. Also, petition of Ambrose Wynne and numerous other citizens of Fargo, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4253. Also, petition of Sylvester Roach and numerous other citizens of the county of Mobile in the State of Alabama, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4254. Also, petition of John Trotter and numerous other citizens of Mobile, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-

age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4255. Also, petition of L. D. McClonid and numerous other citizens of Magee, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4256. Also, petition of Frederick Jones and numerous other citizens of Weathersby, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4257. Also, petition of Washington Hays and numerous other citizens of Mendenhall, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4258. Also, petition of James Hayes and numerous other citizens of the county of East Feliciana in the State of Louisiana, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4259. Also, petition of Alex Evans, Sr., and numerous other citizens of Slaughter, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4260. Also, petition of W. Hicks, and numerous other citizens of Dundee, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4261. Also, petition of J. H. Wilson and numerous other citizens of Hartford, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4262. Also, petition of R. Reed and numerous other citizens of the county of Covington in the State of Louisiana, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4263. Also, petition of Andrew Pierrie and numerous other citizens of Falsom, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month to the Committee on Ways and Means.

4264. Also, petition of W. D. Beaner and numerous other citizens of the county of Cherokee in the State of South Carolina, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4265. Also, petition of R. J. Campbell and numerous other citizens of Gaffney, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4266. Also, petition of M. J. Freeman and numerous other citizens of Chattahoochee, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4267. Also, petition of Joseph Braxton and numerous other citizens of Tallahassee, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4268. Also, petition of M. D. Wade and numerous other citizens of Sneads, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4269. Also, petition of L. Glover and numerous other citizens of St. Joseph, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4270. Also, petition of Spencer Washington and numerous other citizens of Apalachicola, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4271. Also, petition of Lester Woods and numerous other citizens of the county of Jefferson in the State of Alabama, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4272. Also, petition of Charles Hill and numerous other citizens of Bessemer, Ala., favoring House bill H. R. 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4273. Also, petition of W. A. Jeffres and numerous other citizens of the county of Union in the State of Alabama, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4274. Also, petition of J. A. Lowery and numerous other citizens of El Dorado, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4275. Also, petition of Frank McFall and numerous other citizens of the county of Pearl River in the State of Mississippi, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4276. Also, petition of C. S. Green and numerous other citizens of Millard, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4277. Also, petition of C. R. Allen and numerous other citizens of the county of Newton in the State of Georgia, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4278. Also, petition of Raymond Shodix and numerous other citizens of Covington, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4279. Also, petition of G. McDaniel and numerous other citizens of the county of McCormick in the State of South Carolina, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4280. Also, petition of the Rev. J. W. Elmore and numerous other citizens of Troy, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4281. Also, petition of D. Evans and numerous other citizens of the county of Grimes in the State of Texas, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4282. Also, petition of Julius Paulhill and numerous other citizens of Singleton, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4283. Also, petition of Henry Floyd and numerous other citizens of the county of Crittenden in the State of Arkansas, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4284. Also, petition of Percy Marsh and numerous other citizens of Earl, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age

pensions of $30 to $50 a month; to the Committee on Ways and Means.

4285. Also, petition of O. Alexander and numerous other citizens of Jacksonville, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4286. Also, petition of M. P. Bobbitt and numerous other citizens of Ponta, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4287. Also, petition of William Taylor and numerous other citizens of the county of Alexander in the State of Illinois, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4288. Also, petition of Robert Griffin and numerous other citizens of Cairo, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pension of $30 to $50 a month; to the Committee on Ways and Means.

4289. Also, petition of M. May and numerous other citizens of Oakley, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pension of $30 to $50 a month; to the Committee on Ways and Means.

4290. Also, petition of B. B. Duncan and numerous other citizens of Madisonville, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4291. Also, petition of M. Y. Swope and numerous other citizens of Maniton, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4292. Also, petition of Gus Wiship and numerous other citizens of Dunnellon, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4293. Also, petition of Henry Ivory and numerous other citizens of the county of Brundidge in the State of Alabama, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4294. Also, petition of Calvin Jones and numerous other citizens of Brundidge, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4295. Also, petition of E. D. Green and numerous other citizens of Enterprise, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4296. Also, petition of Voltaire Baptiste and numerous other citizens of the county of Iberville in the State of Louisiana, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4297. Also, petition of Isac Baptiste and numerous other citizens of White Castle, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4298. Also, petition of A. Gibbs and other citizens of Goldonna, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4299. Also, petition of F. M. Walker and numerous other citizens of Dry Prong, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4300. Also, petition of V. O. Roberts and numerous other citizens of the county of Roosevelt, in the State of New Mexico, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4301. Also, petition of I. O. Harris and numerous other citizens of Portales, N. Mex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4302. Also, petition of A. G. Ammons and numerous other citizens of Prescott, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4303. Also, petition of H. J. Tompkins and numerous other citizens of Waldo, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4304. Also, petition of A. Z. Shipp and numerous other citizens of Rosston, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4305. Also, petition of J. S. Benson and numerous other citizens of Oakland, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4306. Also, petition of Merret M. Phillips and numerous other citizens of Montgomery, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4307. Also, petition of Charley Calcote and numerous other citizens of Hamburg, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4308. Also, petition of Monroe Johnson and numerous other citizens of Leesdale, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4309. Also, petition of Jeff McGill and numerous other citizens of the county of Marion in the State of Florida, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4310. Also, petition of A. G. Fleming and numerous other citizens of the county of Coffee in the State of Alabama, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4311. Also, petition of Anderson Tellie and numerous other citizens of the county of Yalobusha in the State of Mississippi, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4312. Also, petition of R. S. Canterbury and numerous other citizens of the county of Montgomery in the State of Alabama, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4313. By Mr. SHANLEY: Petition of Rolfe E. Rowe, town clerk, Bristol, Conn.; to the Committee on the Judiciary.

4314. By Mr. SMITH of Connecticut: Resolution adopted by the City Council of Bristol, Conn., memorializing Congress to proclaim October 11, General Pulaski's Memorial Day; to the Committee on the Judiciary.

4315. By Mr. TRUAX: Petition of Edith Obetz and other citizens of Columbus, Ohio, stating that they will be seri-

ously harmed if either of the public-utility bills introduced in Congress February 6, 1935, becomes a law, as these bills are unfair, unwise, unnecessary, and discriminatory; to the Committee on Interstate and Foreign Commerce.

4316. Also, petition of F. E. Bussdieker and other citizens of Toledo, Ohio, urging Congress to pass the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

4317. Also, petition of J. C. Sloan and other citizens of Toledo, Ohio, urging the Government of the United States to pass a bill obligating itself to pay every citizen of said Government, whose record is free of habitual criminality and who has attained the age of 60 years, a monthly pension of $200 until the end of his life upon the sole condition that he agree, under oath, to spend the entire amount of the pension within the confines of the United States during the current month in which it is received; to the Committee on Ways and Means.

4318. Also, petition of Gertrude S. Cook and other citizens of Columbus, Ohio, stating that they will be seriously harmed if either of the public-utility bills introduced in Congress February 6, 1935, becomes a law, as these bills are unfair, unwise, unnecessary, and discriminatory; to the Committee on Interstate and Foreign Commerce.

4319. Also, petition of the Newburg Branch of the Townsend Old-Age Pensions Organization, by their president, James H. Rose, and secretary, Hugh E. Smith, Cleveland, Ohio, urging Congressman TRUAX to sign the petition to bring the McGroarty bill out of committee; to the Committee on Ways and Means.

4320. By Mr. WHITE: Memorial of the Idaho State Legislature, urging the Congress of the United States to give early and favorable consideration to such legislation as will bring about the full and immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

4321. By Mr. WIGGLESWORTH: Petition of City Council of Brockton, Mass., urging Congress to enact legislation that will permit of the paying of workingmen's compensation to any person suffering injuries or death while working on Emergency Relief Administration projects; to the Committee on Appropriations.

4322. By the SPEAKER: Petition of the Roosevelt League of the city of Cleveland, Ohio; to the Committee on Labor.

4323. Also, petition of the city of Gillespie, Ill.; to the Committee on the Judiciary.

4324. Also, petition of the village of Roseville, Mich.; to the Committee on the Judiciary.

4325. Also, petition of the city of Akron, Ohio; to the Committee on the Judiciary.

4326. Also, petition of La Jolla Townsend Club, La Jolla, Calif.; to the Committee on Ways and Means.

4327. Also, petition of the Golden Hill Townsend Club No. 53, San Diego, Calif.; to the Committee on Ways and Means.

4328. Also, petition of the Five Point Branch, Unemployment Council, Denver, Colo.; to the Committee on Labor.

4329. Also, petition of the Merchant Tailors Society, of the city of New York; to the Committee on Banking and Currency.

4330. Also, petition of the code administrative agency of western Pennsylvania; to the Committee on Labor.

4331. Also, petition of the Idaho State Association of Bank Depositors; to the Committee on Banking and Currency.

4332. By Mr. ANDREWS of New York: Petition containing 40 names protesting against enactment of the holding-company bill; to the Committee on Interstate and Foreign Commerce.

4333. By Mr. ANDREW of Massachusetts: Petition signed by W. J. Donais and 92 other residents of Merrimac, Mass., and vinicity, favoring the Townsend plan for old-age pensions; to the Committee on Ways and Means.

4334. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, urging Congress to enact tariffs to protect the agricultural industry; to the Committee on Ways and Means.

4335. By Mr. WOLCOTT: Petition of Mabel Evans of Akron, Mich., and 27 other resident of Tuscola County, Mich., urging the prompt enactment of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

4336. By Mr. BERLIN: Petition of Groups Nos. 124 and 65, of the Polish National Alliance of the United States of North America, with local headquarters at East Vandergrift and New Kensington, Pa., respectively, that House Joint Resolution No. 81 or Senate Joint Resolution No. 11, directing the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day, be enacted; to the Committee on the Judiciary.

4337. Also a petition of the Council of the City of Monessen, Pa., urging that the Congress of the United States pass, and the President of the United States approve, if passed, the General Pulaski's Memorial Day resolution now pending; to the Committee on the Judiciary.

SENATE

TUESDAY, MARCH 19, 1935

(Legislative day of Wednesday, Mar. 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, March 18, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed a bill (H. R. 5322) authorizing the President of the United States to present in the name of Congress a medal of honor to Maj. Gen. Adolphus Washington Greely, in which it requested the concurrence of the Senate.

REPORT OF AMERICAN WAR MOTHERS

The VICE PRESIDENT laid before the Senate a report, submitted pursuant to law, of the American War Mothers for the year ended October 1, 1934, which was referred to the Committee on Military Affairs.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following resolution of the Senate of Puerto Rico, which was referred to the Committee on Territories and Insular Affairs:

I, Enrique Gonzalez Mena, secretary of the Senate of Puerto Rico, do hereby certify that the following resolution was unanimously approved by the Senate of Puerto Rico on March 11, 1935:

"Resolution to request His Excellency the President of the United States, the Honorable Franklin Delano Roosevelt; the President of the Senate and the Speaker of the House of Representatives of the United States; the Chairman of the Committee on Territories and Insular Possessions of the Senate of the United States; the Chairman of the Committee on Insular Affairs of the House of Representatives of the United States; the Secretary of the Interior, the Honorable Harold L. Ickes, and the Resident Commissioner of Puerto Rico in Washington, the Honorable Santiago Iglesias, that approval be given to the legislation introduced in the Congress of the United States amending the organic act of Puerto Rico in the sense that the municipal bond issues to carry out self-liquidating projects be not charged against the borrowing capacity of the municipalities, and for other purposes

"Whereas a bill has been introduced in the Congress of the United States, providing an amendment to the effect that the bond issues of the municipalities of Puerto Rico to carry out self-liquidating projects be not charged against their borrowing capacity;

"Whereas such legislative measure, if definitely approved, would redound to the great benefit of the municipalities of Puerto Rico and would be of great use in improving the economic conditions thereof: Now, therefore, be it

"Resolved by the Senate of Puerto Rico, First: To request from His Excellency the President of the United States, the Honorable Franklin Delano Roosevelt; the President of the Senate and the Speaker of the House of Representatives of the United States; the Chairman of the Committee on Territories and Insular Possessions of the Senate of the United States; the Chairman of the Committee on Insular Affairs of the House of Representatives of the United States; the Secretary of the Interior, the Honorable Harold L. Ickes, and the Resident Commissioner of Puerto Rico in Washington, the Honorable Santiago Iglesias, the approval of the legislation introduced in the Congress of the United States amending

the organic act of Puerto Rico in the sense that the bonds issued by the municipalities to carry out self-liquidating projects should not be charged against their borrowing capacity."

For transmittal to His Excellency the President of the United States, the Honorable Franklin Delano Roosevelt, I have hereunto set my hand and caused to be affixed the seal of the Senate of Puerto Rico on this 12th day of March 1935.

ENRIQUE GONZALEZ MENA,
Secretary of the Senate.

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of the State of New Jersey, memorializing Congress to enact legislation directed against mob violence and lynching, which was ordered to lie on the table.

(See joint resolution printed in full when presented today by Mr. BARBOUR, p. 3926.)

The VICE PRESIDENT also laid before the Senate a resolution adopted by the Idaho Association of Bank Depositors, assembled at Boise, Idaho, favoring the enactment of Senate bill 1774, known as the Pope bill, providing for the abatement and refunding of all Federal taxes assessed against or paid by National and State banks since January 1, 1918, that have since then become insolvent, to be paid to the qualified receivers of such insolvent banks for distribution to the unpaid depositors thereof, which was referred to the Committee on Banking and Currency.

He also laid before the Senate petitions of sundry citizens of the States of Mississippi, Tennessee, Texas, and Virginia, praying for the enactment of old-age-pension legislation, which were referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by the City Council of San Diego; Townsend Clubs No. 4, of Long Beach, and No. 27, of San Diego, all in the State of California, and the Townsend Club of Strawberry Point, Iowa, favoring the adoption of the so-called "Townsend old-age-pension plan", which were referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Cleveland (Miss.) Chamber of Commerce, opposing the ratification of the Great Lakes-St. Lawrence Deep Waterway Treaty, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution adopted by the United Front Committee of Russian Workers in America, New York City, N. Y., protesting against the enactment of alien and sedition legislation that might tend to suppress civil rights, which was referred to the Committee on Immigration.

He also laid before the Senate a resolution adopted by Chapter No. 4, National Veterans' Association, of Minneapolis, Minn., favoring the enactment of House bill 5173, providing a national charter for the National Veterans' Association, which was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution adopted by citizens of Milford, N. H., favoring the enactment of legislation, or other appropriate action, requiring that granite be used in the construction of public buildings under the public-works program, which was referred to the Committee on Public Buildings and Grounds.

He also laid before the Senate resolutions adopted by the Town Council of Smithfield, R. I., and the Common Council of Naugatuck, Conn., favoring the enactment of pending legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which were ordered to lie on the table.

Mr. MALONEY presented resolutions adopted by the Common Councils of the Cities of Bristol and Naugatuck, in the State of Connecticut, favoring the enactment of pending legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which were ordered to lie on the table.

Mr. WALSH presented a resolution of the Somerville (Mass.) Board of Trade, opposing the adoption of proposed amendments of the Agricultural Adjustment Act, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by the Board of Selectmen of Wakefield, Mass., favoring removal of the transient camp under the E. R. A. from Camp Curtis Guild, or vesting camp officials with the power to discipline offending or criminal transients sheltered at the camp, which was referred to the Committee on Finance.

He also presented a resolution of Revere Post, No. 61, the American Legion, of Revere, Mass., favoring the enactment of legislation providing for the immediate payment of adjusted-service certificates of World War veterans as proposed in the so-called "Vinson bill", which was referred to the Committee on Finance.

He also presented a resolution of the Jeannette (Pa.) Chamber of Commerce opposing the ratification of the Great Lakes-St. Lawrence Deep Waterway Treaty, which was referred to the Committee on Foreign Relations.

He also presented a resolution of the Board of Directors of the Somerville (Mass.) Board of Trade, protesting against the enactment of legislation to provide for the control and elimination of public-utility holding companies, operating or marketing securities, in interstate and foreign commerce, etc., which was referred to the Committee on Interstate Commerce.

He also presented a letter in the nature of a petition from the Central Council of Irish County Associations, Boston, Mass., praying for the enactment of legislation providing for the issuance of a postage stamp commemorating the one hundred and fiftieth anniversary of Commodore Jack Barry of the Navy, which was referred to the Committee on Post Offices and Post Roads.

He also presented resolutions adopted by the Senate of the State of Massachusetts, favoring the enactment of the joint resolution (H. J. Res. 117) making appropriations for relief purposes, with the so-called "Hayden highway amendment" embodied therein, which were ordered to lie on the table.

(See resolutions printed in full when laid before the Senate by the Vice President on the 15th instant, p. 3689, CONGRESSIONAL RECORD.)

Mr. SHIPSTEAD presented a concurrent resolution of the Legislature of the State of Minnesota, favoring the making of an appropriation of at least $125,000 for the use of destitute school districts in Minnesota, etc., which was referred to the Committee on Education and Labor.

(See concurrent resolution printed in full when laid before the Senate by the Vice President on the 18th instant, p. 3798, CONGRESSIONAL RECORD.)

Mr. SHIPSTEAD also presented a concurrent resolution of the Legislature of the State of Minnesota, favoring the enactment of legislation providing that the several States may have power to tax sales and gross income arising from interstate commerce, which was referred to the Committee on Interstate Commerce.

(See concurrent resolution printed in full when laid before the Senate by the Vice President on the 12th instant, p. 3428, CONGRESSIONAL RECORD.)

Mr. SHIPSTEAD also presented a concurrent resolution of the Legislature of the State of Minnesota, favoring the prompt enactment of antilynching legislation, which was ordered to lie on the table.

(See concurrent resolution printed in full when laid before the Senate by the Vice President on the 12th instant, p. 3428, CONGRESSIONAL RECORD.)

Mr. BARBOUR presented the following joint resolution of the Legislature of the State of New Jersey, which was ordered to lie on the table:

Assembly Joint Resolution 3

Joint resolution memorializing the Congress of the United States to adopt measures directed against mob violence and lynching

Whereas in many sections of the United States crimes of violence are rapidly increasing both in numbers and in seriousness; and

Whereas one of the most deplorable types of crime is the wanton destruction of human life, public and private property by mobs under so-called "lynch law"; and

Whereas such crimes strike at the very fundamentals of our constitutional rights and our system of democratic government, tending, if unchecked, to result in an absolute disregard for and defiance of duly constituted agencies charged with the protection of life and property, and with the proper enforcement of our criminal laws; and

Whereas a continual disregard of the taking of human life and the destruction of property by irresponsible individuals banded together under the influence of excitement to usurp the preroga-

tives of legal agencies devoted to the apprehension, prosecution, and punishment of criminals, can but encourage the rising tide of violence; and

Whereas a stable government can only be maintained where the courts, operating under due process of law, shall be the only agency or power permitted to deprive any citizen of his constitutional rights to life and liberty; and

Whereas we firmly believe that this unfortunate situation can be best curtailed and eradicated through the power of our Federal Government. Therefore be it

Resolved by the Senate and General Assembly of the State of New Jersey—

1. That the Congress of the United States now in session be memorialized and requested to as speedily as possible adopt and pass some remedial measure, and to take such other action as may be necessary, fit, and proper to curtail as far as possible under Federal laws this growing national evil of mob violence and lynching, to the end that everyone in the United States of America may be accorded and guaranteed full protection of life, liberty, and property under our Constitution; be it further

Resolved, That copies of this joint resolution be transmitted to the Vice President of the United States, to the Speaker of the House of Representatives, and to the Senators and Representatives in the Congress of the United States from the State of New Jersey.

2. This joint resolution shall take effect immediately.

Mr. BAILEY presented a joint resolution of the Legislature of the State of North Carolina, opposing the enactment of the so-called "Flannagan bill", relating to Government grading of tobacco, which was referred to the Committee on Agriculture and Forestry.

(See joint resolution printed in full when laid before the Senate by the Vice President on the 18th instant, p. 3797, CONGRESSIONAL RECORD.)

Mr. BAILEY also presented a joint resolution of the Legislature of the State of North Carolina, favoring the enactment of legislation providing for the retirement of a pro rata part of the bonded indebtedness of Hyde County, N. C., in certain lands purchased by the Federal Government in that county, which was referred to the Committee on Public Lands and Surveys.

(See joint resolution printed in full when laid before the Senate by the Vice President on the 14th instant, pp. 3589–3590, CONGRESSIONAL RECORD.)

Mr. BAILEY also presented a joint resolution of the Legislature of the State of North Carolina, favoring the enactment of the joint resolution (H. J. Res. 117) making appropriations for relief purposes, as proposed by the President of the United States, which was ordered to lie on the table.

(See joint resolution printed in full when presented by Mr. REYNOLDS on the 15th instant, pp. 3702–3703, CONGRESSIONAL RECORD.)

Mr. NORBECK presented the following concurrent resolutions of the Legislature of the State of South Dakota, which were referred to the Committee on Finance:

House Concurrent Resolution 6

A concurrent resolution memorializing the Federal Government to act immediately making it possible for State legislatures now in session throughout the Union to pass old-age-pension laws to conform with the Federal law

Whereas there is a great demand on the part of the people for an old-age pension; and

Whereas President Franklin D. Roosevelt has conceded the need of such legislation; and

Whereas the Congress of the United States is now in session and has not as yet enacted such a law to provide security for the needy aged: Now, therefore, be it

Resolved by the House of Representatives of the State of South Dakota (the senate concurring), That the Seventy-fourth Congress enact without unnecessary delay an adequate old-age-pension law, to be financed by the Federal Government, or by the Federal Government and the States jointly; and be it further

Resolved, That a copy of this resolution be sent to each Representative and Senator from South Dakota now in Washington, D. C.

House Concurrent Resolution 7

A concurrent resolution memorializing the Congress of the United States to provide for the immediate cash payment of the adjusted-service certificates

Whereas the immediate cash payment of the adjusted-service certificates will increase tremendously the purchasing power of millions of the consuming public, distributed uniformly through the Nation; and will provide relief for the holders thereof who are in dire need and distress because of the present unfortunate economic conditions; and will lighten immeasurably the burden which the cities, counties, and States are now required to carry for relief; and

Whereas the payment of said certificates will not create any additional debt, but will discharge and retire an acknowledged contract obligation of the Government: Now, therefore, be it

Resolved by the House of Representatives of the State of South Dakota (the senate concurring), That since the Government of the United States is now definitely committed to the policy of spending additional sums of money for the purpose of hastening recovery from the present economic crisis, this legislature recommends the immediate cash payment at face value of the adjusted-service certificates; and be it further

Resolved, That copies of this resolution be sent to the Congress of the United States, and to the Senators and Representatives in Congress from the State of South Dakota, who are urged to continue their active support of this proposal.

INCREASED WEIGHT OF TRUCKS ON HIGHWAYS

Mr. NORBECK. For the information of the Senate, I present a letter from Mr. B. E. Hepperle, secretary of the South Dakota Railroads Association, Aberdeen, S. Dak., with resolution adopted by several boards of county commissioners in South Dakota, which I ask leave to have printed in the RECORD and appropriately referred.

There being no objection, the matter was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

ABERDEEN, S. DAK., *March 13, 1935.*

Hon. PETER NORBECK,
United States Senate, Washington, D. C.

DEAR MR. NORBECK: Enclosed find copy of House Concurrent Resolution No. 9 passed by our legislature which has just adjourned, also copy of resolution passed by the boards of county commissioners at their meeting which was held the 28th day of February 1935, at Pierre.

Having been present at the open meeting of the boards, I am safe in saying that they are also as much interested in regulation of interstate traffic on highways as they were in regard to the resolution they passed on the increased weight on trucks. They did not, however, pass a resolution regarding same.

Yours truly,

SOUTH DAKOTA RAILROADS ASSOCIATION,
By B. E. HEPPERLE, *Secretary.*

RESOLUTION BY BOARDS OF COUNTY COMMISSIONERS

Be it resolved (by the county commissioners, present from the counties of Custer, Fall River, Minnehaha, Beadle, Faulk, Kingsbury, Haakon, Hand, Spink, Aurora, Lyman, Codington, Davison, Mellette, Brookings, Douglas, Butte, Jackson, Day, Pennington, Tripp, Gregory, Grant, Turner, Miner, Moody, Lake, Potter, Charles Mix, Buffalo, and Hamlin, at their meeting at the State capital at Pierre, that was held on February 28, 1935), That Senate bill no. 133, which would increase the weight of trucks, single unit to 24,000 pounds and combination of units to 30,000 pounds, should be killed in the house, in order to protect the highways of this State. Trucks are large enough now, considering private-car drivers, and other forms of transportation, on the farm roads and highways.

REPORTS OF COMMITTEES

Mr. BURKE, from the Committee on Claims, to which was referred the bill (S. 952) for the relief of Zelma Halverson, reported it with an amendment and submitted a report (No. 342) thereon.

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the bill (H. R. 816) for the relief of Logan Mulvaney, reported it without amendment and submitted a report (No. 343) thereon.

Mr. TRAMMELL, from the Committee on Naval Affairs, to which was referred the bill (S. 95) to provide for the carrying at reduced rates of officers and enlisted men of the military and naval forces while on leave of absence or furlough at their own expense, reported it without amendment and submitted a report (No. 344) thereon.

He also, from the same committee, to which was referred the bill (S. 884) for the relief of Lt. Comdr. G. C. Manning, reported it with an amendment and submitted a report (No. 345) thereon.

Mr. SCHALL, from the Committee on Indian Affairs, to which was referred the bill (S. 1494) to amend an act entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims", approved May 14, 1926 (44 Stat. L. 555), reported it without amendment and submitted a report (No. 346) thereon.

Mr. NORBECK, from the Committee on Indian Affairs, to which was referred the bill (S. 2241) to authorize an appropriation to carry out the provisions of the act of May 3, 1928

(45 Stat. L. 484), reported it without amendment and submitted a report (No. 347) thereon.

Mr. SCHWELLENBACH, from the Committee on Military Affairs, to which was referred the bill (H. R. 829) granting 6 months' pay to Hester Hamilton, reported it without amendment and submitted a report (No. 348) thereon.

Mr. CAREY, from the Committee on Military Affairs, to which was referred the bill (S. 363) to increase the efficiency of the Veterinary Corps of the Regular Army, reported it with an amendment and submitted a report (No. 349) thereon.

Mr. METCALF, from the Committee on Finance, to which was referred the resolution (S. Res. 104) authorizing the United States Tariff Commission to investigate differences in the costs of production of cotton manufactures under paragraphs 903 and 904 of the Tariff Act of 1930, reported it without amendment.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McADOO:

A bill (S. 2295) for the relief of the estate of Martin J. Wade; to the Committee on Claims.

A bill (S. 2296) to reduce the interest rate on delinquent taxes; to the Committee on Finance.

A bill (S. 2297) to amend section 17, as amended, of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898; to the Committee on the Judiciary.

By Mr. RADCLIFFE:

A bill (S. 2298) for the relief of Sallie S. Twilley; to the Committee on Claims.

By Mr. HALE:

A bill (S. 2299) for the relief of Thomas A. Sears (with accompanying papers); to the Committee on Naval Affairs.

By Mr. SHIPSTEAD:

A bill (S. 2300) to extend the times for commencing and completing the construction of a bridge across the Rainy River at or near Baudette, Minn.; to the Committee on Commerce.

By Mr. WAGNER:

A bill (S. 2301) granting the consent of Congress to agreements or compacts between any two or more States with respect to the duplication and evasion of State and local tax laws; to the Committee on Finance.

By Mr. FLETCHER:

A bill (S. 2302) to provide for the manufacture of citrus-fruit brandy and the use of such brandy in the fortification of citrus wines, and for other purposes; to the Committee on Finance.

By Mr. BAILEY:

A bill (S. 2303) to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended and supplemented; to the Committee on the Judiciary.

By Mr. THOMAS of Oklahoma:

A bill (S. 2304) granting a pension to Samuel Gwartney (with accompanying papers); and

A bill (S. 2305) granting an increase of pension to Annie R. C. Owen; to the Committee on Pensions.

By Mr. TYDINGS and Mr. RADCLIFFE:

A joint resolution (S. J. Res. 87) authorizing the restoration and preservation of the frigate *Constellation*, and making Baltimore, Md., her home port; to the Committee on Naval Affairs.

CHANGES OF REFERENCE

On motion of Mr. NEELY, the Committee on Pensions was discharged from the further consideration of the following bills, and they were each referred to the Committee on Finance:

S. 1031. A bill granting a pension to Silman G. Brogan; and

S. 2109. A bill granting a pension to Hazel Chalk.

HOME-MORTGAGE RELIEF—AMENDMENTS

Mr. ROBINSON submitted two amendents intended to be proposed by him to the bill (H. R. 6021) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes, which were referred to the Committee on Banking and Currency and ordered to be printed.

WORK-RELIEF PROGRAM—AMENDMENT

Mr. AUSTIN submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was ordered to lie on the table and to be printed, as follows:

At the proper place in the bill to insert the following new section:

"SEC. —. Public projects, Federal, State, or municipal, undertaken pursuant to this joint resolution shall be selected and planned so that when completed they shall not compete with existing private enterprises."

AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. POPE submitted an amendment intended to be proposed by him to House bill 6223, the Interior Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 68, line 18, strike out "$80,000" and insert in lieu thereof "$100,000"; on page 68, line 19, strike out "$499,000", insert in lieu thereof "$669,000."

On page 69, line 8, strike out "$110,400", insert in lieu thereof "$210,400"; page 69, line 9, strike out "$27,600", insert in lieu thereof "$32,600"; page 69, line 21, strike out "$2,500", insert in lieu thereof "$12,000"; page 69, line 24, strike out "$18,800", insert in lieu thereof "$23,800"; page 69, line 25, strike out "$128,860", insert in lieu thereof "$288,860."

On page 70, line 15, strike out "$3,000", insert in lieu thereof "$6,000"; page 70, line 18, strike out "$122,866", insert in lieu thereof "$222,866"; page 70, line 19, strike out "$17,500", insert in lieu thereof "$22,500."

On page 71, line 5, strike out "$145,450", insert in lieu thereof "$195,450"; page 71, line 6, strike out "$13,140", insert in lieu thereof "$16,500"; page 71, line 15, strike out "$67,690", insert in lieu thereof "$87,690."

On page 72, line 10, strike out "$262,855", insert in lieu thereof "$275,855"; page 72, line 11, strike out "$210,000", insert in lieu thereof "$223,000."

FIRST DEFICIENCY APPROPRIATIONS

Mr. ADAMS. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of House bill 6644, being the deficiency appropriation bill.

The VICE PRESIDENT. Is there objection to the request of the Senator from Colorado to lay aside temporarily the pending unfinished business for the purpose of considering House bill 6644, the deficiency appropriation bill?

Mr. McNARY. I have no objection to that, but it would be better, I think, to have a roll call.

Mr. ROBINSON. I thought I would suggest the absence of a quorum after the deficiency bill had been taken up for consideration.

Mr. McNARY. I prefer to have a quorum.

Mr. ROBINSON. Very well. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Pope
Ashurst	Copeland	La Follette	Radcliffe
Austin	Costigan	Lewis	Reynolds
Bachman	Couzens	Logan	Robinson
Bailey	Cutting	Lonergan	Russell
Bankhead	Dickinson	McAdoo	Schall
Barbour	Dieterich	McCarran	Schwellenbach
Barkley	Donahey	McGill	Sheppard
Bilbo	Fletcher	McKellar	Shipstead
Black	Frazier	McNary	Smith
Bone	George	Maloney	Steiwer
Borah	Gerry	Metcalf	Thomas, Okla.
Brown	Gibson	Minton	Thomas, Utah
Bulkley	Glass	Moore	Townsend
Bulow	Guffey	Murphy	Trammell
Burke	Hale	Murray	Truman
Byrd	Harrison	Neely	Tydings
Byrnes	Hastings	Norbeck	Vandenberg
Capper	Hatch	Norris	Van Nuys
Carey	Hayden	Nye	Wagner
Clark	Johnson	O'Mahoney	Walsh
Connally	Keyes	Pittman	White

Mr. AUSTIN. I announce the absence of the Senator from Pennsylvania [Mr. DAVIS] because of illness, and ask that this announcement stand for the day.

Mr. LEWIS. I announce that the junior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the Senator from Wisconsin [Mr. DUFFY], the Senator from Oklahoma [Mr. GORE], the senior Senator from Louisiana [Mr. LONG], and the Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate. I ask that this announcement stand for the day.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

Is there objection to the request of the Senator from Colorado [Mr. ADAMS] to lay aside temporarily the pending unfinished business for the purpose of considering the deficiency appropriation bill, being House bill 6644?

There being no objection, the Senate proceeded to consider the bill (H. R. 6644), making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. ADAMS. I ask unanimous consent that the formal reading of the bill may be dispensed with and that the bill be considered for amendment, the amendments of the committee to be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will state the first amendment reported by the committee.

The first amendment of the Committee on Appropriations was, under the heading "Title I—General Appropriations—Legislative", on page 2, after line 15, to insert:

Capitol building: For the purchase and installation for the committee rooms of the Senate Committee on Appropriations of complete, improved ventilation, dehumidifying air-conditioning apparatus with automatically controlled ducts and water piping for the connection of the different units of such apparatus, and for all necessary structural alterations required for such installation, including personal services, advertising, traveling, and other necessary expenses incident thereto, $10,000, to be expended by the Architect of the Capitol without compliance with sections 3709 and 3744 of the Revised Statutes of the United States, to remain available until June 30, 1936.

The amendment was agreed to.

The next amendment was, under the heading "Independent Offices—California-Pacific International Exposition", on page 4, line 11, after the word "That" to strike out "the allowances" and insert "expenses", and in line 12, after the word "act" to insert "shall be on a per diem allowance basis in lieu of actual expenses and"; so as to read:

For the purpose of carrying into effect the provisions of the public resolution entitled "Joint resolution providing for the participation of the United States in the California-Pacific International Exposition to be held at San Diego, Calif., in 1935 and 1936; authorizing an appropriation therefor; and for other purposes", approved March 7, 1935, and for each and every object thereof, and within the limits of cost specified therein, $350,000, to remain available until June 30, 1936: *Provided*, That expenses for subsistence authorized by such act shall be on a per diem allowance basis in lieu of actual expenses and shall not exceed $5 per day for any person.

The amendment was agreed to.

The next amendment was, on page 5, after line 7, to insert:

FEDERAL POWER COMMISSION

Printing and binding: For additional printing and binding, Federal Power Commission, to remain available until June 30, 1936, $25,000.

The amendment was agreed to.

The next amendment was, on page 5, after line 11, to insert:

FEDERAL COMMUNICATIONS COMMISSION

Not to exceed $1,200 of the appropriation for the Federal Communications Commission for the fiscal year 1935 shall be available for the purchase of an additional tract of land containing approximately 10 acres adjacent to that now owned by the United States at Grand Island, Nebr., and for enclosing the same, for use in connection with the constant-frequency monitoring station located at said place, as authorized by the act approved May 25, 1934 (48 Stat. 805).

The amendment was agreed to.

The next amendment was, at the top of page 6, to insert:

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

The limitation under this head contained in the Independent Offices Appropriation Act, fiscal year 1935, on the maximum amount expendable for any one person for allowance for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (U. S. C., Supp. VII, title 5, sec. 118a), is hereby increased on an annual basis from $720 to $1,700, effective April 1, 1935.

The amendment was agreed to.

The next amendment was, under the subhead "National Archives", on page 6, line 22, after the figures "1936" to strike out "$458,000" and insert "$533,000", so as to read:

Salaries and expenses: For the Archivist and for all other authorized expenditures of the National Archives in performing the duties imposed by law, including personal services; supplies and equipment; purchase and exchange of books and maps; contract stenographic reporting services; purchase of newspapers, periodicals, and press clippings; travel expenses, including not to exceed $500 for the expenses of attendance at meetings concerned with the work of the National Archives; purchase, exchange, maintenance, and operation of motor vehicles, including not more than one passenger-carrying automobile for the official use of the National Archives; and all other necessary expenses, fiscal year 1936, $533,000, of which not to exceed $73,000 shall be immediately available.

The amendment was agreed to.

The next amendment was, on page 6, line 25, after the word "basis", to insert "in lieu of actual expenses", so as to make the proviso read:

Provided, That subsistence expenses payable under this appropriation shall be on a per diem allowance basis in lieu of actual expenses and shall not exceed $5 per day for any person.

The amendment was agreed to.

The next amendment was, on page 7, after line 8, to insert:

UNITED STATES TARIFF COMMISSION

The limitation under this head contained in the Independent Offices Appropriation Act, fiscal year 1935, on the maximum amount expendable for any one person for allowance for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (U. S. C., Supp. VII, title 5, sec. 118a), is hereby increased on an annual basis from $720 to $1,700, effective April 1, 1935.

The amendment was agreed to.

The next amendment was, on page 7, after line 21, to insert:

DISTRICT OF COLUMBIA

PUBLIC SCHOOLS

For the purchase of additional equipment for teaching commercial classes in the junior and senior high schools, to continue available until June 30, 1936, $15,000.

For the rehabilitation of the Adams Administration Building for use as an elementary-school building for instruction purposes, to continue available until June 30, 1936, $20,000.

The amendment was agreed to.

The next amendment was, under the heading "Department of Agriculture", on page 8, after line 11, to insert:

BUREAU OF BIOLOGICAL SURVEY

Salaries and expenses (control of predatory animals and injurious rodents): For an additional amount for control of predatory animals and injurious rodents, including the same objects specified under this head in the Agricultural Appropriation Act for the fiscal year 1935, $15,000.

The amendment was agreed to.

The next amendment was, under the subhead "Penal and correctional institutions", on page 11, line 22, after the figures "1936", to strike out the colon and "*Provided*, That the use of the annex by the Bureau of Prisons, Department of Justice, is hereby continued until otherwise provided by law", so as to read:

United States penitentiary, Leavenworth, Kans., buildings: For construction and repair of buildings, including the purchase and installation of machinery and equipment and all expenses incident thereto, to be expended so as to give the maximum amount of employment to inmates of the institution, $65,410, to remain available until June 30, 1936.

The amendment was agreed to.

The next amendment was, under the heading "Navy Department—Secretary's office", on page 14, after line 9, to insert:

Miscellaneous expenses: The limitation under this head contained in the Naval Appropriation Act for the fiscal year ending June 30, 1935, on the amount which may be expended for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (U. S. C., Supp. VII, title 5, sec. 118a), is hereby increased from $3,780 to $5,330 and the maximum allowance on an annual basis for any one person is increased from $450 to $900, effective April 1, 1935.

The amendment was agreed to.

The next amendment was, under the heading "Department of State—Foreign intercourse", on page 18, after line 13, to insert:

International Council of Scientific Unions and Associated Unions: To pay the annual share of the United States as an adhering member of the International Council of Scientific Unions and associated unions, as authorized by the act approved June 16, 1934, as follows: International Council of Scientific Unions, $19.30; International Astronomical Union, $617.60; International Union of Chemistry, $675; International Union of Geodesy and Geophysics, $2,316; International Scientific Radio Union, $154.40; International Union of Physics, $62.72; and International Geographical Union, $194.66; in all, fiscal year 1935, $4,039.68, together with such additional sums, due to increases in rates of exchange as may be necessary to pay in foreign currencies the contributions required by the statutes of each union.

The amendment was agreed to.

The next amendment was, on page 19, line 21, before the word "for" to strike out "and/or" and insert "and", so as to read:

International Monetary and Economic Conference, 1933-35, and General Disarmament Conference, Geneva, Switzerland, 1933-35: The unexpended balances of the appropriations "International Monetary and Economic Conference, 1933-35", and "General Disarmament Conference, Geneva, Switzerland, 1933-35", are hereby continued available until June 30, 1936, and are made available, in addition to the purposes for which they were appropriated, for the expenses of continued participation by the Government of the United States in the General Disarmament Conference and for participation in any naval conference which may be held under the provisions of the treaty between the United States, the British Empire, France, Italy, and Japan, agreeing to a limitation of naval armament, signed at Washington February 6, 1922, and of the treaty between the United States of America and other powers for the limitation and reduction of naval armament, signed at London April 22, 1930, and for any meetings or conservations in connection therewith; including personal services in the District of Columbia and elsewhere without reference to the Classification Act of 1923, as amended; stenographic reporting, translating, and other services by contract if deemed necessary, without regard to the provisions of section 3709 of the Revised Statutes U. S. C., title 41, sec. 5); rent; traveling expenses; purchase of necessary books, documents, newspapers, and periodicals; stationery; official cards; printing and binding; entertainment; hire, maintenance, and operation of motor-propelled, passenger-carrying vehicles; and such other expenses as may be authorized by the Secretary of State, including the reimbursement of other appropriations from which expenditures may be made for any of the purposes herein specified.

The amendment was agreed to.

The next amendment was, on page 21, after line 8, to strike out:

To Margoth Olsen von Struve (act of June 27, 1934, 18 Stat. 1465), $5,000.

The amendment was agreed to.

The next amendment was, under the heading "Treasury Department—Division of Supplies", on page 21, after line 12, to insert:

Printing and binding, Treasury Department: For an additional amount for printing and binding, Treasury Department, including the same objects specified under this head in the act making appropriations for the Treasury Department for the fiscal year 1935, $17,500.

The amendment was agreed to.

The next amendment was, on page 21, after line 22, to insert:

BUREAU OF CUSTOMS

Collecting the revenue from customs: The limitation under this head contained in the Treasury Department Appropriation Act for the fiscal year ending June 30, 1935, on the amount which may be expended for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (U. S. C., Supp. VII, title 5, sec. 118a), is hereby increased from $35,000 to $50,000, and the maximum allowance on an annual basis for any one person is increased from $720 to $1,700, effective April 1, 1935.

The amendment was agreed to.

The next amendment was, on page 23, after line 12, to insert:

PROCUREMENT DIVISION, PUBLIC WORKS BRANCH

General expenses of public buildings: For an additional amount for general expenses of public buildings, including the same objects specified under this head in the act approved March 15, 1934, making appropriations for the Treasury Department for the fiscal year 1935, $168,317.

The amendment was agreed to.

The next amendment was, on page 23, after line 18, to insert:

Rent of temporary quarters, public buildings: For an additional amount for rent of temporary quarters for the fiscal year 1935, including the same objects specified under this head in the Deficiency Appropriation Act, fiscal year 1934, approved June 19, 1934, $15,470.

The amendment was agreed to.

The next amendment was, on page 23, after line 23, to insert:

Furniture and furnishings for United States courthouse, New York, N. Y.: The Secretary of the Treasury is hereby authorized, out of the lump-sum appropriations available for sites and construction of Federal buildings under the act of May 25, 1926, as amended, to expend not to exceed $443,772 to provide the necessary furniture and furnishings for the United States courthouse, New York, N. Y., authorized by the act of March 4, 1931 (46 Stat., p. 1598), and the Director of Procurement, Treasury Department, is hereby authorized to make contracts after advertising and competitive bidding for the purchase of said furniture and furnishings and to make expenditures for services, supplies, material, and equipment, including the reconditioning of old furniture, and necessary travel and subsistence in connection with the purchase and inspection of commodities to be contracted for or purchased; and when deemed desirable or advantageous by him, the said Director of Procurement is authorized to employ by contract or otherwise, without regard to civil-service laws and regulations, such temporary outside professional or technical services as he may find necessary in furnishing those portions of the said building requiring special treatment, all within the total amount made available herein: *Provided*, That the cost of furniture and furnishings, except filing equipment in areas devoted exclusively to that purpose, shall be based upon the square-foot area of the rooms to be furnished, and shall not exceed the rates set forth herein, as follows: For district and appellate court rooms, $1.75 per square foot; judges' private and outer offices, United States commissioners' court rooms, and the law library, $1.50 per square foot; for all other space, $1 per square foot.

The amendment was agreed to.

The next amendment was, under the heading "War Department—Military activities", on page 25, after line 15, to insert:

Finance service: The limitation under this head contained in the War Department Appropriation Act for the fiscal year ending June 30, 1935, on the maximum amount expendable for allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (U. S. C., Supp. VII, title 5, sec. 118a), is hereby increased from $450 to $563, effective April 1, 1935.

The amendment was agreed to.

The next amendment was, on page 26, after line 7, to insert:

Incidental expenses: The limitation under this head contained in the War Department Appropriation Act for the fiscal year ending June 30, 1935, on the amount which may be expended for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (U. S. C., Supp. VII, title 5, sec. 118a), is hereby increased from $9,325 to $11,363, and the maximum allowance on an annual basis for any one person is increased from $450 to $900, effective April 1, 1935.

The amendment was agreed to.

The next amendment was, on page 28, line 8, after the figures "1936" and the comma, to strike out "$165,000" and insert "$225,000", so as to read:

United States High Commissioner to the Philippine Islands: For the establishment and maintenance of the office of the United States High Commissioner to the Philippine Islands as authorized by subsection 4 of section 7 of the act approved March 24, 1934 (48 Stat. 456), including salaries and wages; rental, furnishings, equipment, maintenance, renovation, and repair of office quarters and living quarters for the High Commissioner; supplies and equipment; purchase and exchange of law books and books of reference, periodicals, and newspapers; traveling expenses, including

for persons appointed hereunder within the United States and their families, actual expenses of travel and transportation of household effects from their homes in the United States to the Philippine Islands, utilizing Government vessels whenever practicable; purchase, operation, maintenance, and repair of motor vehicles, including not to exceed $4,500 for the purchase of three passenger-carrying automobiles, and all other necessary expenses, fiscal year 1936, $225,000, to be immediately available; of which amount not exceeding $10,000 shall be available for expenditure in the discretion of the High Commissioner for maintenance of his household and such other purposes as he may deem proper.

The amendment was agreed to.

The next amendment was, under the heading "Title II—Judgments and authorizezd claims—Damage claims", on page 29, line 7, after the word "in", to insert "Senate Document No. 35 and"; in line 10, after the name "Civil Works Administration", to strike out "$3,816.10" and insert "$4,250"; in line 14, after the name "Department of Commerce", to strike out "$1,011.35" and insert "$1,111.35"; in line 16, after the name "Department of Justice", to strike out "$180.46" and insert "$208.11"; in line 17, after the name "Navy Department", to strike out "$818.05" and insert "$846.55"; in line 21, after the name "War Department", to strike out "$26,527.36" and insert "$28,053.37"; in line 22, after the words "In all", to strike out "$43,695.67" and insert "$45,811.73", and in the same line, after the word "in", to strike out "such document" and insert "House Document No. 127, Seventy-fourth Congress", so as to read:

SECTION 1. For the payment of claims for damages to or losses of privately owned property adjusted and determined by the following respective departments and independent establishments under the provisions of the act entitled "An act to provide for a method for the settlement of claims arising against the Government of the United States in sums not exceeding $1,000 in any one case", approved December 28, 1922 (U. S. C., title 31, secs. 215–217), as fully set forth in Senate Document No. 35 and House Document No. 127, Seventy-fourth Congress, as follows:

Civil Works Administration, $4,250;
Farm Credit Administration, $50;
Veterans' Administration, $81.30;
Department of Agriculture, $6,699.30;
Department of Commerce, $1,111.35;
Department of the Interior, $2,882.66;
Department of Justice, $208.11;
Navy Department, $846.55;
Post Office Department (out of postal revenues), $280.11;
Treasury Department, $1,348.98;
War Department, $28,053.37;

In all, $45,811.73: *Provided*, That in House Document No. 127, Seventy-fourth Congress, the amount allowed in item 14, page 91, shall read "$125.20" instead of "$125", and the amount allowed in item 39, page 89, shall read "$106.59" instead of "$106.58."

The amendment was agreed to.

The next amendment was, under the subhead "Judgments, United States courts", on page 31, line 6, after the word "in", to insert "Senate Document No. 34 and"; in line 10, after the name "Navy Department", to strike out "$30,161.89" and insert "$79,978.18"; and in line 12, after the words "In all", to strike out "$43,331.87" and insert "$93,148.16", so as to read:

(b) For the payment of judgments, including costs of suits, rendered against the Government of the United States by United States District Courts under the provisions of an act entitled "An act authorizing suits against the United States in admiralty for damages caused by and salvage services rendered to public vessels belonging to the United States, and for other purposes", approved March 3, 1925 (U. S. C., title 46, secs. 781–789), certified to the Seventy-fourth Congress in Senate Document No. 34 and House Document No. 124, under the following departments, namely:

Department of Labor, $2,918.38;
Navy Department, $79,978.18;
War Department, $10,251.60;

In all, $93,148.16, together with such additional sum as may be necessary to pay interest, where specified in such judgments, at the rate provided by law.

The amendment was agreed to.

The next amendment was, under the subhead "Judgments, Court of Claims", on page 32, line 17, after the word "in", to insert "Senate Document No. 36 and"; in line 22, after the name "Navy Department", to strike out "$78,315.89" and insert "$86,814.05"; after line 23, to insert "Treasury Department, $6,782.84"; and on page 33, line 1, after the words "in all", to strike out "$165,803.06" and insert "$181,084.06", so as to read:

SEC. 3. (a) For payment of the judgments rendered by the Court of Claims and reported to the Seventy-fourth Congress in Senate Document No. 36 and House Document No. 123, under the following departments and establishments, namely: Department of Commerce, $10,360; Department of the Interior, $3,259.17; Navy Department, $86,814.05; Post Office Department, $8,956.91; Treasury Department, $6,782.84; War Department, $64,911.09; in all, $181,084.06, together with such additional sum as may be necessary to pay interest on certain of the judgments as and where specified in such judgments.

The amendment was agreed to.

The next amendment was, on page 44, after line 10, to insert:

(b) For the payment of the following claims, certified to be due by the General Accounting Office under appropriations the balances of which have been carried to the surplus fund under the provisions of section 5 of the act of June 20, 1874 (U. S. C., title 31, sec. 713), and under appropriations heretofore treated as permanent, being for the service of the fiscal year 1932 and prior years, unless otherwise stated, and which have been certified to Congress under section 2 of the act of July 7, 1884 (U. S. C., title 5, sec. 266), as fully set forth in Senate Document No. 37, Seventy-fourth Congress, there is appropriated as follows:

INDEPENDENT OFFICES

For Army pensions, $31.32.
For medical and hospital services, Veterans' Bureau, $4.50.
For salaries and expenses, Veterans' Bureau, $1.25.
For salaries and expenses, Veterans' Administration, $7.

DEPARTMENT OF COMMERCE

For air navigation facilities, $638.40.

DEPARTMENT OF THE INTERIOR

For education, Sioux Nation, $251.30.
For fulfilling treaties with Sioux of different tribes, including Santee Sioux of Nebraska, North Dakota, and South Dakota, $127.37.
For conservation of health among Indians, $85.68.

DEPARTMENT OF JUSTICE

For salaries and expenses, Bureau of Prohibition, $28.08.
For detection and prosecution of crimes, $3.
For pay of bailiffs, and so forth, United States courts, $10.
For miscellaneous expenses, United States courts, $300.
For fees of jurors and witnesses, United States courts, $3.

NAVY DEPARTMENT

For pay of the Navy, $28.

TREASURY DEPARTMENT

For salaries and expenses, Bureau of Narcotics, $1.
For pay and allowances, Coast Guard, $1,182.86.
For freight, transportation, etc., Public Health Service, $47.80.

WAR DEPARTMENT

For pay, etc., of the Army, $1,105.80.
For pay of the Army, $701.58.
For mileage of the Army, $18.50.
For increase of compensation, Military Establishment, $21.90.
For general appropriations, Quartermaster Corps, $297.13.
For supplies, services, and transportation, Quartermaster Corps, $71.40.
For arming, equipping, and training the National Guard, $5.
For Reserve Officers' Training Corps, $3.60.

POST OFFICE DEPARTMENT—POSTAL SERVICE

(Out of the postal revenues)

For railroad transportation and mail messenger service, $45.
Total, audited claims, section 4 (b), $5,020.47, together with such additional sum due to increases in rates of exchange as may be necessary to pay claims in the foreign currency as specified in certain of the settlements of the General Accounting Office.

The amendment was agreed to.

The VICE PRESIDENT. That completes the committee amendments.

Mr. ROBINSON. Mr. President, I offer an amendment and call it to the attention of the Senator from Colorado [Mr. ADAMS].

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 4, after line 13, it is proposed to insert the following:

DISTRICT OF COLUMBIA-VIRGINIA BOUNDARY COMMISSION

For the District of Columbia-Virginia Boundary Commission, including the same objects specified under this head in Public Resolution No. 3, approved February 13, 1935, $10,000, to continue available during the fiscal year 1936.

Mr. BORAH. Mr. President, what is the amendment? The clerk read so rapidly I could not understand it at all.

Mr. ROBINSON. It proposes an appropriation which, in effect, is designed to carry out the provisions of the House

joint resolution extending until December 1 the life of the District of Columbia-Virginia Boundary Commission.

Mr. BORAH. Very well.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. COPELAND. Mr. President, may I ask the Senator from Colorado if there will be another deficiency bill?

Mr. ADAMS. There will be.

Mr. COPELAND. The reason why I ask is that I have an item which I had intended to offer to the pending bill, but I do not find it on my desk. Inasmuch as there will be another deficiency bill I shall offer it to that bill.

Mr. BARKLEY. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. At the proper place it is proposed to insert the following:

American group of the Interparliamentary Union: In order to assist in meeting the expenses of the American group of the Interparliamentary Union during the fiscal year ending June 30, 1936, there is hereby appropriated the sum of $10,000, or so much thereof as may be necessary, such appropriation to be disbursed on vouchers to be approved by the President and the executive secretary of the American group.

Mr. ADAMS. Mr. President, I feel compelled to raise the point of order against the amendment because the appropriation it proposes is not authorized by committee action nor by statute.

Mr. BARKLEY. Mr. President, I hope the Senator will not make the point of order. The Interparliamentary Union is an organization of members of the various parliaments of the world which meets once a year in the capital of some European country to discuss international problems. For a number of years we made a similar appropriation and no objection was heard with reference to it. It enabled the American group to send a delegation to the annual international Conference. Two years ago the Congress declined to make the appropriation, and, as a result, since that time we have had practically no representation at all. It is rather unfair to expect Members of Congress to pay their own way to Europe and back on a purely public service to discuss international problems which arise in all the nations.

The coming sessions in Brussels will be in July, and one of the important questions to be discussed will be the matter of munitions and the relationship of each government to the manufacture and distribution of munitions. I have a feeling that such discussion would be very helpful to our country as well as the world in deciding what action shall be taken.

Mr. McNARY. Mr. President, may we have order? The Senator from Kentucky is speaking in a rather confidential way to the Senator from Colorado, and it is impossible for us to hear a word he is saying.

Mr. BARKLEY. I was seeking to persuade the Senator from Colorado not to make the point of order and therefore was directing my remarks to him. I apologize to the Senator from Oregon for depriving him of the pleasure of hearing what I was saying.

Mr. McNARY. I was unable to hear a word the Senator from Kentucky said.

Mr. BARKLEY. This is rather an insignificant appropriation.

Mr. ADAMS. Mr. President, I am here as a representative of the Committee on Appropriations. I have been instructed by that committee to do certain things. Would the Senator from Kentucky suggest that I should violate my instructions?

Mr. BARKLEY. I do not believe the Senator has any specific instructions with reference to this amendment.

Mr. ADAMS. No; but there are general instructions from the committee, formally adopted as shown by the records of the committee. I feel obligated to comply with them. If the Senator from Kentucky can absolve me in any way, I shall be willing to listen to him.

Mr. BARKLEY. The Senator from Arkansas [Mr. ROBINSON] was a delegate to the meeting last year. I should like to hear what he has to say with reference to the amendment.

Mr. ROBINSON. Mr. President, I think this is a meritorious appropriation. It is essential and particularly important, in view of the conditions and circumstances which have been stated by the Senator from Kentucky. I hope the point of order will not be made.

It is helpful, as I see it, that Members of our Congress have an opportunity to participate in the Interparliamentary Union discussions, and particularly advantageous that the opportunity be afforded during the present year. The subjects matter which will be discussed have a vital bearing upon the relations between nations. The whole purpose and effect of the organization is to promote and conserve international peace. I hope the Senator from Colorado will not make the point of order.

Mr. ADAMS. I think it will be conceded that the rule of the Appropriations Committee is a thoroughly sound rule. It is not a difficult matter to secure an estimate from the Bureau of the Budget and to have the item inserted in the next deficiency appropriation bill. If we violate the rule now, the next time the question shall arise in connection with an appropriation bill it will be said that the proposed item is for a good purpose and that the rule should be violated again.

Mr. ROBINSON. I realize the difficulty under which the Senator is proceeding. With the approval of the Senator from Kentucky I ask unanimous consent that the rule be suspended and that the amendment proposed by the Senator from Kentucky be considered in order.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas?

Mr. McNARY. Mr. President, I have no views in the matter so far as the appropriation is concerned, but if we are going to begin voiding the rules of the Senate by unanimous consent, we might as well tear the rule structure down and throw it away. For that reason I object.

The VICE PRESIDENT. Objection is heard. Does the Senator from Colorado insist on the point of order?

Mr. ADAMS. I feel compelled to do so.

The VICE PRESIDENT. The point of order is sustained.

Mr. LA FOLLETTE. Mr. President, on page 5 of the bill is a provision making an appropriation of "$60,000,000 from unobligated balances (to be designated by the President) under allocations from the appropriation of $525,000,000 for relief in stricken agricultural areas contained in the Emergency Appropriation Act, fiscal year 1935." This is for the purpose of providing for the authorization contained in the Stock Production Loan Act which passed Congress some weeks ago.

I assume, because the language was placed in the bill by the House, that there must be $60,000,000 available from unobligated balances, but in order to be certain I wish to ask the Senator from Colorado if he can give assurance to the effect that there does remain $60,000,000 of unobligated balances from the $252,000,000, so that there will be no question of the fund's being immediately available.

Mr. ADAMS. That is the information furnished to me.

The VICE PRESIDENT. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MEDAL OF HONOR FOR MAJ. GEN. ADOLPHUS WASHINGTON GREELY

Mr. ROBINSON. Mr. President, there has passed the House of Representatives a bill authorizing the President to confer on Maj. Gen. Adolphus Washington Greely a Congressional Medal of Honor. An identical bill has been reported by the Senate committee, and is now on the calendar. It is Calendar No. 348, Senate bill 1840. I ask unanimous consent for the present consideration of the Senate bill with a view to substituting the House bill for it.

Seventy-one years have passed since General Greely entered the Army. His service extended over a period of 47 years. His experience as a soldier, as an explorer, and as a scientist marks him as a notable and outstanding heroic citizen.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 1840) authorizing the President of the United States to present in the name of Congress a medal of honor to Maj. Gen. Adolphus Washington Greely.

Mr. ROBINSON. I move that the House bill be substituted for the Senate bill.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 5322) authorizing the President of the United States to present in the name of Congress a medal of honor to Maj. Gen. Adolphus Washington Greely, which was read twice by its title, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized to present in the name of Congress, a medal of honor to Maj. Gen. Adolphus Washington Greely, United States Army, retired, for his life of splendid public service, begun on March 27, 1844, having enlisted as a private in the United States Army on July 26, 1861, and by successive promotions was commissioned as major general February 10, 1906, and retired by operation of law on his sixty-fourth birthday.

The VICE PRESIDENT. Without objection, Senate bill 1840 will be indefinitely postponed.

Mr. ROBINSON. I ask unanimous consent that the report of the Senate committee on the Senate bill be printed in the RECORD in connection with my remarks.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The report (No. 337) submitted by Mr. SHEPPARD on the calendar day of March 18 is as follows:

The Committee on Military Affairs, to whom was referred the bill (S. 1840) authorizing the President of the United States to present in the name of Congress a medal of honor to Maj. Gen. Adolphus Washington Greely, having considered the same, report favorably thereon with a recommendation that it do pass.

A similar bill has been reported favorably by the House Military Affairs Committee, and has been passed by the House. The purpose of S. 1840 is to authorize the President to present in the name of Congress a medal of honor to Maj. Gen. Adolphus Washington Greely, United States Army, retired. This award is recommended because of his life of splendid public service. He enlisted as a private in the United States Army on July 26, 1861, and by successive promotions was commissioned as major general February 10, 1906. He retired by operation of law on his sixty-fourth birthday. On the 27th of this month General Greely will be 92 years of age.

The War Department has no objection to the enactment of S. 1840. Report of the Department on this measure follows:

MARCH 18, 1935.

Hon. MORRIS SHEPPARD,
Chairman Committee on Military Affairs,
United States Senate.

DEAR SENATOR SHEPPARD: Careful consideration has been given to the bill S. 1840, a bill authorizing the President of the United States to present in the name of Congress a medal of honor to Maj. Gen. Adolphus Washington Greely, which your committee transmitted to the War Department on February 16, 1935, for a report and the views of the War Department relative thereto.

The applicable provision of existing law on this subject is contained in the act of Congress approved July 9, 1918 (40 Stat. 870–872), and reads in part as follows:

"* * * That the provisions of existing law relating to the award of medals of honor to officers, noncommissioned officers, and privates of the Army be, and they hereby are, amended so that the President is authorized to present, in the name of Congress, a medal of honor only to each person who, while an officer or enlisted man of the Army, shall hereafter, in action involving actual conflict with an enemy, distinguish himself conspicuously by gallantry and intrepidity at the risk of his life above and beyond the call of duty."

The official records of the War Department show that Adolphus Washington Greely entered the military service on July 26, 1861, as private, Company B, Nineteenth Massachusetts Volunteer Infantry, and served continuously until March 27, 1908. By successive promotions he was commissioned as major general on February 10, 1906, and was retired from active service on March 27, 1908, with the rank of major general.

The official records further show that General Greely was awarded the Purple Heart and one oak-leaf cluster on account of wounds received in action June 30, 1862, and September 17, 1862.

The records show that as first lieutenant of cavalry he commanded the Lady Franklin Bay Expedition from June 20, 1881, sailing from St. Johns, Newfoundland, July 4, until rescued by the expedition under the command of Captain Schley, United States Navy, near Cape Sabine, June 22, 1884.

In view of the distinguished service rendered by General Greely, the Department has no objection to the enactment of the proposed legislation.

Sincerely yours,

GEO. H. DERN, *Secretary of War.*

House Report No. 210, Seventy-fourth Congress, first session, reporting H. R. 5322, a bill identical to S. 1840, favorably to the House, follows:

"The Committee on Military Affairs, to whom was referred the bill (H. R. 5322) authorizing the President of the United States to present in the name of Congress a medal of honor to Maj. Gen. Adolphus Washington Greely, having considered the same, submit the following report thereon with the recommendation that it do pass.

"The following is a statement of the military service of Gen. Adolphus Washington Greely:

"WAR DEPARTMENT,
"THE ADJUTANT GENERAL'S OFFICE,
"*Washington, January 28, 1935.*

"STATEMENT OF THE MILITARY SERVICE OF ADOLPHUS WASHINGTON GREELY

"Born in Newburyport, Mass., March 27, 1844. Appointed from Louisiana. Private, corporal, and first sergeant, Company B, Nineteenth Massachusetts Infantry, July 26, 1861, to March 18, 1863; second lieutenant, Eighty-first United States Colored Infantry, March 18, 1863; first lieutenant, Eighty-first United States Colored Infantry, April 14, 1864, captain, Eighty-first United States Colored Infantry, March 26, 1865; honorably mustered out, March 22, 1867; second lieutenant, Thirty-sixth United States Infantry, March 7, 1867; accepted, May 20, 1867; unassigned, May 19, 1869; transferred to Fifth Cavalry, July 14, 1869; first lieutenant, Fifth Cavalry, May 27, 1873; captain, June 11, 1886; brigadier general, Chief Signal Officer, March 3, 1887; accepted, March 8, 1887; major general, February 10, 1906; accepted, February 10, 1906; retired, March 27, 1908. (By operation of law, sec. 1, act June 30, 1882.)

"VOLUNTEER RECORD

"He entered the service as a private in Company B, Nineteenth Regiment Massachusetts Infantry, July 26, 1861; was promoted corporal, May 15, 1862, and first sergeant, January 1, 1863

"He served with his regiment in the Army of the Potomac until wounded at the Battle of Antietam, Md., September 17, 1862; was absent on account of wound to November 1862, and with his regiment to March 18, 1863, when he was mustered in as second lieutenant, Eighty-first United States Colored Troops; was promoted first lieutenant, April 26, 1864, and captain, April 4, 1865.

"He received the brevet of major of Volunteers, March 13, 1865, 'for faithful and meritorious services during the war.'

"He served with his regiment, Eighty-first United States Colored Infantry, in the Department of the Gulf (being on sick leave from Oct. 6 to Nov. 15, 1864) until his muster out of service, November 30, 1866, and was then retained in service on detached duty in New Orleans, La., to March 22, 1867, when honorably mustered out.

"REGULAR ARMY SERVICE

"He joined his company August 7, 1867, and served with it at Fort Bridger, Wyo., from August 7, 1867, to November 1867, and at Fort Douglas, Utah, to October 8, 1868; was on duty as acting signal officer, in the office of the Chief Signal Officer, Washington, D. C., to March 29, 1869, and as chief signal officer, Department of the Platte, to March 8, 1871. He joined the Fifth Cavalry, March 15, 1871, and served with it at Fort Laramie, Wyo., to July 15, 1871. He was on duty in the office of the Chief Signal Officer, Washington, D. C., from July 29, 1871, to June 19, 1881. While on this assignment he was absent on signal duty, tours of inspection, etc., as follows: February 17 to November 19, 1873; December 1, 1873, to August 25, 1874; September 28 to December 2, 1874; December 3, 1874, to March 13, 1875; in charge of military telegraph line, Denison, Tex., March 26, 1875, to May 24, 1876, and on leave of absence to November 24, 1876; February 5, 1877, to January 1878; at St. Paul, Minn., and Bismarck, Dakota Territory, June 6, 1878, to January 6, 1879. He commanded the Lady Franklin Bay Expedition from June 20, 1881, sailing from St. Johns, Newfoundland, July 4, until rescued by the expedition under the command of Captain Schley, United States Navy, near Cape Sabine, June 22, 1884; landed at St. Johns, Newfoundland, July 17, 1884; on temporary duty at Portsmouth, N. H., August 1 to October 6, 1884, and was on sick leave to November 22, 1884, when he returned to duty in the office, Chief Signal Officer, Washington, D. C., where he served until December 13, 1886; in charge of the office of the Chief Signal Officer, to March 7, 1887; Chief Signal Officer and in charge of War Department library, March 8, 1887, to February 10, 1906, being on various occasions on detached service abroad. He visited Cuba, March 25 to April 11, 1899; attended a meeting of the National Geographic Society at Berlin, Germany, September 14 to October 14, 1899; in the Philippine Islands, Japan, England, and France on special service, May 24 to November 7, 1901; Alaska, in connection with Alaska cable, June 27 to August 15, 1902; in London, England, attending International Telegraphic Congress, May 12 to June 14, 1903; Berlin, Germany, conference on wireless telegraphy, July 22 to August 29, 1903; in Alaska and Ottawa, Canada, June 14 to August 15, 1904; Berlin, Germany, on public business, August 20 to September 7, 1904.

"He was frequently on detached service to various points in the United States in connection with the duties of his office, the

installation of electrical equipment for the use of the Army, and the laying of cables.

"Following his appointment as a major general he was on special duty in the office of the Chief of Staff to February 13, 1906; commanding the Division of the Pacific, March 9, 1906, to (temporarily commanding the Department of Columbia, July 24 to Aug. 3, 1906, and the Department of California, July 26 to Aug. 2, 1906) August 7, 1906; on leave of absence to September 9, 1906; commanding the Northern Division at St. Louis, Mo., from September 16, 1906, to (temporarily commanding Department of Dakota, Sept. 16 to Oct. 2, 1906; Department of Missouri, Oct. 3–29, 1906; Department of Missouri, Dec. 5, 1906, to May 21 1907) November 13, 1906. He was in charge of the relief work of the Army following the San Francisco earthquake after April 22, 1906. He was in command of the Northern Division, Chicago, Ill., to July 7, 1907; Vancouver Barracks, Wash., commanding Department of Columbia, to December 10, 1907; St. Paul, Minn., commanding the Department of Dakota, December 11–24, 1907; on leave of absence from December 25, 1907, to the date of his retirement.

"He was designated to represent the War Department to assist His Excellency John Hays Hammond, Ambassador Extraordinary, at the coronation of King George V of England, in June 1911.

"General Greely was awarded the Purple Heart with oak-leaf cluster on account of wounds received in action June 30, 1862, at Battle of Glendale, Va., and September 17, 1862, at Battle of Antietam, Md., while serving as a corporal, Company B, Nineteenth Regiment of Massachusetts Volunteer Infantry. Silver coronation medal of Great Britain, 1911.

"General Greely is still on the retired list of the Army. Latest address, 3131 O Street NW., Washington, D. C.

"By authority of the Secretary of War.

"[SEAL] JAMES F. MCKINLEY,
"Major General,
"The Adjutant General."

The following, concerning Maj. Gen. Adolphus Washington Greely, is taken from Who's Who in America, 1934-35, volume 18:

"Maj. Gen. Adolphus Washington Greely, United States Army; born Newburyport, Mass., March 27, 1844; son of John Balch and Frances (Cobb) Greely; graduated Newburyport High School, 1860; married Henrietta H. S. Nesmith, June 20, 1878; children—Antoinette, Adola, John Nesmith, Rose Ishbel, Adolphus W., Gertrude Gale. Served in Civil War, 1861–65, private to captain, and received the brevet of major of volunteers (thrice wounded); appointed second lieutenant Thirty-sixth United States Infantry, March 7, 1867; first lieutenant, Fifth Cavalry, May 27, 1873; captain, June 11, 1886; brigadier general, Chief Signal Officer, United States Army, March 3, 1887; major general, February 10, 1906. First volunteer private soldier of Civil War to reach grade of brigadier general, United States Army. Constructed 2,000 miles military telegraph in Texas, Dakota, and Montana, 1876–79; in pursuance of recommendation of Hamburg International Geographical Congress (1879) was placed, 1881, in command of United States expedition to establish 1 of a chain of 13 circumpolar stations, his party of 25 reached farther north (83°24') than any previous record; discovered new land north of Greenland and crossed Grinnell Land to the Polar Sea; two relief expeditions failed to reach the party, which retreated south to Cape Sabine, where relief still failing, the party largely perished of starvation, only seven survivors being found by third expedition under Capt. Winfield S. Schley

"During military operations abroad (1898–1902) there were built and operated under his direction 1,000 miles of telegraph in Puerto Rico, 3,800 miles in Cuba, 250 miles in China, and 13,500 miles of lines and cables in Philippine Islands; installed system of 3,900 miles of telegraph lines, submarine cables, and wireless in Alaska, 1900, 1904, the wireless section of 107 miles, from Nome to St. Michael, being the first successful long-distance wireless operated regularly as part of a commercial system. Member of board to regulate wireless telegraphy in United States, 1904; member of board to report on coast defenses of United States, 1905; United States delegate to International Telegraph Conference, London, 1903, and International Wireless Telegraph Conference, Berlin, 1903. Commanding Pacific Division and in charge relief operations, San Francisco earthquake sufferers, April-August, 1906; commanding Northern Division, 1906, Department Columbia, 1907; retired by operation of law, 1908. Gold medalist, Royal, American, and French Geographic Societies.

"Author of Isothermal Lines of the United States, 1881; Chronological List of Auroras, 1881; Diurnal Fluctuations of Barometric Pressure, 1891; Three Years of Arctic Service, two volumes, 1885; Proceedings of Lady Franklin Bay Expedition, 1888; American Weather, 1890; American Explorers, 1894; Handbook of Arctic Discoveries, 1896; Rainfall of Western States and Territories, 1888; Climate of Oregon and Washington, 1889; Climate of Nebraska, 1890; Climatology of Arid Region, 1891; Climate of Texas, 1891; Public Documents First Fourteen Congresses of United States, 1900; Handbook of Polar Discoveries, 1909; Handbook of Alaska, 1925; True Tales of Arctic Heroism, 1912; Reminiscences of Travel and Adventure, 1927; Polar Regions in Twentieth Century, 1928; Representative United States of America at Coronation of George V of England, 1911.

"Address, Cosmos Club, Washington, D. C."

MESSAGES FROM THE PRESIDENT—APPROVAL OF A JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that on March 15, 1935, the President had approved and signed the joint resolution (S. J. Res. 46) authorizing and directing the Federal Communications Commission to investigate and report on the American Telephone & Telegraph Co., and on all other companies engaged directly or indirectly in telephone communication in interstate commerce, including all companies related to any of these companies through a holding-company structure or otherwise.

VETERANS' REGULATIONS

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Finance:

To the Congress of the United States:

Pursuant to the provisions of section 20, title I, of the act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933, I am transmitting herewith Executive Orders No. 6989 (Veterans' Regulation No. 1 (g)), No. 6990 (Veterans' Regulation No. 2 (d)), No. 6991 (Veterans' Regulation No. 6 (d)), and No. 6992 (Veterans' Regulation No. 10 (e)), approved by me March 19, 1935.

Executive Order No. 6989 amends Executive Order No. 6156 (Veterans' Regulation No. 1 (a)), approved by me June 6, 1933; Executive Order No. 6990 amends Executive Order No. 6230 (Veterans' Regulation No. 2 (a)), approved by me July 28, 1933; Executive Order No. 6991 amends Executive Order No. 6232 (Veterans' Regulation No. 6 (a)), approved by me July 28, 1933; and Executive Order No. 6992 amends Executive Order No. 6098 (Veterans' Regulation No. 10), approved by me March 31, 1933.

These regulations were promulgated in accordance with the terms of title I of Public, No. 2 (73d Cong.), "An act to maintain the credit of the United States Government", approved March 20, 1933.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 19, 1935.*

WORK-RELIEF PROGRAM

The Senate resumed the consideration of the joint resolution (H. J. Res. 117) making appropriations for relief purposes.

The VICE PRESIDENT. The pending amendment is the amendment of the Senator from Colorado [Mr. ADAMS], which will be stated.

The CHIEF CLERK. On page 2, line 7, it is proposed to strike out "1937, the sum of $4,000,000,000" and insert "1936, the sum of $2,000,000,000."

Mr. BYRD. Mr. President, I have on the desk an amendment to reduce the amount of this appropriation from $4,000,000,000 to $1,000,000,000, which, if adopted, will make available a total of $1,880,000,000. I offer it as an amendment to the amendment of the Senator from Colorado [Mr. ADAMS] and ask that it may be stated.

The PRESIDENT pro tempore. The amendment of the Senator from Virginia to the amendment of the Senator from Colorado will be stated.

The LEGISLATIVE CLERK. In the amendment offered by Mr. ADAMS, it is proposed to strike out "$2,000,000,000" and to insert in lieu thereof "$1,000,000,000."

Mr. BYRD. Mr. President, I have another amendment pending which may not be in order at this time; but, as I desire to discuss both amendments, if the request is in order, I should like to have the clerk state the other amendment which I have on the desk.

The PRESIDENT pro tempore. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 3, line 25, after the word "resolution", in the committee amendment, it is proposed to insert a colon and the following:

Provided further, That no part of the funds herein appropriated shall be expended for the administrative expenses of any department, bureau, board, commission, or independent agency of the Government if such administrative expenses are ordinarily financed from annual appropriations.

Mr. BYRD. Mr. President, a week or so ago the Senate adopted a resolution calling upon the Secretary of the Treasury for certain information with respect to the expenditures made under the $3,300,000,000 Public Works Appropriation Act, which became operative on June 16, 1933.

As we are considering another large appropriation bill for the construction of public works, I think it would be very advisable at this time for the Senate to examine carefully the method by which the first appropriation has been expended and also to analyze the results of a beneficial character that have come from the expenditure of the money.

In this resolution the Senate asked the Secretary of the Treasury to state the unexpended balance now in the Treasury of the $3,300,000,000 appropriated by the Public Works Act. The reply to that inquiry, together with the balance of the resolution, is here; and it shows that there is $1,116,000,000 still unexpended of the appropriation which was made nearly 18 months ago.

Mr. COPELAND. Mr. President, will the Senator repeat his statement? What was the amount?

Mr. BYRD. One billion one hundred and sixteen million dollars of that appropriation is still unexpended; but in addition to that the report discloses that there are about $400,000,000 of other unexpended appropriations devoted to public works, so that the total amount now available for public works in the Treasury for expenditure is approximately $1,500,000,000; and as that money is spent it is natural to assume that unemployment will be relieved.

Mr. President, it was generally assumed that by reason of this large unexpended balance delay occurred on what are known as "non-Federal projects"; in other words, the projects whereby the Federal Government made grants to the States, municipalities, and to other subdivisions. This report, however, discloses that $657,000,000 is unspent on Federal projects, and $460,000,000 is unspent on non-Federal projects.

Mr. President, I think this report discloses some very interesting things that the Senate of the United States and the people of the country should carefully consider. I shall now call the attention of the Senate to what I regard as unwarranted diversion from this $3,300,000,000 appropriation bill which the Congress of the United States thought and the people thought would be primarily devoted to the construction of public works and otherwise to relieve the unemployment in this country.

In calling attention to these matters, I do not charge that these diversions are illegal, because I am not a lawyer, and cannot pass on that question. I do not charge that the expenditures are fraudulent. I do say, however, that the Congress of the United States did not know that such diversions would be made from the fund carried by this appropriation bill; and I further call the attention of the Senate to the fact that by reason of such diversions from emergency appropriations to the ordinary administrative expenses of our Government, we are completely destroying the Federal Budget system.

Mr. President, as Governor of Virginia I became greatly impressed with the necessity of a budget system. For the purpose of economical administration of the affairs of a State or of a nation it is necessary to have a budget system whereby estimates are made by the budget commission or director; those recommendations are submitted to the committees of the legislative body, and the legislative body acts upon them.

Frankly, I can see some justification for a blanket appropriation given to the President of the United States to be used for strictly emergency purposes in time of a great crisis; but I can see no justification for making an emergency appropriation and then diverting from that appropriation funds to the administrative expenses of the ordinary and regular Departments of the Government.

The language of the report itself shows that the sum of approximately $485,000,000 has been diverted to pay the ordinary or regular expenses of the Government; and I desire to show the Senate some of these diversions. The report is very voluminous, and, of course, I shall not take the time of the Senate to read it all.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Utah?

Mr. BYRD. I do.

Mr. KING. Has the report, or a synopsis of it, been printed?

Mr. BYRD. The report is very voluminous. I obtained an estimate from the Public Printer, and it will cost $6,000 to print it, although a certain type of printing can be done, by indenting it or something of the kind, for about $1,700. In view of the cost of it, I have not asked that the report be printed; but it contains most valuable information.

Mr. KING. I was wondering whether the Department of the Interior, or the Public Works Administration, or some representatives of the President, had submitted a synopsis setting forth briefly but accurately, of course, the expenditures made, and the purposes for which they were made.

Mr. BYRD. There is a synopsis in the first few pages, which perhaps could be printed, giving that information.

This report, fellow Senators, shows that $500,000 of this Public Works appropriation was diverted to the Federal Alcohol Control Board; under what authority I do not know. I am told that this board has not even been authorized by the Congress; yet by Executive order, $500,000 of this blanket appropriation has been given for the administrative expenses of a board which has not as yet been approved by Congress.

The report further shows that the Federal Coordinator of Transportation received $140,000.

The Federal Power Commission received $700,000.

The General Accounting Office received $506,000.

The administration of the N. R. A.—which, of course, I may say, was intended by the terms of the act itself—received $13,428,000.

For stock in the Commodity Credit Corporation, $3,000,000 was diverted from this appropriation.

The Electric Home and Farm Authority received $1,000,000, and the report says that much larger appropriations will be necessary for the operation of that particular project. I have made some inquiry as to what the Electric Home and Farm Authority is, and the best I can ascertain is that it is for the establishment of retail stores for the purpose of selling electrical appliances in the Tennessee Valley. If I am incorrect in that, I shall be glad to be corrected; but the point I desire to impress upon the Senate is that the Senate of the United States had no opportunity to decide upon the policy of having the Federal Government go into the retail business of selling electrical appliances in the Tennessee Valley; that by reason of this diversion of money from an emergency appropriation, the Congress of the United States has surrendered its power to say whether or not the Government shall undertake a project of that kind.

For the executive council, $43,000 was diverted from this appropriation.

For stock in the Export-Import Banks, established here at Washington, $1,250,000; and I may say in that connection that $10,000,000 additional was obtained from the Reconstruction Finance Corporation.

For the administrative expenses of the Federal Housing Administration, $1,000,000.

For the National Emergency Council, $1,416,491.

For the National Railroad Adjustment Board, $200,000.

For the National Resources Board, $135,000.

For the Office of Adviser on Foreign Trade, $350,000.

For administrative expenses of the enforcement of the oil code, $830,000. I understand when the N. R. A. was established that the administrative expenses of the different codes would be paid by assessments upon the members of those codes; but here we find that $830,000 has been taken from the appropriation carried by the Public Works Act to pay the administrative expenses of the oil code.

For the Immigration and Naturalization Service, $88,000.

For the United States Employment Service, $1,300,000.

For the Bureau of Labor Statistics, $10,000.

For the Office of the Secretary of Labor, $16,000.

For the Conciliation Board, $110,000.

For the National Labor Board, $222,000.

For the National Labor Relations Board, $1,027,000.

For the National Steel Labor Board, $58,500.

For the National Longshoremen's Labor Board, $25,000.

For the Office of the Secretary of the Treasury, for administrative expenses, $1,141,000.

For the Office of the Treasurer of the United States for relief of contractors, $100,000.

For the Public Health Service, $43,698.

For the Mississippi Valley Committee, $45,000.

For the Review Board, $50,000.

Then, Mr. President, this diversion from the appropriation is shown in the report, "Self-help movement, $35,000." I submit to the Senate that a larger appropriation should be made for self-help because that is what we want in this country today. What could be done with $35,000 out of the public-works appropriation to start a self-help movement? I assume that somebody wanted to talk, to go around and make some speeches over the country, and $35,000 out of this fund was given for that purpose.

Mr. President, there is another item which I wish to call to the attention of the Senate in proof of a charge I now make, that this method of making appropriations has absolutely destroyed the Budget system of this country. It is shown by this report that it will take $692,000,000 to complete the projects which have already been started under this public-works program. In other words, there are projects all over the country which have been begun under this appropriation, one-half has been completed, and the Congress has not authorized the additional amount necessary. Yet the departments in many instances have obligated the Government—not legally, but they have obligated the Government—to complete the projects which have been started. Otherwise, the investments already made would be valueless.

What I wish to strongly impress upon the Senate here today is that this method of appropriating money, of giving a blanket appropriation for emergency purposes and then permitting these appropriations to be diverted for the payment of the regular and ordinary expenses of the Government has completely destroyed the Budget system.

I want to say further, Mr. President, that it is little short of an absurdity to talk about having two budgets, one budget for the alleged ordinary expenses of Government and one budget for the emergency expenses of Government, when we have evidence before us from the Secretary of the Treasury that from the emergency appropriations have been taken large sums to be used for the regular and ordinary expenses of our Government.

Mr. President, there is only one Treasury of the United States; there is only one Treasury from which the bills and the obligations of the Government can be paid; and I say here and now, as a member of the Democratic Party, that the sooner the administration abandons this absurd proposition of having two budgets, and the sooner the administration comes frankly before the people and says, "We have these deficits in the Treasury, which must be paid in time by taxation", the better my party will appear before the people of this country.

Mr. President, it is not my purpose to take too much time in discussing the details of the report to which I have referred, but I want to call to the attention of the Senate the fact that from 1806, more than a hundred years ago, it has been the policy of the United States Government to require that appropriations as made shall be spent only for the purposes set forth in the appropriation acts. Here is the law as it has existed since that time:

> Except as otherwise provided by law, sums appropriated for the various branches of expenditure in the public service shall be applied solely to the objects for which they are respectively made, and for no others.

Yet when the Congress has enacted a law for the relief of the people of this country we find large sums diverted from the appropriation and used for all kinds of conceivable purposes, and I venture the assertion that the Congress of the United States would not have approved many of these appropriations if they had been submitted to the Congress. I venture to say especially, Mr. President, that the Congress would not have approved taking stock in a company to the amount of $1,000,000 to finance the sale privately of electrical appliances in the Tennessee Valley, or anything else like that, to compete directly with the business men of the country, who must pay the taxes which must be collected in order to operate our Government.

Mr. President, what has been the effect of the expenditure of these large sums for public works? There has been appropriated $4,000,000,000 for public works of one kind and another since March 4, 1933. I have information here which does not come officially, but which I think is correct from my own investigation of it, that only three billion of that four billion has been devoted to construction projects; that $936,000,000 has been spent for other things than for construction.

Let us analyze the reports of the Labor Department, as I think we should very carefully, to see what has been accomplished with respect to unemployment by the expenditure of the public-works money up to this time. I have here the report for December, which is the latest report available, showing that on Federal projects a total of 254,000 people only were put to work in December; of this number, only 16,000 were employed on building construction, and 132,000, or one-half, were employed on road construction, and the Public Works Administration does not entirely deserve credit for that, because heretofore the road appropriations have been made as regular appropriations for the Government, and have been increased, I think, four times under the Public Works Act from the normal appropriations.

The report shows that on rivers and harbors and flood control only 43,000 were at work, and in the forestry work 1,600, and in the reclamation 18,000.

When we come to non-Federal projects we find that only 109,000 were working in December, including 40,000 in building construction and 16,000 on streets and roads.

Mr. President, we are asked to appropriate $4,880,000,000 to relieve and put to work three and a half million people, when our experience shows that by practically the same plan as that under which that huge sum is to be expended 360,000 only were given work by reason of the public-works program last December.

It is claimed, of course, that for every man at work on a public construction job one additional man is employed in industry. But that is not true with respect to road work; it is not true with respect to rivers and harbors and flood-control work, because that work is nearly all labor. But let us assume that that claim is correct; let us assume that one man is put to work in industry for every man actually employed on one of these jobs. That means that only approximately 600,000 people have been put to work in an average month under the appropriation of $3,300,000,000.

Mr. ADAMS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Colorado?

Mr. BYRD. I yield.

Mr. ADAMS. The testimony before the Committee on Appropriations from Secretary Ickes was to the effect that the maximum number given employment in any single month under the Public Works Administration was 600,000. The same hearings disclosed that under the relief administration, with a sum of money only one-third as great, two and a quarter million people had been given work.

Mr. BYRD. I thank the Senator. After 2 years of "priming the pump", after 2 years of trying to spend ourselves back to prosperity on borrowed money, we are now asked to appropriate $5,000,000,000 for public works, to increase the debt of this country 20 percent in 1 year, and we are told that, if we do that, prosperity will return.

Mr. President, in my judgment, there is only one argument which can be made for this joint resolution, and that argument is that its passage and operation will be the final shove which will put this country over the hill to prosperity. I doubt if there is a Member of the Senate who believes that prosperity will return by reason of the passage of the joint resolution, and that those who are unemployed will be put back to work.

By the admission of those in authority, and by the statement made by my distinguished colleague, the senior Senator from Virginia [Mr. GLASS], we cannot go back to the well again for another huge appropriation of this kind. Representing the administration in fighting the McCarran amendment, he stated that a billion and a half or two billion dollars additional expenditure at this time might impair the credit of this country, and for that reason the President of the United States did not desire the McCarran amendment adopted. It seems to me that we are skating on very thin ice when we admit publicly that a few additional billions of dollars added to the present public debt will create a serious financial condition for the Government of the United States. Yet we are now asked to indulge in another experiment which I say has proven unsuccessful in the past 2 years, and I submit that the figures themselves show that construction of projects is not going materially to relieve the unemployment in this country.

The Senator from Colorado [Mr. ADAMS] in his very able and eloquent speech yesterday called attention to that solemn warning which was given by the President of the United States on March 10, 1933, when he said that for 3 long years this country had been going on the road to bankruptcy. I desire to read to the Senate extracts from two speeches made by the now President of the United States when he was a candidate for that high office. Mr. Roosevelt as a candidate said:

> But there is immediate possibility of helping the emergency through appropriations for public works. One question, however, must be answered first, because of the simple fact that these public works cost money. We all know that government treasuries, whether local, State, or Federal, are hard put to it to keep their budgets balanced, and in the case of the Federal Treasury thoroughly unsound financial policies have made its situation not exactly desperate, but at least threatens its future stability if the policies of the present administration (the Hoover administration) are continued. All public works, including Federal, must be considered from the point of view of the ability of the Government Treasury to pay for them.

And then, Mr. President, I was greatly impressed with another speech which the President of the United States made when he was a candidate, with respect to the necessity of preserving the integrity of the credit of the United States Government. He said:

> We all know that our family credit depends in large part upon the stability of the credit of the United States. And here at least is one field in which all business, big business and little business and family business and the individual's business, is at the mercy of our big Government at Washington.
>
> Now the credit of the family depends chiefly on whether that family is living within its income. And this is so of the Nation. If the Nation is living within its income its credit is good. If in some crisis it lives beyond its income for a year or two it can usually borrow temporarily on reasonable terms; but if, like a spendthrift, it throws discretion to the winds, is willing to make no sacrifice at all in spending, extends its taxing to the limit of the people's power to pay and continues to fill out deficits it is on the road to bankruptcy.

Starting with $16,000,000,000 of Federal debt at the beginning of this depression, if this joint resolution shall be passed our Federal debt will be in excess of $34,000,000,000. We will spend this year alone nearly 5 percent of the total wealth of this country. The total wealth is estimated at over $200,000,000,000. This $5,000,000,000 bill, including the bill for the normal expenses of the Government, is nearly 5 percent of the total wealth of this country. If this joint resolution shall be passed, there will be spent this year by the Federal Government alone twice as much as all the farmers received in cash in 1933.

Let us remember also that the American people have to pay local taxes and State taxes, and those other taxes amounted last year to $9,000,000,000. Those taxes added to the Federal expenditures place a burden of more than $18,000,000,000 of expenditures upon the people of this country, which is nearly 40 percent of the total gross income of our Nation.

Mr. President, here is what seriously disturbs me about this appropriation, and I hope that in the discussion on the floor of the Senate some advocate of the proposed appropriation will answer this question. If this experiment fails, if the three and one-half million people are not put back to work under this joint resolution—as they will not be, in my judgment—if prosperity does not return to the American Nation within a year, what will Senators do next year? Will they vote for another $5,000,000,000 and add that to the public debt, so as to carry out the obligation under which the President of the United States placed himself in his message to Congress, when he said, "I propose to give a job to three and one-half million people unemployed on the relief rolls until the rising tide of employment absorbs them in private industry"?

But suppose they are not absorbed—as they will not be—then is Congress, is any Member of the Senate, going to say that he will vote in favor of another $5,000,000,000 bill and impair the credit of the Government?

I am wondering what is going to happen to the 5,000,000 people who are unemployed, but who are not on the relief rolls? It seems to me that they are just as deserving of governmental jobs as are those who are on the relief rolls. By reason of their own self-dependence and self-reliance they have kept off of the relief rolls. But this project, as I understand, is to confine the reemployment to the three and one-half million employables who are now on the relief rolls. What is going to happen to the 5,000,000 of others who are not on the relief rolls but are still unemployed?

Mr. President, we hear nothing said here about taxation. We are spending the money, mortgaging the future of the Nation, mortgaging the future of our children and grandchildren and those whom we should hold dearer than ourselves, but no one in authority says anything about raising the taxes to pay the enormous burden we are now placing upon the Government.

I said yesterday in interrogating the Senator from Arizona [Mr. HAYDEN] that 33 cents out of every dollar of normal income would have to be devoted to interest alone. The interest charge today is $1,000,000,000, not counting this additional interest burden which will be placed upon the country by the passage of this joint resolution.

The normal income of this country today, excluding the processing taxes which are devoted to a specific purpose, is about $3,000,000,000. Yes, Mr. President, if this joint resolution is passed the first item we must write in every appropriation is from 30 to 40 cents of our income for interest alone, not counting the amount necessary for a sinking fund.

The Senator from Utah [Mr. KING] yesterday made a very pertinent inquiry of the Senator from Arizona [Mr. HAYDEN]. The Senator from Utah said, "The Senator has added up the debts of the counties and the cities and the States and the Federal Government, and has gotten a total of about $55,000,000,000, but the Senator has not added the debts of the private individuals and corporations of this country"—the total amount of which was about $225,000,000,000.

Today there are people in the United States who have four or five mortgages on their homes. They have the Federal mortgage increased by this great debt, which takes precedence, I assume, over other mortgages; then the State mortgage by State bond issues; then the county mortgage; then the city mortgage; in many cases they have the sanitary district and other subdivision mortgage; and then they have the mortgage of the individual or the corporation.

It was brought out yesterday by the Senator from Oklahoma [Mr. THOMAS], I think, in comparing this country to England, that it is true that the per capita public debt in England is more than it is in this country, but it is likewise true that the per capita debt of the individual and corporations in this country is far greater than that in England. I do not think anyone can successfully question that statement. There is no comparison whatever between the United States of America and England in this question. Let me say to those who made that comparison, that notwithstanding the difficulties which England has, she has balanced her budget. Yet today we are spending $5,000,000,000 more than our income if this joint resolution shall be passed. We are spending $9,000,000,000, and $5,000,000,000 of it will be added to our public debt. We are spending, fellow Senators,

$13,000 every minute, day and night, including Sundays, and $7,000 of that $13,000 is being added to the public debt for future generations to pay.

Mr. President, in advocating my amendment I want it distinctly and clearly understood that I am not advocating a dole. As a matter of fact, it has been stated and not denied that more than 2,000,000 people of the three and one-half million employables now on the relief rolls are on relief work of some kind or another, less expensive relief work than it is now proposed to give them. But two-thirds of those who are now on the relief rolls, by the statement of the Department itself, are doing relief work of some character or description.

Let us remember, too, the enormous overhead expense which will occur in the expenditure of this fund. On a basis of even 9 percent—and I think that is the average cost of operation in the present relief work—$450,000,000 will go to overhead expense alone. That amount will not go for relief of the unemployed; it will not go to those who are now suffering and who want jobs.

So, in advocating a reduction of this expenditure from $4,000,000,000 to $1,000,000,000, with the transfer of an additional $880,000,000, I want the Senate to bear in mind that there is still $1,500,000,000 unspent in the Public Treasury for work relief, in the sense that it may be spent on the construction of projects. I want the Senate to consider that the Congress will convene again next January, and at that time we can meet the situation as it will then confront us. If then it shall be necessary to make still further appropriations, we can do so; but why should the Senate now appropriate $5,000,000,000 when we know that the money cannot be spent during the period between now and January, and when we are told that even a small addition to the public debt will impair the credit of the country itself?

Mr. President, just a word with respect to the evils of issuing tax-exempt bonds. We shall have issued in this country, if this joint resolution shall be passed, the enormous total of $55,000,000,000 in tax-exempt bonds of the Government, States, and subdivisions. Whenever we issue a tax-exempt bond we reduce the body of wealth from which the Government must draw in order to obtain taxes, and we likewise establish a refuge for the rich of the country so to invest their money as to avoid the payment of taxes.

Let me also suggest to the Senate that whenever we increase taxes in this country we make it that much more difficult to recover our lost foreign trade, because taxes are a part of the expense of every business, and if we have high taxes those taxes must be added to the cost of the articles sold, which makes it that much more difficult for us to recover our foreign markets.

Mr. President, of course it is my own opinion and others may not share it, but I make the confident prediction that if this measure shall be passed it will be very disappointing, because it will not result in putting the three and a half million people back to work, desirous and anxious as we may be to accomplish that purpose. Those who are now on the relief rolls are scattered in every nook and corner of the United States; they are in the valleys; they are in the mountains; they are in the swamps; and it is an absolute impossibility to create work jobs wherever all these people may be. It would necessitate moving them into and concentrating them into camps.

Mr. President, let us think of the incentive to extravagance which will be afforded by giving to the Government $5,000,000,000 which it cannot spend before the next session of Congress meets, when it already has $1,500,000,000 unspent in the Federal Treasury. Every department of the Government would seek extravagant ways in order to spend the money appropriated by Congress.

The Government cannot compete with private business in the employment of people. It is not a wise thing for the Government to undertake to give jobs to those unemployed and maintain them on such jobs until the rising tide of employment shall absorb them. As a matter of fact, there are many people on the relief rolls today who do not have jobs in normal times, when conditions are prosperous. They do not then have jobs; and are we to continue at this tremendous expense of about $100 a month per man, as I understand the figures—$50 for labor and another $50 for materials—to give jobs to three and a half million people who are on the relief rolls until they shall be reemployed in private industry? What will happen is that when industry shall start up once again the 5,000,000 people not on the relief rolls will be the first ones employed.

Mr. President, I wish to read to the Senate for just a moment, and then I will conclude, an editorial from one of the leading newspapers of the State of South Carolina. The Charleston News and Courier said this editorially the other day:

> How long will it be a Republic? What chance have the people to govern, even in one big State, when the Government shall have the disposal, in a year, of $4,880,000,000?
>
> What if but one-hundredth part, $48,800,000, shall be spent in South Carolina in a year? Think you that any man in the State critical of a program so glorious could be elected to any office? Governor? Mayor? Superintendent of schools? Senator? Congressman? What if 10 percent of the sum, $4,800,000, be distributed in salaries to "administrators"? Think you that they, reinforced by the Federal officeholders already existent, will not grip South Carolina in a vise?
>
> With our local policies dictated by Washington, we shall not long have the civilization to which we are accustomed.

There is another editorial which I wish to call to the attention of the Senate. The New York Times is one of the most loyal supporters of the present administration. I have an editorial published in that newspaper on March 14 last, which I will not read in full, but, in speaking of these unexpended balances, it concludes as follows:

> With so large a sum existing in the form of "unexpended balances", in consequence of the failure of the entire program of "pump priming" to move as rapidly as was expected, there is good reason to proceed cautiously in estimating future needs. One way out of the morass under which the new work-relief plan seems to have fallen would be to cut the proposed appropriation in half and plan only for the first 6 months of the new fiscal year; that is, for the period from July to December. Congress will reconvene next January and could then consider the existing situation.

I ask that the entire editorial may be placed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 14, 1935]

UNEXPENDED BALANCES

In its debate on the President's work-relief plan the Senate has hit upon the fact that more than a billion dollars, originally put at the disposal of P. W. A. in 1933, still remains unexpended. This does not mean that most of it has not been "allocated" to some specific project. It does mean that the program of Federal Public Works, for which $3,000,000,000 was appropriated nearly 2 years ago, has moved much more slowly than was anticipated. For this the inevitable delays encountered in acquiring sites, inviting bids, and approving contracts have been primarily responsible.

As a matter of fact, the billion or so remaining at the disposal of P. W. A. is only one of a large number of "unexpended balances" in Washington. R. F. C. still has authority to loan or to spend nearly two billions more than it has actually loaned or spent to date. The outlay of the Commodity Credit Corporation is more than $300,000,000 short of the amount which it has been authorized to spend. Large funds, in most cases amounting to more than $100,000,000, remain at the disposal of the Farm Credit Administration, the Federal land banks, A. A. A., the Bureau of Emergency Conservation Work and the home-loan system. Some of these agencies will, no doubt, dip heavily into their present balances before the end of the current fiscal year in June. But taking stock of the whole situation as it exists today, the fact is that the margin between the total amount authorized and appropriated by Congress for the President's relief-and-recovery program, and the amount actually expended thus far by all of the various "emergency" agencies is more than $5,000,000,000.

With so large a sum existing in the form of "unexpended balances", in consequence of the failure of the entire program of "pump priming" to move as rapidly as was expected, there is good reason to proceed cautiously in estimating future needs. One way out of the morass into which the new work-relief plan seems to have fallen would be to cut the proposed appropriation in half and plan only for the first 6 months of the new fiscal year—that is, for the period from July to December. Congress will reconvene next January and could then consider the existing situation.

Mr. BYRD. Mr. President, today the American business man is troubled and confused. He is troubled by the enormous public expenditures which are being made at Wash-

ington, and he is confused by the experiments which are being tried out here. In my judgment, the time has come when temporary and emergency legislation should yield to sound principles. The country should be assured of a gradual reduction of governmental expenditures so that within a reasonable time we will have a balanced Budget, the Government conducted within an income that will not require excessive increases in Federal taxes, and constructive efforts to regain our foreign markets. Individuals should be allowed to develop a business without fear of competition by the Federal Government or undue interference with the reasonable control of their business so long as they act with a decent regard for the rights of others.

Business men cannot have faith unless they have good reason to believe that taxes will not absorb their reasonable profits; they cannot feel secure unless they believe that the currency will be sound and fairly stable; they will not invest freely new money unless they have confidence that the Government will protect them in the right to the property they own and their privilege to use that property in gainful pursuits. Under our competitive system of business, recovery depends on the will to work and upon the investments of those who have capital.

Mr. President, I have nothing more to say. I repeat that the amendment which I propose provides for a reduction of the appropriation to $1,000,000,000, which, with the transfer of balances, will make a total of $1,880,000,000, which, added to the unexpended balances, will make a grand total available for relief and public works of $3,300,000,000.

As perhaps I shall not address the Senate again on this subject, I wish merely to add that I hope the Senate will give favorable consideration to the other amendment which I have offered to prevent diversions from this fund to pay the ordinary and administrative expenses of the Government. I say that because we must take such action if we are to preserve the integrity of the Budget; and without a strong budget policy no nation, no state, no county, or municipality can operate on an efficient and satisfactory basis.

Mr. TYDINGS obtained the floor.

Mr. LEWIS. Mr. President, will the Senator yield to me to suggest the absence of a quorum?

Mr. TYDINGS. I thank the Senator for his suggestion, but I prefer not to have that done now.

The PRESIDENT pro tempore. The Senator from Maryland has the floor.

Mr. LEWIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Illinois?

Mr. TYDINGS. Very well, Mr. President; I will yield.

Mr. LEWIS. I make the point of the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Pope
Ashurst	Copeland	La Follette	Radcliffe
Austin	Costigan	Lewis	Reynolds
Bachman	Couzens	Logan	Robinson
Bailey	Cutting	Lonergan	Russell
Bankhead	Dickinson	McAdoo	Schall
Barbour	Dieterich	McCarran	Schwellenbach
Barkley	Donahey	McGill	Sheppard
Bilbo	Fletcher	McKellar	Shipstead
Black	Frazier	McNary	Smith
Bone	George	Maloney	Steiwer
Borah	Gerry	Metcalf	Thomas, Okla.
Brown	Gibson	Minton	Thomas, Utah
Bulkley	Glass	Moore	Townsend
Bulow	Guffey	Murphy	Trammell
Burke	Hale	Murray	Truman
Byrd	Harrison	Neely	Tydings
Byrnes	Hastings	Norbeck	Vandenberg
Capper	Hatch	Norris	Van Nuys
Carey	Hayden	Nye	Wagner
Clark	Johnson	O'Mahoney	Walsh
Connally	Keyes	Pittman	White

The PRESIDING OFFICER (Mr. RADCLIFFE in the chair). Eighty-eight Senators have answered to their names. A quorum is present.

Mr. TYDINGS. Mr. President, I think the country owes a debt of gratitude to the junior Senator from Virginia [Mr. BYRD], who has just concluded a very remarkable address filled with logic, filled with facts, filled with philosophy. It should arrest the attention of those who suppose that a magic wand may be waved over a distressed nation, provided the wand is tipped with gold which we have not got and wielded with generosity and humanity.

The Senator from Virginia in the course of his address brought out one very important fact in particular. He said the only justification there could be for a measure of this magnitude at this time would be the fact that we are going to prime the pump and, forsooth, by that priming bring sufficient natural water out of the well to irrigate the economic waste which exists in the United States at the present time. It is my purpose to show that we cannot prime the pump in that way; that the water we put into the pump, instead of bringing more water out of the well, will only add more water to the well and lessen that above ground.

In that connection I must go back to the year 1916, because, Mr. President and Senators, we are dealing with something fundamental. The time has come to deal with the cause of the depression and to remove it. We must stop treating symptoms. We must begin to treat the disease. We must stop discussing phenomena and start to discussing cause. We must deal less with effect and more with cause, if we are to project the policies of our Government so they will endure and keep its institutions alive.

Before the World War the economic position of the United States was a sound one. We were an exporting nation. We had always been for the larger part an exporting nation, selling to the world more of the things we produced than we were buying from the world of the things produced outside our own country. That caused wealth to flow to this Nation in exchange for the surplus of things we were selling over the things we were buying. Of course, payment had to be made in gold. Money flowed to this country because from 1893 down to the outbreak of the World War, and even down to the present time, we had sold to the world each and every solitary year more of the products of our farms, our factories, our mines, and our forests than we have bought of such products from the world. So wealth came to the United States in payment of the balance of trade, which was favorable to the United States.

Before the World War there was another serious economic factor involved. We were a debtor nation, not a creditor nation. Millions upon millions of foreign dollars were invested in the bonds of our National Government, our State governments, the city and municipal governments of the United States. Other millions of foreign capital were invested in our railroad bonds, and stocks, and in our industrial plants, mines, forests, and whatnot. Naturally with all that foreign capital the United States was developed, but there went back to the foreign investors every year interest on those investments, dividends on the stocks, amortization of the loans, so we had a balanced trade before the war. We were selling the world more than we were buying from the world, but the world was getting back the difference in the interest on the investments of foreigners in this country and in the amortization of loans and in dividends upon industrial investments. Money went gradually back and forth across the Atlantic. Our economic position was secure.

The World War came on with suddenness. Foreign investments in this country were largely liquidated. Foreigners withdrew their money in large quantities from the United States for use at home. After the World War was over the United States for the first time in all its history found itself the creditor nation of the world. Instead of owing the world money as we did before the World War, the world owed us money, billions upon billions of dollars, not only as a result of the war debt but since the war because of private loans. We have sent since the armistice wellnigh $16,000,000,000 of good American investments to foreign governments and foreign municipalities and foreign industrial plants, so that today there is owing to the Government of the United States on war debts or to its private investors $26,000,000,000 of good American dollars, an amount almost equivalent to the national debt at this time. Do Senators think that is an

insignificant sum? They are beginning to talk about a debt of $30,000,000,000 bringing the Government to the point where its integrity may be impaired. We have $16,000,000,000 owing to us in English bonds, French bonds, German bonds, Spanish bonds, South American bonds, and Japanese bonds, to say nothing of the war debts, amounting to some eleven or twelve billion dollars; but, while we are a creditor nation, we still continue to be an exporting nation. We insist on selling the world more than we buy from the world, notwithstanding the fact that the world already owes us more than it can possibly pay.

From 1921 to 1929 we did not have any depression, although one was imminent. We avoided the depression, which was inevitable, through the illusion of trade being in balance, for during that period we loaned our foreign customers the money with which to buy our goods. During that period we sent about $16,000,000,000 out all over the world, and during the same time our foreign customers used the money which we were lending them to pay the unfavorable balances of trade which were being created.

I am going to go back to March 3, 1921. Woodrow Wilson was President of the United States. On that day he was a discredited man in some respects and in some quarters. He had been the war President. He had tried to bring about a new concept for humanity. Some people thought it was visionary. Some thought it was impracticable, but at any rate he did not have the prestige on March 3, 1921, that he had at one time enjoyed. That was the last day he was President of the United States, but on that day he vetoed a measure known as the "Emergency Tariff Act of 1921." In a message which came up to both Houses of Congress, and which I shall shortly read in part, there is so much of prophecy, so much of logic, so much of vision of the future, that I think we might well take stock of that message.

I imagine on that day, when the message was read in this body, nobody paid any particular attention to it, because the party of the President had gone down in overwhelming defeat; and Mr. Wilson's plans had been blown into the air; and naturally if he had been wrong on one thing he would be wrong on everything else; so I imagine his message had very little weight. Let us see, however, what the President said in vetoing the Emergency Tariff Act of 1921. I quote from his message to the Congress:

> Changes of a very radical character have taken place. The United States has become a great creditor Nation. She has lent certain governments of Europe more than $9,000,000,000, and as a result of the enormous excess of our exports there is an additional commercial indebtedness of foreign nations to our own of perhaps not less than $4,000,000,000. There are only three ways in which Europe can meet her part of her indebtedness, namely, by the establishment of private credits, by the shipment of gold, or of commodities. It is difficult for Europe to discover the requisite securities as a basis for the necessary credits. Europe is not in a position at the present time to send us the amount of gold which would be needed, and we could not view further large imports of gold into this country without concern. The result, to say the least, would be a larger disarrangement of international exchange and disturbance of international trade. If we wish to have Europe settle her debts, governmental or commercial, we must be prepared to buy from her; and if we wish to assist Europe and ourselves by the export either of food, of raw materials, or finished products, we must be prepared to welcome commodities which we need, and which Europe will be prepared, with no little pain, to send us.

I shall read other excerpts as I go along. That, briefly, was the reason why the President vetoed the emergency tariff bill of 1921; but, all oblivious to the economic factors which had arisen since the war, and which in 1921 had brought America to the brink of the depression, we commenced the very next year to pass the Fordney-McCumber tariff law, insisting on selling to other people more than we were buying from them, people who already owed us money they could not pay; putting them further in debt, driving the world into a cul-de-sac from which there was no escape.

Then the high priests of finance came on, and we had the mad dance of the millions through 1924, 1925, 1926, 1927, 1928, and 1929, when money was thrown over the world by the international banking element without any regard to the economics involved. Today the banks and the citizens of this country sit with $16,000,000,000 of obligations in their possession, half the amount of the national debt, which appear at the present moment, under the world's economic set-up, to be as worthless as last year's newspapers.

Are we going to prolong, therefore, the very philosophy which has brought on the depression, and pass the stop-gap measures from time to time? Are we going to provide for the unemployed on a 1-year plan, thinking that by providing for them for 1 year we shall go to sleep some night and wake up the following morning and find the depression all gone?

That may be a lovely dream, Senators, but just as surely as we are sitting in the Senate Chamber we are going to have permanent unemployment, we are going to have permanent economic distress, until we see a stabilization of international currencies and a revival of world trade.

Finance and trade cannot be built upon the sands of shifting currencies and prohibitive embargo tariffs. This country sells outside its own borders over half the cotton it produces. If we stop buying from the world, we shall not sell a pound of cotton to the world. This country ships one-fifth of its wheat outside the United States. If we refuse to buy from the world, we shall not sell a grain of wheat outside this country. People will find substitutes. They cannot buy unless they can sell; and we are proceeding upon the theory that the less trade the more employment rather than upon the truth that the more trade the more emloyment.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. TYDINGS. Yes.

Mr. HATCH. Is it a correct statement that we ship abroad one-fifth of our wheat?

Mr. TYDINGS. Yes.

Mr. HATCH. Are those late figures?

Mr. TYDINGS. Those figures are taken from the Statistical Abstract of 1932, which I hold in my hand. The exact figure is 18 percent. I used the expression "one-fifth" in order to speak in round numbers.

Mr. HATCH. The point I am making is that, as a matter of fact, the export of our wheat is practically gone; it is practically dead.

Mr. TYDINGS. Yes; it is dead, and I am trying to resurrect it.

What are the consequences of this supernational policy? Plowing under every third row of cotton; paying the farmer not to raise the products that would feed the hungry, while millions starve; and then a $5,000,000,000 public-works bill touching only the surface of the matter, while all this false philosophy, all this sophistry, tumbles and turns underneath the surface!

We have been in the depression 6 years. There was bound to be a little improvement after we stabilized the banking structure of the country; but, outside of that improvement, we are exactly where we were in 1930. Let us have some truth about this situation, because in the last analysis it will not do any good to be a Democrat or a Republican if we do not save the country from what I conceive to be the path of ruin. We can no more spend our way out of the depression, as long as these economic forces are not working in harmony, than we can expect our hearts to function when their component parts are not performing the normal functions for which they were created. We are treating only phenomena. We are not treating cause. We may treat phenomena forever and ever and ever, and we shall never get rid of unemployment unless we tax everybody who has a dollar, and make work for everybody who is out of employment.

I have heard a lot about the "standard of living"—a good thing, of course. What is a standard of living, however, in a country where 12,000,000 people are unemployed, and 22,000,000, or one-sixth of the population, are dependent upon Government charity for a bare existence? Talk about preserving the workingman's standard of living while twelve million of them could not get jobs if their lives depended upon it! It is the rankest kind of sophistry even to mention the phrase "standard of living" while 12,000,000 people have no living at all except what a generous Government may bestow upon them.

Our world trade is going down. In South America we have already lost our trade. In Central America, right next

door, we have lost it. In Canada we have lost it. Last year, for the first time in the history of the world, Japan took supremacy in the cotton textile trade, selling more cotton textiles than Great Britain sold.

Mr. BONE. Mr. President, will the Senator yield?

Mr. TYDINGS. Yes; I yield.

Mr. BONE. I have not been privileged to hear all the Senator's argument, because I have been out of the Chamber; but I wonder if the Senator, in the course of his remarks, will state his views on this question:

The agricultural population, as I have come to know their viewpoint, are very vigorously objecting to the introduction into the country through the regular, normal channels of trade of those commodities which come actively in competition with what they are producing. That is a very practical matter. It very intimately touches their economic lives. They cannot be brought to see the value of the Senator's arguments. I know the Senator will realize that; but I am wondering just what sort of argument, if any, can be advanced to those people which will satisfy their minds that our economic salvation lies in the direction the Senator has suggested. I am getting objections every day.

Mr. TYDINGS. I think I have the Senator's viewpoint, and while I would come to it a little later, it just so happens that President Wilson in his veto message touched on that very point which had been raised. For example, he pointed out that in the year 1913, 85,000 barrels of flour were imported into this country, where so much wheat is produced. Just think of that, 85,000 barrels of flour, and, mind you, the price of that flour was $347,000. But then, the President pointed out in the next phrase, in 1920 we exported 800,000 barrels of flour.

The average man who talks tariff never figures whether or not we can stop imports and yet keep on selling. My answer to the question is that there is not an economist in the world who can show how the farmers of the United States, as they are now situated, can export a single pound of goods unless they buy some goods. Cotton is raised in 16 States, a third of all the Union, and as near as I can figure, there are 1,700,000 farm families, not individuals, but farm families, nearly two million of them, who depend on cotton for their livelihood. If we export half of our cotton crop, there are nearly a million farmers who must depend upon the export of cotton for their livelihood. I ask those who would oppose world trade, how are you going to take care of the farmers if we lose those exports? Who is going to pay money into the Federal Treasury to keep a million farmers in idleness?

Mr. BORAH. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. BORAH. I have a press dispatch here, which reads as follows:

Largest shipment of corn for the season to date, 6,000 tons, was being discharged today at General Steamship Co.'s east San Pedro terminals by the British tramp freighter *Cape Nelson*. The vessel arrived late yesterday from Rosario. The cargo is consigned to six California milling companies.

Another dispatch of about the same date states:

For the first time on record wheat was imported from France in 1934. Total wheat imports from all countries during the latter half of 1934 totaled 1,231,000 bushels, as compared with 75,000,000 bushels which the United States normally exported to foreign nations only a few years ago.

Mr. President, I quite agree with the Senator as to the value of foreign trade, but does the Senator think we can gain anything in the transaction, if our trade arrangements are to such an effect that we are importing corn when we have a surplus of corn and that we are importing wheat when we have a surplus of wheat?

Mr. TYDINGS. Has the Senator the figures as to how much corn we exported last year?

Mr. BORAH. I do not think we exported any large amount.

Mr. TYDINGS. If the Senator will look up the figures, he will find that we exported about 15 times as much as we imported. Does the Senator want to kill all of the exports in order to keep out one-fifteenth of the amount of corn we exported?

Mr. BORAH. After we had exported the corn of which the Senator speaks, we still had a very large surplus of corn in the United States.

Mr. TYDINGS. That is true.

Mr. BORAH. How could the farmer be benefited by our importing corn, when we had a surplus of corn? In other words, we must build our foreign trade with due regard to our home industries and home market.

Mr. TYDINGS. Mr. President, it is only fair that I say to the Senator that it is not proper for me to take any one commodity and say whether there ought to be a tariff on it or whether there should not be. What I am trying to do is to lay down a broad, fundamental viewpoint on the tariff—namely, that we cannot expect to sell any corn unless we buy something else; that nations swap products; that they do not buy goods with money; that money is only an incident to the transaction, the yardstick by which it is measured. My thought, the thing I am trying to project, is that we have approached the tariff question with the idea that we can keep on selling to the world everything we make and produce and buy nothing from the world in return.

There are reasons, for example, let me say to the distinguished Senator from Idaho, why there might be a justifiable tariff on corn. I have not the facts as to that particular commodity, and I would not want to decide the question on the floor. What I am trying to bring out to the Senate is that we have a tariff; that we have the highest tariff in all Christendom; that we have had it for 4 years—nay, more than that, we have had it since 1922. Then, my question is, Where is our prosperity?

Mr. BORAH. Mr. President, the Senator says we have the highest tariff in all Christendom.

Mr. TYDINGS. Yes.

Mr. BORAH. The percentage of tariff of Great Britain is higher than that of the United States.

Mr. TYDINGS. Great Britain had tariffs on only about 8 or 10 articles.

Mr. BORAH. Oh, I beg the Senator's pardon. The percentage of the tariff of Great Britain on a great number of articles is higher than that of the United States.

Mr. TYDINGS. Even Great Britain, as far as that observation is concerned, is not going through any period of unbridled prosperity. Besides she is a debtor country to the United States. We have our tariffs, and we have had them since 1922. If tariffs make a country prosperous, why have we 12,000,000 unemployed, why have we come to a bank collapse throughout the entire country, and why are we appropriating $5,000,000,000 to take care of the unemployed? There is no answer. If a tariff has excluded practically everything from this country, and there is all this misery and unemployment in spite of it, then no argument in the world will support the wisdom of such a policy.

Mr. BLACK. Mr. President, the Senator will also recall that Great Britain has not had its tariff for very long.

Mr. TYDINGS. I did not want to get into the realm of individual tariff duties, but I may say that Great Britain never considered the tariff before other countries did. The Ottawa agreement was the direct result of the enactment of the Smoot-Hawley tariff bill. I do not want to get into that. If we had not passed that act, Great Britain never would have called the Empire conference, in my judgment.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. BORAH. I am not defending the extremes of a tariff policy to which the Senator refers.

Mr. TYDINGS. I understand.

Mr. BORAH. But it is correct to say that the initial step with reference to raising tariff duties after the war was taken upon the part of France and Great Britain, prior to the time when any such step was taken by the United States.

Mr. TYDINGS. I am not going to discuss that or take issue with the Senator. I want to be fair; I do not want to say and do not mean to say that we ought to tear down

every tariff tomorrow morning and have an avalanche of goods coming into this country. That would be asinine. I do not want to say that on some particular article a high tariff could not be justified, or an equally low tariff on another article. What I am attempting to say for want of a better phrase is that our tariffs should be built with the idea of buying and selling with our customers and should be designed to give the maximum amount of employment to the people of the United States. That is what I mean to say.

Mr. BORAH. I would not disagree with that statement.

Mr. TYDINGS. For example, let us consider straw hats. I had hoped someone would interrupt and say, "How about straw hats?" I am going to anticipate it.

We used to make in this country all the straw hats that were used here. We did not import any straw hats. In recent years we are importing over half of the straw hats our people wear. I think that when we start to import on a scale like that a higher tariff may be justified, when over half of the goods we consume in the country come from outside. On the other hand, I would not favor such a tariff as would exclude all straw hats, because on the one hand we would play into the hands of an American monopoly, and on the other hand, if we had no tariff at all, we would play into the hands of an Italian monopoly.

I have not yet discussed the pending joint resolution, because I know we will discuss it next year, and I know that the year after that we will discuss it all over again, and I know that in 3 years there will be inheritance taxes and income taxes and perhaps a sales tax, and I know we will discuss it all over again, and I know we will keep on discussing it and discussing it and discussing it until we treat with the causes of this depression.

There are a great many people who tell me it is psychological depression. I never did believe that, but sometimes I was almost persuaded, I heard it so often, that they must be right. There is no more psychology in this depression than there is in a gnat. The people fought and tried to hold it back in every way they could. Finally the Government set up a backstop in an attempt to break the speed of the governmental machine and the economic machine as they came down the hill, but it was just as inevitable that it could not be stopped as it is inevitable that we cannot break it by stopgap legislation.

We cannot prime the pump, as it is called, and get water out of this well. What we are going to do is to take good water which we once got out of the well and pour it back into the well again, without having the water with which we primed the pump.

Let me give one illustration. Before us is a measure designed to result in the employment of three and a half million people, and the fund set aside to employ those people is $4,000,000,000. That means $1,425 to a man. Let us suppose there are 10,000,000 people out of employment. At that ratio is would take $14,250,000,000 to employ all the people who are out of work in this country.

Let us take another calculation. Let us assume that $50 a month is the security wage, as has been said here by various Senators on the floor. That means $600 a year. Then, if there are 12,000,000 people out of employment, and we are to pay those 12,000,000 people $50 a month, or $600 a year, it would take $7,200,000,000 just for that operation. That is simple mathematics.

Mr. BYRD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Virginia?

Mr. TYDINGS. I yield.

Mr. BYRD. So under this plan another $50 a month must be provided for the purchase of equipment and material, making the total $100 per month per capita for those unemployed.

Mr. TYDINGS. Mr. President, I do not like to say this, and I am measuring my words when I say it, but perhaps a warning would be better than to withhold what comes to my lips. I may be wrong about it but I will call this a measure designed to put the Democratic administration out of power.

Mr. BORAH. Does the Senator want to raise it any?

Mr. TYDINGS. By the time this goes through its natural evolution, the time that this money is all out, all used up, there will be so much resentment about the way it is spent, and the waste, and the lack of permanent wealth being added to the country, and the new taxes that will be inevitable, that I will be very much surprised, indeed I weigh the words, if it does not cost 10 times as much in political disadvantage as those who think it may have political advantage now visualize.

Mr. GLASS. Mr. President, what is the Senator from Maryland trying to do? Is he trying to get all the Republicans in the Senate to vote for the joint resolution? [Laughter.]

Mr. TYDINGS. No; I am trying to keep the Republicans out of the Senate, may I say to the Senator from Virginia, and I say that with a smile in a humorous way, because, in my judgment, the passage of this joint resolution will probably put more Republicans in the Senate than any other thing they have yet seen since March 4, 1933.

Mr. BORAH. So far the effort to put Republicans in the Senate has not been very successful.

Mr. TYDINGS. This joint resolution had not been passed the last time there was a general election, I will say to the Senator.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. Does not the Senator believe that good business is always good politics?

Mr. TYDINGS. Yes; and good politics is always good business.

Mr. THOMAS of Oklahoma. I ask that question to clarify the statement just made, because the inference might be left that the Senator from Maryland was making his argument from a purely political standpoint. However, I want the RECORD to show that at no time is bad business good politics.

Mr. TYDINGS. I accept my friend's observation. Of course, I am the only politician in this body. I am the only politician in this body, and I am fighting this joint resolution, of course, for pure political reasons; and I realize that all the gentlemen who are voting out these billions of dollars are patriots, men who by goodness can rise above politics. [Laughter.] They are the kind of men who can rise above principle.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from Arizona.

Mr. ASHURST. I have listened with great interest and no small degree of admiration to the speech of the able Senator from Maryland. I think what he is trying to say is that "You cannot reclaim the spendthrift by filling his pockets with money."

Mr. TYDINGS. That statement, condensed into a single epigram, really is worth an hour's speech, and I thank my friend from Arizona for it.

Mr. ASHURST. I would have spoken longer had I thought I would have gotten such a compliment as that.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator further yield?

Mr. TYDINGS. I yield.

Mr. THOMAS of Oklahoma. A few moments ago the distinguished Senator referred to a pump. My connection with the pump leads me to believe that a pump is an instrument with which to get water out of a well. We hear stated on the floor that we are merely trying to "prime this pump."

Mr. TYDINGS. That is correct.

Mr. THOMAS of Oklahoma. We are taking something which we call "money" and pouring it into the pump in the hope of getting the pump to operate in order to draw water out of the well. What is the use of priming the pump if there is no water in the well?

Mr. TYDINGS. There is water in the well, and what the Senator should do is not to prime the pump but to repair the valve on the pump so we can get some more water out of it. What the Senator is doing is pouring good water down the pump which would pump if it were only repaired.

Mr. THOMAS of Oklahoma. Mr. President, it is my conviction that there is no water in this well, and when the proper time comes I shall suggest a way to get some water in the well. Then we can prime the pump, and the pump will operate and we can draw some water from the well.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TYDINGS. I shall be delighted to yield to the Senator from Kentucky.

Mr. BARKLEY. That is not the first time that efforts have been made to use a pump to exploit a dry hole.

Mr. TYDINGS. I do not live in the oil country, but I have had some contact with it, and I think the observation of the Senator from Kentucky has a great deal of wisdom.

Mr. President, let us now take this relief list which I hold in my hand. I got it from Mr. Harry Hopkins. It shows the amount of relief moneys expended in the 48 States during the years 1933 and 1934. The total expenditure, if I read the figures correctly, was $2,272,000,000 for pure relief. The little State of Maryland got $28,000,000—not from the Federal Government but that is how much we expended for relief. And that is pretty near all we used to raise to run our Government over there. This year the relief estimate for Maryland, I understand, is $18,000,000.

Let us suppose that this depression is going on for 10 more years. If we appropriate money at the rate of four or five billion dollars for public-works expenditure, are we going to be able to carry the financial load over that period of time? Gentlemen, you are playing with fire here. Debt never was a blessing to anyone, and it is no blessing to the Government of the United States. Men who say, "Oh, England's debt is so-and-so much as compared with ours," are making the statement inferentially that it is a good thing for us to be in debt still further.

I wish we did not owe a dollar, and if no State owed a dollar, and if no city owed a dollar, and no county owed a dollar, and our National Government did not owe a dollar, we could levy all the taxes needed right now to carry this entire relief load. But one reason we cannot do that is because $1,000,000,000 of our total revenue goes for interest alone without a cent of curtailment of the national expense. Nearly one-third of our entire revenue goes just for interest.

But I have been diverted. I rose primarily to say that, in my judgment, there was no cure in this joint resolution at all. I rose to say, in my judgment, that in a year or 2 years from now we will have another expedient. I do not believe the American people are for trade. They are for selling all the goods they can sell, but for buying none at all. I know what we are up against. Our thought is that we will sell to the whole world, but we will not buy anything. Of course, over in England the cry is "Buy British. Buy from your own people." Over in France, "Buy French." Over in Germany it is "Buy German." And over here it is "Buy American." And here we sit, with dictators on the thrones, with governments crashing, with unemployment in our midst. We increase our tariffs to carry out that policy. We pass four and five billion dollar bills while all the world stagnates, and while no one can sell because they cannot buy and no one can buy because they cannot sell.

A man walked into my office 2 days ago. He wanted an increased tariff on Italian tomatoes. Maryland, as Senators know, is a large tomato State. I listened to him and I said, "By the way, do we sell to Italy more than we buy from Italy?" He said "Yes; we do." "Well", I said, "are you in favor then of curtailing the Italian products? And will not Italy then curtail the American products?" He said, "Yes; that will happen, but I am in favor of that. I do not want their goods to compete with our tomatoes."

I do not know how long we will have to go through with this kind of an economic set-up before the sheer force of governmental debts, before the sheer force of permanent unemployment, before the sheer force of constrained or nationalistic programs, such as ploughing under the cotton and buying up marginal lands, and what not, will drive us to the conclusion that we are not getting anywhere with that sort of a policy.

Adam Smith may be discarded in this day and age as an economist, but he said something which I think is as true as any remark that ever fell from the lips of man. He said, "There must be a division of the world's work for any one nation engaged in trade to be prosperous." Without a division of the world's work there cannot be any international solidarity, any international peace, any international stabilization of currency, or any trade. We cannot consume, with the system of society we have, what we can produce in this country with everyone working. And if we destroy the sources of wealth we will have no tax revenues to carry on experiments such as are now carrying on under the provisions of this joint resolution.

I believe that our policy has to a large extent forced England off the gold standard and helped to make dictators all over the world. I believe that one of the greatest curses we now have in this country is the possession of too much gold. Our foreign customers cannot get the metallic base on which to finance the credit which is necessary in order to purchase the goods we might export. If we had in our Treasury all the gold in the world, what would our foreign customers use in payment of the goods we are selling abroad? Being an export Nation, the more gold we have in the Treasury the less our customers have with which to pay for the goods we send abroad.

I want to ring a cry against supernationalism. I do not mean to say by that that I am an internationalist who believes in all sorts of silly schemes to end war and this, that, and the other, but there is a twilight zone of common sense and reason in which nations can cooperate one with the other, stabilize their currencies, and balance their trade, because a prosperous customer can always buy more than can an impoverished customer. Some men take a delight in saying that we have driven this country or that country off the gold standard. I take no delight in it. I am sorry, because I know we can not drive a country from the security of its currency without in time driving ourselves from the security of our currency.

We have gone on and glorified America, and properly so before the war when we were an exporting and debtor Nation, but if we insist on being an exporting and a creditor Nation, then we must sacrifice $26,000,000,000 of foreign loans which are owed either to our Government or to our people, on the one hand, or we have got to take goods from our debtors, on the other hand. We cannot have both. The $26,000,000,000 of international obligations is just about the size of our present national debt. If we want to kiss all that money good-bye, earned wealth, invested capital, savings of labor, all well and good; but may I point out that the present policy is not employing people. I believe if we should not pass the pending measure, and had not passed the last Public Works Act, but had provided simply for relief, conditions would be no worse insofar as the unemployed are concerned. I believe we would have had just about as many unemployed in 1933, 1934, and 1935 as we had in 1932 without the measures referred to. The only dent we have made in the unemployment situation is to scratch the surface by a little public money utilized in the form of a building program; and we cannot keep that up, Senators; we cannot keep it up. Every dollar that the national debt mounts makes recovery more difficult. It requires future taxes to be paid and a future sinking fund to be laid aside, and there is put on the man who is trying to get on his feet a load so heavy that he cannot stagger under it.

Senators here complain about debts in one breath and then vote to drive our indebtedness to the sky in the next. They complain about the size of the national debt—and I agree with them that it is almost too heavy to stand under—and yet, the next instant, or the next week, they vote to increase it $4,000,000,000 or $5,000,000,000. Being a bad thing, the way to get rid of it is to have more of it. That, in my judgment, is the philosophy of that kind of reasoning. I want to scale down the debt; I want now to lay the taxes with which to pay as much of the debt as we possibly can.

I made a calculation the other day of what the proportionate share, based on population, of each State in the

Union was of the national debt. I am going to read it. Assuming the national debt to be $30,000,000,000, then, Maine's share of the national debt is $200,000,000; New Hampshire's, $100,000,000; Vermont's, $80,000,000; Massachusetts', $1,000,000,000; Rhode Island's, $150,000,000; Connecticut's, $325,000,000; New York's, $3,000,000,000; New Jersey's, $1,000,000,000; Pennsylvania's, $2,500,000,000; Ohio's, $1,500,000,000; Indiana's, $750,000,000; Illinois', $1,800,000,000; Michigan's, $1,100,000,000; Wisconsin's, $650,000,000; Minnesota's, $550,000,000; Iowa's $550,000,000; Missouri's, $900,000,000; North Dakota's, $150,000,000; South Dakota's, $150,000,000; Nebraska's $300,000,000; Kansas', $450,000,000; Delaware's, $50,000,000; Maryland's, $375,000,000; District of Columbia's, $100,000,000; Virginia's, $600,000,000; West Virginia's, $425,000,000; South Carolina's, $425,000,000; Georgia's, $675,000,000; Florida's, $325,000,000; Kentucky's, $600,000,000; Tennessee's, $600,000,000; Alabama's, $600,000,000; Mississippi's, $500,000,000; Arkansas', $475,000,000; Louisiana's, $500,000,000; Oklahoma's, $500,000,000; Texas', $1,400,000,000; Montana's, $125,000,000; Wyoming's, $60,000,000; Colorado's, $260,000,000; New Mexico's, $100,000,000; Arizona's $100,000,000; Utah's, $125,000,000; Nevada's, $25,000,000; Washington's $400,000,000; Oregon's $225,000,000; and California's, $1,400,000,000.

That is only the share of the respective States in the national debt figured on a basis of population. Back of all that are the State debts. Senators, had we not better stop?

The State debt of my State is only about $50,000,000, in round numbers, but Maryland's share of the national debt is $375,000,000. The people of my State do not realize that their share of the national debt is exactly seven times as great as their total State debt. They are going to pay off their share of the national debt. Who is going to pay off this money when it is finally collected? Someone may say we are going to make the rich pay it; oh, we are going to make the rich pay for it. Senators, this debt is going to be paid by the sweat and the toil and the labor of the average man. Some of it may be obtained from the rich, but the poor man is going to put his shoulder under the bulk of it.

Mr. WHITE. Mr. President——

Mr. TYDINGS. I yield to the Senator from Maine.

Mr. WHITE. I wish to ask the Senator what was the basis of his computation? What did he assume the national public debt to be?

Mr. TYDINGS. I assumed that debt to be $30,000,000,000, and I only took the round numbers, I may say to the Senator.

Mr. WHITE. For purposes of my own, I estimated the debt on July 1, 1936, as approximately $45,000,000,000; and I took occasion to tell the people of Maine that, on the basis of population, their part of that would be $288,000,000.

Mr. TYDINGS. The Senator was conservative; but our people have no comprehension at all of the fact that the relief money which is coming from the National Government is going to be repaid by them. It is money we get by reaching up into the skies; it does not show on the real-estate tax bills; it will have to be paid back. But let me tell the Senate that it may have been easy to have levied taxes heretofore, but in view of the way the national debt is growing it is going to be hard in the future to levy the necessary taxes; and we are not going to get all the money needed from the very rich. The very poor are going to have their pockets pretty well picked before the debt shall be paid off.

Mr. ADAMS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Colorado?

Mr. TYDINGS. I yield.

Mr. ADAMS. Am I correct in my understanding that the proportion of the national income which comes from income taxes and estate taxes is approximately one-third and that all the remainder comes from the general citizenry of the country?

Mr. TYDINGS. I would say to my friend from Colorado that I hold in my hand a statement which I have today obtained from Mr. Gaston, Assistant to the Secretary of the Treasury. Mr. Gaston, at my request, has shown what each State raises in income taxes and how much of the total revenues are from each State. Now I can answer the question.

Mr. ADAMS. If I may interrupt the Senator, what I have in mind is that a large part of the internal revenue comes from tobacco taxes, from liquor taxes, from gasoline taxes, and similar taxes, which fall upon the everyday citizen regardless of his wealth. It is only the income and estate taxes which fall upon the well-to-do.

Mr. TYDINGS. The heading of this statement is "Federal internal revenue tax collections—Statement showing by States (1) the amounts and percentages of income taxes collected" in the first column, and in the second column, "The amounts and percentages of total internal revenue collected during the fiscal year ended June 30, 1934 (on a basis of collections)."

It hardly seemed to me that these figures could be accurate, but I will read them, for they must be accurate.

Income taxes for the entire country $817,025,339.72. I had an idea the amount was greater than that.

Total internal revenue receipts, $2,672,239,194.52. In other words, the income taxes are a little less than 25 percent of the total taxes raised by internal revenue and other forms of taxation, so that even if we should double the income taxes we would not have half enough money to care for the deficit.

Mr. FLETCHER. Mr. President——

Mr. TYDINGS. I yield to the Senator from Florida.

Mr. FLETCHER. I merely wish to ask if the Senator will put that statement in the RECORD?

Mr. TYDINGS. I am going to put it in the RECORD.

There is another striking thing about the tax figures. When it is realized what certain States pay into the fund, and then the amount of money that is appropriated to certain States, we reach the conclusion that 13 or 14 States, while they may draw their revenue from outside their border, are carrying a pretty big load. When we go further and check up the relief expenditures, we find those 13 States which are already paying a majority of the Nation's taxes are likewise paying most of the relief. We have the grandest "pork barrel" in the form of Federal relief that has ever been before the American Congress.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Kentucky?

Mr. TYDINGS. I yield.

Mr. BARKLEY. Did I understand the Senator to say that the States which pay most of the national income into the Treasury are also paying most of the relief?

Mr. TYDINGS. That is correct.

Mr. BARKLEY. That is inevitable. There is no way to avoid that condition because we have to get the money from where it is. I do not see the point of the Senator's argument.

Mr. TYDINGS. Let me explain. I have reached the conclusion that the people who really have no support, no income, no work, are the people who live in the large cities of the United States—Baltimore, Philadelphia, Pittsburgh, New York, Boston, Rochester, Syracuse, Chicago, St. Louis, Cleveland, Columbus, Detroit, Milwaukee, St. Paul, Kansas City, Denver, and so on. I might go on clear across the country and name others on the far western coast. There the large wells of unemployment exist; but it will be found, in spite of the fact that the unemployment probably exists in the cities, that a great many of the States which have no large cities have gotten more relief money than States with large cities in them.

Mr. BARKLEY. More in actual money or in proportion?

Mr. TYDINGS. More in dollars and cents. Let me refer to one in particular. I do not pick out any one State with any particular object in view, but my eye happens to light on the name of South Dakota in the list. Of course, there was a drought in South Dakota, but South Dakota got $24,000,000 while the State of Maryland, having one city with a million population, got $28,000,000. In Baltimore city we have 110,000 on the relief roll, with no work at all. Somehow or other I cannot believe that the citizens of South Dakota were more distressed and had less to eat and less

fuel and less clothes than the people in the big cities who are the victims of the depression. I congratulate the Senator from South Dakota [Mr. NORBECK] upon being a good Ambassador. He knows how to take home the money.

Mr. COPELAND. Mr. President——

Mr. TYDINGS. I yield to the Senator from New York.

Mr. COPELAND. The Senator and I have been distressed over unemployment in the cities. We have both contended there is nothing in the joint resolution to help the milliners, the dressmakers, the needleworkers, the female clerks, the nurses, and so forth. Has the Senator found any comfort anywhere? Has he, as the debate proceeded, found anything disclosed to comfort him?

Mr. TYDINGS. I am just coming to that point. If the Senator will bear with me a moment, I think I shall anticipate his question.

Mr. COPELAND. Very well.

Mr. TYDINGS. I believe there is no Senator in this body who would not contend seriously that the main purpose for this relief measure is to provide employment for the unemployed in the large cities and in the towns and villages of the country. I do not mean there is not distress in some agricultural sections, because, of course, there is. Relief there is merited. But as I read the provisions of the joint resolution the idea is to "get the money for my State or my district", and not to think of spending it where unemployment really exists, as in New York City, Pittsburgh, Chicago, St. Louis, and similar places. In proof of that statement let me read how these moneys are to be spent.

Sanitation, prevention of soil erosion, reforestation, forestation, flood-control, and miscellaneous projects, $350,000,000.

Of course that is for the large cities. We know all about soil erosion and reforestation in the large cities. I can visualize the unemployed people in the large cities building new forests and preventing soil erosion.

Another item is for "rehabilitation and relief in stricken agricultural areas, $500,000,000." Of course we will get a large slice of that in the large cities.

Mr. COPELAND. Mr. President, will the Senator yield at that point?

Mr. TYDINGS. I yield.

Mr. COPELAND. There is a provision for cemeteries. That will help us in the large cities. We can at least bury our dead.

Mr. TYDINGS. I hope we do not bury the Democratic Party in it, but it looks like we are getting ready to act as pallbearers. [Laughter.]

Mr. BARKLEY. Mr. President, it may depend upon the efficiency of the doctors of the country as to how many it will be necessary to bury in the cemeteries. [Laughter.]

Mr. COPELAND. I think most of those who will be buried will be the doctors, because they are among the unemployed and the most poorly paid in the country.

Mr. TYDINGS. The Senator from Colorado [Mr. COSTIGAN] the other day rose, and properly so, and with great earnestness, pleaded with my friend, the Senator from Virginia [Mr. GLASS], to allow him to insert in the joint resolution the trans-Rocky Mountain project. Rather than have a long debate the Senator from Virginia very courteously stated he could not accede to it, but I think he finally said he would take it to conference. Another friend on the other side of the Chamber wanted some river and harbor improvements inserted in the measure and he offered an amendment to that effect.

Where is the effort to take care of the unemployed? We are not going to get 110,000 people in the city of Baltimore now on the relief rolls to go out to the Rocky Mountains. [Laughter.] We are not going to get the million on the unemployed relief rolls in New York City to go to the Rocky Mountains. If they started out there they would be stopped with an act to repeal this measure before they got fairly started.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Michigan?

Mr. TYDINGS. Certainly.

Mr. VANDENBERG. I should like to give the Senator another example of a project to help the citizens of Baltimore who are in distress. I understand one of the projects is to build a shelter belt of trees a thousand miles long and 100 miles wide just this side of the Rocky Mountains in an arid belt where trees have never been able to grow because of aridity. One of the purposes is to create moisture through the planting of a shelter belt. I have a very interesting suggestion from one gentleman who indicates that it would make more work and accomplish the result better if the administration would remove the Rocky Mountains with pick and shovel and dump the soil in the Atlantic Ocean, which would in turn raise the Atlantic to the level of the Pacific and do away with the necessity for the Panama Canal. [Laughter.]

Mr. TYDINGS. I think we might carry on and build a bridge across the Atlantic to Europe, and then we would not need any tariffs because we could call it "contiguous territory." [Laughter.]

Mr. President, I have detained the Senate for some time and have no desire to proceed at length in conclusion. I do want to try to point out, in no prepared address but simply with the remarks that happen to come to my mind as I proceed, that in my judgment this is simply another piece of stop-gap legislation.

I remember the enthusiasm of Senators when the N. R. A. Act was passed. I can visualize my good friend the senior Senator from New York [Mr. WAGNER], when I told him I could not support the measure, making a personal plea to me to support the legislation. In those days I suppose I was regarded as a renegade. I did not vote for the measure. I have seen that great instrument go up in smoke and ashes.

Then I heard other Senators come along with other propositions—I shall not detail them—all of which were going to stabilize and save the country. As I look at the country now, it would seem to me the thing we have done is to waste a good many hundreds of millions of dollars without ever touching the thing that is underneath the whole problem—the cause of the unemployment distress in the country.

Gentlemen, I am a Democrat. Perhaps I am a politician. I am human, but I thought I was a Democrat, because I believe in communities attending to their own affairs. There are very few in the country which cannot attend to their own relief program, but we must make them do it, because they will not do it for themselves as long as we do it for them.

I am also a Democrat, not a free trader, because I believe that, even though tariffs may be necessary, the future of this country and of the world lies in orderly free trade and moderate tariff.

I am a Democrat because I believe the nations should not fight each other in a currency war, and that as soon as we can get back to a sound currency basis the better it will be for us and everybody in the world concerned.

I think the time is past for enacting the stop-gap legislation which heretofore was necessary in many cases, because we had some very unusual cases with which to deal. I think the time has come when we ought to scrap such measures, because I have not seen anybody in the United States Senate who so far has proposed any better system for men to work and live under than the capitalistic system, properly administered, and its abuses checked so far as they can be checked.

All this buncombe about "redistributing wealth" is nothing more than a program which no man who advocates it would have the courage to carry into execution if he had the power to do so. The air is filled with all sorts of catch phrases like "purchasing power", "security", and "standard of living." Senators are talking about keeping up wages when 12,000,000 people have no wages at all. The Senator from Alabama [Mr. BLACK] has a 30-hour-week bill pending here. If we pass that bill, we are going to lower wages; and yet many men who believe in high wages will vote for it. Why? Because we cannot keep going along without some policy of providing for those who are unemployed. It is not the place to provide for the unemployed in a measure which makes work where no work is necessary.

When this $4,000,000,000 shall have been spent, if a committee of the country can be appointed to weigh and estimate the benefits accruing from its expenditure, the accretions to our national wealth, they will need a big magnifying glass to find out where $5,000,0000 of it has really stuck, because the soil-erosion corrections will probably be washed away the following spring; blizzards will come; herds will trample down the forests proposed to be planted. There is no coordinated, thought-out plan. It is just a quick way to get rid of $4,000,000,000; and then we shall be employing only 3,500,000 people, one-third of those who are unemployed.

Suppose John Brown and Henry Smith and another man are neighbors, and all are out of work: Who is to say which one of the three shall get this work, and where are the other two to go? Can two stay on the relief roll while the other man works? Do Senators think that is going to create favor?

Let me ask my friend from Illinois [Mr. LEWIS], in the big city of Chicago, where there are millions of unemployed, who is to go out there and take every third man and say, "I have a job for you", and turn down two out of three, and say, "The money will not go far enough to employ you." I venture to say that the Senator from Illinois at least will not seek that opportunity; neither will I. Yet that is exactly what we are doing in this joint resolution. We are providing work for only three and a half million people, while we make statements that there are 22,000,000 persons on the dole, and over 10,000,000 unemployed.

Can we justify a measure that treats with only a third of our population? I would rather raise to that extent the amount paid to those on the dole than to give to one-third of the unemployed a preference that cannot be carried to all the unemployed. If we cannot do it for them all, we have no moral right to pick out one man and tell the other two there is no work for them.

When this joint resolution is finally written into the law, if it is, I venture to say there will not be a piece of legislation in the memory of any Senator that he will have been so ashamed of having supported as this measure when its effects are unraveled with the years. The money is going to be wasted in ill-conceived projects that will confer no permanent benefit upon the country. It will employ only one out of every three workingmen who can get no jobs. When the American people see how the money is wasted, I am going to be one to say, "I did not support it for the very reasons you are now complaining about." It may be popular to do it now, but I would rather be a good American than a good Democrat.

Mr. President, I desire to thank for their attention Senators who have done me the honor to listen. All I have said is that we are still dealing with phenomena, not with cause.

We are still trying to run a machine that is out of line. We cannot go on and appropriate money in large quantities like this forever. The time has come to readjust the economic machine. If we do that, we shall have made our due and proper contribution to ending this depression. The longer we put it off, the more difficult it will be for the machine to function when the machine is eventually repaired.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. TYDINGS. Yes; I yield.

Mr. COUZENS. I have been out of the Chamber for some little time. Has the Senator told us during his speech how he would readjust the economic machine?

Mr. TYDINGS. I have tried to do so at some length.

Mr. COUZENS. I will read the Senator's speech in the RECORD.

Mr. TYDINGS. Mr. President, before I surrender the floor I ask unanimous consent to have printed in connection with my remarks the table to which I referred a moment ago from the Secretary of the Treasury and the letter transmitting it—a statement of the relief expenditures of the various States for 1933 and 1934; and, finally, the veto message of President Wilson, dated March 3, 1921, vetoing the emergency tariff bill; all of which I discussed in my remarks. In conclusion, I believe that the germ of the proper idea will be found in the reasoning of President Wilson in vetoing that tariff bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Maryland? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

TREASURY DEPARTMENT,
Washington, D. C., March 19, 1935.

MY DEAR SENATOR: In accordance with your verbal request of March 15, 1935, that you be furnished with a current statement similar to that heretofore furnished to Miss Mary G. Kilbreth by the Treasury, and printed in the CONGRESSIONAL RECORD of February 11, 1932, page 3918, there is enclosed a statement showing (1) amounts and percentages of the income taxes collected in each State during the fiscal year ended June 30, 1934; (2) amounts and percentages of total internal-revenue taxes collected in each State during the fiscal year ended June 30, 1934; and (3) amounts and percentages of total Federal-aid payments made to each State during the fiscal year 1934.

Items (1) and (2) are on the basis of collections, and item (2) includes processing taxes. These figures are exhibited in the Annual Report of the Secretary of the Treasury for the fiscal year 1934, in table 9 on page 321. Item (3) is exhibited in table 47, beginning on page 399.

You will appreciate, of course, the limitations of data representing Federal tax collections in a particular State and the care with which such data must be used in the interest of accuracy. Receipts from internal revenue collected in a particular State, for example, do not necessarily correspond with the amounts which the people of that State ultimately pay toward the expenses of the Government. While the individual reporting income in a certain State is usually a resident of that State, his income is often derived from sources in another State. Also, corporations, particularly the larger ones, pay their income tax in the State in which the principal places of business or the financial headquarters are maintained, although their physical properties may be located in an entirely different State or section of the country and the greater part of their profits from sales derived from many States. It is impossible, therefore, to obtain the exact contribution of any particular State to the support of the Federal Government.

The amounts of expenditures made by the Government as direct payments to the several States and Territories, usually under cooperative arrangements, and ordinarily referred to as "Federal aid to States", are shown in the statement referred to in (3) above. These figures have been compiled from the records of the Treasury so far as possible, and in other cases from information furnished by other departments or Government establishments having administrative control of the appropriations. The expenditures of the Government for the carrying on of its own functions within the States, such as the collection of taxes, constructing and maintaining Federal buildings, public-health activities, under the Treasury Department; military posts and operations, under the War Department; reclamation projects, national parks, under the Department of the Interior; district courts and other judicial functions, under the Department of Justice, etc., are not included in this statement. Complete statistical information of this character can be obtained only from the Departments or Government establishments having administrative control over the appropriations involved.

By direction of the Secretary:
Very truly yours,

HERBERT E. GASTON,
Assistant to the Secretary.

Hon. MILLARD E. TYDINGS,
United States Senate.

Federal internal-revenue tax collections and Federal-aid payments

State or Territory	Federal internal-revenue tax collections—Statement showing by States (1) the amounts and percentages of income taxes collected, and (2) the amounts and percentages of total internal-revenue taxes collected, during the fiscal year ended June 30, 1934 (on a basis of collections)				Federal-aid payments—Statement showing by States amounts and percentages of total expenditures made by the Government as direct payments to States under cooperative arrangements during the fiscal year 1934	
	Income taxes	Percent of total	Total internal-revenue receipts	Percent of total	Amount of expenditures	Percent of total
Arizona	$487,599.02	0.06	$1,371,097.28	0.05	$13,870,618.72	0.76
Alabama	1,938,284.21	.24	12,063,700.16	.45	41,140,248.21	2.25
Alaska	158,930.38	.02	243,193.47	.01	637,257.88	.03

Federal internal-revenue tax collections and Federal-aid payments—Continued

State or Territory	Federal internal-revenue tax collections - Statement showing by States (1) the amounts and percentages of income taxes collected, and (2) the amounts and percentages of total internal-revenue taxes collected, during the fiscal year ended June 30, 1934 (on a basis of collections)				Federal-aid payments—Statement showing by States amounts and percentages of total expenditures made by the Government as direct payments to States under cooperative arrangements during the fiscal year 1934	
	Income taxes	Percent of total	Total internal-revenue receipts	Percent of total	Amount of expenditures	Percent of total
Arkansas	$891,381 50	0 11	$2,949,704 23	0 11	$31,191,719 53	1.71
California	57,469,209 10	7.03	151,946,264 43	5.69	73,467,292 49	4.02
Colorado	4,586,088 90	.56	13,462,548 40	.50	20,982,356 98	1 15
Connecticut	15,515,146 56	1 90	29,155,837.74	1.09	19,389,646 15	1.07
Delaware	12,922,925 19	1.58	18,018,636 35	.67	3,503,115 28	.20
District of Columbia	6,725,018 57	82	11,269,297 86	.42	10,904,557.26	.60
Florida	4,437,630 34	.54	11,589,260 77	.43	40,703,897.60	2.23
Georgia	5,017,449 43	.62	28,782,727 60	1 08	35,479,758 47	1.94
Hawaii	3,287,591 36	.40	5,747,200.65	.22	3,302,786.98	.18
Idaho	402,048 73	.05	1,347,535 30	05	11,524,425 36	.63
Illinois	63,537,029 35	7.78	215,439,848 46	8 06	112,977,621.04	6.19
Indiana	8,916,842 17	1 09	32,848,176 78	1.23	41,654,055 34	2.28
Iowa	4,246,667.58	.52	17,526,015 72	.66	27,041,382 53	1.48
Kansas	3,013,605 83	.37	23,108,035 04	87	25,153,033 89	1.38
Kentucky	5,147,249 33	.63	68,654,207 32	2 57	26,239,040 37	1 44
Louisiana	4,799,512.61	59	17,391,685 60	.65	35,960,982 71	1.97
Maine	3,433,053 05	.42	7,976,326 83	.30	10,285,073.22	.56
Maryland	19,154,022 60	2 34	39,555,784 15	1 48	24,942,438.42	1 36
Massachusetts	39,622,028 81	4 85	97,689,688 31	3 66	63,671,476 36	3.49
Michigan	28,169,277 71	3.46	101,320,561 77	3 79	84,852,000 99	4.65
Minnesota	10,561,764 40	1.29	50,152,191 78	1 88	40,153,374 63	2.20
Mississippi	631,034 61	08	2,315,293 42	.09	27,687,485 01	1.52
Missouri	22,074,838.51	2.70	76,541,576 32	2.86	43,599,540 34	2.39
Montana	685,114 28	.08	3,958,638 49	15	18,026,006 79	.99
Nebraska	2,630,338.71	.32	10,351,054.04	.39	15,839,636.95	.87
Nevada	1,736,364 78	.21	2,375,582 83	.09	5,521,558 81	.30
New Hampshire	1,455,411 37	.18	5,294,128 91	20	7,221,200 56	.40
New Jersey	41,337,659 13	5 06	99,769,014 24	3 73	52,311,954 31	2.86
New Mexico	289,861.02	.04	870,198 12	.03	8,539,871.44	.47
New York	260,844,259 47	31 93	568,022,279 54	21 26	180,843,472 15	9 90
North Carolina	12,957,991 46	1.59	260,405,991 48	9 74	30,333,045 12	1 66
North Dakota	292,321 55	01	1,730,801.21	.06	17,549,214.45	.95
Ohio	37,895,711.72	4.64	124,681,238 44	4 67	106,601,207 16	5 84
Oklahoma	5,921,570 00	.72	44,997,191 11	1 68	38,687,859 96	2.12
Oregon	1,740,784 85	.21	6,829,280 76	.25	17,425,595.72	.95
Pennsylvania	66,461,022.18	8.13	193,092,574 37	7.26	126,855,891 09	6 95
Rhode Island	6,125,959 00	.75	14,983,145 30	.56	7,443,648 46	41
South Carolina	2,047,614 16	25	20,571,300 02	.77	25,955,166.68	1.42
South Dakota	347,033.97	04	1,331,176 20	.05	23,758,948 85	1.30
Tennessee	5,163,773 23	.63	17,451,058 86	.65	30,364,384 32	1 66
Texas	16,176,698 67	1 98	60,608,688.63	2.27	68,432,543 61	3 75
Utah	914,966 26	11	2,636,170 28	.10	12,150,541 48	67
Vermont	644,405 85	08	1,450,308 70	05	4,122,164 40	.23
Virginia	8,796,186 92	1 08	122,662,243 62	4 59	21,621,868 53	1 18
Washington	3,592,337 63	44	14,163,182.95	53	27,752,540 27	1.52
West Virginia	3,582,747 46	.44	8,920,823.40	33	31,692,024 26	1 73
Wisconsin	7,796,324.34	.95	43,499,643 57	1.63	61,786,276 31	3 38
Wyoming	422,561 86	05	1,174,765 18	04	7,214,156 98	39
Philippine Islands			475,225 15	02	238 36	
Puerto Rico			697,813 35	03	7,581,729 79	.41
Total	817,025,339 72	100 00	2,672,239,194 52	100 00	1,826,010,931 57	100 00

Figured on the basis of population, Maine's share of the national debt is $200,000,000 in round numbers; New Hampshire's share is $100,000,000; Vermont, $80,000,000; Massachusetts, $1,000,000,000; Rhode Island, $150,000,000; Connecticut, $325,000,000; New York, $3,000,000,000; New Jersey, $1,000,000,000; Pennsylvania, $2,500,000,000; Ohio, $1,500,000,000; Indiana, $750,000,000; Illinois, $1,800,000,000; Michigan, $1,100,000,000; Wisconsin, $650,000,000; Minnesota, $550,000,000; Iowa, $550,000,000; Missouri, $900,000,000; North Dakota, $150,000,000; South Dakota, $150,000,000; Nebraska, $300,000,000; Kansas, $450,000,000; Delaware, $50,000,000; Maryland, $375,000,000; District of Columbia, $100,000,000; Virginia, $600,000,000; West Virginia, $425,000,000; South Carolina, $425,000,000; Georgia, $675,000,000; Florida, $325,000,000; Kentucky, $600,000,000; Tennessee, $600,000,000; Alabama, $600,000,000; Mississippi, $550,000,000; Arkansas, $475,000,000; Louisiana, $500,000,000; Oklahoma, $550,000,000; Texas, $1,400,000,000; Montana, $125,000,000; Wyoming, $60,000,000; Colorado, $260,000,000; New Mexico, $100,000,000; Arizona, $100,000,000; Utah, $125,000,000; Nevada, $25,000,000; Washington, $400,000,000; Oregon, $225,000,000; California, $1,400,000,000. This shows in round numbers and according to population what each State's share is of the national debt; this in addition to the State debt which each State will have to pay.

Sources of public Emergency Relief funds[1] *expended by State and local relief administrations during the years 1933 and 1934*

[As reported to the Federal Emergency Relief Administration]

State	Total obligations	Federal funds		State funds		Local f	
		Amount	Percent	Amount	Percent	Amount	Percent
Alabama	$28,572,712	$27,432,727	96 0			$1,139,985	
Arizona	11,090,771	9,269,968	83 5	$1,437,254	13 0	383,549	
Arkansas	24,647,896	23,709,412	96 2	158,690	6	779,794	
California	105,968,920	66,336,829	62 6	1,803,179	1 7	37,828,912	
Colorado	24,523,797	19,656,732	80 2	1,674,498	6 8	3,192,567	
Connecticut	28,289,918	10,624,978	37 6	3,147,004	11 1	14,517,876	51 3
Delaware	3,984,926	1,448,375	36 3	2,125,264	53.3	413,287	10 4
District of Columbia	10,863,719	7,660,453	70 5			3,203,266	29 5
Florida	26,934,021	26,308,493	97.7			625,528	2 3
Georgia	27,292,925	26,040,731	95 4	5	(2)	1,252,189	4 6
Idaho	8,350,573	7,200,210	86 2	6,561	.1	1,143,802	13 7
Illinois	185,722,657	132,227,021	71 2	44,305,922	23.9	9,189,114	4 9
Indiana	45,583,589	29,095,436	63 8	33,125	.1	16,455,028	36 1
Iowa	21,858,716	11,760,079	53 8	1,801,282	18.2	8,297,355	38 0
Kansas	26,246,579	18,232,325	69.4	225,630	.9	7,788,624	29 7

[1] Includes obligations incurred for relief extended under the general relief program; under all special programs, and for administration Beginning April 1934 these figure also include purchases of materials, supplies, and equipment (such as team and truck hire), earnings of nonrelief persons, and other expenses incident to the work program.

[2] Less than one-twentieth of 1 percent.

Sources of public Emergency Relief funds expended by State and local relief administrations during the years 1933 and 1934—Continued
[As reported to the Federal Emergency Relief Administration]

State	Total obligations	Federal funds		State funds		Local funds	
		Amount	Percent	Amount	Percent	Amount	Percent
Kentucky	$26,572,212	$23,436,526	88.2	$1,211,390	4.6	$1,924,296	7.2
Louisiana	33,764,996	33,055,001	97.9	1,697	.1	708,298	2.0
Maine	13,103,597	6,041,239	46.1	1,082,036	8.3	5,980,322	45.6
Maryland	28,987,111	18,960,860	65.4	7,882,957	27.2	2,143,294	7.4
Massachusetts	113,424,871	47,353,971	41.8	442,604	.3	65,628,296	57.9
Michigan	106,480,528	77,285,441	72.6	17,197,884	16.2	11,997,203	11.2
Minnesota	44,286,505	33,387,333	75.4	1,960,917	4.4	8,938,315	20.2
Mississippi	18,824,580	18,521,382	98.4	133,737	.7	169,461	.9
Missouri	40,011,708	31,290,162	78.2	2,931,860	7.3	5,789,686	14.5
Montana	15,730,899	13,555,394	86.2	58,304	.4	2,117,201	13.4
Nebraska	12,342,650	8,741,872	70.8			3,600,778	29.2
Nevada	2,950,237	2,762,201	93.6	16,385	0.6	171,651	5.8
New Hampshire [1]	6,693,080	4,017,063	60.0	2,124,258	31.7	551,759	8.3
New Jersey	75,630,286	48,852,584	64.6	20,547,168	27.2	6,230,534	8.2
New Mexico	7,121,605	7,018,017	98.5	11,782	0.2	91,806	1.3
New York	418,136,818	213,780,807	51.1	71,105,192	17.0	133,250,819	31.9
North Carolina	23,372,926	22,168,305	94.8			1,204,621	5.2
North Dakota	15,083,526	13,014,298	86.3			2,069,228	13.7
Ohio	121,733,165	85,130,837	69.9	24,503,385	20.2	12,098,943	9.9
Oklahoma	30,285,805	25,532,877	84.3	266,725	0.9	4,486,203	14.8
Oregon	15,083,411	12,818,829	84.7	892,004	6.2	1,372,578	9.1
Pennsylvania	233,538,926	153,211,862	65.6	64,701,108	27.7	15,625,956	6.7
Rhode Island	11,509,994	4,863,551	42.2	2,919,422	25.4	3,727,021	32.4
South Carolina	23,853,408	23,434,002	98.2			419,406	1.8
South Dakota	24,909,417	22,567,819	90.6			2,341,598	9.4
Tennessee	18,486,708	17,707,655	95.8	643,323	3.5	135,730	.7
Texas	52,010,454	37,176,504	71.5	14,019,951	26.9	813,999	1.6
Utah	14,433,871	11,474,984	79.5	1,925,230	13.3	1,033,657	7.2
Vermont	3,189,157	1,532,227	48.1	29,249	.9	1,627,681	51.0
Virginia	11,759,305	9,992,402	85.0	19,508	.2	1,747,395	14.8
Washington	27,901,997	23,177,343	83.1	2,686,849	9.6	2,037,805	7.3
West Virginia	36,224,703	32,946,125	90.9	2,301,782	6.4	976,796	2.7
Wisconsin	60,497,712	44,270,221	73.2	1,012,972	1.7	15,214,519	25.1
Wyoming	4,234,684	3,851,492	91.0	24,222	.6	358,970	8.4
Total, continental United States [1]	2,272,102,631	1,549,935,555	68.2	299,370,375	13.2	422,796,701	18.6

[1] Break-down partially estimated.

THE WHITE HOUSE,
March 3, 1921.

To the House of Representatives:

I return herewith without my approval H. R. 15275, an act imposing temporary duties upon certain agricultural products to meet present emergencies, to provide revenue, and for other purposes.

The title of this measure indicates that it has several purposes. The report of the Committee on Ways and Means reveals that its principal object is to furnish relief to certain producers in the Nation who have been unable to discover satisfactory markets in foreign countries for their products and whose prices have fallen.

Very little reflection would lead anyone to conclude that the measure would not furnish in any substantial degree the relief sought by the producers of most of the staple commodities which it covers. This Nation has been for very many years a large exporter of agricultural products. For nearly a generation before it entered the European war its exports exceeded its imports of agricultural commodities by from approximately $200,000,000 to more than $500,000,000. In recent years this excess has greatly increased, and in 1919 reached the huge total of $1,904,282,000. The excess of exports of staple products is especially marked. In 1913 the Nation imported 783,481 bushels of wheat, valued at $670,931, and in 1920, 35,848,648 bushels, worth $75,398,834, while it exported in 1913, 99,508,968 bushels, worth $95,098,838, and in 1920, 218,280,231 bushels, valued at $596,957,796.

In the year 1913 it imported 85,183 barrels of wheat flour valued at $347,877, and in 1920, 800,788 barrels, valued at $8,669,300, while it exported in the first year 12,278,206 barrels, valued at $56,865,444, and in 1920, 19,853,952 barrels, valued at $224,472,448. In 1913 it imported $3,888,604 worth of corn, and in 1920, $9,257,377 worth, while its exports in the first year were valued at $26,515,146 and in 1920 at $26,453,681. Of unmanufactured cotton in 1920 it imported approximately 300,000,000 pounds, valued at $138,743,000, while it exported more than 3,179,000,000 pounds, worth over $1,136,000,000. Of preserved milk, in the same year it imported $3,331,812 worth and exported $65,239,020 worth. Its imports in the same year of sugar and wool, of course, greatly exceeded its exports.

It is obvious that for the commodities, except sugar and wool, mentioned in the measure, which make up the greater part of our agricultural international trade, the imports can have little or no effect on the prices of the domestic products. This is strikingly true of such commodities as wheat and corn. The imports of wheat have come mainly from Canada and Argentina and have not competed with the domestic crop. Rather they have supplemented it. The domestic demand has been for specific classes and qualities of foreign wheat to meet particular milling and planting demands. They are a small fraction of our total production and of our wheat exports. The price of wheat is a world price; and it is a matter of little moment whether the Canadian wheat goes directly into the markets of the other countries of the world or indirectly through this country. The relatively small quantity of corn imported into this country has a specialized use, and does not come into competition with the domestic commodity.

The situation in which many of the farmers of the country find themselves cannot be remedied by a measure of this sort. This is doubtless generally understood. There is no short way out of existing conditions, and measures of this sort can only have the effect of deceiving the farmers and of raising false hopes among them. Actual relief can come only from the adoption of constructive measures of a broader scope, from the restoration of peace everywhere in the world, the resumption of normal industrial pursuits, the recovery particularly of Europe, and the discovery there of additional credit foundations on the basis of which her people may arrange to take from farmers and other producers of this Nation a greater part of their surplus production.

One does not pay a compliment to the American farmer who attempts to alarm him by dangers from foreign competition. The American farmers are the most effective agricultural producers in the world. Their production is several times as great for each worker as that of their principal foreign rivals. This grows out of the intelligence of the American farmer, the nature of his agricultural practices and economy, and the fact that he has the assistance of scientific and practical agencies which, in respect to variety of activity, of personnel and of financial support, exceed those of any other two or three nations in the world combined. There is little doubt that the farmers of this Nation will not only continue mainly to supply the home demand but will be increasingly called upon to supply a large part of the needs of the rest of the world.

What the farmer now needs is not only a better system of domestic marketing and credit but especially larger foreign markets for his surplus products.

Clearly, measures of this sort will not conduce to an expansion of the foreign market. It is not a little singular that a measure which strikes a blow at our foreign trade should follow so closely upon the action of Congress directing the resumption of certain activities of the War Finance Corporation, especially at the urgent insistence of representatives of the farming interests, who believed that its resumption would improve foreign marketing. Indeed, when one surveys recent activities in the foreign field and measures enacted affecting the foreign trade, one cannot fail to be impressed with the fact that there is consistency only in their contradictions and inconsistencies.

We have been vigorously building up a great merchant marine and providing for improvement of marketing in foreign countries by the passage of an export-trade law and of measures for the promotion of banking agencies in foreign countries. Now it appears that we propose to render these measures abortive in whole or in part.

I imagine there is little doubt that while this measure is temporary, it is intended as a foundation for action of a similar nature of a very general and permanent character. It would seem to be designed to pave the way for such action. If there ever was a time when America had anything to fear from foreign competition, that time has passed. I cannot believe that American producers, who in most respects are the most effective in the world, can have any dread of competition when they view the fact that their country has come through the great struggle of the last few years, relatively speaking, untouched, while their principal competitors are in varying degrees sadly stricken and laboring under adverse conditions from which they will not recover for many years.

Changes of a very radical character have taken place. The United States has become a great creditor nation. She has lent certain governments of Europe more than $9,000,000,000, and as a result of the enormous excess of our exports there is an additional commercial indebtedness of foreign nations to our own of perhaps not less than $4,000,000,000. There are only three ways in which Europe can meet her part of her indebtedness, namely, by the establishment of private credits, by the shipment of gold, or of commodities. It is difficult for Europe to discover the requisite securities as a basis for the necessary credits. Europe is not in a position at the present time to send us the amount of gold which would be needed and we could not view further large imports of gold into this country without concern. The result, to say the least, would be a larger disarrangement of international exchange and disturbance of international trade.

If we wish to have Europe settle her debts, governmental or commercial, we must be prepared to buy from her, and if we wish to assist Europe and ourselves by the export either of food, of raw materials, or finished products, we must be prepared to welcome commodities which we need and which Europe will be prepared, with no little pain, to send us.

Clearly, this is no time for the erection here of high-trade barriers. It would strike a blow at the large and successful efforts which have been made by many of our great industries to place themselves on an export basis. It would stand in the way of the normal readjustment of business conditions throughout the world, which is as vital to the welfare of this country as to that of all the other nations. The United States has a duty to itself as well as to the world, and it can discharge this duty by widening, not by contracting, its world markets.

This measure has only slight interest so far as its prospective revenue yields are concerned. It is estimated that the aggregate addition to the Nation's income from its operation for 10 months would be less than $72,000,000, and of this more than half would arise from the proposed duty on sugar. Obviously this and much more can be secured in ways known to the Congress, which would be vastly less burdensome to the American consumer and American industry.

The rates, however, have a peculiar interest. In practically every case they either equal or exceed those established under the Payne-Aldrich Act, in which the principle of protection reached its high-water mark, and the enactment of which was followed by an effective exhibition of protest on the part of the majority of the American people. I do not believe that the sober judgment of the masses of the people of the Nation, or even of the special class whose interests are immediately affected by this measure, will sanction a return, especially in view of conditions which lend even less justification for such action, to a policy of legislation for selfish interests which will foster monopoly and increase the disposition to look upon the Government as an instrument for private gain instead of an instrument for the promotion of the general well-being.

Such a policy is antagonistic to the fundamental principle of equal and exact justice to all, and can only serve to revive the feeling of irritation on the part of the great masses of the people and of the lack of confidence in the motives of rulers and the results of Government.

WOODROW WILSON.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Virginia [Mr. BYRD] to the amendment of the Senator from Colorado [Mr. ADAMS] to strike out "$2,000,000,000" and to insert in lieu thereof "$1,000,000,000."

Mr. COPELAND obtained the floor.

Mr. ASHURST. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. COPELAND. Mr. President, I did not yield for that purpose.

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Arizona for the purpose of suggesting the absence of a quorum?

Mr. COPELAND. No; I ask my friend not to call for a quorum. I know Senators are occupied in committee work.

Mr. ASHURST. Mr. President, I understood that the question was about to be put on the pending amendment. If there is no objection, I will withdraw my request for a quorum call.

Mr. COPELAND. Mr. President, I am very much obliged to the Senator from Arizona for withdrawing his suggestion of the absence of a quorum. I feel confident that Senators are occupied with other matters of importance. I fear, also, that their minds are made up on this question; and so, perhaps, it is really useless to debate it at all.

As everybody knows, I am tremendously worried over unemployment in the cities. It so happens that my home is in the city of New York, where is found the largest unit of unemployed persons in the whole country. About one-quarter of our population are on relief. What is true in New York is true in Buffalo, Rochester, Syracuse, Schenectady, Albany, Elmira, Binghamton, Jamestown, and other cities in my State.

As much as I am concerned about the effect of this joint resolution upon the Treasury and upon the financial credit of our country, I should support it if it had in it a hope of relief for the great urban populations found in my great State.

I concede that there is need for something to restore business. Frankly I am not impressed by the newspaper accounts of material improvement in business. I read, as I assume other Senators did, the report of the chairman of the council appointed by the Secretary of Commerce, which was printed yesterday in the newspapers. There were two statements in it which struck my eye. One related to the increase in exports and the other to a much smaller increase in imports. But, Mr. President, those figures are dollar figures; they are not volume figures. Unless we can have a material increase in volume of production and in volume of products sold, we shall have no real improvement in the way of overcoming the unemployment conditions of the country.

I read every week a little paper which is edited by a friend of mine. He will forgive me if he should read this statement in the RECORD, but I think perhaps I read his news letter because he edits it.

In a box on the face of this newspaper every week is a record of car loadings in the United States. I can think of no one thing which gives a truer index to business than car loadings. While there might be great activity in some commodity locally consumed, and I dare say that often is the case, yet, by and large, so far as the country is concerned, the car loadings give a very accurate index of business.

There is nothing in the record of car loadings to justify the belief that there is any material improvement in business. I find, for example, that during the 4 weeks in January the car loadings amounted to 2,170,471, as against 2,183,081 in 1934. There was a decline during that period of 13,000 car loadings.

If I were contrasting figures now with figures of 10 years ago, I would have to confess at once that perhaps the busses might be carrying the traffic. In that respect there is no difference now from what the condition was a year ago.

The last week recorded in this report is the week of February 16; I find that the car loadings in that week were 581,981, as against 600,268 in the corresponding week of 1934. I have no later figures, but I have no doubt they will show exactly the same contrast.

I want to see improvement in business. Every Member of the Congress desires to have business improve. I am sure that every Member of Congress, regardless of his party, is anxious to have business improve. Everyone stands for this, even if it might perpetuate the present administration, and defeat the hopes and ambitions of the Republicans, if they have any, that they might elect the President next year.

The only argument which can possibly be used for the enactment of the pending joint resolution is that it might "prime the pump" and stimulate a revival of business. We have been "priming the pump" until the pump is worn out; it just will not prime. The junior Senator from Virginia [Mr. BYRD] this morning pointed out very clearly, however, that if we need money with which to "prime the pump", we have at our disposal a billion and a half dollars of unused money, funds which we voted last year. If we were to accept the amendment offered by the junior Senator from Virginia, another $1,880,000,000 would be added to the unused money, making nearly $4,000,000,000 available for "pump priming" purposes.

Mr. President, the Senate will reassemble, I assume, next January. I do not believe that between this time and then the country will be so disgusted with us that they will not let us reassemble. The appropriating body will still be in existence, and if the sum of between three and four billion dollars which will be available for these various functions shall all be used up before the New Year, we can vote some more money at the next session.

It is a distressing thing to observe the effect of the continued offerings of the Government upon the banks and their lending of money. I do not think I blame the bankers. Last year and for a number of years previously I did blame them. I said that a bank had no excuse for living if it could not operate as a bank; that when it boasted that 80 percent of its assets were liquid, it was like a hospital boasting that 80 percent of its beds were empty, when there were a thousand persons seeking admission to the hospital. But the picture has changed or I did not see the whole picture. At the moment certainly the banks are called upon, or are liable to be called upon any day, to absorb Government offerings. They do not dare let out their money in the way of private loans, because they do not dare to be in the position of not being able to absorb their respective proportions of the Government offerings.

Mr. President, we need to remind ourselves time and time again that if there should come a time when the banks declined to take the offerings of the Government, there would be an immediate slump in the value of Government securities. We need not go far back in history to find when such a thing happened. I recall that it was only a few years ago when Government securities were down to 82. If we had a decline today in the market for Government securities, and they fell to 82, or even to 89 or 90, it would put every bank in the United States into insolvency, because during the past few years the portfolios of the banks have been filled with Government bonds and notes. Many banks have as high as 60, 70, and even 75 percent of their securities in the shape of Government securities. Suppose there should be a decline of 10 percent in the value of those securities, so that the decline would wipe out the capital and surplus of a given bank; it would be an insolvent institution.

We cannot afford to go on and on and on in the borrowing of money. Yet we are asked to vote $5,000,000,000 more, the largest appropriation ever made in any country at any time.

Let me show, if I can, what effect this absorption of Government securities has had upon the lending of money to local industries. Every time a bank lends $100,000 to the Government, it has a hundred thousand less to lend to local industries, to the manufacturer, or the business man, or the farmer, or the householder. Banks say that they make all loans which are asked where the security is gilt-edged. Go down to a bank and offer some kind of security for a loan, and see what they do about it. One just cannot get the money.

The heavy industries have suffered, according to the report I read yesterday; they are not operating, probably because of lack of funds. One of such establishments we set up was the Reconstruction Finance Corporation. I think the R. F. C. has done a tremendous amount of good, but I say frankly that it has been extremely difficult for many industries in my section of the country to get any money from the R. F. C.

I have in mind as I speak, a corporation—and I shall not mention its name, or be specific enough to identify it—which manufactures heavy machinery. This corporation desired to borrow $300,000. The business they do amounts to two or three million dollars a year, and their plant runs up into millions of dollars in value. They went to the R. F. C. with an appeal for a loan and finally, after much discussion, it was agreed that they could have $300,000, $200,000 in cash and $100,000 for which the R. F. C. would have trade acceptances as security.

The reason these operators went to the R. F. C. was because they did not want to hypothecate their credit with the local bank. The minute a concern like that shows its hand it is regarded to be insolvent, or at least its credit is attacked. As a result it cannot operate with any degree of efficiency; it is "in the hands of the broker."

After about 9 months of effort this particular concern succeeded in getting the R. F. C. to say they would take $50,000 in credit securities. That offer, of course, in its effect on credit, is just as bad as the other.

The point I am trying to bring out, Mr. President, is that not alone do the local banks fall down in their function of providing money for industry but the R. F. C., splendid as its work has been in most fields, is not supplying the need of the manufacturers.

Now we propose still further to hamper credit by absorbing $5,000,000,000 more of the money of the public, and place in the portfolios of the banks of America $5,000,000,000 more of Government securities. That is what I meant the other day when I said we cannot buy our way into prosperity, and that we are buying our way into poverty. Instead of "priming the pump" all these things have exactly the opposite effect, and make still more difficult the operation of normal banking activities and the restoration of business with normal employment.

I remember very well when Speaker Thomas B. Reed was in power that for the first time in our history the appropriations of Congress amounted to a billion dollars. There was a great protest from the entire country. A billion-dollar Congress! In characteristic fashion Mr. Reed said, "Well, it is a billion-dollar country."

Mr. President, next year this country will not only be a billion-dollar country but it will be a billion-dollar, interest-paying country.

We will be called upon to pay in interest upon our national securities a sum as great as the entire appropriations for the support of the Government when the protest arose against the billion-dollar Congress. That is what we are facing. How long can we continue under such conditions?

I wish to speak briefly about the joint resolution. I have always disliked to hear the charge made that any piece of legislation was "pork barrel" legislation. I listened with some amusement last week when efforts were made to add this, that, and the other project, and I make the statement without criticism of any particular Senator, because I have no particular Senator in mind. But the point of all such efforts was that "So long as the going is good I must get mine."

Mr. BARKLEY. Mr. President, will the Senator yield at that point?

Mr. COPELAND. I yield to the Senator from Kentucky.

Mr. BARKLEY. Does not the Senator think that the Senate as a whole is entitled to some credit for not consenting to the inclusion of individual projects which might have justified the criticism that they were of the "pork barrel" variety?

Mr. COPELAND. I think the Senate did vote down one or two.

Mr. BARKLEY. As I understand it, they voted down all which might be regarded as "pork barrel" projects.

Mr. COPELAND. That is, those which were not already in the joint resolution. That is, the barrel was so full of pork that we did not think it wise to put in any more pieces of pork.

Mr. BARKLEY. Of course, even if there had been no allocation or break-down of the total amount at all, someone might say it was pork.

Mr. COPELAND. Oh, yes; I concede that.

I have here a petition signed by two or three thousand citizens of a community in my State. In order that I may not give offense to this particular community I will not mention the name of the community, and I will call it "Dunlap." I do not know that I have a community called "Dunlap" in my State, but anyway, for the purposes of this argument, I am creating the community of Dunlap.

The petition reads as follows:

We, the undersigned, urge Senators COPELAND and WAGNER to vote for the President's relief bill and urge the President of the United States to include in this program of relief grade-elimination projects.

That is all right. That project is already in that resolution. So I may say to my constituents in Dunlap that grade-elimination projects are in the joint resolution. But my constituents do not stop there.

We urge the President and all concerned to include in the program of relief grade-elimination projects, especially the grade-elimination project for the city of Dunlap.

That is all right. I do not blame the citizens of Dunlap for wanting their grade-elimination project carried there, and I am for it.

Mr. BARKLEY. Will the Senator further yield?

Mr. COPELAND. I yield.

Mr. BARKLEY. What is it that the people of Dunlap want eliminated?

Mr. COPELAND. The grade crossings at Dunlap.

Mr. BARKLEY. Oh, yes. There may be many things in Dunlap which ought to be eliminated.

Mr. COPELAND. No; I will say that the residents of Dunlap are a noble aggregation of citizens. Some of them vote for me. But even those who do not I think are fine, outstanding people.

Mr. BARKLEY. But very much misguided.

Mr. COPELAND. But misguided! However, the citizens of Dunlap want the grade crossings in Dunlap taken care of. I want the grade crossings in Dunlap to be taken care of, but I am equally interested in the white-collar folk who have been self-respecting, self-supporting citizens of my city and State and who now have nothing to eat but the sidewalks of New York. There is no other poverty so pressing and distressing as is the poverty in the cities.

I do not want anyone here to think that I speak as a city-born and bred person. I was born on a farm, brought up in a community of 800 people. I know conditions in the rural sections just as well as does any other Member of the Senate. Most of my relatives are farm people. But I do not care how poor or underprivileged or distressed may be the people of the rural districts, there is no poverty equal to the misery imposed by unemployment upon those who live in tenement houses.

There is a square mile in my city where live 500,000 citizens, men women, and children—a half million in a square mile. Where can they get any food if there is unemployment and unrelief? Where are they to go for food? On a farm a few rutabagas or a few potatoes could be cooked or an old rooster could be parboiled, and then served up in some fashion; but in the cities there is nothing to eat but the sidewalks. When poverty comes, thousands, tens of thousands, hundreds of thousands in the cities of New York State—dressmakers, milliners, manicurists, needleworkers, garment makers, nurses, clerks, and messengers; women, just as much entitled to be taken care of by a benevolent Government as any workers of the male sex, have no recourse except charity.

Where is there in this bill anything to help them? The last time I spoke here on this subject some Senator referred to "elevated structures." I suppose the poor dressmakers might determine just the degree of elevation of these projects as they do the height of the skirt off the floor. It is ridiculous! There is nothing in the joint resolution to help that class of workers. How long do you think, Mr. President, the "white collar" workers—"workers!"—in quotation marks with an exclamation after the word—how long do you think the "white collar" workers of America in the cities of New York, Boston, Philadelphia, Chicago, St. Louis, San Francisco, and all the other of the great cities, are going to endure this state of affairs?

I know there are many projects in this measure which are commendable. I think the good-roads project is well worth while, because 90 percent of every dollar appropriated and applied to the building of roads is for labor. I have no doubt that the road projects, and perhaps the grade-separation projects, for which the citizens of Dunlap appeal, will afford opportunities for labor.

I find in the joint resolution an item of $600,000,000 for the Civilian Conservation Corps. In my judgment, that movement is one of the outstanding achievements of the Roosevelt administration. In addition to all the other splendid things our President has done, the inauguration of the Civilian Conservation Corps will go down in history, in my judgment, as one of the finest undertakings ever devised or thought of by man.

Mr. Roosevelt was fortunate in the selection of the man, Mr. Robert Fechner, who is in charge of that work. He has carried it on with a degree of intelligence and alertness and activity and has given it a supervision which entitle him to great praise. I should be glad to see that movement continued. There has just come into the Chamber the Senator from Massachusetts [Mr. WALSH], who was chairman of the committee that wrote the bill creating the Civilian Conservation Corps. I am proud that, as a member of that committee, I had a part in it, for nothing we have done, in my judgment, will prove to be more conspicuously an improvement in the relief of distress and in the fighting off of communism than this very movement.

So when I consider these items one after another I can find some of them that are decidedly meritorious. But after we have filled up the barrel, mostly with pork, at the very end we say:

That not to exceed 20 percent of the amount herein appropriated may be used by the President to increase any one or more of the foregoing limitations.

The entire amount assigned to each item may be taken for something else. Every dollar allotted to roads might be devoted to something else; every dollar supposed to be provided for the Civilian Conservation Corps project might be used for some other purpose. There is nothing definite about the joint resolution, and, in my opinion, its authors do not intend that it shall be definite; it is purposely left elastic in order that it may be operated at the pleasure of those who may administer it.

I would not be honest with the Senate if I did not say that my position has been criticized by some of my constituents. I am happy that the critical letters have not been numerous, but where there has been criticism it is because of the impression that I stand only for the "dole." Of course, that is perfectly ridiculous. In the administration of this proposed act, in the future as in the past, whether the entire amount shall be appropriated or a lesser sum, there will be a piecing out of funds by appropriations and by allotments already made. Even though the amount shall be cut to the sum suggested by the Senator from Virginia, there will still be left in the joint resolution a billion dollars, as his amendment provides, and a balance of a billion and a half now unexpended, or two and a half billion, in all, to be used for work projects.

I want to make it very clear that even though we should accept the amendment of the Senator from Virginia, there would still be left the enormous sum of $2,500,000,000 which could be used for work relief.

This is not by any means a proposal to put everybody on the dole. Let that be made clear. Those of us who object to the large sum proposed to be appropriated by the joint resolution as presented, are just as much interested in work relief as we are in direct personal relief, and there is ample provision for the former. I do not want any constituent of mine to think that I desire to put everybody on a dole.

I have just as much faith in human nature as has any other Senator here. I know that the average citizen wants to work; I know that the average family wants to work; I know that self-respect means everything to them; I know that many of them are even eating the shingles off their houses in order to keep from an appeal to public relief boards. I want my constituents to know that even though this amendment shall prevail, as I hope it will, there will still be available, two and a half billion dollars for work relief.

I have been in the Senate for 13 years. If 13 years ago as a freshman Senator, I had come on the floor and introduced a proposal to spend two and a half billion dollars, I would have been laughed out of the Senate. It would have been said, "That man has gone crazy", and yet if we should adopt the amendment of the Senator from Virginia, we would have left the enormous sum of two and a half billion dollars for work relief, a sum that a dozen years ago would have been ridiculed by the whole country.

Mr. President, what do you say when you get letters? Here is one from a doctor. The chief of indoor sports is to joke about the doctor; and yet my observation is that the man who attempts suicide today, if tomorrow he has a stomach ache, will call a doctor; when he is in trouble he wants a doctor. No other class of our people has suffered more than has the medical man. They contribute always in normal times half their energies to the care of the poor. Now most of their patients, especially those men who are not fortunate enough to ring silver doorbells, are on relief. The vast army of the unemployed have no money for the doctor.

Mr. President, what would you do if you received a letter from a man who is assistant professor in a great medical school, a man of distinction, the author of a splendid textbook, a man who has been successful in his private practice, who would write to you as follows:

> You are fully aware, I am sure, of the fact that it is extremely difficult for many physicians to make a living under the existing conditions. The vast majority of our patients are getting welfare aid, and the clinics and hospitals are full of charity cases. Yet in spite of all this we all continue to give freely of our services. We in turn have been compelled to cut our expenses to the core and struggle for the bare necessities of life.

At the end of this letter he makes an appeal to me to find some place where he can go for aid and yet preserve his self respect. What are we going to do for him and thousands like him?

Because I happen to be a physician I have many letters from doctors all over the country, particularly from the Northwest in the stricken areas of the Dakotas, Montana, and other States. The doctors never see any money. They are paid sometimes in products of the farm, perhaps, a side of pork now and then or a few dozen eggs, but they never get any money. There is no money. And yet we are going on and on and on, attempting to continue to do over again the same thing that failed in our past experiments.

I know the Senator from Oklahoma [Mr. THOMAS]—there is no more conscientious or able Member of this body—feels that our philosophy is wrong. There must be something wrong with our philosophy. There is something wrong with what we are attempting to do. We are not achieving relief. We are not finding the path to prosperity. We are not on the way back to better things.

If I felt an appropriation of $4,000,000,000 or $5,000,000,000 or $10,000,000,000 would bring us back to prosperity, I should vote for it with joy in my heart. But I took an oath and I conceive it my duty to my constituents and to my country to vote in all good conscience on the pending measure.

I am going to be faced, and other Senators are going to be faced, as I said the other day, with a great problem. If we are defeated in our efforts to amend the pending measure, since this is the only appropriation now pending for human relief, we shall have to face the question of what we are going to do about it.

So far as I have influence, I beg Senators not to impose a burden of debt upon our country by voting an unneeded $3,000,000,000 in addition to what the junior Senator from Virginia [Mr. BYRD] has proposed. As I see it, we should vote now for $1,880,000,000, which, together with other and unusued funds, will be ample to carry us into a time when the Senate shall meet again and when the Congress can give renewed attention to the question.

I think we are on the wrong path—and I say it with deepest respect for the President of the United States. There is no one here more anxious than I to do for him everything that he wants done. He comes from my State. He has been my friend and supporter through many years. I should prefer to grant everything he requests. However, Mr. President, in all good conscience I think I have no right at this time to vote against my convictions. To give an additional $3,000,000,000, as I see it, is a wicked waste of the taxpayers' money and may well have the effect of causing a state of national affairs where the very credit of our Nation may be at stake.

Mr. President, I want relief for the white-collar class. I shall do all I can to help the unemployed, directly or by the use of work relief. But I do not want to saddle upon this country an additional burden through an appropriation which has in it a threat to our banking institutions, a threat to our industrial development, a threat to our agricultural prosperity, a threat to our financial security. Therefore, Mr. President, for my part I feel it to be my duty to vote in favor of the amendment offered by the junior Senator from Virginia.

Mr. GLASS. Mr. President, if there is to be no further discussion, I should like to close the matter in a word and then let the respective amendments go to a vote.

Mr. ROBINSON. Mr. President, I think we should have a quorum.

Mr. GLASS. I should prefer not to have a quorum called. I shall speak no longer than 2 or 3 minutes.

Mr. ROBINSON. Very well.

Mr. GLASS. As Chairman of the Appropriations Committee and by direction of the committee, I reported the pending joint resolution. From time to time I have endeavored to the best of my ability to maintain the integrity of the measure and to justify its various provisions.

The amendment proposed by the Senator from Colorado [Mr. ADAMS] was offered in committee and failed of adoption, or was adopted at one time and failed of adoption by a tie vote another time and ultimately was defeated in committee by 1 vote. I voted for the amendment in committee and reserved the right to do likewise on the floor of the Senate. On all the committee amendments I have stood throughout with the committee, as I recall, and endeavored to justify the various amendments; but on the amendment of the Senator from Colorado I still maintain the view that the appropriation contained in the joint resolution would bring us too near the point of impairment of the public credit. If that should occur, as already I have pointed out, it would be a disaster too momentous for the human imagination now to grasp, disastrous to the Government itself, disastrous to private enterprise and industry, which, so far from being enabled to expand, would be desperately curtailed; and just in the measure that it should either fail to expand or should be largely curtailed it would do a desperate wrong to the working classes of the Nation.

I have said already that an impairment of the credit of the United States to the point of 10 percent would so impair the credit of the banks as to render 90 percent of them practically insolvent. That would mean more than the mere statement of the fact, because the impairment would not cease at 10 percent. That alone would create such peril and such distrust that it would go on and on, and catastrophe would inevitably follow.

I make this explanation for the RECORD, with no expectation of influencing the vote of any Senator. I think every Senator now knows how he intends to vote on these amendments. I am perfectly content to stand upon the prediction that, if this tremendous appropriation shall be made, it will imperil the credit of the United States, with all of the succeeding consequences.

I call for a vote on the amendment.

Mr. ROBINSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	La Follette	Radcliffe
Ashurst	Costigan	Lewis	Reynolds
Austin	Couzens	Logan	Robinson
Bailey	Cutting	Lonergan	Russell
Bankhead	Dickinson	McAdoo	Schall
Barbour	Dieterich	McCarran	Schwellenbach
Barkley	Donahey	McGill	Sheppard
Bilbo	Fletcher	McKellar	Shipstead
Black	Frazier	McNary	Smith
Bone	George	Maloney	Steiwer
Borah	Gerry	Metcalf	Thomas, Okla.
Brown	Gibson	Minton	Thomas, Utah
Bulkley	Glass	Moore	Townsend
Bulow	Guffey	Murphy	Trammell
Burke	Hale	Murray	Truman
Byrd	Harrison	Neely	Tydings
Byrnes	Hastings	Norbeck	Vandenberg
Capper	Hatch	Norris	Van Nuys
Carey	Hayden	Nye	Wagner
Clark	Johnson	O'Mahoney	Walsh
Connally	Keyes	Pittman	White
Coolidge	King	Pope	

Mr. LEWIS. I announce that the Senator from Wisconsin [Mr. DUFFY], the Senator from Oklahoma [Mr. GORE], the Senator from Louisiana [Mr. LONG], and the Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate.

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. CUTTING. Mr. President, I should like to address a question to the junior Senator from Colorado [Mr. ADAMS]. Would it be possible to have separate votes on the two parts of his amendment? I ask the question because personally I should like to vote for the 1-year time limit rather than the 2-year time limit, and yet I am absolutely opposed to cutting the amount of the appropriation.

Mr. ADAMS. Mr. President, I am very inexpert in parliamentary procedure, but I should assume it would be an entirely appropriate thing to separate the two parts of the amendment.

Mr. CUTTING. Then I address the question to the Chair.

The PRESIDING OFFICER. Any Senator may have the amendment divided.

Mr. BORAH. Mr. President, the effect of dividing the amendment would be to appropriate $4,800,000,000 for 1 year?

Mr. CUTTING. If the first half of the amendment should be agreed to and the second half should fail, of course, that would be the situation.

Mr. ROBINSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Arkansas?

Mr. CUTTING. I yield to the Senator.

Mr. ROBINSON. I understand that the question is on the amendment of the Senator from Virginia [Mr. BYRD] to the amendment of the Senator from Colorado [Mr. ADAMS].

The PRESIDING OFFICER. That is the pending question.

Mr. ROBINSON. The first vote, therefore, would come on the amendment of the Senator from Virginia.

Mr. CUTTING. I understand that. I simply desired to make sure whether, when the amendment of the Senator from Colorado comes up, he will be willing to have it divided.

Mr. ADAMS. I may suggest to the Senator from New Mexico that I think it will make considerable difference in which order the vote shall be taken on the separate questions.

Mr. CUTTING. I have no particular interest in that. I want a chance to vote differently on the two halves of the Senator's amendment.

I desire to occupy a few moments to explain my position on the two amendments on which we are shortly to be called upon to vote.

I am opposed to both of the amendments. I do not believe that anything adequate can be done in the way of work relief for a smaller sum than that provided in the joint resolution. In fact, to my mind, that sum itself is inadequate. I intend to vote for the amendment which I understand the Senator from Wisconsin [Mr. LA FOLLETTE] is to offer, increasing the total amount.

It seems to me it has been fairly well demonstrated by the Senators who have spoken in favor of cutting down the appropriation that public works will cost more money per capita than the ordinary straight relief. That seems to me perfectly clear. On the other hand, I agree entirely with the President of the United States that work relief is superior, not only for the morale of our people but for the future results to the county. So, if the amount of money now carried by the joint resolution is inadequate to carry out its purposes, I believe the amount should be materially increased.

The argument which has been advanced on the floor of the Senate today in favor of direct relief, the so-called "dole", has been based almost entirely on grounds of economy.

It seems strange to me that those talking about economy have not gone further and advocated a system, which is now to a large extent used by the Relief Administration and which is far more economical than the dole itself—that is, the system by which the unemployed produce goods for their own consumption.

I am not sponsoring the adoption of any such system. I can see many distinct disadvantages to it. I am standing by the principle embodied in the pending joint resolution. But if there is to be talk about economy, why not go the whole way?

I received a few weeks ago a very interesting letter from the Federal Emergency Relief Administration concerning the production of goods by persons on work relief. Mr. Baker, Assistant Administrator, sent me with his letter a series of interesting tables showing what is being done at the present time, giving valuable information about the way in which the system has worked out in different parts of the country, and giving an estimate of the cost of employing all of those on relief, in this particular manner. These statistics are entirely too detailed to read to the Senate at this late hour but I shall ask unanimous consent that Mr. Baker's letter, together with the attached tables, shall be printed at the end of my remarks. I shall read portions of Mr. Baker's communication in order to show the general conclusions which he has reached and the system which is employed at the present time.

First, as to the proportion of work-relief persons producing goods, Mr. Baker writes:

> Of the 1,600,000 persons working on work relief on November 15 about 15 percent were employed in the production of goods required by the unemployed. Exhibit A shows this distribution by States and compares it with other types of projects upon which people were working. You will note that on public-property projects about 74 percent of the people were employed, against 15 percent in the production of relief goods.

Second, as to the extent of these projects, Mr. Baker says:

> On November 15 there were 7,650 projects in operation throughout the country in the production of goods needed by relief people.

He then states how they were divided:

> During the succeeding month—

That is, in December—

> there were some changes in the number of projects, but they remained approximately the same.

For the month of December Mr. Baker reports that, while the statements which have come to him are incomplete, he estimates the total production at approximately $18,000,000 for the month of December.

Third, as to the efficiency of this method, Mr. Baker writes:

> Whenever the efficiency of work-relief labor is estimated, it turns out to be primarily dependent upon organization and retraining. As it has gone on the engineers and supervisory staffs of the various local relief administrations have developed increasing skill in the use of such labor. At the convention of the Societies of Municipal Engineers and Public Works Officials last fall, officials, in response to my inquiry on the subject, estimated that efficiency ranged from 50 to 90 percent of that which could be got by contractors on similar projects. Since that time there has been some further increase in efficiency. As foremen, gang bosses, and superintendents become trained themselves in the use of retraining men who have lost part of their skill through idleness, we find that efficiency builds up.
>
> Where we have had the possibility of comparing final costs on public construction jobs with engineers' estimates and with contractors' bids, we have found that, given good supervision, the cost of the work is as low as that of the bid.

Mr. Baker goes on to give some details in various States, and says:

> The nearest approach we have to a specific record of efficiency is in the case of the Ohio relief production units where the Ohio relief administration is using vacant and idle plants, manning them with their relief labor, and manufacturing a variety of things needed by relief clients. Sheet C shows the December returns in those plants with a total of goods valued, if they had been sold, at $132,000, produced at a total cost of $126,000. The goods, of course, were not sold but were distributed to relief clients.

I now come to the portion of Mr. Baker's letter which seems to be most pertinent to the present discussion, and that is with regard to the cost of relief of unemployed persons producing as much as possible for themselves. Mr. Baker writes:

In response to a similar inquiry sometime ago we got together a good deal of data. Necessarily it is somewhat theoretical and changes from time to time as prices change. I enclose a memorandum—D—that summarizes it. The average expenditure for relief of funds from all sources is approximately $165,000,000 a month We began with that as a basis and the fact that 42 percent of the clients were on work relief. By planning a program to put as many as possible to work and for them to produce as much of their own needs as possible through rental of idle equipment, it appears that the same relief benefits that cost $163,000,000 could be readily produced for $60,000,000.

Which is considerably less than half the cost, as Senators will observe. I continue reading Mr. Baker's letter:

If these benefits were increased 35 percent, it would bring them to a respectable standard of subsistence at a total cash outlay of $78,000,000 a month.

Still considerably less than half of the present figure—

It must be recognized that at best these are estimates, but they are estimates that have been made by highly competent industrial engineers of very broad experience.

A considerable number of State and local relief administrations have considered this problem. One of the most careful plans that I know of for handling a whole depressed area was recently developed in Illinois for four coal-mining counties that have no immediate prospect of recovery. Rather careful engineering work has been done on this, and it appears that by putting all of the people to work who can they can produce a large part of the things they need and at the same time produce materials for public-work projects that will result in a great many civic community improvements.

Mr. President, as I said before, I am not standing here advocating the particular plan proposed. I can see a great many objections which would arise to it, especially on the part of the retail merchants of the country. It may be that from a political standpoint it would be a difficult or even an impossible plan to carry out at the present time. But I do say that if we are basing our action on grounds of economy then we ought to be willing to follow out that argument to the limit.

If we cannot afford to put the unemployed of the United States to work on useful public projects, if that is simply going to put us head over heels into debt, as Senators have argued all of this day, then why not take up a system which will put the unemployed to work in their own behalf and at a sum far more reasonable than anything which has been advanced? Are the gentlemen who are arguing for economy really prepared to carry out the implications of their own argument?

Mr. President, it seems strange to me that in all the discussion before the Senate so far the alternatives mentioned have been simply those two, work relief on public projects, or the straight dole.

There is a third alternative. It is one which I think deserves at least careful consideration on the part not only of Congress, but of the people of the country, and for that reason, without any endorsement at all, I submit for the RECORD and ask that there be printed this very interesting correspondence between myself and Mr. Hopkins.

The VICE PRESIDENT. Is there objection to the request of the Senator from New Mexico?

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

FEBRUARY 15, 1935.

Hon. HARRY L. HOPKINS,
Federal Emergency Relief Administrator,
Washington, D. C.

MY DEAR MR. HOPKINS: I should be very much interested to learn the experience of the Relief Administration in the several States with regard to the operation of work relief in producing things for the unemployed. Any information you may be able to furnish me along these lines would be gratefully received, including those concerned with problems of organization, operation, and efficiency. Specifically, I should like to know the present extent of workrooms and production projects, the nature, and the value of the goods produced.

Have you any figures to show what possible reduction in costs there would be if goods were produced for themselves by the unemployed to the maximum possible extent?

While the question is perhaps not strictly connected with the above, I am wondering also whether you have any statistics showing to what extent relief is supplementing private wages.

I should be very grateful for any information which you can let me have as to the above.

Very sincerely yours,

BRONSON CUTTING.

FEBRUARY 20, 1935.

Hon. BRONSON CUTTING,
United States Senate, Washington, D. C.

MY DEAR SENATOR CUTTING: Mr. Hopkins has asked me to reply to your letter of February 15 concerning the use of work-relief labor in the production of things to meet relief requirements. I am attaching a number of reports and memoranda which cover the questions raised in your letter. It may be useful, however, if I summarize the replies here.

A. Proportion of work-relief persons producing goods.

Of the 1,600,000 persons working on work relief on November 15 about 15 percent were employed in the production of goods required by the unemployed. Exhibit A shows this distribution by States and compares it with other types of projects upon which people were working. You will note that on public-property projects about 74 percent of the people were employed as against 15 percent in the production of relief goods.

I also attach a statement of the latest report of average weekly earnings on work-relief projects in the several States.

B. The present extent of workrooms:

On November 15 there were 7,650 projects in operation throughout the country in the production of goods needed by relief people. These were divided up as follows:

	Projects	Percentage
Clothing, sewing of garments, etc	2,348	30.6
Food, canning, and preserving	1,217	15.9
Fuel, cutting wood, digging peat, etc	434	5.7
Garden products	576	7.5
Household goods	738	9.6
Construction materials	75	1.1
Other	2,262	29.6
Total	7,650	100.0

During the succeeding month there were some changes in the number of projects, but they remained approximately the same. For the month of December the following production was reported:

	Value
Total meat and meat products	$7,409,042
Total fruit and vegetables	525,931
Total other food products	10,708
Total foodstuffs	7,945,681
Total clothing	583,260
House furnishings	1,834,412
Miscellaneous	165,736
Total	10,529,089

Reports incomplete. This estimated to be about 60 percent of total, making a total production of approximately $18,000,000 for December.

You will note from the attached exhibit marked "B–1" the range of things produced covering the wide requirements of relief families. Among other things there were $80,000 worth of toys produced for distribution to the children of relief families at Christmas time.

C. EFFICIENCY

Whenever the efficiency of work-relief labor is estimated, it turns out to be primarily dependent upon organization and retraining. As it has gone on the engineers and supervisory staffs of the various local relief administrations have developed increased skill in the use of such labor. At the convention of the Societies of Municipal Engineers and Public Works Officials last fall, officials, in response to my inquiry on the subject, estimated that efficiency ranged from 50 to 90 percent of that which could be got by contractors on similar projects. Since that time there has been some further increase in efficiency. As foremen, gang bosses, and superintendents become trained themselves in the use of retraining men who have lost part of their skill through idleness, we find that efficiency builds up.

Where we have had the possibility of comparing final costs on public construction jobs with engineers' estimates and with contractors' bids, we have found that, given good supervision, the cost of the work is as low as that of the bid.

Cost data has not been kept accurately by all the local administrations on their work programs, but on the whole expenses are the same as with contracts. Given good foremanship, the understanding of the need for retraining, full efficiency is developed. (The nearest approach we have to a specific record of efficiency is in the case of the Ohio relief production units, where the Ohio relief administration is using vacant and idle plants, manning them with relief labor, and manufacturing a variety of things needed by relief clients. Sheet C shows the December returns in those plants, with a total of goods valued, if they had been sold, at $132,000, produced at a total cost of $126,000. The goods, of course, were not sold but were distributed to relief clients.)

D. COST OF RELIEF—UNEMPLOYED PRODUCING AS MUCH AS POSSIBLE FOR THEMSELVES

In response to a similar inquiry sometime ago we got together a good deal of data. Necessarily it is somewhat theoretical and changes from time to time as prices change. I enclose a memo-

randum—D—that summarizes it. The average expenditure for relief of funds from all sources is approximately $165,000,000 a month. We began with that as a basis and the fact that 42 percent of the clients were on work relief. By planning a program to put as many as possible to work and for them to produce as much of their own needs as possible through the rental of idle equipment, it appears that the same relief benefits that cost $163,000,000 could be readily produced for $60,000,000. If these benefits were increased 35 percent, it would bring them to a respectable standard of subsistence at a total cash outlay of $78,000,000 a month. It must be recognized that at best these are estimates, but they are estimates that have been made by highly competent industrial engineers of very broad experience.

A considerable number of State and local relief administrations have considered this problem. One of the most careful plans that I know of for handling a whole depressed area was recently developed in Illinois for four coal-mining counties that have no immediate prospect of recovery. Rather careful engineering work has been done on this and it appears that by putting all of the people at work who can they can produce a large part of the things they need and at the same time produce materials for public-work projects that will result in a great many civic and community improvements. A memorandum marked "D-1" covers this.

E. EXTENT TO WHICH RELIEF LABOR SUPPLEMENTS PRIVATE WAGES

It is not our policy to supplement the wages of full-time employees with relief funds. There are a considerable number of workers, however, having part-time employment, but whose wages are insufficient to support the family. A study made last May indicates that of the 3,821,000 employable workers on the relief rolls in urban areas at that time, 544,000, or 14.2 percent of the total, were working at nonrelief jobs at an income insufficient to provide for their families. You are, of course, familiar with the procedure involved in granting relief to families, involving an investigation to determine the amount of family income and an estimate of the amount needed by the family for the bare necessities of life. The difference between estimated needs and the income, if any, is the amount of relief allowed. A few studies of specific communities have been made by the Departments of Labor and Agriculture—one on the onion workers of Ohio was released by the Department of Labor.

It occurs to me that you may be interested in a general summary of the work program which was recently submitted by us to another Senator. I attach it, marking it "Exhibit E."

Yours very sincerely,

JACOB BAKER,
Assistant Administrator.

Number [1] of relief and nonrelief persons working on Emergency Relief Administration program and percentage distribution, by field of project activity, week ending Nov. 15, 1934

[Percentage distributions [2] are preliminary and represent results of tabulations completed as of Jan 24, 1935]

State	Total number of persons working [1]	Percentage distribution, by field of project activity							
		Planning projects	Projects on public property		Projects to provide housing	Production and distribution of goods needed by unemployed	Public welfare, health, and recreation	Public education, arts, and research	Tool and sundry equipment projects
			Highway projects	All other					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Alabama	30,945	0.1	31.4	43.3	2.3	16.6	4.0	2.0	0.3
Arizona	8,899		31.4	34.7		20.7	2.9	9.9	1
Arkansas	35,163	.3	38.6	33.9	.2	23.0	2.2	1.6	.2
California [3]	108,970	(4)	26.7	40.6		13.1	7.4	12.1	.1
Colorado	[5] 19,818	.1	45.1	33.8	.1	13.7	1.6	5.5	.1
Connecticut	13,226	3.7	31.1	50.0		5.1	2.7	6.9	.5
Delaware [6]									
District of Columbia [7]	7,177		13.4	64.9		7.8	7.7	5.7	.5
Florida [8]	36,257								
Georgia	34,970	(4)	15.0	55.2	.3	22.0	1.6	5.8	.1
Idaho	10,681	(4)	28.4	52.0		15.0	.5	4.0	.1
Illinois	65,955	.1	31.6	49.4	2.0	6.5	6.8	3.5	.1
Indiana	49,440	.2	36.0	46.8	.5	11.4	3.4	1.6	1
Iowa	29,343	2.1	39.8	44.2	(4)	11.3	1.2	1.3	.1
Kansas	52,404	.2	43.6	25.4	1.3	21.4	6.6	1.5	0
Kentucky	26,263	.3	48.2	36.8		8.6	4.2	1.9	
Louisiana	28,091		24.4	56.7	.4	9.7	2.6	5.9	3
Maine	7,794	.3	48.2	42.3		5.7	.5	3.0	
Maryland	7,615		30.2	60.1		2.6	.5	6.2	1
Massachusetts	83,767	.6	13.7	65.1	.4	12.8	1.1	6.0	3
Michigan	60,190	.4	36.5	48.6	.5	8.5	1.1	4.2	2
Minnesota	60,986	1.5	55.9	31.3	.2	3.9	3.0	4.2	0
Mississippi	16,582	(4)	20.3	30.3	.5	32.9	12.6	3.4	
Missouri [9]	53,563	.3	43.6	16.2		35.7	.8	3.4	
Montana	8,887	.6	19.9	30.4	.2	44.3	.5	3.4	7
Nebraska	17,790	.1	42.8	38.2	1.5	10.1	3.2	4.1	
Nevada	1,830		10.9	45.9		34.7	1.7	6.5	3
New Hampshire	3,640	.2	6.0	52.1		27.9	1.9	6.4	5.5
New Jersey	23,578	1.7	16.7	45.8	.4	5.7	6.1	23.1	5
New Mexico	7,183	1.2	47.7	39.7	2	8.8	.3	1.9	2
New York	151,951	3.1	21.3	52.7	.5	4.2	4.0	13.0	3
North Carolina	22,032	.1	9.0	38.0	(4)	44.6	3.3	3.9	2
North Dakota	23,389	.2	67.9	17.2	.2	11.8	.9	1.7	1
Ohio	43,715	.8	25.4	45.6	.7	10.5	6.2	10.5	1
Oklahoma	55,911	.4	44.9	27.5	(4)	25.2	1.0	1.0	(4)
Oregon [10]	8,119	1.9	14.5	42.7		26.9	8.1	5.8	1
Pennsylvania	49,139		23.8	64.0	(4)	1.5	2.7	7.8	1
Rhode Island	14,843	(4)	40.3	45.2	3.2	9.3	.5	1.3	2
South Carolina	31,979	.1	14.0	30.0	.1	43.9	6.6	5.2	1
South Dakota [11]	65,125		70.3	18.3	(4)	9.2	.4	1.8	(4)
Tennessee	16,278	.2	21.2	38.2	.5	33.3	3.4	2.6	6
Texas	84,795	.2	33.7	25.7	3.3	29.1	4.2	3.8	(4)
Utah	10,667	.3	40.6	46.6	.4	7.7	1.9	2.5	
Vermont	2,902	(4)	32.0	45.3		11.6	1.2	9.9	
Virginia	15,502	.1	23.6	53.5	.6	15.2	1.6	5.3	1
Washington	10,851	1.3	13.1	48.1	.7	18.6	2.4	14.9	9
West Virginia	42,491	.1	58.6	17.1	2.7	12.3	8.4	.6	2
Wisconsin	36,057	.2	36.3	47.7	.4	10.6	.9	3.5	1
Wyoming	3,045	3.1	17.4	28.4		38.4	7.6	5.1	
United States	1,599,798	[12] .6	[12] 33.6	[12] 41.0	[12] .7	[12] 14.7	[12] 3.5	[12] 5.7	[12] .2

[1] Figures obtained from weekly reports and cover all persons working exclusive of persons on administrative project pay rolls.
[2] The percentage distribution is based on pay rolls tabulated which with a few exceptions cover total number of persons working exclusive of persons working on administrative project pay rolls.
[3] Percentage distribution based on 80 percent of the total number of persons working in the State as not all of the pay rolls were received.
[4] Less than one-twentieth of 1 percent.
[5] Estimated.
[6] E. R. A. work program employed only 3 persons.
[7] Percentage distribution based on the number of persons on work projects exclusive of supervisory personnel.
[8] To date, work project pay rolls have not been received.
[9] Percentage distribution based on the total number of persons working in the State exclusive of St. Louis and St. Louis County.
[10] Percentage distribution based on 34 percent of the total number of persons working in the State.
[11] Percentage distribution based on 82 percent of the total number of persons working in the State as some of the pay rolls were inadequately prepared and therefore could not be tabulated.
[12] Based on States for which pay rolls have been tabulated.

Number of relief and nonrelief persons working on projects for the production and distribution of goods needed by the unemployed, and percentage distribution, by type of goods produced, week ending Nov. 15, 1934

[Percentage distributions [1] are preliminary and represent results of tabulations completed as of Jan. 24, 1935]

State	Number of persons working [2]	Percentage distribution by type of goods produced						
		Clothing	Food	Fuel	Garden products	Household goods	Construction materials	All other
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Alabama	5,006	25.7	23.2	2.1	1.7	39.4	2.8	5.1
Arizona	1,810	42.9	8.4	7.8	10.0	4.4	----	26.5
Arkansas	7,879	2.5	70.7	5.4	4.9	8.1	.4	8.0
California [3]	11,349	82.0	3.7	5.6	.3	1.2	----	7.2
Colorado	2,667	54.3	6.3	1.5	.4	29.8	1.7	6.0
Connecticut	763	52.3	.2	7.1	----	40.4	----	----
Delaware [4]	----	----	----	----	----	----	----	----
District of Columbia [5]	532	94.7	----	----	----	5.3	----	----
Florida [6]	----	----	----	----	----	----	----	----
Georgia	7,701	3.2	75.7	.2	1.0	12.3	.4	7.2
Idaho	1,653	33.8	40.4	10.0	.2	4.9	----	10.7
Illinois	4,319	37.1	29.9	13.4	1.6	10.1	.4	7.5
Indiana	5,661	17.4	40.4	6.7	9.5	21.9	----	4.1
Iowa	3,222	28.9	40.9	2.7	4.3	21.6	----	1.6
Kansas	11,164	27.4	56.8	.6	.1	4.4	----	10.7
Kentucky	2,101	34.9	.2	2.4	----	29.8	----	32.7
Louisiana	2,748	5.3	41.1	.1	1.6	34.2	2.6	15.1
Maine	630	35.4	6.5	2.2	2.2	----	----	53.7
Maryland	202	----	24.3	13.4	----	46.0	----	16.3
Massachusetts	10,109	88.0	.5	4.1	.4	4.1	2.2	.7
Michigan	5,297	21.4	5.6	25.9	14.4	17.2	7.7	7.8
Minnesota	2,152	37.0	5.9	10.2	1.6	13.1	----	32.2
Mississippi	4,825	45.0	2.1	1.0	9.8	36.8	----	5.3
Missouri [7]	17,673	19.5	44.0	1.2	2.4	14.5	1.5	16.9
Montana	3,890	10.5	63.3	2.9	----	7.9	.5	14.9
Nebraska	2,237	23.6	34.6	10.3	1.2	23.1	----	7.2
Nevada	634	24.0	49.2	10.3	.5	7.4	----	8.6
New Hampshire	904	65.5	1.2	22.0	.2	9.0	2.1	----
New Jersey	1,354	16.6	2.5	53.0	20.5	7.2	----	.2
New Mexico	608	26.7	41.9	6.7	5.6	4.1	3.8	11.2
New York	6,382	35.4	46.5	4.9	12.3	.8	----	.1
North Carolina	9,775	14.5	30.1	6.3	7.0	7.0	.4	34.7
North Dakota	3,645	32.6	17.0	6.1	.6	2.2	.2	41.3
Ohio	4,720	29.3	21.1	3.4	3.3	29.8	----	13.1
Oklahoma	13,052	32.4	2.3	5.8	3.6	2.1	----	53.8
Oregon [8]	733	72.3	.8	1.1	.9	20.2	.3	4.4
Pennsylvania	704	79.4	----	5.4	----	15.2	----	----
Rhode Island	1,399	62.3	12.9	.4	.3	23.5	----	.6
South Carolina	13,973	32.4	6.0	3.1	7.9	2.8	----	47.8
South Dakota [9]	4,937	59.0	1.4	4.7	2.7	9.4	.2	22.6
Tennessee	5,405	10.0	53.9	2.8	5.3	17.2	.5	10.3
Texas	24,268	13.2	67.8	5.9	3.6	[10]	.2	9.3
Utah	878	34.6	3.9	4.2	.2	17.8	5.7	33.6
Vermont	324	72.2	21.6	1.9	----	4.3	----	----
Virginia	2,315	63.6	3.1	21.3	.6	10.2	.7	.5
Washington	2,118	42.9	5.9	25.5	5.7	10.8	----	9.2
West Virginia	5,306	41.6	39.3	----	1.5	17.1	----	.5
Wisconsin	5,013	15.2	1.0	3.0	1.7	13.3	----	65.8
Wyoming	1,162	6.2	48.7	5.4	.4	3.8	----	35.5
United States	225,289	31.3	31.0	5.4	3.8	10.5	.7	17.3

[1] The percentage distributions are based on pay rolls tabulated which, with few exceptions, cover the total number of persons working exclusive of persons on administrative project pay rolls.

[2] The total number of persons working on projects in the field of production and distribution of goods needed by the unemployed represent 14.7 percent of the total number of persons working on the E. R. A. work program in the United States during the week ending Nov. 15, 1934. Figures giving the relative number employed in this field in each State appear in column (7) of the table covering the number of relief and nonrelief persons working on E. R. A. work program, and percentage distribution by field of project activity

[3] Figures cover only 80 percent of the total number of persons working in the State as not all of the pay rolls were received.

[4] E. R. A. work program employed only 3 persons.

[5] Figures cover the number of persons on work projects exclusive of supervisory personnel.

[6] To date work-project pay rolls have not been received.

[7] Figures cover the total number of persons working in the State exclusive of St. Louis and St. Louis County.

[8] Figures cover only 34 percent of the total number of persons working in the State.

[9] Figures cover only 82 percent of the total number of persons working in the State, as some of the pay rolls were inadequately prepared and therefore could not be tabulated.

[10] Less than one-twentieth of 1 percent.

Number [1] of relief and nonrelief persons working on E. R. A. work program, distribution of employees, by sex, expressed as a percentage of total, week ending Nov. 15, 1934

[Percentage distributions [2] are preliminary and represent results of tabulations completed as of Jan. 24, 1935]

State	All employees			Relief employees			Nonrelief employees		
	Number of persons working	Percentage distribution, by sex		Number [3] of persons working	Percentage distribution, by sex		Number [3] of persons working	Percentage distribution, by sex	
		Male	Female		Male	Female		Male	Female
Alabama	30,945	83.7	16.3	30,619	83.7	16.3	326	85.7	14.3
Arizona	8,899	82.8	17.2	8,734	82.9	17.1	165	79.8	20.2
Arkansas	35,163	87.7	12.3	31,241	87.5	12.5	[3] 3,922	92.0	8.0
California [4]	108,970	82.6	17.4	106,471	82.6	17.4	2,499	84.7	15.3
Colorado	[3] 19,818	88.4	11.6	[3] 18,431	88.7	11.3	[3] 1,387	84.1	15.9
Connecticut	13,226	93.9	6.1	12,430	94.1	5.9	796	91.3	8.7
Delaware [5]	----	----	----	----	----	----	----	----	----
District of Columbia	7,177	80.9	19.1	6,883	80.5	19.5	294	90.8	9.2
Florida [6]	36,257	----	----	35,244	----	----	1,013	----	----
Georgia	34,970	85.7	14.3	33,304	85.6	14.4	1,666	89.7	10.3
Idaho	10,681	90.5	9.5	9,633	90.6	9.4	1,048	90.0	10.0
Illinois	65,955	94.2	5.8	62,661	94.4	5.6	[3] 3,294	81.8	18.2
Indiana	49,440	93.9	6.1	48,501	94.2	5.8	939	78.3	21.7

[See footnotes at end of table]

Number of relief and nonrelief persons working on E. R. A. work program, distribution of employees, by sex, expressed as a percentage of total, week ending Nov. 15, 1934—Con.

[Percentage distributions are preliminary and represent results of tabulations completed as of Jan 24, 1935—Continued]

State	All employees			Relief employees			Nonrelief employees		
	Number of persons working	Percentage distribution, by sex		Number of persons working	Percentage distribution, by sex		Number of persons working	Percentage distribution, by sex	
		Male	Female		Male	Female		Male	Female
Iowa	29,343	93 4	6.6	27,817	93 5	6 5	1,526	91 4	8 6
Kansas	52,404	90 6	9 4	50,689	90 9	9 1	1,715	78 7	21 3
Kentucky	26,263	93.2	6 8	25,360	93 1	6 9	[9] 903	99 3	7
Louisiana	28,091	94.8	5.2	27,571	95 4	4.6	520	51 8	48 2
Maine	7,794	95 5	4.5	7,122	95 9	4.1	672	91 1	8 9
Maryland	7,615	97.4	2 6	7,600	98.2	1.8	15	63 4	36 6
Massachusetts	83,767	85 5	14 5	82,794	85 5	14 5	973	78 3	21 7
Michigan	60,190	94 9	5 1	59,193	95 2	4 8	997	77 8	22 2
Minnesota	60,986	93.1	4.9	56,627	95 5	4 5	[10] 4,359	87 4	12 6
Mississippi	16,582	65 4	34 6	15,701	66 6	33.4	881	28 1	71 9
Missouri [11]	53,503	82 2	17 8	48,774	82 6	17.4	4,789	78 3	21 7
Montana	8,887	86.2	13 8	7,611	86 2	13 8	1,276	85 9	14 1
Nebraska	17,790	93 6	6 4	17,519	94 4	5 6	271	73 4	26 6
Nevada	1,830	84 6	15.4	1,628	84 2	15 8	202	89 0	11 0
New Hampshire	3,640	78 2	21 8	3,146	80.3	19 7	494	60 8	39 2
New Jersey	23,578	91 3	8 7	22,406	91 6	8 4	1,172	84 6	15 4
New Mexico	7,183	94.7	5 3	6,592	95 2	4 8	591	87 4	12 6
New York	151,951	90.5	9 5	144,465	90 9	9 1	7,486	83 2	16 8
North Carolina	22,632	81 3	18 7	19,027	80 2	19 8	2,105	92 4	7 6
North Dakota	23,389	94.3	5 7	22,909	94 5	5 5	480	81 9	18 1
Ohio	43,715	87 6	12 4	41,103	87 9	12 1	2,612	83 8	16 2
Oklahoma	55,911	87 3	12 7	54,084	87 5	12 5	1,827	79 8	20 2
Oregon [12]	8,119	74.4	25 6	8,001	74 5	25 5	118	71 8	28 2
Pennsylvania	49,139	96.3	3.7	42,032	98 3	1 7	7,107	84 1	15 9
Rhode Island	14,843	89 4	10 6	14,760	89 5	10 5	83	75 8	24 2
South Carolina	31,979	72 2	27 8	30,708	71 8	28 2	1,271	82 3	17 7
South Dakota	65,125	93 0	7 0	64,635	93 2	6 8	490	84 1	15 9
Tennessee	16,278	85.3	14 7	15,829	85.5	14 5	449	80 1	19 9
Texas	84,765	85 5	14.5	80,662	87 2	12 8	4 133	55 8	44 2
Utah	10,667	93 3	6.7	9,843	94 5	5 5	824	80 1	19 9
Vermont	2,902	82.1	17.9	2,758	82.6	17 4	[13] 144	23 8	76 2
Virginia	15,502	79.8	20 2	15,169	79.4	20 6	333	97 0	3 0
Washington	10,851	84 0	16.0	10,106	85 3	14 7	745	69 6	30 4
West Virginia	42,491	91.4	8.6	40,913	91 9	8 1	1 578	79 9	20 1
Wisconsin	36,057	96 0	4 0	35,432	96 1	3 9	625	85 3	14 7
Wyoming	3,045	86.9	13.1	2,474	87.9	12 1	571	82 5	17 5
United States	[14] 1,599,798	[15] 89.1	[15] 10 9	[14] 1,528,112	[15] 89.4	[15] 10.6	[15] 71,686	[15] 81.3	[15] 18 7

[1] Figures obtained from weekly reports and cover all persons working exclusive of persons on administrative project pay rolls

[2] The percentage distributions, by sex, are based on pay rolls tabulated which, with few exceptions cover the total number of persons working exclusive of persons on administrative project pay rolls

[3] Percentage distribution, by sex, based on 47 percent of the number of nonrelief persons working in the State as not all of the pay rolls were received.

[4] Percentage distribution, by sex, based on 80 percent of the total number of persons and 79 percent of the number of relief persons working in the State as not all of the pay rolls were received.

[5] Estimated

[6] E. R. A. work program employed only 3 persons.

[7] To date, work project pay rolls have not been received

[8] Percentage distribution, by sex, based on 24 percent of the number of nonrelief persons working in the State as not all of the pay rolls were adequately prepared

[9] Percentage distribution, by sex, based on 32 percent of the number of nonrelief persons working in the State as not all of the pay rolls were received

[10] Percentage distribution, by sex, based on 69 percent of the number of nonrelief persons working in the State as not all of the pay rolls were received

[11] Percentage distribution, by sex, based on the total number of persons working in the State exclusive of St Louis and St. Louis County.

[12] Percentage distribution, by sex, based on 34 percent of the total number of persons working in the State

[13] Percentage distribution, by sex, based on 15 percent of the number of nonrelief persons working in the State as not all of the pay rolls were received

[14] Totals of States from which weekly reports have been received. The number of relief persons equals 95 5 percent and the number of nonrelief persons equals 4 5 percent of the total number of persons employed in the States from which weekly reports (Federal Emergency Relief Administration form 190) have been received

[15] Percentage distribution, by sex, based on States for which pay rolls have been tabulated.

Number [1] and earnings of relief and nonrelief persons working on E. R. A. work program

[Based on latest available reports; subject to revision]

Week ending—	Number of persons working	Total amount of earnings	Average weekly earnings
Mar 22, 1934	32,542	$276,900	$8 51
Mar. 29, 1934	61,524	566,982	9 22
Apr 5, 1934	530,152	5,438,619	10 26
Apr 12, 1934	742,670	9,114,967	12 27
Apr. 19, 1934	799,828	9,621,314	12 03
Apr 26, 1934	815,897	9,675,644	11 86
May 3, 1934	820,532	9,622,551	11 00
May 10, 1934	827,989	9,659,856	11.67
May 17, 1934	867,326	10,070,721	11 61
May 24, 1934	922,234	10,407,533	11.29
May 31, 1934	864,804	9,401,206	10 87
June 7, 1934	956,203	10,608,393	11 09
June 14, 1934	1,008,775	11,224,247	11 13
June 21 1934	1,049,885	11,051,173	10 53
June 28, 1934	1,014,892	10,800,050	10 64
July 5, 1934	1,012,207	10,284,689	10 16
July 12, 1934	1,168,006	12,297,223	10 53
July 19, 1934	1,220,953	12,620,105	10 29
July 26, 1934	1,220,847	12,151,364	9 95
Aug 2, 1934	1,175,041	11,685,232	9 94
Aug 9, 1934	1,203,107	12,888,900	9 97
Aug. 16, 1934	1,330,687	12,983,233	9.74
Aug. 23, 1934	1,305,645	12,593,149	9.65

[1] Exclusive of persons on administrative project pay rolls.

Number and earnings of relief and nonrelief persons working on E R A. work program—Continued

[Based on latest available reports; subject to revision]

Week ending—	Number of persons working	Total amount of earnings	Average weekly earnings
Aug. 30, 1934	1,214,327	$11,787,008	$9 71
Sept. 6, 1934	1,285,843	11,972,229	9 28
Sept. 13, 1934	1,422,140	13,671,939	9 61
Sept 20, 1934	1,444,272	13,713,840	9 50
Sept 27, 1934	1,408,430	13,435,226	9 54
Oct 4, 1934	1,346,562	13,228,264	9 82
Oct 11, 1934	1,397,550	13,988,711	10 01
Oct 18, 1934	1,416,091	13,988,420	9 88
Oct 25, 1934	1,443,551	14,153,674	9 80
Nov 1, 1934	1,348,012	13,083,667	9 71
Nov 8, 1934	1,498,045	14,802,809	9 88
Nov 15, 1934	1,599,761	15,867,151	9 92
Nov. 22, 1934	1,573,866	15,291,458	9 72
Nov 29, 1934	1,392,847	13,134,829	9 43
Dec 6, 1934	1,643,503	15,347,154	9 94
Dec 13, 1934	1,710,740	16,697,703	9 76
Dec 20, 1934	1,833,473	17,368,859	9.47
Dec 27, 1934	1,551,954	13,931,171	8 98
Jan. 3, 1935	1,495,453	13,719,623	9 17
Jan 10, 1935	1,726,056	16,349,951	9 47
Jan 17, 1935	1,814,156	16,684,279	9 20
Jan. 24, 1935	1,675,437	14,799,499	8 83
Total		541,444,025	

Number [1] and earnings of relief and nonrelief persons working on E. R. A. work program, week ending Jan. 24, 1935

[Based on latest available reports]

United States	Number of persons working	Increase (+) or decrease (−) from previous week	Total amount of earnings	Average weekly earnings
Alabama	22,608	−5,392	$100,458	$4 44
Arizona	7,236	−644	72,111	9.97
Arkansas	15,585	−17,684	73,368	4.71
California	[2] 132,000	+4,000	[2] 1,595,000	12 08
Colorado	[2] 25,432	−2,994	[2] 260,465	10.24
Connecticut	16,115	−164	205,511	12.73
Delaware	49	−1	383	7.82
District of Columbia	7,418	−142	57,669	7 77
Florida	35,737	−4,075	170,356	4 77
Georgia	47,297	+1,719	208,953	4.42
Idaho	[2] 1,582	−11,897	[2] 11,248	7.11
Illinois	[2] 79,600	−1,400	[2] 722,000	9.07
Indiana	52,831	−395	468,081	8 86
Iowa	[2] 35,484	−1,495	[2] 202,883	5.72
Kansas	[2] 59,125	−2,795	[2] 420,086	7.11
Kentucky	[2] 21,242	−7,107	[2] 84,197	3.96
Louisiana	28,048	+1,556	169,309	6.04
Maine	5,404	−2,120	54,452	10.08
Maryland	7,144	−1,427	44,763	6.27
Massachusetts	[2] 91,142	−1,615	[2] 1,060,045	11.63
Michigan	50,567	−3,123	436,245	8 63
Minnesota	41,918	−8,330	443,516	10.58
Mississippi	[2] 19,470	−6,806	[2] 80,165	4.12
Missouri	[2] 67,195	−5,975	[2] 343,527	5.11
Montana	[2] 6,752	−2,318	76,764	11.37
Nebraska	25,890	−475	191,496	7 40
Nevada	2,250	+299	33,341	14.82
New Hampshire	1,960	+959	$19,469	$9.03
New Jersey	[2] 29,216	−322	[2] 336,989	11.53
New Mexico	9,290	−104	84,060	9.05
New York	[2] 143,973	−8,571	[2] 2,375,239	16.50
North Carolina	[2] 28,967	−1,518	[2] 167,202	5.77
North Dakota	[2] 13,707	−2,080	[2] 117,902	8.60
Ohio	[2] 46,000	+4,000	[2] 447,000	9.72
Oklahoma	45,629	−7,106	264,351	5.79
Oregon	[2] 13,245	−42	[2] 148,383	11.20
Pennsylvania	[2] [4] 104,100	−4,250	[2] [4] 1,344,317	12.91
Rhode Island	[2] 15,080	−124	[2] 112,732	7.48
South Carolina	29,986	+1,264	130,402	4.35
South Dakota	[2] 56,546	−3,880	[2] 266,973	4.72
Tennessee	[2] 17,115	−3,963	[2] 105,006	6.17
Texas	[2] 107,240	−10,495	[2] 537,970	4.99
Utah	8,490	−1,194	85,776	10 10
Vermont	3,622	+31	33,664	9.29
Virginia	19,648	−2,997	95,350	4.85
Washington	8,240	−7,521	85,401	10.36
West Virginia	46,122	−4,081	268,463	5 82
Wisconsin	19,080	−5,035	161,278	8.45
Wyoming	2,430	−890	24,490	10.08
Total	1,675,437	−138,719	14,799,499	8.83

[1] Exclusive of persons on administrative project pay rolls
[2] Estimated figures.
[3] Including several thousand skilled workers who earned their entire budgetary allowance during the week.
[4] Week ending Jan. 26.

United States [1]—Analysis of applications covering projects in operation in the field of production and distribution

Type of project	Number of projects or production units [2]	Size of units as indicated by number of persons employed			Estimated number of persons employed [3]		
		Less than 11	11 to 40	More than 40	Total	Male	Female
Production and distribution (grand total)	**20,606**	12,137	6,684	1,785	354,789	172,294	182,495
Production projects (total)	18,513	10,511	6,302	1,700	333,128	153,560	179,568
Clothing (total)	4,938	2,130	2,310	498	95,153	3,880	91,273
Sewing rooms	4,502	1,827	2,282	483	92,681	2,579	90,102
Shoes and leather articles	205	184	18	3	973	877	96
Miscellaneous clothing [4]	141	119	10	12	1,499	424	1,075
Food (total)	5,804	4,547	847	410	86,940	43,923	43,017
Beef and veal canning	399	205	46	148	30,299	20,094	10,205
Other canning	3,658	2,721	723	214	47,997	18,352	29,615
Canning supervisors	1,548	1,500	39	9	3,538	565	2,973
Cannery construction	105	49	22	34	4,051	3,895	156
Miscellaneous food [5]	94	72	17	5	1,085	1,017	68
Fuel (total)	900	305	471	124	23,003	22,995	8
Wood cutting	875	298	461	116	20,316	20,316	
Coal mining	21	5	8	8	2,645	2,637	8
Miscellaneous fuel [6]	4	2	2		42	42	
Garden products (total)	2,718	1,952	623	143	31,927	28,289	3,638
Gardening	2,074	1,457	508	109	24,594	21,190	3,404
Garden supervisors	302	284	16	2	1,271	1,148	123
Hay and grain farming	224	123	75	26	4,684	4,664	20
Miscellaneous garden products [7]	118	88	24	6	1,378	1,287	91
Household goods (total)	2,231	921	954	356	54,153	14,111	40,042
Mattresses	647	105	318	224	28,751	8,122	20,629
Comforters, sheets, etc	1,189	585	526	78	18,602	1,077	17,525
Furniture and toys	273	170	77	26	4,445	3,783	662
Miscellaneous household goods [8]	56	37	15	4	609	257	352
Repairs and equipment	66	24	18	24	1,746	872	874
Construction materials (total) [9]	53	11	23	19	2,029	2,029	
Miscellaneous (total)	1,869	645	1,074	150	39,923	38,333	1,590
Cattle and sheep program [10]	1,719	553	1,031	135	26,826	26,543	283
Other miscellaneous [11]	150	92	43	15	13,097	11,790	1,307
Distribution projects (total)	2,093	1,626	382	85	21,661	18,734	2,927
General relief and surplus commodities	1,558	1,309	199	50	12,933	11,439	1,494
Clothing	443	254	163	26	7,242	6,349	893
Food	92	63	20	9	1,486	946	540

[1] Iowa and North Dakota have been omitted because the number of workers is not given on the project applications. Delaware has no production projects. No applications were received from the District of Columbia.
[2] Each project is assumed to be 1 unit unless a statement indicating the number of units is found on the application.
[3] South Dakota has been omitted because a sex break-down is not given on all applications.
[4] Sewing in homes, sewing supervision, other clothing production such as knitting mills, and preparation and repairs to equipment for clothing production.
[5] Fishery, molasses manufacture, meal and flour mills, bakery and dairy.
[6] Digging peat and compressing waxed paper.
[7] Guards for gardens, improving vineyards, harvesting crops, preparing and storing seed, preparing pits and cellars for storage, and preparing garden supplies.
[8] Making soap, rugs, brooms, china, stoves, and weaving of household articles.
[9] Sawmills, quarrying and crushing rock, tile and brick manufacture, mining lime and preparation of fence poles.
[10] Loading and inspecting of cattle and sheep, breaking steers, curing hides, slaughtering and burying cattle, shearing sheep, and preparing corrals.
[11] Barber shop, laundry, making civic decorations, truck repair and maintenance, cooperative garage, ginning cotton, making artificial limbs, processing corn fodder, spinning, weaving, making baskets, building carts, rummage collection and repair, repairing books, sanitorial and cleaning service, rural rehabilitation activities, key men for cooperatives and preparation and repair of buildings for general production activities.

Memorandum

FEBRUARY 19, 1935.

To: The Director of Commodity Distribution.
From: Statistical Department, F. S. R. C.

The attached tables are a revised summary of the quantities and estimated values of Works Division products, as reported for December, on F. E. R. A. Form 230. The report for only one State, North Carolina, is omitted from this tabulation.

December supplementary reports covering Works Division commodities were received from 16 States and the District of Columbia. Reports from Illinois, Indiana, Michigan, and Washington, omitted from the previous December tabulation, are included in this summary.

Three States, New York, Connecticut, and New Hampshire, did not include any Works Division products, although projects were in operation in those States during November and December. Alaska also did not include any Works Division products. The remaining 46 reports vary in their completeness, all of them reporting some Works Division products. Fourteen States and the District of Columbia have sent in reports which are very comprehensive and probably include their whole works program. The other reports tabulated in this summary are largely confined to the meat programs and sewing-room projects using F. S. R. C. materials.

Of the 49 reports received, 39 States included meat produced from Works Division projects on their December reports or supplements. California, Maryland, New York, and Nebraska reported only beef from commercial plants as their State meat program, while New Hampshire, Vermont, Connecticut, Alaska, and the District of Columbia reported no State meat program.

All States and the District of Columbia have received cotton and cotton textiles from the F. S. R. C., which were to be processed into household furnishings, and projects were in operation for this purpose. Three States, Idaho, New Hampshire, and New York, did not report commodities produced from these raw materials.

Clothing produced by Works Division projects was reported by 21 States and the District of Columbia. Twenty-two States reported a vegetable and fruit program as part of their works project operations.

The report from Arizona covering clothing and fruits and vegetables consisted of production figures only, giving no opening inventory and no distribution figures. Therefore these figures were included in receipts during the month and inventory of December 31, and it was assumed that there had been no opening inventory and no distribution.

Ohio and California were able to report only the December 31 inventory of clothing and household furnishings. These inventories were also included in receipts during the month, the assumption being, first, that there were no opening inventories, and, secondly, that no distribution took place during the month. Since this was probably not the case, the amounts shown are too low by an undeterminable figure.

The estimated values of the products of Works Division projects, as given in this tabulation, are based on estimated retail unit prices. These prices are chiefly chain-store and mail-order prices for similar or nearly similar articles. A few of the reports include classifications so broad that pricing must necessarily be a wild guess.

The inventory at the end of November, as shown in our November tabulation, cannot be compared with the inventory reported for December 1, 1934, because of a shift in the States included and the better reporting for December. For example, the Texas report was not included in the November tabulation, while the December form 230 from Texas shows an inventory of over 40,000,000 pounds of meat and meat products.

To avoid duplication of raw materials and finished products, we have not included raw materials produced by Works Division projects that were issued to other Works Division projects for final manufacture. These raw materials will appear in the tabulation when they are completely manufactured and turned over to the Commodity Division for distribution to the unemployed. Thus, 7,820 pounds of fresh corned beef, 70 pounds of fresh mutton, and 4,424,660 pounds of fresh beef, valued at $1,560, $11, and $1,106,165, respectively, were subtracted from the quantity received and the quantity distributed during December.

Summary

VALUE OF COMMODITIES PRODUCED BY WORKS DIVISION PRODUCTION PROJECTS FOR DISTRIBUTION TO THE UNEMPLOYED AS REPORTED FOR DECEMBER 1934 ON F. E. R. A. FORM 230

Products	Inventory Dec. 1, 1934	Receipts during December 1934	Distribution during December 1934	Inventory Dec. 31, 1934[1]
Foodstuffs	$24,402,578	$7,945,681	$3,955,068	$27,808,603
Clothing	249,739	583,260	307,330	524,676
Household furnishings	1,321,940	1,834,412	1,228,093	1,872,568
Miscellaneous	344,946	165,736	71,751	438,864
Total	26,319,203	10,529,089	5,562,242	30,644,911

[1] Excludes slight inventory losses.

NOTE.—Compiled from forms 230. North Carolina, no report. Revised Feb. 19, 1935.

Quantity and value of commodities produced by works division production projects for distribution to the unemployed, December 1934

Product	Unit	Inventory Dec. 1, 1934		Receipts during December 1934		Distribution during December 1934		Inventory Dec. 31, 1934[1]	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
FOODS									
Beef:									
Boiled, canned	Pound	12,629,509	$3,157,377	389,125	$97,281	89,598	$22,400	12,927,011	$3,231,753
Hash, canned	do	34,891	6,978	14,996	2,999	9,610	1,922	40,079	8,016
Hamburger and ground, canned	do	18,001,702	2,700,255	11,655,349	1,748,302	4,574,599	686,190	24,961,103	3,744,166
Potted, canned	do	806,678	201,669	89	22	47,576	11,895	759,041	189,761
Roast, canned	do	48,298,929	12,074,737	11,947,745	2,986,939	2,813,304	703,327	57,182,447	14,295,614
Stew meat, canned	do	3,151,578	472,736	704,814	105,723	73,609	11,041	3,782,783	567,417
Stew, canned	do	7,172,259	860,671	4,220,540	506,464	516,592	65,590	10,847,043	1,301,645
Sausage	do	49,671	14,902	344,321	103,297	301,487	90,446	92,418	27,726
Corned, fresh	do	721,102	144,220	39,325	7,865	67,818	13,564	692,610	138,522
Fresh	do	5,322,055	1,330,516	5,919,048	1,479,766	5,078,023	1,269,504	6,121,134	1,530,286
Broths and soups, canned	do	5,739,713	401,780	2,285,151	159,961	803,823	56,275	7,155,976	500,917
Chicken, canned	do	1,373	440	318	102	222	71	1,469	470
Goat meat, canned	do	59	9	1,849	277	1,691	253	215	32
Lard	do	50	8	15,050	2,258	12,806	1,921	1,139	171
Liver, canned	do	0	0	13,547	2,709	1,547	309	12,000	2,400
Meat, miscellaneous, canned	do	500,028	75,004	291,851	43,778	298,548	44,782	489,309	73,395
Mutton:									
Canned	do	1,028	154	40	6	71	11	995	149
Fresh	do	7,404	1,111	18,452	2,768	23,453	3,519	0	0
Pork:									
Canned	do	1,637	246	500	75	1,011	152	1,117	168
Fresh	do	11,147	2,229	186,571	37,314	163,921	32,784	32,567	6,513
Smoked	do	21,798	2,140	20,245	2,025	19,224	1,922	22,429	2,243
Tongue, canned	do	21,018	6,305	6,330	1,899	1,612	484	17,985	5,395
Veal:									
Canned	do	107,301	26,825	0	0	0	0	107,301	26,825
Fresh	do	1,100,561	220,112	586,058	117,212	617,804	123,561	1,065,162	213,032
Total, meat and meat products		103,701,491	21,700,424	38,661,314	7,409,042	15,507,949	3,141,923	126,313,333	25,866,616

[See footnotes at end of table]

Quantity and value of commodities produced by works division production projects for distribution to the unemployed, December 1934—Continued

Product	Unit	Inventory Dec 1, 1934		Receipts during December 1934		Distribution during December 1934		Inventory Dec. 31, 1934 [1]	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
FOODS—continued									
Fruit									
Canned	Pound	8,684,129	$1,302,619	1,409,834	$211,475	2,353,710	$353,057	7,734,040	$1,160,106
Dried	do	101,041	12,125	106	13	72,744	8,729	27,873	3,345
Fresh	do	0	0	597,509	29,875	255,943	12,797	341,536	17,077
Vegetables									
Canned	do	7,206,961	576,557	2,910,985	232,879	2,148,607	171,889	7,983,885	638,710
Dried	do	63,071	3,153	40,925	2,046	13,159	658	90,829	4,541
Fresh	do	10,411,604	799,091	2,604,376	49,643	3,895,894	256,118	9,207,249	108,814
Total, fruits and vegetables	do	26,466,896	2,693,545	7,563,735	525,931	8,740,057	803,248	25,385,412	1,932,593
Cereal	do	4,196	210	7,211	295	631	32	10,776	474
Chili	do	37,848	3,785	15,345	1,535	18,873	1,888	34,244	3,425
Cornmeal	do	62,866	2,515	183,777	7,351	177,835	7,114	68,323	2,732
Cracked wheat	do	15,428	617	0	0	4,830	193	10,598	42
Fish, canned	do	12,354	1,482	10,155	1,219	5,583	670	16,926	2,031
Jams and jellies	do	0	0	2,051	308	0	0	2,051	308
Total miscellaneous		132,692	8,609	218,539	10,708	207,752	9,897	142,918	9,394
Total foodstuff		130,301,079	24,402,578	46,413,588	7,945,681	24,455,758	3,955,098	151,841,663	27,808,603
CLOTHING									
Aprons	Each	2,107	737	2,082	729	778	272	3,411	1,194
Bands, infants'	do	1,297	324	3,037	759	1,507	377	2,760	690
Bathrobes	do	89	267	274	822	223	669	140	420
Bibs	do	0	0	9	1	0	0	9	1
Bloomers and panties									
Women's and girls'	do	9,524	3,333	18,936	6,628	14,865	5,203	13,518	4,731
Children's	do	2,388	597	3,467	867	2,914	729	2,902	726
Blouses									
Children's	do	1,651	1,238	8,368	6,276	1,916	3,687	5,103	3,827
Women's	do	0	0	4	4	0	0	4	4
Bootees	Pair	18	4	130	26	56	11	86	17
Brassieres	Each	170	43	105	26	26	7	249	62
Caps	do	884	221	267	67	49	12	1,003	251
Clothing accessories	do	54	8	177	27	12	2	197	19
Clothing									
Children's, unspecified	Each	9,768	$9,768	1,044	$1,044	2,985	$2,985	7,808	$7,808
Unspecified, adults'	do	412	412	68	68	117	117	363	363
Coats									
Boys' suit	do	0	0	121	363	0	0	121	363
Men's suit	do	100	1,000	1,035	10,350	43	430	1,092	10,920
Women's and girls'	do	0	0	322	1,932	269	1,614	53	318
Combinations	do	1,991	1,493	3,055	2,291	2,701	2,026	2,345	1,759
Coveralls, men's	do	489	1,712	193	676	115	403	567	1,985
Diapers	do	46,727	4,205	34,562	3,111	23,948	2,155	57,270	5,154
Dresses									
Children's	do	18,937	18,937	29,057	29,057	24,918	24,918	23,396	23,396
Infants'	do	2,454	2,454	3,050	3,050	2,521	2,521	3,249	3,249
Women's, cotton	do	23,492	35,238	62,263	93,395	21,346	32,019	64,147	96,221
Women's, wool	do	8	40	1	5	3	15	6	30
Garments, unspecified	do	34,482	34,482	131,782	131,782	81,556	81,556	84,634	84,634
Handkerchiefs	do	11,412	228	710	14	7,297	146	4,825	97
Hospital johnnies	do	96	72	0	0	4	3	92	69
Infants' wear, unspecified	do	122	92	1,814	1,361	167	125	1,769	1,327
Jackets	do	194	582	3,918	11,754	869	2,607	3,243	9,729
Jackets, infants'	do	0	0	277	194	0	0	277	194
Jerseys	do	4,010	12,030	4,703	14,379	1,987	5,961	6,816	20,448
Jumper jackets	do	0	0	524	472	0	0	524	472
Kimonos	do	1,245	1,245	702	702	780	780	1,227	1,227
Layettes	do	1,335	8,010	2,661	15,966	2,818	16,908	1,178	7,068
Mittens	Pair	73	18	800	200	747	187	126	32
Nightgowns, women's and girls'	Each	6,809	5,107	18,857	14,143	15,321	11,491	10,337	7,753
Nightgowns and other sleeping garments									
Children's	do	1,299	974	2,479	1,859	1,814	1,361	1,971	1,478
Infants'	do	1,165	874	884	663	864	648	1,160	870
Nightshirts, men's and boys'	do	182	136	899	674	471	353	610	458
Outer garments									
Men's and boys', unspecified	do	345	1,035	303	909	45	135	603	1,809
Women's and girls', unspecified	do	757	946	23	29	71	89	709	886
Overalls									
Children's	do	223	134	383	230	310	186	295	177
Adults'	do	2,808	2,808	27,077	27,077	1,281	1,281	28,618	28,618
Overcoats, men's	do	0	0	106	1,060	0	0	106	1,060
Pajamas									
Adults'	do	2,917	2,538	8,340	7,256	6,120	5,324	5,143	4,474
Children's	do	3,370	1,685	8,762	4,381	7,822	3,911	4,270	2,140
Pants, men's and boys'	do	1,993	3,986	23,273	46,546	3,623	7,246	21,606	43,212
Rompers	do	1,746	873	2,423	1,212	883	442	3,284	1,642
Sacks, infants'	do	1,871	1,871	5,749	5,749	3,098	3,098	4,522	4,522
Sanitary belts	do	0	0	42	6	0	0	42	6
Sanitary napkins	do	0	0	1,812	18	1,212	12	600	6
Shirts									
Children's	do	4,932	2,466	4,961	2,481	5,270	2,635	4,497	2,249
Infants'	do	325	244	618	464	701	526	241	181
Men's and boys'	do	11,954	10,400	55,866	48,603	24,377	21,208	43,444	37,796
Shoes	do	3,209	14,846	116	522	1,007	4,532	2,408	10,836
Shorts, men's	do	3,332	1,166	6,623	2,318	1,725	604	8,227	2,879
Skirts, women's	do	231	347	110	165	155	233	186	279
Sleeves, butchers'	do	200	20	0	0	0	0	200	20
Slips									
Children's	do	4,731	2,366	5,003	2,502	3,291	1,645	6,422	3,211
Infants'	do	2,428	971	3,044	1,218	2,693	1,077	2,779	1,112
Women's	do	5,472	4,104	10,332	7,704	8,685	6,514	7,043	5,282
Smocks, women's	do	10	8	86	65	52	39	44	33
Socks, children's	Pair	39	8	1	0	28	6	12	2
Children's stockings	do	310	62	2,035	407	389	78	1,956	391
Suits									
Women's	Each	3,220	386	17,447	2,094	3,181	382	17,486	2,098
Boys'	do	1,020	6,630	454	2,951	392	2,548	1,048	6,799

[See footnotes at end of table]

Quantity and value of commodities produced by works division production projects for distribution to the unemployed, December 1934—Continued

Product	Unit	Inventory Dec. 1, 1934		Receipts during December 1934		Distribution during December 1934		Inventory Dec. 31, 1934 [1]	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
CLOTHING—continued									
Brother and sister	Each	12,443	$15,554	11,008	$13,835	10,605	$13,369	12,816	$16,020
Children's, cotton	do	66	82	23	29	8	10	81	101
Children's, play	do	2,075	1,556	2,360	1,770	2,642	1,982	1,786	1,340
Women's	do	0	0	1,726	12,082	28	196	1,698	11,886
Men's	do	1	12	601	7,202	0	0	602	7,224
Sun suits, infants'	do	56	28	0	0	0	0	56	28
Sweaters	do	3,764	7,508	7,567	15,134	6,271	12,542	5,050	10,100
Undershirts, men's	do	0	0	15	4	0	0	15	4
Underwear:									
Children's, unspecified	do	76	38	2	1	75	38	3	2
Men's and boys', unspecified	do	23,346	17,510	11,555	8,666	15,304	11,478	19,278	14,459
Women's, unspecified	do	1,464	1,464	2,607	2,607	1,403	1,403	2,668	2,668
Work pants, men's	do	275	206	141	106	350	263	66	50
Total clothing			249,739		583,260		307,330		524,870
HOUSE FURNISHINGS									
Bedding, unspecified	do	19,092	26,729	41,958	58,741	35,413	49,578	25,662	35,927
Bedspreads	do	0	0	3	3	3	3	0	0
Beds	do	0	0	1,748	17,480	1	10	1,747	17,470
Blankets	do	33,208	62,431	1,655	3,111	5,834	10,968	29,038	54,591
Blankets, infants'	do	247	86	743	260	633	223	357	125
Brooms	do	3,907	1,563	3,156	1,262	2,309	924	4,754	1,902
Chairs	do	410	880	6,708	13,416	626	1,252	6,522	13,044
China	do	0	0	782	63	0	0	782	63
Comforters and quilts	do	19,312	48,280	197,311	493,278	106,825	267,063	90,348	225,870
Curtains	Pair	15	15	4	4	4	4	15	15
Iron holders	Each	229	11	71	4	10	(2)	290	14
Laundry bags	do	0	0	5	1	5	1	0	0
Mattresses	do	74,954	337,293	149,826	674,217	130,473	587,129	92,748	417,366
Mattress covers	do	1,940	1,940	1,026	1,026	204	204	2,762	2,762
Mattress pads	do	436	436	257	257	153	153	540	540
Miscellaneous furnishings, unspecified	do	91	46	64,046	32,023	28,533	14,267	35,719	17,860
Pillows	do	1,224	1,224	3,565	3,565	3,931	3,931	858	858
Pillow cases	Each	457,118	$137,135	306,699	$92,009	145,356	$43,607	618,293	$185,488
Rugs	do	80	40	198	99	38	19	239	120
Sheets	do	475,409	665,699	247,708	346,791	157,449	220,429	565,717	792,004
Soap	Pound	656	39	1,438	86	427	26	1,667	100
Stoves	Each	0	0	579	11,580	2	40	577	11,540
Tables	do	20	80	1,357	5,428	28	112	1,349	5,396
Towels	do	253,417	38,013	531,386	79,708	187,669	28,150	596,754	89,513
Total house furnishings			1,321,940		1,834,412		1,228,093		1,872,568
MISCELLANEOUS									
Bags:									
Burlap	do	0	0	1,189	119	0	0	1,189	119
Mail	do	0	0	56	6	56	0	0	0
Benches	do	3	12	4	16	4	16	0	0
Calfskins	do	29,666	29,666	1,058	1,058	0	0	30,724	30,724
Cattle skins and hides	do	66,223	231,781	11,173	39,106	0	0	77,396	270,886
Coal	Ton	560	4,480	674	5,392	381	3,048	856	6,816
Desks	Each	120	600	134	670	0	0	254	1,270
Dipping vats	do	0	0	1	10	1	10	0	0
Drip pans	do	0	0	18	3	18	3	0	0
Drip racks	do	0	0	44	22	44	22	0	0
Fan covers	do	0	0	60	18	60	18	0	0
Filing cabinets	do	16	80	24	120	1	5	39	195
Hay	Ton	473	7,095	149	2,235	87	1,305	535	8,025
Leather	Pounds	0	0	1,176	588	0	0	1,169	588
Masks	Each	47	7	100	15	0	0	147	22
Nurses bags	do	9	4	0	0	0	0	9	4
Pelts:									
Goats	do	6,261	2,630	1,536	645	0	0	7,797	3,275
Sheep	do	2,570	1,722	339	227	0	0	2,909	1,949
Miscellaneous	do	0	0	59,101	32,506	0	0	59,506	32,506
Quilting frames	do	0	0	1	3	1	3	0	0
Tables, drafting	do	0	0	1	8	0	0	1	8
Toys	do	2,527	379	6,262	939	7,073	1,061	1,716	257
Wood	Cord	6,649	66,400	8,203	82,030	6,626	66,260	8,222	82,220
Total, miscellaneous			344,946		165,736		71,751		438,864

[1] Excludes slight inventory losses.
[2] Less than $1.

NOTE.—Compiled from F. E. R. A. form 230. North Carolina, no report. Revised Feb. 19, 1935.

Ohio Relief Production Units, Inc.

Unit no.	Sales value	Total cost	Percent of sales	Direct labor	Percent of cost	Material	Percent of cost	Expense	Percent of cost
1	$3,313.65	$4,738.10	[1] 143.0	$1,290.84	27.2	$1,522.40	32.2	$1,924.86	40.6
2	8,679.80	8,259.36	95.4	3,040.94	36.8	4,146.60	50.2	1,071.82	13.0
3	18,236.25	19,788.68	[1] 108.0	5,940.74	30.0	9,730.35	49.1	4,117.59	20.9
4	13,068.40	12,331.84	90.4	6,496.07	52.5	2,229.15	18.2	3,606.62	29.3
5	3,982.44	4,897.37	[1] 123.0	2,444.88	50.0	296.93	6.0	2,155.56	44.0
6	16,340.00	14,705.90	90.2	5,797.64	39.4	4,567.50	31.1	4,340.76	29.5
7	4,121.51	4,778.68	[1] 116.0	1,411.43	29.6	927.34	19.4	2,439.91	51.0
8	14,846.30	12,453.28	84.0	4,930.20	39.6	5,469.28	43.9	2,053.80	16.5
9	9,257.55	8,021.94	93.1	3,052.72	35.4	3,812.85	44.2	1,756.37	20.4
10	16,566.00	10,720.12	65.0	2,102.04	19.6	6,804.18	63.5	1,813.90	16.9
11	17,563.80	20,011.66	[1] 114.0	5,079.96	25.4	11,791.53	58.9	3,140.17	15.7
12	5,942.25	5,049.34	84.9	1,815.83	36.0	1,622.57	32.2	1,610.94	31.8
	132,517.95	126,356.27	95.4	43,404.19	34.3	52,920.68	41.9	30,031.40	23.8

[1] Operating loss.

DECEMBER 10, 1934.

To: Jacob Baker.
From: George Babcock.
Subject: Comparative average monthly cost of relief by Federal, State, and local program.

[Allowances for rural rehabilitation, transients, school program, etc., not paid in above benefits $5,000,000 per month average. This amount is approximately used in above totals]

	4,200,000 families	500,000 single persons, benefits
City areas	$32	$46
Outside of city areas	20	26
Average	26	36
1. Grocery order and cash direct relief and cash work relief 42 percent total clients receive work	163,000,000	209,000,000
2. All direct relief retail No work relief	131,000,000	174,000,000
3. All direct relief mass purchased No work relief	103,000,000	137,000,000
4. All possible relief benefits paid by relief processed goods and domestic supplement 70 percent of all employable clients at work	60,000,000	78,000,000

PROPOSED WORK AND PRODUCTION PLAN OF RELIEF IN FOUR "BIG MUDDY" COUNTIES IN ILLINOIS

In these counties there are 13,500 relief cases and the present relief expenditures run to about $385,000 per month. It is estimated that 10,000 of these cases contain employables and would participate in the proposed national work program to the extent of $50 per month per case, or $500,000 plus cost of construction materials. The remaining 3,500 cases contain no employable member and would be State welfare charges.

This proposal is that in order to make these cases as near self-supporting as practical, a sufficient number of employables (estimated at 3,000 cases) be used to produce consumption goods (food, clothing, furniture, fuel, etc.) as required to take care of one-half of the total needs of all employable cases and of most of the needs of the welfare cases. This would mean that each of the 10,000 workers would be paid $25 in cash and $25 in certificates redeemable in production goods at the relief commissary, instead of $50 in cash. Another group of employables (estimated at 1,000 cases) would be used to produce construction materials (bricks, crushed stone, tools, lumber, etc.) to take care of about two-thirds of the requirements of the projects on which the remainder of the employables (estimated at 6,000 cases) would be engaged.

In effect this proposal would result in the expenditure of approximately 20 percent more cash for relief purposes for these 13,500 cases, as is made under present conditions and in the production of sufficient relief goods and construction materials to meet the remaining requirements of the new work program and its increased relief standards for employables. A small increase in the present relief market for private producers would occur—a large part of the 100 percent increase in relief would be produced by relief workmen for their use. There would be no sale of relief goods in the nonrelief market at any time.

There would be a further important advantage for these four counties, in which at present very little industrial activity aside from coal mining exists, because of the production of the new relief factories for producing consumption and construction goods. Once established on an efficient production basis, it is believed that these factories will invite private capital and that some of them will be taken over in that way for private operation.

The construction projects proposed would include the building of farm-to-market highways, water conservation and flood-control dams, rural electrification service, street paving, and other similar works that would add to the real values in the four counties. On these projects, no less than on the production projects, it is proposed to use adequate supervision, equipment, and materials to secure efficient results from the money expended.

As shown by the appended tabulations, the actual cost of the proposed program would be 37 percent less than for a program of the same magnitude based on cash wages entirely. The net savings in these four counties would be approximately $3,500,000 per year. Extended to the entire State of Illinois the annual net saving would be about $75,000,000. By the proposed plan the added cash outlay required over the present relief expenditures would represent an increase of less than 25 percent, to give the employable cases (estimated at 10,000, out of 13,500 total cases) a 100-percent increase in real income.

This plan has been submitted (without the cost estimates) to a group of representative and leading bankers, manufacturers, retailers, agriculturists, professional men, and labor leaders in the four counties and has been unanimously endorsed by this group as an acceptable and exceedingly promising plan for the future.

Table of expenditures under proposed plan in 4 Big Muddy counties

MONTHLY EXPENDITURES

Kind of worker	Number of cases	Cash wages	Certificate payments	Non-relief purchases	Monthly total	Sale value of goods produced
Welfare cases	3,500	$10,000	$50,000	$10,000	$70,000	
Certificate goods	3,000	75,000	75,000	100,000	250,000	$300,000
Construction goods	1,000	25,000	25,000	25,000	75,000	100,000
Construction projects	6,000	150,000	150,000	50,000	350,000	
Total	13,500	260,000	300,000	185,000	745,000	400,000

Actual cost expenditures on proposed basis:

$260,000+$185,000	$445,000
Administrative expense	30,000
	475,000

Cost of carrying some cases without production projects:

3,500 welfare cases at $20	70,000
10,000 workers at $50	500,000
Construction materials	165,000
Administrative expenses	30,000
	764,000
Savings from proposed method, monthly (38 percent)	290,000
Savings from proposed method, annually	3,480,000
Cost of carrying 13,500 cases on present basis (per month)	385,000
Extra cost of doubling relief for 10,000 cases and without change for 3,500 cases (23 percent)	90,000
Savings by proposed method applied to 300,000 cases in entire State of Illinois:	
Monthly $\frac{300,000}{13,500}\times\$290,000$	6,445,000
Annually $\frac{300,000}{13,500}\times\$3,480,000$	77,340,000

It is recommended that the Commission, after study of the plan herein outlined, ask the Federal Emergency Relief Administration for the necessary special funds and for permission to consider these four counties—Jackson, Perry, Franklin, and Williamson—as an experimental area in which the plan may be instituted as soon as practicable, with a view to the extension of the plan to other parts of the State of Illinois after it has been successfully developed in these counties.

Submitted by:

ARTHUR R. LORD,
Administrator, Work and Rehabilitation Division.

Approved by:

WILFRED S. REYNOLDS,
Executive Secretary.

FEBRUARY 19, 1935.

CERTAIN FACTS CONCERNING THE EMERGENCY WORK PROGRAM OF THE FEDERAL EMERGENCY RELIEF ADMINISTRATION

There are now approximately 56,000 projects in operation throughout the country under the work program of the Federal Emergency Relief Administration, providing employment to some 2,300,000 persons on a relief basis. These persons are working at the prevailing hourly rate of pay in their community. The number of hours worked per month is limited, however, to the number which when multiplied by the prevailing hourly wage will provide total earnings estimated to be sufficient to furnish the bare necessities of life to the worker and his family. The procedure followed in placing an unemployed worker on relief work involves a home investigation by a "case worker", who inquires into the amount of income from odd jobs, aid from relatives, or any other source. The amount of money necessary to provide the family with the necessities of life is then estimated. From this estimated budget any income is subtracted, and the difference represents the amount of relief granted to the family. This figure is known as the "budgetary deficiency."

With the "budgetary deficiency" established for the family, the worker is allowed to work the number of hours on the work program which, at the prevailing wage rate, provides an amount equal to his "budgetary deficiency." The average hours worked per month by workers on relief projects is approximately 56 hours per month. Inasmuch as extra allowances are necessary for those working to provide car fare or other transportation to and from the job, the necessary shoes, clothing, and other items, the earnings per person working on the relief projects average about $27 per month, as compared with $20 per month for families receiving direct relief only. The $27 represents the average for work relief throughout the country, the monthly wage ranging from as little as $10 or $11 per month in some of the Southern States to $50 per month in some of the Northern States on the Atlantic seaboard. Expenditures for material, rental of equipment, and for services of supervisors and highly skilled workers, when such persons are not available from the relief rolls, bring the total cost per worker on the present work program to about $35 per month.

Almost every conceivable kind of work is performed under this work program. Seven hundred and seventy-five thousand, or one-third of the 2,300,000 workers are employed on highways and streets—mostly on maintenance and repair work, although 214,000 are building new roads. Forty-eight thousand employees work on the construction of public buildings, 2,300 on housing, 11,500 on bridges and grade crossings, 126,500 on sewers, 27,600 on public utilities, 73,600 on recreational facilities, 41,400 on waterways and levees, and 239,200 on erosion control and grading, making a total of about 570,000 engaged in new construction exclusive of roads; in addition, 290,000 are doing repair and maintenance work on similar public properties. Another 12,000 projects are in the fields of research, education, art, and other work providing employment for the large number of professional and clerical workers on the relief rolls.

Of the 2,300,000 working under the work program, slightly more than 250,000, or approximately 11 percent, are women. Sixty-three out of every 100 women are engaged in sewing, canning, etc.; another 22 percent of the women are engaged in doing research

or educational work, and 11 percent are employed in the field of public welfare (nursing, nutrition, public health, recreation, etc.).

These projects are initiated locally and in a few instances by State offices. They are reviewed by work divisions in the localities and must then be submitted to the State office for approval before the work starts. The work division organization is operative in every State and in almost every county in the country.

All of the projects are done by force account (not under contract) under the supervision of construction units of cities, or under the works division of the emergency relief administrations. Many highway projects are supervised by State highway departments under arrangements entered into with the Bureau of Public Roads.

Suggestions of desirable types of projects, engineering methods, safety measures, and other activities in connection with the work program are made to States by the works division of the Federal Emergency Relief Administration operating through a regional field staff.

The two most serious handicaps under which the work relief program of the Federal Emergency Relief Administration is now operating are (1) the inadequate funds available for materials, and (2) the restriction on the number of hours an employee may work.

Under the present program, limitation of funds has restricted the cost of materials to only about 12 percent of the total cost. An additional 4 percent is used for the rental of teams and trucks and other equipment. This limitation severely restricts the number of buildings, heavy construction projects, and other desirable work involving large proportions for materials that can be undertaken. It has resulted in many repair and maintenance projects and in the employment of mostly common labor. Partially because of the large proportion of common labor employed, the average hourly earnings are only 48 cents on the present work projects of the Federal Emergency Relief Administration. Another factor explaining this low hourly average is that the work program includes many more persons proportionately to the total receiving relief (direct plus work relief) in areas of low prevailing wage rates than in other sections.

The restriction on the number of hours worked per month makes the operations on a job difficult and results in a serious decrease in efficiency. It necessitates rotating employment either by employing 1 group 1 week and a different group the next, or 1 group for 2 days a week and a different group taking over the work for the following 2 days. The restriction is especially difficult for skilled and professional workers. These groups are only entitled to receive the same amount of money per month as a common laborer, but inasmuch as the hourly rate is two or three times that of a common laborer, they can work only a few hours a month with the resultant loss of efficiency and morale.

Number of men and women working on emergency-work projects, by types of projects, December 1934

Types of projects	Number of persons working		
	Total	Men	Women
All projects	2,300,000	2,050,000	250,000
Construction and maintenance	1,655,900	1,647,900	8,000
Eradication of disease bearers, poisonous plants, etc	73,600	71,400	2,200
Conservation of fish and game	6,900	6,900	
Sewing, canning, etc	338,100	180,600	157,500
Public health and welfare	80,500	52,800	27,700
Public education and arts	90,000	45,100	44,900
Special surveys, research, and planning	55,000	45,300	9,700

Types of Emergency Work projects in operation and number of persons working, December 1934

Types of projects	Number of projects	Number of persons working		
		Total	New construction	Maintenance
All projects	55,710	2,300,000		
Construction and maintenance	33,518	1,655,900	784,300	871,600
Highways, roads, and streets	15,813	775,100	213,900	581,200
Bridges, grade crossings, etc	592	18,400	11,500	6,900
Public buildings	6,881	190,900	48,300	142,600
Construction, remodeling, and repair of houses used by the unemployed	456	16,000	2,300	13,700
Sewers, sanitation, etc	2,491	163,300	126,500	36,800
Public utilities	1,014	50,600	27,600	23,000
Flood control, etc	934	73,600	41,400	32,200
Recreational facilities	1,990	124,200	73,600	50,600
Erosion control, grading, etc	2,935	239,200	239,200	
Miscellaneous	412	4,600		4,600
Eradication of disease bearers, poisonous plants, etc	2,203	73,600		
Conservation of fish and game	191	6,900		
Sewing, canning, etc	7,650	338,100		
Public health and welfare	3,543	80,500		
Public education and arts	6,417	90,000		
Special surveys, research and planning	2,188	55,000		

Work-relief program—Statistical summary, Jan. 1, 1935

1. Total number of persons on relief rolls	20,000,000
2. Number of families on relief rolls	4,400,000
Number of single persons on relief rolls	600,000
Total cases (families plus single persons)	5,000,000
3. Number on work-relief program	2,300,000
Number receiving direct relief only (including unemployables)	2,700,000
Total cases receiving relief	5,000,000
4. Average cost of direct relief per family per month [1]	$20
5. Average earnings per month on work-relief program [1]	$27
6. Total work-relief costs per worker per month [1] (including cost of materials, rental of teams, trucks, and equipment, and nonrelief employees in supervising and highly skilled positions)	$35
7. Total monthly earnings of workers on work-relief program	$62,000,000
8. Average hours worked per month on work-relief program	56
9. Average hourly wages on work-relief program	$0.48

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Virginia [Mr. BYRD] to the amendment offered by the Senator from Colorado [Mr. ADAMS].

Mr. MCNARY. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. LEWIS. Mr. President, unless I may greatly disturb the program of the Senate, I rise to express necessary words to this body at this time. I should like the senior Senator from Virginia [Mr. GLASS] to be present.

Mr. GLASS. He is here, Mr. President. He has been here for a month.

Mr. LEWIS. His presence is always a welcome one. I purpose to touch upon some observations of his, however dangerous the consequence, as presented a few moments past in an obituary on the pending bill, and I did not want to do such in his absence.

Mr. President, I cannot help but feel there is a confusing situation in the support or opposition to this bill, taking an aspect of assault by its friends, which from my standard cannot be justified. I do not know who is for this joint resolution among those who are presenting it.

The distinguished Senator, for whom we have great regard and for whom we have the highest admiration, the senior Senator from Virginia [Mr. GLASS], but a moment ago told the Senate that from his point of view there are dangers and disasters which will follow the adoption of the joint resolution, and that, to my thinking, must be treated as a warning against the results of the bill. He would have us know that the highest patriotism would be to oppose the bill, and the greatest value to the country would be to defeat it.

Mr. GLASS. The Senator is totally mistaken in that. I said that I had undertaken to justify every provision of the bill except one provision, and I voted to curtail the amount.

Mr. LEWIS. Mr. President, I call attention to the fact that I feel there has been a great wrong done by the speech of the Senator. His expressions are a misrepresentation to the country in a statement of conditions which I feel the facts oppose. The able Senator, who is admittedly an accepted voice in this body, particularly with respect to measures having to do with banking, calls attention to the fact that the bonds of this country which have been taken possession of by the banks as purchasers, are in the control of those institutions as sacred possessions. He would insist that if anything should happen in legislation or Government action which would reduce them 10 percent of market value, the result would be such an embarrassment of the credit as, according to the able Senator, would imperil the banks, seriously wound their life, and to his thinking greatly injure the whole credit of all the industry of the United States and fall largely, in its final effect, upon the toiler, who would lose all completely.

Mr. President, there is one viewpoint I cannot adopt. There are no banks which have taken these bonds as a favor

[1] 3-month average.

to the Government. There are no banks which are the owners of these bonds as property of its officers, if we treat the matter justly as the record discloses. These banks represent the money of their depositors. It is the depositors' money which has purchased these bonds. It is these bonds which are held by these banks, and it is they that give credit to the banks. When the interest from the bonds is paid, this interest goes to the bank. It is assumed the amount is properly administered, is divided up as something in the form of a payment to their stockholders, or if bonds, in the form of dividends on their bonds. At any rate, it is the interest that presumably goes to those who own the banks.

I myself cannot conceive the thought that we are to indulge the idea that these banks have done a great favor to this country in purchasing the Government securities. What higher security could they purchase in behalf of their own depositors?

And, sir, what theory of reducing these bonds can we indulge as an attack on the credit of the Nation? The value behind the securities of the Government in the form of bonds to carry out the provisions of this measure is in the credit of the Government, and in the credit of the Government lies both the virtue of the bond as well as the institution of the Nation. And I now address my honorable friends, the junior Senator from Virginia [Mr. BYRD], the Senator from Colorado [Mr. ADAMS], able and competent as we all know each to be, I ask attention of my good friend from New York [Mr. COPELAND], and I propound to each of the Senators the query: In what way could you destroy the credit of the country more completely than can be done by holding up to the world everywhere, and America particularly, that we have no confidence in the measure sent in by the President, that we doubt its efficacy, that we feel it is an instrument of persecution to the people, and that its effect will be destructive of the whole credit of the country?

If we are for the joint resolution we are for it for some reason; this reason is one that the resolution in its recitals would justify. If we are against the joint resolution, it is for some reason that the joint resolution itself discloses, some principle.

Mr. President, I cannot for myself adopt the theory that on one hand we support the administration in its efforts to relieve the poor, and yet at the same time deny the virtue of any measure sent to us by the President for that object.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. LEWIS. I will gladly yield to the Senator from Virginia.

Mr. BYRD. Is not the Senator aware that the President himself on March 10, 1933, said that for 3 years this country was on the road to bankruptcy?

Mr. LEWIS. Mr. President, I agree that the President at a time such as that may have uttered himself in harmony with the conditions as they then prevailed or had dominated in the previous past, but from that time to now has been multiplied the unhappy state of our citizens, the poverty and misery of our people, and here at this hour now, 1935, between the time of the expression of the President and now, things have happened all over the world, and particularly in America, which have changed the whole aspect of finance, taxation, and legislation to affect each. We must meet conditions as they have arisen, and serve them.

The question now is this: If the eminent Senators are not for the measure, if they find objection to it, what measure can they offer or do they offer which they feel would fulfill their own point of view as stated, and yet serve the necessities of the Government?

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. LEWIS. I gladly yield to the Senator from South Carolina.

Mr. BYRNES. I think the Senator certainly misunderstands the situation. As I understand, the Senator from Virginia has merely expressed his individual view, and that so far as the committee was concerned he voted for the Adams amendment in the committee. The majority of the committee, however, thought otherwise, and the Adams amendment in the committee was defeated, and the joint resolution reported with the recommendation by the committee that the joint resolution be adopted as reported.

Mr. LEWIS. Yes, Mr. President.

Mr. GLASS. I will say to the Senator from South Carolina that in his absence I made that statement.

Mr. LEWIS. I cannot overlook, sir, that coming from so high an authority as the Senator in charge of the joint resolution, with his standing in the financial world and before the committee, his denunciation of the measure, from any viewpoint, will be taken as an expression of the committee as he appears on the floor as the chairman managing the joint resolution. The explanation of the able Senator from South Carolina may have its effect, as far as the understanding of the Senators themselves are concerned, but you cannot correct it to the public, who see that the eminent manager of the joint resolution finds a vice in it so great that he sees no virtue at all worthy of support of the measure. The bill is being bled dry by its sponsors; and if continued, the relief will be slain in the house of its guardians.

Mr. President, I demand that we look at the action fairly and frankly. We may concede that there are all the objections honorable that can arise to the mind against any $4,000,000,000 appropriation; that if we could we would have avoided the necessity of presenting it; if conditions of our country at this time could give us any possible suggestion of a solution otherwise than that which is confronting us now we would have embraced it.

Mr. President, I therefore say, What is the joint resolution? On the face of it it tells us it is a resolution sent in by the President to provide money to the amount of $4,000,000,000 to cover work relief and personal relief for 2 years. If we do not have it in this form, in what form will we have it? And if we are to have any relief at all, let us say, why not a complete relief?

My eminent friends, Senators all around, for whom I have a great respect, indeed, a tenderness which the word "affection" does not wholly define, these named Senators cry out against the bill that the amount provided is excessive. What is excessive? The amount? And what is suggested? Eminent Senators suggest cutting it in half. And why and for what? My able friend from Maryland [Mr. TYDINGS] says the amount would only put to work one man out of three. If that is the theory of the objection, and relief is the object, then multiply three times and put to work three out of three. This disposes of that, if such thought expressed by the Senator is the only objection.

But I bring to the Senate's attention the other side. Suppose we cut the amount in half, and the conditions and the necessities continue as we know them now to be, and Congress shall come to its conclusion at the end of the session, in May or June, then through these summer months when poverty is upon the land there is no money to distribute, and no authority or power in the hands of officials to disburse any—where are we then?

Our Congress is closed. Shall we summon a special session? Shall we frighten the land and the country by the call for extra session? In what way would we get the money needed then? Have we not some example of attempted legislative action when Congress is closed? The distinguished former President of the United States during a closed session sent telegrams to all the Senators of the United States for authority when we were out of session to grant a moratorium upon the debts which he felt at that time were urgent and justified his action.

This sum now provided, guided by the best judgment of those who are directing it, it will cover the necessities during the present time and the time when Congress is closed. The bill is to provide for the emergencies as they now or shall exist.

It is intended to cover the necessities for the full time named in the joint resolution. In what other way will we cover them? If we have cut the appropriation in half or cut it to less than necessity requires, then we must devise some other method, and since there is no other method provided by the National Government for national distribution, local relief may be appealed to. But it has been exhausted. The States

have no money, the counties have no money, the cities have no money. We are constantly complaining of the heavy burden of taxes levied upon each locality, exhausting it. Where will we go? The local relief has drained the local reservoirs. Shall it be intimated by my honorable friends around me that we are content to take the consequences of having millions of men marching up and down in the summer months, out in the open, muttering against their own land, in rebellion against their own country—hungry, without employment, with their voices raised against their flag and their hands lifted against their country? All this, sir, because of the neglect with which we have treated them?

Shall we comprehend the plain fact that to the extent we are indifferent to them they will be indifferent to the Nation? Shall we invite them in an hour like this, when the world is now sputtering its flame of new war, threatening destruction to civilization and bribing public opinion in one form or another, side with those who influence America to enter into the threatening design?

Are we to tell the poor and the miserable we abandon them and thus give them justification for turning against their home and their country, for their officials and their country has turned against them?

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. LEWIS. I yield to the Senator gladly.

Mr. ADAMS. I call to the attention of the Senator from Illinois, who now objects to changes in the joint resolution, that every word originally contained in the joint resolution in reference to the purposes of the joint resolution has been stricken out and other words put in. In other words, the terms of the joint resolution, as to the reasons and purposes for the appropriation, have all been changed, and most of them by unanimous consent, which included the vote of the Senator from Illinois. We have stricken out of the joint resolution in the Senate practically half of its provisions, and we have added new provisions considerably in excess of those stricken out. We have acted as an independent body exercising our judgment as to how this joint resolution should be drawn, what it should be drawn for, how the money should be spent, and it seems entirely appropriate that as we may have changed the purposes, its allocations, and its limitations, we might similarly change the amount of the appropriation.

Mr. LEWIS. Mr. President, I accept the suggestion of the Senator from Colorado, and I build upon it the conclusion that if the joint resolution has undergone that much treatment and under different forms of analysis we have eliminated that which might be said to be evil or objectionable, and it brings itself to a form of completeness before the Senate, and this is the expression of those who analyze it and construct it, why, then, is it found necessary by these architects of the perfected form to discredit it, dishonor it, and defeat it before the country?

Mr. ROBINSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Arkansas?

Mr. LEWIS. With pleasure.

Mr. ROBINSON. I do not believe for a moment that the statement made by the Senator from Colorado is accurate. The amendments made by the Senate have not changed the fundamental principles and provisions of the joint resolution. They remain now as they were in the beginning. Provisions more definite in some respects have been inserted, but the joint resolution is directed now just as much as in the beginning to the primary purposes of the legislation, namely, destitution relief and work relief.

Mr. LEWIS. Mr. President, I express my appreciation of this assistance from the distinguished leader in calling attention specifically to the analysis of the joint resolution. I am inviting the attention of the Senate to this conclusion. I accept for the purposes of the discussion the position taken by eminent Senators as one which should be very effective, very useful if the condition of the country could justify, if the circumstances confronting us would excuse it, if you could overlook the condition of your land and that which is threatened upon its stability and political morals, and sit yourselves down to a mere abstract thing as an economic doctrine or an economic solution under ordinary conditions. But such is not our present condition. We have to reason with things as they are and with the needs of humanity as they stand, and meet them in whatever way we can apply the remedy; some way that shall not violate the principles of legislative honor on the one hand and decent regard to the justice due suffering mankind on the other.

Answering my able friends on their query, what about the taxes to be paid under this bill? What taxes I ask? Does any Senator here feel that those who are to pay the taxes would hesitate at this time to pay the particular sum which is necessary to give them security in the possession of what they own? Will they merely, because of an increase in the taxes on the incomes they have enjoyed, decline to attain to themselves a security which the peace of the citizens, the calm temperament of being relieved of hunger, and discontent would assure them?

Let me propound the other side: Think you what might be awakened in the land after we shall have adjourned if we do nothing. Think of the protests of our country in thousands and thousands as the distressed parade up and down the public thoroughfares hungry and hear the cries of their children, the moaning of their countrymen, and visit upon us a condition which threatens to duplicate the destroying and devastating force that is being applied in all its evil on other countries of the world.

How then will the security of these eminent gentlemen be secured and guaranteed? What, then, shall be the value of the securities they possess now? Those values will have quickly vanished, and they who would protest against paying for relief of those who have earned that income, who by their labors which have brought forth that value, but from them lost by the machination of politics, will be deprived of all such value by the death of credit to stocks, bonds, and property melting under the storm of threatened riot and insurrection. Senators, look you upon the scene before you; scoff at it, and guard what you have today that you may not destroy all to be had in the tomorrows.

I take the position that while I regret we are to lay these taxes, none the less I ask my honorable friends in this great body in what other way will we provide for the needy, preserve the country, save the Republic? Sir, have we not some history? At the close of the Napoleonic wars, with the vast bond issue that England had, did England proceed to pay off the bonds by heavy taxation and forced collection upon her people? Eminent students of banking and finance around me will recall that in such predicament as was England's, she promptly issued the consols, which we may define as bonds, and she multiplied and remultiplied them. By this system Pitt and his colleague obtained the money to pay the indebtedness of his country. Did England pay the bonds? Not at all. Did she make an effort to tax her people by which the bonds should be paid? Not at all. She laid only such burdens upon the consols as paid the interest upon those and let the bonds remain as security to maintain the honor of the country and supply a basis for national credit and a security with which none anywhere of any land could compare in such an hour.

Have we paid the bonds of the Civil War? What has the holder of those bonds suffered? He has had the credit; he has had his interest; and he has enjoyed it. He distributes it in such manner as we assume to be perfectly fair; but in the meantime where has been the imposition of a tax so furious upon the citizens to compel the payment of the face value of the security? The generations yet to come will enjoy the benefit of all this we are doing. Why put upon the present generation the whole burden when we bear the sweat and fury, while those to come hereafter will take its values and profits? Let those who reap pay for those who sowed in sorrow and endured in suffering.

Therefore I say the fears of our honorable friends about the burden of taxes of billions and billions upon our people may be well stated as a mere statement of fear. That those burdens will ever in the present generation be laid upon the people to be paid, I deny. Not to deny would be to impeach my countrymen as having no wisdom for their

self-preservation. Where is the party, the political organization, that could levy a burden of that kind upon the people in a single generation without destroying every vestige of their own prosperity while they exist and shatter their own land into a mass of bewilderment and destruction.

Therefore, if we are to have in the coming days the prosperity of which we all confide, and there shall be the rising of advantages and values which we feel time will afford with the undertakings of mankind, the ability and capacity to pay these taxes will be that of those who will inherit the values of the sacrifice we are making.

Therefore, they will be paid in the proper course of government that will have to meet emergencies such as we have had to endure from time to time and now prepare for without shrinking.

I am unable to agree that this is a great peril that we should stand and advertise before the world. As I listen to my honorable friends on this side and the other side of the Chamber, I am unable to agree that we are today in such a threat or peril of vast sum of indebtedness such as we can never hope to be rescued from it. I deny the charge that we are in an era of national bankruptcy, I repel the thought that we are upon the eve of disaster, or that we stand facing an impending chaos, that we are before the world confessed in dishonor. What kind of Americans are we that we advertise to the earth ourselves as unworthy of trust, and impeach ourselves as incapable to guide our land to a success in recovery, and protect it from the fate of dishonor.

Surely the world, hearing the impeachments and indictments laid against America by its own representatives in high halls of legislation, could assail us by the appropriate interrogatory to the United States, "Is this your son, my lord?"

I therefore say to all these objections, I may say all these criticisms of our honorable opponents, I concede them as having the basis that our honorable friends assume they have, and ask them, "If you defeat the pending measure, what then is the result?" You discredit your country. You fill with misery the hearts of discouraged men. You convey to the needy that there is no hope, and assent to the spirits who knock at our doors the malediction: "They who enter here leave hope behind."

What, then, have you in your fellow citizens? What form of patriotism are you inviting? At an hour like this, when everything induces us to summon the masses of mankind by some kind of token that will reward us with their devotion, we advise them that we are abandoning them, we are deserting them, because we refuse to ask those who have made profits of millions from them to contribute a share of those millions to save them from hunger, starvation, and death. This is the duty, is it, of us, the agents of the people and the saviors of the Government? I cannot see it.

I concede the criticism. I admit the unfortunate burden to be borne. I go further: I deplore that we have been brought to this result. Did we do it?

The eminent Senator from Maryland [Mr. TYDINGS] this morning referred to the conditions that did bring it about. We do not wish to charge politically anything upon any administration. This is not the hour when we should divide ourselves by mere political designations. This is not the day when we should divide among ourselves in order to lay the blame of the consequence upon some. In what way does that feed the hungry? In what way does that preserve the Republic or save its citizenship? I do not wish to indulge it. I decline to adopt it. I have only to say—and here I do insist upon saying, if I may be permitted—that the duty lying just before us is either to save or to rescue our country. Which do you choose? You may take your posts, my eminent Senators. In the text of the Savior of mankind we assert that he "that is not with us is against us." You cannot occupy both positions. You offer the salvation of your country, or you confess the willingness for its destruction.

Here is a bill tendered by the President we elected and placed in power and authorized to administer in this hour of the necessities of the country. Which do you choose—to decline to give him aid or to aid him? And, if to aid him, do you aid him with a heart and with a conscience and with an honest effort, or do you damn him with faint praise in the one breath and seek the destruction of his ends in the other?

Mr. President, there is a final feature to be considered. I ask the eminent Senators who have expressed great fear in connection with this joint resolution to observe that the amount still remains if we do not spend it. We have merely authorized it. We have merely provided for it. There is no law that compels an immediate tax in whole to be laid for it. It will be paid in such proportions as may be needed. There is no necessity, sir, for going to the extremes which our eminent friends fear may follow.

Therefore, for all of the grievances that have been expressed there seems to me no real foundation. This is an hour, sir, when everything that calls for patriotism, patience, and devotion on the part of the American citizen and his representatives is exacted by the necessities of the situation.

We meet them; we face them. It is my honorable effort to call seriously to your attention the thought that any other course and any other step is disaster to the confidence of America, and possibly may lead to very serious results that need not be detailed in description on this floor, should we awaken our fellow citizens to the feeling of indifference or revolt, such as we see all around the world is threatening civilization all about us. God grant our rescue; and that rescue is in our patriotism that will preserve our country by some small sacrifice leading to what we feel in this hour is so necessary, a devotion to the President of the United States in his honorable design to rescue his country and save its citizens. This is our homeland, our saddened and unfortunate fellow citizens are our brethren. For all our devotion let there be the conscious reward in the knowledge that he who saves his country is by all saved, and saving all, by all is blessed on earth and by Heaven.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Virginia [Mr. BYRD] to the amendment of the Senator from Colorado [Mr. ADAMS]. On that question the yeas and nays have been demanded and ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOGAN (when his name was called). On this question I have a pair with the senior Senator from Pennsylvania [Mr. DAVIS], who is absent. I transfer that pair to the junior Senator from Tennessee [Mr. BACHMAN], and will vote. I vote "nay."

The roll call was concluded.

Mr. AUSTIN. The senior Senator from Pennsylvania [Mr. DAVIS] is absent because of illness. I am not advised how he would vote on this question. His general pair has already been announced.

Mr. LEWIS. I rise to announce that on this question the Senator from Oklahoma [Mr. GORE] is paired with the Senator from Wisconsin [Mr. DUFFY]. If present, the Senator from Oklahoma would vote "yea", and the Senator from Wisconsin would vote "nay." Both these Senators are necessarily detained from the Senate.

I also desire to announce the absence of the Senator from Arkansas [Mrs. CARAWAY], and the Senator from Louisiana [Mr. OVERTON] because of illness. The Senator from Tennessee [Mr. BACHMAN], the Senator from Louisiana [Mr. LONG], and the Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate. I am not advised how these Senators would vote if present.

The result was announced—yeas 21, nays 66, as follows:

YEAS—21

Adams	Carey	Hastings	Townsend
Bailey	Copeland	Keyes	Tydings
Barbour	Dickinson	King	White
Borah	Donahey	McCarran	
Bulkley	Glass	Metcalf	
Byrd	Hale	Schall	

NAYS—66

Ashurst	Bilbo	Bulow	Clark
Austin	Black	Burke	Connally
Bankhead	Bone	Byrnes	Coolidge
Barkley	Brown	Capper	Costigan

Couzens	La Follette	Neely	Shipstead
Cutting	Lewis	Norbeck	Smith
Dieterich	Logan	Norris	Steiwer
Fletcher	Lonergan	Nye	Thomas, Okla.
Frazier	McAdoo	O'Mahoney	Thomas, Utah
George	McGill	Pittman	Trammell
Gerry	McKellar	Pope	Truman
Gibson	McNary	Radcliffe	Vandenberg
Guffey	Maloney	Reynolds	Van Nuys
Harrison	Minton	Robinson	Wagner
Hatch	Moore	Russell	Walsh
Hayden	Murphy	Schwellenbach	
Johnson	Murray	Sheppard	

NOT VOTING—8

Bachman	Davis	Gore	Overton
Caraway	Duffy	Long	Wheeler

So Mr. BYRD's amendment to the amendment of Mr. ADAMS was rejected.

The VICE PRESIDENT. The question now recurs on agreeing to the amendment offered by the Senator from Colorado [Mr. ADAMS].

Mr. VANDENBERG. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. COUZENS. Let the amendment now be stated.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 2, line 7, it is proposed to strike out "1937" and to insert in lieu thereof "1936", and to strike out "$4,000,000,000" and to insert in lieu thereof "$2,000,000,000."

Mr. COUZENS. Mr. President, I desire to say just a few words with respect to my views about this particular question.

I have no disposition to dispute the President's request for any substantial amount of money which in his judgment seems necessary to take care of relief necessities. However, I have what I think is a very sound objection to carrying the appropriations over for 2 years and 3 or 4 months. My vote, therefore, will be cast in favor of the so-called "Adams amendment" primarily for the reason that under that amendment the appropriation would expire on June 30, 1936, rather than be extended over another year.

We will be here next year, and we hope we may know more next year than we now know. At least we hope we will know more about legislation than we know now, because from the way we are proceeding with this particular legislation, there is no evidence that we know how to legislate.

As I have said, I shall not oppose the President's request. If he says he needs $4,000,000,000, I am assuming he is the best informed public official in the country to determine that question, but when he asks for the money to be spent over a period of 2 years and 3 or 4 months, I think that is unjustified, and that is my explanation of the vote I shall cast for the Adams amendment.

Mr. CUTTING. Mr. President, it was in response to an inquiry of mine that the Presiding Officer in the chair before the Vice President resumed the chair assured me that there would be a separate vote on the proposed change in the date from 1936 to 1937 and on the amount to be appropriated.

Mr. ADAMS. Mr. President, will the Senator from New Mexico yield to me?

Mr. CUTTING. I yield.

Mr. ADAMS. In response to an inquiry of the Senator from New Mexico, I indicated that, although I was inexperienced in parliamentary procedure, I thought separation of the two questions might be possible. Further consideration has convinced me that that would be improper, and that such a course would not lead to an ascertainment of the judgment of the Senate in reference to the amendment.

The joint resolution itself provides that $4,000,000,000 shall be expended on or before July 1, 1937. The amendment provides that $2,000,000,000 shall be appropriated to be expended not later than June 30, 1936. In other words, the time limit is an essential element in fixing the amount, and if the two elements should be separated we would not ascertain the judgment of the Senate as to the amendment.

After the amendment shall be either adopted or defeated, the Senator from New Mexico will have opportunity to move to amend the joint resolution as he sees fit, either in reference to the date or as to the amount.

Mr. CUTTING. My difficulty is that I agree with what the Senator from Michigan [Mr. COUZENS] has just been saying as to the advisability of legislating for 1 year at a time, but I do not want to limit the President to $2,000,000,000 in case he finds that $4,000,000,000 should be spent between now and the 30th of June 1936 rather than in the year 1936–37. If we cannot get a separation of these two propositions, I shall have to vote against the amendment of the Senator from Colorado, but I submit to the Chair whether it is not possible to get a separation of those two votes.

The VICE PRESIDENT. Any Senator can ask for a division of the amendment. It contains two separate proposals. It is not controlled by the Senator from Colorado or any other one Senator.

Mr. CUTTING. Then, Mr. President, I make the request that the question be divided.

The VICE PRESIDENT. The question is on the first part of the amendment, to strike out "1937" and to insert in lieu thereof "1936."

Mr. ROBINSON. Mr. President, there is a sound and substantial reason why this amendment should not be agreed to. As everyone understands, it will require some time to work out and select the projects upon which the funds to be appropriated are to be expended, and if we now limit to 1 year the time within which the funds may be expended, it will result in a limitation of the projects in accordance with the time limitation. I hope the amendment will be rejected.

Mr. HASTINGS. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. LOGAN (when his name was called). Making the same announcement as on the previous roll call, I vote "nay."

The roll call was concluded.

Mr. LEWIS. I desire to announce the absence on account of illness of the junior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON].

I wish to announce that the following Senators are necessarily detained: The Senator from Tennessee [Mr. BACHMAN], the Senator from Wisconsin [Mr. DUFFY], the Senator from Oklahoma [Mr. GORE], the Senator from Louisiana [Mr. LONG], and the Senator from Montana [Mr. WHEELER].

I also announce that the Senator from Oklahoma [Mr. GORE] is paired with the Senator from Wisconsin [Mr. DUFFY]. If present and voting, the Senator from Oklahoma would vote "yea" and the Senator from Wisconsin would vote "nay."

I am not advised as to how the other Senators mentioned would vote, if present.

Mr. AUSTIN. I repeat the announcement I made on the previous vote.

The result was—yeas 30, nays 57, as follows:

YEAS—30

Adams	Copeland	Hastings	Schall
Barbour	Couzens	Johnson	Steiwer
Borah	Cutting	Keyes	Townsend
Bulkley	Dickinson	King	Tydings
Byrd	Donahey	McCarran	Vandenberg
Capper	George	McNary	White
Carey	Glass	Metcalf	
Clark	Hale	Nye	

NAYS—57

Ashurst	Dieterich	McKellar	Russell
Austin	Fletcher	Maloney	Schwellenbach
Bailey	Frazier	Minton	Sheppard
Bankhead	Gerry	Moore	Shipstead
Barkley	Gibson	Murphy	Smith
Bilbo	Guffey	Murray	Thomas, Okla.
Black	Harrison	Neely	Thomas, Utah
Bone	Hatch	Norbeck	Trammell
Brown	Hayden	Norris	Truman
Bulow	La Follette	O'Mahoney	Van Nuys
Burke	Lewis	Pittman	Wagner
Byrnes	Logan	Pope	Walsh
Connally	Lonergan	Radcliffe	
Coolidge	McAdoo	Reynolds	
Costigan	McGill	Robinson	

NOT VOTING—8

Bachman	Davis	Gore	Overton
Caraway	Duffy	Long	Wheeler

So the first branch of the amendment offered by Mr. ADAMS was rejected.

The VICE PRESIDENT. The question recurs on the second portion of the amendment, which provides for striking out the amount of $4,000,000,000 and inserting in lieu thereof $2,000,000,000.

Mr. METCALF. Mr. President, I send to the desk and ask to have read as part of my remarks an editorial by Paul Block, which is reprinted from the Block newspapers of Friday, March 15, 1935.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

TIME FOR ADMINISTRATION TO HEED BUSINESS ADVICE

It is gratifying to note that another Senator, and a Democrat, has had the courage to come out against the nearly $5,000,000,000 work-relief bill with the recommendation that it be reduced substantially.

"We are not going to buy our way to prosperity", said Senator COPELAND, "by spending such large sums of money as the administration is recommending, adding billions upon billions of dollars to the ruinous debt already existing. What we are really going to do by such action is to buy our way to poverty."

Nearly 2 years ago the administration started on its high spending spree. It was an experiment, and we believe the great majority of the people were entirely willing to have the President try out almost any method that stood a chance for betterment of conditions.

But what has been the result? Today there are more men and women out of employment than there were a year ago.

And now, instead of listening to experienced business men, the administration has raised the "ante" by suggesting that an additional sum of $4,000,000,000 be spent on work relief (in addition to the $880,000,000 really necessary for unemployment relief); and when this money is gone and again it is proven that we cannot "buy our way to prosperity", what will the "new dealers" advise then?

Will they double the stakes again and continue until it becomes impossible for the Government to borrow any more money? And then where are we going?

The American people have a lot of patience. They have proven it time and time again; but surely there must come an end to this ruinous "gambling."

If we had the slightest idea that the spending of this money on work relief would bring permanent employment to those out of work now we would urge the passage of this bill as strongly as anyone.

Do not Congress and the administration know that in order to create more employment, industry must be encouraged? Instead of passing laws that hamper business, instead of more and still more taxes which will make it impossible for most businesses to carry on, why not listen to experienced business men instead of theorists who have never employed labor and have never been in business themselves?

There are nearly a million more unemployed now than when the N. R. A. was started. During this period all other nations have decreased their number of unemployed.

We have, according to the latest figures, more than 23,000,000 of our population on relief, whereas other and comparable nations have materially reduced the number on relief.

How can the administration ignore these facts, and isn't it time to start experimenting with the businessman's remedy instead of the theorists' prescription?

PAUL BLOCK, *Publisher.*

Mr. METCALF. Mr. President, 2 years ago the President of the United States deplored the fact that we had accumulated a deficit of $5,000,000,000, warning the Nation that unless we took stock of our fiscal affairs and inaugurated a sound program of economy we would face disaster. The President charged that loose spending prior to his inauguration caused much hardship. I quote his words:

> It has contributed to the recent collapse of our banking structure. It has accentuated the stagnation of the economic life of our people. It has added to the ranks of the unemployed. Our Government's house is not in order, and for many reasons no effective action has been taken to restore it to order.

This strong declaration of the President of the United States was made at a time when the national debt stood at $21,000,000,000. He declared that the national credit was being endangered, but almost before his words had died away the administration started an orgy of spending which has been unequaled in all history.

Larger and larger appropriations have been asked from the Congress, and the limitations placed upon the power of the President have been gradually whittled away. Today we are asked in a single measure to appropriate as much money as the deficit which the President deplored in 1933.

I am in complete agreement with the declaration made by the President in March 2 years ago. I feel that we cannot bring prosperity by extravagance; we cannot pull ourselves up by our bootstraps. We must take care of our destitute. However, I feel that an amendment reducing this huge appropriation is based not only upon good judgment, but as well is in harmony with what the people of the United States have every right to expect of the present administration. This is borne out by the statement of policy made by the President 2 years ago, by the platforms of both major parties, and by the tenets of good business practice.

The pending joint resolution has been reported to the Senate through a most remarkable procedure. Committees which in the past have given thorough consideration to matters for which they are responsible have been ignored. The Committee on Public Buildings and Grounds has not been consulted. The committees which handle irrigation, reclamation, river and harbor improvements, highway legislation, electric-power problems, reforestation, and agricultural rehabilitation have had no opportunity to consider the effect of this bill upon the various responsibilities with which those committees are charged. If we are to completely abandon the idea that the Congress is responsible for the policies of the Government of the United States, this procedure may be justified. On the other hand, if we are to presume that we are the representatives of the people of the United States, we cannot condone such a remarkable abdication of our congressional responsibilities; we cannot approve of constant shifting of money from one budget to another.

The Congress has already bestowed upon the President more authority than one human being can possibly discharge. His bureaus and commissions reach into almost every phase of public life. He dominates the banks and stock exchanges. He may make economic treaties with foreign countries without the advice and consent of the Senate. He may bring about domestic and industrial agreements and enforce penalties upon violators of regulations which he may make. There is almost no limit at all to the powers we are abdicating in this joint resolution. The joint resolution contains a threat against the whole industrial system of the United States. It contains a threat against the whole financial structure of the United States. Furthermore, it imperils the standard of living of the people of this country.

So long as the national credit is in peril there can be no confidence within this country. Already the costly experiments which have been undertaken have jeopardized the future of business and labor. I should like to cite the cotton industry. Only recently a cotton mill closed down in Fall River, Mass., and the machinery was shipped to San Paolo, Brazil. In Savannah, Ga., a cotton press capable of baling 50,000 pounds of cotton every hour was dismantled and shipped to Brazil. At almost the same time nearly a score of textile instructors prepared to leave for Argentina to teach people to make cotton textiles—to displace a market formerly belonging to the industries of the United States. Simultaneously with these movements, many persons were immigrating to Brazil, Abyssinia, and Argentina for the purpose of growing and manufacturing cotton. In a recent dispatch carried in the newspapers and originating in Brazil, it was stated that a lack of confidence in the future of conditions in the United States was causing this alarming shift of the cotton industry to South America.

Until the past year the cotton textile industry of New England was facing gradual removal to the southern States. Today the whole cotton industry is facing the same problem. It is facing the loss of its market to foreign countries. All this is because of the opposing tide of government policy within this country.

Somewhere, some day, we must find funds to repay the money we are squandering. Somehow we must bring about an end to the jeopardy in which we are placing our national credit. As pointed out by the Senator from Virginia [Mr. GLASS] our banks are already so full of Government bonds that even a temporary setback in our national credit may jeopardize our whole banking structure. Business cannot go ahead, and natural and permanent prosperity cannot re-

turn, until we have eliminated this danger. Either we must look forward to a total economic collapse and then struggle to build from the wreckage, or we must follow the recommendations of President Roosevelt in 1933, and insist upon a policy of sound national economy.

I quote the President further:

> Upon the unimpaired credit of the United States Government rests the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of our agricultural products, and the availability of employment. The credit of the United States Government definitely affects these fundamental human values. It, therefore, becomes our first concern to make secure the foundation. National recovery depends upon it.

I can think of no better way in which to express the actual situation which exists today. The President has declared that availability of employment depends upon the unimpaired credit of the United States. He has declared that the activity of industrial enterprises depends upon the credit of the United States, and he has declared that unless we avoid the danger of a loose fiscal policy, national recovery will be on the rocks.

I have said that we must take care of our destitute, but while we are doing so let us plan for the future. Why should we ignore 125,000,000 people while attempting to help 5,000,000 people? We must consider not only the few, but the whole. We must anticipate the return of normal industrial activity and a comfortable living for all of our people, gained through honest toil rather than through wasteful spending. We must consider not only this generation, but the generations which follow, upon whose shoulders we are placing a financial load greater than they will be able to bear. For who is to pay this enormous debt? Surely we cannot anticipate enough taxes to pay off our national debt in 20 or 40 years, or even during the next two generations, and if this cannot be anticipated, how can we expect further credit? How can industry ever hope for a sound fiscal policy which will permit it to operate with confidence and assurance of a reasonable return on its investment?

It would seem to me that if the expenditure or allocation of part of the huge sum proposed, during the next 16 months, cannot bring assurance of success for this program, such assurance can never be anticipated. Why should we appropriate nearly five billion dollars at this time and ignore the warning of the President in 1933, when one year should be sufficient to give us an actual picture of what is going to happen under this program? To do so will only further jeopardize our national credit and give impetus to the loss of our industries to Japan, Brazil, Switzerland, and other foreign countries. We will be here again next year, and if there is indication of a successful culmination of this program, we can extend these appropriations. If there is no indication of success, we should not have voted it anyway.

It is my thought that this fund should be drastically reduced, in order that we may not place our national credit too much in jeopardy, and that the confidence which our people have in their Government may not be further impaired.

The VICE PRESIDENT. The question is on the second portion of the amendment of the Senator from Colorado, which provides for striking out "$4,000,000,000" and inserting in lieu thereof "$2,000,000,000."

Several Senators called for the yeas and nays, and they were ordered.

The VICE PRESIDENT. The clerk will call the roll.

Mr. LOGAN (when his name was called). Making again the same announcement as on the previous roll call, I vote "nay."

The roll call was concluded.

Mr. LEWIS. I rise to announce the absence of the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Louisiana [Mr. OVERTON], caused by illness.

I also announce the necessary absence of the Senator from Tennessee [Mr. BACHMAN], the Senator from Louisiana [Mr. LONG], and the Senator from Montana [Mr. WHEELER]. I am not advised as to how these Senators would vote if present.

I also announce that the Senator from Oklahoma [Mr. GORE] is paired on this question with the Senator from Wisconsin [Mr. DUFFY]. If present, the Senator from Oklahoma would vote "yea", and the Senator from Wisconsin would vote "nay." Both Senators are necessarily detained from the Senate.

Mr. AUSTIN. I repeat the announcement previously made in regard to the Senator from Pennsylvania [Mr. DAVIS].

The result was announced—yeas 30, nays 57, as follows:

YEAS—30

Adams	Clark	Hale	Schall
Bailey	Copeland	Hastings	Steiwer
Barbour	Couzens	Johnson	Townsend
Borah	Dickinson	Keyes	Tydings
Bulkley	Donahey	King	Vandenberg
Byrd	George	McCarran	White
Capper	Gibson	McNary	
Carey	Glass	Metcalf	

NAYS—57

Ashurst	Dieterich	Maloney	Russell
Austin	Fletcher	Minton	Schwellenbach
Bankhead	Frazier	Moore	Sheppard
Barkley	Gerry	Murphy	Shipstead
Bilbo	Guffey	Murray	Smith
Black	Harrison	Neely	Thomas, Okla.
Bone	Hatch	Norbeck	Thomas, Utah
Brown	Hayden	Norris	Trammell
Bulow	La Follette	Nye	Truman
Burke	Lewis	O'Mahoney	Van Nuys
Byrnes	Logan	Pittman	Wagner
Connally	Lonergan	Pope	Walsh
Coolidge	McAdoo	Radcliffe	
Costigan	McGill	Reynolds	
Cutting	McKellar	Robinson	

NOT VOTING—8

Bachman	Davis	Gore	Overton
Caraway	Duffy	Long	Wheeler

So the second branch of the amendment of Mr. ADAMS was rejected.

Mr. BYRD. Mr. President, I have pending an amendment which I ask to have stated by the clerk.

The VICE PRESIDENT. The amendment of the Senator from Virginia will be stated.

The LEGISLATIVE CLERK. On page 3, line 25, after the word "resolution", it is proposed to insert a colon and the following:

> *Provided further*, That no part of the funds herein appropriated shall be expended for the administrative expenses of any department, bureau, board, commission, or independent agency of the Government if such administrative expenses are ordinarily financed from annual appropriations.

Mr. BYRD. Mr. President, I shall take only a word to explain this amendment. It simply prohibits the diversion of any of the funds carried by the pending joint resolution to pay the administrative expenses of any of the regular departments of the Government. As I explained earlier in the day, such administrative expenses were paid from the appropriation act which was passed a year or so ago.

I very much hope the amendment will be adopted.

Mr. BARKLEY. Mr. President, do I understand the amendment of the Senator from Virginia to mean that if any department expending part of this money should require an additional force to administer it, still none of this fund could be used to pay such departmental expenses?

Mr. BYRD. I will accept an amendment from the Senator from Kentucky providing that if the work of any department should be increased by reason of administering this appropriation the additional expense could be paid from the appropriation.

Mr. BARKLEY. I have no amendment to offer. I was inquiring merely as a matter of information. I think that if the activities of a department should be increased by reason of the expenditure of part of this money, or if any additional force should be required in connection with the expenditure of part of the money, the department certainly ought not to be required to keep within its ordinary expenditures.

Mr. BYRD. I agree with the Senator from Kentucky; and I will modify my amendment so as to provide that if the work of any department shall be increased by reason of the expenditure of part of this appropriation, the cost of such increased work may be paid out of this appropriation.

Mr. BYRNES. Mr. President, I should like to ask the Senator from Virginia a question.

The Senator has referred to the fact that under a previous appropriation some departments have spent part of the money without specific authorization having been made therefor. For instance, in the General Accounting Office the increase in the expenditure of funds necessarily involved an increase of expense. Am I correct in understanding the Senator's amendment, as presented, to mean that no part of this fund could be used, for instance, to cover the additional expenditures of the General Accounting Office made necessary by the increased expenditures authorized by the joint resolution?

Mr. BYRD. I will say to the Senator from South Carolina that I have just modified my amendment so as to provide that such expenses may be paid out of this appropriation.

Mr. ROBINSON. Mr. President, I think quite likely this amendment is subject to a point of order. It is really an amendment to a committee amendment which has already been agreed to. I make the point of order on the amendment.

The VICE PRESIDENT. The only way in which the amendment offered by the Senator from Virginia may be considered is to reconsider the committee amendment to which it is offered.

Mr. ROBINSON. I make the point of order against the amendment.

The VICE PRESIDENT. The point of order is sustained.

Mr. BYRD. Mr. President, I am not very familiar with parliamentary procedure, but I should like to have the amendment considered. I move to reconsider the vote whereby the committee amendment constituting that particular section of the joint resolution was adopted.

The VICE PRESIDENT. The Chair is trying to ascertain whether or not the time has expired within which this committee amendment could be reconsidered. Usually, the way to secure consideration for an amendment of the kind offered by the Senator from Virginia is to ask unanimous consent for the reconsideration of the amendment to which it is offered. The Chair was about to make that statement when the Senator from Arkansas made the point of order. The point of order is well taken. Let the Chair ascertain on what date the committee amendment was agreed to.

Mr. BYRD. I ask unanimous consent for the reconsideration of the vote by which the committee amendment was agreed to.

Mr. ROBINSON. I object.

The VICE PRESIDENT. The Chair is advised that the Journal shows that this committee amendment was agreed to on the 13th of March, so the time within which reconsideration could be moved—2 days—has expired.

Mr. GLASS. Mr. President, I inquire if there are other amendments to be proposed to the joint resolution.

The VICE PRESIDENT. The Chair is about to put the question on the engrossment of the amendments and the third reading of the joint resolution if no Senator has an amendment to offer.

Mr. McNARY. Mr. President, on Saturday my colleague [Mr. STEIWER] addressed some remarks to the committee amendment proposing the inclusion of section 10. Upon a close vote, and through a decision by the Chair, the amendment was defeated. My colleague, who supported the amendment, has been called from the Chamber at this time, and in his behalf I move that the vote by which the amendment was rejected be reconsidered.

The VICE PRESIDENT. The Chair thinks the RECORD shows that the senior Senator from Oregon [Mr. McNARY], at the time when the Senate voted on the amendment, made a motion to reconsider. Later on the Senator gave some kind of a notice, but the RECORD pretty clearly shows that the Senator at that time moved that the vote be reconsidered. The question now is on the reconsideration of the vote by which the amendment referred to was rejected.

Mr. ROBINSON. Mr. President, may I ask what is the amendment under discussion?

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 9, section 10, the committee proposed to insert the following language:

SEC. 10. Federal public roads projects, rivers and harbors projects, reclamation projects, and public-buildings projects undertaken pursuant to the provisions of this joint resolution shall be carried out under the direction of the respective permanent Government departments or agencies having jurisdiction of such projects, and the performance of all contracts in connection with such projects shall be subject to the supervision and control of such departments or agencies.

The VICE PRESIDENT. The amendment was rejected; and the question now is on a reconsideration of the vote by which the amendment was rejected.

The motion to reconsider was rejected.

The VICE PRESIDENT. The question now is on the engrossment of the amendments to the joint resolution.

Mr. METCALF. Mr. President, I offer the amendment which I send to the desk to be inserted at the proper place in the joint resolution.

The VICE PRESIDENT. The clerk will state the proposed amendment.

The CHIEF CLERK. At the proper place, it is proposed to insert the following:

Provided, That in the employment of all officials and employees paid from funds appropriated by this joint resolution, preference shall be given, where they are qualified, to ex-service men.

Mr. HAYDEN. Mr. President, it is with great hesitation that I say a word in opposition to this amendment. The Senator from Rhode Island has offered a proposal to give preference to veterans. The fact is, as I think upon reflection the Senator will recognize, that the amendment is improper. The joint resolution is designed to take care of three and a half million men unemployed. Among them are veterans. The amendment would destroy the purpose of the measure by giving preference to veterans, whether or not they were on relief. The joint resolution limits the benefits of the measure to persons on relief. The Senator from Rhode Island seeks to change that, and, under the amendment, whether a veteran were on relief or not, he would have a preference with respect to obtaining employment.

Very properly, in the original Public Works Act we gave preference to veterans. That was a measure which took men from the ranks of the unemployed anywhere, and we provided that veterans should have preference, and they have been given preference. But here the distinction is whether or not a person is on relief. I think we would destroy the purpose of the joint resolution if we should agree to the amendment.

Mr. METCALF. Mr. President, I cannot see how the argument of the learned Senator from Arizona can apply. I see no reason why this amendment should not be agreed to and included in the joint resolution. I ask for a vote.

Mr. THOMAS of Oklahoma. Mr. President, in view of the fact that a moment ago the vote was almost taken upon the engrossment of the amendments to the joint resolution, and knowing of the efficiency of the Vice President in facilitating the passage of legislation, I desire to serve notice, and do serve notice, that when all the amendments proposed to the joint resolution shall have been acted on I shall endeavor to secure recognition to call up an amendment now upon the table, the amendment being in the form of title II, and proposing a plan for financing the enormous appropriation carried by the joint resolution.

The VICE PRESIDENT. If the Vice President is in the chair at the time and the Senator from Oklahoma is upon his feet, he will recognize the Senator to present his amendment. The present occupant of the chair does not desire and will not undertake to prevent any Senator from offering any amendment to any measure before the Senate, but he does try to facilitate the passage of measures pending.

Mr. AUSTIN. Mr. President, I should like to call from the table and to offer an amendment which a short time ago I asked leave to present.

The VICE PRESIDENT. An amendment is pending, the amendment offered by the Senator from Rhode Island.

Mr. METCALF. Mr. President, as my distinguished friend the Senator from Arizona seems to criticize the amendment proposed by me, I shall modify it by adding the words " on relief " at the end of the proposed amendment, so that it will read " preference shall be given, where they are qualified, to ex-service men on relief."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Rhode Island, as modified. [Putting the question.] The noes seem to have it.

Mr. McNARY. I ask for a division.

On a division, the amendment was rejected.

The VICE PRESIDENT. The Chair will hereafter announce the vote when a division is called for, although that is not customary in the Senate. The Chair does not think that the RECORD will be hurt by an announcement of the vote of the Senate. It is not necessary for the Journal; it does not affect the legislation, as a matter of course, but the Chair sees no reason why he should not announce the number voting on a division. If there is any objection on the part of any Senator, the Chair would be glad to hear it.

Mr. BYRNES. Mr. President, I ask unanimous consent to insert in the RECORD a statement furnished me by the counsel of the P. W. A., setting forth the amount of funds that organization has received, the allotments made, and the contracts made, under the authority of the Congress.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The National Industrial Recovery Act made available $3,300,000,000 and from the Emergency Appropriation Act, fiscal year 1935, $400,000,000 was awarded to P. W. A., making a total of $3,700,000,000 available through the two acts. The Emergency Appropriation Act also authorized this Administration to dispose of securities accepted on account of loans and to use the proceeds of the sales as a revolving fund for the purpose of extending additional loans. Proceeds derived from such security sales have amounted to $57,391,833, thereby providing this Administration with a grand total of $3,757,391,833.

Of this fund the sum of $310,000,000 was impounded by Executive order to finance certain activities of the Relief Administration. The actual transfer of a portion of this amount has already been made, and it is anticipated that the balance will be transferred at an early date. This has reduced the Public Works fund to $3,447,391,833.

Allotments from this sum have been made in accordance with statutory provisions in the amount of $167,500,000 (exclusive of $10,000,000 originally allotted for Subsistence Homesteads and subsequently impounded and now included in the figure of $310,000,000 given above). The statutory allotments have provided funds for the Tennessee Valley Authority, Subsistence Homesteads, Farm Credit Administration, and the Procurement Division of the Treasury Department.

Executive orders have authorized allocations amounting to $425,871,500 for such purposes as the Civil Works Administration, and the Emergency Conservation fund.

Special allotments by this Administration have totaled $398,322,166. These include the sums set aside for administration of title I of the National Industrial Recovery Act, certain expenses of the Emergency Conservation Work and other items.

After deduction of the foregoing sums the balance available to this Administration for its public-works program has amounted to $2,445,698,167. Of this amount approximately $1,490,000,000 has been allotted for public works of Federal agencies and $955,000,000 for the non-Federal public-works operations of the States, cities, counties, and other political subdivisions as well as for certain private works made eligible for funds by the act.

Of the allocations made by this Administration for public works, approximately $839,000,000 is repayable on account of public and private loans; $105,000,000 on account of loans through the Reclamation Bureau, and $734,000,000 on account of private loans and loans to public bodies. Bonds purchased so far on account of these approved loans have a par value of $340,317,606.53. In turn sales effected for bonds having a par value of $53,616,032.59 have produced proceeds or a net profit of $902,539.39 over and above their par value.

The difference between the total P. W. A. allocations for Federal and non-Federal public-works projects and the amount repayable on account of loans is approximately $1,600,000,000. This represents grants totaling approximately $235,000,000 on non-Federal projects; $400,000,000 for public roads; $238,000,000 for naval vessels; $353,000,000 for river and harbor improvements, flood control, and seacoast defenses, and various other items. These expenditures are comparable in type with the normal program of public construction as referred to in the act, and represent projects considered economically sound and socially desirable.

As of March 1, 1935, the total unexpended balance in the Treasury on a check-issued basis was approximately $1,463,000,000. Allotments covering this entire unexpended balance have been made. Approximately $1,107,000,000 of this unexpended balance has been encumbered by contract, leaving an available balance of approximately $355,000,000 which has been allotted but has not been entirely obligated by contract. Contracts have been written for many of the allotments represented in this latter figure but have not been fully executed. However, this entire amount has been allotted. These contracts are in various stages and are being executed daily except in those cases where the projects are being carried out by force account.

It must be borne in mind that on non-Federal projects funds are advanced from time to time as the needs of the projects require. The entire sum allotted for a particular non-Federal project is not made available in its entirety but is advanced in convenient sums to meet current needs. While a non-Federal project may be almost completed from the construction standpoint, nevertheless there may be a large balance allotted for this project still remaining in the Treasury. As to Federal projects the disbursing officers draw on the Treasury against allotments made for particular projects as the funds are required.

By way of example, an unexpended balance of $160,000,000 is credited to public highways, although it is generally recognized that the highway program has proceeded with greater speed than almost any other type of projects. In some cases the lag in withdrawals from the Treasury may be accounted for by the fact that funds for construction have been advanced by the State highway departments, as has been their custom in regard to Federal-aid highway appropriations over a period of years. Payment by the Government to the States in these instances is merely a booking transaction, since the entire cost of the project may have already been paid by the State.

Of the sum of $692,000,000 reported by the Treasury Department as additional funds required to complete projects, the amount necessary for completing the projects initiated by P. W. A. allotments is approximately $160,000,000 for Federal projects and $115,000,000 for housing. Of the $115,000,000 for housing, $110,000,000 represents a sum previously allotted and subsequently impounded.

Included in the $692,000,000 as reported by the Treasury as necessary to complete projects already undertaken are items many of which have no connection whatever with the Public Works Administration. For instance, included in the program of the War Department are river and harbor projects authorized by Congress, and which the Corps of Engineers feel should go forward. Some of these have had P. W. A allocations, others have not. For example, Boston Harbor has been approved by Congress for improvements estimated to cost approximately $4,800,000. P. W. A. has allocated $800,000 for a portion of the work and this has been completed. However, an amount of $4,000,000 was reported as necessary to complete. On the project for the improvement of the Mississippi River the amount necessary to complete the entire 9-foot channel project was reported. This work, which has been approved by Congress, in its entirety has received from P. W. A. $33,500,000.

Of the amount included in the Treasury statement under additional funds required there appears an item of $62,000,000 for the Tennessee Valley Authority. This, of course, is not a P. W. A. project.

The Interior Department reports as necessary to complete $155,338,000. Included in this item are funds such as $124,000,000 for reclamation projects, $19,000,000 for soil-erosion work, $9,000,000 for national-park projects, and similar items.

Instead of $692,000,000, as reported by the Treasury, P. W. A. will require only $165,000,000 to complete projects initiated by it.

Mr. BYRD. Mr. President, in view of the point of order made earlier today by the Senator from Arkansas [Mr. ROBINSON], I wish to offer my amendment as a new section to the joint resolution, and I ask the Chair whether that would be in order.

The VICE PRESIDENT. It would be in order as an original amendment to the joint resolution.

Mr. BYRD. The amendment as now modified would read as follows:

That no part of the funds herein appropriated shall be expended for the administrative expenses of any department, bureau, board, commission, or independent agency of the Government, if such administrative expenses are ordinarily financed from annual appropriations, unless additional work is imposed upon such department by reason of this joint resolution.

Mr. President, the purpose of the amendment is to prevent the diversion of the funds appropriated by the pending measure to the ordinary expenses of the Government for administrative expenses, as has occurred in the matter of the appropriation of $3,300,000,000 under the act which became operative on June 16, 1933. If we are to appropriate money for the relief of the unemployed and for the construction of public works, certainly that money should not be diverted to pay the ordinary expenses of the Government.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. DICKINSON. I wish to suggest that in the administration of the A. A. A. the administrative expenses have amounted to over $38,000,000. I do not believe the Senator covered that item in his remarks this morning.

Mr. BYRD. Mr. President, one of my main purposes in offering this amendment is to preserve the Budget system of the United States, and that system has practically been destroyed by the diversion of appropriations from emergency appropriations to pay the ordinary expenses of the Government.

This morning I called attention to the fact that a million dollars was taken from the Public Works appropriation, provided 2 years ago, and that that million dollars was given to finance a company in Tennessee which I am told was to retail electrical appliances. In other words, the executive department was not only diverting appropriations but was forming a policy of the Government, a policy which Congress should announce, the policy being as to whether or not this Government should go into the business of the retail sale of electrical appliances.

Mr. President if this joint resolution is what we are told it is, namely, a measure to provide relief for the unemployed, I cannot see any objection to putting in it a provision to the effect that no part of the appropriation may be diverted to pay the administrative expenses of other departments, unless, as is now provided, that additional work is imposed on such departments by reason of this particular appropriation.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. BYRD. I yield to the Senator from Arkansas.

Mr. ROBINSON. I think the Senator has very much improved his amendment by the incorporation of the provision "unless additional work is imposed."

Mr. BYRD. I made that improvement before the Senator objected and made a point of order against the amendment.

Mr. GLASS. Mr. President, let us not discuss that. As Chairman of the Appropriations Committee, after consultation with some of the members of the committee, I am perfectly willing to accept the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Virginia [Mr. BYRD].

The amendment was agreed to.

Mr. AUSTIN rose.

Mr. MCNARY. Mr. President, the Senator from Minnesota [Mr. SCHALL] has an amendment which he desires to offer.

The VICE PRESIDENT. The Senator from Vermont gave notice that he desired to offer an amendment; but the Senator from Oregon [Mr. MCNARY] being the leader of his side of the Chamber, the Chair thought it his duty to recognize him instead of the Senator from Vermont.

Mr. AUSTIN. Mr. President, I call up an amendment which now lies upon the table.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from Vermont. It seems the clerk has no copy of the amendment at the desk. Has the Senator from Vermont a copy of it?

Mr. AUSTIN. I send a copy of it to the desk.

The VICE PRESIDENT. The Chair is advised that the printed amendment has not as yet been received from the Government Printing Office. The amendment will be stated.

The CHIEF CLERK. At the proper place in the joint resolution it is proposed to insert the following new section:

SECTION — Public projects, Federal, State, or municipal, undertaken pursuant to this joint resolution, shall be selected and planned so that when completed they shall not compete with existing private enterprises.

Mr. AUSTIN. Mr. President, that amendment needs very little explanation. Every one understands its scope, and everyone must recognize at once that it is in full sympathy with the purposes of the pending joint resolution.

Of course, there is nothing which can return to active service or employment men and women who are not now employed so much as the revival of private enterprise. The Government cannot possibly employ so many people as can private employers. Of course, too, as the second premise, there is nothing which will encourage private enterprise to start up so much as the removal of fear of competition by the Government and the restoration of confidence.

Therefore this amendment is intended to promote the objects of the joint resolution; and I hope it will receive favorable consideration.

Mr. GLASS. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield to the Senator from Virginia.

Mr. GLASS. There is so much confusion in the Senate that I did not distinctly hear the amendment to the joint resolution proposed by the Senator from Vermont, as read. However, I think I gathered the substance of it; and I should like to ask the Senator from Vermont if he does not think it is covered by section 7 of the joint resolution?

Mr. AUSTIN. I think not. I think it is not covered by section 7 of the joint resolution.

Mr. GLASS. I desire that the clerk again read the amendment.

The VICE PRESIDENT. The amendment will be restated.

The CHIEF CLERK. At the proper place in the joint resolution it is proposed to insert the following new section:

SECTION —. Public projects, Federal, State, or municipal, undertaken pursuant to this joint resolution, shall be selected and planned so that when completed they shall not compete with existing private enterprises.

Mr. GLASS. Mr. President, section 7 of the joint resolution provides:

Wherever practicable in the carrying out of the provisions of this joint resolution, full advantage shall be taken of the facilities of private enterprise.

Mr. AUSTIN. Mr. President, as I understand section 7, I do not believe it accomplishes the same objective as does my amendment. If the distinguished Senator in charge of the joint resolution believes they mean the same thing, I should like to have my amendment agreed to, because I think it would remove from doubt the meaning of the joint resolution.

Mr. GLASS. I have no doubt of the meaning of that provision of the joint resolution.

Mr. JOHNSON. Mr. President, I ask the attention of the Senator from Virginia [Mr. GLASS] for a moment.

I submit to the Senator from Virginia that the two provisions have diametrically different meanings. The purpose of the amendment presented by the Senator from Vermont is to prevent the ultimate construction of anything which may interfere with something which may have been done by private enterprise. That is not the purpose at all of section 7, as I understand. I presume our old friends, the power companies, come into the picture thus; and the Senator is afraid that some power plant may be erected in a municipality by funds which come from this source to provide work for men who need work in a particular municipality, and he does not want the funds used in that particular manner.

Mr. GLASS. Mr. President, the Senator from California was not explicit enough to suit me as to which Senator he had in mind when he said a Senator was proposing to protect the Power Trust.

Mr. JOHNSON. No, no; I was not speaking of the Senator from Virginia in that regard. The Senator referred to section 7, which conveys one idea. The other idea to which I referred was presented by the Senator from Vermont.

Mr. GLASS. I want to know which provision it is that protects the Power Trust. I do not think mine does.

Mr. JOHNSON. My remarks in that regard were perfectly plain, and the Senator from Virginia ought not to take umbrage at them at all.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield to the Senator from South Carolina.

Mr. BYRNES. If a request for money should be made for the development of a rural electrification project, the Senator's amendment, as I gather its purport, would prohibit expenditure for such a purpose. Is that true?

Mr. AUSTIN. Mr. President, I do not understand it to provide so at all.

Mr. BYRNES. Is not the language of the amendment that no funds shall be used for any project which, when completed, would compete with a private enterprise?

Mr. AUSTIN. The last sentence of the Senator from South Carolina was not included in his previous question. Of course, the construction of an electrification project competing with private enterprise would come within the prohibition of the amendment, if the amendment were adopted. Let me say, however, before I finish, that it is something of an assumption to say that the power companies are back of this amendment. The power companies had nothing at all to do with it.

Mr. BYRNES. Mr. President, will the Senator yield to me?

Mr. AUSTIN. I yield.

Mr. BYRNES. Of course, I did not make that statement. I was simply asking for the Senator's construction of his own amendment—whether or not it would prohibit the construction of a rural electrification project if that project competed in any way with an existing enterprise?

Mr. AUSTIN. Yes, of course, it would. That is just the point. The waste of money in putting up a competing line of rural electrification is one of the things the amendment would prevent.

Mr. BYRNES. How about the construction of a housing project?

Mr. AUSTIN. It would depend upon where it was located and whether it would compete.

Mr. BYRNES. If a housing project were constructed at a place where other houses were rented, would the Senator say it was in competition with the landlords who owned the other houses?

Mr. AUSTIN. Not unless it competed with private enterprise.

Mr. BARKLEY. Mr. President, of course it would compete with private enterprise if people rented the houses which were constructed under a housing project. If they did not rent the houses constructed under the project, they might be forced to rent some other houses. That would be competition; would it not?

Mr. AUSTIN. That does not necessarily follow. A housing project which was not in a place where houses were already in existence would not be in competition with other houses.

Mr. BARKLEY. A housing project is not going to be undertaken out in the middle of a vacant field. It would undoubtedly be in a city or town. It is difficult to see how a housing project in a thickly settled city might not, when completed, compete with some private houses already there.

Let us suppose that in some city, town, or village there is a water system, owned by a private organization, which is inadequate to serve the citizens. Under the Senator's amendment it would be impossible for the municipality to install a water system which would serve the community because one was already there, although it was inadequate to serve the community.

Mr. AUSTIN. I grant that is a possibility. Of course, one can by a stretch of the imagination picture a situation for which the amendment would not be ideal, but I have in mind projects for manufacturing and retail businesses engaged in various activities which have been heretofore simply left to private enterprise—enterprise that provides the taxes which will go to pay the sums appropriated by this measure. It is to prevent an enormous amount of capital being thrown into competition with private capital that I offer the amendment. I ask for a vote.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Vermont.

The amendment was rejected.

Mr. SCHALL. I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to insert at the proper place in the bill the following:

All corporations organized for any purpose by officials or agencies of the United States for its use since March 4, 1933, shall be liquidated within 90 days; and no other or like corporations shall be organized for any purpose by or in behalf of the United States except by express authorization of Congress.

Mr. SCHALL. Mr. President, I should like to inquire of the Senator from South Carolina [Mr. BYRNES], who seems to be contact man with the President, just the purpose of the corporations whose charters were placed in the RECORD by me on the 6th of February. The question was asked of him by the Senator from Michigan [Mr. COUZENS] and a similar question by the Senator from California [Mr. JOHNSON]. I have heard no reply as to the purpose of the corporations which cover private industry from the button on the top of one's cap to the sole of his shoes.

Mr. GLASS. Mr. President, I make the point of order against the amendment.

The PRESIDENT pro tempore. The Senator from Minnesota desires the attention of the Senator from South Carolina to ask him a question.

Mr. BYRNES. Mr. President, I heard the question of the Senator from Minnesota. The Senator from South Carolina has never stated at any time, either on or off the floor of the Senate, that he is contact man with the President of the United States. He has no information to give the Senator from Minnesota.

Mr. SCHALL. The Senator from Michigan [Mr. COUZENS] inquired what is the purpose of these corporations. The RECORD of February 19 discloses Senator COUZENS asking this question of the junior Senator from South Carolina—

Mr. COUZENS. I ask his attention because I have asked several Senators on the other side of the Chamber the purpose of organizing separate Delaware corporations. The matter has just come to my attention for the second or third time through an amendment offered by the Senator from Minnesota [Mr. SCHALL]. I inquired from several of the leaders on the other side—leaders in connection with this joint resolution—what was the purpose of organizing these separate corporations under the laws of the State of Delaware. Can the Senator from South Carolina advise me as to that?

Mr. BYRNES. I may say to the Senator that I shall be glad to try to find out for him and give him the information.

The Senator from California [Mr. JOHNSON] made a similar inquiry of the junior Senator from South Carolina—

Mr. JOHNSON. Why should the United States Government have to go into a single State in the Union and organize corporations with the broadest conceivable powers for its different activities and its different departments?

If the Senator is planning to look up the matter, I suggest that query to him. Personally, I cannot quite fathom why it is essential that that should be done.

I have heard no report as to what is the purpose of these secretly organized, marked "do not publish" corporations. Of course we can all figure out, it seems to me, what is their purpose, but I thought perhaps the Senator from South Carolina had some explanation.

Mr. BYRNES. I have never talked with the Senator from Minnesota at any time and never told him I would secure for him any information. I have no information to give him.

Mr. SCHALL. No; the Senator misunderstands me. The Senator from Michigan [Mr. COUZENS] asked the Senator on the floor of the Senate—and the Senator from California [Mr. JOHNSON] did the same—what was the purpose of the corporations. They undoubtedly acted in their official capacity upon the floor of the Senate, and reply should be made to them here upon the floor or placed in the RECORD where Senators who are required to vote upon this bill might have access to it. I have discovered nothing in the RECORD nor have I been able to find out from anyone what the purpose of these secretly organized corporations were. The Senator from South Carolina said they had something to do with farming or something of that kind, but that he would find out and let us know. Has the Senator found out so the information can be placed in the RECORD?

Mr. BYRNES. If I told the Senator from Michigan I would give him any information, then, if and when I receive that information, I shall give it to him.

Mr. SCHALL. Has the Senator ever received it?

Mr. GLASS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Minnesota yield to the Senator from Virginia?

Mr. SCHALL. Yes. If he has an explanation of these Delaware corporations I should like to have it.

Mr. GLASS. I have no information on the subject. My purpose is to move to lay the matter on the table so we can get through with these minor amendments and complete consideration of the joint resolution some time this session.

Mr. SCHALL. My purpose is to lay these Delaware corporations on the table, these corporations which have been organized in the State of Delaware to take over every industry in the United States.

Mr. ROBINSON. I make the point of order against the amendment.

The PRESIDENT pro tempore. What is the ground of the point of order?

Mr. ROBINSON. It is legislation on an appropriation measure, and it deals with corporations which have no relationship to the joint resolution.

The PRESIDENT pro tempore. The Senator from Minnesota has the floor.

Mr. McNARY. Mr. President, will the Senator from Minnesota yield?

Mr. SCHALL. Certainly.

Mr. McNARY. I am interested to know what objection the Senator from Arkansas has to the amendment and the nature of his point of order.

Mr. ROBINSON. I have stated the point of order. It is legislation on an appropriation measure and relates to corporations which are not involved in the pending joint resolution.

The PRESIDENT pro tempore. The point of order is not sustained. The Senator from Minnesota has the floor.

Mr. McNARY. Mr. President, what is the ruling of the Chair?

The PRESIDENT pro tempore. The point of order is not sustained.

Mr. SCHALL. Mr. President, there has been a great deal of concern with reference to where the administration is going. Some have likened it to the voyage of Columbus in that he did not know where he was going, did not know where he was when he got there, and did not know where he had been when he returned.

I read the speech of the junior Senator from Kentucky sometime ago. I think the speech was in the RECORD of the 19th of February which, it seemed to me, brought the matter to an issue. He said that he was for the new deal and the administration, but he would like to know where the terminal was; he would like to know where we are going; he would like to know the place where we could drop anchor. I think if the Senator will read the articles of incorporation inserted by me in the RECORD on the 6th of February he will find his terminal, so far as the administration is concerned. The terminal is in Delaware.

Mr. BARKLEY. Mr. President, I inquire of the Senator from Minnesota as to which Senator from Kentucky he alluded?

Mr. SCHALL. The junior Senator from Kentucky [Mr. LOGAN].

The terminals are in Delaware. These corporations have been organized there. Five of them were marked "Do not publish." It seems that even here in the Senate of the United States we cannot get any information with reference to the purpose of the corporations, although hundreds of millions of dollars of Government money has been put into them and, if the bill passes, billions more to go the same way, unless my amendment is adopted.

The terminal to which this administration is going is Delaware. Delaware is the terminal, and the object is to translate the United States of America into a United States of Soviet Russia.

If this money is appropriated in this joint resolution, these Delaware corporations can take over every industry in the United States, undertake any project eligible to be included in a comprehensive program of public works; collect fees, tolls, and other charges in the construction and operation of highways, parkways, buildings, canals, tunnels, bridges, docks, drydocks, dams, markets, viaducts, aqueducts, waterworks, reservoirs, sewage systems, airports, gas, light, power plants, hospitals, refrigerating and heating systems; acquire improved or unimproved real estate by purchase, exchange—exercise the power of eminent domain, maintain and improve, sell, exchange, grant, donate, or otherwise dispose of real estate, and sell any personal property; maintain and operate edifices, structures, and buildings of every kind, nature or description; manufacture building materials and supplies of every kind; develop natural resources, develop water power, generate and transmit electrical energy, reclaim, irrigate, and improve land; lease—with or without privilege of purchase—sell, exchange, grant, donate, or otherwise dispose of all or any part of any project which it may undertake, construct, finance, or in any way aid; perform any and all acts and functions customarily done by architects, engineers, or general contractors; furnish, equip, operate, manage, and maintain projects and structures of every kind—including the supplying of heat, steam, water, gas, electricity, transportation, telephone, and other necessary and public utilities; to carry on its functions in the State of Delaware, or in any other State, territory, or locality without restriction or limitation as to amount; acquire personal property of every kind, nature, and description; acquire land, hold, use, or dispose of any franchises, licenses, grant, concessions, patents, trade marks, trade names, copyrights, or inventions granted by or existing under the laws of any government or subdivision thereof; borrow money for its corporate purposes without limit as to amount, to draw, make, accept, endorse, and issue, promissory notes, bills of exchange, bonds, debentures, and other instruments, and evidences of indebtedness, and any others that I may have happened to omit, and any this administration has failed to anticipate is covered in general blanket clauses.

There is not an industry in the United States that they cannot take over. And further than that they can set up business in foreign countries. They will even take over the newspapers; and if there is a newspaper left that does not feel the brad of the administration, and does not succumb, they will run it out of existence, as they have hundreds of papers in the United States today.

Twenty-five days after this administration came into office, 25 days after it raised its hand and said that it would support and defend the Constitution of the United States, it sent to Congress, and saw to it that it passed the House without even allowing it to be printed, a bill which would have put an editor in jail for 10 years, and compelled him to pay a $10,000 fine, if he dared publish anything of which the administration did not approve. Through the efforts of the Senator from California [Mr. JOHNSON] most of this illegal unconstitutional poison was forced out of the bill.

Then Senators will remember the communications bill. It provided for a complete censorship. It was fixed up here to some extent, but there still remains in that bill a clause which gives the President the power to declare an emergency; and upon the declaring of that planned emergency the President can take over telephone, telegraph lines, radio, and every avenue of communication, not excepting the mails of the United States, which seem already to have been taken over by Mr. Farley in reference to Senator SCHALL of Minnesota. Why, I cannot even send through the mails a speech made in the Senate without having the Postmaster General open my mail and throw it in the waste-paper basket. If it has come to the point, Mr. President, where a United States Senator cannot even communicate with his constituents, God help those who do not happen to be United States Senators.

I tell you, there is something mighty rotten here in Denmark. There is something that ought to be looked into; and I am telling you the culmination of it all is right down there in Delaware, in the six corporations which have been organized to sovietize the United States of America.

Mr. COUZENS. Mr. President, will the Senator from Minnesota yield to me?

Mr. SCHALL. Yes; gladly.

Mr. COUZENS. I desire to say to the Senator that when he brought up this question before, I interested myself in it. If the Senator will let this matter go over until tomorrow, I believe I may be able to secure at least most of the information that was promised to him.

Mr. SCHALL. I shall be very glad to do so.

Mr. ROBINSON. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDENT pro tempore. Does the Senator from Minnesota yield to the Senator from Arkansas?

Mr. SCHALL. I do.

Mr. ROBINSON. The Senator from Minnesota a few days ago made a statement similar to the one he has just made about the Postmaster General opening his mail, and that he could not communicate with his constituents. My attention was called to that statement. I looked into the record, and I found that during President Hoover's administration the Senator from Minnesota was using his frank to send to newspapers, and to others, communications that were not frankable. The Senator's attention was called to it then, and later he continued the same practice.

I have in my hand an example of the mail matter which the Senator was franking out to newspapers in his State in violation of the privilege of a Senator. It is said that during this administration complaints were filed with the Post Office Department; and some of the envelopes which the Senator was sending out, franking this unfrankable matter, were found open, and it was disclosed that the Senator was continuing the same practice which had been pursued during the Hoover administration.

Representatives of the Post Office Department went to the Senator from Minnesota, both during the Hoover administration and during the Roosevelt administration, for the purpose of collecting the postage which was due on the matter which the Senator had franked out to newspapers and to others in violation of the franking privilege; and that is the basis of the complaint which the Senator makes.

At another time the matter will be presented more fully to the Senate.

Mr. SCHALL. Mr. President, I happen to have the floor. I should be very glad if the Senator would get his statement in some shape so that I can answer it.

Mr. ROBINSON. I thank the Senator for yielding to me.

Mr. SCHALL. I have been patiently waiting for the Senator from Arkansas to get this out of his system on my time. I wish he would listen to what I am about to say. Perhaps it will help.

In Minnesota, in my last election, Mr. Hoidale was the Democratic candidate for the Senate. I beat the then Governor of Minnesota by 100,000 votes for the Republican nomination. After the nomination the Governor and his crowd—in fact, all the Republican machine—moved over back of Mr. Hoidale, and every newspaper in the State was over back of Mr. Hoidale, with the exception of 17 papers out of the 600 in Minnesota, and still I beat the whole bunch of them, and they stole 45,000 votes from me in Minneapolis.

During that fight, when I had no chance to get to the newspapers and could not get anything in, somebody sent to the Post Office Department a letter that they said I sent without stamps. I deny it now, and I denied it then, and nothing was ever done about it until the other day one of Farley's inspectors showed up at the office and attempted to put the "squeeze" on me. The postmaster's attention was drawn to it, and all sorts of complaints were sent in from Minnesota in reference to my using my frank. It was just too bad that TOM SCHALL had the use of a frank when nearly every paper in the State was pounding me!

That is the matter to which the Senator from Arkansas refers. In reference to the mail which was ordered to be opened by your Postmaster General, he found in it a speech which was made in the United States Senate June 16, 1934, in which I treated the censorship of this administration, and it hurt. I know it hurts.

The speech was again read into the RECORD with some remarks I made on the 4th of March and any Senator can easily get it and see for himself the speech that was thrown out of the mails. The beginning of that speech was as follows:

Mr. HARRISON Of course, the Senator has had read some utterances that reflect very grossly upon certain people, and really violated the rules of the Senate.

Mr. SCHALL. I do not intend to violate any rules, and I do not believe I have violated any rules in my past utterances. I have spoken the truth as I see it in reference to the personnel of this administration and I intend to continue to do so, for God knows there was never a time in the history of our country when plain speaking was so imperative of what is going on here at Washington in taking from the people their Republic and substituting instead a Russian or Italian dictatorship as there is today.

Almost every bill we have passed this session has contained a censorship either directly or indirectly and has in itself constituted a dictatorship. In the last special session 77 powers were filched from the judiciary and Congress by this administration under the guise of emergency which the administration now wants made permanent. Somebody, somewhere, ought to speak; and if it does hurt, I am sorry, for I place the welfare of my country above the welfare of any party.

I have several other speeches along this line that ought to go to my constituents, to whom I am responsible insofar as I can help by deterring what is going on here, and my constituents are entitled to the use of my frank to the end that they may know insofar as I can tell them at least what sort of skulduggery is being pulled off under this sly, secretive, say-one-thing-do-the-other administration. I doubt, though, if I get anything to the State of Minnesota through the Post Office here, as run by Mr. Farley

In that envelop was a statement, the essence of which I have many times stated upon this floor and on the 4th of March placed it in the RECORD again. It referred to the same subject that Senator BORAH, of Idaho, gathered some very interesting figures upon and which more than verifies the accuracy of this statement.

Although this attempt by the Democratic gang to buy the coming election by using money from the United States Treasury is the most reprehensible political corruption ever attempted in American politics, the farmer should be advised to take the money, because he will be taxed for it. He will have to pay it back with interest whether he takes it or not

It is estimated that the cost of this political dole campaign in office help is about 14 percent of the money paid out, that another 25 percent sticks to the fingers of those who distribute it; this taken with the interest will put the farmer in debt about double what he has received.

Not to exceed 25 percent of the populace is now on the dole. If Roosevelt can continue his chaos until he has 55 percent on the dole, he will then have a majority. This will give him the power to abolish the Constitution and realize his ambition to set up a communistic dictatorship.

There it is. There is nothing to hide; there is nothing that I sent out under my frank that I did not have a right to send out under it, and it has never before in the history of Congress been criticized. There ought to be something somewhere to prevent a Postmaster General from snooping through the mail. I do not get any mail until after it goes through Mr. Farley. My mail comes in days behind time. I do not know what they expect to get out of my mail, but that is what they are doing. They are going through it; and it may be that the same thing happens to other Senators. I know there are others; they will speak for themselves; but I know of one Senator who tried to mail some truth to his constituency as he had uttered it here upon the floor but it was refused the mail and finally upon his investigation found in the corner of the post office where it had no doubt been accidently, on purpose, placed. Those who had placed it there believed, no doubt, it would serve the administration better to have it in that corner than in the hands of the Senator's constituents. If this can be done to a United States Senator, God pity the private citizen who attempts to speak his mind. Any Senator, however humble, ought to be of as much service to his country at this perilous time of usurpation of our Republic as the cackling geese were to the Republic of Rome when by their noise in the night the presence

of the stealthy enemies of Rome were discovered and beaten back.

It has come to a pretty pass when a United States Senator or Representative cannot use his frank to tell the people what is going on behind the scenes down here. They ought to be told about these corporations in Delaware. The country ought to hear about them. The administration, if it were frank, should have told the Senate what the purpose was of these secretly organized corporations. Why the administration wants to move the functions of this Government to Delaware, where they can act through them outside the Constitution and beyond the bickerings of a patriotic Congress, elected by the people who, before taking office, swore to maintain and defend the Constitution, is beyond the comprehension of the average honest American. So we have discovered the terminal facilities of the new deal to be located in Delaware. This bill is the first call to get out the transportation. Are we ready for the ride? Are we " on the way " to Delaware? Have we a through ticket to Moscow? Are the people ready to give up their liberty and their property and join on the long socialistic trip that leads to Moscow, perchance to Siberia? Or are we hiding that ticket in a cloak of mystery? That is the joyride they are intending us to take. That is the trip and that is the ticket they have prepared; and if you do not do anything to prevent it you are going to have every business in the United States taken over by the administration through these Delaware corporations.

It seems to me that is something of enough interest that every Senator should interest himself in it; and I hope that during the night, before tomorrow morning, you will look up in the RECORD of February 6 these corporations that are there in print before you. Read about them, and if you do not come back here tomorrow morning and help do something to head them off, then we may as well gracefully surrender and prepare ourselves to succumb to a rule of the United States of Soviet Russia.

Mr. ROBINSON. Mr. President, in view of the statements made by the Senator from Minnesota, I send to the desk a letter addressed to me by Postmaster General Farley, and ask that it be read in my time.

The PRESIDENT pro tempore. Without objection, the letter will be read.

The letter was read, as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., March 13, 1935.

Hon. JOSEPH T. ROBINSON,
United States Senate.

MY DEAR SENATOR ROBINSON: I beg to call your attention to remarks made by Senator SCHALL in his speech entitled " Censorship ", as printed in the CONGRESSIONAL RECORD of Monday, March 4, 1935.

In the right-hand column on page 2947 of the RECORD, Senator SCHALL refers to six letters addressed to newspapers in Minnesota, one of which bore the cancelation stamp of the Washington post office, which were excluded, he states, from the mails at the post office in Washington by my order.

The fact of the matter is that I personally knew nothing whatever about this matter. Such functions are handled by the Third Assistant Postmaster General, and I find upon inquiry that on October 19, 1934, some 200 pieces of so-called " releases " in envelops of Senator SCHALL were received at the Washington post office. One of the envelops was unsealed and upon examination the postmaster ascertained that matter was enclosed which was not frankable. The postmaster then called the office of the Third Assistant Postmaster General by telephone and was instructed to follow the usual procedure; that is, to notify the Senator in order that the necessary postage might be paid. This was done and upon failure of Senator SCHALL to pay the postage the matter was returned to him in the regular way.

In the right-hand column on page 2949 appears the statement of the Senator that at my instance a post-office inspector visited him and warned him that he had no business to criticize the actions of the Government through the United States mails under his frank Again, I am constrained to say that I had no personal knowledge whatever of the visit of the inspector.

Upon inquiry of the Bureau of the Third Assistant Postmaster General, I find that during the administration of President Hoover, complaints were received by the Post Office Department concerning abuses of the franking privilege by Senator SCHALL.

When the Post Office Department has given service upon matter which is found to be unfrankable under the law it is the practice to call upon the Member of Congress responsible to pay the necessary postage.

In July 1934 again complaints were received by the Department alleging abuse of the franking privilege by Senator SCHALL. Two letters were written to the Senator in an effort to ascertain the number of pieces mailed in order that the amount of postage might be computed and the Department reimbursed. We were unable to get any replies to our letters, and on October 11, 1934, the matter was turned over to a post-office inspector for a personal interview with the Senator in an effort to collect postage properly due the Department. The inspector reports that he did have a personal interview with Senator SCHALL, and the Senator contends that any matter should be carried free under his frank which he considers in the interest of the people.

These matters are gone into more fully in a memorandum herewith attached, which was prepared by the Third Assistant Postmaster General. The Congress by law has prescribed what may be carried free of postage under a Member's frank. The statutes concerned are referred to in the memorandum attached hereto. The Post Office Department is merely following the provisions of the law.

The letters that Senator SCHALL refers to were never rightfully within the mails. None of his letters has been excluded from the mails, nor has the Senator been subjected to any treatment other than that which would have been accorded to any Member of Congress under similar circumstances.

I believe that these misrepresentations as to the activities of the Post Office Department should be corrected, and I am therefore taking the liberty of bringing them to your attention.

Sincerely yours,

JAMES A. FARLEY,
Postmaster General.

Mr. SCHALL. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Minnesota?

Mr. ROBINSON. I yield.

Mr. SCHALL. I think the letter itself shows what has been happening to the Senator from Minnesota, so far as the Post Office Department is concerned.

As to the letters not being in the post office, they contained the stamp of the post office. If they had not been in there, how did they get the stamp on them? I had them here when I made the speech, and I can bring them here again and exhibit them. I offered to exibit them at that time.

The speech referred to in the letter was a speech on censorship, and contained some things which I dare say Farley did not want to reach my constituents, and he took the direct method of throwing the speeches out of the mail.

A representative of my office was told that they were thrown out by order of Mr. Farley. I shall be glad to continue the discussion tomorrow.

Mr. ROBINSON. Mr. President, I have the memorandum prepared by the Third Assistant Postmaster General, referred to in the letter of Mr. Farley. It is quite voluminous, and if the Senator from Virginia wishes now to proceed with an executive session I shall resume the floor in the morning.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 6644) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BUCHANAN, Mr. TAYLOR of Colorado, Mr. ARNOLD, and Mr. TABER were appointed managers on the part of the House at the conference.

FIRST DEFICIENCY APPROPRIATIONS

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 6644) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ADAMS. I move that the Senate insist on its amendments disagreed to by the House, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. ADAMS, Mr. GLASS, Mr. MCKELLAR, Mr. HALE, and Mr. KEYES conferees on the part of the Senate.

ALLOCATIONS UNDER N. R. A. APPROPRIATIONS

Mr. BAILEY. Mr. President, the junior Senator from Virginia [Mr. BYRD] brought before the Senate this morning the report of the Secretary of the Treasury pursuant to Senate Resolution No. 91, showing the status of allocations made from the appropriation of $3,300,000,000. I am presenting a resolution, and ask unanimous consent for its consideration, providing that that report be printed. I am informed that it will not cost in excess of $2,000.

Mr. LA FOLLETTE. Let the resolution be read.

The PRESIDENT pro tempore. The clerk will read the resolution.

The legislative clerk read the resolution (S. Res. 109), as follows:

Resolved, That the letter of the Secretary of the Treasury, dated March 11, 1935, transmitting, pursuant to S. Res. 91, agreed to March 6, 1935, a report of the allocations made for projects out of the appropriation of $3,300,000,000 under the National Industrial Recovery act, approved June 16, 1933, be printed, together with the accompanying report, as a Senate document, and that 500 additional copies be printed for the Senate document room.

Mr. McNARY. Mr. President, my attention was otherwise engaged. What is the nature of the proposal?

The PRESIDENT pro tempore. The clerk will again read the resolution.

The legislative clerk again read the resolution.

Mr. FLETCHER. Mr. President, I do not intend to object to the resolution, but the law requires that accompanying a resolution of this kind there shall be an estimate of the cost.

Mr. BAILEY. We have the estimate now, $1,700. I have provided that it should not cost to exceed $2,000.

Mr. FLETCHER. The estimate is here?

Mr. BAILEY. It is.

Mr. BYRNES. Mr. President, may I ask the Senator whether the statement in question was furnished by the Treasury?

Mr. BAILEY. It was.

Mr. BYRNES. Not by P. W. A.?

Mr. BAILEY. As I understood, it was furnished by the Secretary of the Treasury to the junior Senator from Virginia [Mr. BYRD].

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

EXECUTIVE SESSION

Mr. GLASS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Hiram Church Ford, of Kentucky, to be United States district judge, eastern district of Kentucky, to succeed A. M. J. Cochran, deceased, which was referred to the Committee on the Judiciary.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. MCKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters, which were ordered to be placed on the Executive Calendar.

RECONSTRUCTION FINANCE CORPORATION

The PRESIDENT pro tempore. The calendar is in order.

The legislative clerk read the nomination of Charles T Fisher, Jr., of Michigan, to be a member of the Board of Directors of the Reconstruction Finance Corporation.

Mr. HASTINGS. Mr. President, this nomination first appeared on the calendar on Saturday. I requested the distinguished leader on this side of the Chamber, the Senator from Oregon [Mr. MCNARY], to ask for me that the nomination go over until yesterday, and I made a similar request of him yesterday.

I have been making some investigation of this appointee, and I should like the nomination to go over until tomorrow. The Senators from Michigan are exceedingly anxious that action should be taken by the Senate, but I request that I be given another day. I assure the Senate that I shall ask no further delay, and the chances are that I shall not object tomorrow; but I should like the nomination to go over for 1 day.

Mr. VANDENBERG. Mr. President, I announced upon yesterday that I should resist any further effort to postpone consideration of this nomination. My entire inclination is to stand upon that notice, because I know of no possible objection which can be made to Mr. Fisher's qualifications for this position. I think my colleague [Mr. COUZENS] has about the same feeling about the matter. If we can have an agreement that the consideration of the nomination will proceed to a conclusion at tomorrow's executive session, I may be inclined to wait 1 more day, but only on that basis.

I inquire of the Senator from Delaware [Mr. HASTINGS] whether he is willing to concede the position which I now state.

Mr. HASTINGS. I do. That was my own suggestion. If the nomination can go over until tomorrow I shall no longer take the time of the Senate, and the chances are that at that time I shall not object to confirmation. However, if I do object I shall certainly not take more than 3 or 4 minutes in explaining my objection, and I shall be prepared to do that tomorrow.

Mr. VANDENBERG. I desire to be courteous to the Senator, and at the same time I wish to be just to this nominee. I feel that there is utterly no basis for complaint against him. If the senior Senator from Michigan [Mr. COUZENS] has no objection, I am willing to agree, as far as I am concerned, to a conclusion of the matter tomorrow; but I am inclined to defer to his judgment in the situation.

Mr. COUZENS. Mr. President, if there were any tangible reason for holding up the confirmation of this nomination, certainly I should not hesitate to comply with the request of the Senator from Delaware. This young man, as manager of the Detroit branch, has been an employee of the Reconstruction Finance Corporation I think almost all the time since its organization. This nomination is a promotion to the Board of Directors of the R. F. C., made with the approval of the directors of the R. F. C. and with the approval of the Republican leader and the Senators from Michigan, who are familiar with this young man's abilities, his past experience, his training, and his fitness for the position. It appears that his uncle, Fred Fisher, made a contribution to the Democratic National Committee in spite of the fact that the whole Fisher family have been Republicans, and this young man and his father are Republicans. Because this young man's uncle made a contribution to the Democratic National Committee, the Senator from Delaware suggests that that subscription to the committee was responsible for the appointment.

Mr. HASTINGS. Mr. President, will the Senator permit me to interrupt him?

Mr. COUZENS. I yield

Mr. HASTINGS. I did not make any such statement.

Mr. COUZENS. That is a question of veracity. The Senator told me this afternoon in this Chamber, standing right at this very corner, that if that were the fact I myself would object to the confirmation of the nomination.

Mr. HASTINGS. That is true; I said that, but I did not say that was a fact.

Mr. COUZENS. The Senator did not say what?

Mr. HASTINGS. I did not say it was a fact.

Mr. COUZENS. I did not say the Senator said it. I said the Senator suggested that it was the fact.

Mr. President, I am not a partisan, although I recognize that the R. F. C. has to be made up of Republicans and Democrats. Before the nomination of the former Senator from Mississippi, Mr. Stephens, came up for confirmation, the senior Senator from Mississippi [Mr. HARRISON] suggested to me that the nominations to fill both the Republican and the Democratic vacancies should come before the Senate at the same time, because the places had both been

vacant for a considerable period; and he suggested to me that I call up the White House and ask that the nominations of both men be sent in at the same time. This was agreed to and carried out. The name of Mr. Fisher was sent to the Committee on Banking and Currency, and that committee unanimously reported the nomination favorably. Now it seems that because there appeared in the newspapers an account of a contribution of $5,000 to the Democratic National Committee by his uncle, Mr. Fred Fisher, there is objection of some sort, at least pending, to this young man's confirmation.

I resent vigorously any intimation that the President of the United States was controlled in making this nomination by a contribution from the uncle of this young man, as I resent any suggestion that I would be supporting this young man's confirmation because his uncle had contributed $5,000 to the Democratic National Committee.

I see no reason for postponing the confirmation of this nomination. The Senator from Delaware has all the information which is available. In my judgment, he has all the information he will ever get because there is no denial of the facts; and there is no way to prove the suggestion that this man's appointment was bought by a contribution to the Democratic National Committee.

Mr. President, I ask for action tonight.

Mr. HASTINGS. Mr. President, I do not wish to get into any discussion. It seems to me my request is a reasonable one. This position has been vacant for some 9 months. Certainly a delay of 2 or 3 days will not trouble anyone very much. I do not desire to discuss the nomination tonight. I do not wish to have any argument about it; but unless I can secure an agreement that it shall go over I shall feel compelled to ask for a quorum call and then discuss the nomination tonight, if I have to.

Mr. COUZENS. I call for the question.

The PRESIDENT pro tempore. The question is on the confirmation of the nomination of Mr. Fisher.

Mr. HASTINGS. I suggest the absence of a quorum.

Mr. ASHURST. Mr. President, I hope the Senator from Delaware will let the remaining names on the calendar, to which there is no objection, be disposed of before he suggests the absence of a quorum. I hope the Senator will do that.

Mr. LA FOLLETTE. Mr. President, I call for the regular order.

Mr. HASTINGS. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	McGill	Robinson
Bailey	Dickinson	McKellar	Schall
Barkley	Glass	McNary	Schwellenbach
Brown	Guffey	Maloney	Sheppard
Burke	Harrison	Minton	Thomas, Utah
Byrnes	Hastings	Moore	Truman
Capper	Keyes	O'Mahoney	Vandenberg
Clark	King	Pittman	
Connally	La Follette	Radcliffe	

The PRESIDENT pro tempore. Thirty-four Senators having answered to their names, there is not a quorum present.

Mr. ROBINSON. Mr. President, I ask unanimous consent that further proceedings under the call of the Senate be dispensed with and that, as in legislative session, the Senate take a recess until 12 o'clock noon tomorrow.

The PRESIDENT pro tempore. Is there objection?

There being no objection (at 6 o'clock and 7 minutes p. m.), the Senate, in legislative session, took a recess until tomorrow, Wednesday, March 20, 1935, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate March 19 (legislative day of Mar. 13), 1935

UNITED STATES DISTRICT JUDGE

Hiram Church Ford, of Kentucky, to be United States district judge, eastern district of Kentucky, to succeed A. M. J. Cochran, deceased.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 19, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Once more, Heavenly Father, we are brought to the duties of a new day. As children of an infinite God and heirs of eternity, enable us to be worthy, long-suffering, and full of kindliness one to another. We approach Thee in prayer that we may be lifted up to that reason which is not derived from matter. Do Thou inspire us with sensibility to love that which we cannot touch and would not smother. Merciful Lord, let this old, rugged world be rolled to Thy feet and save it from the selfish and the designing hearts of evil men. In the mad rush for wealth, power, and influence arrest them that they may understand that Thy laws are imperative and that we can be saved only by loyalty to the God of all righteousness, truth, and justice. We beseech Thee, to subdue racial prejudice and narrow, bigoted, and destructive sectarianism, whose wind and wave drive to no desired haven. O may all creeds be swallowed up in pure and undefiled religion. Divine Spirit, descend upon us and bless us with the genius of heavenly love and power. In the name of our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House, by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On March 14, 1935:

H. R. 330. An act for the relief of Sophie de Soto.

On March 18, 1935:

H. R. 5221. An act to amend the Agricultural Adjustment Act with respect to rice, and for other purposes;

H. R. 426. An act for the relief of Jacob Santavy; and

H. R. 593. An act for the relief of Fred C. Blenkner.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following communication, which was read by the Clerk:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 18, 1935.

The Honorable JOSEPH W. BYRNS,
The Speaker of the House of Representatives.

DEAR MR. SPEAKER: I hereby submit my resignation as a member of the Committee on the Civil Service of the House of Representatives and request that the same take effect immediately.

Yours very sincerely,

J. Y. SANDERS, Jr.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

RELIEF AND SECURITY

Mr. FERNANDEZ. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the RECORD a speech delivered by myself over the Columbia Broadcasting System on the national program for emergency relief and social security.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FERNANDEZ. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech delivered by myself over the Columbia Broadcasting System, Saturday past, on the National Program for Emergency Relief and Social Security:

First of all, I want to thank the Columbia Broadcasting System for the time allotted to me this evening.

Ladies and gentlemen, at the present time we find ourselves surrounded by what appears to be logical arguments pro and con on the question of further emergency relief, and particularly the certain clauses thereof held, as evident, to be necessary and tan-

tamount to success of these recovery attempts. The one commanding strongest attention at the moment is the prevailing-rate-of-wage amendment to the bill providing for continuance of emergency relief on a public-works basis.

Primarily, I undertake to defend my own point of view in upholding the prevailing rate of wage not only on Federal building construction, as provided for by the Davis-Bacon Act but also on every other Federal and non-Federal project, taking into consideration the protection of our farm lands from soil erosion, our watersheds from the rampages of turbulent streams and rivers, adequate protection of our forests, and the various localized projects categorically termed, "State, municipal, parish, or county." I hold this protection necessary for the reason that under a construction of the bill, whether the Government will supply its labor directly or through any contract or grant to a State, municipality, or political subdivision thereof, the Federal Government will, without the prevailing-rate-of-wage clause, directly and indirectly, enter private business by the negotiation of contracts with contractors, engaged either directly or through a State or its political subdivisions, to perform a particular public works, and for that reason will be making inroads into earnings that may have been otherwise larger than $50 per month. We should not look on this part of the recovery program as pure charity.

The country is at a stage of economic crisis where employment of its masses is practically today a necessary policy of the Federal Government, not because the Federal Government or Congress would gladly yield to such an enormous bonded indebtdeness to provide this giant relief program but because millions who are deprived of the vital necessities, much less the ordinary comforts, of life were growing constantly impatient and possibly intolerant. Not because they were unpatriotic but because the pangs of hunger and the sickly sight of viewing their loved ones—their wives, their mothers, their children—day after day, month after month, being deprived because of some great unbalanced economic-social system in America.

The people on the emergency relief, which is viewed by many critics as a dole, are not adequately provided for. For example, a family of 2 unemployed, say, man and wife, or mother and son, in a particular household get from $19 to $21 a month; from the E. R. A., a family of 3 or 4 get $30 to $35 a month; a family of 5 to 7, $36 to $45 a month; and a family of 8 or larger, anywhere from $50 to $55 or $56 a month. One of the requirements of the E. R. A. is that a family seeking relief must have no cash resources; in other words, they must be paupers. Another requirement is that if anyone is gainfully employed in that family—for instance, if someone in a family of 5 or 6 persons is getting $50 per month—such family would not be entitled to emergency relief. But where the earnings are so small that would not take care of the absolute minimum requirements of that family, then the Government steps in and provides relief to the extent of the difference between the little $30 or $40 a month that the employed person in that family brings into that house to support 5 or 6 persons.

From my own personal experience I know that these E. R. A. relief amounts are very inadequate in face of the ever-rising cost of living. Consequently it will be seen from the statements I have just pronounced concerning the E. R. A. that the only people getting an advantage of a straight $50 a month on the proposed P. W. A. bill will be a family of two or three or four, where their allowances from the E. R. A. would be considerably less than $50 per month. As the average family in America contains 4½ people, that would be an increase of about $10 to $15 per month based on the assumption that $50 a month would be paid to the 4,500,000 heads of families supporting the 22,000,000 of people in America now on emergency relief.

Therefore, while the country will gain in improvements through P. W. A. construction, on the other hand the failure to protect the decent wage scale will probably be considered as a set-back and possibly used by other private concerns and major industries as a basis on which to pay salaries. This, in my judgment, is the peril in America today as a result of the administration's declaration that wages or compensation to the relief workers will be not more than $50 per month, which is considerably below the standard. Why, $50 a month will just feed you—and the already underfed American family on the Nation's relief rolls—and pay rent. Just try and buy clothes, medicine, and pay doctor bills, and education for your children out of $50 a month!

I hope to see this Congress declare a national policy for the security of the old aged, the unemployed, maternal cases, and the sick and the disabled. Congress has such a bill for consideration. It may not go as far as I like or you would like, but it is at least significant that if Congress follows the expressed program of President Roosevelt on social security, it will enact a law at this session dealing with these uneconomical barrages that strike at the very root of the administration recovery plans. It will be a new declaration of national policy.

I do not think that a person should have to reach the age of 65 years, as provided by the bill introduced in this Congress, before that person is to be removed from the ranks of the employed, if employed, so as to make room for a younger head of a family; and I don't think that a range from $30 a month to any figure less than that amount, as I interpret under this bill, quite sufficient to take care of the old aged. Under this bill the Federal Government would appropriate not more than $15 per month, matching the appropriation of the various States of our Union. If some States did not provide or are not in a financial position to provide for such aged pensions, they are simply out of the picture, according to this bill. Some States may only, as an illustration, be able to appropriate $5 per month per old-aged person, if that much. In that event the Government would consider giving that State the same amount, $5, and therefore such aged persons, each would get $10 per month, not $30 per month.

I believe that a person should be retired at the age between 55 and 60, being optional for that period of 5 years, but forcible when such person attains the age of 60; and I further believe that the pension for that aged person should be $30 or $40 a month, as prescribed in the plan advocated by my friend, United States Senator HUEY P. LONG. I confidently believe that, if we are ever to have a real security in America, the plan of security as offered by Senator LONG in his share-the-wealth program would meet that exigency. Senator LONG primarily, in his program, advocates an annual wage from $2,000 to $2,500 for the head of a family in America. This plan obviously would secure a family in its prime of life. Why wait until they get too old? Such a plan would remove that insecurity and possible resultant criminal tendency on the part of those who do not have the vitality and the strong-mindedness to patiently wait for some relief or position or job.

While the normal annual pay rolls in America amount to considerably over a hundred billion dollars, the total sum necessary to pay the head of each of, we'll say for example, 30,000,000 families in America, at the rate of the $2,000 per year, as part of the LONG plan, would amount to $60,000,000,000. The census of the United States computes four and one-half persons to the American family. Of course, that is not taking into consideration the fact that Senator LONG does not seek to cut every family head's salary down to $2,000 or $2,500 per year. In fact, his share-the-wealth plan would permit earnings up to a million dillars per year, but nothing less than about $2,000 a year, so that none would be too rich and none too poor. There are other good features about the Senator's plan which I am heartily in accord with. They are: Each family is to be provided, say as a start-off, with a home, an automobile, a radio, or the ordinary comforts of life, to the value of about $5,000. I am not going to attempt to discuss the ways and means of financing such a plan as my time is limited; however, whatever propaganda may be emanating and subscribed to the contrary will be dealt with in due course of time.

So that my record will be made clear to my radio audience I wish to state that I have supported the present administration, and while I may in my humble consideration find some fault with some provisions, or lack of provisions, of certain bills and laws, nevertheless I have supported all of President Roosevelt's relief bills because I think they were designed to do more general good for the distressed people of America.

However, we are now faced with the startling fact that industry has not responded to the recovery efforts of the present administration; and the further fact that all the relief money is finding its way back to the bankers and manipulators of Wall Street; that we are just about making circles, due to the present methods of high finance, and getting nowhere except spending a large fortune of taxpayers' money. You good people of America may sit back and ponder these questions:

Where are we headed for?

How long can the Government continue this spending?

The answers will inevitably bring us to the conclusion that, if we are to enjoy the fruits of the land of too much to eat but where people are wanting for food, and in the land of too much of everything where people have too little of anything—with this condition facing us, ladies and gentlemen, you will find that we are coming face to face with the one definite plan for the relief of our present economic and social ills through the program sponsored by Senator HUEY P. LONG in his share-the-wealth program.

People of America! That is your consideration.

I thank you.

NEW ENGLAND AND THE NEW DEAL

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague, Mr. FISH, of New York, be allowed to extend his remarks by printing a speech he made in Boston on March 13.

The SPEAKER. Without objection, the request will be granted.

There was no objection.

Mr. FISH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered at a dinner of the Women's Republican Club of Massachusetts, Boston, Mass., Wednesday, March 13, 1935:

Instead of the promised "more abundant life" of President Roosevelt, the American wage earners and consumers have become impoverished and ground down between the upper and nether millstones of the N. R. A. and A. A. A. and the resulting high cost of living. The New England States have been the worst sufferers from socialistic experiments of the President and the brain trust, because the Administration policy of destruction of crops, scarcity instead of abundance, and birth control of pigs, has caused foodstuffs and the necessities of life to skyrocket beyond the budget of the wage earners and consumers of the Eastern States. Thus inaugurating a vicious circle as the consumers have not sufficient funds to buy, which means further crop reductions. The price of meat, pork, and butter has risen 20 percent in the last 2 months in addition to having gone up 50 percent in the last 2 years, making the American wage earner and consumer the forgotten men of America. The increasing house-

hold costs, due to the N. R. A. and A. A. A. will keep the New England women with children to feed awake at night trying to devise ways and means to balance their family budgets.

The Eastern and Northern States have been paying the bills largely for the benefit of the South. The State of Mississippi, which paid $165,000 in personal income taxes, against seventeen millions for Massachusetts, received fifty millions out of the Treasury for cotton reduction, cotton options, and public works. That is where your money goes. The people of New England have the privilege of paying enormous taxes into the Federal Treasury and receive few, if any, benefits in return, except the privilege of paying more for their foodstuffs, clothing, and the necessities of life.

The New England farmer, who pays increased prices for the feed from the West for his cattle and poultry, as well as the men and women in the factories for their food are the hardest hit by the high cost of living. Unbelievable as it sounds, shiploads of corn, meat, and butter are being landed in the United States of America from foreign nations, due to the destruction of American crops and livestock and to the detriment of the farmers of the West.

The Blue Eagle has become a Soviet vulture, perched on smokeless factory chimneys in New England, backed by force and coercion, enforcement agents, spies, and jail sentences. The N. R. A. should be scrapped for a half dozen general codes, but should retain the child-labor provision and the abolition of sweatshop hours and pay.

The small business man is being slowly strangled to death, and business confidence has been almost destroyed by fear and uncertainty, resulting from the unsound administration policies and threats of Government ownership, increased taxation, further inflation, and a mass of restrictions and Executive orders that have business bewildered and afraid to invest or move in any direction. The business man goes to bed with a headache and gets up with a hang-over. He does not know what money will be worth 6 months from now, and in addition a long list of broken administration promises have undermined public confidence.

I charge the administration, through the free-trade policies of Secretary of State Hull, with being responsible for helping to wreck and destroy the textile industry of New England, formerly its greatest source of wealth and employment. Already the gross stupidities and blunders of the State Department in a visionary and totally impractical attempt to break down economic barriers throughout the world has sacrificed the textile industry, America's second largest industry, on the altar of free trade to the Japanese.

The time has come to tell the truth and place the responsibility just where it belongs—on the shoulders of President Roosevelt and his free-trade Secretary of State Cordell Hull. It must be self-evident that American labor cannot compete with skilled Japanese labor, paid 20 cents a day and operating modern textile plants equipped for mass production. However, Secretary Hull, true to his free-trade principles, and long-distance policies, which will take effect after the New England mills have been destroyed and its labor ruined, is deaf, dumb, and blind to the welfare and interests of the American textile industry, which employs 400,000 industrious and loyal American citizens.

New England is vitally interested, and its welfare and interest is at stake. How long will its people continue to remain silent in face of the economic insanity of the administration? To illustrate how far this administration will carry its free-trade policies without regard to the interests of American labor, it turned down 6 months ago an offer of the Philippine congress to grant adequate protection to American textiles as against Japanese, because it would interfere with the visionary principles and long-distance policies of the administration. Thus we have practically lost, through the inexcusable and almost traitorous action of the State Department, our greatest export market for our textiles.

Last December Japan controlled 75 percent of the textile imports into the Philippines, and we did less than 25 percent, whereas 2 years ago it was just the reverse. Another 6 months of State Department blunders and our Philippine textile trade will be wiped out. What has happened in the Philippines has also taken place in Cuba, Colombia, Dominican Republic, Haiti, and the rest of Central and South America, where we exported previously most of our textile products.

However, that is not the entire story, because Japanese cotton goods are beginning to flood the American market. The following figures, showing imports into the United States of Japanese cotton goods, speak for themselves:

	Square yards
1933	1,116,000
1934	7,287,000
1935, in January alone	5,000,000

In February one Japanese ship landed 4,000,000 square yards, and it is estimated that the total for the month will double that of January or exceed the total for 1934. Unless the shipment of Japanese goods into the United States is stopped, one mill after another will be compelled to shut down, throwing American labor into the ranks of the unemployed.

In addition to the direct menace of Japanese textile competition in the United States, and in the Philippines, and Latin America, several New England textile mills and finishing units are being bodily uprooted and transplanted to South America. There is one notable instance of a mill in which Homer Loring is interested, that is being transplanted to the Argentine Republic, which has in the past been an important market for cotton goods from the United States. Every American mill that is transplanted to South America due to the N. R. A. and Japanese competition means more unemployment at home.

I know how dangerous it is for a politician to predict anything, but if this administration persists in its course to destroy the New England mills and increase the cost of living, and especially on the necessities of life, I predict a political revolt in 1936 in New England such as has never before been witnessed, sweeping every Democrat out of office or any person who upholds the new deal that has all but ruined New England financially and economically, impoverished its people, and increased unemployment.

The people of New England, regardless of party affiliations, do not propose to commit economic suicide for the benefit of the "new dealers", Secretary Hull or President Roosevelt. They do not propose to have their legitimate interests sacrificed by Secretary Hull, a free-trader and an internationalist, for the benefit of Japan or another nation.

Secretary Hull has only one economic policy, and that is to break down the protective principle that has made our wage earners the best paid, the best housed, the best clothed, the best fed, and most contented in the world. The American standard of wages and of living are of little consequence to this confirmed free-trader, provided he can put into effect his visionary ideas to break down world economic barriers. All that he can possibly accomplish will be to permit competition from underpaid foreign labor, to the detriment of free American labor.

The Democratic Party proposes, by Executive order, to enter into bargaining tariffs which will soon result in the destruction of the economic supremacy of the United States and putting millions of more loyal Americans out of work for the benefit of European and Japanese labor. The protective-tariff system since the days of Lincoln has built up our industries in all New England cities, such as Boston, Portland, Providence, Manchester, Springfield, and Hartford. The attitude of the President imperils the welfare of our workingmen. American labor declines to compete with the poorly paid and cheap labor of Europe or Asia.

There never was a time when the sound policies of the Republican Party were more needed in America than today, before the "brain trust" and quack medicines have destroyed the economic lifeblood of the American people and caused a collapse of credit, ruinous inflation, governmental bankruptcy, and thrown millions more of industrious and loyal Americans out of work.

The tragedy of the present economic situation is that every day since last May unemployment has been increasing, so that today there are 12,000,000 unemployed, or more than 2,000,000 more unemployed, according to the American Federation of Labor, than there were a year ago. The fact is that after 2 years of socialistic experiments and unsound new-deal measures business confidence has been destroyed, and 12,000,000 American wage earners are walking the streets or depending on charity or doles and 23,000,000 people are on the relief rolls.

I indict the Democratic administration on its record for the past year as the greatest failure in American history. I charge it with having destroyed business confidence, squandered American resources, and with impairment of the national credit. I accuse it of having imposed unsound, unworkable, and socialistic measures upon the Nation that have increased the cost of living, impoverished the American people, and increased unemployment. I denounce it for undermining our free institutions, turning the Constitution into a scrap of paper, and changing our representative form of government, without the approval or consent of the American people, into an autocratic and dictorial form of government.

I condemn it as having no economic policy except to pile debt upon debt by borrowing, more borrowing, and still more borrowing, without any thought of balancing the Budget or of the inevitable day of reckoning, and collapse of credit and bankruptcy of the Government.

New-deal prosperity apparently means the people out of business and both the Democratic Party and the Government in business. It means debts, deficits, taxation, borrowing, unbalanced Budget, confidence destroyed, and American labor unemployed.

The Democratic administration has no policy except borrowing, leading straight to chaos, ruinous inflation, and bankruptcy. In another year the interest charges alone on the national debt will amount to well over a billion dollars, and will consume over one-third of our revenues. The day of reckoning is inevitable and approaching rapidly. The President, however, continues to smile, even if the ship of state is headed for the financial and economic rocks; and, like the French King Louis XIV, says "I am the state. After me the deluge."

That is small satisfaction for the American people, and for the oncoming generations that must carry the burden of taxation and pay the bill for the devastating failures and experiments of the all-ambitious President and his "brain trust."

COTTON CONTROL ACT

The SPEAKER. The unfinished business today is the vote upon the motion of the gentleman from Wisconsin [Mr. BOILEAU] to recommit the bill H. R. 6424. The Clerk will report the motion.

The Clerk read as follows:

Mr. BOILEAU moves to recommit the bill to the Committee on Agriculture with instructions that the committee report the bill back forthwith with the following amendment:

"On page 6, line 1, strike out all of section 5."

The SPEAKER. The question is upon the motion of the gentleman from Wisconsin [Mr. BOILEAU].

The question was taken; and on a division (demanded by Mr. BOILEAU) there were—ayes 47, noes 108.

Mr. BOILEAU. Mr. Speaker, I object to the vote on the ground that there is no quorum present.

The SPEAKER. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 110, nays 272, not voting 49, as follows:

[Roll No. 29]

YEAS—110

Allen	Ditter	Kinzer	Reed, N. Y.
Amlie	Dondero	Knutson	Rich
Andresen	Doutrich	Kvale	Robsion, Ky.
Andrew, Mass.	Dunn, Pa.	Lambertson	Rogers, Mass.
Andrews, N. Y.	Ekwall	Lehlbach	Sauthoff
Arends	Engel	Lemke	Schneider
Bacharach	Englebright	Lord	Seger
Binderup	Fenerty	Ludlow	Short
Blackney	Focht	Lundeen	Snell
Boileau	Gehrmann	McLean	Stefan
Bolton	Gifford	McLeod	Stewart
Brewster	Gilchrist	Maas	Sutphin
Buckbee	Gillette	Mapes	Taber
Buckler, Minn.	Guyer	Marcantonio	Taylor, Tenn.
Burdick	Gwynne	Marshall	Thomas
Burnham	Halleck	Martin, Mass.	Thurston
Carlson	Hancock, N. Y.	Merritt, Conn.	Tinkham
Carter	Hartley	Michener	Tobey
Cavicchia	Hess	Millard	Treadway
Christianson	Higgins, Conn.	Mott	Turpin
Church	Hoffman	Perkins	Welch
Cole, N. Y.	Hollister	Pettengill	Withrow
Collins	Holmes	Pittenger	Wolcott
Cooper, Ohio	Hope	Plumley	Wolfenden
Crawford	Hull	Powers	Wolverton
Culkin	Jenkins, Ohio	Ransley	Woodruff
Darrow	Kennedy, N. Y.	Reece	
Dirksen	Kimball	Reed, Ill.	

NAYS—272

Adair	Deen	Harter	Merritt, N. Y.
Arnold	Delaney	Hildebrandt	Miller
Ashbrook	Dempsey	Hill, Ala.	Mitchell, Tenn.
Ayers	DeRouen	Hill, Knute	Monaghan
Barden	Dickstein	Hill, Samuel B.	Montague
Beam	Dies	Hobbs	Moran
Beiter	Dietrich	Hook	Moritz
Berlin	Dingell	Houston	Murdock
Biermann	Disney	Huddleston	Nelson
Blanton	Dobbins	Igoe	O'Brien
Bloom	Dockweiler	Imhoff	O'Connell
Boehne	Dorsey	Jacobsen	O'Connor
Boland	Doughton	Jenckes, Ind.	O'Leary
Boylan	Doxey	Johnson, Okla.	Oliver
Brooks	Drewry	Johnson, Tex.	O'Neal
Brown, Ga.	Driscoll	Jones	Owen
Brown, Mich.	Driver	Kee	Parks
Brunner	Duffey, Ohio	Keller	Parsons
Buchanan	Duffy, N. Y.	Kelly	Patman
Buck	Duncan	Kennedy, Md.	Patterson
Bulwinkle	Dunn, Miss.	Kenney	Patton
Burch	Eagle	Kerr	Pearson
Caldwell	Eckert	Kleberg	Peterson, Fla.
Cannon, Mo	Edmiston	Kloeb	Peterson, Ga.
Cannon, Wis.	Eicher	Kniffin	Pfeifer
Carden	Ellenbogen	Kocialkowski	Pierce
Carmichael	Evans	Kopplemann	Polk
Carpenter	Faddis	Kramer	Quinn
Cartwright	Farley	Lambeth	Rabaut
Cary	Ferguson	Lanham	Ramsay
Casey	Fernandez	Larrabee	Ramspeck
Castellow	Flannagan	Lea, Calif.	Randolph
Celler	Fletcher	Lee, Okla.	Rankin
Chandler	Ford, Calif.	Lewis, Colo.	Rayburn
Chapman	Ford, Miss.	Lloyd	Reilly
Citron	Frey	Lucas	Richards
Clark, N. C.	Fuller	Luckey	Richardson
Cochran	Fulmer	McAndrews	Robinson, Utah
Coffee	Gambrill	McClellan	Rogers, N. H.
Colden	Gassaway	McCormack	Rogers, Okla
Cole, Md.	Gavagan	McFarlane	Romjue
Colmer	Gearhart	McGehee	Rudd
Connery	Gildea	McGrath	Russell
Cooley	Gingery	McKeough	Sabath
Cooper, Tenn.	Goldsborough	McLaughlin	Sanders, Tex.
Corning	Granfield	McMillan	Schaefer
Costello	Gray, Ind.	McReynolds	Schuetz
Cox	Gray, Pa.	McSwain	Schulte
Cravens	Green	Mahon	Scott
Crosby	Greenway	Maloney	Scrugham
Cross, Tex	Greenwood	Mansfield	Sears
Crosser, Ohio	Greever	Martin, Colo.	Secrest
Crowe	Gregory	Mason	Shanley
Cullen	Griswold	Massingale	Shannon
Cummings	Haines	Maverick	Sirovich
Daly	Hamlin	May	Sisson
Darden	Harlan	Mead	Smith, Conn.
Smith, Va.	Tarver	Umstead	West
Smith, Wash.	Taylor, Colo.	Underwood	Whelchel
Smith, W. Va	Taylor, S. C.	Utterback	Whittington
Snyder	Terry	Vinson, Ga	Wilcox
Spence	Thom	Vinson, Ky.	Williams
Stack	Thomason	Wallgren	Wilson, La.
Steagall	Thompson	Walter	Wood
Stubbs	Tolan	Warren	Woodrum
Sullivan	Tonry	Wearin	Young
Sumners, Tex.	Truax	Weaver	Zimmerman
Sweeney	Turner	Werner	Zioncheck

NOT VOTING—49

Bacon	Fitzpatrick	Lesinski	Robertson
Bankhead	Gasque	Lewis, Md.	Ryan
Bell	Goodwin	McGroarty	Sadowski
Bland	Hancock, N. C	Meeks	Sanders, La.
Brennan	Hart	Mitchell, Ill.	Sandlin
Buckley, N. Y	Healey	Montet	Somers, N. Y.
Claiborne	Hennings	Nichols	South
Clark, Idaho	Higgins, Mass	Norton	Starnes
Crowther	Hoeppel	O'Day	Wadsworth
Dear	Johnson, W. Va.	O'Malley	White
Eaton	Kahn	Palmisano	Wigglesworth
Fiesinger	Lamneck	Peyser	Wilson, Pa
Fish			

So the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Bacon (for) with Mr Hancock of North Carolina (against).
Mr. Goodwin (for) with Mr. Montet (against).
Mr Wilson of Pennsylvania (for) with Mr. Claiborne (against).
Mr. Fish (for) with Mr. Sandlin (against).
Mrs Kahn (for) with Mrs O'Day (against).
Mr. Wadsworth (for) with Mr Lamneck (against).
Mr. Eaton (for) with Mr Dear (against).
Mr Crowther (for) with Mr. Fiesinger (against).
Mr. Wigglesworth (for) with Mr Sanders of Louisiana (against).

General pairs:

Mr. Bankhead with Mr. Starnes
Mr. Cannon of Missouri with Mr Buckley of New York.
Mr. Bland with Mr. Higgins of Massachusetts.
Mrs. Norton with Mr Brennan
Mr. Somers of New York with Mr Mitchell of Illinois.
Mr. Gasque with Mr. Clark of Idaho.
Mr Lesinski with Mr. O'Malley
Mr. Lewis of Maryland with Mr Nichols.
Mr. Healey with Mr Bell.
Mr. Robertson with Mr. White
Mr. Fitzpatrick with Mr. Ryan.
Mr. Hennings with Mr. Hart
Mr. South with Mr McGroarty
Mr. Meeks with Mr. Johnson of West Virginia.

Mr. GILLETTE changed his vote from "no" to "aye."

Mr. McCORMACK. Mr. Speaker, the gentleman from Massachusetts, Mr. HIGGINS, is unavoidably absent on official business. If present, he would have voted "no."

Mr. FULMER. Mr. Speaker, the gentleman from South Carolina, Mr. GASQUE, is absent on account of illness. If present, he would have voted "no."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the passage of the bill.

Mr. KLEBERG. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. Those who favor ordering the yeas and nays on this vote will rise. [After a pause.] Twenty-one Members have arisen; not a sufficient number.

The yeas and nays were refused.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

Mr. JONES. Mr. Speaker, I ask unanimous consent that the title of the bill just passed be amended to read as follows:

To exempt a limited quantity of cotton from the tax under the Cotton Control Act, to provide for the better administration of such act, and for other purposes.

The SPEAKER. Without objection, the title will be amended accordingly.

There was no objection.

A motion to reconsider the vote by which the bill was passed was laid on the table.

COMMITTEE ON PUBLIC LANDS

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent that the Committee on Public Lands may sit for 1 hour this afternoon during the session of the House.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

DETAIL OF OFFICERS AND ENLISTED MEN OF UNITED STATES ARMY TO ASSIST LATIN AMERICAN REPUBLICS

Mr. EDMISTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill S. 707, to amend the act of May 19, 1926, entitled "An act to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the governments of the Latin American Republics in military and naval matters", there being an identical House bill on the Union Calendar.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. EDMISTON]?

Mr. ZIONCHECK. Mr. Speaker, I object.

Mr. WOLCOTT. Reserving the right to object, Mr. Speaker, I understand this bill is on the Consent Calendar, and I should like to inquire if it is going to be the practice to continue to call up bills in this manner which are on the Consent Calendar?

The SPEAKER. That is a matter for the House to determine.

Mr. WOLCOTT. I have no objection to the bill, but I should like to know what the policy is going to be.

Mr. ZIONCHECK. If the gentleman brings up his bill in this manner, there will be a dozen others who will bring bills up.

Mr. EDMISTON. I am doing this at the request of the Commissioners from the Philippine Islands, who feel that it is of vital importance to them that this legislation pass the House, that the Senate bill be substituted for the House bill and passed. The Filipinos are, as the gentleman knows, now planning their government and their national defense, and we cannot detail any officers to assist in this work until this bill is passed.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. ZIONCHECK and Mr. MARCANTONIO objected.

The SPEAKER. Without objection, House Resolution 158, the rule providing for consideration of the bill H. R. 6424, which rule was not called up, will be laid upon the table.

There was no objection.

IN MEMORY OF WILLIAM JENNINGS BRYAN

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, today is the anniversary of the birth of William Jennings Bryan, who held membership in this body and who later was a member of the Cabinet of the President of the United States, and who, in all his public service, never compromised with what he believed to be wrong.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to pay tribute to this great American.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, William Jennings Bryan, whose birthday anniversary we observe today, was one of the most powerful and dramatic figures in American political life.

He had millions of followers in the political battles which he fought, and it has been said that there were thousands of persons who followed him with almost fanatical devotion.

It is not, however, in the political arena alone that he claimed merited attention for he was beloved by great groups of our people because of the firm stand he took in behalf of certain principles which he believed to be fundamental and necessary to the growth and security of our Nation.

He early in life took a deep and active interest in public affairs, a quality which I feel after a lapse of many years is finding renewed expression in our Republic today through the increased participation of young men and women in our National problems. It will be recalled that he became a Member of this House in his thirtieth year.

It has always seemed to me that there was a magnificent earnestness about all that Bryan undertook as characterized in his championship of causes which were not always popular but which won him adherence because of his magnetic presence, the weight of his rhetoric, his splendid voice and his unbounded energy.

Defeats had battered him when he came into West Virginia and made his last address in the city of Clarksburg. His appearance there followed his tiring efforts at the Democratic National Convention just prior to that visit, yet he spoke with old-time vigor and, as I listened to his address that night, I felt that he was living a little part at least of his triumphant speech in that same community back in 1896.

In the opening paragraph of his speech at the Democratic National Convention of 1896 is found the man himself and what he stood for, "I come to speak to you in defense of a cause as holy as the cause of liberty—the cause of humanity." Bryan was never a demagogue. He was always honest.

We can well remember Bryan as the sower who went forward and sowed the seed of a liberalism which he himself never lived to reap except as there came to him at times the satisfaction of having been truly "The Peerless Leader."

The SPEAKER. Under the special order the gentleman from Nebraska [Mr. LUCKEY] is recognized for 10 minutes to speak on the life and character of William Jennings Bryan.

Mr. LUCKEY. Mr. Speaker, there came into my hands this morning a short poem written by Mr. Horace C. Carlisle dedicated to William Jennings Bryan. I ask unanimous consent to proceed for 3 additional minutes that at the close of my address I may read this poem.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. LUCKEY. Mr. Speaker, I have the distinct honor and privilege to represent in my humble way the First Congressional District of Nebraska, which in the Fifty-second and Fifty-third Congresses was represented so ably by one of America's most illustrious sons. I deem it not only an honor and privilege but a duty to call your attention to the fact that today, this 19th day of March, is the seventy-fifth birthday anniversary of one of America's great and noble leaders of democracy; a man we all loved and honored; a man who to me was an inspiration, a friend, and a neighbor; a man who to me ever will be one of the highest and noblest examples of American citizenship—the great commoner, William Jennings Bryan.

Thrice was he the banner bearer of our great party. Though defeated for office, yet the principles for which he stood and for which he fought so persistently and heroically are triumphing one by one. We can well pause for a few moments in our deliberations and contemplate the life and character of this great American. William Jennings Bryan will always occupy a unique and prominent place in the annals of American history. He was one of those great figures who occasionally pass across the stage of history, who, though defeated, become greater than their contemporaries who occupy the transient roles of victors.

It was just 39 years ago that the youthful Bryan burst upon the stage of national prominence, inspired by an inborn belief in the just rights of those who toil and labor as against the special interests. Practically unknown in 1895, he became the standard bearer of his party in 1896 and continued for 20 years to be the leader of that great party. Despite this partisan leadership, it was not that activity which most endeared him to millions of American citizens. The followers of the great commoner knew no limited partisan lines or economic stations. Those followers, numbering many millions, were men and women from every walk of life, who saw in the "boy orator of the Platte" the exemplification of Christian leadership and a champion of the causes which they believed were the ultimate goal of a great and free people.

He was born in Illinois in 1860, when our country was entering into that unfortunate struggle between brother and

brother. His early life was colored by the spirit of the times. His youth and young manhood were spent midst the common people he came to love so well. When casting about for a location to practice his chosen profession—that of law—he selected Lincoln, Nebr., because of its commercial, educational, and cultural advantages. Five years later he became a Member of Congress—the first Democratic Representative this district had ever had. From thence on he soon became a national and international figure.

The early nineties were years of depression similar to our present time. To relieve the distress and suffering of the masses was his ambition. One central idea motivated his entire life's work—the betterment of the lot of the common man. Practically unknown he faced the Democratic National Convention in Chicago in 1896 to defend the interests of those who toil. One great speech made him the leader of his party. Let me quote a few lines from that speech:

I would be presumptious, indeed, to present myself against the distinguished gentlemen to whom you have listened if this were a mere measuring of abilities; but this is not a contest between persons. The humblest citizen in all the land, when clad in the armor of a righteous cause, is stronger than all the hosts of error. I come to speak to you in the defense of a cause as holy as the cause of liberty—the cause of humanity.

In many ways he was a reformer far ahead of his time. To be sure, he made mistakes—he was human—but his motivating ideal was that of bringing about a better social and political order.

Mr. Bryan was a disciple of the Prince of Peace. He loved peace, yet when a just cause called he was ready to fight. When we declared war against Spain he offered his services to his country and immediately raised a regiment of volunteers, which he commanded. As Bryan gained in years, he recognized more and more the futility of war. No greater figure in our national life ever believed more strongly in the doctrine of peace. He saw in war the hardships laid upon those who labor to produce the wealth of this country. He saw and felt the anguish of the mothers who saw their sons leave, probably never to return. His efforts in behalf of peace were of marked importance. I need only mention the numerous Kellogg peace pacts. May I quote a statement from an address he made before the House of Lords in London at the session of the Peace Conference in 1906:

If peace is to come in this world, it will come because people more and more clearly recognize the indissoluble tie that binds each human being to every other. If we are to build a permanent peace, it must be on the foundation of the brotherhood of men.

His belief was that justice is a nation's surest defense.

In closing let me emphasize that in a period of economic strife William Jennings Bryan brought forth great Christian leadership and lofty ideals. He had implicit and childlike faith in that inspired Book of Books. Well would it be for us had we, too, such faith. Many a perplexing problem of our day would that Book solve.

Mr. Bryan was a great man. He was true to his ideals. He kept faith. On his tomb in Arlington Cemetery are inscribed these words of his, "Some of you may dispute whether I have fought a good fight; some may dispute whether I have finished my course; but no man can deny that I have kept faith." [Applause.]

Permit me to read a poem that came into my hands this morning which I was asked to read; and it seems to be so appropriate at this time that I will do so. It is dedicated to William Jennings Bryan and was written by Mr. Horace C. Carlisle:

BRYAN

Democracy, when the Great Commoner died,
Sat in sakcloth and ashes, and wept,
God answered his prayers for the joys that abide
By calling him home, while he slept.

He suffered no sorrow, no sickness, no pain;
But when he fell asleep, for a rest,
Aweary of life, with its burden and strain,
God took him, because it was best.

The last faithful service he rendered on earth,
Ere his body returned to its sod,
Was wrought in defense of humanity's birth,
As taught in the Scriptures of God.

Democracy suffered a serious loss,
Sacred honor looked Godward and sighed,
Christianity wept at the foot of the cross,
When Bryan the Commoner died.

In Arlington slumbers his dutiful dust,
With the great that make sacred the past,
Thrice honored because of his practical trust
In God, whom he served till the last.

[Applause.]

Mr. MEAD. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Speaker, on the first page of last evening's Washington Star there appeared an article which left the impression that I was transferring considerable of the personnel of the post office at Buffalo to the post office here in Washington, so I became a little perturbed and investigated the situation. I found that complaint is made by temporary employees of the Washington office who were employed to take care of the added business at Christmas time and who are still working and who have no civil-service status whatsoever. They are the most fortunate of their kind in the United States, for Christmas employees usually work from 5 days to a week, and these men are in their third month. They are objecting to the regular civil-service employees who have been transferred here from Buffalo, Baltimore, Scranton, Altoona, Smackover, Ark., Atlantic City, Niagara Falls, and a dozen and one other cities having any work. I want your assistance when we report a substitute bill, which I hope will prevent the employment of temporary non-civil-service employees when there are thousands of available civil-service employees without work. If you will join with me we will see to it that the bona fide civil-service employees of the Post Office Department are given these work opportunities. I wanted the Membership to know, Mr. Speaker, that the article was misleading and that it in no way concerned civil-service employees. If this practice of employing temporary employees is continued and expanded, it will destroy the civil service and it will certainly do damage to the deserving substitute postal employees in whom you and I are interested.

[Here the gavel fell.]

Mr. DALY. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DALY. Mr. Speaker, my purpose in rising at this time is to call the attention of the House to an act of Congress that was passed 72 years ago, that will be of interest and information to every Member of the House. On the 3d of April 1863 Congress passed an act authorizing the issuance of $400,000,000 of Treasury notes to be issued as the Department deemed wise, in denominations that the Department deemed wise, bearing interest not to exceed 6 percent per annum, and to be issued for a period of not exceeding 3 years. Only 201,000,000 of those notes were issued. They have all been redeemed with the exception of $29,987, and the Department has no idea where this $29,987 worth of them are.

The remarkable part of the act was that it made these promissory notes—and in essence they are nothing but promissory notes—legal tender for the payment of all public debts.

I have one of the few remaining notes that the Treasury Department has not gotten hold of. It was thought by many Members that it would be of interest to everybody in the House to have me show this note to them. My purpose is simply to inform those who are not familiar with it what the Government has done heretofore.

Mr. Speaker, it is not my intention at this moment, nor will it be my intent hereafter, to offer a measure like this or anything similar to it as a revenue-raising proposition to provide means for the payment of any bill that might now

be before Congress or any that might come before Congress. That is in no sense my idea, and I do not wish to convey that thought. I do not wish my remarks to be so construed. However, I felt it was a matter of great interest to all of us because I have not yet found a Member of Congress who ever heard of the issuance of these notes. The Treasury Department called me this morning and asked me if I would bring the note up and show it to them. They had never seen one. So, thinking it would be of interest to the Members of Congress, I desire to call attention to it and will leave the note with the Clerk for anyone to look at, as well as a copy of the bill authorizing the issue. [Applause.]

The note to which I have referred reads upon its face as follows:

This note is legal tender for $10.

Act of March 3, 1863

MAY 30, 1864.

One year after date the United States, Washington, will pay to the bearer, with 5 percent interest, ten dollars.

L. E. CHITTENDEN,
Register of Treasury.
B. E. SKINNER,
Treasurer of United States.

ACT APPROVED MARCH 3, 1863

An act to provide ways and means for the support of the Government

Be it enacted, etc., * * *

SEC. 2. And be it further enacted, That the Secretary of the Treasury be, and he is hereby, authorized to issue, on the credit of the United States, $400,000,000 in Treasury notes, payable at the pleasure of the United States, or at such time or times not exceeding 3 years from date as may be found most beneficial to the public interests, and bearing interest at a rate not exceeding 6 percent per annum, payable at periods expressed on the face value of the notes; and the interest on the said Treasury notes and on certificates of indebtedness and deposit hereafter issued, shall be paid in lawful money. The Treasury notes thus issued shall be of such denominations as the Secretary may direct, not less than $10, and may be disposed of on the best terms that can be obtained, or may be paid to any creditor of the United States willing to receive the same at par. And said Treasury notes may be made a legal tender to the same extent as United States notes, for their face value excluding interest; or they may be made exchangeable under regulations prescribed by the Secretary of the Treasury, by the holder thereof at the Treasury in the city of Washington, or at the office of any Assistant Treasurer or depository designated for that purpose, for United States notes equal in amount to the Treasury notes offered for exchange, together with the interest accrued and due thereon at the date of interest payment next preceding such exchange.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a joint resolution and a bill of the House of the following titles:

H. J. Res. 134. Joint resolution to continue the commission for determining the boundary line between the District of Columbia and the State of Virginia for not to exceed 9 additional months, and to authorize not to exceed $10,000 additional funds for its expenses; and

H. R. 5322. An act authorizing the President of the United States to present in the name of Congress a medal of honor to Maj. Gen. Adolphus Washington Greely.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6644. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes.

WORLD WAR ADJUSTED-SERVICE CERTIFICATES

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 165 and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 165

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 3896, "a bill to provide for the immediate payment of World War adjusted-service certificates, to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes"; and all points of order against said bill are hereby waived; that after general debate, which shall be confined to the bill and continue not to exceed 10 hours, to be evenly divided and controlled by the chairman and ranking minority members of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider as substitute amendments for the bill any such amendments that relate to the payment of World War adjusted-service certificates, and such substitute amendments shall be in order, any rule of the House to the contrary notwithstanding. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except two motions to recommit, with or without instructions: *Provided, however*, That if the instructions in such motions relate to the payment of World War adjusted-service certificates, they shall be in order, any rule of the House to the contrary notwithstanding.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. Speaker, on page 1, line 12, the last word is plural. It should read "member." I ask unanimous consent that the resolution be amended by striking out the letter "s" in the word "members" in line 12, page 1.

The SPEAKER. Without objection, the resolution will be amended accordingly.

There was no objection.

Mr. O'CONNOR. Mr. Speaker, this rule, as everybody knows, is for the consideration of the bonus. In the 13 years during which I have served on the Rules Committee, I know of no request for a rule which received greater consideration. There has been no delay whatsoever, either in the House, or in the Committee on Ways and Means, or in the Rules Committee, in bringing the bonus question before the House on this the 19th day of March.

When the Ways and Means Committee requested that the Rules Committee provide for a rule for the consideration of the bonus, we proceeded to hear everybody who desired to be heard in reference to any bill pertaining to the payment of the adjusted-service certificates. We held lengthy hearings, and thereafter the Rules Committee proceeded to consider the proper rule under which this question might be brought before the House.

From the opening of this Congress I might say that the Speaker of the House and the leadership of the House have been anxious that a fair and square deal be given to the proposition in reference to the payment of the bonus. I might say that there was an element of sportsmanship which entered into the matter. While some of us might not agree with the provisions of certain bills, such as the Patman bill, for instance, and while some of us have opposed that particular bill in the past, we felt that the Patman bill was entitled to its day in court and that the whole question should properly be laid before the House. That is the spirit in which the Rules Committee approached this question.

There were no advocates of any particular bill on the Rules Committee. I cannot tell you now, and I doubt if any member of that committee or any man in this House could tell you how the 14 members of the Rules Committee stand in reference to the merits of any particular bill.

Mr. Speaker, the Rules Committee approached this difficult question from the standpoint of dealing fairly with the House and with every proposition with reference to this question of paying the bonus. We had the able assistance of the Parliamentarian, who gave us a great deal of attention and attendance at our hearings. We had during the four meetings of the Rules Committee a thorough discussion of this matter as to how we could best approach the subject. Of course, in the background we always had the rules of the House to preserve, while, on the other hand, we had to somewhat stretch those rules to give some of the bills, which are well known, their day in court.

The Ways and Means Committee came before the Rules Committee and informed us, through their chairman, that the Ways and Means Committee had reported H. R. 3896, commonly called the "Vinson bill", and that sometime thereafter the Ways and Means Committee had voted and authorized its chairman to appear before the Rules Committee to request that H. R. 1, the so-called "Patman bill",

be made in order as a "substitute amendment." Up to that time never in the history of the House had a bill which had not been reported from a committee been made in order as a substitute amendment. It was this unusual request from the Ways and Means Committee which required the Rules Committee to so thoroughly consider the advisability of a departure from the rules of the House.

Mr. Speaker, this great Committee on Ways and Means had to some extent at least considered the Patman bill. It had been considered in the House on several occasions and had passed the House on at least two occasions, if I recollect correctly. The Patman bill was, therefore, of enough importance to be considered in an application for a rule to consider the bonus question. The only reason the Patman bill, the Cochran bill, the Andrews bill, the Tydings bill, or any other bill dealing with the bonus would have to be made in order is because of our fundamental rule of germaneness, which is probably the keystone of our rules. That rule provides that no amendment can be offered to a bill unless the amendment is germane to the section, to the bill, and to the place where offered. We have, however, often brought in rules making committee substitutes and committee amendments in order, even though they were not germane.

Now, let us examine this rule in detail. I am doing so in an attempt to anticipate questions that may be asked. The Rules Committee has lived with this subject so long that I think we have heard every possible suggestion, and we have tried to answer every question that might be asked.

The rule brings before the House the Vinson bill for consideration. That was the bill which was reported by the Ways and Means Committee. To do this is the normal procedure. We waive all points of order against that bill. That is not an unusual procedure. It permits the bill to be considered as reported by the committee. We provide for 10 hours' general debate, the amount requested by the Ways and Means Committee. This time should afford ample opportunity for debate on all of the bonus measures for and against.

We place control of the time in the hands of the chairman and ranking minority member of the Committee on Ways and Means. This is the usual allocation of time. The Rules Committee some years ago adopted the practice in all of its rules of dividing the time between the chairman of the committee reporting the bill and the ranking minority member, rather than mentioning how the time should be further divided, or among which other individuals in the House it might be divided. We think this the best practice, but we do hope, and we have so requested the committee, that there may be an equitable distribution of this time, so that all parties interested may be treated fairly in the allotment of the time.

Roughly, there are four groups in the House, as we gathered in the hearings before the Rules Committee. There is the group in favor of the Vinson bill; there is the group in favor of the Patman bill; there is the group in favor of the Tydings bill, or the McReynolds bill, or the Cochran bill, or the Andrews bill, or some similar bill; and then there is the group opposed to any bill. These four groups we hope will be treated equitably in the distribution of the time.

At the conclusion of the 10 hours' debate the Vinson bill is read for amendment. The rule then makes in order as amendments every bill or any amendment which pertains to the payment of the adjusted-service certificates. I understand there are some 30 bills that have been introduced in the House. When the bill is read these amendments will be in order. The Patman bill, the Tydings-Cochran-Andrews-McReynolds bill, or any other bill will be in order as a substitute amendment.

It is not within the province of the Rules Committee to control the operation of the Committee of the Whole. We have no control, and we hesitate even to make a suggestion to the distinguished Chairman who will preside over the Committee of the Whole, but I venture this, with great humility, as a suggestion of the procedure which I hope will be carried out in the Committee of the Whole to expedite this bill. To raise the concrete issues here, I trust that in the Committee of the Whole recognition will be granted, first, to the gentleman from Texas to offer the Patman substitute, and then that recognition will be granted to the Members advocating other substitutes, with the result that the substitute amendments, other than the Patman amendment, will be voted on first in the Committee of the Whole, and then we will get down to the clean-cut issue as between what appears to be the two outstanding measures here, the Vinson bill and the Patman bill. Whichever carries in the Committee of the Whole—I may say in advance of that, as these substitutes are offered they are read through completely and they are not read under the usual rule by sections for amendment. They are read through completely, but amendments are in order to the substitutes, so that when the substitutes in the Committee of the Whole are disposed of the Committee will rise and report back to the House the bill the Committee has agreed upon.

I do not know what is going to happen in the Committee of the Whole or in the House; but, just for example, if the Vinson bill is read, as it will be read, at the end of the first paragraph, the Patman bill can be offered as a substitute amendment to the Vinson bill. The Patman bill will be read for amendment, and amendments will be in order. The Tydings bill, as it is commonly called, can be offered as a substitute to the Patman bill. If that happened, the first vote would come on the Tydings substitute. If this were voted down, the next vote would come on the Patman substitute amendment. If this prevailed and no other substitutes or amendments prevailed, the Committee would rise and report the bill back to the House with one amendment, which would be substantially the Patman bill. The Speaker would then put the question, "Is a separate vote demanded upon the amendment?"; and if a separate vote were demanded, there will be a vote on the Patman amendment, which vote raises the issue, to a large extent at least, between the Patman bill and the Vinson bill.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I will yield, but I would rather yield when I am through my statement, if the gentleman does not mind.

The rule further provides that when we get back in the House a roll call may be had on all three corners of this triangle, the Vinson bill, the Patman bill, and the Tydings bill, for instance.

I may say again I do not know what is going to happen; but let us assume that the Patman bill prevails in the Committee of the Whole, and let us assume further that in the House, on a roll call, it is approved as an amendment to the bill, the rule then provides that in the House there shall be two motions to recommit. Ordinarily a rule only provides for one motion to recommit. This rule goes further, however, and provides two for this purpose. If the Vinson bill had been supplanted by the Patman bill in the House, it could not, under the rules, be included in any motion to recommit after the Patman bill had been approved in the House by a roll-call vote, and the other substitutes offered in the Committee of the Whole could not be included in a motion to recommit. In order, therefore, that all three questions may be before the House for a roll-call vote, we have provided for these two motions to recommit, and we hope it will work out satisfactorily to all. We hope that if, for instance, the Patman bill succeeds through the Committee and is approved on a roll-call vote in the House, there can then be a motion to recommit the bill to the Committee on Ways and Means with instructions to report it back forthwith with the Vinson bill substituted. This, of course, is a direct reversal of the action just taken by the House and is an unusual provision in a rule, but this is the widest open rule, I think, that was ever granted in the history of Congress. It is the antithesis of a "gag" rule. You have a roll call then on the Vinson bill. We hope, too, if anybody desires it, that a roll call will be afforded on one of these other measures, such as the Tydings-Cochran-Andrews bill, or similar bills.

A motion to recommit can then be made on one of those bills. And in that connection we sincerely hope that there will be no attempt to make any perfunctory motion to recommit in order to prevent these three bills, if anybody desires it, from having a roll call in the House. Such a parliamentary device would violate the spirit in which this rule is brought before this House.

Now then, the three groups will have had their day in court, and the man against all bills has likewise had his day in court by the vote on the final passage of the bill.

Mr. Speaker, I hope the House approaches the question in the same spirit in which we have, and I hope that no attempt at any skulduggery will be made or any attempt to circumvent the spirit in which we have tried to be fair, and I think we have done a pretty good job. [Applause.]

Mr. CONNERY. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. CONNERY. Did the gentleman intend to say that after a roll call in the House a motion to recommit would be in order? Suppose the House voted on the Patman bill, how can there be a motion to recommit?

Mr. O'CONNOR. We make it in order.

Mr. CONNERY. If the committee reports back and the House adopts the Patman bill.

Mr. O'CONNOR. The vote does not pass the Patman bill, it approves the amendment—a separate vote on the amendment, which is for example, the Patman bill.

Now, I think that I have covered everything. I hope we will proceed to consider this measure in fairness to every group.

Mr. MAY. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. MAY. If I understand the rule, it makes in order any of the bills pending in the House.

Mr. O'CONNOR. So I said.

Mr. MAY. And when you refer to the Tydings bill, you refer to the Cochran-Andrews bill.

Mr. O'CONNOR. I do not know what the amendments offered will include. They might contain provisions not yet included in any bill.

Mr. TREADWAY. Will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. The gentleman says that a separate vote may be had on three measures. In addition to the three the gentleman has mentioned, I believe my colleague [Mr. ANDREW] has a bill somewhat similar to the Tydings bill but not identical with it. Is there any way in which he can have a separate vote on that?

Mr. O'CONNOR. The committee thought it went far enough when we provided for two motions to recommit. Of course, the Members in favor of the Tydings bill for instance might give way to the gentleman from Massachusetts [Mr. ANDREW], but that is to be determined by the Members who favor the Tydings bill. Of course, the right of recognition is always in the Speaker of the House, and the Rules Committee would not attempt to intrude upon the prerogatives of the Speaker.

Mr. ANDREW of Massachusetts. Will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman.

Mr. ANDREW of Massachusetts. In the Committee of the Whole there will be a chance to offer any bill dealing with this subject?

Mr. O'CONNOR. That is correct.

Mr. ANDREW of Massachusetts. Then it does not mean what the gentleman said, although he has spoken of the third bill as the Tydings bill. It does not mean necessarily that that bill would be the only one that could be taken up in the House, supposing that the Committee of the Whole were interested in a third or even a fourth bill.

Mr. O'CONNOR. No; that does not necessarily follow at all.

Mr. ANDREW of Massachusetts. Quite a number of measures have been proposed by different Members of the House, and the gentleman's remarks were rather directed to the fact that there were only three.

Mr. O'CONNOR. I took the Tydings bill as symbolic of a certain group of bills identical or of a similar nature. These bills including the Tydings bill, the McReynolds bill, and the gentleman's bill, as I hastily understood it, represent a different method of paying the bonus from the Patman or the Vinson bill.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. BOILEAU. Under the rules of the House, is it the prerogative of the Speaker to recognize whomsoever he sees fit to move to recommit, regardless of whether the gentleman to be recognized is a member of the minority or the majority of the committee having the bill in charge?

Mr. O'CONNOR. As I understand it—and I do not want to further intrude into the realm of our distinguished Speaker, who is always fair—the motion to recommit is a provision of our rules guaranteeing to the minority an opportunity to express its views. That motion to recommit is one of the very few things that the Rules Committee cannot alter or tear asunder. We cannot touch it. We can, however, extend it to two motions to recommit, for instance: When it comes to recognition, there has grown up in this House a practice, based on precedents, that a member of the minority of the committee reporting the bill has precedence over a member of the minority not a member of that committee. Does that answer the gentleman's question?

Mr. BOILEAU. Almost entirely, and yet I am not so certain. I would like the gentleman's opinion as to whether or not there is any requirement as to the order of recognition among the minority members of the committee.

Mr. O'CONNOR. I am not sure that question is settled, but, according to the usual practice, the ranking minority member of the committee, who in this instance is the distinguished gentleman from Massachusetts [Mr. TREADWAY], I believe, would be entitled to recognition in the first instance.

Mr. BOILEAU. In that event, then an assurance of a vote on both the Vinson bill and the Patman bill, all three bills, depends a great deal upon the attitude of the gentleman from Massachusetts [Mr. TREADWAY] as to his desire to offer one bill or the other in a motion to recommit.

Mr. O'CONNOR. We have discussed that possibility at great length, and we hope that the practical question will be worked out satisfactorily among all the parties concerned.

Mr. BOILEAU. I am glad to have the gentleman's assurance.

Mr. TREADWAY. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. TREADWAY. In view of the remarks just made, I assume that it is the idea of the gentleman from New York, Chairman of the Committee on Rules, that in order to get the three distinct votes to which he has been referring, it will be necessary to have one of those three made on a motion to recommit.

Mr. O'CONNOR. Yes.

Mr. TREADWAY. But the vote on whatever bill is before us will be the Vinson bill or the Patman bill, and then under the two motions to recommit is the method by which the gentleman expects to get three votes.

Mr. O'CONNOR. That is the plan of the rule.

Mr. HARLAN. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. HARLAN. I understand that the plan to give a vote to those who are opposed to all pension schemes will not be on a general motion to recommit?

Mr. O'CONNOR. No.

Mr. HARLAN. Because if that is done, it will preclude the Cochran-Andrew vote.

Mr. O'CONNOR. That is correct.

Mr. HARLAN. And those who are opposed to the bonus will get their opportunity on the final passage of whatever bill is accepted?

Mr. O'CONNOR. That is correct.

Mr. SIROVICH. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. SIROVICH. If the Committee of the Whole House on the state of the Union should report back to the House the Vinson bill with the Patman amendment, then the first thing that would be considered on a roll call would be a motion on the part of the Vinson bill adherents to recommit the bill with the Patman amendment and substitute the Vinson bill. Is that correct?

Mr. O'CONNOR. No; that is not correct.

Mr. SIROVICH. What will be the first roll call?

Mr. O'CONNOR. The first roll call would be on the adoption of the Patman amendment.

Mr. SIROVICH. As recommended to the House?

Mr. O'CONNOR. As recommended by the Committee of the Whole House on the state of the Union to the House.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. CONNERY. I want to get this clarified in my own mind. Other Members may understand it. Is this the situation? In the Committee of the Whole House on the state of the Union the Patman bill will be offered as a substitute amendment for the Vinson bill. Suppose that carries. Then the Committee will report back to the House the Vinson bill as amended by the Patman bill, and the question comes then on the Patman amendment.

Mr. O'CONNOR. That is correct.

Mr. CONNERY. As to whether that would be the one adopted or the original Vinson bill.

Mr. O'CONNOR. That is correct.

Mr. CONNERY. And after that has been engrossed and read a third time come the two motions to recommit?

Mr. O'CONNOR. Yes.

Mr. CONNERY. And then the final passage of the bill.

Mr. O'CONNOR. Yes. The gentleman is a great parliamentarian. [Applause.]

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Speaker, this rule I believe is unique. It may be that at some time under some circumstances a similar rule has been reported from the Committee on Rules for the consideration of the House. If such has been the case, I have never heard or read about it. There is no particular need for a special rule for consideration in the Committee of the Whole House on the state of the Union of any of the bills merely pertaining to the payment of the bonus. I think that they are all germane with respect to that.

But why do we have this special rule that makes germane any bill which mentions the bonus, no matter what else it does, notwithstanding any other rule of the House? For the purpose of putting before the House for consideration a vitally important question that has not been reported by any committee of this House, for which no petition under the discharge rule has been signed, and for which, as far as I can ascertain, there exists no public pressure at the present time, and to which, my information is, the administration is bitterly opposed. Why is the Patman bill made in order by a special rule? Because it has two distinct and separate purposes.

A bill to provide for the immediate payment to veterans of the face value of their adjusted-service certificates—

And a different purpose—

and for controlled expansion of the currency.

In other words, you bring here an inflation bill which has not been reported by any committee, for which no petition has been signed, for which there is no present public pressure, to be considered in the House against the wishes of your own administration. Now, if that is the way you are going to legislate, if that is the way your leadership directs your Committee on Rules to function, why all the bother about amending the rule for the discharge of committees, raising the number from 145 to 218? You do not even require that formality to take from the committee various bills that are now lodged in those committees for inflation by the printing-press method and bring them here for consideration and probable passage by the House.

Mr. O'CONNOR. Will the gentleman yield there?

Mr. LEHLBACH. I yield.

Mr. O'CONNOR. The gentleman must never overlook the fact that a majority of this House must finally approve any rule brought out here, which is the same number as would be required under a petition to discharge a committee.

Mr. LEHLBACH. Yes; and that condition existed when the rule only required 145 Members to sign a petition the same as the rule now requires 218 Members to sign a petition. It involves, nevertheless, the same practice of putting before a majority of the House the consideration of a question which has never received the report of any committee of the House.

Mr. CONNERY. Will the gentleman yield?

Mr. LEHLBACH. Yes; I yield.

Mr. CONNERY. The gentleman speaks about the Democratic Party bringing in a bill against the wishes of the Chief Executive. The original bonus bill in 1924 was brought in against the wishes of President Coolidge and passed over his veto by a Republican House.

Mr. LEHLBACH. Very well, but we did not make speeches about the coattails we were elected on. [Laughter and applause.]

Mr. CONNERY. Will the gentleman yield further?

Mr. LEHLBACH. Yes, I yield.

Mr. CONNERY. I am sure the gentleman does not refer to myself when he says that.

Mr. LEHLBACH. Oh, no; not at all.

Mr. MAVERICK. Will the gentleman yield?

Mr. LEHLBACH. Yes, I yield.

Mr. MAVERICK. I think the Republicans were elected on a wave, and we were on the coattails.

Mr. LEHLBACH. Mr. Speaker, this bill provides for the issuance of printing-press money at least to the extent of $2,000,000 necessary for this bill, but it is permanent in its character. It is the opening wedge of meeting Government obligations by the use of printing-press money instead of money that has anything behind it of substantial value. But the title of the bill says "controlled" inflation; "controlled" expansion. How is it controlled? We will find that the method of control is in section 3 (a) of the bill and the control is this: If at any time by printing-press money—that means much more printing-press money than just enough to pay the bonus—your currency gets so cheap that you cannot buy commodities with it you are going to control it to make it rise in value. How? By withdrawing from circulation—see paragraphs 1, 2, 3, and 4 of section 3—every form of currency that is secured by anything that has some semblance of value. Control the currency and enhance its value to keep it from being utterly worthless, by withdrawing all forms of currency that are worth anything. That is the brilliant, wonderful scheme that you bring here, without the report of a committee, without a petition, without anything but the action of the Committee on Rules, and, as it was stated, at the suggestion of the Democratic leadership of this House. Only last week the present spokesman for the President in the State of Massachusetts assured the people of the United States that there would be no present inflation.

Mr. O'CONNOR. Will the gentleman yield there?

Mr. LEHLBACH. I yield.

Mr. O'CONNOR. Of course, the gentleman is not discussing the rule. The gentleman is discussing the merits of the bill. If this horrible thing comes up, a majority of this House can vote it down and save the country. All the rule does is to give the House an opportunity to vote, and if it is as terrible as the gentleman states, it undoubtedly will be voted down by a majority of the House.

Mr. LEHLBACH. Oh, yes; but what I am protesting against is that by a rule of the House you make in order a proposition totally different from the proposition under consideration, namely, the payment of the bonus. You make in order a proposition which has not been reported by a committee, which has not been petitioned for, for which there is no insistent public demand, and to which the

administration is opposed. There is no Democrat in this House who can say that the administration wants mandatory printing-press inflation at this moment.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. SABATH. The gentleman, of course, is familiar with the fact that the Ways and Means Committee by a vote of 14 to 9 recommended that this bill should be made in order and that it should be considered in the House.

Mr. LEHLBACH. If the Committee on Ways and Means wanted to report an inflation bill, why did they not have the guts to do so instead of voting it down and then going around and asking the Rules Committee to bring it out? That is puerile; that is a shameful procedure on the part of the Ways and Means Committee.

The gentleman from Arkansas [Mr. FULLER] talked only last week berating new Members of this House for showing a little independence of thought with respect to legislation. You talk about being elected on the coattails of the President and that the new Members better hang onto the coattails else they would not be back here in 1936. Here you have a proposition setting aside all orderly procedure to bring out a bill which will shake the confidence of the people in the administration; to bring out a bill not wanted by the administration; to bring out a bill that is contrary to every effort being made by the administration at the present time to assuage and assure business, industry, and the economic life of the country that printing-press inflation is not imminent. Where are the coattails now? You are not hanging onto any coattails. What are you doing to the coattails now? Well, a donkey must kick. [Laughter.]

Mr. Speaker, I yield back the balance of my time.

Mr. O'CONNOR. Mr. Speaker, does the gentleman from Pennsylvania desire to use any more time?

Mr. RANSLEY. I am unable to use further time.

Mr. O'CONNOR. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 141)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, was referred to the Committee on Expenditures and ordered printed.

To the Congress of the United States:

Pursuant to the provisions of section 20, title I, of the act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933, I am transmitting herewith Executive Orders No. 6989 (Veterans' Regulation No. 1 (g)), No. 6990 (Veterans' Regulation No. 2 (d)), No. 6991 (Veterans' Regulation No. 6 (d)), and No. 6992 (Veterans' Regulation No. 10 (e)), approved by me March 19, 1935.

Executive Order No. 6989 amends Executive Order No. 6156 (Veterans' Regulation No. 1 (a)), approved by me June 6, 1933; Executive Order No. 6990 amends Executive Order No. 6230 (Veterans' Regulation No. 2 (a)), approved by me July 28, 1933; Executive Order No. 6991 amends Executive Order No. 6232 (Veterans' Regulation No. 6 (a)), approved by me July 28, 1933; and Executive Order No. 6992 amends Executive Order No. 6098 (Veterans' Regulation No. 10), approved by me March 31, 1933.

These regulations were promulgated in accordance with the terms of title I of Public, No. 2, Seventy-third Congress, "An act to maintain the credit of the United States Government", approved March 20, 1933.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 19, 1935.*

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3896) to provide for the immediate payment of World War adjusted-service certificates, to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 3896, with Mr. CANNON of Missouri in the chair.

The Clerk read the title of the bill.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

Mr. VINSON of Kentucky. Mr. Chairman, reserving the right to object, will not the gentleman include in his request the further request that the bill be printed in full at this point in the RECORD?

Mr. BLANTON. Mr. Chairman, what bill are they talking about; the Vinson bill?

Mr. VINSON of Kentucky. Yes.

Mr. BLANTON. In this connection, I think the Patman bill should go in the RECORD with it, if they are not going to read the bill but print it in the RECORD at this point. If they let the Patman bill go in also, I shall not object. I ask unanimous consent that the request be further modified to permit both the Patman bill and the Vinson bill being printed in the RECORD at this point. Then the RECORD would show the two main propositions under debate.

Mr. TABER. Mr. Chairman, I shall object, not to dispensing with the first reading of the bill, but to the printing of the bill in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina that the first reading of the bill be dispensed with?

Mr. VINSON of Kentucky. Mr. Chairman, I object.

The Clerk read as follows:

[H. R. 3896, 74th Cong., 1st sess.]

A bill to provide for the immediate payment of World War adjusted-service certificates, to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes

Whereas the immediate cash payment of the adjusted-service certificates will increase tremendously the purchasing power of millions of the consuming public, distributed uniformly throughout the Nation, and will provide relief for the holders thereof who are in dire need and distress because of the present unfortunate economic conditions; and will lighten immeasurably the burden which cities, counties, and States are now required to carry for relief; and

Whereas the payment of said certificates will not create any additional debt, but will discharge and retire an acknowledged contract obligation of the Government; and

Whereas since the Government of the United States is now definitely committed to the policy of spending additional sums of money for the purpose of hastening recovery from the present economic crisis, the immediate cash payment at face value of the adjusted-service certificates, with cancelation of interest accrued and refund of interest paid, is a most effective means to that end: Therefore

Be it enacted, etc., That notwithstanding the provisions of the World War Adjusted Compensation Act, as amended (U. S. C., title 38, ch. 11; U. S. C., Supp. VII, title 38, ch. 11), the adjusted-service certificates issued under the authority of such act are hereby declared to be immediately payable. Payments on account of such certificates shall be made in the manner hereafter provided in this act upon application therefor to the Administrator of Veterans' Affairs, under such rules and regulations as he may prescribe, and upon surrender of the certificates and all rights thereunder (with or without the consent of the beneficiaries thereof). The payment in each case shall be in an amount equal to the face value of the certificate, except that if, at the time of application for payment under this act, the principal with respect to any loan upon any such certificate has not been paid in full by the veteran (whether or not the loan has matured), then, the Administrator shall (1) pay or discharge such unpaid principal in such amount as is necessary to make the certificate available for payment under this act, (2) deduct the same from the amount of the face value of the certificate, and (3) make payment in an amount equal to the difference between the face value of the certificate and the amount so deducted.

SEC. 2. In the case of each and every loan heretofore made pursuant to law by the Administrator of Veterans' Affairs and/or by any national bank, or any bank or trust company incorporated under the laws of any State, Territory, possession, or the District of Columbia, upon the security of an adjusted-service certificate, any interest that has been or, in consequence of existing law, would be charged against the face value of such certificate either shall be canceled or not so charged, as the case may be, notwith-

standing any provision of law to the contrary. Any interest on any such loan payable to any such bank or trust company shall be paid by the Administrator of Veterans' Affairs.

SEC. 3. (a) An application for payment under this act may be made and filed at any time before the maturity of the certificate (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making or filing of a personal application, then by such representative of the veteran and in such manner as may be by regulations prescribed. An application made by a person other than a representative authorized by such regulations shall be held void.

(b) If the veteran dies after the application is made and before it is filed, it may be filed by any person. If the veteran dies after the application is made, it shall be valid if the Administrator of Veterans' Affairs finds that it bears the bona fide signature of the applicant, discloses an intention to claim the benefit of this act on behalf of the veteran, and is filed before the maturity of the certificate, whether or not the veteran is alive at the time it is filed. If the death occurs after the application is filed but before the receipt of the payment under this act, or if the application is filed after the death occurs but before mailing of the check in payment to the beneficiary under section 501 of the World War Adjusted Compensation Act, as amended, payment shall be made to the estate of the veteran irrespective of any beneficiary designation.

(c) Where the records of the Veterans' Administration show that an application, disclosing an intention to claim the benefits of this act, has been filed before the maturity of the certificate, and the application cannot be found, such application shall be presumed, in the absence of affirmative evidence to the contrary, to have been valid when originally filed.

(d) If at the time this act takes effect a veteran entitled to receive an adjusted-service certificate has not made application therefor, he shall be entitled, upon application made under section 302 of the World War Adjusted Compensation Act, as amended, to receive, at his option, either the certificate under section 501 of this act, as amended, or payment under this act.

SEC. 4. Subdivisions (b) and (c) of section 302, section 311, subdivision (b) of section 312, section 602, and subdivision (b) of section 604 of the World War Adjusted Compensation Act, as amended (U. S. C., Supp. VII, title 38, secs. 612, 621, 622, 662, and 664), are hereby amended, to take effect as of December 31, 1934, by striking out "January 2, 1935" wherever it appears in such subdivisions and sections and inserting in lieu thereof "January 2, 1940."

SEC. 5. There is hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this act.

SEC. 6. This act may be cited as the "Emergency Adjusted Compensation Act, 1935."

With the following committee amendment:

Page 4, line 11, beginning with the word "if", strike out all of lines 11, 12, 13, 14, 15, 16 to and including the word "designation", in line 17, and insert in lieu thereof the following:

"If the death occurs after the application is made or filed but before the receipt of the payment under this act, payment shall be made to the beneficiaries designated."

The CHAIRMAN. Under the rule the time is divided equally between the gentleman from North Carolina [Mr. DOUGHTON] and the gentleman from Massachusetts [Mr. TREADWAY]. The gentleman from North Carolina is recognized.

Mr. DOUGHTON. Mr. Chairman, I yield 30 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, evidently I shall not be able to include in my remarks everything I would like to, so I ask unanimous consent to extend my remarks and to include certain excerpts, statements, and other matter in explanation thereof.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

[H. R. 1, 74th Cong., 1st sess.]

A bill to provide for the immediate payment to veterans of the face value of their adjusted-service certificates and for controlled expansion of the currency

Be it enacted, etc., That title V of the World War Adjusted Compensation Act, as amended, is amended by adding at the end thereof three new sections, to read as follows:

"PAYMENT OF CERTIFICATES BEFORE MATURITY

"SEC. 509. (a) The Administrator of Veterans' Affairs is authorized and directed to pay to any veteran to whom an adjusted-service certificate has been issued, upon application by him and surrender of the certificate and all rights thereunder (with or without the consent of the beneficiary thereof), the amount of the face value of the certificate as computed in accordance with section 501.

"(b) No payment shall be made under this section until the certificate is in the possession of the Veterans' Administration, nor until all obligations for which the certificate was held as security have been paid or otherwise discharged.

"(c) If at the time of application to the Administrator of Veterans' Affairs for payment under this section the principal and interest on or in respect of any loan upon the certificate have not been paid in full by the veterans (whether or not the loan has matured), then, on request of the veteran, the Administrator shall (1) pay or otherwise discharge such unpaid principal and so much of such unpaid interest (accrued or to accrue) as is necessary to make the certificate available for payment under this section, and (2) deduct from the amount of the face value of the certificate the amount of such principal and so much of such interest, if any, as accrued prior to October 1, 1931.

"(d) Upon payment under this section the certificate and all rights thereunder shall be canceled.

"(e) A veteran may receive the benefits of this section by application therefor, filed with the Administrator of Veterans' Affairs. Such application may be made and filed at any time before the maturity of the certificate (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making or filing of a personal application, then by such representative of the veteran and in such manner as may be by regulations prescribed. An application made by a person other than a representative authorized by such regulations, or not filed on or before the maturity of the certificate, shall be held void.

"(f) If the veteran dies after the application is made and before it is filed, it may be filed by any person. If the veteran dies after the application is made, it shall be valid if the Administrator of Veterans' Affairs finds that it bears the bona fide signature of the applicant, discloses an intention to claim the benefit of this section on behalf of the veteran, and is filed before the maturity of the certificate, whether or not the veteran is alive at the time it is filed. If the death occurs after the application is made but before the negotiation of the check in payment, payment shall be made to the estate of the veteran irrespective of any beneficiary designation, if the application is filed (1) before the death occurs, or (2) after the death occurs, but before the mailing of the check in payment to the beneficiary under section 501.

"(g) Where the records of the Veterans' Administration show that an application, disclosing an intention to claim the benefits of this section, has been filed before the maturity of the certificate, and the application cannot be found, such application shall be presumed, in the absence of affirmative evidence to the contrary, to have been valid when originally filed.

"SEC. 510. If, at the time this section takes effect, a veteran entitled to receive an adjusted-service certificate has not made application therefor, he shall be entitled, upon application made under section 302, to receive at his option either the certificate under section 501 or payment of the amount of the face value thereof under section 509.

"SEC. 511. The Administrator of Veterans' Affairs, in the exercise of his powers to make regulations for payment under section 509, shall to the fullest extent practicable provide a method by which veterans may present their applications and receive payment in close proximity to the places of their residence."

SEC. 2. (a) Payment of the face value of adjusted-service certificates under section 509 or section 510 of the World War Adjusted Compensation Act, as amended, shall be made in United States notes not bearing interest. The Secretary of the Treasury is hereby authorized and directed to issue such notes in such amount as may be required to make such payment, and of the same wording, form, size, and denominations as United States notes issued under existing law, except that the wording thereon shall conform to the provisions of this act. The Administrator of Veterans' Affairs and the Secretary of the Treasury are hereby authorized and directed jointly to prescribe rules and regulations for the delivery of such notes in payment under section 509 or 510 of the World War Adjusted Compensation Act, as amended.

(b) United States notes issued pursuant to the provisions of this act shall be lawful money of the United States and shall be fixed by law. Such notes shall be legal tender in payment of all debts and dues, public and private, and shall be receivable for customs, taxes, and all public dues, and when so received shall be reissued. Such notes, when held by any national-banking association or Federal Reserve bank, may be counted as a part of its lawful reserve. The provisions of sections 1 and 2 of the act of March 14, 1900, as amended (U. S. C., title 31, secs. 314 and 408), and section 26 of the Federal Reserve Act, as amended (U. S. C., title 31, sec. 409), are hereby made applicable to such notes in the same manner and to the same extent as such provisions shall apply at the time of the enactment of this act or in the future to United States notes.

SEC. 3. (a) Whenever the index number of the wholesale all-commodity prices rise above the index number of such prices for the years 1921 to 1929, as computed by the Bureau of Labor Statistics of the Department of Labor, notwithstanding any provisions of law to the contrary, the following methods for contracting the issues of currency in the United States may be in force and effect in the manner and to the extent prescribed in subsection (b) of this section:

(1) Termination of the issuance and reissuance of Federal Reserve notes secured by direct obligations of the United States.

(2) Termination of the issuance and reissuance of national-bank circulating notes, and the retirement of such notes from circulation as rapidly as practicable.

(3) Termination of the issuance and reissuance of Federal Reserve notes secured only by gold or gold certificates.

(4) Termination of the issuance and reissuance of Federal Reserve notes secured by notes, drafts, bills of exchange, acceptances,

or bankers' acceptances which are not issued in direct benefit of commerce, industry, or agriculture.

(b) Any such method of contracting currency issues may be applicable when the Secretary of the Treasury finds that its application is necessary in order to maintain the index number of wholesale all-commodity prices at the approximate level of the index number of such prices for the years 1921 to 1929, or to prevent undue expansion of the currency, and issues an order setting forth such finding. Each such order shall prescribe such rules and regulations as are necessary and appropriate to carry out the provisions of this section with respect to the method of contraction made applicable in the order. The Secretary may make such methods applicable in the order in which they are set forth in subsection (a) of this section, or in any order he chooses. When any such order is issued with respect to Federal Reserve notes, the Federal Reserve Board shall take such action as may be necessary to facilitate the enforcement of the order.

SEC. 4. Section 505 (authorizing annual appropriations ending with the year 1946 for the payment of adjusted-service certificates of the World War Adjusted Compensation Act, as amended), except the first sentence thereof, is hereby repealed. Amounts in the adjusted-service certificate fund are hereby authorized to be made available for the expenses of printing and engraving United States notes issued under this act, for paying fractional parts of a dollar which cannot be paid in United States notes issued under the provisions of this act, and for paying the principal and interest on or in respect of loans pursuant to the provisions of subsection (c) of section 509 of the World War Adjusted Compensation Act, as amended.

SEC. 5. This act may be cited as "the Adjusted Compensation Act, 1933."

APPRECIATION

Mr. PATMAN. Mr. Chairman, in the beginning I desire to express appreciation to the Members of this House for their loyal support of H. R. 1. This is not just the Patman bill; there are 150 Members of this House entitled to be known as "coauthors of the measure." Before the bill would come up at each session of Congress it has been our custom to organize what is known as "a steering committee." This was done in 1931, 1932, and 1934. We have one Member of the House from each steering-committee district in the United States. This steering committee is composed of 22 members.

STEERING COMMITTEE FOR THE PASSAGE OF H. R. 1

Wright Patman, chairman; Abe Murdock, secretary; Adolph J. Sabath, Illinois; James G. Scrugham, Nevada; Arthur H. Greenwood, Indiana, William L. Colmer, Mississippi; Jennings Randolph, West Virginia; Clarence Cannon, Missouri (parliamentarian); William P Connery, Jr., Massachusetts; William M. Berlin, Pennsylvania; Frank Hancock, North Carolina; Jed Johnson, Oklahoma; James P. Richards, South Carolina; Gerald J. Boileau, Wisconsin; Andrew J. May, Kentucky; Fred H. Hildebrandt, South Dakota; Martin F. Smith, Washington; Martin Dies, Texas; John E. Miller, Arkansas; George A. Dondero, Michigan, Paul J. Kvale, Minnesota; and Roy E. Ayers, Montana.

I want to express appreciation to them for their effective assistance and loyal support. We have had many meetings. Very seldom did we have less than 100-percent attendance at these meetings; practically every member was there every time he was asked to attend. In addition to expressing thanks to the steering committee, I desire to sincerely thank the members who helped us organize in the beginning of this session of Congress, January 17, 1935. I personally desire to express appreciation to the chairman of the Ways and Means Committee, the gentleman from North Carolina [Mr. DOUGHTON], and to the members of that committee, to the chairman [Mr. O'CONNOR] and members of the Committee on Rules, to the Speaker of the House, and majority and minority leaders, and others who have made it possible for a fair hearing on this legislation before this House. We are not asking for any special privileges or special rights. All we are asking is that this matter be presented fairly to the Members of this House and we believe that we will win. If after presenting it fairly we do not win I presume that we are not entitled to win. I am very thankful personally to everyone who has made it possible to bring this measure up for consideration. We feel like we are receiving a fair and square deal in every way. We also appreciate the support of veterans and nonveterans. Their support has been substantial. I am sorry I cannot give you the names of thousands of them residing in every section of the United States. We can show that these adjusted-service certificates are past due; that is, an amount equivalent to the face, or maturity value, is past due to each veteran who holds such a certificate.

We assert that the payment should be made in a way that will not be a detriment to the other 97 percent of the people of this Nation. I believe we can show you conclusively that the certificates are past due, and that payments can be made in a way that will be a great benefit and a godsend to this country, instead of a detriment to the country.

SOLDIERS PAY VERSUS CIVILIAN PAY

April 6, 1917, war was declared by this country against Germany. Congress immediately commenced consideration of a bill that had for its purpose raising an Army. Little consideration was given to the question of pay that men in uniform would receive. It was well known that if any injustice should be done in this regard it could be corrected later. Between four and five million men were caused to don the uniform of their country. Practically all of these men felt it was their duty, desired to be patriotic, and, like all good soldiers, served wherever they were called upon to serve. Nevertheless, it was admitted that practically all of them suffered a serious economic disability by being required to serve at $1 a day, when others, for various reasons exempted from military service, were making, in the words of our own great President, from $8 to $20 a day in the shipyards and munition factories.

DEDUCTIONS GOT THE $30 A MONTH

Do not get the impression that the private soldier actually received $30 a month, as reported. The average allotment of his pay for his dependents, if he had dependents, was about $15 a month. He was required to carry war-risk insurance, which cost him on an average of $6.60 a month, the Government thereby requiring him to make his monthly contribution for the protection of the loved ones of his dead buddies. Four million veterans paid Uncle Sam approximately $400,000,000 in this way, for which they did not receive one penny in return.

Uncle Sam paid for the insurance on his ships but not on his men. The soldier was required to pay for altering and mending his clothing and shoes, his barber bills, laundry bills, and bills at canteens for tobacco and incidentals. If he had anything left, he subscribed for a Liberty bond on the installment plan or he was called a "slacker."

Commissioner O'Reilly, who is now an alderman in a western city, at the end of his first month in the service, after waiting 2 hours in line with his company, approached the paymaster's table, saluted, and gave his name. The paymaster, looking at the company pay roll, replied, "Private O'Reilly, you owe this Government 80 cents."

OTHERS RECEIVED ADJUSTED PAY

When the war was over those who dealt with property rights had their pay adjusted by the Congress of the United States. Seven thousand World War "cost-plus" contractors—many of them had engaged in a "war for profits"—had their pay adjusted. Included in this group were the Du Ponts, who recently admitted that they made a profit of a quarter of a billion dollars out of the war after paying all expenses and taxes on what they billed to South American countries as "sporting goods." The railroad owners and war contractors received an adjustment of pay in cash and other benefits amounting to billions of dollars. They asked the Government for a revision of their contracts and were not called unpatriotic for doing it, and they were paid in cash.

Five hundred thousand Federal employees of the Government, who received up to $2,500 a year during the war, received an adjustment of pay amounting to $1,440 each—they asked for a revision of their contracts and they were paid in cash $240 a year for 6 years.

Foreign countries asked for a revision of their contracts and had their debts adjusted, which resulted in Congress giving to them as an outright gift the huge sum of $10,000,000,000. Many of these countries used our money to pay their own soldiers adjusted pay and bonuses up to the enormous sum of $7,290 each.

CONSCIENCE-STRICKEN CONGRESS

After doing so much for property rights and foreign countries, a conscience-stricken Congress was determined to make some adjustment of pay received by the men who wore the uniform. The cost of the war was $36,000,000,000; the

men in uniform received $4,500,000,000. It was agreed that the Members of Congress could not save their faces and allow less than $1 a day as adjusted pay.

SECRET CAUCUS AND CHISELING AMENDMENTS

The Ways and Means Committee of the House consisted of 15 Republicans and 10 Democrats. The Republicans put the Democrats out of the committee room, closed the door, called in representatives from the War Department, and outlined the plan of paying $1 a day to each veteran for home service and $1.25 a day for service overseas. These representatives were instructed to suggest how deductions and reductions could be made to propose every chiseling amendment for which any argument could be offered for its adoption and to get up some sort of a plan that would appear to the veterans that they were actually getting the $1 a day, but which, in fact, would be so manipulated that they would get just as little of it as possible. One of the unfairest chiseling amendments was the deduction of the first $60. Another was to provide a way whereby the banks would consume one-half of each certificate through compound interest after a few loans, obtained in dribs, had been made.

In this secret caucus, where words were spoken that were supposed to never be known, the plan was conceived which was enacted to give the veteran a post-dated check, an I O U, or a "tombstone" certificate, payable in 1945. The basis for it was the $1 a day for domestic service and $1.25 for service overseas, plus interest at 4 percent and plus 25 percent of the basic pay for waiting from 1925 until 1945. The veterans were not asked to take or reject these certificates. They had to take them or leave them alone, just like they were compelled to go in the service, whether they wanted to or not.

CERTIFICATE HOLDERS AND REMAINDER DUE

Three and one-half million veterans hold certificates, averaging $1,000; three million of them have borrowed the limit allowed by law, which is 50 percent of each certificate, and after deducting prior loans and interest before October 6, 1931, there is a remainder due of $2,000,000,000. They are paying $163,000 a day in compound interest on these loans to the Government and to the banks, which is rapidly consuming the balance due.

HIGH INTEREST AND TIME DUE

They have paid as high as 6-percent and 8-percent interest, compounded annually, for their own money. If the Government should now allow the veterans the interest rate the veterans were charged, an amount equal to the face value of each certificate was due long before 1931. If the certificates remain as they are, the average veteran who has a $1,000 certificate will receive the small sum of $68.50 in 1945. Compound interest paid to the banks and to the Government on a few small loans obtained in dribs will have eaten up the remainder.

If Congress grants a revision of the contract, as requested in H. R. 1, and these certificates are dated back to the time the services were rendered, and there is an adjustment of interest so as to give the veteran the same rate of interest, and no more, that was paid to war contractors, railroad owners, and all others on contracts growing out of the World War, and is given only the earned part of the 25-percent increase that Congress admitted was due for waiting 20 years and not deduct the first $60, each veteran is entitled at this time to a substantial sum more than the face value of his certificate. If the Government will allow the veteran the earned part of the 25 percent for waiting, along with the $1 and $1.25 a day, together with a rate of interest less than the Government has charged veterans, 6 percent compounded annually, an amount equal to the full face value of each certificate was due October 1, 1931.

PAST DUE ANY WAY IT IS COMPUTED

There is no fair way to compute the amount due a veteran, using the $1 and $1.25 a day as a basis, without determining that each veteran was entitled to an amount equal to the full face value of his certificate on or before October 1, 1931.

If the veterans receive credit for a fair adjustment of interest, and the certificates are dated back to 1918, they have borrowed the equivalent of the accumulated interest—the principal remains intact.

We are not trying to change the amount of $1 a day for home service and $1.25 a day for service overseas, representing the basic pay of $1,400,000,000, that Congress acknowledged. We want it paid as of the time the services were rendered.

VETERANS FIGURED OUT OF 7 YEARS' INTEREST

Mr. Andrew Mellon, with his short pencil in the middle of the night, aided by a secret committee meeting, figured the veterans out of 7 years' interest. This omission appears to have been deliberate, since title 5, section 501, of the act provides that in no case shall a veteran receive interest before January 1, 1925. He also persuaded the committee to deduct the first $60, and then got the bill passed through the House under a gag rule that did not permit an amendment to cross a "t" and dot an "i."

CRIES OF DEFICITS AND TAX REDUCTIONS

The acknowledgment of this debt was delayed several years by cries of deficits and tax reductions, which were not heard when billions were being voted for adjusted pay to others.

The Secretary of the Treasury, when the bill was before Congress, predicted a great deficit at the end of the next fiscal year. He made a billion dollar error in his prediction, but the discovery, months later, was too late—as intended—for the "tombstone" certificate bill had already become a law.

REFUNDS ON INCOME-TAX PAYMENTS

Income-tax payers received approximately $3,000,000,000 in adjustments on their income-tax payments made during and by reason of the war. Secretary Andrew Mellon made huge refunds to citizen Andrew Mellon and to citizen Andrew Mellon companies. When a payment was made on such a refund 6-percent interest was allowed by him from 1918, or the time of the alleged overpayment. He did not forget his own interest over the same period of time he deprived the veteran of interest on a confessed debt.

Suppose holders of Government bonds should discover they paid money for bonds in 1918 and that they were not drawing interest until 1925. One of such bondholders would make more noise than a thousand veterans are now making over a similar loss.

VETERAN RECEIVED $1; MUST PAY HIS PART OF $21

Veteran A entered the service during the war and received $1 a day. Civilian B went to the shipyards and received $20 a day. The Government borrowed $21 a day to pay the pair. When the war was over these debts must be paid. Veteran A, although he received only one of the $21, must pay his part of the entire $21. With the adjusted pay the veteran receives about 20 percent or less of what civilians received. If a veteran should receive more than a civilian, the excess could properly be termed a bonus, or pay for patriotism, but such is not the case.

A few companies made as much in net profits during the war as we are asking now to be paid on a confessed debt to three and one-half million men.

WILL GAG-RULE TACTICS BE ENDORSED?

One question is, Shall this debt be paid like the Government paid all other debts; or, will the many wrongs that were perpetrated through "star chamber" proceedings and gag-rule tactics in the enactment of the legislation remain?

WHERE WILL WE GET THE MONEY?

The next question is, How will the payment be made according to H. R. 1? Each certificate is an obligation of the Government.

We propose under H. R. 1 to permit a veteran to deposit his Government obligation and receive "new money" in United States notes in return for the remainder due. We are asking that one form of Government obligation be converted into another form of Government obligation, which will not create a new debt. We are merely asking that the

veterans be allowed to do the same thing in the same way that banks are now permitted to do and get the same kind of money.

EIGHT BILLION DOLLARS IN GOLD IN TREASURY

I hold in my hand an official daily statement of the United States Treasury. It is compiled from the latest proved reports from Treasury offices and depositaries. Under the heading of current assets and liabilities there is listed in the form of an asset, $8,550,000,000. This gold belongs to the United States Government. We have five and one-half billion dollars of actual money in circulation. We can set aside and earmark five and one-half billion dollars in gold to redeem all outstanding money 100 percent. We can then set aside and earmark $2,000,000,000 in gold to redeem 100 percent the currency issued to pay the veterans under my bill. We will then have $1,000,000,000 in untouched and idle gold in the United States Treasury. This does not include the enormous silver reserve of $720,000,000.

LARGE AMOUNT OF MONEY MAY BE SAFELY ISSUED

Eight billion dollars in gold is sufficient to authorize the Government to issue $20,000,000,000 in currency on a 40-percent gold reserve basis. Since we have outstanding only five and one-half billions in money and we propose to issue under my bill $2,000,000,000, the Government can still safely issue an additional sum if necessary, amounting to more than $12,000,000,000. On the devaluation of the gold dollar the Government made $2,800,000,000 clear profit.

SUFFICIENT RESERVE SHOULD BE ADMITTED

In view of the indisputable fact, which is shown from the official report of the United States Treasury that we have sufficient gold to back all currency now outstanding and the currency we propose to issue under this bill 100 percent in gold and still have a surplus, I believe, in fairness, my honorable opponent will concede that the money to be issued under the terms of my bill will be in all respects sound under the most strict definition of the gold standard.

MORE GOLD BEHIND IT THAN BANKERS' MONEY

The most enthusiastic advocate of the gold standard and the most reactionary banker cannot question the soundness of this money, which will have 60 percent more gold behind it than any Federal Reserve note or other bankers' money ever had.

EAT THEIR CAKE AND KEEP IT, TOO

We have 12 Federal Reserve banks in this Nation. Each of these banks has an official that is authorized by the United States Government to cause to be printed and delivered to it new money, paper currency, produced by the Bureau of Engraving and Printing. In order to get this money the bank deposits with itself a Government obligation, which may be payable January 1, 1945, or any other date, as collateral security for the issuance of the money. While the bank uses the money it continues to get interest on the bonds. It pays on the average of 27 cents a thousand dollars for the cost of printing the money. They use the credit of the Nation free. They eat their cake and keep it, too. Approximately three and one-half billion dollars have been issued to Federal Reserve banks on Government obligations.

It is possible for the Government, under our plan, to pay the veterans $2,000,000,000 and not have one dollar extra circulating money, by merely withdrawing two billion in Federal Reserve notes, upon which the people are paying interest every day they are outstanding, and substitute therefor the two billion in United States notes we propose to issue and upon which no one will be paying interest while they are outstanding. This will take an annual bonus away from the Federal Reserve banks, which they do not need and are not entitled to.

EAT THEIR CAKE AND KEEP MORE CAKE THAN THEY HAVE EATEN

National banks of the country have deposited approximately a billion dollars in United States Government bonds, many of them payable January 1, 1945, and have received approximately a billion dollars in new money in return. Each of these banks can use that money as a reserve and lend $10 in credit on every one of these dollars that it has in its vaults or with the Reserve bank. These national banks continue to get interest on the bonds while they are using the money. They eat their cake and keep more cake than they have eaten. This privilege will be stopped within the next year.

IF RIGHT FOR BANKS, RIGHT FOR VETERANS

No person can possibly give a logical reason why it is not right for a veteran to deposit his Government obligation, which is payable January 1, 1945, and receive new money in return for it, and at the same time contend that it is fair and right for banks to deposit Government obligations payable January 1, 1945, and receive new money in return for them. If it is right for the banks, it is right for the veterans. If the money issued to the banks is good money—and it is—the money issued to the veterans will be good money.

There is more justification for issuing the money in return for the certificates, since the banks are paid a bonus to put money into circulation, which fee will not have to be paid to the veterans under the plan proposed. The veterans were not paid in 1924 because it was claimed that the country was not able to stand the payment. Conditions have changed since then, as the country now has several times as much gold as is necessary to pay this debt, if a gold backing is desired for the money issued for that purpose.

HOW INFLATION MAY BE PREVENTED

It has been said that there is danger of inflation after this money is paid. According to H. R. 1 the Secretary of the Treasury cannot withdraw any of the money we propose to issue, as we expect it to remain in permanent circulation, for no one will be paying interest on this money while it is outstanding, but the Secretary of the Treasury can retire sufficient money issued to Federal Reserve and national banks to prevent inflation. Therefore it cannot be said that there will be danger of unbridled inflation under our plan.

HOW VALUE OF ADJUSTED-SERVICE CERTIFICATE ARRIVED AT

Congress decided that each veteran of the World War was entitled to $1 a day extra pay for home service and $1.25 a day for service overseas, with the limitation that no veteran would be entitled to more than $500 for home service or more than $625 for service overseas, which is intended to cover the period of the emergency.

The average adjusted-service certificate is for $1,000. As an illustration, it may be assumed that it was arrived at as follows: The veteran was credited with 210 days' domestic service at $1 a day, $210, and 200 days' foreign service at $1.25 a day, $250, or a total of $460. The Government deducted $60 of this amount because the veteran had received an extra $60 at the time of discharge. This reduced the credit to $400. The Government, instead of paying the veteran the $400 in cash, added to the confession of the debt 25 percent for deferred payment, making the credit $500 and giving the veteran what was equal to an endowment insurance policy for $1,000, dated January 1, 1925, and payable at death or January 1, 1945. It was determined that the $500 would purchase such a policy based upon the American experience table of mortality at 4 percent.

In this settlement it will be noticed that the veteran had deducted from his credit $60 and had added to it $100, or 25 percent, as a bonus for waiting.

Congress evidently intended to give the veterans the extra pay as of the time the services were rendered. One dollar given to them as of 1925 would be equal to giving them about 65 or 70 cents as of 1918.

If the veteran is given the $460 from a date representing halfway between the beginning and ending of his service, or June 5, 1918, the time it should be computed from, with 6 percent compounded annually, the veteran was entitled to $1,000 October 1, 1931, or the full face value of his adjusted-service certificate. A similar computation for each certificate will cause a similar result.

In order to justify this settlement a satisfactory explanation must be given why the $60 should not be deducted, why the veteran should not accept the $100 given as a bonus for waiting, and why the veteran should receive 6-percent interest compounded annually.

WHY THE $60 SHOULD NOT HAVE BEEN DEDUCTED

In February 1919 Congress passed a law giving to each ex-service man $60 additional pay upon discharge, considered to be an amount sufficient to purchase a civilian suit of clothes, the soldier having given his civilian clothing to the Red Cross when he entered the service, and it was sent to foreign countries to relieve distress there. The $60 was authorized to be given to all officers, including the major general, who received $8,000 a year with additional allowances, as well as the private who had served only 3 days in the military service. When the adjusted-compensation law was passed, the veterans receiving the certificates were required to account for the $60; in other words, to pay it back. The officer who drew $8,000 a year was permitted to keep his $60 and make no return to the Government, although such officer, or any other officer above the grade of captain, did not receive an adjusted-service certificate, Congress feeling that such officers were not entitled to have their pay adjusted. Neither was the private who served 3 days required to pay his $60 back to the Government. So why should the Government play the role of Indian giver to the holders of adjusted-service certificates? The $60 should not have been deducted.

WHY THE $100, OR 25 PERCENT INCREASE, SHOULD NOT BE ACCEPTED

The reason is obvious. The veterans are not asking on adjusted pay for more than the full payment of their certificates. The full amount was due October 1, 1931, without accepting one penny of the 25 percent increase allowed for waiting. By not accepting it, the payment will be for services rendered and no part of it for a bonus; the 6 percent will be sufficient compensation for waiting.

WHY 6 PERCENT INTEREST COMPOUNDED ANNUALLY SHOULD BE ALLOWED

When the Adjusted Compensation Act was passed in 1924, provisions were made for loans to be made to veterans on their certificates after the expiration of 2 years from their date. Only a small amount each year could be borrowed, never a sufficient amount to be of substantial service, and the veterans were required to pay 6, 7, and 8 percent compounded annually for their own money.

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Washington.

Mr. SAMUEL B. HILL. Did the gentleman from Texas state what kind of currency the Secretary of the Treasury will use to retire the national bank notes?

Mr. PATMAN. If there is too much money in circulation after the veterans are paid he can retire some of the Federal Reserve notes.

Mr. SAMUEL B. HILL. But what kind of currency is the Secretary of the Treasury going to use to retire the bank notes?

Mr. PATMAN. He can use Federal Reserve notes, and we propose to retire two billion of Federal Reserve notes if necessary.

Mr. GREENWOOD. Will the gentleman yield?

Mr. PATMAN. Yes.

Mr. GREENWOOD. He can use the profits on the gold in the Treasury to affect sales. Is it any further for him to go to say that he can use the same profit to pay adjusted-service certificates, which are obligations of the Government?

Mr. PATMAN. The gentleman's question answers itself.

Mr. BLANTON. Will the gentleman yield?

Mr. PATMAN. I yield to my colleague.

Mr. BLANTON. After issuing these $2,000,000,000 of Treasury notes we still would have ample gold reserve in the Treasury under all requirements of law?

Mr. PATMAN. That is true.

TITLE TO GOLD IN THE UNITED STATES

Under the act that you passed in 1934 the title of all the gold in this Nation is vested in the United States Government. Do not forget that. It belongs to the United States Government. There are eight and one-half billion dollars in the Treasury in gold. You said so by the legislation which met with Executive approval. It is the law now that this gold belongs to the Government—eight and one-half billions of it.

Did you know that you can retire every dollar of money outstanding today in gold 100 percent on the dollar, which would total five and one-half billion dollars—and you could pay this debt of $2,000,000,000 in gold, and then you will have idle unused gold and silver amounting to $2,000,000,000 in the Treasury vaults of the United States Government?

Does anyone contend that you can use any sounder money on earth than that? I know that some Members will say that the Federal Reserve banks have gold certificates on some of this gold. That is true with a limitation, and that limitation is that the title of that gold remains in the United States Government.

Mr. MAY. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Kentucky.

Mr. MAY. I should like to direct the gentleman's attention to the difference between the Patman bill and the Vinson bill, and in that connection I want to say that I have read carefully the Vinson bill. It declares that the adjusted-service certificates are immediately payable, and that they should be paid as hereinafter set out. Then after that the mechanics of the method are set forth in the bill, and in section 5 it says:

There is hereby authorized to be appropriated such amount as may be necessary to carry out the provisions of this act.

Is there any way under that bill by which the adjusted-service certificates can be paid except either by a bond issue, which will bear interest over the period of time, or by an appropriation out of the Treasury?

BONDS AND TAXES

Mr. PATMAN. It is my understanding it will require bonds and taxes. Our bill provides that the Secretary of the Treasury is authorized and directed to make these payments in United States notes. I think that is sufficient. I was down to the Treasury Department this morning. I understand there is a difference of opinion about the language used. Some still contend that the language is not sufficient and that it will require an appropriation.

If that is true, before we introduce this bill as an amendment, we will put that language in there and we will make it strong enough to do it and there will be no doubt about it, although I do not think there is a doubt now. Under the bill H. R. 3896, introduced by my friend Mr. VINSON of Kentucky, there is an authorization of $2,000,000,000 or whatever is necessary, to pay these certificates. That is the principal difference between the two bills, except that I remit interest only back until October 1, 1931, while his bill remits interest clear back to 1927. That will involve millions and millions and millions of small transactions with small banks all over this Nation, and will delay the payment of the money, if it is insisted on. So, the amount being no larger than it is, I think it is in the interest of the veteran to have a certain date where there will be cut off.

VETERANS WILL NOT GET MONEY WHEN H. R. 3896 PASSES IF IT DOES PASS

In regard to this authorization, it is not denied that the method of payment must be agreed on. Later, after this bill H. R. 3896 passes and becomes a law, if it does, then the veterans will not get their money. Another bill will have to be passed, an appropriation bill, which will have to go to the Appropriations Committee, pass this House and pass the Senate and meet with the approval of the President or be passed over his veto. The question will be, how are you going to raise this money? That is a question we have always had to face in this issue. We could not get public approval of this measure until we could show the public that the payment could be made without cost to the Government. We tried every method. At first we tried a bond issue, when there was money coming into the Treasury and the Government was in a different financial situation from what it is now. We tried an authorization, we tried different methods of payment, but we did not get anywhere until we were able to go before the American people and show them a good, safe, sane, sensible method of paying this

money without cost to the United States Government, without extra bonds or additional taxes, and in no way affect the National Budget.

When we were able to make that showing we received the attention of the American people, and we received the approval of the American people. Under this bill 3896 how are you going to do it? Are you going to levy taxes? If so, I doubt that the Ways and Means Committee could tell you now what you have to tax in order to pay it. Further, if you are going to raise taxes, many Members wonder whether they could afford to vote for it at this time. If you are going to pay $2,000,000,000 right now, and if you are not going to levy new taxes, which you cannot raise, there is only one alternative and that is to issue more nontaxable interest-bearing United States Government bonds.

BANKER'S BONUS BILL

If you issue $2,000,000,000 dollars of bonds now, then by the time the bonds are paid, the coupon clippers will have received as much as the veterans receive, namely, $2,000,000,000. It means $4,000,000,000. That is, $2,000,000,000 to the coupon clippers and $2,000,000,000 to the veterans. Take the State of New York. The veterans will receive about $220,000,000 in the State of New York, and the banks in that State can buy $220,000,000 worth of tax-exempt bonds.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. DIES. What are the facts with reference to the State of California?

Mr. PATMAN. I shall come to California next. The banks of New York will buy $220,000,000 in United States Government bonds. The New York banks would not pay 1 penny for those bonds. The banks will give credit on their books and then the Government will send the veterans checks on those New York banks, to pay the balance due on these certificates and the banks will not be out a penny of money, because these credits will flow right back into the banks, but they will get $6,000,000 or $8,000,000 a year annual interest on that same credit. That is the reason that I say that it is a banker's bonus bill, because it gives the bankers a $2,000,000,000 bonus in order to pay the veterans $2,000,000,000 of debt.

In California about $122,000,000 will be paid to the veterans. The banks of California will buy $122,000,000 worth of United States Government bonds, nontaxable, interest bearing. Credit will be given to the Government for the bonds and the credits will remain in California banks, since they will be transferred to the veterans in California. The banks will get three or four million dollars a year annual bonus.

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. JOHNSON of Texas. Where does the head of the American Legion come from?

Mr. PATMAN. He is from California.

Mr. HOUSTON. What business is he in?

Mr. PATMAN. He is the vice president of the Bank of America, which has branches all over California. In fact, it handles practically all of the banking business in California.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. DOUGHTON. Mr. Chairman, I yield 15 minutes more to the gentleman from Texas.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. TREADWAY. The gentleman referred to the amount of gold now in the Federal Treasury, and that all gold in the country is owned by the Federal Government. May I ask the gentleman what good that gold is if it is against the law to have it in circulation?

Mr. PATMAN. It is good in paying international debts. The only time we ever use gold is in our dealings with foreign countries. We do not need it in our domestic transactions. We still use it in dealing with foreign countries.

Mr. TREADWAY. If we have a transaction abroad, we settle that transaction in gold; but if we have a domestic transaction between ourselves, it is against the law to use gold.

Mr. PATMAN. Well, we do not need it. The money you have will buy the same thing.

Mr. TREADWAY. I think the gentleman will find a lot of us would be mighty glad to get our hands on it, if we were allowed to use it in domestic transactions.

Mr. PATMAN. There were $346,000,000 in United States notes outstanding for 35 years, and behind those notes there was a reserve of $156,000,000. During that 35 years not one dollar of gold was asked for by the holder of a United States note. Let me enlarge on that to say that if we can use $156,000,000 for 35 years to support $346,000,000 in United States paper money and not have a dollar of it demanded, certainly eight and one-half billion dollars will support $2,000,000,000 in United States notes. [Applause.]

Mr. TREADWAY. May I ask the gentleman one further question, and then I will not interrupt further?

Mr. PATMAN. Yes.

Mr. TREADWAY. Last week, in the course of a transaction at the office of the Sergeant at Arms, I drew against my salary as Congressman what may have been coming to me at that time. I hold in my hand one of the bills that I received. It is a brand new bill, never has been in circulation, and on it is printed the following:

Redeemable in gold on demand at the United States Treasury.

What would happen to me if I took that down to the Treasury tomorrow morning and asked to have the Government carry out its obligation to pay me in gold?

Mr. BLANTON. Oh, that is an extraneous matter. Do not let the gentleman from Massachusetts waste your time on that. [Laughter and applause.]

Mr. TREADWAY. This is between one gentleman from Texas and the gentleman from Massachusetts, not the intruder from Texas. [Laughter.]

Mr. BLANTON. We do not want our colleagues from Texas bothered with irrelevant questions.

Mr. PATMAN. I venture the assertion that the gentleman from Massachusetts never did take a bill to the Treasury and demand gold for it. Did the gentleman ever do that?

Mr. TREADWAY. Oh, we had confidence, and we knew we could get it. Now, you know you cannot get it.

Mr. PATMAN. Well, the gentleman admits, I presume, that he never did ask for gold, and therefore if he has been satisfied with the paper money in the past, why should he not be satisfied with it in the future?

Mr. TREADWAY. That does not answer the question.

Mr. PARSONS. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. PARSONS. The gentleman from Massachusetts did not read all that is on that bill. It says, "In gold or in lawful money."

Mr. TREADWAY. No. I beg the gentleman's pardon.

Mr. PATMAN. I cannot yield further, Mr. Chairman. The gentleman must not take my time.

Mr. TREADWAY. I will yield the gentleman 5 additional minutes, if we use that much time, but I shall be glad to read the entire language on this bill. It is this:

Redeemable in gold on demand at the United States Treasury or in gold or lawful money.

[Laughter.]

Now the laugh will be on the other side. I have read this a number of times, and I have shown it to people to read; and you cannot make any other interpretation of it than what I am going to give you right now—"or in gold or lawful money at any Federal Reserve bank." That has nothing to do with the manner in which it will be redeemed at the Federal Treasury downtown.

It is an absolute statement that that $20 piece of paper is worth $20 in gold and that you will be given $20 in gold for it at the Federal Treasury down on Pennsylvania Avenue; but, as a matter of fact, they will not do any such

thing. The Federal Treasury has absolutely gone back on its agreement to the American people to redeem that bill in gold, and has positively repudiated its promise. [Applause.] Now, if the gentleman desires to say anything further about it, I shall be glad to hear it, and I yield to the gentleman 5 additional minutes on that account.

Mr. RANKIN. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. RANKIN. Let me call attention to the fact that that $356,000,000 of United States notes was issued by Abraham Lincoln during the Civil War. We have saved in interest on that $356,000,000, a little more than $11,000,000,000. [Applause.]

Mr. PATMAN. On the basis of 5 percent compound interest.

Mr. HOUSTON. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. HOUSTON. I want to ask the gentleman from Massachusetts what he can do with the gold that he cannot do with the bill?

Mr. PATMAN. In any event, if the gentleman wants gold to redeem all the money, there is plenty of gold to do it.

Mr. TREADWAY. Yes; but they will not give it to you.

Mr. PATMAN. The money that the gentleman has will buy just as much as will gold. It will buy 100 cents worth of what the gentleman usually buys. It will buy 100 cents worth of electricity, gas, telephone, or railroad freight and passenger rates, and debts, interest, taxes, and things like that; so there is no reason to complain. You can still use that money and receive 100 cents on the dollar for it.

Mr. RANKIN. Or the gentleman can use it to pay his income taxes.

Mr. PATMAN. Yes. I want it understood that in my refence to the bankers and the bankers' bonus bill there is nothing personal in this between the gentleman from Kentucky [Mr. VINSON] and myself.

We have been friends, and we are now; we have worked together on this legislation for years, and all the time that I was changing my bill to improve on it my good friend from Kentucky was helping me in it and was always supporting the legislation all along. The bill has been improved each year, and I am glad that it met with the gentleman's approval too, because he supported it in the past. I do not criticize or censure him for advocating another bill; he has a perfect right to; he has as much right to support that bill and advocate it as I have to support and advocate this one. I am not impugning the motives or questioning the sincerity of any Member of the House, or any person in the United States in discussing these matters. I feel that we are on the side of logic, reason, and justice; I feel that we are armed with a good cause; and if we get the facts to the American people and to the American Congress we are sure to win. [Applause.]

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. GIFFORD. The gentleman favors this new method of the payment of the bonus. Would the gentleman apply the same method of payment to the $4,880,000,000 public-works bill, and these other huge expenditures? Why does the gentleman select this particular thing, and not advocate this method with reference to all other governmental works?

Mr. PATMAN. This cause is older than the depression, or the present administration.

Mr. GIFFORD. Would not the gentleman want to see his plan applied to other governmental obligations?

Mr. PATMAN. That is another matter. If we are properly to bring this cause to the House on this occasion I think we should confine the discussion to the bill. [Applause.]

Mr. GIFFORD. The gentleman does not favor——

Mr. PATMAN. I do not yield for a question on any other bill. Any question the gentleman wants to ask about this bill, of course, I shall be glad to answer.

Mr. GREEN. Mr. Chairman, if the gentleman will yield, I should be glad if the gentleman saw fit to include in his remarks a table he has showing the amount which would be paid under the bill in each congressional district or in each State.

Mr. PATMAN. I shall be pleased to do so. Here is a booklet which includes that table. Any Member of the House who wants a copy for his own use can get it by sending to my office or by calling over the telephone, and it will be mailed to him. I shall be glad to give any Member one who wants one.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. DIES. I understand one of the principal arguments being used for the other bill is that it has a fair opportunity to pass the other body. Can the gentleman explain why it is that the bill has not been introduced in the other body and no effort has been made to have it pass the other body?

Mr. PATMAN. There is no reason why it should not have been introduced over there; there is nothing in the bill that would prohibit the Senate from considering and passing it. I am not impugning the motives of any person on earth, but I am just wondering in my own mind why the House was not let alone at this session so the House could pass the bill it passed 2 years ago and again 1 year ago by tremendous and overwhelming majorities. If this other bill is so strong in the Senate, why did they not introduce it there and get it passed in the Senate? Let the two bills meet half-way, and we could compromise the differences in free conference.

Mr. DIES. Is it not a fact that one of the arguments used was that the bill has been defeated in the other body? Is it not also true that at that time the American Legion was not supporting the payment of the bonus and at that time we did not have as many new Senators as we have now?

Mr. PATMAN. That is true; and if we can do so much against the opposition of the American Legion leaders, what can we do when we have the support of all the leaders of the American Legion? These representatives of the Legion are new converts. I do not say that they changed their minds because their master spoke to them, but I do say that they were not for full payment until the Miami convention ordered them to be for it. They had to be for it or quit their jobs. Probably these men feel that they are rendering a public service by keeping them, but they could not keep their jobs unless they advocated this legislation.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. ARNOLD. Is it not a fact that whatever bill we send to the Senate will be subject to amendment in that body, that they will reach their own conclusions? So the statement that has been made that this bill of the gentleman from Texas has no chance of passing the Senate, but that the other bill has, is entirely without foundation in view of the fact they can amend the bill over there.

Mr. PATMAN. I agree with the gentleman. What would the Senate think if a great Senator should rise and say: "We must pass a bill that the House will approve"?

Mr. ARNOLD. Has the gentleman's bill ever been rejected by a vote of the Senate since 1932?

Mr. PATMAN. On June 17, 1932, the bill was rejected. At that time the so-called "bonus army" was surrounding this Capitol and the Senators felt there was an effort made to intimidate them and they very quickly killed the bill. Since that time there has not been a direct vote on this legislation. It has been offered as an amendment to certain bills, and even our friends voted against it, stating that it had no place on the particular bills where it was offered; and they voted against it for that reason.

Mr. DIES. Mr. Chairman, will the gentleman yield further?

Mr. PATMAN. I yield.

Mr. DIES. Is it not a fact that since 1932 the Senate has passed bills authorizing the issuance of $3,000,000,000 of so-called "paper money"?

Mr. PATMAN. The gentleman's statement is correct. The Senate has not voted on this bill since June 17, 1932, but the Senate since that time, on different occasions, has adopted the same policy for the issuance of money that we are asking for in H. R. 1. With this knowledge before us,

and with the support of the great American Legion, instead of its opposition, we should be able to pass the bill by two-thirds vote in the Senate of the United States.

Mr. BOILEAU. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. Was not that action on the part of the Senate before we impounded the gold and before we revalued the gold?

Mr. PATMAN. Yes.

Mr. BOILEAU. That makes it an entirely different proposition.

Mr. SHORT. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman for a question.

Mr. SHORT. May I ask the gentleman if he knows or thinks the President of the United States will sign this measure?

Mr. PATMAN. I do not know.

Mr. Chairman, at Boston, Mass., we fought this out in the American Legion, and because of certain tactics which were used, and which I shall not explain at this time, we were defeated. In Detroit, Mich, it was defeated by a tie vote. Over in Portland, Oreg., the American Legion endorsed full payment and, although full payment was endorsed, no bill was introduced by the American Legion leaders trying to get this payment made. In Chicago, in 1933, there was no resolution favoring full payment. But in the convention at Miami there was a resolution introduced. I will read one paragraph of it, as follows:

Whereas the payment of said certificates will not create any additional debt, but will discharge and retire an acknowledged contract obligation of the Government: Now, therefore, be it

Resolved—

What does that say? The American Legion says, "We want this paid in a way that no new additional debt will be created." Can you write it in plainer language than that? If you can, I should like to know the language suggested.

This bill, H. R. 1, will not create an additional debt. You know if you pay a debt now that is payable in 1945, you are not creating an additional debt. There is no argument or reason that will justify you in believing anything else. Now, I did not advocate my bill at Miami, and I do not say any delegate voted for this resolution believing it was my bill. Each delegate had his own individual views. But when I saw that language in there I said that not a better resolution on this subject could be written. I said it before the convention at Miami, Fla. In my speech before that convention which bill did I discuss? The one that would create a new debt or bond issue or create additional taxes? No. I discussed a bill that is on all fours with H. R. No. 1.

Mr. Chairman, may I read what I said in the opening speech that I made on this resolution before the convention at Miami. I stated as follows:

These certificates may be paid without the expansion of currency or they may be paid with the expansion of currency.

Just as we have it here in H. R. 1, so we can put this money out, and if you want to expand it the money can stay out; but if you do not want expansion, the Secretary of the Treasury can draw back Federal Reserve notes. Even without expansion of the currency you can pay it.

I stated further, as follows:

You can pay them in United States notes and not expand the volume of currency one dollar by retiring from circulation this same amount of Federal Reserve notes at the same time.

What did I mean when I said that? Was I discussing H. R. 3896, that provides for more bonds and more taxes, or was I discussing H. R. 1, which says that the payment will be made in United States notes, and in the event there is danger of undue expansion of the currency you can retire Federal Reserve notes and thereby prevent any danger of inflation? Did I not put the convention on notice? As to whether or not any particular delegate noticed that or not, I do not say or know. I certainly did explain there the kind of bill we are asking you today to substitute for H. R. 3896. [Applause.]

Let me read you the individual views of Congressman MORGAN A. SANDERS, a member of the committee, reciting the reasons why he prefers H. R. 1 to H. R. 3896:

1. It will not require a bond issue or additional taxes to make the payment. Therefore, no new debt will be created, and the budget will in no way be affected.

2. Our Government has sufficient gold to redeem all outstanding currency 100 cents on the dollar, pay the veterans $2,000,000,000 in gold, and have remaining a billion dollars in gold, and in addition, about a billion dollars in silver. The Government has $1.50 in gold and 20 cents in silver for every dollar outstanding.

3. The payment can safely be made according to the terms of H. R. 1, and without invoking a new principle or precedent for the issuance of money.

4. The bill provides for methods that will prevent inflation of the currency. Under its terms, the Secretary of the Treasury may cause to be retired Federal Reserve notes or national bank currency in the event there is danger of an undue expansion of the currency, or in the event the price level rises above the 1921–29 average.

5. Our circulating medium, consisting of demand deposits and outstanding money amounting to $200 per capita from 1926 to 1929, is now about $150 per capita. The payment as suggested in H. R. 1 will restore $16 per capita of this circulating medium that will be quickly and uniformly distributed into every corner of the Nation; additional purchasing power will be placed into the hands of those who will use it to buy goods.

6. The Government made a profit of $2,800,000,000 on gold revaluation. This debt of $2,000,000,000 can be paid to the veterans from that profit.

Veterans everywhere should remember that we cannot win this fight unless we have the support of nonveterans, as well as the veterans; that we must show that this payment will not be a detriment to the country, but will be helping the country; we are asking for the revision of a contract; and we must show that it can conveniently be revised.

THREE MILLION VETERANS WILL LOSE CERTIFICATES BY 1945

If the certificates are not paid now, compound interest will practically consume the remainder due, and in 1945 there will be approximately 200,000 who have not borrowed and who will collect the face value; 400,000 will have died, and their dependents will have collected the remainder due; 2,900,000 will have the measly sum of $68.50 due them. The point is, we cannot justify causing approximately 3,000,000 men to have their certificates consumed by compound interest paid to banks and to the Government in order to give 400,000 a small amount of protection for their dependents, instead of paying the money to 400,000 veterans themselves.

WHY THE BILLION DOLLARS WERE NOT MORE EFFECTIVE

When the payment of a billion dollars was made to veterans in 1931 it was not felt as much in this country as it would have been ordinarily, in view of a serious financial disturbance in Europe at the time and the rapidly increasing depression in this country. However, this payment delayed the depression, prevented a serious repercussion here, on account of the European situation, and helped business conditions generally.

VETERANS PREFER MONEY TO RELIEF

A prominent gentleman informed me a few days ago that from the standpoint of the veterans' welfare, the certificates should not be paid now, stating that if the payments were made, a large percentage of the veterans would merely use the money to keep off the relief rolls, thereby saving the Government that much money by using their own funds. The answer to that is: The veterans should prefer using their money—and I am sure they do—in a way that will prevent them from accepting relief rather than have the Government and the banks consume the remainder due through the payment of compound interest.

INSURANCE FEATURE WILL BE LOST

Veterans are paying $163,000 daily to the banks and to the Government in compound interest on loans made to them on their adjusted-service certificates.

The beneficiary of the average veteran who dies this year will receive approximately $400, after the loan and interest are paid. The beneficiary of the average veteran who dies in 1944 will receive $68.50. On an average, 80 veterans are

dying each day; therefore, approximately $32,000 is paid to the beneficiaries of these veterans each day. It is unfair for the Government to require 3,000,000 veterans to lose the remainder due on their adjusted-service certificates by compelling them to pay compound interest to the banks and to the Government in order to permit the beneficiaries of less than one-half million of these veterans to receive benefits from the certificates instead of permitting the veterans themselves to collect the remainder due.

SHOULD HOLDERS OF GOVERNMENT BONDS BE PAID 10 YEARS EARLY?

Suppose holders of Government bonds want their bonds paid 10 years before they are due. Are they not asking for the same thing that the soldier is asking for? No; the man who bought the bond made a contract with the Government. He entered into that contract voluntarily. The soldier who accepted the adjusted-service certificate was compelled to take it or nothing. It was not a contractual obligation; he was forced to take it just like he was forced to serve.

SUBSISTENCE

January 9, 1918, the Quartermaster General testified before the Committee on Military Affairs. On page 714 of the proceedings, he stated that the subsistence cost per man was $152 per annum. Of course, this did not include tents and tent poles and articles that should not be considered in the computation. But it did include all subsistence.

Therefore, $30 a month is $360 a year; add $152 to that and you will have $512 each soldier cost the Government a year. And, since it is admitted that civilians received from $5 to $20 a day, it must be admitted that there is a considerable difference between the two.

SENATOR OWEN ENDORSES H. R. 1

Former United States Senator Robert L. Owen, president of the National Monetary Conference, Inc., president of the Sound Money League of America, former chairman United States Senate Banking and Currency Committee, author of the Federal Reserve Act, has endorsed H. R. 1 for the payment of the adjusted-service certificates, as follows:

EXTRACTS OF LETTER

Answering your request, I respectfully state that in my judgment the issuance of noninterest-bearing Treasury notes to pay the ex-service men's adjusted-compensation certificates could not possibly expand unjustifiably credit and currency, for the following reasons:

1. If such notes prove to be excessive as pocket money, the excess would flow back into the banks, precisely as the two billions of reserve notes issued in January and February 1933, flowed back into the banks, and were retired in the usual manner. We have, therefore, both reason and experience to teach us there is no danger of undue expansion of pocket money through such issue. Further, your bill provides for the retirement of Federal Reserve notes in the event there is danger of undue expansion of the currency.

2. But up to June 1934 (our last report) over $20,000,000,000 of demand and time deposits had been canceled by the payment of debts due the banks. This retired 20 billions, approximately, of working capital needed in production and employment. To replace two billions of this enormous shrinkage of money needed in production is not only harmless, but absolutely necessary as a partial step to recovery.

Your bill itself provides for the retirement of an equal amount of Federal Reserve notes if needed. But it is a useless precaution, except to satisfy the hypercritical. Your bill is preferable to the Vinson bill, because it will not impose on the Government the annual interest charge and the annual amortization charge against the Budget. Those who think in terms of the taxpayers ought to keep this item steadily in mind. For if we incur the charge we have got to pay the taxes.

When the Government expands credit to replace the credit destroyed, our production and employment will be restored to normal, our national revenues to normal, and the Budget will balance itself. The enormous expenditures for emergency purposes will cease—a matter greatly to be desired. The National Monetary Conference on January 16, 1935, passed a resolution which endorses your bill, H. R. 1.

UNITED STATES NOTES—ERRONEOUS STATEMENT ANSWERED

It has been suggested that our bill, H. R. 1, does not provide for a gold reserve against the new currency that is to be issued. This statement is erroneous as our bill, section 2, subsection B, provides:

The provisions of sections 1 and 2 of the act of March 14, 1900, as amended (U. S. C., title 31, secs. 314 and 408), and section 26 of the Federal Reserve Act, as amended (U. S. C., title 31, sec. 409), are hereby made applicable to such notes in the same manner and to the same extent as such provisions shall apply at the time of the enactment of this act or in the future to United States notes.

Title 31, section 314, provides that all forms of money issued by the United States shall be maintained at a parity value with the gold standard and it shall be the duty of the Secretary of the Treasury to maintain such parity. Section 408 of title 31, provides for a reserve fund of $150,000,000 in gold to redeem United States notes. It is the duty of the Secretary of the Treasury to acquire additional gold for this purpose when needed and the method is set forth for the acquisition.

UNANSWERABLE ARGUMENT

The fact that this $150,000,000 has remained in the Treasury for 35 years and not $1 of it has been demanded in return for United States notes is the best evidence that any statement to the effect that we cannot use $8,000,000,000 in gold to keep our money on a parity is absolutely ridiculous.

Section 409 of title 31 gives the Secretary of the Treasury the power to acquire gold on the security of United States bonds for the purpose of maintaining the parity of all forms of money issued by the United States and to strengthen the gold reserve.

Public Law No. 87, January 30, 1934, provides that all rights, titles, and interest in and to all gold passed to and is vested in the United States Government. Section 6 of that act provides as follows:

That the reserve for the United States notes shall be maintained in gold bullion equal to the dollar amounts required by law.

Therefore, under existing law, if the United States notes we propose are issued, the Secretary of the Treasury will set aside sufficient gold bullion for a reserve when and if needed.

TITLE TO ALL GOLD IN UNITED STATES

Therefore, the title of all the eight and one-half billion dollars in gold being in the Government of the United States, no further power or authority is needed to protect the money we propose to have issued to pay the adjusted-service certificates.

QUESTIONS AND ANSWERS WHICH I HAVE PREPARED ON THE PAYMENT OF THE ADJUSTED-SERVICE CERTIFICATES

1. Q. What is an adjusted-service certificate?—A. It is a Government obligation payable to an honorably discharged veteran of the World War who served longer than 110 days, payable in 1945, or 20 years from date of issuance, in return for services rendered.

Such a certificate is often referred to as a "bonus certificate." It is not a "bonus certificate" and should not be referred to as a "bonus." The term "soldiers' bonus" is a misnomer. It was coined by the enemies of the law in order that our cause might be condemned every time it is used. It is a soldier debt and should not be referred to as a "bonus."

2. Q. Why did the veterans who served less than 100 days not receive such a certificate?—A. When each veteran was discharged he received $60 cash bonus to purchase civilian clothing, shoes, and so forth. The veteran had given his civilian outfit to the Red Cross when he entered the service. All veterans entitled to receive $50 or less were paid in cash and not given a certificate. In arriving at the amount of an adjusted-service certificate the first 60 days were deducted on account of the $60 payment.

3. Q. How did the Government arrive at the amount of an adjusted-service certificate?—A. Each veteran was allowed $1 a day extra for each day he served in the United States, and $1.25 a day extra for each day he served overseas with a limitation of $500 for home service and $625 for service overseas. John Doe, a veteran, was entitled to a credit of $460; $210 for 210 days home service and $250 for 200 days service overseas. The first $60 was deducted, reducing his credit to $400. Since he was being given a certificate due in the future, 20 years from date, the Government increased the amount of his credit by 25 percent for waiting, making the credit $500. He was then given a certificate for an amount equal to the $500 credit with 4 percent interest, compounded annually, for the 20 years, which amounted to $1,000. His certificate was dated January 1, 1925, and made

payable January 1, 1945, or at death. This illustration represents the average veteran's adjusted-service certificate.

4. Q. Why did Congress agree to give the veterans this extra amount?—A. When the Selective Service Act and other various legislative proposals were pending in Congress, relating to induction and enlistment of soldiers, sailors, and marines, the question of pay was very much debated. It was understood then that the pay agreed upon by Congress could be adjusted after the emergency in the event an adjustment was due. Many Members of Congress insisted on a $3 a day minimum pay. The war cost the United States more than $36,000,000,000; all the man power in uniform received less than $4,500,000,000 of this amount, or less than one-eighth of the cost of the war.

5. Q. Did others receive adjusted pay from the Government for their services after the war?—A. Seven thousand war contractors received adjusted pay amounting to billions, directly and indirectly, after the war was over; many of them had invalid and illegal contracts which were validated by Congress. They were paid in cash. The railroad owners received a guaranteed return during the war equal to the average return 3 years prior to America's entrance into the war, which was the most prosperous period of railroading in the United States; in addition, they were given $3,000,000 a day extra pay for the next 6 months after being released from Government operation. Their adjustments in pay amounted to between one and two billion dollars; they were paid in cash. There were about 500,000 Federal civilian employees during the war, all of them receiving $2,500 a year or less had their pay adjusted, and the average received $1,000 extra pay. It was paid in cash. Many soldiers worked on the public roads in America during the war, side by side with civilians who were receiving $8 a day; these soldiers received an adjustment of $7 a day, representing the difference between their soldier pay of $1 a day and the $8 a day drawn by the civilians. They were paid in cash after the war. Foreign countries, our allies during the war, were loaned billions of dollars by our Government after the war was over. They used a part of this money to pay their own veterans' adjusted compensation and bonuses aggregating as high in some instances as $7,290 each.

6. Q. Are the veterans asking for the payment of a debt that is not due until 1945?—A. The debt is really past due now, although payable in 1945. The adjusted-service certificate gives the veteran the $1 a day for home service and the $1.25 a day for service overseas as of January 1, 1925, thereby depriving the holder of approximately 7 years' interest. If one is entitled to a certain amount daily or monthly over a period of time, the interest should be computed by allowing full interest from a date representing a time halfway between the beginning and ending of the period, about June 5, 1918.

7. Q. If the veterans are allowed interest from the time the services were rendered instead of from 1925, will they be receiving special favors from the Government?—A. No; it has always been the policy of the Government to deal with others in that manner. For instance, when the war was over, applications for tax refunds were filed by individuals and corporations, many of them claiming that they had paid too much income taxes during the war and others claiming that they failed to deduct a sufficient amount for depreciation of their facilities used in war services. These claims were made although they had made and sworn to the income-tax returns themselves. The Secretary of the Treasury refunded to large income-tax payers more than three thousand million, or $3,000,000,000, from the year 1922 to the year 1929, inclusive—an amount more than sufficient to pay the remainder of the adjusted-service certificates in full. Much of this money was refunded or given back to them on the theory that the taxpayers did not charge off a sufficient amount for depreciation in value of their properties during the war from 1917–19. A large part of it was refunded in plain violation of the law. A large number of the beneficiaries of these large gifts were war profiteers and should have been convicted of treason for dissipating and plundering our resources during the war. When each refund was paid, the Treasury also paid the one receiving it 6-percent interest from the year it was claimed the deduction should have been made. On one refund to the United States Steel Corporation of $15,736,595.72, interest amounting to more than $10,099,765 was paid. Mr. Andrew Mellon while Secretary of the Treasury made large refunds to himself and to his companies, and in each case allowed 6-percent interest from the year he claims the credits should have been given and not from 1925, the date of the adjusted-service certificates, or 7 years later. Those who are so loud in their denunciation of the proposal to pay the veterans this honest debt have been just as silent as the tomb while these war profiteers were wrongfully getting billions of dollars from the Treasury.

One receiving a tax refund in 1925 for an alleged overpayment in 1918 was paid 6-percent interest from 1918 on the amount of the payment. There is no reason why the veterans should not be paid from the time they rendered their services until 1925, the date of the certificates.

8. Q. Why do you say that the certificates are past due?—A. If a holder of an adjusted-service certificate is paid the extra pay Congress has acknowledged and confessed was due him wtih 6-percent interest, compounded annually, from the time the services were rendered, he was entitled to an amount equal to the face or maturity value of his certificate October 1, 1931.

In other words, if a veteran is given his adjusted-service credit as of the time he rendered the service, without deduction of the $60 and without adding the 25-percent increase, he was entitled to an amount equal to the full face value of his certificate on October 1, 1931. If you allow him the 25-percent increase, or a portion of it for the number of years elapsed since 1925, the full face value of his certificate was due long before October 1, 1931.

9. Q. Is the interest rate suggested too high?—A. No. The veterans for many years were required to pay the Government 6-, 7-, and 8-percent interest, compounded annually, for their own money when they borrowed on their certificates. The amount charged on these high interest rates is now a part of the loans, and compound interest is being paid on the amount annually. If it was fair for the veterans to pay 6-, 7-, and 8-percent interest, compounded annually, for their own money, and then receive it in small dribs, certainly it is not unfair for the Government to pay the veterans this 6-percent rate.

10. Q. You have stated that $60 was deducted from each veteran's adjusted-service claim before arriving at the amount of his certificate; why was this $60 deducted?—A. In February 1919 Congress passed a law giving each ex-service man $60 additional pay upon discharge, considered to be an amount sufficient to purchase a civilian suit of clothes, the soldier having given his civilian clothing to the Red Cross when he entered the service, and it was sent to foreign countries to relieve distress there. The $60 was authorized to be given to all officers, including the major general, who received $8,000 a year with additional allowances, as well as the private who had served only 1 day in the military service. When the adjusted-compensation law was passed, the veterans receiving the certificates were required to account for the $60; in other words, to pay it back. The officer who drew $8,000 a year was permitted to keep his $60 and make no return to the Government, although such officer, or any other officer above the grade of captain, did not receive an adjusted-service certificate, Congress feeling that such officers were not entitled to have their pay adjusted. Neither was the private who served 3 days required to pay his $60 back to the Government. So why should the Government play the role of Indian giver to the holders of adjusted-service certificates? The $60 should not have been deducted. A compromise entered into by uninformed persons with the wise, greedy Secretary of the Treasury caused this chiseling amendment to be accepted.

11. Q. What did the veterans receive for their services during the war?—A. An enlisted man, private, received $1 a day, except the overseas service, when he received 10 percent

extra, or $1.10 a day. They were permitted and in many cases required to make allotments of a certain amount of their pay monthly to their dependents; the amount varied from $5 to $25 a month and were deducted from the amount due them. They also paid for altering and mending their clothing and shoes, barber bills, laundry bills, and other incidental expenses. In addition, the average veteran had deducted from his pay $6.60 a month for insurance; if he had anything remaining after these deductions were made, he was usually required to subscribe for a Liberty bond on the installment plan or be called a slacker disguised in American uniform.

12. Q. How many of these certificates are there outstanding; what is their average value, and so forth?—A. December 1934 there were 3,531,800 adjusted-service certificates in force, of the face or maturity value of $3,485,650,000; 3,037,500 of these certificates have been pledged to the Government and to the banks for loans aggregating $1,465,500,000 not including interest after October 1, 1931. These certificates range in value from $126 to $1,590 each, and their average value is approximately $1,000, to be exact, $959.88.

13. Q. Why were the veterans not paid in cash in 1924 when the debt was confessed by Congress?—A. Mr. Andrew Mellon, Secretary of the Treasury, convinced Congress that there was going to be a deficit of more than $600,000,000 at the end of that fiscal year. Congress, therefore, did not feel that the payment could be made. However, after the tombstone certificates had been issued and the fiscal year expired there was a surplus in the Treasury of more than $300,000,000. It was Mellon's billion dollar error that caused the issuance of the I O U's payable in 1945.

14. Q. Have the veterans obtained loans on their certificates?—A. Yes; the average veteran has obtained a loan amounting to 50 percent of the face value of his adjusted-service certificate under the law of 1931. Most of the veterans, however, had borrowed on their certificates before the 50-percent loan act was passed. In fact, the average veteran holding a thousand dollar certificate obtained a loan of $87.99 in 1927, $26.79 in 1928, $26.33 in 1929, $24.59 in 1930, and $23.50 in 1931, before the passage of the 50-percent loan act. When the 50-percent loan act was passed he borrowed $271.99 additional, which included the amount he had borrowed with interest to date. The veterans have borrowed the accumulated interest on the amount due them, the principal remains intact if their debts are adjusted in the same way that the Government adjusted the debts of others on contracts growing out of the World War. A veteran who has borrowed the limit on his certificate, if the contract is not revised to do equity, will obtain the following additional sums the dates indicated, and the remainder will be consumed or eaten up by the payment of interest: January 1, 1942, $30.04; January 1, 1943, $38.25; January 1, 1944, $39.79; and on January 1, 1945, he will be given $68.50, and the debt will be liquidated, nothing before 1942.

15. Q. Would it not be better for the veterans to keep their certificates as a nest egg to be used in 1945 as suggested by Mr. Andrew Mellon?—A. If the remainder is not paid now, practically all of the remainder due will be consumed by compound interest required to be paid on prior loans. The veterans will be benefited more by substantial payments than they will be by receiving their money in dribs; it will benefit the country more.

16. Q. If the veterans are not paid now, how much will be received in future by those who have borrowed the limit allowed by law, and will continue to borrow the limit on their certificates?—A. The following statement will answer for the average veteran holding a certificate of the average value:

Tabulation to show average adjusted-service credit, average amount of certificate, and amounts of principal and interest on loans, and amounts of cash to veterans as loans and at maturity. Assuming loans by a bank in the eleventh (Texas) Federal Reserve district at the maximum interest rate chargeable from 1927 to 1931, inclusive, then a loan on March 1, 1931, for the 50-percent loan value and redemption of the note by the Government in 6 months:

Certificate dated Jan. 1, 1925, made payable Jan. 1, 1945 average adjusted-service credit, $1 per day home service, $1.25 overseas, and after deducting $60	$400
Amount of additional 25 percent added for deferred payment from 1925 to 1945	100
Total amount applied to purchase certificate (no interest allowed from 1918 to 1925)	500
Amount of certificate issued for the above amount at 4 percent compounded annually from Jan. 1, 1925	1,000

Year	Loan value	Outstanding indebtedness	Interest rate	Interest due beginning of period	Cash to veteran
			Percent		
1927	$87.99	$87.99	6		$87.99
1928	120.06	93.27	6	$5.28	26.79
1929	153.59	127.26	[1] 7	7.20	26.33
1930	188.67	164.08	7	10.49	24.59
1931	225.38	201.88	7	13.21	23.50
Emergency Loan Act, Mar. 1, 1931	500.00	228.01	4½	2.63	271.99
Redemption by the Government:					
Sept. 1, 1931	500.00	511.25	4½	11.25	
1932	500.00		4½		
July 21, 1932		533.68	3½	22.43	
Sept 1, 1933	500.00	552.36	3½	18.68	
1934	500.00	571.69	3½	19.33	
1935	500.00	591.70	3½	20.01	
1936	500.00	612.41	3½	20.71	
1937	500.00	633.84	3½	21.43	
1938	535.73	656.02	3½	22.18	
1939	589.05	678.98	3½	22.96	
1940	645.06	702.74	3½	23.76	
1941	703.92	727.34	3½	24.60	
Jan 1, 1942	765.86	735.82	3½	8.48	30.04
1943	831.12	792.67	3½	26.81	38.45
1944	900.00	860.21	3½	29.09	39.79
Jan 1, 1945	1,000.00	931.50		31.50	68.50
Total				362.03	637.97

[1] Mar 2, 1929.

17. Q. How much money will be required to pay the remainder due?—A. About $2,000,000,000. All except about 500,000 veterans have borrowed the limit allowed by law on their certificates.

18. Q. If this amount of money is needed in circulation, would it not be better for the country to provide that amount for public buildings or highway construction?—A. No; because it would not be so well distributed in that way; it would go to certain localities and certain cities and only to people engaged in that kind of work. If it is paid to the veterans, it will go into every nook and corner of America; will raise the per capita circulation of money about $15, can be paid immediately without waiting for blueprints, and will place purchasing power into the hands of consumers who will put it into circulation.

19. Q. You are asking that money be distributed to one class, are you not?—A. No; every class, race, and creed; every occupation, avocation, trade, and business will get a share. It is the only plan yet suggested that will cause such a wide distribution of money to such a large number of consumers without payment of a dole.

20. Q. Are you asking for a revision of the contract?—A. Yes; in order that another part of the contract, the legislative intent, may be carried out. Congress contemplated that the veterans should be paid the adjusted pay as of the time the services were rendered and not 7 years later without interest. The report of the Committee on Ways and Means of the House reporting the adjusted-compensation legislation in the year 1924 states two objects they had in mind, as follows:

> That it should represent an amount approximately equal to the difference between what the soldier received and what he should have received. That it should confer substantial benefits upon the soldiers.

The first object is not carried out by paying the veterans the amount representing that difference 7 years later. The second object is not carried out if the money is paid in dribs and a large part of the principal consumed by the payment of compound interest on loans.

21. Q. Have others ever asked the Government for a revision of contracts?—A. Yes; the foreign countries that borrowed billions from us asked for a revision of their contracts.

In the revision that was granted them they were given more than $10,000,000,000 by our Government. Hundreds of thousands of income-tax payers have asked the Government to revise their income-tax returns and allow them credits, refunds, and abatements. This has been done and more than three and one-half billion dollars refunded in that manner. The income-tax returns were prepared wholly by the ones wanting the refunds, yet they asked for a revision and got it. The foreign countries asking for a revision of their contracts were parties to the contracts and had a voice in their making. The veteran had no other alternative than to accept the adjusted-service certificate in the form in which it was offered to him. He did not make it out and agree to it like the income-tax payers or the foreign countries.

22. Q. Did not the veterans agree to accept payment in 1945?—A. No. They were told what would be given them and were never asked to enter into any agreement at all.

23. Q. While a mechanic enlisted as a soldier, what was received by mechanics who stayed at home?—A. As everyone knows, they received America's all-time high wages for mechanics. Laborers were paid as much as $6 and $8 a day; and the soldier, through service, probably lost from $1 to $10 a day as compared with what he could have made had he not served with the armed forces. The adjustment that was made of his compensation was only a partial adjustment. During the war some laborers in shipyards, doing piecework, are reported to have made as high as $70 a day. Of course, such cases were exceptional.

24. Q. Did the United States pay her soldiers more than any other country engaged in the war?—A. The United States paid a private $30, while Canada paid her privates $33, New Zealand $36.60, and Australia $43.10 a month. When the corporal in the United States Army was receiving $36 a month, the Australian corporal was receiving $72.90. While the sergeant in the United States Army was receiving $38 a month, the Australian sergeant was receiving $76.10 a month.

25. Q. Is it not a fact that the 25-percent increase that the Government allowed the veteran in addition to his $1 and $1.25 a day was intended to compensate him for the loss of interest from 1917–18 to 1925?—A. No; it is not a fact, although a former national commander of the American Legion, Mr. Edward Spafford, made this contention before the delegates at the Portland convention. Mr. Charles M. Kinsolving, national commander of the Veterans' Association, is also contending that the 25-percent increase on the adjusted-service credits was intended to compensate the veteran for the loss of interest from the time he rendered the service until 1925, the date of his certificate. Both Mr. Spafford and Mr. Kinsolving are mistaken. The CONGRESSIONAL RECORD and the reports of the committees reporting the legislation in Congress clearly disclose that there was no such intent. Congress intended, as disclosed by these records, that the 25 percent would compensate the veteran for waiting from 1925 to 1945 for his money. As positive and convincing evidence that the 25-percent increase was not to compensate the veterans for waiting until 1925 from the time the services were rendered, the ones receiving $50 or less in cash did not receive the 25-percent increase, neither did the beneficiaries of the ones who died prior to the passage of the act receive the 25-percent increase. In other words, a veteran who served 105 days during the war was paid $60 on discharge. After the Adjusted Compensation Act was passed and in 1925 he was paid $45 additional. He was not paid the 25-percent increase which he would have been paid if it was intended to cover the period between the time he rendered the services until 1925. The widow of a veteran who died in the service and who was entitled to a claim of $460 received $400 in 1925; $60 was deducted and the $400 was paid without the 25-percent increase. These two illustrations are convincing proof that Mr. Spafford and Mr. Kinsolving are wrong. Further, Mr. Andrew Mellon, when he was Secretary of the Treasury, and Mr. Ogden Mills, when he was Under Secretary, both testified before the Senate committee in opposition to my bill, and both admitted in my presence that the 25 percent extra was for waiting from 1925 to 1945, and was not intended as interest from 1917–18 to 1925.

26. Q. Would it not be better to permit this amount of money to be loaned to big business institutions in order that they may employ labor and get the money in circulation in that way?—A. Labor has already produced more than can be sold. Owing to the lack of purchasing power among the masses, we have underconsumption, not overproduction. Business institutions will not employ labor to produce an additional surplus. The next move toward prosperity will have to be made by the consumers. The farmers and wage earners are the principal consumers. The additional money we propose to place in circulation will cause commodity prices to rise, which will enable farmers to purchase what they need, thereby creating an incentive for manufacturing industries to employ labor and produce more. The large manufacturing industries can get all the credit they want from the banking institutions when they have a real demand for goods, and unless there is a demand they will not use the credit, except to bolster up the financial position of the industry or to pay dividends.

27. Q. Will it wreck the country to make the payment now?—A. The payment can be made without a bond issue, without increasing taxes, without increasing our national indebtedness, and without unbalancing the Budget.

28. Q. What is your plan?—A. It is to have the Government convert the veterans' adjusted-service certificates—which are noncirculating Government obligations—into United States notes—Government circulating obligations.

29. Q. Will not that plan involve the issuance of "fiat" or "printing press" money, and will it not be unbridled inflation?—A. No; it will be the same kind of money as all other paper money now in circulation, which together represent about 90 percent of our circulating medium at this time. The bill to pay these certificates has a provision against unbridled inflation and provides for controlled expansion of the currency. According to the terms of the bill, if there should be danger of unbridled inflation, the Government will be privileged to withdraw from Federal Reserve banks and national banks a sufficient amount of the currency issued to them in return for Government bonds to prevent such inflation. Personally, I expect the money issued to the veterans to remain in circulation. No one will be paying interest on it. Someone is paying interest on money issued by banks every day it is outstanding. We have $8,000,000,000 in gold. This is sufficient for the issuance of $20,000,000,000 on the basis of a 40-percent gold reserve. We only have about $5,000,000,000 in circulation now. Therefore we could go back on the gold standard and still be able to issue additional money to the amount of $15,000,000,000. No logical reason can be given why this money should not be issued.

30. Q. Is there a precedent for issuing such money?—A. Either of the 12 Federal Reserve banks can obtain money from the Bureau of Engraving and Printing by making deposits of United States Government obligations. They can deposit a million dollars in Government bonds and receive a million dollars in new money. The only cost to such Federal Reserve bank is the cost of printing, which is about 27 cents a thousand dollars. National banks are permitted to the extent of their capital stock to deposit with the Treasurer of the United States direct obligations of the Government and receive in return national bank currency greenbacks. Such banks must deposit 5 percent of the money in a retirement fund. While the banks, both national and Federal Reserve, obtain the use of the money, they also get interest on the bonds deposited.

31. Q. Compare your plan with the plan used by the national banks and Federal Reserve banks to obtain money from the Government on Government obligations.—A. The veteran has a Government obligation payable January 1, 1945. We are asking that he be permitted to deposit that obligation and receive new money in return for the remainder due in the same way and manner that national banks and Federal Reserve banks are permitted to deposit Government obligations, payable in 1945, and receive new money in return for them. In each case a Government obligation pay-

able in the future is deposited to authorize the issuance of money. In each case a noncirculating Government obligation, or Government bond is converted into a circulating obligation money. The veteran will not continue to draw interest on the deposited obligation until it is payable. In the case of a veteran, the total indebtedness of the Nation will not be increased. In the case of the banks, the total indebtedness of the Nation is increased. In other words, if the Government issues a thousand dollar bond and sells it to a bank, that is one obligation. If the Government accepts the deposit of that thousand dollar bond and issues a thousand dollars in new currency to the owner, that is an additional Government obligation, as the Government guarantees to pay both the money and the bond. In neither case will there be a specific gold reserve set aside as a fractional coverage to redeem the paper money.

However, we have ample gold for that purpose. The Bureau of Engraving and Printing is running every working day and often overtime in order to print money to replace worn-out bills and new money for the national banks and Federal Reserve banks; it has 4,500 employees and prints a billion new bills a year; it turns out about 4 tons of new paper money a day. There are 500 bills to the pound, whether they are $1 bills or $10,000 bills. The money to be issued to the veterans will be the same kind of money. The money issued to the banks is sound. Therefore, the money issued to the veterans will be sound. It costs the Government tens of millions of dollars a year to pay interest on the Government bonds which the banks deposit to secure the paper money they obtain from the Government. Since the War between the States we have had outstanding in this Nation $346,000,000 in United States notes. This is a free medium of exchange and no one is paying interest on it. The fact that the people have not had to pay interest on that paper money has saved them an outlay through the years of more than $11,000,000,000 on the basis of 5 percent compound interest annually.

32. Q. Why do banks object to the payment of the adjusted-service certificates in full now?—A. The reason is obvious. At this time the banks are receiving interest from the veterans on their adjusted-service certificates. There is one bank in St. Paul, Minn., that has loaned an enormous sum of money on adjusted-service certificates. In fact, it has loaned a sufficient amount to enable the bank to construct two 30-story office buildings and pay for them with the annual interest installments that the veterans must make on their adjusted-service certificates, which the bank holds, between now and 1945. Many other banks are also profiting through these loans. Further, the banks do not want money put into circulation upon which no interest is being paid while it is outstanding. If the $2,000,000,000 are put into circulation like we propose, no one will be drawing interest on that money while it is outstanding. Whereas if the banks get new money from the Government in exchange for Government obligations and lend it to the people, someone is paying interest on every dollar of that money all the time that it is outstanding.

33. Q. Would paying the certificates in full now with new money help balance the Budget by eliminating the amount set aside annually to retire the certificates in 1945?—A. The country really needs this additional money in circulation, and I do not believe that it will ever have to be retired. As the country increases in wealth, population, and national income, the money should increase per capita. The country's wealth, population, and national income have increased the last 1 or 2 decades to the extent that more than $2,000,000,000 is needed in circulation, and it will not have to be retired. That being true, Congress can eliminate from its annual Budget the $112,000,000 payment each year, which now goes into a sinking fund to retire these certificates by 1945.

34. Q. If the certificates are paid now, can the Government be saved annual expenses in administration of the act?—A. Yes; it is now costing the Government from a half million to three-quarters million dollars a year to administer the Adjusted Compensation Act. If the certificates are paid now, this expense can be abolished, thereby saving the Government many millions of dollars between now and 1945.

35. Q. Is the Government now making a profit on the interest charged on adjusted-service certificate loans?—A. Yes; the Government is borrowing all the money it wants for 13 to 20 cents per hundred dollars a year on short-term paper. The veterans are being charged compound interest at the rate of $3.50 per hundred dollars a year. They have been charged as high as 6- and 8-percent interest, compounded annually, which was not paid and which was added to the principal and now the veterans are paying 3½ percent, compounded annually on the unpaid 6- and 8-percent interest.

36. Q. Were the veterans given free war-risk insurance?—A. No; but they carried war-risk insurance with the Government by paying premiums monthly out of their pay. The average premium was $6.60 a month, which was deducted from the soldier's $30 a month. Much of the Government's cost of veterans' relief at this time is on account of insurance benefits paid to veterans; a benefit that they are entitled to receive, because they paid for it with their own money.

37. Q. Where does the responsibility for the issuance of money rest?—A. Under our Federal Constitution sole authority and responsibility rests with the Congress; section 8, article I, devoted to the duties of the Congress, reads, in part: "To coin money and regulate the value thereof."

38. Q. In what respect has the Congress departed from the above?—A. Under the Federal Reserve laws the issuance of currency is delegated to privately owned and, with the exception of limited governmental supervision, privately controlled banks.

39. Q. Is such private ownership and control objectionable?—A. Yes; in violating both the letter and the spirit of the Constitution in creating an agency whose interests and profit incentives are at variance with the public's; in the unwarranted expansion of credit banks are permitted to create under the law, the chief source of all inflation and resulting deflation. This has been frequently pointed out by J. S. Cullinan, of Houston, Tex., one of the best-informed men on this subject.

40. Q. Why is such expansion of credit undesirable?—A. In the unjustifiable amount of interest collected by the member banks, the law permitting them to extend credit and collect interest on $10 or more for each dollar of money deposited with the Reserve banks. In their control over the property or securities placed with the member banks as security or collateral by borrowers, and the impossibility of all borrowers meeting their obligations or protecting such property or securities when, through lack of confidence or other causes deflation of credit occurs.

41. Q. How can such conditions be prevented?—A. By restoring the control of the issuance of money, its expansion or contraction, to the Government, where, under our Constitution, it properly belongs.

42. Q. Should the basis of issuing money be changed?—A. Yes; the volume of money should be regulated to conform with national wealth, which it represents, and national income, which as the medium of exchange it is designed to facilitate, in addition to the existing basis—population.

43. Q. Should the volume of credit that may now be issued by member banks under the law continue while the volume of currency is being increased?—A. No; as non-interest-bearing currency is being expanded to pay the veterans, and to meet governmental and individual requirements, the privilege extended by the Government to banks of issuing interest-bearing credit should be contracted.

DO THE VETERANS NEED IT AND WILL THEY WASTE IT?

Let the following letter answer the question:

Hon. WRIGHT PATMAN,
House of Representatives, Washington, D. C.

My DEAR MR. PATMAN: I have your letter of October 3, 1931, asking for certain information resulting from the study you understand the Veterans' Administration to have made concerning the direction in which the veterans spent money obtained from loans on their adjusted-service certificates.

You are advised that a general study on this matter has been made, which permits the following broad conclusions in answer to your questions:

(1) The average percent of veterans obtaining loans for personal and family needs was 65 percent.

(2) The percent of veterans who used funds for investment purposes was 20 percent.

(3) The percent of veterans who used funds secured for the purchase of automobiles, purpose undetermined, was 8 percent.

(4) The percent of veterans who utilized funds in such a way as to receive no practical benefits therefrom was 7 percent.

You will realize, of course, that these average percentages are estimates based upon such data as might be secured and upon such impressions as may have been gained by our managers and by those with whom our field managers came in contact. The final figures were secured by average field returns. Generally speaking, it is felt that of the 2,000,000 loans made the data fairly represent the direction in which the money was expended.

I might add that endeavor was made to determine the degree of employment among those securing loans, and from the available data secured it appears that 32 percent of the veterans obtaining loans were unemployed and in need and utilized funds secured by borrowing on their adjusted-service certificates to meet that need.

The foregoing represents the only data which are thus far available as a result of this study.

Very sincerely yours,

FRANK T. HINES, *Administrator.*

The money used for investment purposes included payments on homes. Many of the veterans are paying 10 percent interest on installment loans on their homes.

According to General Hines, the veterans wasted less than 7 percent of the money which was paid to them in 1931. It is true that they used about 8 percent for the purchase of automobiles, but it should be remembered that an automobile, in many cases, is a necessity. There were 32 percent of the veterans unemployed in 1931; I believe that the number at this time is 32 percent. The average age of the veteran at this time is approximately 42 years. There will never be a time in their lives when the money can be used for a better purpose, or when they will have better judgment to use in spending it than now.

If H. R. 1 becomes a law, it will be a long step in a direction of stopping the issuance of more tax-exempt interest-bearing bonds, not another dollar's worth of them should ever be issued. There is no difference between many of the Government obligations that are deposited by banks as collateral security for the issuance of money and the adjusted-service certificates, a Government obligation held by the veterans. They are both made payable in 1945. They are both backed by the credit of this Nation. They are both obligations of this Nation. Money purchased one, services the other. If it is fair for the bank, it is fair for the veterans. In our plan, if there is too much money in circulation, the banks will be required to return their currency or part of it and receive their bonds in exchange, thereby taking a certain amount of money out of circulation.

If this bill is enacted into law, the veterans in the following-named States will receive the amounts indicated:

Alabama (50,867)	$26, 888, 528. 74
Arizona (10,870)	6, 668, 187. 11
Arkansas (43,849)	21, 993, 238. 27
California (200,424)	122, 833, 011. 86
Colorado (34,259)	19, 362, 059. 24
Connecticut (44,043)	26, 914, 018. 40
Delaware (4,884)	3, 527, 070. 50
District of Columbia (28,281)	16, 278, 716. 59
Florida (39,535)	21, 921, 858. 79
Georgia (58,583)	32, 262, 946. 70
Idaho (13,575)	7, 411, 798. 86
Illinois (253,343)	141, 472, 589. 16
Indiana (95,587)	50, 730, 624. 28
Iowa (79,814)	41, 019, 480. 37
Kansas (57,114)	31, 436, 036. 43
Kentucky (63,696)	84, 261, 787. 60
Louisiana (53,885)	27, 849, 762. 05
Maine (21,412)	12, 121, 627. 12
Maryland (48,424)	27, 931, 248. 31
Massachusetts (137,113)	83, 147, 947. 57
Michigan (134,009)	77, 476, 794. 12
Minnesota (85,532)	52, 789, 520. 36
Mississippi (36,802)	19, 308, 411. 76
Missouri (111,706)	60, 820, 922. 70
Montana (18,106)	10, 281, 687. 92
Nebraska (40,233)	21, 602, 190. 95
Nevada (3,066)	1, 771, 846. 11
New Hampshire (12,370)	7, 298, 113. 14
New Jersey (116,440)	69, 579, 645. 59
New Mexico (10,101)	$5, 810, 422. 87
New York (377,182)	221, 373, 427. 96
North Carolina (63,926)	34, 622, 162. 80
North Dakota (16,174)	8, 762, 475. 18
Ohio (182,692)	106, 061, 344. 03
Oklahoma (67,181)	35, 202, 766. 82
Oregon (35,376)	20, 679, 034. 90
Pennsylvania (259, 931)	155, 594, 459. 25
Rhode Island (20,739)	12, 356, 383. 60
South Carolina (35,747)	19, 316, 831. 04
South Dakota (22,713)	11, 757, 600. 97
Tennessee (59,009)	32, 497, 536. 52
Texas (148,771)	83, 696, 221. 25
Utah (14,387)	8, 035, 096. 92
Vermont (8,243)	5, 042, 465. 50
Virginia (63,132)	36, 811, 791. 20
Washington (56,335)	34, 079, 306. 15
West Virginia (43,294)	23, 345, 392. 42
Wisconsin (88,036)	47, 177, 680. 61
Wyoming (11,177)	6, 329, 955. 57

The figures in parentheses represent the number of veterans holding certificates and the other figures represent the total amount that will be paid to them after deducting all prior loans and interest before October 1, 1931.

There are 3,531,800 veterans of the World War who hold adjusted-service certificates as of December 1, 1934. The aggregate face or maturity value of these certificates is $3,485,650,000, or an average of $959.88 each. After the 50 percent loan act was passed veterans who were entitled to certificates of small amounts applied for them, which caused the amount of the average certificates to be reduced.

It is estimated that 49,806 of these veterans reside in Philippine Islands, Puerto Rico, Hawaii, Canal Zone, Canada, Cuba, Mexico, and other places outside of the limits of the United States.

Three million thirty-eight thousand five hundred of the three million five hundred and thirty-one thousand eight hundred veterans holding certificates have borrowed $1,465,000,000 on their certificates, not including interest after October 1, 1931. It is estimated that 150,000 of these loans aggregating $60,000,000 were made by banks, and the remaining 2,888,500 loans were made by the Government, principally from the War Risk Insurance fund, and the adjusted-service certificate fund.

After deducting all prior loans, with interest to October 1, 1931, there is estimated to be a remainder due to the 3,531,800 veterans the sum of $2,015,162,456.76, which includes the amount due the ones who have not negotiated loans on their certificates; interest on loans prior to October 1, 1931, amounts to a comparatively small sum.

If the face or maturity value of these certificates is paid in full at this time there will be a remainder due the veterans in each county in the United States approximately as follows as of December 1, 1934: (This information compiled from information obtained from the Veterans' Administration, Statistical Division of the Bureau of Internal Revenue, and from other governmental sources.)

ALABAMA

(50,867 certificate holders)

Autauga	$200, 110. 74
Baldwin	287, 444. 53
Barbour	329, 470. 42
Bibb	211, 145. 58
Blount	284, 711. 22
Bullock	203, 382. 58
Butler	306, 811. 30
Calhoun	565, 063 37
Chambers	399, 459. 30
Cherokee	205, 445. 26
Chilton	249, 747. 22
Choctaw	208, 432. 59
Clarke	264, 318 58
Clay	180, 540. 65
Cleburne	130, 843. 20
Coffee	330, 891. 52
Colbert	365, 407. 46
Conecuh	258, 364 07
Coosa	126, 606 06
Covington	420, 218 32
Crenshaw	240, 368. 62
Cullman	417, 119. 21
Dale	235, 181. 17
Dallas	550, 810 13
De Kalb	407, 496. 74
Elmore	349, 319. 08
Escambia	284, 131. 99
Etowah	644, 197. 24
Fayette	187, 309 22
Franklin	257, 804. 89
Geneva	305, 886. 74
Greene	200, 623 94
Hale	266, 878. 66

ALABAMA—continued

Henry	$231,874.02
Houston	466,745.53
Jackson	374,747.84
Jefferson	4,384,400.37
Lamar	182,908.16
Lauderdale	417,921.93
Lawrence	273,757.66
Lee	366,436.09
Limestone	372,187.27
Lowndes	232,463.36
Macon	275,393.58
Madison	656,634.29
Marengo	370,124.59
Marion	263,850.69
Marshall	404,428.12
Mobile	1,202,686.44
Monroe	305,541.27
Montgomery	1,002,596.03
Morgan	469,194.34
Perry	268,097.98
Pickens	253,029.22
Pike	327,590.64
Randolph	272,934.62
Russell	278,177.70
St. Clair	240,046.11
Shelby	280,199.74
Sumter	273,625.57
Talladega	459,693.80
Tallapoosa	316,901.27
Tuscaloosa	651,858.59
Walker	604,020.64
Washington	166,284.76
Wilcox	252,805.68
Winston	158,470.96
Total	26,888,528.74

ARIZONA

(10,870 certificate holders)

Apache	$271,964.39
Cochise	627,638.39
Coconino	215,305.78
Gila	474,823.95
Graham	158,800.26
Greenlee	151,344.78
Maricopa	2,311,199.73
Mohave	85,301.75
Navajo	324,581.42
Pima	852,343.89
Pinal	338,038.03
Santa Cruz	148,252.36
Yavapai	435,847.23
Yuma	272,745.15
Total	6,668,187.11

ARKANSAS

(43,849 certificate holders)

Arkansas	$274,557.60
Ashley	309,659.12
Baxter	117,197.93
Benton	434,034.94
Boone	183,904.35
Bradley	215,386.13
Calhoun	120,066.63
Carroll	194,775.84
Chicot	278,817.56
Clark	306,962.79
Clay	335,846.74
Cleburne	140,024.38
Cleveland	156,904.13
Columbia	336,363.84
Conway	270,236.09
Craighead	550,838.88
Crawford	277,623.29
Crittenden	488,995.71
Cross	316,701.58
Dallas	180,629.36
Desha	268,573.97
Drew	245,353.54
Faulkner	349,426.88
Franklin	194,061.75
Fulton	133,388.21
Garland	443,613.68
Grant	121,076.21
Greene	321,675.63
Hempstead	379,788.27
Hot Spring	222,908.76
Howard	215,324.57
Independence	298,258.20
Izard	158,480.07
Jackson	344,034.22
Jefferson	789,864.05
Johnson	237,486.17
Lafayette	208,491.41
Lawrence	266,714.86
Lee	327,954.75
Lincoln	249,318.00
Little River	191,020.68
Logan	296,842.32
Lonoke	415,640.81
Madison	104,168.21
Marion	109,281.32
Miller	370,574.84
Mississippi	853,086.17
Monroe	254,255.12
Montgomery	132,575.62
Nevada	251,250.99
Newton	130,063.97
Ouachita	308,005.68
Perry	94,740.84
Phillips	500,889.10
Pike	145,183.11
Poinsett	365,604.84
Polk	182,919.39
Pope	326,846.67

ARKANSAS—continued

Prairie	$186,982.35
Pulaski	1,695,694.83
Randolph	207,715.76
St. Francis	411,146.93
Saline	192,806.00
Scott	145,318.54
Searcy	136,121.18
Sebastian	670,092.92
Sevier	201,473.57
Sharp	131,923.08
Stone	98,409.82
Union	687,009.60
Van Buren	147,276.15
Washington	483,307.56
White	471,167.93
Woodruff	279,260.79
Yell	262,405.66
Total	21,903,238.27

CALIFORNIA

(200,421 certificate holders)

Alameda	$10,274,568.59
Alpine	5,214.28
Amador	183,776.19
Butte	737,636.15
Calaveras	129,989.09
Colusa	221,942.09
Contra Costa	1,700,762.69
Del Norte	102,533.01
Eldorado	180,119.70
Fresno	3,123,784.05
Glenn	236,589.66
Humboldt	935,389.19
Imperial	1,317,697.31
Inyo	141,824.00
Kern	1,786,984.52
Kings	549,229.86
Lake	155,043.58
Lassen	272,375.61
Los Angeles	47,782,932.92
Madera	371,360.31
Marin	901,096.13
Mariposa	69,949.19
Mendocino	508,551.18
Merced	795,079.73
Modoc	173,910.17
Mono	20,424.96
Monterey	1,161,961.38
Napa	495,309.50
Nevada	229,255.06
Orange	2,567,630.67
Placer	529,389.65
Plumas	171,205.67
Riverside	1,753,035.27
Sacramento	3,072,290.57
San Benito	244,724.80
San Bernardino	2,897,060.40
San Diego	4,536,182.13
San Francisco	13,725,748.59
San Joaquin	2,227,209.84
San Luis Obispo	640,706.87
San Mateo	1,674,734.58
Santa Barbara	1,409,953.22
Santa Clara	3,139,773.05
Santa Cruz	809,960.39
Shasta	301,324.58
Sierra	52,402.40
Siskiyou	551,285.28
Solano	883,484.43
Sonoma	1,346,235.20
Stanlaus	1,225,484.68
Sutter	316,275.50
Tehama	300,004.78
Trinity	60,775.53
Tulare	1,675,535.12
Tuolumne	200,587.36
Ventura	1,189,460.74
Yolo	511,561.59
Yuba	245,157.52
Total	122,833,011.86

COLORADO

(34,259 certificate holders)

Adams	$378,439.79
Alamosa	160,797.19
Arapahoe	423,340.38
Archuleta	59,892.38
Baca	197,585.01
Bent	170,741.87
Boulder	606,700.01
Chaffee	151,899.32
Cheyenne	69,594.04
Clear Creek	40,283.42
Conejos	183,247.48
Costilla	108,026.85
Crowley	110,924.27
Custer	39,703.94
Delta	265,515.38
Denver	5,380,985.68
Dolores	26,354.52
Douglas	65,388.12
Eagle	73,351.34
Elbert	122,999.94
El Paso	926,612.01
Fremont	353,222.93
Garfield	186,462.68
Gilpin	22,655.92
Grand	39,404.85
Gunnison	103,316.22
Hinsdale	8,393.16
Huerfano	318,939.97
Jackson	25,908.50
Jefferson	407,694.53
Kiowa	70,771.70

COLORADO—continued

Kit Carson	$181,789.43
Lake	91,577.01
La Plata	242,541.68
Larimer	619,429.95
Las Animas	673,097.55
Lincoln	146,710.05
Logan	372,850.58
Mesa	484,298.25
Mineral	11,963.52
Moffat	90,886.68
Montezuma	145,786.02
Montrose	219,193.21
Morgan	341,782.82
Otero	455,922.27
Ouray	33,348.32
Park	38,358.04
Phillips	108,363.33
Pitkin	33,086.61
Prowers	275,946.07
Pueblo	1,234,448.34
Rio Blanco	55,705.14
Rio Grande	186,051.43
Routt	174,816.94
Saguache	116,831.25
San Juan	36,170.96
San Miguel	40,825.52
Sedgwick	104,306.74
Summit	18,450.00
Teller	77,407.72
Washington	179,284.57
Weld	1,216,858.23
Yuma	254,467.81
Total	19,362,059.24

CONNECTICUT

(44,043 certificate holders)

Fairfield	$6,476,871.80
Hartford	7,052,953.66
Litchfield	1,382,730.45
Middlesex	860,697.62
New Haven	7,762,307.31
New London	1,992,561.54
Tolland	480,009.60
Windham	905,886.42
Total	26,914,018.40

DELAWARE

(4,884 certificate holders)

Kent	$471,119.44
New Castle	2,382,629.48
Sussex	673,321.58
Total	3,527,070.50

DISTRICT OF COLUMBIA

(28,281 certificate holders)

Total	16,278,716.50

FLORIDA

(39,535 certificate holders)

Alachua	$513,103.82
Baker	93,662.17
Bay	180,530.73
Bradford	140,426.06
Brevard	198,328.48
Broward	300,023.52
Calhoun	108,966.44
Charlotte	59,918.11
Citrus	82,359.40
Clay	102,411.73
Collier	43,046.08
Columbia	218,559.98
Dade	2,134,461.11
De Sota	115,040.60
Dixie	95,812.09
Duval	2,321,815.30
Escambia	800,212.02
Flagler	36,819.85
Franklin	93,811.48
Gadsden	446,287.59
Gilchrist	61,769.55
Glades	41,239.43
Gulf	47,510.45
Hamilton	141,157.68
Hardee	154,500.99
Hendry	52,139.06
Hernando	73,878.59
Highlands	137,245.76
Hillsborough	2,292,192.19
Holmes	192,908.25
Indian River	100,396.05
Jackson	477,329.14
Jefferson	200,194.85
Lafayette	65,114.10
Lake	345,816.90
Lee	223,815.69
Leon	350,520.16
Levy	185,980.54
Liberty	60,724.38
Madison	233,132.64
Manatee	335,977.37
Marion	441,629.12
Martin	76,312.35
Monroe	203,419.95
Nassau	139,978.13
Okaloosa	147,772.11
Okeechobee	61,650.10
Orange	742,623.15
Osceola	189,746.77
Palm Beach	773,142.12
Pasco	187,880.44
Pinellas	927,946.72
Polk	1,079,376.93

FLORIDA—continued

Putnam	$270,191.38
St Johns	278,851.36
St. Lucie	105,368.07
Santa Rosa	210,273.28
Sarasota	185,741.64
Seminole	279,732.29
Sumter	158,925.57
Suwannee	234,879.57
Taylor	196,133.62
Union	110,907.47
Volusia	638,404.77
Wakulla	81,642.71
Walton	217,634.26
Washington	181,859.58
Total	21,921,858.79

GEORGIA

(58,583 certificate holders)

Appling	$144,989.46
Atkinson	75,075.66
Bacon	76,828.95
Baker	85,138.02
Baldwin	249,141.42
Banks	105,665.67
Barrow	135,046.89
Bartow	276,213.96
Ben Hill	142,081.83
Berrien	159,194.94
Bibb	838,987.38
Bleckley	99,458.37
Brantley	75,083.85
Brooks	232,283.70
Bryan	64,817.28
Bulloch	288,683.01
Burke	318,249.36
Butts	101,767.05
Calhoun	115,172.64
Camden	69,020.82
Campbell	107,843.67
Candler	97,911.99
Carroll	373,262.08
Catoosa	102,504.69
Charlton	47,709.09
Chatham	1,148,143.59
Chattahoochee	96,855.66
Chattooga	167,782.23
Cherokee	217,832.67
Clarke	278,925.57
Clay	75,649.27
Clayton	111,771.40
Clinch	76,393.35
Cobb	385,593.12
Coffee	214,957.71
Colquitt	333,473.58
Columbia	95,[illegible]77
Cook	127,176.79
Coweta	273,633.03
Crawford	76,447.80
Crisp	188,865.27
Dade	45,149.94
Dawson	38,136.78
Decatur	257,243.58
De Kalb	766,327.42
Dodge	235,213.11
Dooly	196,292.25
Dougherty	242,912.34
Douglas	103,680.29
Early	198,902.97
Echols	29,862.16
Effingham	110,645.98
Elbert	201,301.65
Emanuel	262,459.89
Evans	77,340.78
Fannin	141,232.41
Fayette	94,361.85
Floyd	529,983.63
Forsyth	115,605.36
Franklin	173,172.78
Fulton	3,460,412.43
Gilmer	79,976.16
Glascock	47,785.32
Glynn	211,266.00
Gordon	183,452.94
Grady	200,088.00
Greene	137,388.24
Gwinnett	303,319.17
Habersham	138,825.72
Hall	330,108.57
Hancock	142,332.30
Haralson	142,332.30
Harris	121,314.60
Hart	165,241.86
Heard	99,120.78
Henry	173,412.36
Houston	122,839.20
Irwin	132,847.11
Jackson	235,322.01
Jasper	93,588.66
Jeff Davis	88,405.02
Jefferson	225,717.03
Jenkins	140,568.12
Johnson	138,096.09
Jones	97,922.88
Lamar	106,123.05
Lanier	50,519.10
Laurens	350,056.77
Lee	90,991.92
Liberty	88,786.17
Lincoln	85,453.83
Long	45,520.20
Lowndes	226,634.66
Lumpkin	53,655.03
McDuffie	98,162.46
McIntosh	62,759.07

GEORGIA—continued

Macon	$181,242.27
Madison	162,489.69
Marion	75,881.52
Meriwether	244,338.93
Miller	98,837.64
Milton	73,289.70
Mitchell	257,221.80
Monroe	126,389.34
Montgomery	009,117.80
Morgan	100,351.35
Murray	626,806.62
Muscogee	188,288.10
Newton	135,904.32
Oconee	88,012.98
Oglethorpe	140,775.03
Paulding	134,241.03
Peach	111,818.52
Pickens	105,491.43
Pierce	136,364.58
Pike	118,189.17
Polk	273,785.49
Pulaski	98,064.45
Putnam	91,116.63
Quitman	41,599.80
Rabun	68,944.59
Randolph	187,024.86
Richmond	794,861.10
Rockdale	78,919.83
Schley	58,228.83
Screven	223,277.67
Seminole	80,466.21
Spalding	255,860.55
Stephens	127,848.60
Stewart	121,031.46
Sumter	291,852.00
Talbot	92,107.62
Taliaferro	67,213.08
Tattnall	167,825.79
Taylor	115,619.13
Telfair	163,317.33
Terrell	199,178.10
Thomas	355,144.68
Tift	174,980.52
Toombs	186,926.85
Towns	47,327.94
Treutlen	81,544.32
Troup	400,229.28
Turner	121,924.44
Twiggs	91,171.08
Union	69,042.60
Upson	212,453.01
Walker	285,383.34
Walton	229,975.02
Ware	280,216.62
Warren	121,761.09
Washington	272,576.70
Wayne	137,725.83
Webster	54,798.48
Wheeler	99,632.61
White	65,949.84
Whitfield	226,599.12
Wilcox	146,350.71
Wilkes	173,630.16
Wilkinson	118,091.16
Worth	229,713.66
Total	32,262,946.70

IDAHO

(13,573 certificate holders)

Ada	$632,475.23
Adams	47,812.96
Bannock	521,423.09
Bear Lake	131,281.35
Benewah	106,249.17
Bingham	309,541.80
Blaine	62,838.94
Boise	30,802.42
Bonner	219,335.91
Bonneville	327,936.53
Boundary	75,963.74
Butte	32,253.32
Camas	23,531.25
Canyon	515,819.61
Caribou	35,371.92
Cassia	218,735.54
Clark	18,711.60
Clearwater	110,051.51
Custer	52,732.08
Elmore	74,896.41
Franklin	156,413.59
Fremont	165,502.55
Gem	123,726.67
Gooding	126,411.06
Idaho	168,554.44
Jefferson	152,944.77
Jerome	139,386.37
Kootenai	324,684.52
Latah	296,817.25
Lemhi	77,431.32
Lewis	87,354.15
Lincoln	54,066.84
Madison	138,685.94
Minidoka	140,136.84
Nez Perce	293,365.11
Oneida	97,893.90
Owyhee	68,425.74
Payette	112,042.29
Power	74,329.39
Shoshone	317,863.62
Teton	59,586.93
Twin Falls	497,441.56

IDAHO—continued

Valley	$58,169.38
Washington	132,782.28
Yellowstone National Park	16.64
Total	7,411,798.86

ILLINOIS

(253,343 certificate holders)

Adams	$1,164,015.36
Alexander	417,928.68
Bond	267,087.24
Boone	279,546.12
Brown	146,317.68
Bureau	720,186.30
Calhoun	148,950.36
Carroll	341,747.82
Cass	306,559.98
Champaign	1,191,621.42
Christian	605,954.52
Clark	331,346.88
Clay	299,513.70
Clinton	396,181.26
Coles	691,820.10
Cook	73,828,560.42
Crawford	390,915.90
Cumberland	193,168.26
De Kalb	605,219.76
De Witt	344,806.92
Douglass	332,125.56
Du Page	1,705,642.92
Edgar	462,869.64
Edwards	153,937.62
Effingham	352,501.02
Fayette	435,448.98
Ford	287,166.06
Franklin	1,102,054.68
Fulton	815,444.82
Gallatin	187,087.14
Greene	378,531.18
Grundy	346,290.12
Hamilton	240,927.30
Hancock	489,826.80
Hardin	128,945.70
Henderson	162,744.12
Henry	812,997.54
Iroquois	610,207.02
Jackson	661,507.20
Jasper	237,478.86
Jefferson	575,370.36
Jersey	232,788.24
Jo Daviess	375,156.90
Johnson	189,163.62
Kane	2,323,562.58
Kankakee	928,761.30
Kendall	195,689.70
Knox	951,769.44
Lake	1,935,334.98
La Salle	1,811,265.30
Lawrence	405,747.90
Lee	509,379.66
Livingston	724,765.68
Logan	535,120.02
McDonough	506,679.66
McHenry	650,364.66
McLean	1,355,689.18
Macon	1,515,292.74
Macoupin	902,953.62
Madison	2,666,608.20
Marion	660,672.90
Marshall	241,446.42
Mason	280,232.10
Massac	261,061.74
Menard	196,060.50
Mercer	308,524.14
Monroe	229,321.26
Montgomery	654,054.12
Morgan	634,809.60
Moultrie	245,599.38
Ogle	521,307.72
Peoria	2,620,517.76
Perry	422,100.18
Piatt	289,001.52
Pike	451,578.78
Pope	148,245.84
Pulaski	275,022.36
Putnam	97,056.90
Randolph	543,463.02
Richland	260,542.62
Rock Island	1,820,651.14
St. Clair	2,925,148.50
Saline	687,834.00
Sangamon	2,071,529.82
Schuyler	216,473.04
Scott	158,313.06
Shelby	472,232.34
Stark	170,271.36
Stephenson	742,786.56
Tazewell	854,360.28
Union	368,630.82
Vermillion	1,656,345.06
Wabash	244,672.38
Warren	403,162.30
Washington	301,942.44
Wayne	354,670.20
White	336,482.46
Whiteside	723,412.26
Will	2,052,971.28
Williamson	908,935.20
Winnebago	2,176,095.42
Woodford	348,403.68
Total	141,472,589.16

INDIANA

(95,587 certificate holders)

Adams	$328,512.18
Allen	2,415,536.53
Bartholomew	409,286.31
Benton	196,105.45
Blackford	224,149.44
Boone	366,915.69
Brown	85,070.45
Carroll	247,721.59
Cass	568,200.80
Clark	500,406.21
Clay	435,870.82
Clinton	449,862.67
Crawford	167,243.76
Daviess	425,220.56
Dearborn	346,602.82
Decatur	284,906.99
De Kalb	410,059.98
Delaware	1,107,331.47
Dubois	388,322.94
Elkhart	1,133,751.38
Fayette	316,759.03
Floyd	570,455.96
Fountain	295,820.64
Franklin	238,651.58
Fulton	247,540.52
Gibson	480,694.13
Grant	840,597.43
Greene	518,208.75
Hamilton	385,911.69
Hancock	273,334.91
Harrison	284,018.10
Hendricks	324,693.23
Henry	580,052.72
Howard	768,662.86
Huntington	478,570.66
Jackson	390,636.00
Jasper	220,379.87
Jay	343,146.01
Jefferson	315,754.91
Jennings	194,239.80
Johnson	357,302.47
Knox	721,205.80
Kosciusko	452,479.97
Lagrange	226,832.58
Lake	4,301,423.91
La Porte	995,725.89
Lawrence	585,731.77
Madison	1,364,419.37
Marion	6,957,505.03
Marshall	412,792.50
Martin	166,305.49
Miami	477,895.76
Monroe	502,168.02
Montgomery	444,117.78
Morgan	319,738.47
Newton	161,992.71
Noble	368,792.25
Ohio	61,670.37
Orange	287,392.60
Owen	186,848.82
Parke	272,610.63
Perry	273,664.13
Pike	269,318.43
Porter	375,656.49
Posey	293,878.24
Pulaski	184,280.90
Putnam	336,564.53
Randolph	409,204.00
Ripley	297,581.96
Rush	349,540.94
St Joseph	2,634,303.22
Scott	109,696.11
Shelby	437,072.48
Spencer	275,112.70
Starke	174,815.82
Steuben	220,346.95
Sullivan	436,097.32
Switzerland	138,799.16
Tippecanoe	782,473.64
Tipton	250,338.89
Union	96,790.68
Vanderburg	186,536.52
Vermillion	382,520.72
Vigo	1,627,350.93
Wabash	414,323.37
Warren	150,897.99
Warrick	300,084.03
Washington	268,067.39
Wayne	902,210.95
Wells	303,063.46
White	260,594.10
Whiteley	262,240.20
Total	50,730,624.28

IOWA

(79,814 certificate holders)

Adair	$235,660.82
Adams	177,063.71
Allamakee	277,004.52
Appanoose	421,325.78
Audubon	208,058.76
Benton	387,667.22
Black Hawk	1,173,061.89
Boone	496,582.52
Bremer	289,185.39
Buchanan	331,665.75
Buena Vista	316,685.66
Butler	298,872.41
Calhoun	298,668.83
Carroll	378,760.59
Cass	329,494.23
Cedar	284,333.40

IOWA—continued

Cerro Gordo	$652,745.34
Cherokee	317,873.21
Chickasaw	248,316.71
Clarke	176,164.56
Clay	273,255.26
Clayton	416,643.44
Clinton	752,855.81
Crawford	356,740.02
Dallas	422,488.75
Davis	189,159.75
Decatur	252,829.40
Delaware	307,439.73
Des Moines	647,418.33
Dickenson	186,309.63
Dubuque	138,495.51
Emmet	218,102.04
Fayette	494,444.93
Floyd	331,224.66
Franklin	277,920.63
Fremont	263,517.35
Greene	280,397.52
Grundy	239,766.35
Guthrie	263,901.66
Hamilton	355,891.77
Hancock	251,115.93
Hardin	389,295.86
Harrison	422,377.61
Henry	299,601.90
Howard	221,936.13
Humboldt	223,971.03
Ida	202,443.35
Iowa	294,037.38
Jackson	313,530.17
Jasper	558,759.24
Jefferson	275,528.57
Johnson	513,632.34
Jones	325,829.79
Keokuk	324,845.82
Kossuth	431,703.18
Lee	700,111.62
Linn	1,396,830.24
Louisa	196,369.83
Lucas	256,409.01
Lyon	259,445.75
Madison	243,125.42
Mahaska	437,764.86
Marion	436,485.56
Marshall	572,178.56
Mills	269,166.69
Mitchell	238,612.73
Monona	308,983.55
Monroe	254,644.65
Montgomery	284,197.68
Muscatine	408,516.53
O'Brien	312,308.69
Osceola	172,737.63
Page	439,461.36
Palo Alto	261,227.07
Plymouth	409,857.44
Pocahontas	266,129.96
Polk	2,932,179.71
Pottawattamie	1,185,649.92
Powesheik	317,703.56
Ringgold	203,003.19
Sac	299,279.57
Scott	1,311,937.38
Shelby	290,627.42
Sioux	454,763.79
Story	528,307.07
Tama	373,009.46
Taylor	252,082.94
Union	295,784.78
Van Buren	213,809.90
Wapello	686,743.20
Warren	300,280.50
Washington	336,280.23
Wayne	233,896.46
Webster	685,810.13
Winnebago	222,971.00
Winneshiek	366,952.95
Woodbury	1,724,814.59
Worth	189,397.26
Wright	342,964.44
Total	41,019,480.37

KANSAS

(57,114 certificate holders)

Allen	$357,507.79
Anderson	223,202.12
Atchison	400,192.79
Barber	170,104.92
Barton	330,516.29
Bourbon	374,137.22
Brown	343,502.29
Butler	600,063.56
Chase	116,188.78
Chautauqua	173,012.98
Cherokee	525,740.85
Cheyenne	116,121.93
Clark	80,155.55
Clay	243,274.43
Cloud	300,934.28
Coffey	228,182.59
Comanche	86,542.70
Cowley	683,611.84
Crawford	824,435.58
Decatur	148,177.46
Dickinson	432,365.31
Doniphan	235,034.92
Douglas	420,214.96
Edwards	121,921.34
Elk	153,926.78
Ellis	265,853.70
Ellsworth	169,336.12

KANSAS—continued

Finney	$184,076.99
Ford	345,073 32
Franklin	308,087.12
Geary	240,098.96
Gove	94,311.46
Graham	129,893 44
Grant	51,676.60
Gray	103,804 45
Greeley	28,612.66
Greenwood	321,474.56
Hamilton	55,020 87
Harper	214,310.80
Harvey	360,691.56
Haskell	46,879 97
Hodgeman	69,475 95
Jackson	240,951 29
Jefferson	236,137.98
Jewell	241,703 41
Johnson	454,242 63
Kearny	53,414 75
Kingman	195,107 57
Kiowa	100,862.96
Labette	523,885.70
Lane	56,356.24
Leavenworth	713,193 85
Lincoln	162,233 10
Linn	226,193 75
Logan	69,275 39
Lyon	488,688.12
McPherson	394,226 25
Marion	346,610 91
Marshall	385,334 93
Meade	114,617 76
Miami	355,034 26
Mitchell	213,491.80
Montgomery	859,232.05
Morris	198,199 47
Morton	$68,389.60
Nemaha	306,549.85
Neosho	378,800.15
Ness	139,687 06
Norton	195,558 82
Osage	293,112 60
Osborne	193,335.99
Ottawa	164,104 95
Pawnee	175,653 63
Phillips	203,213 37
Pottawatomie	265,101 61
Pratt	222,483.46
Rawlins	123,041 11
Reno	798,630 71
Republic	246,433 19
Rice	230,639 40
Riley	332,287 87
Rooks	159,341 75
Rush	151,971 31
Russell	184,590 09
Saline	460,309 20
Scott	66,450.89
Sedgwick	2,278,483 29
Seward	134,957 48
Shawnee	1,423,847 60
Sheridan	100,913.10
Sherman	123,676 20
Smith	226,377.59
Stafford	174,817 98
Stanton	35,966 38
Stevens	77,799.02
Sumner	484,008 48
Thomas	122,573 15
Trego	108,133 11
Wabaunsee	181,001 79
Wallace	48,166 87
Washington	285,992 86
Wichita	43,102 83
Wilson	311,630 60
Woodson	142,495.04
Wyandotte	2,360,059.45
Total	31,436,036 43

KENTUCKY

(63,696 certificate holders)

Adair	$214,918.71
Allen	198,918 72
Anderson	111,305 38
Ballard	129,860 64
Barren	338,659 78
Bath	145,126.80
Bell	507,740 69
Boone	125,732 88
Bourbon	236,658.21
Boyd	574,597 30
Boyle	213,359 33
Bracken	126,008.07
Breathitt	277,057.88
Breckinridge	227,590 28
Bullitt	116,206.28
Butler	165,572.48
Caldwell	180,586 23
Calloway	231,442.85
Campbell	961,715.67
Carlisle	96,484 76
Carroll	106,863 12
Carter	312,386 26
Casey	219,452.69
Christian	449,244 44
Clark	231,154 56
Clay	242,764.71
Clinton	117,988 42
Crittenden	156,343 83
Cumberland	133,713 22
Daviess	573,680.02

KENTUCKY—continued

Edmondson	$150,308 40
Elliott	99,210 39
Estill	223,803 22
Fayette	898,187 48
Fleming	169,447.83
Floyd	540,607 97
Franklin	276,022 66
Fulton	195,603.41
Gallatin	58,142 45
Garrard	51,508.45
Grant	129,415.11
Graves	403,314 92
Grayson	223,488.72
Green	140,398 71
Greenup	321,755.62
Hancock	80,550 29
Hardin	274,043 96
Harlan	845,954 93
Harrison	191,712 34
Hart	211,878 58
Henderson	344,569 68
Henry	164,638 66
Hickman	114,332 40
Hopkins	490,731 70
Jackson	137,159 57
Jefferson	4,656,506 40
Jessamine	162,895 53
Johnson	300,972 68
Kenton	1,225,669 54
Knott	199,573 92
Knox	344,189 67
Larue	119,154 68
Laurel	276,612.34
Lawrence	219,097 16
Lee	127,488 82
Leslie	141,064 56
Letcher	467,839 01
Lewis	186,583.76
Lincoln	231,770 45
Livingston	112,799 24
Logan	286,650 00
Lyon	111,777 12
McCracken	606,335 19
McCreary	191,672 21
McLean	145,087 49
Madison	361,945 59
Magoffin	205,981.78
Marion	203,098.90
Marshall	168,897.46
Martin	112,484.74
Mason	247,167 65
Meade	105,382 37
Menifee	64,969 64
Mercer	189,627.99
Metcalfe	122,823 80
Monroe	171,361 01
Montgomery	152,702.64
Morgan	198,263 52
Muhlenberg	495,121.54
Nelson	216,884 31
Nicholas	112,314.39
Ohio	320,641 78
Oldham	96,995 81
Owen	140,343 84
Owsley	94,650 20
Pendleton	142,519 10
Perry	552,805 35
Pike	829,050 77
Powell	76,003 20
Pulaski	467,026 56
Robertson	43,819.78
Rockcastle	198,512 50
Rowan	112,741 88
Russell	156,349 72
Scott	188,697 60
Shelby	231,695 62
Simpson	147,546 95
Spencer	86,565 03
Taylor	157,863 89
Todd	177,169 08
Trigg	164,206 23
Trimble	70,080 20
Union	223,162 52
Warren	411,290 31
Washington	156,411 80
Wayne	267,672 20
Webster	209,077 54
Whitley	359,581 92
Wolfe	110,401 20
Woodford	143,895 03
Total	34,207,787 70

LOUISIANA

(53,885 certificate holders)

Acadia	$[illegible]
Allen	[illegible]
Ascension	[illegible]
Assumption	[illegible]
Avoyelles	[illegible]
Beauregard	[illegible]
Bienville	[illegible]
Bossier	[illegible]
Caddo	1,6[illegible]
Calcasieu	[illegible]
Caldwell	[illegible]
Cameron	[illegible]
Catahoula	[illegible]
Claiborne	[illegible]
Concordia	[illegible]
DeSoto	[illegible]
East Baton Rouge	[illegible]
East Carroll	[illegible]

LOUISIANA—continued

East Feliciana	$232,891.81
Evangeline	340,121.81
Franklin	407,483.91
Grant	209,668.03
Iberia	376,278.63
Iberville	328,843.39
Jackson	184,295.38
Jefferson	534,307.11
Jefferson Davis	263,803.46
Lafayette	518,223.97
La Fourche	432,696.40
La Salle	155,732.80
Lincoln	304,605.24
Livingston	242,995.49
Madison	197,922.67
Morehouse	316,177.09
Natchitoches	513,552.52
Orleans	6,123,096.42
Ouachita	725,235.94
Plaquemines	128,237.98
Pointe Coupee	280,380.43
Rapides	873,627.89
Red River	214,593.07
Richland	352,013.78
Sabine	321,706.17
St. Bernard	86,915.67
St. Charles	161,645.52
St. Helena	113,342.73
St. James	204,716.29
St. John the Baptist	187,899.07
St Landry	801,807.68
St Martin	290,524.15
St. Mary	392,361.76
St Tammany	279,339.37
Tangipahoe	516,991.77
Tensas	201,486.32
Terrebonne	397,954.16
Union	276,696.63
Vermilion	449,580.35
Vernon	267,567.31
Washington	399,128.69
Webster	393,175.93
West Baton Rouge	120,679.46
West Carroll	185,456.57
West Feliciana	145,802.63
Winn	197,081.81
Total	27,849,962.05

MAINE

(21,412 certificate holders)

Androscoggin	$1,082,524.02
Aroostook	1,335,301.45
Cumberland	2,046,738.65
Franklin	303,123.15
Hancock	466,989.93
Kennebec	1,074,573.90
Knox	420,961.30
Lincoln	235,585.10
Oxford	630,583.09
Penobscot	1,404,253.18
Piscataquis	277,129.44
Sagadahoc	257,307.33
Somerset	594,526.32
Waldo	308,367.49
Washington	574,993.03
York	1,108,669.74
Total	12,121,627.12

MARYLAND

(48,424 certificate holders)

Allegany	$1,358,982.74
Anne Arundel	947,824.23
Baltimore	2,140,151.27
Baltimore City	13,828,540.20
Calvert	163,700.57
Caroline	298,726.05
Carroll	618,138.02
Cecil	443,733.69
Charles	277,748.05
Dorchester	460,674.16
Frederick	935,333.64
Garrett	342,039.35
Hartford	542,971.15
Howard	277,799.59
Kent	244,691.81
Montgomery	845,408.29
Prince Georges	1,032,492.20
Queen Annes	250,344.36
St. Marys	260,962.21
Somerset	401,726.15
Talbot	319,274.53
Washington	1,131,918.65
Wicomico	436,545.45
Worcester	371,521.95
Total	27,931,248.31

MASSACHUSETTS

(137,113 certificate holders)

Barnstable	$632,079.63
Berkshire	2,361,616.20
Bristol	7,133,567.94
Dukes	96,910.40
Essex	9,744,650.61
Franklin	970,708.10
Hampden	6,564,314.74
Hampshire	1,424,424.37
Middlesex	18,292,722.99
Nantucket	71,963.75
Norfolk	5,858,569.12

MASSACHUSETTS—continued

Plymouth	$3,175,777.03
Suffolk	17,209,001.38
Worcester	9,611,640.98
Total	83,147,947.57

MICHIGAN

(134,009 certificate holders)

Alcona	$79,205.37
Alger	148,074.46
Allegan	618,751.23
Alpena	294,880.83
Antrim	158,426.61
Arenac	127,119.14
Baraga	145,551.17
Barry	332,252.93
Bay	1,102,969.23
Benzie	104,575.22
Berrien	1,287,003.82
Branch	380,230.20
Calhoun	1,381,894.67
Cass	331,617.89
Charlevoix	190,190.36
Cheboygan	182,605.76
Chippewa	397,646.18
Clare	111,610.04
Clinton	383,786.43
Crawford	49,167.98
Delta	512,577.28
Dickinson	465,343.32
Eaton	503,713.73
Emmet	239,870.49
Genesee	3,360,012.52
Gladwin	17,864.43
Gogebic	501,316.46
Grand Traverse	317,695.64
Gratiot	480,280.76
Hillsdale	435,272.30
Houghton	839,032.48
Huron	494,251.64
Ingham	1,850,945.22
Ionia	557,136.47
Isoco	119,339.90
Iron	330,300.18
Isabella	335,396.38
Jackson	1,465,418.31
Kalamazoo	1,450,558.37
Kalkaska	60,312.93
Kent	3,818,352.64
Keweenaw	80,586.78
Lake	64,551.82
Lapeer	450,052.85
Leelanau	130,278.46
Lenawee	791,402.73
Livingston	305,994.03
Luce	103,638.53
Mackinac	139,438.91
Macomb	1,224,760.90
Manistee	276,385.29
Marquette	699,750.53
Mason	297,770.26
Mecosta	249,856.49
Menominee	375,499.16
Midland	304,025.40
Missaukee	111,005.00
Monroe	833,251.81
Montcalm	436,129.60
Montmorency	44,675.07
Muskegon	1,343,585.88
Newaygo	270,352.41
Oakland	3,353,820.88
Oceana	219,168.18
Ogemaw	104,702.22
Ontonagon	176,445.87
Osceola	203,308.06
Oscoda	27,433.73
Otsego	88,175.31
Ottawa	870,925.61
Presque Isle	179,875.08
Roscommon	32,625.18
Saginaw	1,916,503.10
St. Clair	1,072,630.19
St. Joseph	496,091.47
Sanilac	440,574.88
Schoolcraft	134,168.08
Shiawassee	627,371.90
Tuscola	522,860.19
Van Buren	518,145.02
Washtenaw	1,040,354.28
Wayne	29,988,906.70
Wexford	267,135.46
Total	77,476,794.12

MINNESOTA

(85,532 certificate holders)

Aitkin	$279,752.76
Anoka	343,237.19
Becker	419,433.42
Beltrami	385,957.78
Benton	280,628.79
Big Stone	183,370.49
Blue Earth	630,874.24
Brown	436,674.50
Carlton	395,743.25
Carver	315,670.11
Cass	290,600.65
Chippewa	293,787.92
Chisago	245,829.78
Clay	430,933.68
Clearwater	177,927.90
Cook	45,385.97

MINNESOTA—continued

Cottonwood	$275,521.70
Crow Wing	477,661.66
Dakota	644,760.29
Dodge	226,035.16
Douglas	350,655.51
Faribault	403,385.24
Fillmore	461,277.98
Freeborn	535,703.50
Goodhue	583,717.57
Grant	178,151.57
Hennepin	9,650,904.62
Houston	258,056.96
Hubbard	178,859.85
Isanti	225,177.76
Itasca	507,428.14
Jackson	295,670.46
Kanabec	159,512.57
Kandiyohi	439,395.79
Kittson	180,574.64
Koochiching	262,309.85
Lac qui Parle	287,003.33
Lake	131,740.46
Lake of the Woods	78,171.97
Le Sueur	335,315.61
Lincoln	210,676.62
Lyon	360,217.32
McLeod	352,509.56
Mahnomen	114,685.77
Marshall	316,918.92
Martin	417,532.24
Meeker	333,899.05
Mille Lacs	262,362.57
Morrison	474,213.44
Mower	523,103.54
Murray	259,119.38
Nicollet	308,475.45
Nobles	347,020.91
Norman	262,082.98
Olmstead	660,305.22
Otter Tail	950,700.84
Pennington	195,467.20
Pine	377,700.70
Pipestone	228,104.09
Polk	671,358.15
Pope	243,891.32
Ramsey	5,344,192.72
Red Lake	128,366.80
Redwood	384,336.18
Renville	440,719.16
Rice	558,685.39
Rock	204,320.72
Roseau	235,242.82
St. Louis	3,813,464.85
Scott	263,108.13
Sherburne	180,966.06
Sibley	295,707.74
Stearns	1,157,873.32
Steele	344,355.53
Stevens	189,838.22
Swift	274,645.67
Todd	487,782.63
Traverse	147,956.39
Wabasha	328,288.71
Wadena	204,842.61
Waseca	268,625.27
Washington	461,371.17
Watonwan	238,616.48
Wilkin	182,494.45
Winona	655,040.02
Wright	505,471.05
Yellow Medicine	309,873.38
Total	52,789,520.36

MISSISSIPPI

(36,802 certificate holders)

Adams	$226,497.17
Alcorn	227,352.64
Amite	189,471.75
Attala	250,248.42
Benton	94,322.56
Bolivar	682,942.22
Calhoun	173,784.96
Carroll	189,981.18
Chickasaw	200,266.02
Choctaw	118,602.47
Claiborne	116,805.03
Clarke	189,154.55
Clay	172,352.78
Coahoma	445,295.13
Copiah	303,873.77
Covington	144,449.14
De Sota	244,510.06
Forrest	280,465.38
Franklin	117,020.02
George	72,311.08
Greene	102,310.13
Grenada	161,500.83
Hancock	109,720.98
Harrison	424,302.52
Hinds	818,154.22
Holmes	370,388.81
Humphreys	237,695.15
Issaquena	55,115.21
Itawamba	175,178.70
Jackson	153,532.48
Jasper	179,110.01
Jefferson	137,365.10
Jefferson Davis	137,268.98
Jones	398,821.11
Kemper	210,320.18
Lafayette	192,028.54
Lamar	123,454.98

MISSISSIPPI—continued

Lauderdale	$507,013.78
Lawrence	119,871.26
Leake	209,570.44
Lee	339,428.56
Leflore	514,209.68
Lincoln	253,343.49
Lowndes	288,235.05
Madison	344,071.16
Marion	191,499.88
Marshall	239,040.83
Monroe	347,387.30
Montgomery	144,266.51
Neshoba	256,553.90
Newton	220,210.92
Noxubee	215,682.72
Oktibbeha	196,771.83
Panola	270,364.58
Pearl River	186,[illegible]86
Perry	78,789.57
Pike	300,[illegible]02
Pontotoc	241,700.81
Prentiss	187,175.18
Quitman	[illegible]05
Rankin	195,632.01
Scott	261,026.47
Sharkey	1[illegible]73
Simpson	20[illegible]97
Smith	1[illegible]86
Stone	[illegible]85
Sunflower	[illegible]77
Tallahatchie	341,879.62
Tate	[illegible]66
Tippah	170,349.70
Tishomingo	157,74[illegible]4
Tunica	294,093.60
Union	204,428.02
Walthall	123,328.06
Warren	345,965.42
Washington	522,027.72
Wayne	117,025.54
Webster	116,576.34
Wilkinson	134,154.69
Winston	204,[illegible]27
Yalobusha	179,613.60
Yazoo	358,162.35
Total	19,308,411.76

MISSOURI

(111,706 certificate holders)

Adair	$327,708.49
Andrew	225,[illegible]51
Atchison	224,909.12
Audrain	369,966.37
Barry	382,132.68
Barton	243,996.48
Bates	360,[illegible]55
Benton	196,2[illegible]67
Bollinger	285,693.91
Boone	519,414.21
Buchanan	1,[illegible]91.82
Butler	307,114.33
Caldwell	2[illegible]83
Callaway	355,869.64
Camden	153,264.64
Cape Girardeau	556,115.58
Carroll	344,154.52
Carter	92,219.28
Cass	351,[illegible]20
Cedar	186,617.09
Charlton	328,255.71
Christian	220,686.11
Clark	171,[illegible]54
Clay	449,[illegible]74
Clinton	226,316.79
Cole	510,959.79
Cooper	327,[illegible]68
Crawford	189,[illegible]55
Dade	197,141.12
Dallas	156,[illegible]08
Daviess	241,171.40
De Kalb	[illegible]66
Dent	183,962.30
Douglas	[illegible]93
Dunklin	[illegible]65
Franklin	511,[illegible]41
Gasconade	263,[illegible]33
Gentry	240,[illegible]79
Greene	1,389,[illegible]14
Grundy	270,[illegible]33
Harrison	288,[illegible]62
Henry	384,[illegible]70
Hickory	107,[illegible]91
Holt	213,[illegible]76
Howard	296,[illegible]12
Howell	329,663.38
Iron	161,580.64
Jackson	7,883,808.14
Jasper	1,236,907.98
Jefferson	461,900.76
Johnson	375,597.06
Knox	161,848.77
Laclede	273,490.56
Lafayette	490,322.33
Lawrence	398,401.70
Lewis	262,654.50
Lincoln	235,422.19
Linn	30[illegible]97
Livingston	311,950.17
McDonald	233,539.49
Macon	386,607.06
Madison	157,826.85
Maries	140,230.95

MISSOURI—continued

Marion	$561,275.70
Mercer	156,687.30
Miller	280,327.83
Mississippi	264,139.60
Moniteau	203,995.14
Monroe	225,663.23
Montgomery	218,038.34
Morgan	183,801.75
New Madrid	507,130.60
Newton	451,778.93
Nodaway	44,925.22
Oregon	204,782.76
Osage	208,838.20
Ozark	159,821.05
Pemiscot	624,805.28
Perry	229,701.91
Pettis	580,899.32
Phelps	256,531.47
Pike	301,660.76
Platte	231,578.81
Polk	298,342.68
Pulaski	180,232.29
Putnam	192,767.28
Ralls	179,377.64
Randolph	442,930.70
Ray	332,579.27
Reynolds	149,531.64
Ripley	187,287.41
St. Charles	408,124.34
St. Clair	222,607.07
St. Francois	600,472.66
St. Louis	3,515,875.50
St. Louis City	13,774,405.68
Ste. Genevieve	169,205.53
Saline	512,761.29
Schuyler	116,474.86
Scotland	148,358.58
Scott	417,492.06
Shannon	182,561.66
Shelby	200,811.12
Stoddard	460,040.62
Stone	194,627.42
Sullivan	254,922.70
Taney	148,593.19
Texas	311,363.64
Vernon	419,469.50
Warren	135,438.16
Washington	242,153.10
Wayne	205,168.20
Webster	270,608.19
Worth	109,513.53
Wright	280,545.68
Total	60,820,922.70

MONTANA

(18,106 certificate holders)

Beaverhead	$127,257.75
Big Horn	163,384.88
Beam	172,239.75
Broadwater	52,364.25
Carbon	240,420.38
Carter	79,101.00
Cascade	786,917.25
Chouteau	165,144.38
Custer	215,003.25
Daniels	106,201.13
Dawson	188,074.13
Deer Lodge	311,603.63
Fallon	87,363.00
Fergus	316,155.38
Flathead	367,200.00
Gallatin	308,371.50
Garfield	81,319.50
Glacier	101,305.13
Golden Valley	40,659.75
Granite	57,623.63
Hill	263,446.88
Jefferson	79,043.63
Judith Basin	100,176.75
Lake	182,471.63
Lewis and Clark	348,534.00
Liberty	42,036.75
Lincoln	135,577.13
McCone	91,608.75
Madison	120,927.38
Meagher	43,452.00
Mineral	31,070.25
Missoula	416,580.75
Musselshell	138,503.25
Park	208,883.25
Petroleum	39,110.63
Phillips	156,978.00
Pondera	133,186.50
Powder River	74,759.63
Powell	118,613.25
Prairie	75,371.63
Ravalli	197,274.38
Richland	184,231.13
Roosevelt	204,102.00
Rosebud	140,511.38
Sanders	108,859.50
Sheridan	188,744.63
Silver Bow	1,089,532.13
Stillwater	119,588.63
Sweet Grass	75,429.00
Teton	116,050.50
Toole	128,405.25
Treasure	31,766.63
Valley	213,836.63
Wheatland	71,737.91
Wibaux	52,918.88
Yellowstone	588,763.13
Yellowstone National Park	994.50
Total	10,281,687.92

NEBRASKA

(40,233 certificate holders)

Adams	$415,723.05
Antelope	240,589.34
Arthur	21,264.77
Banner	26,517.68
Blaine	25,062.05
Boone	233,184.64
Box Butte	187,604.75
Boyd	113,427.92
Brown	91,324.59
Buffalo	385,075.84
Burt	206,666.97
Butler	227,995.02
Cass	279,796.25
Cedar	250,908.00
Chase	86,767.85
Cherry	172,428.16
Cheyenne	161,178.72
Clay	214,720.37
Colfax	180,908.75
Cuming	226,681.80
Custer	414,362.36
Dakota	150,388.11
Dawes	181,842.25
Dawson	282,818.25
Deuel	63,161.43
Dixon	183,313.70
Dodge	399,869.41
Douglas	3,686,241.21
Dundy	88,761.42
Fillmore	205,227.17
Franklin	143,885.27
Frontier	128,370.71
Furnas	102,079.08
Gage	478,488.93
Garden	80,676.38
Garfield	50,741.16
Gosper	67,828.92
Grant	22,578.00
Greeley	133,569.33
Hall	429,045.18
Hamilton	102,379.70
Harlan	141,717.66
Hayes	57,006.67
Hitchcock	115,010.12
Holt	261,205.40
Hooker	18,689.96
Howard	158,536.44
Jefferson	259,623.20
Johnson	144,882.06
Kearney	128,063.27
Keith	106,339.67
Keyapaha	50,677.87
Kimball	73,967.85
Knox	302,358.42
Lancaster	1,587,326.33
Lincoln	405,470.40
Logan	31,865.01
Loup	28,764.40
McPherson	21,496.28
Madison	411,957.42
Merrick	168,013.84
Morrill	157,428.90
Nance	137,936.20
Nemaha	195,496.64
Nuckolls	199,816.04
Otoe	314,873.63
Pawnee	149,090.71
Perkins	92,305.55
Phelps	246,527.55
Pierce	175,307.76
Platte	335,125.79
Polk	159,675.63
Redwillow	219,277.10
Richardson	313,686.98
Rock	53,256.86
Saline	258,784.64
Sarpy	164,580.45
Saunders	319,082.28
Scotts Bluff	453,205.37
Seward	252,171.04
Sheridan	170,766.85
Sherman	144,328.29
Sioux	73,841.28
Stanton	123,554.00
Thayer	216,508.25
Thomas	23,891.22
Thurston	165,529.77
Valley	180,831.13
Washington	191,367.09
Wayne	167,175.26
Webster	161,542.62
Wheeler	36,944.37
York	272,755.46
Total	21,802,190.95

NEVADA

(3,066 certificate holders)

Churchill	$99,754.20
Clark	167,705.00
Esmeralda	21,169.52
Eureka	26,201.45
Humboldt	74,594.52
Lander	33,690.39
Lincoln	70,781.26
Lyon	74,899.36
Mineral	36,619.13
Nye	78,407.79
Douglas	36,167.01
Elko	195,773.76
Ormsby	43,655.98
Pershing	34,127.72
Story	13,110.56
Washoe	533,817.65
White Pine	231,370.78
Total	1,771,846.11

NEW HAMPSHIRE

(12,370 certificate holders)

Belknap	$353,868.97
Carroll	223,320.84
Cheshire	526,900.77
Coos	609,396.68
Grafton	669,727.88
Hillsborough	2,192,460.93
Merrimack	898,329.59
Rockingham	840,757.50
Strafford	603,468.35
Sullivan	379,881.62
Total	7,298,112.14

NEW JERSEY

(116,440 certificate holders)

Atlantic	$2,149,077.60
Bergen	6,283,809.01
Burlington	1,610,495.40
Camden	4,344,055.71
Cape May	507,660.47
Cumberland	1,203,382.22
Essex	14,350,593.36
Gloucester	1,218,998.04
Hudson	11,892,298.41
Hunterdon	597,911.98
Mercer	3,222,041.04
Middlesex	3,653,586.14
Monmouth	2,534,497.36
Morris	1,901,531.57
Ocean	509,348.98
Passaic	5,201,755.00
Salem	634,170.98
Somerset	1,121,377.65
Sussex	479,149.11
Union	5,254,783.36
Warren	849,125.23
Total	69,579,645.59

NEW MEXICO

(10,101 certificate holders)

Bernalillo	$604,309.86
Catron	43,657.17
Chaves	260,040.80
Colfax	254,826.42
Curry	210,201.32
De Baca	384,826.69
Dona Ana	365,196.41
Eddy	210,730.29
Grant	253,403.10
Guadalupe	95,473.16
Harding	58,808.15
Hidalgo	66,896.95
Lea	85,727.49
Lincoln	95,717.80
Luna	83,097.60
McKinney	454,593.19
Mora	137,303.25
Otero	130,080.26
Quay	144,034.06
Rio Arriba	284,410.07
Roosevelt	147,771.92
Sandoval	148,237.49
San Juan	198,552.71
San Miguel	814,406.08
Santa Fe	260,280.24
Sierra	68,957.57
Socorro	127,245.53
Taos	191,468.99
Torrance	123,295.24
Union	146,800.88
Valencia	215,306.18
Total	5,810,422.87

NEW YORK

(377,182 certificate holders)

Albany	$3,727,405.46
Allegany	668,707.65
Bronx	22,250,827.19
Broome	2,585,528.90
Cattaraugus	1,273,191.23
Cayuga	1,138,711.03
Chautauqua	2,223,872.81
Chemung	1,313,322.48
Chenang	609,618.69
Clinton	821,037.59
Columbia	731,876.57
Cortland	557,634.48
Delaware	723,892.52
Dutchess	1,854,654.74
Erie	13,407,707.09
Essex	597,202.98
Franklin	803,574.69
Fulton	818,804.16
Genesee	782,014.25
Greene	453,859.49
Hamilton	69,095.40
Herkimer	1,125,609.52
Jefferson	1,469,732.37
Kings	45,027,211.99
Lewis	412,338.95
Livingston	660,539.16
Madison	699,746.94
Monroe	7,454,371.27
Montgomery	1,056,496.54
Nassau	5,329,490.06
New York	32,833,448.84
Niagara	2,626,099.80
Oneida	3,495,446.12
Onondaga	5,128,183.12
Ontario	964,497.74
Orange	2,292,714.49
Orleans	506,388.87

NEW YORK—continued

Oswego	$1,224,776.97
Otsego	821,442.06
Putnam	241,701.99
Queens	18,977,562.60
Rensselaer	2,109,468.67
Richmond	2,784,672.76
Rockland	1,048,108.02
St. Lawrence	1,599,622.56
Saratoga	1,113,440.01
Schenectady	2,198,619.31
Schoharie	345,863.87
Schuyler	227,017.68
Seneca	430,351.04
Steuben	1,453,852.21
Suffolk	2,832,312.23
Sullivan	620,293.40
Tioga	418,091.28
Tompkins	729,613.14
Ulster	1,400,105.83
Warren	660,983.97
Washington	817,132.45
Wayne	879,212.07
Westchester	9,161,373.95
Wyoming	505,843.71
Yates	295,288.93
Total	221,373,427.95

NORTH CAROLINA

(63,962 certificate holders)

Alamance	$164,214.24
Alexander	142,348.76
Alleghany	79,160.98
Anson	393,308.59
Ashe	231,515.31
Avery	130,021.85
Beaufort	385,846.42
Bertie	284,607.51
Bladen	245,627.23
Brunswick	174,251.09
Buncombe	1,078,[illegible].00
Burke	723,9[illegible].56
Cabarrus	4[illegible],379.30
Caldwell	29[illegible],924.25
Camden	69[illegible],48.38
Carteret	18[illegible],179.40
Caswell	209[illegible],67.43
Catawba	4[illegible],664.86
Chatham	2[illegible],73.84
Cherokee	17[illegible],929.42
Chowan	124,282.52
Clay	59,860.95
Cleveland	571,[illegible]84.63
Columbus	415,523.52
Craven	347,805.64
Cumberland	408,132.51
Currituck	74,907.36
Dare	55,305.24
Davidson	527,[illegible]80.84
Davie	1[illegible],476.18
Duplin	38[illegible],091.65
Durham	740,231.14
Edgecombe	527,[illegible]99.31
Forsyth	1,2[illegible]7,277.90
Franklin	324,[illegible]87.30
Gaston	869,272.49
Gates	106,229.82
Graham	61,311.46
Granville	319,412.57
Greene	205,[illegible]14.50
Guilford	1,46[illegible],238.16
Halifax	58[illegible],577.94
Harnett	417,627.58
Haywood	311,455.37
Henderson	257,818.47
Hertford	193,232.68
Hoke	156,911.91
Hyde	94,186.80
Iredell	514,[illegible]0.09
Jackson	192,989.31
Johnston	634,752.94
Jones	114,871.85
Lee	187,228.94
Lenoir	304,447.46
Lincoln	251,957.96
McDowell	224,021.38
Macon	150,610.76
Madison	223,690.90
Martin	257,774.40
Mecklenburg	1,409,728.54
Mitchell	153,805.40
Montgomery	178,657.49
Moore	310,816.44
Nash	581,446.52
New Hanover	473,798.16
Northampton	299,205.58
Onslow	168,423.64
Orange	233,219.74
Pamlico	102,427.79
Pasquotank	210,879.26
Pender	172,796.94
Perquimans	117,518.69
Person	242,781.63
Pitt	599,997.16
Polk	112,539.46
Randolph	399,429.15
Richmond	374,729.26
Robeson	752,695.20
Rockingham	562,730.33
Rowan	624,221.64
Rutherford	446,619.24
Sampson	441,543.32
Scotland	222,236.79
Stanly	332,859.46
Stokes	245,546.64

NORTH CAROLINA—continued

Surry	$437,874 99
Swain	127,433.09
Transylvania	105,632.43
Tyrrell	50,886 63
Union	451,424.67
Vance	300,670.71
Wake	1,043,843.12
Warren	257,377.83
Washington	127,818.65
Watauga	167,057.64
Wayne	583,991.21
Wilkes	398,360.60
Wilson	494,772.63
Yadkin	198,308.16
Yance	159,577.78
Total	34,622,162.80

NORTH DAKOTA

(16,174 certificate holders)

Adams	$81,634.41
Barnes	242,007.48
Benson	171,518.49
Billings	40,411.80
Bottineau	191,158.11
Bowman	65,881.53
Burke	128,674.26
Burleigh	254,427.03
Cass	627,219.45
Cavalier	187,309.98
Dickey	139,986.99
Divide	124,015.32
Dunn	123,114.42
Eddy	81,673.02
Emmons	160,450.29
Foster	81,763.11
Golden Valley	53,050.14
Grand Forks	411,273.72
Grant	130,424.58
Griggs	88,661.43
Hettinger	113,204.52
Kidder	103,358.97
LaMoure	148,223.79
Logan	104,105.43
McHenry	198,699.93
McIntosh	123,822.27
McKenzie	124,954.83
McLean	231,544.17
Mercer	122,470.92
Morton	252,856.89
Mountrail	174,311.28
Nelson	131,312.61
Oliver	54,851.94
Pembina	189,922.59
Pierce	116,782.33
Ramsey	209,163.24
Ransom	141,351.21
Renville	93,474.81
Richland	138,481.20
Rolette	270,372.96
Sargent	119,665.26
Sheridan	94,890.51
Sioux	60,321.69
Slope	53,410.50
Stark	197,425.80
Steele	89,729.64
Stutsman	335,907.00
Towner	108,017.91
Traill	162,162.00
Walsh	258,004.89
Ward	432,393.39
Wells	170,977.95
Williams	251,647.11
Total	8,702,475.18

OHIO

(182,692 certificate holders)

Adams	$325,219.62
Allen	1,107,718.99
Ashland	428,716.72
Ashtabula	1,090,836.48
Athens	704,900.48
Auglaize	447,338.54
Belmont	1,511,431.09
Brown	321,501.64
Butler	1,820,438.39
Carroll	256,221.55
Champaign	384,611.58
Clark	1,451,065.76
Clermont	475,295.21
Clinton	343,825.48
Columbiana	1,380,025.19
Coshocton	462,370.04
Crawford	564,000.17
Cuyahoga	19,171,617.44
Darke	606,509.62
Defiance	362,447.30
Delaware	415,137.32
Erie	672,316.29
Fairfield	702,267.57
Fayette	331,187.54
Franklin	5,761,354.64
Fulton	374,622.49
Gallia	367,808.85
Geauga	245,961.20
Greene	530,513.87
Guernsey	661,992.11
Hamilton	9,404,353.70
Hancock	644,726.63
Hardin	440,971.70
Harrison	300,693.71
Henry	359,415.47
Highland	405,563.12

OHIO—continued

Hocking	$325,634.50
Holmes	266,896 79
Huron	537,750.90
Jackson	309,563 28
Jefferson	1,409,114.80
Knox	468,046.47
Lake	664,992.02
Lawrence	710,740.74
Licking	956,813.04
Logan	462,449 82
Lorain	1,742,600.15
Lucas	5,548,392.52
Madison	323,177.13
Mahoning	3,768,117 90
Marion	724,766 94
Medina	473,555.89
Meigs	382,345 68
Mercer	400,456 88
Miami	818,610.06
Monroe	294,023.69
Montgomery	4,363,936.32
Morgan	216,743 94
Morrow	231,200.98
Muskingum	1,075,469.89
Noble	238,732 68
Ottawa	384,707 32
Paulding	244,158 06
Perry	501,767.87
Pickaway	434,636 77
Pike	221,419.34
Portage	681,076 68
Preble	358,314.41
Putnam	400,095 82
Richland	1,051,598 22
Ross	720,953.22
Sandusky	633,987 57
Sioto	1,296 043 50
Seneca	764,994.54
Shelby	307,712 27
Stark	3,539,007.29
Summit	5,491,208 37
Trumbull	1,963,716 30
Tuscarawas	1,088,155 71
Union	306,246 75
Van Wert	419,218 27
Vinton	164,149 66
Warren	436,392 04
Washington	677,167 21
Wayne	750,361.07
Williams	388,010.42
Wood	802,956 24
Wyandot	303,757.46
Total	106,061,344 03

OKLAHOMA

(67,181 certificate holders)

Adair	$220,720 25
Alfalfa	227,780.43
Atoka	217,384 62
Beaver	171,290 02
Beckham	433,617 38
Blaine	305,921 02
Bryan	482,799 37
Caddo	759,552 29
Canadian	420,544 17
Carter	619,545 41
Cherokee	261,316.26
Chocktaw	361,116.04
Cimarron	80,892 87
Cleveland	373,172.19
Coal	172,331.12
Comanche	513,313.69
Cotton	230,981 44
Craig	270,021 82
Creek	959,032 17
Custer	411,599 29
Delaware	229,904.46
Dewey	198,193.50
Ellis	157,672 28
Garfield	681,905.31
Gravin	469,696 16
Grady	712,569.21
Grant	211,655.70
Greer	303,378.16
Harmon	206,928.98
Harper	116,08).04
Haskell	242,558.93
Hughes	453,735.98
Jackson	432,435 78
Jefferson	260,149 54
Johnston	195,680.56
Kay	750,682.19
Kingfisher	238,729.68
Kiowa	443,205.54
Latimor	167,290.28
Le Flore	641,638.37
Lincoln	504,653.01
Logan	415,249.04
Love	144,180.17
McClain	322,718.85
McCurtain	519,925.13
McIntosh	372,813.20
Major	182,577.35
Marshall	164,926 91
Mayes	267,493 92
Murray	185,628.67
Muskogee	993,570.20
Noble	226,449.17
Nowata	203,593.34
Okfuskee	434,021.33
Oklahoma	3,316,757.01
Okmulgee	845,994.57
Osage	708,020.98
Ottawa	576,511.24

OKLAHOMA—continued

Pawnee	$297,394.96
Payne	552,024.99
Pittsburg	759,537.33
Pontotoc	485,671.31
Pottawatomie	995,783.98
Pushmataha	220,540.76
Roger Mills	211,865.12
Rogers	283,543.85
Seminole	1,190,970.92
Sequoyah	291,755.79
Stephens	494,646.11
Texas	210,907.80
Tillman	364,825.62
Tulsa	2,805,731.90
Wagoner	335,478.03
Washington	415,488.37
Washita	440,288.73
Woods	284,361.79
Woodward	236,994.56
Total	35,202,766.82

OREGON

(35,376 certificate holders)

Baker	$363,243.48
Benton	358,928.96
Clackamas	1,001,770.59
Clatsop	457,989.45
Columbia	434,639.01
Coos	615,155.02
Crook	72,327.82
Curry	70,615.02
Deschutes	319,773.07
Douglas	476,223.17
Gilliam	75,168.03
Grant	128,785.14
Harney	128,351.52
Hood River	193,784.78
Jackson	713,695.16
Jefferson	49,671.18
Josephine	249,288.14
Klamath	702,616.17
Lake	104,784.78
Lane	1,181,462.74
Lincoln	214,706.95
Linn	535,520.70
Malheur	244,323.19
Marion	1,312,589.43
Morrow	107,125.83
Multnomah	7,333,403.13
Polk	365,498.30
Sherman	64,566.02
Tillamook	256,356.15
Umatilla	528,994.72
Union	379,244.06
Wallowa	169,415.34
Wasco	274,177.93
Washington	656,392.28
Wheeler	60,685.12
Yamhill	477,762.52
Total	20,679,034.90

PENNSYLVANIA

(259,931 certificate holders)

Adams	$590,802.84
Allegheny	22,203,503.55
Armstrong	1,281,059.19
Beaver	2,408,096.61
Bedford	602,726.90
Berks	3,743,388.14
Blair	2,259,015.20
Bradford	792,225.05
Bucks	1,562,624.69
Butler	1,300,254.40
Cambria	3,281,823.63
Cameron	85,734.59
Carbon	1,023,903.90
Centre	747,879.57
Chester	2,045,691.50
Clarion	557,848.31
Clearfield	1,401,074.69
Clinton	522,113.45
Columbia	788,412.47
Crawford	1,017,441.90
Cumberland	1,102,342.58
Dauphin	2,669,306.81
Delaware	4,527,664.92
Elk	540,077.81
Erie	2,831,509.94
Fayette	3,207,446.01
Forest	83,682.90
Franklin	1,050,236.55
Fulton	149,126.81
Greene	674,745.89
Huntingdon	630,384.26
Indiana	1,218,006.23
Jefferson	841,901.67
Juniata	231,420.38
Lackawanna	5,014,463.54
Lancaster	3,180,628.71
Lawrence	1,571,202.90
Lebanon	1,084,048.97
Lehigh	2,793,080.42
Luzerne	7,190,735.90
Lycoming	1,509,216.26
McKean	891,222.89
Mercer	1,603,319.13
Mifflin	651,611.93
Monroe	456,960.33
Montgomery	4,294,063.62
Montour	234,522.14
Northhampton	2,735,106.12
Northumberland	2,075,982.12
Perry	351,274.32

PENNSYLVANIA—continued

Philadelphia	$31,517,774.96
Pike	120,877.87
Potter	282,534.80
Schuylkill	3,804,583.28
Snyder	304,295.58
Somerset	1,304,742.42
Sullivan	121,146.35
Susquehanna	546,135.93
Tioga	514,876.01
Union	282,195.54
Venango	1,021,416.03
Warren	669,673.22
Washington	3,308,576.31
Wayne	459,125.10
Westmoreland	4,765,644.23
Wyoming	250,677.14
York	2,700,065.93
Total	155,591,459.25

RHODE ISLAND

(20,789 certificate holders)

Bristol	$450,924.60
Kent	924,632.47
Newport	748,808.97
Providence	9,705,707.57
Washington	527,219.99
Total	12,356,383.60

SOUTH CAROLINA

(35,747 certificate holders)

Abbeville	$257,765.80
Aiken	523,897.96
Allendale	146,925.29
Anderson	894,648.35
Bamberg	214,519.32
Barnwell	234,534.50
Beaufort	211,099.38
Berkeley	245,752.28
Calhoun	184,645.77
Charleston	1,116,804.60
Cherokee	355,885.46
Chester	351,486.76
Chesterfield	379,459.37
Clarendon	331,957.88
Colleton	285,373.70
Darlington	457,851.21
Dillon	284,401.12
Dorchester	209,501.72
Edgefield	213,590.96
Fairfield	257,367.99
Florence	674,470.41
Georgetown	240,248.38
Greenville	1,293,183.47
Greenwood	398,734.06
Hampton	190,569.64
Horry	435,183.56
Jasper	110,387.38
Kershaw	354,437.64
Lancaster	309,234.96
Laurens	465,222.89
Lee	266,309.00
Lexington	403,331.69
McCormick	126,777.50
Marion	300,846.50
Marlboro	349,618.97
Newberry	384,294.42
Oconee	368,783.14
Orangeburg	705,824.93
Pickens	372,551.87
Richland	968,895.69
Saluda	200,571.70
Spartanburg	1,385,601.80
Sumter	507,308.91
Union	341,727.84
Williamsburg	385,869.53
York	590,375.74
Total	19,316,831.04

SOUTH DAKOTA

(22,713 certificate holders)

Armstrong	$1,358.64
Aurora	121,241.64
Beadle	389,190.42
Bennett	77,951.97
Bon Homme	199,329.48
Brookings	286,112.61
Brown	534,251.22
Brule	125,945.93
Buffalo	32,794.18
Butte	145,806.99
Campbell	95,597.31
Charles Mix	283,667.05
Clark	187,186.63
Clay	171,324.51
Codington	296,472.24
Corson	161,932.91
Custer	90,910.00
Davison	285,671.05
Day	248,053.70
Deuel	148,250.56
Dewey	109,981.91
Douglas	122,889.00
Edmunds	147,955.90
Fall River	148,448.41
Faulk	117,097.79
Grant	182,210.61
Gregory	193,945.86
Haakon	79,463.16
Hamlin	140,941.82
Hand	161,083.76
Hanson	101,122.78
Harding	60,951.99

SOUTH DAKOTA—continued

Hughes	$110,033.85
Hutchinson	236,131.64
Hyde	62,667.27
Jackson	44,767.19
Jerauld	98,773.13
Jones	53,955.00
Kingsbury	217,467.32
Lake	210,232.56
Lawrence	236,403.36
Lincoln	236,369.40
Lyman	107,587.31
McCook	175,196.63
McPherson	149,008.85
Marshall	162,017.82
Meade	194,998.81
Mellette	89,891.02
Miner	142,249.61
Minnehaha	863,959.18
Moody	163,087.75
Pennington	341,001.66
Perkins	148,040.82
Potter	97,856.05
Roberts	268,025.71
Sanborn	124,417.46
Shannon	68,917.02
Spink	259,907.84
Stanley	40,436.53
Sully	65,418.54
Todd	100,165.74
Tripp	215,887.90
Turner	252,893.86
Union	194,964.84
Walworth	149,297.56
Washabaugh	42,015.95
Washington	31,027.95
Yankton	281,730.99
Ziebach	68,594.34
Total	11,757,600.79

TENNESSEE

(59,009 certificate holders)

Anderson	$214,947.24
Bedford	261,786.34
Benton	139,563.54
Bledsoe	88,529.76
Blount	422,143.38
Bradley	284,045.40
Campbell	333,191.34
Cannon	110,972.70
Carroll	324,559.44
Carter	362,949.66
Cheatham	112,090.50
Chester	131,089.26
Claiborne	301,967.46
Clay	118,946.34
Cocke	270,445.50
Coffee	208,668.42
Crockett	215,598.78
Cumberland	142,085.80
Davidson	2,767,846.68
Decatur	125,516.52
De Kalb	176,525.46
Dickson	229,658.22
Dyer	390,050.10
Fayette	358,826.22
Fentress	137,067.12
Franklin	270,706.32
Gibson	577,877.76
Giles	347,958.72
Grainger	158,193.54
Greene	436,177.98
Grundy	120,685.14
Hamblen	206,370.72
Hamilton	1,980,952.74
Hancock	120,138.66
Hardeman	275,637.06
Hardin	201,365.46
Hawkins	299,533.14
Haywood	323,702.46
Henderson	219,275.10
Henry	328,285.44
Hickman	169,073.46
Houston	68,993.10
Humphreys	149,524.38
Jackson	168,775.38
Jefferson	222,491.88
Johnson	151,635.78
Knox	1,936,302.84
Lake	130,236.12
Lauderdale	290,702.52
Lawrence	332,557.92
Lewis	65,304.36
Lincoln	315,741.24
Loudon	221,138.10
McMinn	360,415.98
McNairy	247,170.42
Macon	172,290.24
Madison	634,152.78
Marion	217,958.58
Marshall	193,429.08
Maury	422,478.72
Meigs	76,097.34
Monroe	265,502.34
Montgomery	383,554.44
Moore	50,139.54
Morgan	168,949.26
Obion	361,248.12
Overton	224,541.18
Perry	88,765.74
Pickett	69,738.30
Polk	194,820.12
Putnam	295,086.78
Rhea	172,277.82

TENNESSEE—continued

Roane	$304,004.34
Robertson	350,132.22
Rutherford	400,992.12
Scott	174,873.60
Sequatchie	50,203.74
Sevier	254,361.60
Shelby	3,806,506.44
Smith	192,174.06
Stewart	164,912.76
Sullivan	634,500.54
Sumner	355,485.24
Tipton	341,425.16
Trousdale	69,912.18
Unicoi	157,460.76
Union	141,227.82
Van Buren	43,668.72
Warren	250,995.78
Washington	568,898.10
Wayne	150,704.28
Weakley	363,434.04
White	193,044.06
Williamson	283,734.90
Wilson	297,198.18
Total	32,497,536.52

TEXAS

(148,771 certificate holders)

Anderson	$511,954.26
Andrews	10,876.61
Angelina	410,872.74
Aransas	32,792.39
Archer	143,110.16
Armstrong	49,195.97
Atascosa	131,334.82
Austin	278,713.08
Bailey	76,638.71
Bandera	55,919.96
Bastrop	353,016.87
Baylor	109,623.21
Bee	232,324.04
Bell	739,343.34
Bexar	4,323,052.68
Blanco	56,777.08
Borden	22,240.89
Bosque	232,753.50
Bowie	717,663.99
Brazoria	340,692.02
Brazos	322,677.63
Brewster	97,889.48
Briscoe	82,009.02
Brooks	87,204.98
Brown	389,873.20
Burleson	293,313.75
Burnet	153,026.19
Caldwell	463,984.87
Calhoun	79,579.53
Callahan	188,936.73
Cameron	1,145,886.12
Camp	148,711.01
Carson	114,455.61
Cass	443,783.34
Castro	69,752.16
Chambers	84,382.38
Cherokee	638,114.04
Childress	237,093.23
Clay	214,946.01
Cochran	29,009.21
Coke	77,623.83
Coleman	349,780.48
Collin	682,448.04
Collingsworth	213,704.66
Colorado	282,688.36
Comal	177,099.55
Comanche	272,358.54
Concho	112,977.81
Cooke	356,681.81
Corvell	295,515.22
Cottle	138,839.31
Crane	32,821.93
Crockett	38,275.02
Crosby	162,897.89
Culberson	18,147.38
Dallam	115,711.74
Dallas	4,813,061.60
Dawson	200,581.79
Deaf Smith	88,357.59
Delta	194,153.36
Denton	485,043.52
DeWitt	405,523.10
Dickens	127,105.58
Dimmitt	130,460.18
Donley	151,651.84
Duval	180,158.60
Eastland	504,757.37
Ector	58,491.32
Edwards	40,845.39
Ellis	797,060.21
El Paso	1,944,740.47
Erath	307,441.51
Falls	572,957.84
Fannin	608,306.81
Fayette	453,802.82
Fisher	200,434.02
Floyd	183,380.21
Foard	93,323.07
Fort Bend	439,172.61
Franklin	125,524.34
Freestone	333,820.25
Frio	139,075.75
Gaines	41,378.40
Galveston	951,717.98
Garza	82,549.91

TEXAS—continued

Gillespie	$162,853.56
Glasscock	18,664.62
Goliad	149,154.36
Gonzales	418,764.19
Gray	326,446.02
Grayson	973,027.86
Gregg	233,167.29
Grimes	334,603.48
Guadalupe	400,153.65
Hale	298,353.05
Hall	250,723.55
Hamilton	199,842.90
Hansford	52,432.35
Hardeman	214,753.90
Hardin	205,946.21
Harris	5,310,149.19
Harrison	723,190.99
Hartley	22,289.93
Haskell	246,334.49
Hays	220,413.87
Hemphill	68,525.59
Henderson	451,955.58
Hidalgo	1,137,965.12
Hill	635,986.01
Hockley	137,406.85
Hood	100,180.07
Hopkins	434,620.98
Houston	443,591.23
Howard	338,238.87
Hudspeth	55,092.39
Hunt	724,358.45
Hutchinson	219,423.75
Irion	30,280.13
Jack	133,681.79
Jackson	162,262.44
Jasper	252,171.80
Jeff Davis	26,600.40
Jefferson	1,971,252.20
Jim Hogg	72,692.99
Jim Wells	198,852.77
Johnson	492,358.63
Jones	358,115.28
Karnes	344,563.85
Kaufman	604,494.09
Kendall	73,446.66
Kenedy	10,359.38
Kent	56,910.08
Kerr	150,011.48
Kimble	60,870.59
King	17,630.16
Kinney	58,816.44
Kleberg	184,000.88
Knox	167,996.31
Lamar	717,161.57
Lamb	257,905.66
Lampasas	128,228.71
La Salle	121,594.39
Lavaca	407,133.90
Lee	197,877.42
Leon	294,052.65
Liberty	293,609.31
Limestone	583,686.67
Lipscomb	66,678.34
Live Oak	132,351.77
Llano	81,840.67
Loving	2,881.71
Lubbock	578,878.92
Lynn	182,833.42
McCulloch	205,162.98
McLennan	1,458,322.60
McMullen	19,965.08
Madison	180,600.61
Marion	153,262.04
Martin	85,490.73
Mason	81,441.56
Matagorda	261,245.49
Maverick	90,441.36
Medina	205,729.45
Menard	65,717.77
Midland	118,297.89
Milam	560,307.87
Mills	122,553.96
Mitchell	209,596.38
Montague	283,131.71
Montgomery	215,581.47
Moore	32,979.79
Morris	148,193.79
Motley	100,667.74
Nacogdoches	447,625.62
Navarro	894,172.45
Newton	185,079.68
Nolan	286,555.30
Nueces	765,190.07
Ochiltree	77,200.28
Oldham	20,748.32
Orange	223,871.93
Palo Pinto	259,738.13
Panola	355,603.02
Parker	277,220.51
Parmer	86,732.09
Pecos	115,445.74
Polk	259,427.79
Potter	680,970.24
Presidio	150,055.82
Rains	105,130.70
Randall	104,495.24
Reagan	44,747.79
Real	32,467.27
Red River	456,980.10
Reeves	94,682.65
Refugio	113,657.60
Roberts	21,531.55
Robertson	402,552.72
Rockwall	113,169.93
Runnels	322,470.74
Rusk	480,048.56

TEXAS—continued

Sabine	$177,306.45
San Augustine	184,296.44
San Jacinto	143,509.16
San Patricio	352,248.41
San Saba	151,814.40
Schleicher	46,787.15
Scurry	180,114.27
Shackelford	98,938.71
Shelby	423,049.81
Sherman	34,196.50
Smith	790,051.70
Somervell	44,570.45
Starr	108,602.21
Stephens	244,723.68
Sterling	21,147.32
Stonewall	83,746.93
Sutton	41,481.85
Swisher	108,514.86
Tarrant	2,919,438.24
Taylor	696,257.90
Terrell	39,309.48
Terry	131,272.98
Throckmorton	77,628.84
Titus	236,192.34
Tom Green	532,195.68
Travis	1,149,388.51
Trinity	201,527.59
Tyler	169,178.55
Upshur	329,505.07
Upton	88,195.11
Uvalde	191,301.21
Val Verde	220,546.88
Van Zandt	477,551.07
Victoria	296,269.35
Walker	273,806.79
Waller	147,986.60
Ward	67,964.03
Washington	375,272.54
Webb	622,567.57
Wharton	438,625.82
Wheeler	239,871.79
Wichita	1,090,719.65
Wilbarger	363,228.47
Willacy	155,154.23
Williamson	652,389.59
Wilson	260,181.47
Winkler	109,253.96
Wise	283,412.49
Wood	357,376.38
Yoakum	18,664.62
Young	297,451.59
Zapata	42,368.53
Zavala	152,837.53
Total	83,696,221.25

UTAH

(14,387 certificate holders)

Beaver	$ 81,261.80
Box Elder	281,789.82
Cache	433,902.53
Carbon	281,599.96
Daggett	6,501.85
Davis	221,840.27
Duchesne	130,737.19
Emery	111,418.53
Garfield	73,445.73
Grand	28,685.29
Iron	114,345.60
Juab	136,148.31
Kane	35,362.17
Millard	157,349.79
Morgan	40,124.15
Piute	30,947.84
Rich	29,634.61
Salt Lake	3,071,081.85
San Juan	55,313.72
Sanpete	253,500.09
Sevier	177,190.58
Summit	150,737.20
Tooele	148,932.40
Uintah	142,951.77
Utah	775,610.27
Wasatch	89,172.80
Washington	117,399.24
Wayne	32,704.08
Weber	825,465.39
Total	8,035,096.92

VERMONT

(8,243 certificate holders)

Addison	$251,722.95
Bennington	[illegible]
Caledonia	[illegible]
Chittenden	[illegible]
Essex	99,093.48
Franklin	420,369.45
Grand Isle	[illegible]
Lamoille	173,198.84
Orange	234,083.27
Orleans	[illegible]
Rutland	[illegible]
Washington	[illegible]
Windham	[illegible]
Windsor	[illegible]
Total	5,0[illegible],465.50

VIRGINIA

(63,132 certificate holders)

Accomac	$536,307.40
Albemarle	411,109.50
Charlottesville City	232,248.07
Alleghany	307,604.56
Clifton Forge City	104,205.85

VIRGINIA—continued

Amelia	$136,813.03
Amherst	289,807.74
Appomattox	128,021.28
Arlington	405,532.76
Alexandria City	367,958.32
Augusta	581,489.64
Staunton City	182,691.63
Bath	123,983.47
Bedford	443,259.57
Bland	91,894.35
Botetourt	235,518.31
Brunswick	312,145.19
Buchanan	255,067.38
Buckingham	202,880.66
Campbell	348,698.75
Lynchburg City	619,551.66
Caroline	232,562.34
Carroll	337,362.42
Charles City	74,371.80
Charlotte	244,721.46
Chesterfield	396,908.62
Clarke	109,203.58
Craig	54,274.20
Culpeper	202,743.53
Cumberland	114,810.80
Dickenson	246,275.64
Dinwiddie	281,762.61
Petersburg City	435,229.67
Elizabeth City	302,225.90
Hampton City	97,242.54
Essex	106,203.32
Fairfax	384,947.57
Fauquier	321,058.83
Floyd	178,242.43
Fluvanna	113,759.45
Franklin	370,822.87
Frederick	200,625.58
Winchester City	165,397.64
Giles	195,094.55
Gloucester	167,896.51
Goochland	121,179.87
Grayson	304,999.03
Greene	91,117.26
Greensville	203,992.96
Halifax	629,020.08
Hanover	259,166.14
Henrico	461,833.47
Richmond City	2,787,289.18
Henry	306,080.86
Martinsville City	117,401.09
Highland	68,947.43
Isle of Wight	204,312.94
James City	59,104.33
Williamsburg City	57,565.39
King and Queen	116,075.47
King George	80,710.39
King William	120,814.18
Lancaster	135,548.36
Lee	463,494.31
Loudoun	312,484.93
Louisa	218,026.24
Lunenburg	216,201.75
Madison	136,401.63
Mathews	120,128.51
Mecklenburg	497,061.42
Middlesex	110,818.71
Montgomery	298,721.39
Radford City	94,880.80
Nansemond	343,260.61
Suffolk City	156,499.23
Nelson	249,048.77
New Kent	65,519.10
Norfolk	458,359.44
South Norfolk City	119,717.11
Norfolk City	1,976,391.27
Portsmouth City	696,391.85
Northampton	282,874.91
Northumberland	168,841.20
Nottoway	226,513.25
Orange	183,910.59
Page	226,299.93
Patrick	240,546.52
Pittsylvania	935,917.49
Danville City	338,977.54
Powhatan	93,600.90
Prince Edward	221,241.24
Prince George	157,108.71
Hopewell City	172,589.50
Princess Anne	248,088.84
Prince William	212,571.39
Pulaski	313,364.15
Rappahannock	117,583.93
Richmond	104,800.09
Roanoke	537,698.50
Roanoke City	954,491.83
Rockridge	318,483.78
Buena Vista City	60,978.48
Rockingham	452,676.04
Harrisonburg City	110,193.99
Russell	395,506.81
Scott	368,445.90
Shenandoah	314,720.24
Smyth	382,829.63
Bristol City	134,695.08
Fredericksburg City	103,901.11
Newport News	524,411.83
Southampton	409,418.19
Spotsylvania	153,223.28
Stafford	122,657.85
Surry	118,121.76
Sussex	184,367.70
Tazewell	494,852.05
Warren	127,076.58
Warwick	134,527.48
Washington	515,772.45
Westmoreland	129,468.79
Wise	$779,631.58
Wythe	315,456.85
York	116,029.76
Total	36,811,791.20

WASHINGTON

(56,335 certificate holders)

Adams	$168,258.77
Asotin	177,348.53
Benton	238,731.70
Chelan	689,557.94
Clallam	445,747.31
Clark	878,808.17
Columbia	116,074.35
Cowlitz	695,486.99
Douglas	164,814.68
Ferry	93,557.02
Franklin	133,774.33
Garfield	79,824.28
Grant	123,507.47
Grays Harbor	1,307,487.04
Island	117,033.47
Jefferson	181,926.11
King	10,103,743.57
Kitsap	670,855.25
Kittitas	395,720.90
Klickitat	214,165.35
Lewis	872,661.14
Lincoln	258,873.05
Mason	219,287.88
Okanogan	403,677.17
Pacific	326,316.06
Pend Oreille	155,964.69
Pierce	3,571,427.92
San Juan	67,508.41
Skagit	766,025.32
Skamania	63,018.02
Snohomish	1,719,012.08
Spokane	3,280,997.05
Stevens	404,352.90
Thurston	683,389.10
Wahkiakum	84,183.88
Walla Walla	619,956.92
Whatcom	1,288,872.15
Whitman	610,649.18
Yakima	1,687,208.80
Total	34,079,306.15

WEST VIRGINIA

(43,294 certificate holders)

Barbour	$251,813.31
Berkeley	378,909.54
Boone	332,353.55
Braxton	305,221.93
Brooke	333,394.44
Cabell	1,227,245.15
Calhoun	146,886.59
Clay	177,423.75
Doddridge	141,776.79
Fayette	973,971.90
Gilmer	143,845.04
Grant	114,105.44
Greenbrier	484,998.81
Hampshire	159,999.05
Hancock	385,411.70
Hardy	132,692.69
Harrison	1,062,068.71
Jackson	217,964.24
Jefferson	213,314.04
Kanawha	2,131,342.51
Lewis	294,611.30
Lincoln	258,950.81
Logan	791,262.62
McDowell	1,223,095.13
Marion	901,042.29
Marshall	538,435.46
Mason	281,012.19
Mercer	828,964.32
Mineral	271,495.52
Mingo	517,996.25
Monongalia	677,022.00
Monroe	161,526.59
Morgan	113,632.31
Nicholas	279,633.35
Ohio	974,336.89
Pendleton	130,583.88
Pleasants	88,475.31
Pocahontas	196,754.49
Preston	392,603.28
Putnam	226,250.77
Raleigh	920,197.30
Randolph	338,612.39
Ritchie	210,799.70
Roane	263,303.61
Summers	276,686.43
Taylor	258,383.06
Tucker	180,780.74
Tyler	172,827.63
Upshur	242,567.00
Wayne	421,842.71
Webster	192,171.89
Wetzel	301,911.02
Wirt	85,947.45
Wood	764,050.88
Wyoming	282,877.07
Total	23,345,392.42

WISCONSIN

(88,036 certificate holders)

Adams	$128,406.17
Ashland	358,043.03
Barron	550,736.86
Bayfield	240,936.34
Brown	1,127,917.95

WISCONSIN—continued

Buffalo	$246,138 48
Burnett	164,301 05
Calumet	270,511 49
Chippewa	599,563 16
Clark	548,553.24
Columbia	489,756.17
Crawford	269,435.74
Dane	1,810,105 28
Dodge	836,389.16
Door	291,980 20
Douglas	747,936.65
Dunn	434,105 08
Eau Claire	659,692 88
Florence	60,490 01
Fond du Lac	961,481 46
Forest	178,510 61
Grant	617,658 27
Green	351,141 72
Green Lake	223,387.13
Iowa	321,476 19
Iron	159,484.25
Jackson	264,110 21
Jefferson	500,619.96
Juneau	277,190 79
Kenosha	1,015,975 52
Kewaunee	257,490.08
La Crosse	874,329.18
Lafayette	299,428.35
Langlade	345,910.47
Lincoln	388,342 01
Manitowoc	942,069.75
Marathon	1,134,019.23
Marinette	538,357 68
Marquette	150,733 73
Milwaukee	11,644,822 73
Monroe	461,433 39
Oconto	423,653 62
Oneida	255,274 35
Outagamie	1,008,156.24
Ozaukee	279,278 07
Pepin	119,617 20
Pierce	337,866 41
Polk	426,559.76
Portage	543,126.32
Price	277,511 91
Racine	1,448,524 16
Richland	313,493 40
Rock	1,191,451 54
Rusk	258,196 54
St Croix	406,705.48
Sauk	514,273 68
Sawyer	142,545 17
Shawano	548,132 90
Sheboygan	1,143,749 16
Taylor	283,950 36
Trempealeau	374,998 96
Vernon	458,194 08
Vilas	117,112.47
Walworth	498,667 25
Washburn	178,269 77
Washington	426,302.86
Waukesha	840,660 05
Waupaca	538,084 73
Waushara	231,639 92
Winnebago	1,229,242 84
Wood	607,960 44
Total	47,177,680.61

WYOMING

(11,117 certificate holders)

Albany	$338,436 39
Big Horn	315,416 76
Campbell	188,879 04
Carbon	320,166 81
Converse	200,824 52
Crook	149,894 64
Fremont	294,842 43
Goshen	330,369 68
Hot Springs	153,913 94
Johnson	135,363 32
Laramie	744,532.42
Lincoln	306,197 66
Natrona	682,213.11
Niobrara	132,749.37
Park	230,674 15
Platte	272,497.37
Sheridan	474,305 63
Sublette	54,640 01
Sweetwater	510,563 66
Teton	56,208 33
Uinta	184,719.21
Washakie	115,491.67
Weston	131,344.02
Yellowstone National Park (part)	5,621.40
Total	6,329,955 57

If this bill is enacted into law it will result in the following:

First. It will save the Government more than a billion dollars, or $112,000,000 a year for 12 years on the reserve-fund requirements—will save the Government more than $2,000,000,000 in all.

Second. It will save the Government more than $10,000,000 in administration expenses of the Adjusted Compensation Act between now and 1945.

Third. It will pay a debt heretofore confessed by the Government to the veterans for services rendered. It is no bonus. The term "bonus" is a misnomer.

Fourth. It will be granting to the veterans the right to deposit a Government obligation and receive in return therefor new currency, the same right that is now enjoyed by Federal Reserve banks and all national banks.

Fifth. It will prevent the veterans from losing a valuable equity by releasing them from the payment of compound interest on their loans. Veterans who have borrowed 50 percent under the present law will have very little remaining in 1945. It is not right for the Government and the banks to consume these valuable equities by requiring the veterans to pay compound interest on their own money.

Sixth. It will require no bond issue, no increase in taxes, no additional interest payment by the Government. The debt must be paid some time. Everybody will be helped if it is paid now.

Seventh. It will partly restore to Congress its constitutional duty to issue money and deprive a few privileged bankers of a monopoly on the Government's credit.

Purchasing power must be placed in the hands of the masses. In this way it can be distributed quickly without the possibility of graft or favoritism. It is the best plan that has been proposed to be used as a vehicle to convey additional money into the hands of those who will buy goods. Underconsumption is our problem and there is no better way to distribute purchasing power.

Mr. DOUGHTON. Mr. Chairman, I yield 30 minutes to the gentleman from Kentucky [Mr. VINSON].

Mr. VINSON of Kentucky. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD and to include certain extracts and excerpts from other articles.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. VINSON of Kentucky. Mr. Chairman, I am happy that I can agree with the distinguished gentleman from Texas [Mr. PATMAN] who has just preceded me that in this legislative battle there is no feeling of unfriendliness between WRIGHT PATMAN and myself. We have been fighting together for many years here in behalf of veterans for the immediate payment of the bonus against the so-called "economy bill" and all other legislation affecting veterans. We have been warm friends—we will continue so to be.

Mr. Chairman, it so happened that in my first session as a Member of this body the original Adjusted Service Compensation Act was passed. As a cub Member, I rose in my place and insisted in a weak voice that what the soldier wanted was a cash settlement of the adjusted-service pay. I have made several campaigns for reelection since that time, and in each instance I have taken the position that the services rendered by the World War veterans were personal and that they were entitled to be paid in cash, as other adjustments were paid. My record has always been and is consistent in this respect. My express pledges in four campaigns prior to the election of our President has committed me to my constituents on veterans' legislation. In every other respect I yield to no Member in more loyal support of our President and the new deal.

PAST FAILURES

It is true that I labored with my friend the gentleman from Texas [Mr. PATMAN] in two former Congresses for the payment of the adjusted-service certificates in bills carrying his name, namely, H. R. 7726, in the Seventy-second Congress, and H. R. 1, in the Seventy-third. I would say to the gentleman and to the Membership of this House that these two bills, neither of which were favorably reported from our committee, passed the House, went to the Senate, and there were killed. The first bill, H. R. 7726, received 18 votes in the Senate, and the subject matter of H. R. 1 in the last Congress, the Seventy-third, had 4 votes in the Senate—the last time on June 11, 1934. The most votes they

could muster in the Senate was 31. This last vote was on H. R. 1.

When this Congress convened, with what were we confronted? Were we to take a currency-expansion bill, an inflation measure, pass it through the House and see it defeated in the Senate, then go home to our soldier constituency and say, "Well, boys, we fought a good fight. We kept the faith. We passed it through the House, but we could not control the Senate." Then have the cash-payment issue with us in another campaign.

Mr. Chairman, we should not fool the soldier. I do not believe there are many Members of this House who have this purpose, but let me say to you that it requires more than 31 votes to pass a bill in the Senate. It requires more than twice this number to override a possible veto.

I submit that when I take my present position on the floor today I am in no wise inconsistent. I gave the Patman bills my all in two former Congresses. The RECORD will bear me out. If you will take the hearings before the Ways and Means Committee in 1932 you will find that I gave my full support to the Owen plan which changed the money mechanics of that Patman bill.

THE BILL H. R. 3896

The bill H. R. 3896 is the first measure providing for the immediate cash payment of the adjusted-service certificates that has ever been favorably reported by the Committee on Ways and Means. It is the first time that any immediate cash-payment proposal had been considered by the Ways and Means Committee solely upon its own merits, and this is the first time Congress has had the opportunity to vote upon immediate cash payment divorced from other legislation.

SECTION 1

In this section the adjusted-service certificates are declared immediately payable upon surrender of the certificates and all rights thereunder, with or without the consent of the beneficiary thereof. The amount of payment shall be equal to the face value of the certificate, subject to any loan that may be made upon the certificate. The payment made, therefore, would be the difference between the face value of the certificate and the principal of any loan made thereon.

SECTION 2

Any interest that has been or would be charged against the face value of the certificates either shall be canceled or not so charged. Any interest on any such loan payable to any bank or trust company shall be paid by the Administrator of Veterans' Affairs.

SECTION 3

(a) This section provides for the manner in which applications for payments may be made and filed either personally by the veteran or, in case of physical or mental incapacitation, by the proper representative of the veteran.

(b) If the veteran dies after application is made and before it is filed, it may be filed by any person. If the veteran dies after the application is made, it shall be valid if it bears the bona fide signature of the applicant, discloses the intention to claim the benefits of this act, and is filed before the maturity of the certificate.

If the death occurs after the application is made or filed, but before the receipt of payment under this act, payment should be made to the beneficiary designated.

(c) Where the records of the Veterans' Administration show that an application has been filed before the maturity of the certificate and, for any reason, the application cannot be found, such application shall be presumed, in the absence of affirmative evidence to the contrary, to have been valid when the application was filed.

(d) Provides that a veteran who has not heretofore made application for the adjusted-service certificate shall have the right to make such application and to receive either the adjusted-service certificate or cash payment under this act.

SECTION 4

This section extends the time from January 2, 1935, to January 2, 1940, for applying for the benefits of the adjusted-service certificates and the benefits under this act.

SECTION 5

This section is the usual authorization for an appropriation for such amounts as may be necessary to carry out the provisions of this act.

SECTION 6

This states that this act may be cited as the "Emergency Adjusted Compensation Act, 1935."

It will be seen from the foregoing that H. R. 3896 provides for the immediate cash payment of the adjusted-service certificates, for the cancelation of interest on loans accrued and to accrue, and, further, for the extension of time in which applications for the benefits hereunder may be filed.

ONE OBJECTIVE—IMMEDIATE PAYMENT

H. R. 3896 has one objective and one objective alone. It provides for the immediate cash payment in full of the adjusted-service certificates, the cancelation of interest, and the extension of time within which to make application for the benefits.

My friend PATMAN's latest bill, his fifth bill on the subject and his seventh plan, H. R. 1 in this Congress, has two objectives. I am taking the title of the bill; I am taking the subject matter of the bill, and I submit to you there can only be one conclusion, namely, that it has two objectives—one, the immediate payment of the certificates, and, two, controlled expansion of the currency.

If there were any doubt as to this conclusion, I would turn to page 74 of my friend's Appeal to Veterans. I would read the last sentence of that document, the words of my friend PATMAN:

> Let us kill two birds with one stone—pay the certificates and restore the power to the Government to issue money and regulate its value.

Mr. Chairman, I fear this is what the Patman bill will do—kill two birds with one stone—but the trouble is it is striking at the cause of the soldier and it is striking at the cause of controlled expansion. I fear he has builded better than he knew, and that this measure would kill these two birds with one stone.

We should be practical. We should recognize the conditions that obtain today, and I say to you in all candor, in all friendliness, that the Member of this body who puts controlled expansion or inflation first should vote for H. R. 1. I submit to you in the same breath that if you believe in the payment of the adjusted-service certificates, in my judgment, H. R. 3896 is the strongest vehicle to attain that end.

There has been no effort made in the Senate of the United States in this session. The question is asked, Why has no bill been introduced there? Why, that is piffle. That is fizzledust, as we would say in Kentucky. I could say they await the passage of H. R. 3896; that they will take this bill that has the endorsement of the American Legion, whose help is spurned by some today. I submit that the strength of the American Legion ought to be welcomed in the cause of paying the soldier the adjusted-service certificates. In my service here, the Legion has always been in forefront in the cause of veterans. The term "Legion" and "soldiers" are almost synonomous.

In spite of all attacks, it should be remembered that the voice of the American Legion is the voice of the American ex-soldier. This organization represents in its highest and best sense, the finest type of Americanism. It has been insinuated that they have heretofore opposed the payment of the bonus. At Miami they approved the immediate payment of the bonus with the least possible expense to the country. I have demonstrated that H. R. 3896 best and most reasonably accomplishes the purpose of the Legion and the ex-soldier. This is the only plan before you which accomplishes this plain objective. This is the first bill which gives you the opportunity to vote for the soldier and the soldier alone.

CASH PAYMENT AND INFLATION SHOULD BE DIVORCED

Now, I had some persuasion with reference to my position in this present Congress. It came from my friend, WRIGHT PATMAN, himself. In August of 1934 he said:

I have been thinking for quite a long time that the proposal to pay the adjusted-service certificates should be changed, if possible, so that our advocacy of it will not be in conflict with administration policies.

Although we favor pure money expansion, the administration is opposed to it at this time, and the veterans are very much divided on it; so is the country. If the bill can be changed so as to eliminate the possibility of inflation, it occurs to me that we will strengthen our cause solely from the standpoint of paying the veterans. We can then endeavor to persuade the administration to expand the currency in another way. In the meantime, we will have the inflation issue divorced from the proposal to pay the adjusted-service certificates.

I would not detract from him one iota of the gratitude that soldiers should bear toward him. He is a strong, able advocate for them. At times some people might think that he was an inflationist first, but I am not saying that. I am not saying it, because I believe in his heart of hearts he is the friend of the soldier first. However, in the last Congress, in H. R. 1, controlled expansion was given first place in the title, and when you come down to the conclusion of the bill, which is the citation section, it was to be cited as the "Controlled Expansion Act of 1933." It may have been so treated as a matter of strategy. But the fact remains that the bill under consideration, H. R. 1, differs very little from the H. R. 1 in the last Congress. If it were an expansion bill, then we can well argue H. R. 1 today is inflationary.

Mr. PATMAN. Mr. Chairman, will the gentleman yield for a brief question?

Mr. VINSON of Kentucky. I yield.

Mr. PATMAN. Is it not a fact that the gentleman supported that bill?

Mr. VINSON of Kentucky. I supported it whole-heartedly, because I, in 1932, and in the last Congress, believed in controlled expansion of the currency. I have not changed my mind on that issue. My thought is, I may say to the gentleman from Texas [Mr. PATMAN], that we ought to divorce inflation from the payment of the bonus. We should not hang around the neck of the soldier and put an added burden on him by attempting to pass here a bill for currency expansion, or inflation, the same thing, particularly when it has not been considered by the Banking and Currency Committee of this House. My friend PATMAN makes a better argument for divorcing the soldiers' cause from inflation than I possibly can.

H. R. 3896 IS REGULAR, USUAL COURSE

Every time the bonus matter has been up it has come up in an irregular way. It has come up by the exercise of force, through discharge petitions in both instances, and at times almost intimidation. My friend is so adroit, so clever, that as a lawyer he would attempt to sell to the country and to this House the idea that H. R. 3896 is irregular; that this is unusual. Why, Mr. Chairman, this is the regular way of legislating in Congress. Only two committees of the House have the power of appropriation—the Committee on Appropriations and the Committee on Accounts.

The Ways and Means Committee cannot appropriate. We come here regularly with an authorization to let the administration pay it as they choose, and my friend PATMAN would say that because it did not carry an appropriation that somebody was shooting a double curve. No one knows better than PATMAN that such is not correct.

H. R. 1 MUST HAVE APPROPRIATION FOR FOUR SEPARATE ITEMS

In H. R. 1 you have four specific authorizations. You have four separate instances in H. R. 1 that require appropriations. In section 4, lines 16 to 24, page 7, there are three specific items that require appropriations. The language clearly shows this. It is as follows:

Amounts in the adjusted-service certificate fund are hereby authorized to be made available for the expenses of printing and engraving United States notes issued under this act, for paying fractional parts of a dollar which cannot be paid in United States notes issued under the provisions of this act, and for paying the principal and interest on or in respect of loans pursuant to the provisions of subsection (c) of section 509 of the World War Adjusted Compensation Act, as amended.

In section 2, on page 4, line 21 to line 2 on page 5, you have an express authorization. This will require an appropriation for the amount of the notes used. I want to read it, because if the Patman bill does become a law it will have to go through the same channel, the same legislative procedure, that H. R. 3896 will have to go through. Here is what his bill says on this point:

The Secretary of the Treasury is hereby authorized and directed to issue such notes in such amount as may be required to make such payment, and of the wording, form, size, and denominations as United States notes issued under existing law, except that the wording thereon shall conform to the provisions of this act.

It was thought by my friend PATMAN—and I grant you it was a reasonable conclusion—that there was no appropriation needed in this provision. However, my friend needs the same appropriation that we do in H. R. 3896.

No one ever attempted to deny that it required an appropriation. It was the usual way of doing it. But he secures authority from the Treasury that it required an appropriation. Now I present my authority with reference to the appropriation items necessary for H. R. 1. I bring to you authority, the Parliamentarian of the House, the Chairman of the Drafting Service. Then I will read from a letter from the Secretary of the Treasury, which was written March 16, 1935, the same authority that the gentleman quoted. It is as follows:

MY DEAR MR. VINSON: Responding to your oral inquiry concerning certain phases of the bill to provide for the immediate payment of adjusted-service certificates (H. R. 1), there would, I am advised, be a necessity for an appropriation to render effective the provision in section 2 (a) of the bill for payment of adjusted-service certificates, and the provisions of section 4 of the bill authorizing certain amounts to be made available for expenses.

The point I want to make is this: If anybody is attempting to shoot a double curve, my friend PATMAN is attempting to shoot one of those Frank Merriwell double-shoots. [Laughter.]

Now, I do not mean that in a caustic way, I think he was honest, I think he was sincere in making the statement that his bill did not require appropriations. It shows that one wants to be careful when he challenges another with taking short cuts.

I submit that the bill H. R. 3896 is the regular and usual way of getting legislation before this House, and that H. R. 1 is irregular and the unusual way of doing it.

CHARGE OF "BANKERS' BILL" ABSURD

There is a difference between a lawyer presenting his case to folks who are not thoroughly familiar with the technique of the subject, between a lawyer presenting his case to a jury whom he might temporarily fool, and coming before committees of the House and before the House itself and making statements of the same tenor. Over the radio we have listened to that mellow voice of my friend in splendid lawyer-like fashion talking about the "bankers' bill." He talked about the bankers taking shears and clipping coupons, and even last week, after my friend had appeared before the Ways and Means Committee and had not said a single word about a "bankers' bill", we heard him today say that it was a bankers' bill.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. Yes.

Mr. PATMAN. The gentleman realizes that I was under certain limitations in the committee, where I could not properly protect myself. [Laughter.]

Mr. VINSON of Kentucky. Oh, I never knew the gentleman to be limited at any place anywhere. I complimented the gentleman on that occasion, and I compliment him today. I compliment him on the fact that when he faced Mr. Belgrano before the committee he did not characterize this as a "bankers' bill" or as a "Belgrano bill."

Mr. BLANTON. Mr. Chairman, now will the gentleman yield?

Mr. VINSON of Kentucky. Just a moment, please. I am not going to be interrupted, my dear friend. Why characterize it a bankers' bill? The purpose was to arouse in the minds of the American listeners and in the minds of the Members of this body an antagonism to this bill. Some folks are even antagonistic to any one who is acquainted with a banker. "Why, the bankers failed us in our dark hour", they say. They did not have as much sense, as much

business acumen as we had attributed to them, and consequently when the banks were closed and people lost their money there arose a natural resentment against the bankers. No one knows it better than my friend from Texas [Mr. PATMAN], no one knows more than he, that the use of a bromide is more powerful in inflaming emotion than an appeal to the intellect particularly when it will not stand the scrutiny that gentlemen of the House and Senate can give it.

Because Frank Belgrano worked in a bank and later was cashier of a bank, and then through his own efforts was elevated to the vice presidency of a bank is no reason to say that this is a banker's bill. This is the same Belgrano elected national commander of the American Legion at Miami where my friend PATMAN was also present. I say to you it is not a banker's bill, unless WRIGHT PATMAN'S bill, the first one he ever introduced, was a banker's bill.

THE FIRST PATMAN BILL, H. R. 3493, SEVENTY-FIRST CONGRESS

My friend PATMAN calls the Vinson bill a "bankers' bond bill." I wonder if the bill which he introduced on May 28, 1929, in the Seventy-first Congress, could similarly be said to be a "bankers' bond bill." I grant him that in this first bill, which he introduced, he had only one thought in his mind at that time; it was the immediate payment of the face value of the adjusted-service certificates. In that bill we find our friend seeking one thing, having one purpose and one objective, namely, the immediate payment to the veterans of the face value of their adjusted-service certificates.

How was this payment to be made? I will not use my own language to answer this question; I will quote from section 2 of that bill, which was introduced by Mr. PATMAN:

SEC. 2. The Secretary of the Treasury is hereby authorized to issue bonds in such amounts as may be needed to carry out the purpose of this act. Such bonds are to be known as "adjusted-compensation bonds", to bear such rates of interest as the Secretary of the Treasury, in his discretion, may determine, and to be redeemable in 15 years after the passage of this act.

Not only was there a specific authority to issue bonds to provide the money for the cash payment, but the interest rate was left up to the discretion of the Secretary of the Treasury. If my memory serves me correctly, the then Secretary of the Treasury was none other than Andrew Mellon, the personal object of our good friend PATMAN'S wrath throughout a period of years. Not for one moment can I believe that my friend PATMAN would prefer to trust the discretion of Mr. Mellon in fixing interest rates upon bonds to the present Secretary of the Treasury, the able and distinguished Henry Mongenthau.

I cannot believe that he would be adverse to vesting Mr. Morgenthau with the same power he would have given to Mr. Mellon.

THE SECOND PATMAN BILL, H. R. 1, SEVENTY-SECOND CONGRESS

When this bill, the first H. R. 1, appeared in Congress, introduced by my friend PATMAN, it had only one purpose and one objective. It was "to provide for the immediate payment to the veterans of the face value of their adjusted-service certificates." This bill was introduced on December 8, 1931, in the Seventy-second Congress. There was no controlled expansion or controlled inflation in that measure. Its method of payment, as contained in the bill, was as follows:

SEC. 2. There is authorized to be appropriated such amounts as may be necessary to carry out the provisions of sections added to title V of the World War Adjusted Compensation Act by section 1 of this act. Amounts now or hereafter in the adjusted-service certificate fund created by section 505 of the World War Adjusted Compensation Act, as amended, are authorized to be made available for the payment of the face value of the adjusted-service certificates under section 509 or 510 of such act, as amended.

The method of financing the payment carried in the foregoing is like the method carried in my bill. The issuance of bonds, carried in the first bill, was dropped, and in its stead there was inserted the usual, regular provision authorizing the appropriation of such amount as was necessary to pay off this debt. There was no suggestion that the debt was to be paid through any issuance of currency. There was only one objective in this bill, and that was the payment of the debt to the veterans, just as Uncle Sam pays any other debt.

No member of the American Legion or anyone else ever charged this "a double curve." It was the regular way to do the job.

THE THIRD PATMAN BILL, H. R. 7726, SEVENTY-SECOND CONGRESS

To provide for the immediate payment to veterans of the face value of their adjusted-service certificates.

On January 14, 1932, in the Seventy-second Congress, my friend PATMAN introduced his third bonus measure. Its stated purpose was "to provide for the immediate payment to veterans of the face value of their adjusted-service certificates." It was in this measure that Mr. PATMAN was endeavoring to change, in conjunction with the bonus payment, the monetary system of the United States. He desired to pay the certificates with Treasury notes. I quote section 2 of this bill:

SEC. 2. Payments of the face value of adjusted-service certificates under section 509 or 510 of the World War Adjusted Compensation Act, as amended, shall be paid in Treasury notes. The Secretary of the Treasury of the United States is hereby authorized to have engraved and printed a sufficient amount of Treasury notes, in the denominations of $1, $2, $5, $10, $20, $25, $50, $100, $500, and $1,000 each; such Treasury notes shall be full legal tender, non-interest bearing, exempt from all taxes, including Federal, State, and subdivisions thereof.

I would call your attention to the fact that this was a currency expansion, an inflation measure without brakes or control. It was, according to the testimony before our committee, uncontrolled inflation. The avowed purpose of the bill was to pay off the adjusted-service certificates. For the first time there was loaded onto the backs of the soldiers the question of inflation. There was no method suggested or devised to contract the currency if, with the issue of these Treasury notes, inflation would have gotten out of bounds. This was the bill which received consideration by the Ways and Means Committee in the Seventy-second Congress. It was the original language in section 2 that drew the fire and criticism that caused expressions of "greenbacks", "flat", and "printing press" money to be used and which did tremendous damage to the cash-payment cause.

THE OWEN PLAN (THE FOURTH METHOD)

It was while these hearings were progressing that ex-Senator Robert L. Owen prepared an amendment which was submitted to the committee with Mr. PATMAN'S expressed approval. The hearings continued with the opponents still talking about the original language, and those of us who favored the cash payment supporting the Owen amendment, which, for information, I quote in full:

SEC. 2. Payment of the face value of the adjusted-service certificates under section 509 or 510 of the World War Adjusted Compensation Act, as amended, shall be paid in Treasury notes.

The Secretary of the Treasury is hereby authorized and directed to issue United States notes to the extent required to make the payments herein authorized. Such notes shall be legal tender for public and private debts and printed in the same size, of the same denominations, and of the same form as Treasury notes, omitting the reference to any Federal Reserve bank.

He shall place such notes in the Federal Reserve banks, subject to the order of the Administrator of Veterans' Affairs, to be used for the purposes of this act.

He shall issue a like amount of United States bonds bearing 3½-percent interest, payable semiannually, with coupons attached, and such bonds shall be due and payable in 20 years from the date of issue, subject to the right of redemption after 10 years.

These bonds shall be deposited in the Federal Reserve banks, as the agents of the United States, in approximate proportion to their current assets at the date of the passage of this act.

In the event that the purchasing power of the dollar in the wholesale commodity markets, as ascertained by the United States Department of Labor, shall at any time fall as much as 2 percent below the average value of the year 1926, the Federal Reserve Board, by resolution in writing, may direct the sale to the public of such portions of said bonds as may from time to time be necessary to restore the purchasing power of the dollar to the normal standard of 1926.

Such currency received for such bonds shall be exchanged for the notes hereby authorized to be issued and they shall be returned to the Secretary of the Treasury for cancelation.

At the conclusion of the hearings the Owen amendment was offered in lieu of section 2 of this bill. It was voted down, as I recall, 14 to 11. Then the majority of the committee voted to report adversely the original Patman bill, H. R. 7726, 14 favoring the adverse report and 11 voting to

report it favorably, with the purpose expressed at the time of the vote that the uncontrolled inflation section would be stricken out and the Owen amendment inserted in lieu thereof. I filed the minority report which was signed by nine other members of the committee. We stated specifically in the report that—

The so-called "Owen plan of payment" would be proposed for adoption under the Patman bill in lieu of section 2 thereof should the bill be considered in the House.

When the bill reached the House Hon. Heartsill Ragon, then a Representative from Arkansas and now gracing the Federal bench, offered the Owen amendment in lieu of section 2 of the bill as originally introduced. It was adopted and was in the bill when it passed the House on June 15, 1932.

Referring to the Owen amendment, it is very plain that the methods used had brakes against a runaway currency. It had specific control features. It called for the issue of bonds in an amount equal to the Treasury notes used, bearing 3½-percent interest, payable semiannually, with coupons attached. They were not to be sold unless the Federal Reserve Board might desire to prevent undue inflation.

THE FOURTH PATMAN BILL (THE FIFTH METHOD), H. R. 1, SEVENTY-THIRD CONGRESS

This bill was introduced by Mr. PATMAN at the beginning of the last Congress. It passed the House March 12, 1934, failed to pass in the Senate, receiving a vote of 31. The first section of this bill is identical with the second Patman bill, and the first section of the third Patman bill. The Owen amendment was not included in this bill. It had an entirely different method of payment, no hearings were ever held upon it. For the purpose of being exact, I include sections 2, 3, 4, and 5 of the bill:

SEC. 2. (a) Payment of the face value of adjusted-service certificates under section 509 or 510 of the World War Adjusted Compensation Act, as amended, shall be made in United States notes not bearing interest. The Secretary of the Treasury is hereby authorized and directed to issue such notes in such amount as may be required to make such payment, and of the same wording, form, size, and denominations as United States notes issued under existing law, except that the wording thereon shall conform to the provisions of this act. The Administrator of Veterans' Affairs and the Secretary of the Treasury are hereby authorized and directed jointly to prescribe rules and regulations for the delivery of such notes in payment under section 509 or 510 of the World War Adjusted Compensation Act, as amended.

(b) United States notes issued pursuant to the provisions of this act shall be lawful money of the United States and shall be maintained at a parity of value with the standard unit of value fixed by law. Such notes shall be legal tender in payment of all debts and dues, public and private, and shall be receivable for customs, taxes, and all public dues, and when so received shall be reissued. Such notes, when held by any national banking association or Federal Reserve bank, may be counted as a part of its lawful reserve. The provisions of sections 1 and 2 of the act of March 14, 1900, as amended (U. S. C., title 31, secs. 314 and 408), and section 26 of the Federal Reserve Act, as amended (U. S. C., title 31, sec. 409), are hereby made applicable to such notes in the same manner and to the same extent as such provisions apply to United States notes.

SEC. 3. (a) Whenever the index number of the wholesale all-commodity prices rises above the index number of such prices for the years 1921 to 1929, as computed by the Bureau of Labor Statistics of the Department of Labor, notwithstanding any provisions of law to the contrary, the following methods for contracting the issues of currency in the United States shall be in force and effect, in the manner and to the extent prescribed in subsection (b) of this section:

(1) Abolishment of the circulation privilege extended to certain bonds of the United States under the provisions of section 29 of the Federal Home Loan Bank Act, and retirement of such bonds as security for circulating notes as rapidly as practicable.

(2) Termination of the issuance and reissuance of national-bank circulating notes and the retirement of such notes from circulation as rapidly as practicable.

(3) Termination of the issuance and reissuance of Federal Reserve notes secured by direct obligations of the United States.

(4) Termination of the issuance and reissuance of Federal Reserve notes secured only by gold or gold certificates.

(5) Termination of the issuance and reissuance of Federal Reserve notes secured by notes, drafts, bills of exchange, acceptances, or bankers' acceptances which are not issued in direct benefit of commerce, industry, or agriculture.

(b) Any such method of contracting currency issues shall be applicable when the Secretary of the Treasury finds that its application is necessary in order to maintain the index number of wholesale all-commodity prices at the approximate level of the index number of such prices for the years 1921 to 1929 and issues an order setting forth such finding. Each such order shall prescribe such rules and regulations as are necessary and appropriate to carry out the provisions of this section with respect to the method of contraction made applicable in the order. The Secretary shall make such methods applicable only in the order in which they are set forth in subsection (a) of this section, but he shall make such methods applicable as rapidly as may be necessary to carry out the purposes of this section. When any such order is issued with respect to Federal Reserve notes, the Federal Reserve Board shall take such action as may be necessary to facilitate the enforcement of the order.

SEC. 4. Section 505 (authorizing annual appropriations ending with the year 1946 for the payment of adjusted-service certificates) of the World War Adjusted Compensation Act, as amended, except the first sentence thereof, is hereby repealed. Amounts in the adjusted-service certificate fund are hereby authorized to be made available for the expenses of printing and engraving United States notes issued under this act, for paying fractional parts of a dollar which cannot be paid in United States notes issued under the provisions of this act, and for paying the principal and interest on or in respect of loans pursuant to the provisions of subsection (c) of section 509 of the World War Adjusted Compensation Act, as amended.

SEC. 5. This act may be cited as the "Controlled Expansion Act, 1933."

This bill did not have the control features set forth in the Owen plan.

I would point out to the committee that it was not until the Patman bill no. 4, which was, in many respects, different from any other bill which he had theretofore introduced, that, appearing from the language of the bill, the controlled expansion of the currency feature became predominent. As a matter of fact, I would not say, even with the language that is confronting me, that the immediate cash payment of the bonus had been subordinated to his views of currency expansion. I can say that my friend had given tremendous study to the question of money and had become quite learned in the question of money mechanics of our country, and, some might say, that in this bill controlled expansion dwarfted his first notion of immediate cash payment of the adjusted-service certificates. I will not say that. It may be that he thought it was the strategic thing to do, but the fact remains that the title of the bill was in this language:

To provide for controlled expansion of the currency and the immediate payment to veterans of the face value of their adjusted-service certificates.

Then, in the citation section, we find that the author of the bill states that "This act may be cited as the 'Controlled Expansion Act, 1933.'"

THE FIFTH PATMAN BILL (THE SIXTH METHOD), H. R. 1, SEVENTY-FOURTH CONGRESS

To provide for the immediate payment to veterans of the face value of their adjusted-service certificates and for controlled expansion of the currency.

The fifth bill sees a change in title. Instead of controlled expansion of the currency being the first objective set forth in the title, we see the first purpose to be the immediate payment to the veterans of the face value of their adjusted-service certificates and then for controlled expansion of the currency. The citation section likewise is changed.

The method of contracting currency is somewhat different from that which was carried in Patman bill no. 4.

A SHORT ANALYSIS OF THE METHODS PROVIDING FOR PAYMENT CONTAINED IN THE FIVE PATMAN BILLS

In order to boil down the foregoing analyses, may I say that the original Patman bill, which we will for purpose of convenience call the first Patman bill, expressly authorized the issuance of bonds to provide funds for the payment of the adjusted-service certificates.

The second Patman bill would have financed the payment in the exact way that my bill would finance this payment.

The third Patman bill originally would have financed the payment with Treasury notes, without any brakes on inflation, which many feared would be followed by the issuance of this so-called "printing-press money." It was to this bill that the Owen amendment, which had the control features, was tacked.

The fourth Patman bill, to be cited as the "Controlled Expansion Act, 1933", did not include the Owen amendment of his next prior bill, but would have contracted the currency in the various ways set forth therein.

The fifth Patman bill: While it does not follow no. 4, yet it is somewhat similar to it. However, with the Treasury order of March 11, 1935, a material change in the situation is seen.

So I submit that the statement of our friend that in the book—his Appeal to Veterans—there was a different plan; brings the total of plans to seven, the number of bills to five, each one different, none written into law.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. Yes.

Mr. PATMAN. I invite the gentleman's attention to the fact that Senator Owen, who endorsed H. R. 7726 and subsequent bills, also endorses our bill H. R. 1.

Mr. VINSON of Kentucky. Yes; but he does not say that it is not a controlled-expansion bill. I have here in my hand a mimeographed statement which the gentleman today was kind enough to send out to Members, and in the second paragraph he says:

It could not possibly expand unjustifiably credit and currency.

And then he gives his reasons. In other words, Senator Owen does not say that it is not an expansion measure. He says "it could not possibly expand unjustifiably credit and currency." Others might differ relative to the degree. I say to you that unless you divorce currency expansion from cash payment you will have to go back and tell the boys, "Well, we fought a good fight; we did the best we could; but you haven't got your money yet."

STABILIZATION GOLD IS NOT A RESERVE FOR PATMAN MONEY

In this same memorandum the statement is made from the steering committee:

Any statement to the effect that we cannot use $8,000,000,000 in gold to keep our money on a parity is absolutely ridiculous.

Who said that we could not use that gold? Who ever thought of saying we could not use the profit gold as a reserve for currency? Nobody. But we do say that H. R. 1 does not use this gold; it is not tied up; it is not used as a reserve; it is not a specific reserve for the currency that will be issued under this bill. My friends, they talk about that $2,800,000,000 as though it were a reserve behind currency. It is not. On March 11, 1935, they took $642,000,000 of it and brought it over and it will be placed behind Federal Reserve notes as a reserve; but this $2,000,000,000 stabilization fund, the rest of the gold profit, is not used as a reserve in Mr. PATMAN's bill.

MY FRIEND PATMAN WOULD ISSUE TWENTY-EIGHT BILLION OF NEW CURRENCY

The gentleman from Texas [Mr. PATMAN] made a statement before the committee that he believed all the securities of the Federal Government should be withdrawn and currency issued in lieu thereof. The gentleman attempted to do that on the floor of this House when he would have limited the interest on securities to one-half of 1 percent. Imagine $28,000,000,000 more in new currency when our present currency is $6,000,000,000. The gentleman goes the Townsend plan $4,000,000,000 better. [Laughter.]

DISCONTINUANCE OF NATIONAL-BANK NOTES

Now, I was talking a moment ago about this so-called "bankers' bill." Reference was made to Frank Belgrano, a splendid gentleman, who, in my judgment, is as sincere in this fight for the immediate cash payment of the soldiers as Mr. PATMAN, myself, or any other Member of this body.

Then they talked about the bankers' profit. You have not heard much about that lately, but before the Ways and Means Committee it was pointed out at that time that less than 3 percent of the securities outstanding were used by our Government as a reserve for currency. It was about $883,000,000. That was before the gold order of March 11, 1935. When that order was issued, you lifted section 3 (a) (2) from the Patman bill. I want you to understand this, please. Section 3 presumably contains the brakes that will control undue inflation; likewise, it retires currency backed up by interest-bearing securities. Why have brakes, if no inflation? Section 3 (a) (2) deals with the termination of national-bank notes.

Now, they will go out of circulation in entirety by August 1, this year. When they are gone you will have $677,000,000 of securities taken from behind currency and retired. That will leave you only $186,000,000 of securities behind all our currency. These are now behind Federal Reserve notes. Ninety-five percent of the reserves for Federal Reserve notes are gold certificates. The only brake left in H. R. 1 under section 3, or any portion of it, is the withdrawal of Federal Reserve notes. The only money you will save, this coupon-clipping proposition, is the interest on $186,000,000, about five and one-half millions of dollars. Twenty-eight billion dollars of outstanding securities and $186,000,000 of securities that will be behind the currency. Two-thirds of 1 percent of all United States securities are used as reserve for currency. Where are your millions in profit for bankers. It is so ridiculous—it is funny.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. VINSON] has expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman from Kentucky 15 additional minutes.

Mr. PATMAN. Will the gentleman yield for a question?

Mr. VINSON of Kentucky. I yield.

Mr. PATMAN. Of course, the gentleman does not say that that is the only brake in the bill? Subsection 1 will terminate the issuance and reissuance of Federal Reserve notes.

Mr. VINSON of Kentucky. No. I was talking about sections 2 and 3.

Mr. PATMAN. That is only a small part.

PHANTOM BRAKES

Mr. VINSON of Kentucky. Now, just to show you about that—I did not want to bring this up—but in a letter from the Secretary of the Treasury which I received yesterday certain language was quoted from section 16 of the Federal Reserve Act. That is my authority, and I quote from the last two paragraphs of this letter, because it is pertinent, proving conclusively there is no added brake at all in section 3 of your bill. When you take out the national-bank notes, and the gold order does that, subsections 1, 3, and 4 give no added power to the Federal Reserve Board in regard to the control of currency. I read from this letter:

I will say, however, that my understanding is that the authority to issue Federal Reserve notes against the security of direct obligations of the United States is an emergency power, subject to termination by the Federal Reserve Board at any time, and expiring in any event March 3, 1937, unless extended by Congress.

And further—

Again, the Federal Reserve Board is given the right in section 16 of the Federal Reserve Act "to grant in whole or in part, or to reject entirely the application of any Federal Reserve bank for Federal Reserve notes."

Can you say now that the language in section 3 means anything?

SHOULD STABILIZATION FUND BE USED TO PAY CERTIFICATES?

I saw in the press the other day where a question was submitted to Mr. Eccles and the gentlemen endeavored to ask him about the validity of certain currency, to compare Federal Reserve notes with currency that was backed by this gold. Of course, Mr. Eccles said that each was equally sound and valid, but the point I make is that there is nothing done in this bill with that gold. The distinguished Member of this House from Indiana, Mr. GREENWOOD, asked the question:

Why can't we take the same gold and pay the certificates?

He was referring to this $2,000,000,000 stabilization fund. It is not for me to say how much, if any, of that stabilization fund should be put behind the currency. My answer to that is that if the administration wants to do it, if you pass H. R. 3896, they can take enough of that gold to pay the bonus certificates in full without more ado.

The point is that this is a matter within their province. The stabilization fund is doing a big job; it is an insurance policy on a large scale. The mere fact that we have it makes Johnny Bull and others across the sea cautious in regard to their money operations; but if the administration wants to take it and pay off the adjusted-service certificates, they can do so as soon as our bill is passed. No further authority would be needed.

HOW TO PAY IT

The question has been raised as to how this will be paid. Our friends opposing this bill hold up the question of taxes; and, of course, no legislator looks with friendly mien upon taxes. Mr. Chairman, we are going to be faced with the necessity of raising some $1,800,000,000 to pay the certificates off on January 1, 1945. You cannot pay them by hokus-pokus. Sometimes I feel that some folks think they can, but I do not believe they will be paid off by hokus-pokus, presto chango, or legerdemain. You will have to raise $1,800,000,000 by January 1, 1945, to pay off then. A continued payment into sinking fund of $112,000,000 each year for the next 10 years would mean not an added dollar of cost. This amount of money at interest for 10 years would increase to a total of $1,350,000,000. Now, no one on this floor will say that Uncle Sam, between now and January 1, 1945, is going to permit the interest on the veterans' money to eat up the other half of the certificates. Justice there is going to cost money, because the money that was lent to the veterans was taken out of the sinking fund, where it was earning interest, and loaned to the veterans at compound interest. This interest charge is now piling up. General Hines told us in 1932 it would cost $1,000,000,000 to cancel the interest.

There are $3,500,000,000 of certificates outstanding. The veterans owe $1,700,000,000; this leaves $1,800,000,000 to be paid. Paying $112,000,000 each year for next 10 years into sinking fund, as we are doing now, is not adding one single dime to the backs of the taxpayers, and on January 1, 1945, you will have $1,350,000,000. In 10 years the carrying charges on $1,800,000,000 to pay the certificates at 3 percent are $540,000,000. Add the $1,000,000,000 of interest that we are going to have to cancel to the $1,350,000,000 you will have $2,350,000,000 on January 1, 1945; subtracting $1,800,000,000 cash payment leaves $550,000,000 to the good. The carrying charges on $1,800,000,000 for 10 years at 3 percent, $540,000,000. Subtracting $540,000,000 from $550,000,000 leaves $10,000,000.

Whatever you save in the relief burden will be added to this $10,000,000. If it be 20 percent, that means $360,000,000 more saved; all told, a savings of $370,000,000.

Sponsors of this measure always think about long-term bonds and taxes. While our average interest rate last year was 3 percent, some short-term securities were sold for two-thirds of 1 percent, but I want to call attention of the House to the fact that in governmental financing it is very rare that the full amount, in a case of this kind, would be raised by taxes in that amount in any one year. Generally speaking, if it were to be financed by a sale of securities, a sinking fund could well be set up that would retire the securities at such period as the administration might desire.

Assume that the regular sinking-fund payment of $112,000,000 per year would be continued. As heretofore shown, these payments would amount to $1,350,000,000 on January 1, 1945. With this sum of money on hand, without any extra cost whatever to the taxpayer, because this amount must be raised under existing law, it would be necessary to have $450,000,000 to retire $1,800,000,000, the long-term securities, the proceeds from which paid off the adjusted-service certificates. As I compute it, it would take less than $38,000,000 additional per year to amortize this sum of $450,000,000 on January 1, 1945. Assuming that 20 percent of this cash payment would be saved from the relief burden, it is apparent that there would be no added costs.

Another way of calculating it: If you subtract $400,000,000 relief payments from the $1,800,000,000 paid the soldier, you would have a remainder of $1,400,000,000. The normal sinking fund payment of $112,000,000 per year for 10 years comes within $50,000,000 of this sum. Carrying charges on the total cash payment amount, plus this fifty million would be less than $600,000,000. By this computation there would be a saving of approximately $400,000,000.

In these computations we have computed carrying charges on the amount required to pay off the adjusted-service certificates when, as a matter of fact, the sum saved from the relief burden should be deducted from that amount and the actual carrying charges would be on such remainder. That would make a very considerable saving over a 10-year period.

I am not suggesting that the foregoing plan be adopted, but I am merely pointing out that it is not such a stupendous financial undertaking.

Assuming that the interest on the loans is going to be canceled, I repeat that we can save money by paying off the certificates now. But there are other ways of paying off the certificates under existing laws. Senator THOMAS successfully procured the adoption of an amendment to the Agricultural Adjustment Act calling for the issuance of $3,000,000,000 of notes like those in H. R. 1. Senator THOMAS, one might say, is the father of inflation in these latter days. There is no question but that the certificates could be paid under H. R. 3896 with the money authorized by the Thomas amendment if the administration so desired. It could not be paid off directly with these Treasury notes, because they are to be used to retire interest-bearing obligations, but it would be a simple matter to retire such obligations with this money and thereby relieve the debt structure to the extent of $3,000,000,000. Thereupon the Treasury could float a $2,000,000,000 issue, and with the proceeds from it pay off the certificates.

Referring to Senator THOMAS, a week or so ago he was reported in the New York Times with having urged monetary caution. Quoting from the press report:

> Just how much expansion will be necessary to bring about the 100-cent dollar can only be ascertained by experimenting.
>
> I do not think the amount would be large, and by adopting a policy of slow and gradual expansion no possible harm could be done and no severe shock would result to prices.

CASH BONUS HELD RISKY

> The payment of the bonus in cash might go too far, Mr. THOMAS continued. Likewise, the Frazier-Lemke proposal or the Wheeler Treasury note issue proposal might reduce the value of the dollar far below the 1926 level, thereby causing an undesirable increase in prices and living costs.

Now, when the distinguished Senator from Oklahoma, the chief sponsor of inflation, advocates caution when it comes to the proposed monetary changes and he says we should go slow before we change the monetary system of this country, I submit that the most rabid inflationist in this House should stop, look, and listen.

The administration, under the Dies bill, could expand the currency by issuing silver certificates to the amount of about $1,800,000,000. They could do that without additional legislation. They already have that power.

If the administration so desired, they could use the $2,000,000,000 stabilization fund—gold profit allocated for this specific purpose—and issue $5,000,000,000 of currency and pay off the soldiers' certificates. In these last three measures the administration now has the power to expand the currency $9,800,000,000, or any part of it. All these powers have been conferred since the first Patman bill passed the House; but the trouble is, so far as the Patman proposal is concerned, that the administration does not choose to exercise its powers of inflation. PATMAN's difficulty is that they do not choose to pay these certificates through the inflation route.

A short time ago we authorized the issue of baby bonds. I suggest that we can pay these certificates by sale of these bonds, and with their proceeds, pay off certificates in the regular way. With the soldiers' organizations, the auxiliaries, the veterans and their families, and the people who would be glad to see them paid in cash—perhaps some creditors—you could, in my opinion, put on a campaign and sell $2,000,000,000 of baby bonds, or at least a large proportion thereof.

CONCLUSION

With our present policy of spending money, determined to increase the price level, and all that sort of thing, I believe the country wants these adjusted certificates paid. I believe they recognize it is for personal services rendered. I believe they want them paid, and paid now. I believe they want them paid in the same way that the war contractors were paid $3,000,000,000, in the same way that the railroads

were paid $2,000,000,000, in the same way that all current obligations of Uncle Sam are paid.

I submit in closing that the American people do not believe in repudiation of the debts owing to us by foreign countries for money and supplies received from us to save their native lands from destruction. We generally talk in angry tones about such repudiation, yet we have repudiated a debt to our very own. Practically everyone was employed during the war. Practically every civilian employee, every Federal civilian employee, and most every individual and corporation connected with and used by the Federal Government in that war received adjusted pay in cash, except the man-power that was called to the colors in that grave crisis. It is our thought that the adjusted-service certificate is an acknowledged debt. It is adjusted pay for personal services rendered. We can't get it out of our mind that the men or women who rendered the service are the ones who should receive the benefits of this adjustment in pay.

Already 189,000 have passed to the great beyond. On January 1, 1945, more than 300,000 additional will have failed to receive adjustment in their service pay. In other words, on the technical due date, January 1, 1945, more than 500,000 World War veterans will have failed to get any personal benefit out of this adjusted-service plan. The services were rendered more than 16 years ago. Using the accepted adjusted-service pay, computing the interest in the same way that Uncle Sam has computed it against the soldier, the debt is now past due. In my opinion, the American people do not want this debt repudiated.

I respectfully submit that the Members of this House who desire to do something for the soldiers during their lifetime should take the strongest vehicle to pay that debt. It was for this purpose that I introduced H. R. 3896, and I am happy to present it to you for your serious consideration. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. ANDREWS].

Mr. ANDREWS of New York. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD and to include two tables having to do with this subject.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ANDREWS of New York. Mr. Chairman and Members, before I proceed with my argument, may I bring to your attention a short summary of some statistics prepared by the Veterans' Bureau having to do with the adjusted-service certificates?

Number of veterans approved as eligible for adjusted-service certificates, 4,051,065.

Number of certificates that have been issued, 3,723,633.

Maturity value of the certificates issued, $3,676,191,304.

In force and outstanding now, 3,528,590.

Value of those certificates outstanding now, $3,481,914,998.

Number who have borrowed against these outstanding certificates, 3,015,614 veterans.

Liens against these certificates, $1,707,298,516.23.

Of these, about 69,000 have not borrowed the full 50 percent allowed.

Before proceeding with an outline of another bill, of which you heard something today, may I state that I believe the time has come, for various reasons, when it is necessary for us to do something definitely and positively of benefit to the veterans? I believe that the veterans who have borrowed on their certificates are abused on interest. I believe there is a need on the part of the great majority of veterans for financial assistance. Before going into a brief description of a bill originally introduced in the Senate by Senator TYDINGS and exactly the same bill as introduced in the House by the gentleman from Missouri [Mr. COCHRAN] and myself, H. R. 6804, I hope you will bear with me in a few observations.

Mr. Chairman, I think it is pertinent at this moment to analyze, if we can, what our duty and what our responsibility is. As I see it, we have the responsibility, first, to all of the people in our districts, and this also involves the welfare of the country. In the second place, I will admit a responsibility to the veterans. In the third place, I believe it is true, and I think you will admit it to be true, that the Members on the Democratic side of the House have a responsibility to the leader of their party in the White House, who at the moment is responsible for the welfare of the country. At this time I think it is worth while for you to take that into consideration, even from the standpoint of the veteran himself.

I happen to be a veteran attempting to serve a large congressional district. I mention that because I consider myself a representative of the people and not solely of the veterans. I am of the opinion that veterans, no matter who is leading them, no matter who may have introduced bills for them in the past, have been led up a blind alley in this country for the last 10 years. I know myself that a veteran is never satisfied. I know a veteran always wants all he can get, and I do not blame any veteran for that desire. I will admit that the measure which I shall attempt to outline may not be the most popular one today, but I am reminded of the fact that there were a great many officers who were popular in the training camps and not so popular as you reach the front line. After you are in the front line the object is to gain something, and even though you may not have been popular in the training area, if you take the objective you are all right with the veterans. They look for results.

This bonus bill, or whatever you want to call it, is back in the front-line trenches today. The veterans want something. I do not blame any veteran for wanting full cash payment, and I do not blame you for voting for it, if you are sincerely in favor of it, and can know to some degree where you are coming out at the end. But I suspect there are some Members here who are going to vote for either the Patman or Vinson bills with the full knowledge of belief that the bill they are going to vote for cannot pass. Possibly that is all you want. Maybe all you want to do is to vote for the bonus bill, then go back home and say, "I voted for the bonus", not caring whether the veterans get anything or not. Perhaps that will do in some districts, but may I say that what the veterans want is action and results for their relief. You have a situation here staring you in the face, with the leader of your own party threatening a veto, failure of the Patman bill in the Senate, as in the past, and the fact that if the Vinson bill passes here you do not know how you are going to raise the money with another long drawn-out fight on the necessary appropriation to come. The President, it has been stated, is against these two plans. I, for one, am willing to take something today that is less popular with the veterans as a starter. At least we know that the President has not expressed himself against the bill which I am in favor of. That is something to start on.

Mr. COX. Will the gentleman yield?

Mr. ANDREWS of New York. I yield to the gentleman from Georgia.

Mr. COX. Did I understand the gentleman to say that his bill was identical with the bill known as the "Cochran bill"?

Mr. ANDREWS of New York. Yes.

Mr. COX. Are not both of those bills, the gentleman's bill and the Cochran bill, much the same as the Vinson bill?

Mr. ANDREWS of New York. No; they are not; but our bill resembles the Vinson bill rather than the Patman bill.

Mr. COX. In other words, under the Andrews bill, is there not issued to the veterans negotiable certificates?

Mr. ANDREWS of New York. Government bonds which are negotiable.

Mr. COX. Well, bonds; not at the present cash surrender value of the certificate, but at a value representing its face value?

Mr. ANDREWS of New York. The face value of the bonds issued to the veteran plus the 3-percent interest coupons thereon will equal the face value due on the certificates in 1945.

Mr. COX. If those bonds sell for par, then in effect the gentleman does by his bill the same as is promised under the Vinson bill?

Mr. ANDREWS of New York. No; I will admit that if the veteran sold his bonds today he could not receive as much in cash as he would as a result of a sale of bonds by the Government under the Vinson plan, but our bill would not burden the Treasury with any sale of bonds.

Mr. COX. The gentleman's bill is not a proposal to give to the veteran the present cash value of the certificate which he holds.

Mr. ANDREWS of New York. No; it is not. It would yield more than the present cash value.

Mr. COX. But you promised to him in bonds the face value of the certificate, the bonds drawing 3½-percent interest, which you believe will cause them to be sold at par.

Mr. ANDREWS of New York. No. I am just coming to a brief description of the bill, if I may proceed.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of New York. I yield.

Mr. RANKIN. The gentleman said a moment ago that the President had expressed his opposition to both the Patman bill and the Vinson bill, but had not expressed opposition to his bill.

Mr. ANDREWS of New York. That is correct.

Mr. RANKIN. Has it been called to the President's attention?

Mr. ANDREWS of New York. I understand it has in a general plan.

Mr. RANKIN. Has he expressed himself on it one way or the other?

Mr. ANDREWS of New York. I simply know that the bill was introduced in the House by the gentleman from Missouri [Mr. COCHRAN] and myself after its introduction in the Senate by Senator TYDINGS and that its final draft was rewritten with the cooperation of the Veterans' Bureau.

Mr. RANKIN. But the gentleman does not know what the attitude of the President is on the bill?

Mr. ANDREWS of New York. No.

Mr. RANKIN. That is what I am trying to get from the gentleman.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of New York. I yield.

Mr. McFARLANE. Does the gentleman have any idea that the President would approve his bill if he has already stated he is opposed to both the Vinson and the Patman bills?

Mr. ANDREWS of New York. Yes.

Mr. McFARLANE. What makes the gentleman think so?

Mr. ANDREWS of New York. Because it is a reasonable and sound bill, and it does not involve any extra expense.

Mr. McFARLANE. Who else besides the gentleman and his coauthors in the House and Senate think that?

Mr. ANDREWS of New York. Many whom I have consulted, among them veterans. You know, these bills have a way of coming back to you, and this one will be back in 2 or 3 weeks, and then you may know more.

Mr. McFARLANE. Yours will never get out.

Mr. ANDREWS of New York. I do not expect it will pass now, but if you will bear with me, I will read an opinion on this bill by the Veterans' Bureau:

OUTLINE ON H. R. 6804

This bill is entitled "A bill to provide for the payment of veterans' adjusted-service certificates in bonds of the United States." It provides for amending section 507 of the World War Adjusted Compensation Act, as amended, and for the addition of a new section to title V of the World War Adjusted Compensation Act, as amended, to be known as "section 509."

The amendment to section 507 of the existing act provides for the expenditure of all amounts in the fund for the purposes of the proposed act.

The benefits under this bill may be secured by a certificate holder by filing an application with the Administrator of Veterans' Affairs, and the surrender to the Administrator of the adjusted-service certificate and all rights thereunder. Settlement of the amount due under the provisions of this measure shall be made to the veteran, or his authorized representative if the veteran be incompetent, and to the estate of the veteran if the veteran dies after application has been filed.

When the application and certificates are in the possession of the Administrator of Veterans' Affairs he shall discount, at true discount, the amount shown as the maturity value on the face of the certificate surrendered from January 1, 1945, at the rate of interest of 3 percent per annum, compounded semiannually, to the 1st day of January or July, whichever is the earlier date, next succeeding the date of the filing of the application with the Administrator of Veterans' Affairs. From the present value of the maturity value shown on the face of the certificate, determined by the deduction therefrom of the amount of true discount, the Administrator of Veterans' Affairs shall deduct the amount of lien, if any, outstanding against the certificate with interest, if any, accrued to the date of the filing of the application for benefits under this act. On and after January 1, 1932, the amount of interest charged on loans shall be 3 percent per annum, compounded annually.

The Administrator of Veterans' Affairs shall certify to the Secretary of the Treasury, upon a form to be prescribed by the Secretary of the Treasury, a statement of the amount due each veteran. Upon receipt of this statement the Secretary of the Treasury is authorized and directed to issue in settlement of the amount certified to be due negotiable bonds of the United States, with coupons attached, bearing interest at the rate of 3 percent per annum, payable semiannually, in a value equal to the highest multiple of $50 represented by the amount certified. The difference between the net amount certified as due and the amount represented by the face value of bonds issued shall be paid to the veteran by the Secretary of the Treasury by check drawn upon the Treasurer of the United States.

The bonds issued shall be redeemable in lawful money of the United States on January 1, 1945 The bonds shall be dated from the 1st day of January or July (whichever is the earlier date) next succeeding the date of the filing with the Administrator of Veterans' Affairs of an application for benefits under the provisions of this act. Veterans to whom bonds have been issued are protected from exploitation by a provision in section 509 (h) of the act which prevents the negotiability of the bonds for 6 months after the date of issue for any consideration less than the amount shown on the face of the bond as the redemption value. Violation of this provision of the law is made a fraud and punishment is prescribed of a fine of not more than $10,000 or imprisonment of not more than 2 years, or both.

The Secretary of the Treasury is authorized and directed to redeem from the United States Government Life Insurance Fund all adjusted-service certificates held by that fund on account of loans made thereon and to pay to the United States Government Life Insurance Fund the amount of outstanding liens against such certificates, including all interest due or accrued, together with such amounts as may be due under subdivision (m) of section 502, as amended. The Secretary of the Treasury, in making redemption of adjusted-service certificates from the United States Government Life Insurance Fund, is authorized and directed to make payment therefor by issuing to the United States Government Life Insurance Fund bonds of the United States, which shall bear interest at the rate of 4½ percent per annum, to be callable at a date not earlier than 10 years subsequent to the date of issue.

MARCH 18, 1935.

Mr. COX. Mr. Chairman, will the gentleman yield for a question?

Mr. ANDREWS of New York. Yes; I yield.

Mr. COX. Has the gentleman made an estimate of the difference in cost to the Government of a settlement made under his bill, the Vinson bill and the Patman bill? In other words, a settlement made under the Vinson bill would cost the Government what figure, a settlement made under the Patman bill would cost the Government what figure, and what would be the cost to the Government of a settlement made under the gentleman's bill?

Mr. ANDREWS of New York. I do not have any figures on the cost to the Government of the Vinson and Patman bills, but our bill provides no additional expense. It is merely a conversion of a governmental obligation. I may say that on page 3805 of the RECORD the gentleman will find a memorandum prepared by the Veterans' Bureau, together with a table, which was appended to this statement, showing the approximate settlement to the holder of a $1,000 adjusted-service certificate not pledged as security for loan, and I shall insert this table in the RECORD.

The table referred to follows:

Approximate settlement to holder of $1,000 adjusted-service certificate not pledged as security for loan

Certificate having maturity value on Jan. 1, 1945, of----	$1,000.00
Present value of maturity value of $1,000 certificate discounted (at true discount) at the rate of 3 percent per annum compounded semiannually from Jan. 1, 1945, to July 1, 1935----------	753.61
Settlement to veteran in cash as of July 1, 1935---------	3.61

Approximate settlement to holder of $1,000 adjusted-service certificate not pledged as security for loan—Continued

Settlement to veteran in bond issue as of July 1, 1935, convertible into cash	$750.00
Interest on $750 bond for 9½ years at 3 percent per annum	213.75

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of New York. I yield.

Mr. RANKIN. What would be the value of such an adjusted-service certificate?

Mr. ANDREWS of New York. The present value of maturity value of $1,000 certificate discounted—at true discount—at the rate of 3 percent per annum, compounded semiannually from January 1, 1945, to July 1, 1935, would be $753.61.

Settlement to veteran in cash as of July 1, 1935, $3.61.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman permit a question?

Mr. ANDREWS of New York. I have not completed my answer to the gentleman from Mississippi.

Settlement to veteran in bond issue as of July 1, 1935, convertible into cash, $750.

Interest on $750 bond for 9½ years at 3 percent per annum, $213.75.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of New York. Yes.

Mr. McFARLANE. Would not that depend somewhat on the bond market during that period of time?

Mr. ANDREWS of New York. No; the bill specifically provides that for a period of 6 months the face value of the bond is guaranteed with violation penalty.

Mr. McFARLANE. Beyond that, what?

Mr. ANDREWS of New York. Then it is subject to the fluctuations of the bond market; but may I point out that by putting the interest premiums at 3 percent, the bonds would have priority over all other Government bonds outstanding insofar as the interest-bearing rate is concerned.

Mr. McFARLANE. Does the gentleman know how the Wall Streeters took the people for a ride on the bonds that were issued after the war?

Mr. ANDREWS of New York. I may state that by distributing them direct to the veteran in this way there would be no interest or commission paid to the banks.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of New York. I yield.

Mr. HARLAN. In view of the fact that the new issue of Government bonds is at a rate of 2.78, is it not probable that these bonds will sell above par at 3 rather than go the other way?

Mr. ANDREWS of New York. I am informed by trust officials that they would and that they would command a priority of demand.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of New York. I yield.

Mr. MARTIN of Colorado. I understand from the bill that the Veterans' Administrator will determine the amount due under this bill on each certificate and certify that amount to the Secretary of the Treasury.

Mr. ANDREWS of New York. That is correct.

Mr. MARTIN of Colorado. Who will incorporate that amount in a bond issue?

Mr. ANDREWS of New York. The Treasury Department.

Mr. MARTIN of Colorado. In arriving at that amount do I understand the bill rightly, that the Veterans' Administrator will deduct from the face maturity of the bill in 1945 3 percent per annum, compounded semiannually?

Mr. ANDREWS of New York. He will deduct whatever loan was made, plus interest on that loan for whatever period it has been outstanding, at 3 percent.

Mr. MARTIN of Colorado. Is that all the deduction that is made?

Mr. ANDREWS of New York. That is all the deduction that is made.

Mr. MARTIN of Colorado. There is no deduction made except the outstanding loan and the interest on it?

Mr. ANDREWS of New York. None. The total of the face value of the bonds actually issued to the veterans, plus the 3-percent interest per annum on those bonds, will equal what is finally owed on the certificate in 1945.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of New York. I yield.

Mr. PATMAN. Is it not a fact that under the gentleman's plan the average veteran, who holds a certificate of $1,000 and who has exercised the privilege of borrowing at every opportunity he has had, commencing in 1927, will receive now only $154 on a $1,000 certificate?

Mr. ANDREWS of New York. No; he will receive more than that.

Mr. PATMAN. The loan and the accumulated interest will amount to about $600.

Mr. ANDREWS of New York. The gentleman is going back to 1927, which is an extreme case.

Mr. PATMAN. Yes; that is when many of them borrowed, especially the distress cases.

Mr. ANDREWS of New York. I believe, personally, I would wipe out all interest and give them the added benefit of that.

Mr. PATMAN. But the gentleman's bill does not do that.

Mr. ANDREWS of New York. It does not read that way now, no; but, personally, I think I would be in favor of that.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of New York. I yield.

Mr. BLANTON. It is a fact, is it not, that the bonds which are necessary to pay the certificates under the Vinson bill will be tax exempt and will put all these tax-exempt securities on the market to be purchased by multimillionaires who are now escaping taxation?

Mr. ANDREWS of New York. That is correct?

Mr. BLANTON. And with $2,000,000,000 more of tax-exempt bonds in existence, it would reduce very materially the annual revenues of this Government.

Mr. McFARLANE. How about the gentleman's bill?

Mr. ANDREWS of New York. The bonds pass into the hands of the veterans.

Mr. BLANTON. I tried to get the gentleman from Kentucky [Mr. VINSON] to yield to me so that I could show that it would be ruinous to the Government to issue $2,000,000,000 more of tax-exempt bonds, as the Vinson bill will necessitate, but he seemed to divine what I had in mind. That is why I am for the Patman bill, because it provides a safe and sound means of payment that will not hurt the Government.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. ANDREWS of New York. I yield.

Mr. MARTIN of Colorado. Does your bill deduct the interest from now to January 1945?

Mr. ANDREWS of New York. To answer your question, if, after making your loan deduction, you were owed the sum of $500, you would receive a bond or bonds in the amount of, we will say, $400, and the balance of $100 would be represented by the 3-percent coupons thereon. The total would be worth $500 in 1945.

Mr. MARTIN of Colorado. Then you do deduct interest in futuro.

Mr. GEARHART. Will the gentleman yield?

Mr. ANDREWS of New York. Yes.

Mr. GEARHART. If a veteran had a thousand-dollar certificate and converted it into a bond under your bill, and did not cash it until 1945, he would get $32.50 less than he would get by holding the certificate.

Mr. ANDREWS of New York. I think he would get the full amount with the interest coupons attached.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. REED].

PRESENT PAYMENT OF THE ADJUSTED-SERVICE CERTIFICATES

Mr. REED of New York. Mr. Chairman, the claim we are asked to pass upon arose out of the World War. The character of the conflict and the ideals sought to be maintained by engaging in it were clearly defined by President Wilson when the United States declared war. He said:

It is a fearful thing to lead this great peaceful people into war, into the most terrible and disastrous of all wars, civilization itself seeming to be in the balance. But the right is more precious than peace, and we shall fight for the things which we have always carried nearest our hearts—for democracy, for the right of those who submit to authority to have a voice in their own governments, for the rights and liberties of small nations, for a universal dominion of right by such a concert of free peoples as shall bring peace and safety to all nations and make the world at last free.

The answer of the American people to this appeal was instantaneous. Over 4,000,000 of our young men were called to the colors to defend the doctrine enunciated by President Wilson. The war, although of short duration, was not, as some would have us believe, an excursion nor a holiday for our armed forces. I was an eye witness to much of the suffering our men endured and of the sacrifices they were called upon to make.

It is a thrilling spectacle to see divisions of young men marching to the front, but it is a harrowing sight to see many of the same fine, fit young men mangled and maimed, carried back. Those who flippantly refer to war as a holiday, as a free excursion, have never witnessed an attack under cover of a barrage.

I mention this one phase of war only to remove, if possible, from the minds of thoughtless men the idea that war is a round of pleasure for those who participate in it. What is a barrage? How is it thrown down? What is it like? Let me describe it. Thousands of mortars are placed a short distance apart, extending sometimes for miles along the battle front. Each mortar, which has the appearance of a large metal pipe, is set at an angle to heave high in the air shells dropped into it. Prior to the time the troops are to advance, thousands of mortars go into action. The shells fall thick and fast along a given line. As the men tending the mortars drop the shells into them, the air is filled with projectiles; they fall like rain. They explode as they hit. The earth literally boils. Gradually the angle of the mortars is changed, and the wave of boiling earth, shrubs, trees, and rocks moves forward. The troops follow.

The time comes when the barrage is lifted. Then comes the final dash of the men. They face hand grenades and cold steel. They engage in a hand-to-hand death struggle to win and to hold the final objective.

No; the World War in which our men so gallantly and so nobly acquitted themselves was not a holiday. No man who ever visited a receiving station and saw the mutilated, the blind and the maimed, or witnessed the agony of those who were gassed, will ever characterize the services of our men as comparable to a holiday.

Every person here knows that money cannot compensate for such a service. Every soldier knows it. Every loyal American should know it. What was the motivating force that moved Congress to pass the Adjusted Service Act? It was this: The disparity between the compensation paid to civilian workers during the period of the war, and the compensation paid to soldiers during the same period could not be reconciled with the American spirit of fair play. It was the troubled conscience of a nation because of this disparity that gave birth to the adjusted-service certificates.

The Congress recognized that some readjustment of pay should be made and it endeavored in 1924 to do this. The Adjusted Service Compensation Act was passed, transforming a moral obligation into a legal obligation of the United States Government.

At this time it is terms of payment and the time of payment of the adjusted-service certificates that are before us for adjudication. The issues presented by the Vinson bill and the Patman bill invite our attention to the basis of the settlement as originally made under the terms of the Adjusted Compensation Act. Under that act each honorably discharged veteran of the World War who served longer than 110 days was allowed $1 a day extra compensation for each day he served in the United States, and $1.25 a day extra compensation for each day he served overseas, with a limitation of $500 for home service and $625 for service overseas. There was deducted from the amount allowed each veteran on his adjusted-service certificate the sum of $60 previously paid to him by act of Congress.

There was added to the amount so computed, after deducting the $60, 25 percent as compensation for deferred payment.

On the basis of this adjustment each veteran was allowed 4-percent interest compounded annually, for 20 years.

Therefore, the adjusted-service certificates pursuant to their terms are not due and payable until January 1, 1945. That is, they have 10 years yet to run before they are due.

I am informed that in December 1934 there were 3,531,800 adjusted-service certificates in force, of the maturity value of $3,485,650,000.

Congress is now asked to readjust the terms of the service certificates as to the time of payment, and to pay the maturity value of them now. We are asked to change the time of payment of an obligation not due under its terms until 1945, and to pay the whole amount, including unearned interest, in cash. Furthermore, the Government, which includes all the people, is urged to pay the value of these certificates as of 1945, which includes $1,150,000,000 of unaccrued interest.

There are two prominent proposals now presented to Congress to achieve this purpose. One is the so-called "Vinson bill"; the other is the so-called "Patman bill." Under the Vinson bill the Government will borrow the money to pay the adjusted-service certificates. It will require the Government to issue and sell interest-bearing bonds to meet the payment. The interest-bearing bonds so issued may run for 20 years, which means that the ultimate cost to the Government under the Vinson plan will be approximately $5,000,000,000, even if settled in cash at this time.

The Patman bill provides that the Government shall print money to pay the adjusted-service certificates. We are asked to change the monetary system of the United States Government to meet this payment. To be more specific, the Patman bill asks Congress to embark on the turbulent sea of inflation. I shall return to this subject later.

The decision we are urged to make with reference to the case before us is one of profound gravity—not to one group alone but to all the people. It raises the question of our responsibility as legislators not to one class but to all the people whom we have the honor to represent. Do we sit as interested parties, as legislators, or do we sit as impartial judges? Regardless of the capacity in which we serve here today, I know that it is the desire of each Member to do that which he believes to be fair, honest, and just between the parties to the controversy. It is on this point that I wish to quote Hon. James Wilson, a distinguished jurist, one of the most brilliant men who sat in the Constitutional Convention in Philadelphia. Later he was appointed a Justice of the Supreme Court by President George Washington. Here is what he had to say on the rights and duties of citizens:

The citizen has rights as well as duties; the latter he is obliged to perform; the former he is entitled to enjoy or recover.

To the original contract of association, to which * * * an appeal must so often be made, he is a party; nay, in point of right, a party, voluntary, independent, equal.

On one side, indeed, there stands a single individual; on the other side, perhaps, there stand millions; but right is weighed by principle; it is not estimated by numbers.

From the necessity of the case, * * * if a controversy arises between the parties to the social agreement, the numbers, or a selection from the numbers, must be the judges as well as one of the parties.

But, because those of one party must, from the necessity of the peculiar case, be the judges likewise, does it follow that they are absolved from that strict obligation by which every judge is bound to administer impartial justice? Does it follow that they may, with avidity, listen to all the interested suggestions, the advice of which a party would pursue?

When the same person is and must be both judge and party, the character of the judge ought not to be sunk in that of the party; the character of the party should be exalted to that of the judge.

When questions—especially pecuniary questions—arise between a state and a citizen, more especially still, when those questions are, as they generally must be, submitted to the decision of those, who are not only parties and judges, but legislators also; the sacred impartiality of the second character, it must be owned, is too frequently lost in the sordid interestedness of the first, and in the arrogant power of the third.

This is tyranny; and tyranny though it may be more formidable and more oppressive, is neither less odious nor less unjust—is neither less dishonorable to the character of one party, nor less hostile to the rights of the other, because it is proudly prefaced by the epithet legislative.

He who refuses the payment of an honest demand upon the public, because it is in his power to refuse it, would refuse the payment of his private debt, if he were equally protected in the refusal. He who robs as a legislator, because he dares, would rob as a highwayman if he dared

And are the public gainers by this? Even if they were, it would be no consideration. The paltry gain would be as dust in the balance, when weighed against the loss of character—for as the world becomes more enlightened and as the principles of justice become better understood, states as well as individuals have a character to lose—the paltry gain, I say, would be but as dust in the balance, when weighed against the loss of character, and against the many other pernicious effects which must flow from the example of public injustice.

But the truth is that the public must be losers instead of being gainers by a conduct of this kind. The mouth which will not utter the sentiments of truth in favor of an honest demand may be taught to repeat the lessons of falsehoods in favor of an unjust one. To refuse fair claims is to encourage fraudulent ones upon the commonwealth.

Little logic is required to show that the same vicious principles and dispositions which oppose the former will exert their selfish, or worse than selfish, influence to support the latter.

I do not believe that any fair-minded person will dispute the sound wisdom and the logic so clearly expressed by this brilliant and distinguished jurist with reference to the responsibility of a legislator in adjudicating the claim of a citizen against the Government.

This is not all that Judge Wilson has to say on this subject that is pertinent to the issue before us. Judge Wilson goes further than this. He discusses the duty a citizen owes to his country in its hour of peril and distress. Furthermore, he discusses the right of a citizen to recompense for services so rendered when the danger and distress disappear and his country again becomes flourishing and opulent. I respectfully ask that you bear with me while I again quote from this eminent jurist:

There may be times, says Judge Wilson, when, to the interest, perhaps to the liberty of the state, every private interest and regard ought to be devoted. At these times, such may be the situation and the peril of the commonwealth—for it is in perilous and distracted times, that, by the citizens extraordinary exertions of duty ought to be made—at those times, a citizen obeys his duty's and his country's sacred call; he makes the necessary sacrifices, without stipulating for a recompense: of demanding such a stipulation, the impropriety and the indelicacy may be equally evident.

Great sacrifices and great exertions are made with faithfulness and zeal; perhaps, with considerable success. The perils disappear; to distraction and danger, peace and serenity succeed; the commonwealth becomes flourishing and opulent. Ought the sacrifice, which, in the hour of her distress and danger, was made at her call, to be continually enforced and demanded by her, after the distress and danger are over?

But this sacrifice is demanded and enforced continually, if this citizen has neither received, nor had it in his power to receive, that recompense which is just. This case—if such a case ever happened—may go without redress; but it can never go without well grounded complaint.

The United States Government during the years 1917 and 1918 did face perilous and distracted times. As I stated at the beginning of my remarks, President Wilson characterized the war as the "most terrible and disastrous of all wars, civilization itself seeming to be in the balance." Over 4,000,000 young men were called to the colors to meet the crisis. They made great sacrifices, and they made them "with faithfulness, with zeal, and with success."

Whether the amount of compensation fixed by Congress and made payable in 1945 was just no man can accurately determine, for no amount of money can adequately pay for such a service and for so great a sacrifice.

We do know this: That at the time the amount was fixed and written into law as an obligation of the United States Government the Nation had spent $36,000,000,000 in prosecuting the war; that during a period of 17 months the national debt had been increased from less than $2,000,000,000 to over $26,000,000,000.

If we are to sit as impartial judges in this case, we cannot ignore the present condition of our country. What is its present condition? Have "perils and distractions disappeared"? I wish to God they had! Is our Nation "flourishing and opulent"? Does "peace and serenity prevail" throughout our land? If even-handed justice is to be rendered by this legislative body, then the decision should be made in the light of all the facts.

What are the indisputable facts? I do not need to call the attention of the Members of this House to the present condition of the country. You know the fact. Official figures reveal that there are over 10,000,000 men out of work, and they have been without employment these many, many months. There are over 20,000,000 persons victims of poverty and distress, caused from unemployment, who are now on public relief. Think of it: One-sixth of our entire population on the relief rolls.

Every Member of this House knows that with all the assistance now being furnished by this Government to protect the city homes and the farms from tax sales and foreclosures, thousands upon thousands of families are being evicted every week because of their inability to find work at which they can earn enough to keep body and soul together and save enough to make the necessary payments to preserve their homes. Existing conditions have almost stifled the hopes and aspirations of millions of young men and women, who in despair wander aimlessly from place to place seeking work. Millions of good men and women feel themselves slipping further and further into the remorseless quicksand of misery and destitution.

Our national debt is now far in excess of $28,500,000,000. When all the commitments of the Government now made and those that are pending are made, the amount that must eventually be paid will exceed $50,000,000,000.

I know that those who are committed to a program of unlimited spending will challenge the statements I have made as to the present plight of our country. To those who see fit to do so, I invite their attention to the statements made by Franklin D. Roosevelt as long ago as April 22, 1932, when interviewed at Albany, N. Y. He said:

I do not see how, as a matter of practical sense, a Government running behind $2,000,000,000 annually can consider the anticipation of bonus payments until it has a balanced Budget, not only on paper, but with a surplus of cash in the Treasury.

Later, on October 19, 1932, in an address at Pittsburgh, Pa., he said:

Last April my views on the subject (bonus) were widely published and have been subsequently quoted. I said:

"I do not see how, as a matter of practical business sense, a Government running behind $2,000,000,000 annually can consider the anticipation of bonus payment until it has a balanced Budget, not only on paper, but with a surplus of cash in the Treasury."

No one, for political purposes or otherwise, has the right, in the absence of explicit statement from me, to assume that my views have changed. They have not.

Since these statements were made by Franklin D. Roosevelt the national debt has been increased by billions of dollars. Since then unemployment has increased. Since then millions of men and women have been placed on the relief rolls. We are now in the fifth year of Treasury deficits. The aggregate deficit of the 6 fiscal years from 1931 to 1936, inclusive, will be in excess of $20,500,000,000. This figure falls far short of showing the whole deficit. The total would be considerably greater except for the use of the revolving funds, such as of the Reconstruction Finance Corporation, to meet new emergency outlays.

It must be apparent to any reasonable person that if the conditions were such in 1932 as to preclude the payment of the bonus, as then stated by Franklin D. Roosevelt, surely he would not recommend payment now.

With the mounting national debt, with the increasing unemployment, and the constantly increasing number on relief, it cannot be successfully claimed that our country is "opulent and flourishing."

It is not difficult to picture the devastating effect of the Federal tax burden which must naturally and logically result from the unrestrained spending of the taxpayers' money. It is a burden that will rest with crushing effect upon the shoulders of this and succeeding generations.

Add to this, if you will, the State, county, municipal, school, and other taxes amounting to over $10,000,000,000 annually, and even then the burden is not complete. It is far from it. There still remains the gross debts of the States and their political subdivisions, which in 1933, after deducting the sinking-fund assets, aggregated over $17,500,000,000, and this burden is daily on the increase. No, my fellow Members, the country is not "flourishing and opulent."

Again let me say to those of you who regard this appraisal of present conditions as overdrawn that the statement recently made by Hon. Lewis W. Douglas, a former Member of this House and former Director of the Bureau of the Budget under this administration, ought to challenge the attention of the thoughtful Members of this Congress. Within the last few days Mr. Douglas has gone much further than I have in stressing the dangers that will result from the present spending program if continued. The Associated Press, in a dispatch dated March 14, 1935, quoted Mr. Douglas as follows:

> At all times in all places, under all circumstances, governments that have continuously expended more than they have taken in, their people eventually have been plunged into the destructive effects of a partially or wholly destroyed currency.

The same dispatch quotes Mr. Douglas as follows:

> Only a dictator, whether it be a dictator of socialism or a dictator of fascism is unimportant, will be adequate to cope with the situation.

And further quoting Mr. Douglas from this same dispatch:

> Thus there will be wiped out all the liberties for which the Anglo-Saxon race has struggled for more than a thousand years, and thus there will be destroyed the "forgotten man", the America which created the highest standard of living the world has ever known.

Therefore, my colleagues, in view of what the President has said, and in the light of what Hon. Lewis Douglas now says, I believe the country is still "in peril and distress" and that the people are haunted not by an imaginary but by a very realistic fear.

I wish now to direct your attention to another aspect of the case presented by one of the proposals before us for decision. I shall address myself to the new monetary provisions contained in the Patman bill. It is proposed under the terms of this bill to authorize the Government to print money to pay the adjusted-service certificates.

The history of inflation throughout the centuries demonstrates that to adopt such a scheme is to deliberately invite a ghastly national disaster.

Inflation is approaching all too rapidly as it is; why hasten the evil day?

In this connection a prominent economist has said:

> One of the outstanding facts in the world's economic history is the way that history repeats itself in matters relating to paper currency, whether one is studying the experience of ancient China, Colonial America, France in the days of John Law, or of the notorious assignats, or Europe during the World War, and immediately thereafter.

I have not the time, neither have you the patience to listen to a long discussion on the evils of inflation. Were it not for the fact that it is proposed in one of the bills before us to operate the Government printing presses to meet the cash payment of the adjusted certificates, I would not discuss the subject.

The experience of the American colonies with inflation should have taught subsequent generations to avoid it as they would a pestilence. I shall present only one or two examples of inflation that occurred during our early history.

Rhode Island, at the close of the Revolutionary War, tried inflation. Her people were in extreme poverty and heavily burdened with their share of the national debt.

The war had seriously crippled their trade, upon which they were mainly dependent, and in their distress turned to paper money for relief. They clamored for a paper bank. The assembly turned them down. A new party was formed, with paper money as its chief principle. The issue was carried to the people and the new party won.

When the new legislature met in May 1786 the first act passed was to establish a bank with power to issue paper money. The act was primarily passed to aid the farmers, and they expected great relief from it. Under the provisions of the act every farmer or merchant who came to borrow money was required to pledge real estate for double the amount desired. The money was loaned to the people upon such pledges, and they were to pay the loans into the treasury at the end of 14 years.

Almost instantaneously with the issue of this paper money depreciation set in. Merchants and tradesmen refused to take the money at its face value, and the holders refused to take any discount. The general assembly came to the rescue and passed a forcing act, subjecting any person who should refuse to take the bills in payment of goods on the same terms as specie to a fine of £100 and to loss of his rights as a free man. Merchants closed their doors. Money almost ceased to circulate.

Business was transacted by barter. Again the assembly came to the rescue and passed a more stringent act. This act provided that offenders should be tried before a court without a jury, three judges to constitute a quorum, whose decision should be final, and whose judgment must be complied with on penalty of imprisonment. The court declared the law unconstitutional. The assembly removed the judges from office. The assembly then proposed a test act. This required citizens to take a solemn oath to take the paper money at par. All persons refusing to take the oath were to be disfranchised. Ship captains were forbidden to enter or go out of the State. Lawyers were not permitted to practice and men could not run for public office. The money remained worthless. Finally sanity returned and the whole plan was abandoned.

Virginia tried inflation. I need only mention that a pair of shoes cost $5,000 at that time.

France tried inflation in 1790. The revolutionary government confiscated all the church property, which then constituted one-fifth of all the land of the kingdom. Crown and church property was put upon the market to the value of 450,000,000 francs and paper money was issued to the same amount.

It was stated at the time that the issue would not be increased. What happened? So rapid was the issue of this paper currency that the record is lost. The formality of passing laws was omitted and the executive authorities increased the issues by decrees. By the year 1793 the circulation had reached 4,000,000,000 francs. Futile efforts were made to sustain the value of the notes. A decree imposing the death sentence on those who refused to take the money at par failed to maintain the value of this worthless money. On May 21, 1796, all outstanding assignats were declared worthless.

The stock argument made in favor of inflation has been the same in all times and in all places by its proponents.

When the greenback issue was before Congress in 1362 one of the chief advocates declared on the floor of the United States Senate:

> There is no probability that a currency based upon the resources of a great nation * * * will depreciate 50 percent or even 5 percent. No such paper ever did depreciate, and none such, I venture to predict, ever will

The first issue of $150,000,000 of greenbacks was authorized in February 1862. It is interesting to note in connection with the prediction of the distinguished Senator that on July 11, 1864, the greenback dollar had a gold value of a fraction over 35 cents.

If the examples given are not sufficient to put this House on notice as to the dangers of inflation, we have the more recent experience of Germany.

When the World War broke out the German people had 19,000,000,000 marks on deposit in German savings banks. On November 27, 1923, that sum of money had the purchasing power of one-fourth of 1 cent, American money. The inflation in Germany had pauperized the middle thrifty class. It destroyed the endowments of universities, schools, and hospitals. It drove thousands to choose between starvation and suicide. It retarded the mental and physical development of a generation of children. Finally, it established a ruthless dictatorship.

I am not surprised that the veterans should feel that the Government is in a position at this time to pay the maturity value of the adjusted-service certificates. They see an administration solemnly pledged to practice "rigid economy" disregarding that pledge, spending lavishly, not millions, but billions of dollars. They know, too, that these billions of dollars will not be used to pay obligations of the country now due or to become due, but used to create new debts. It is perfectly natural that the veterans should reason that if the Government has unlimited sums to create new debts, why not pay an existing obligation, even though it is one that is not due until 1945.

The so-called "public-works bill" now pending, which carries an authorization to the President to spend $5,000,000,000, lends plausibility to the position taken by many veterans.

We all know that two wrongs do not make a right. I did not support the $4,000,000,000 raid upon the Treasury for public works of doubtful value. Again I say, we must judge the controversy before us in the light of the present condition of the country and in the interests of all the people.

We know that the attempt to create prosperity by means of public-works projects financed by Government borrowing was tried in France and in Great Britain, and without success in either country. More than this, as was pointed out some time ago by a prominent French writer, the post-war inflation in France had its origin in such a scheme. This writer points out:

> The origins of the post-war French inflation are to be found in the need for government expenditures for the sake of reconstruction and in the resulting budget difficulties. The concrete form in which this difficulty presented itself was the overwhelming burden of Government indebtedness that mounted each year as deficits and borrowings increased.

There is no sound reason why this Government should run the whole gamut of mistakes made by other nations, the ultimate results of which may be as disastrous to our people as similar mistakes were to the people abroad.

Time, I believe, will fully demonstrate, if already it has not done so, that the policy of plunging this Government further and further into debt will not restore prosperity to our people, but that on the contrary, if the experience of other nations is any criterion, it will retard permanent recovery.

In approaching this subject it has been my endeavor to divest myself of every consideration other than to do exact and impartial justice toward both parties in the case—namely, the holders of these immatured compensation certificates, on the one hand, and the general public on the other hand. To the latter class, the great majority of the people, I belong. But for the time being I am a legislator; and if the principle laid down by Judge Wilson is sound, I must therefore sit as a judge, and in no other capacity; and as a judge I must try the case as one in equity and be governed by indubitable conditions as they exist, and not as we should like to have them.

I cannot overstress the importance of our positions here as impartial judges, and I cannot conceive of a better illustration than the case before us in exemplification of the sound philosophy of Judge Wilson.

I must not, and cannot, forget that you and I are legislating for all the people, are sitting as judges in a cause in equity, and that every factor ought to be eliminated except one. In the light of all conditions, what shall be our just and righteous decision?

Other proposals have been made to Congress, such as are embraced in the Tydings bill, the Andrews bill, and the Lea bill, which in substance provide for payment, not of the maturity value of the certificates as of 1945 but the present value of the certificates. I cannot support either the Vinson or the Patman bill for the reasons I have stated, but I am in sympathy with the plan of payment embodied in either the Andrews bill or the Tydings bill; and if given the opportunity to vote for one or the other of these two proposals, I shall do so.

My colleagues, I hesitate to leave this subject. I am intensely interested in it. I was across the seas and I saw the suffering the boys endured. I know that they are entitled to compensation. But I want you men to see the issue in its true light.

I am proud of the unselfish service of the soldiers. You and I know that we cannot do them exact justice in terms of money. No man can measure it. It has been said:

> Justice is a fine word, but it is not the last word between man and man. To so order the world that every man receives his just wage will not bring the millenium. Who pays the mother for her long night vigils, the father for his toil, the soldier for his wounds, the hero for giving up his life to rescue another. Who paid Jesus for his agony, Regulus for his patriotism, and Walt Whitman for his poetry? And who paid William Morris and William Booth for their labors toward social betterment? Above all work done for fair pay towers the work done for no pay at all—just for love.

My friends, Congress cannot measure the sacrifice and the service rendered by the soldiers in terms of money, and I know that the veterans know this. The soldiers know the present plight and condition of the country. They know that any legislation that pays the present value of the service certificates at least approximate justice. So far as possible you and I want to be just; we are anxious to do right. I am anxious to act as an impartial judge in this delicate controversy between the veterans on the one hand and all of the people on the other hand.

So far as fallible judgment permits me to do so, I shall vote for legislation presented on this floor that is just and fair to the veterans and to the public at large. I cannot do more, and I hope that fallible human judgment will not permit me to do less. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, it has never been my privilege to listen to a clearer nor to a sounder statement than that just delivered by the gentleman from New York [Mr. REED]. His words would carry conviction to every unbiased mind, were we dealing with an administration which was following sane and sound principles of action.

The difficulty, however, grows out of the fact that we are confronted with a situation, rather than with a theory, with stubborn facts irresistibly tending to create a certain result, rather than with the usual orderly procedure of government.

The gentleman quoted a part of what the President said in 1932. He forgot to tell us that in October of that year the President informed us—and it is a self-evident truth—that unless we balanced the Budget, we were on the way, as a nation, to bankruptcy. That is as true today as when uttered.

If the administration had made an effort, or was making an effort, to keep the promise then made by its candidate, if it intended to balance the Budget, I am quite sure that the soldiers would be perfectly willing to wait for the payment of their adjusted-service certificates. But what have we?

The administration had no sooner taken over the reins of government than it began a series of experiments, practically all of which it now admits ended in failure, and one of which, the Triple A, Secretary Wallace tells us was "a necessary political expediency."

The situation being what it is, what are we to do? We know that the Townsend people are asking for money; we know that the farmers are asking for money, and they have

had seed loans, wheat, corn, hog, and cotton money. The banks have had theirs; the railroads have had their share.

Is there a Member of the House who does not realize that, sooner or later, and sooner rather than later, following the road which we are traveling, we are going to end either in bankruptcy as a nation or we are going to have inflation? One or the other is coming. And why? Because the party's promises were not kept; because the Budget was not balanced; because no effort has been or is being made to balance it.

That being true, is there any reason why any Member should not now, as would an attorney in a case of bankruptcy, seek to save something for the deserving? If we are going into bankruptcy or inflation, as we are, if these wild schemes are adopted—and we had one of them here yesterday and a quarrel among the Members on the majority side over whether two or three bales of cotton should be exempt—if we are going down, is there any reason why we should not reach out and, for the veterans, save something from the wreck?

The certificates constitute a debt. The amount is fixed. The time of payment only is uncertain. They deserve the bonus, do they not? They are entitled, are they not, to Government money, to the payment of the debt owing them? Have they not a greater right to claim the payment of that debt at this time than have others to demand a pension of $200 a month? As great a claim upon us as those who received the production loans, the processing taxes, those to whom you yesterday voted to give 35 cents on each bale of cotton, for services rendered in supplying information which would enable the Government to administer a portion of the Bankhead Act?

All those fellows are getting their money. These boys earned what they ask. It is a debt we owe them. They should have it now, before we become bankrupt, before we have inflation, and they should have it in sound money.

The veterans want the bonus. The passage of the Patman bill will afford the Senate an excuse for rejecting, the President a reason for vetoing bonus legislation. If 4 or 5 billion is to go into a relief work bill, to be expended at the discretion of the President, if other uncounted sums are to be disbursed by executive departments, if the end of the journey is to be national bankruptcy or inflation, let us, as members of the legislative department, upon whom rests the duty, the responsibility of the expenditure of public funds, at least so far assert ourselves as to determine to whom a part of the money shall go. Let us say that so much, at least, shall be used to pay an honest debt.

There is one other reason why Republicans should vote for this payment. As a rule, their participation in governmental activities so far has been largely in the role of taxpayers and this is the only plan which has been brought forward that I know of that apparently assures to the Republicans their share of the money that you are distributing.

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I wish to express myself very briefly. I do not want it to seem to appear that I am one whit less patriotic than other Members of the House. Indeed, I am led to wonder whether, with the feeling that seems to be shown here, if it is not really displaying both more courage and more patriotism to vote against the bonus measure than to vote for it. I do not yield to any Member of this House in a belief that the veterans should be treated with even more than mere "justice." I shall be glad to vote for a bill giving them at this time a negotiable bond, which they could use as they might see fit, and make the terms thereof even more liberal than the so-called "Tydings bill." I would also be glad to vote for the Andrew bill. But I do not believe that we should at this time enact a measure which would further burden the Nation to the extent of two and three-tenths billion dollars.

Once before, this year, I spoke on this floor to point out that we are already committed to an indebtedness of thirty-one and one-half billion dollars for expenditures already authorized. There is also a large contingent debt and for various purposes. The bank must absorb one and seven-tenths billion dollars for the H. O. L. C., and one billion for the Farm Credit and Farm Mortgages. And soon we shall also have to absorb four and eight-tenths billion for the public-works bill. If we now add these two and three-tenths billion for the prepayment of the bonus, a billion or two billion for social legislation, that will bring the public debt up to about forty-two and three-tenths billion. The words which your President uttered as late as March 1933 keep ringing in my ears—

> To require the banks to absorb any more deficit would be a highly dangerous proceeding, more dangerous than the threat of more taxation.

It does seem to me that some of us are standing with the President in this respect, much more than those of you who came here pledged to support him 100 percent. Do you accuse your President of being unpatriotic? Do you not think he wants to do something for the soldier? Why place this entire burden on him? How can you pretend to be 100 percent with him in his problems, trying to bring the country out of its present difficulties, and at the same time be 100 percent with the ex-service men who are demanding the full prepayment of the bonus, although many of you must have made those two promises before election? One hundred percent here; 100 percent there; diametrically opposed, because everyone knows, and knew last fall, that the President was against this proposition.

I do not enjoy the thought of appearing less patriotic than other Members. Without wishing to be sentimental, I would say that I was brought up in an atmosphere of patriotism. My father was a soldier of the Civil War, a very enthusiastic Grand Army man. Naturally, I cannot help wondering, if he knew now my stand on this question, whether he would really regard me as patriotic if I were to vote in favor of a million and a half veterans, even though many are needy, when there are 20,000,000 Americans on relief and 130,000,000 people in the entire country.

I dislike to designate the veterans as a particular class of our citizens, but there is no escaping the fact that this really is class legislation.

How we are importuned here today to use for this purpose the free gold in the Treasury. They say, "Let us not obligate the Government any more, but let us take that free gold which is akin to money in a savings bank." What difference does it make? They say the country is not adding to its burden of indebtedness if we take this "savings bank money", yet that is the very last reserve most of us, as individuals, would dip into. We will live on credit a long time before we will take our savings-bank money; but that is what the Patman bill advocates. Yet, when you ask the gentleman, "Why not do the same in order to provide the $4,880,000,000 for public works"? the gentleman says that is not in the same thing. This is a special, and also an older proposition. I can see but very little difference, myself.

Mr. Chairman, when we know that today the banks have fourteen billion of our Government securities, and must absorb fourteen billion more, thinking people are seriously disturbed. Down in your hearts most of you are frightened about it. As a result of two or three remarks I have made about the matter, a number of Members on the Democratic side have expressed a great deal of concern. I want to tell the House a little incident, which would seem to me to indicate that the President has been unfortunately surrounded by many poor advisers.

We heard the Governor of the Federal Reserve Board, before the Committee on Banking and Currency, saying, "I am not greatly concerned about a $40,000,000,000 debt in this country." If he is not greatly concerned, business men in the Nation most assuredly are. Business is becoming more freightened all the time, and there never will be any recovery under such conditions. When he was asked about balancing the Budget, he replied, after a great deal of hesitation, that he thought we ought to balance the Budget about once in 5 years. I asked him if he would not send a letter to my creditors and recommend to them that they let me off for 5 years, if I were loosing a lot of money every

year. Why should they be worried if I did not balance my personal budget for 5 years if the Nation does not? That is the kind of advice we are getting these days, Mr. Chairman. We are getting nowhere, and everybody knows it. I am trying to face facts. I would say to the gentleman, "Take that savings-bank money that we have lying in the Treasury; that is all right if you think that will help business recovery." But I do not see any reason why it should be earmarked for this or any other particular purpose. It all amounts to the same thing. The gentleman answered me that this was an older, a different proposition. It is not. It all falls within the same expenditure.

Mr. HOUSTON. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. HOUSTON. Was the Budget balanced when the present administration went into office?

Mr. GIFFORD. When the present administration came in there was that blast of criticism that the banks had already tried to support a deficit of the outgoing administration, but three-quarters of it was Reconstruction Finance Corporation money, which your party now boasts will all come back again.

Mr. HOUSTON. But, was the Budget balanced when the present administration came in?

Mr. GIFFORD. Not in any one year. Of course it was not.

Mr. HOUSTON. Does the gentleman believe the paying of the bonus will create a new debt?

Mr. GIFFORD. Mr. Chairman, I have tried to tell the gentleman as forcibly as possible that I would be willing to vote a veterans' bonus bill, providing the payment by bonds, or a proportionate amount in Federal money, but, under present conditions, when we cannot balance the Budget, and are already spending $14,000,000,000 we cannot increase it by this huge additional sum. I hope that answers the gentleman's question.

Mr. HOUSTON. It does not.

Mr. GIFFORD. We want business to get better; we want to stop operating on the patient and let the patient get back his strength. Do something besides frighten business. Think of what has been presented to this Congress and then try to believe, if you can, that business will have the courage to go ahead. Oh, Mr. Chairman, I plead for a little recovery before this already huge indebtedness is increased; and I sincerely believe I am patriotic in assuming this position under the conditions which now exist.

Mr. HOUSTON. Does not the gentleman admit that conditions are a little better today than they were 2 years ago?

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Chairman, in discussing the question of paying the adjusted-service certificates in cash, I never have conceived that patriotism entered into it. We have always believed that the soldier boys of the World War who placed their lives on the altar of sacrifice for their country were as patriotic as any other group that has fought in any war under our flag. This is a question of justice, of adjusting the question of compensation between the soldier who fought the battles and the civilian who stayed at home and made money while the soldier was doing the fighting. I know many a young man who was taken out of this opportunity to make money during the war and put into the service. In an adjustment of that compensation the Congress had already declared that they were willing to pay $1 a day additional compensation to the soldier while he served on this side of the water and $1.25 a day for every day he served on the other side of the water, but they never made this acknowledgement until 7 years after the soldiers had finished the job. Every brick mason, every man employed, every corporation which made munitions and sold supplies during the war made his or its money during the period of the war, and this adjustment should represent wages during that same period.

The laborer is worthy of his hire. When the soldier finished the job he should have been paid, and if you will acknowledge the debt as of the time he rendered the service and pay him interest accordingly, then he is entitled to have the cash payment in full for his adjusted-service certificate at this time; and upon this basis we are acknowledging the debt and doing now what we should have done many years ago, paying him for the services he rendered. This adjustment is an equalization between the soldier and the civilian.

Now, the country has a right to know how we are going to pay this $2,000,000,000. To pass an authorization does not complete the transaction for this Congress. One of the first things the Chief Executive will want to know when any bill is presented to him is how are we going to meet the appropriation in this hour of emergency? Three ways are offered in the various bills under this rule which gives us a choice. We can accept the issuing of bonds and thereby pile a burden upon the Treasury of the United States to pay probably an additional $2,000,000,000 by the time the complete debt is paid. We can levy taxes and pay it within the next year or two—but so far as I am concerned, I am willing to vote for either one of these bills. First I believe the soldier should be paid because he is entitled to it; I am also interested in the other side of the proposition, that there is a way to pay it without borrowing the money and paying the additional interest burden, or without levying a dollar of additional taxes which, at this particular time, is a matter for grave consideration. It can be done just as a business man would pay a debt of $1,000 if he had money in the bank. Instead of going to the bank and saying that he believed he would sign a note, borrow the money and put off the day of payment for a year, the business man would write a check and liquidate the debt without paying the interest charges. There is in the Treasury of the United States a profit on gold, and an accumulation of silver that has never been earmarked or used for any issue or payment of money; and without in any way violating the traditions of the Government or doing anything unorthodox according to all the rules we have followed from the beginning of our history we can exercise our right of issuing currency on that portion of the metallic base that has never been appropriated or earmarked. There is nothing irregular in this. Why not pay it out of the gold profit instead of increasing the public debt, increasing taxes? Even the person who wants to consider it from an experimental standpoint ought to be willing to use this metal that is not earmarked for the issuance of $2,000,000,000 additional money to pay these certificates.

If we find that we have not unduly expanded the currency, then any of this bonded indebtedness we are creating for the emergency can be treated in a similar manner. The Treasury of the United States and the Chief Executive in the last 2 weeks have put their stamp of approval on using this metallic base that has not been appropriated for currency by retiring bonds that have a future maturity. The Panama bonds that were outstanding were called in and they could use this unearned profit. I say that the Treasury has put its stamp of approval on this very system of financing as proposed in this particular bill which the gentleman from Texas [Mr. PATMAN] has offered.

Mr. BIERMANN. Will the gentleman yield?

Mr. GREENWOOD. I yield to the gentleman from Iowa.

Mr. BIERMANN. In redeeming these bonds which the gentleman spoke of, it is very notable that there is quite a difference. The accumulated interest to 1945 is not being paid, which the gentleman proposes to do in connection with this bill.

Mr. GREENWOOD. Of course, I approve the position of the Treasury in anticipating those bonds and saving that interest to the Nation.

Mr. BIERMANN. In this particular case the gentleman expects to pay in advance and not save anything.

Mr. GREENWOOD. Yes. I propose to save, because we owed the soldiers this money in 1924, more than 7 years after they rendered the service, and the soldiers are entitled to this money. We expect to save future interest and avoid taxes.

Mr. BIERMANN. It was 6 years after the war that we made the adjustment, and to provide for the period of time

that elapsed we added 25 percent to the base. The proposal now before us is not to pay them that amount, but $1,600,000,000 in addition. That is the issue.

Mr. GREENWOOD. I do not agree with the gentleman.

Mr. BIERMANN. The issue is whether we are going to pay $1,600,000,000 more.

Mr. GREENWOOD. I do not agree with the position the gentleman takes. If we had paid this debt for the service rendered in the adjustment of wages at the time the service was rendered and if we figured interest from that date to this date, we would owe the soldier the full amount of his certificate. Everyone else that had a debt against the Government, including the munitions manufacturers, the railroads, and other people, had their claims allowed plus 6-percent interest. This also applied in the case of tax refunds.

Mr. PATMAN. Will the gentleman yield?

Mr. GREENWOOD. I yield to the gentleman from Texas.

Mr. PATMAN. Is the gentleman familiar with the hearings in the Senate in February 1931, when Mr. Mellon, Secretary of the Treasury, and Mr. Mills, the Under Secretary of the Treasury, testified? Both of those gentlemen agreed that the 7 years' interest was entirely ignored, and when a Senator asked why they ignored this interest item the Senator was told, "I do not know." They had ignored the 7 years' interest, and in the same hearing they explained that the 25-percent increase was for waiting from 1925 until 1945, and it was not intended to cover the interest charge from 1918 to 1925.

Mr. GREENWOOD. I thank the gentleman for his contribution.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. GREENWOOD. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. In the bill that was introduced in 1922 the due date was 1942, 20 years from that date; consequently it shows that they were dating it from the date of service.

Mr. GREENWOOD. I agree with both gentlemen, and I thank them for their contribution.

The debt was due when he rendered the service, and if you give him 6 percent, as was allowed on every claim growing out of the war, the full amount of his certificate is due today. I believe in paying the debt, and I believe that we should pay the debt we owe those boys who fought prior to the claims of anybody else whose claim grew out of the war.

Furthermore, I believe in spreading this money out all over the United States where it will help to turn the wheels of industry and bring us out of the valley of the depression. I believe it will complete the task of recovery. You may sell Government bonds to a bank. They can take those bonds back to the Treasury and receive bank currency, but the money never will go into the channels of trade, because it lies there frozen. If you will issue this $2,000,000,000, additional currency based on the metallic reserve that is in the Treasury, this money will go out among the people and help them pay their debts. It will help those who are now on the relief rolls. We are giving them now money for nothing. In many instances we owe the money to these unfortunate people. This new money will go to every nook and corner of this country, and help people pay their debts rather than force the soldiers to repudiate their debts, and force them into bankruptcy. It is always better to advance currency for the debtor class than to go on with a period of deflation which brings about bankruptcy or repudiation of debts.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CANNON of Missouri, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 3896), to provide for the immediate payment of World War adjusted-service certificates, to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes, had come to no resolution thereon.

PERMISSION TO ADDRESS THE HOUSE

Mr. KLEBERG. Mr. Speaker, I ask unanimous consent that on tomorrow, following the reading of the Journal and the disposition of matters on the Speaker's table, I may address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6644), making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes, with Senate amendments, disagree to the Senate amendments and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. BUCHANAN, TAYLOR of Colorado, ARNOLD, and TABER.

RECONSTRUCTION FINANCE CORPORATION

Mr. BURDICK. Mr. Speaker, the Reconstruction Finance Corporation was organized February 2, 1932. Capital stock, $500,000,000 paid by the Treasurer of the United States. Limit of indebtedness, $3,750,000,000 plus the following:

A. One hundred and twenty-five million dollars available for stock in Home Owners' Loan Corporation.

B. Such amounts necessary for:

(a) To purchase preferred stock in banks or to make loans on such stock.

(b) To make loans to Secretary of Agriculture on cotton.

(c) To provide funds for Federal housing.

C. Amount not to exceed $50,000,000 to purchase preferred stock and notes of insurance companies.

D. The sum of $500,000,000 to enable the Federal Relief Administration to make grants to States and Territories for relief work.

E. For $300,000,000 to be allocated to the Federal Land Bank Commissioner for loans to joint-stock land banks and to farmers.

F. Not to exceed $200,000,000 to allocate funds to Secretary of the Treasury to make payments for subscriptions to capital stock of the Home Owners' Loan Corporation.

G. Not exceeding $250,000,000 to purchase at par value of debentures and other obligations of the Federal Deposit Insurance Corporation.

H. Not exceeding $250,000,000 to purchase marketable securities acquired by the Federal Emergency Administration of Public Works.

It will thus be seen that the purposes and provisions of this act were far-reaching and extended into every phase of relief, and therefore should have always remained nonpartisan and in the hands of the people. No one could possibly conceive that this great institution was to be prostituted to the private banking and business interests of the Northwest to be used and operated by their agents and representatives for their own interests, and not for the people. No one dreamed that the two bank organizations of the Twin Cities, namely, the Northwest Bank Corporation and its twin sister, the First Bank Stock Corporation, were soon to fasten their tentacles around the throat of this great public enterprise. Yet in the Northwest such was the fate of this Government corporation.

When the office was set up in the city of Minneapolis we find in control, and with minor changes they still control the destinies of this great public benefactor in the Northwest:

Joseph Chapman, of the Northwest National Bank of Minneapolis and the Northwest Bank Corporation. Was the first manager and served to September 30, 1934. Republican.

Ben Maynard, acting manager. Formerly with the First National Bank of Minneapolis, the originator of the bogus

holding co., known as the "First Bank Stock Corporation." Republican.

T. F. Wallace, advisory committee; director, First National Bank of Mineapolis, and member, First Bank Stock Corporation. Republican.

Elmer E. Adams, president First National Bank of Fergus Falls, member of First Bank Stock Corporation. Republican.

E. S. Bice, banker, Michigan. Republican.

E. W. Decker, president of the Northwest Bank Corporation. Republican.

C. T. Jaffray, advisory committee, former chairman board of directors of First National Bank, Minneapolis; president of Soo Line Railroad Co.; one of the organizers of the First Bank Stock Corporation. President of the Minneapolis Trust Joint Stock Land Bank. Republican.

John Oace, vice president of the First National of St. Paul; director of the First Bank Stock Corporation. Republican.

Here we have the direct proof of the fact that representatives of these two bank holding companies gained and still have control of the Government's Finance Corporation.

Through the control of this organization, they could serve the following institutions:

First. Buy bank stock and obligations.

Second. Direct grants for relief.

Third. Grant loans to Land Bank Commissioner.

Fourth. Allocate funds for purchase of stock in Home Owners' Loan banks.

Fifth. Allocate fund for Federal Deposit Insurance.

Sixth. Purchase securities acquired by the Public Works Administration.

No greater power over the people could have ever been usurped by this designing band of financial racketeers.

There have been a few appointments made to offices in the Reconstruction Finance Corporation, which are an improvement over the Hoover regime. Such men as Otto Bremer, St. Paul, Pierre Clemens, Fargo, Blanding Fisher, Devils Lake, are a credit to the Government, but bear in mind that these men are merely members of the advisory committee, and that the officers who daily direct the affairs of the Corporation are reactionary and out of sympathy with the people whom they serve. Those at the top and representatives of the Twin City Bank gang, namely, the Northwest Bank Corporation and the First Bank Stock Corporation, and apparently they have power enough to stay in the positions they occupied before the Roosevelt administration assumed office.

I ask the people of the Northwest to take a look at the depositors' liquidating committee. If you want Twin City Bank gang control of Government finance institutions, here you have it.

Not satisfied with this control, let us see what happened when the depositors' liquidating committee was set up in Minneapolis. The following names tell the complete story:

C. T. Jaffray, manager. The same Jaffray whose name appears in the control and management of the Reconstruction Finance Corporation.

John W. Barton, secretary; former employee of the Northwest National Bank of Minneapolis, former director of the Northwest Bank Corporation.

W. A. Smith, chief examiner, former examiner in charge of liquidation, Minnesota State banking department. Republican and always friendly to both bank-stock holding companies.

It was a handy thing for Jaffray to be in control of the liquidation of deposits in closed banks. It was an easy matter to liquidate to the advantage of the institutions with which he was directly connected and interested, and if the same practice was followed as was followed when the same gang operated the War Finance Corporation, this was a key position in the general plan to collect debts owing to Jaffray's institutions, while the Government held the sack.

By referring to my speech in Congress on March 14, and my extension of remarks in the CONGRESSIONAL RECORD, every day since, it can be seen that such names as Jaffray, Decker, Leeman, Grangaard, Barton, Oace, and McGregor, running through all of these institutions, were all either officers or exponents of the bank holding companies referred to. Some of these names appear as many as four times. This means that they held a position on at least four Government institutions engaged in handling financial relief in the Northwest. No more convincing proof of the fact that this coterie of men planned to get, and did get, and kept control of these institutions, and most of them are still there. What keeps them there? Will the Roosevelt administration keep them there against the protest of the people of Minnesota, Wisconsin, North and South Dakota?

Nothing a State can do will ever oust them. Governor Olson, of Minnesota, and his able State officers have been calling this matter to the attention of the country and have showed up much of the positively dishonest methods pursued by the bank holding companies, particularly the Northwest Bank Corporation, but the men who have been connected with this holding company still remain in the Government set-ups.

It seems strange that there are no men in this country, outside of reactionary Republicans, capable of running a Government finance institution. That is what the Democrats admit when they make no changes. What will the people say when they know who is responsible for this situation?

Are there no business men of the Northwest capable of running one of these institutions? Are there not any independent bankers in the Northwest capable of this task? There are hundreds of independent bankers in the State of Minnesota who have stood out against this corrupt bank holding company, and in spite of the pressure have maintained their banks. These bankers have made a great fight for the people. Are they not competent to fill these positions? Must we be forced to admit that in all the Northwest there are no men capable to handle this business except those who have had their training with the Northwest Bank Corporation and the First Bank Stock Corporation?

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. WILSON of Pennsylvania (at the request of Mr. DARROW) indefinitely, on account of illness in family.

To Mrs. NORTON (at the request of Mr. KENNEY), for 10 days, on account of illness.

To Mr. ASHBROOK, for 3 days, on account of important business.

To Mr. STARNES, for 2 days, on account of death of his mother.

CALENDAR WEDNESDAY

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that business in order tomorrow, Calendar Wednesday, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bill and joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 5322. An act authorizing the President of the United States to present, in the name of Congress, a Medal of Honor to Maj. Gen. Adolphus Washington Greely; and

H. J. Res. 134. Joint resolution to continue the commission for determining the boundary line between the District of Columbia and the State of Virginia for not to exceed 9 additional months, and to authorize not to exceed $10,000 additional funds for its expenses.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 1 minute p. m.) the House adjourned until tomorrow, Wednesday, March 20, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

271. Under clause 2 of rule XXIV, a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, House of Representatives, for the fiscal year 1936, in the sum of $3,480 (H. Doc. No. 140), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KELLER: Committee on the Library. House Joint Resolution 208. Joint resolution to provide for the observance and celebration of the one hundred and fiftieth anniversary of the adoption of the Ordinance of 1787 and the settlement of the Northwest Territory; with amendment (Rept. No. 440). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. H. R. 4297. A bill to provide funds for cooperation with White Swan School District No. 88, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation; without amendment (Rept. No. 441). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. H. R. 5207. A bill for expenditure of funds for cooperation with the public-school board at Poplar, Mont., in the construction or improvement of public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.; without amendment (Rept. No. 442). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. H. R. 5209. A bill to provide funds for cooperation with the school board at Brockton, Mont., in the extension of the public-school building at that place to be available to Indian children of the Fort Peck Indian Reservation; without amendment (Rept. No. 443). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. H. R. 5210. A bill to provide funds for cooperation with school district no. 17–H, Big Horn County, Mont., for extension of public-school buildings, to be available to Indian children; without amendment (Rept. No. 444). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. H. R. 5212. A bill to authorize appropriations for the completion of the public high school at Frazer, Mont.; without amendment (Rept. No. 445). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. H. R. 5213. A bill to provide funds for cooperation with school district no. 27, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children; without amendment (Rept. No. 446). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. H. R. 5214. A bill to provide funds for cooperation with the public-school board at Wolf Point, Mont., in the construction or improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.; without amendment (Rept. No. 447). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. H. R. 5216. A bill to provide funds for cooperation with Harlem School District No. 12, Blaine County, Mont., for extension of public-school buildings and equipment to be available for Indian children; without amendment (Rept. No. 448). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. H. R. 5500. A bill to provide funds for cooperation with joint school district no. 28, Lake and Missoula Counties, Mont., for extension of public-school buildings to be available to Indian children of the Flathead Indian Reservation; without amendment (Rept. No. 449). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. H. R. 6315. A bill to provide funds for cooperation with the school board at Medicine Lake, Mont., in construction of a public-school building to be available to Indian children of the village of Medicine Lake, Sheridan County, Mont.; without amendment (Rept. No. 450). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. H. R. 3811. A bill to add certain public-domain land in Montana to the Rocky Boy Indian Reservation; without amendment (Rept. No. 451). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. H. R. 3999. A bill to provide funds for cooperation with Marysville School District No. 325, Snohomish County, Wash., for extension of public-school buildings to be available for Indian children; with amendment (Rept. No. 452). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. H. R. 5499. A bill to provide funds for cooperation with school district no. 23, Polson, Mont., in the improvement and extension of school buildings to be available to both Indian and white children; with amendment (Rept. No. 453). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. H. R. 5215. A bill to provide funds for cooperation with public-school districts in Glacier County, Mont., in the improvement and extension of school buildings to be available to both Indian and white children; with amendment (Rept. No. 454). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HARTER: Committee on Military Affairs. H. R. 6788. A bill for the relief of Stephen Sowinski; without amendment (Rept. No. 429). Referred to the Committee of the Whole House.

Mr. NICHOLS: Committee on Claims. H. R. 616. A bill for the relief of Homer J. Williamson; with amendment (Rept. No. 430). Referred to the Committee of the Whole House.

Mr. LUCAS: Committee on Claims. H. R. 2978. A bill for the relief of Eustace Parks; with amendment (Rept. No. 431). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 3155. A bill to authorize the Secretary of the Treasury of the United States to refund to the Bankers Reserve Life Co. of Omaha, Nebr., and the Wisconsin National Life Insurance Co. of Oshkosh, Wis., income taxes illegally paid to the United States Treasury; with amendment (Rept. No. 432). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. H. R. 3866. A bill for the relief of Emanuel Bratses; with amendment (Rept. No. 433). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. H. R. 3934. A bill for the relief of Art Metal Construction Co. with respect to the maintenance of suit against the United States for the recovery of any income or profits taxes paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for such period; without amendment (Rept. No. 434). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4060. A bill for the relief of Jessie T. Lafferty; without amendment (Rept. No. 435). Referred to the Committee of the Whole House.

Mr. LUCAS: Committee on Claims. H. R. 4079. A bill for the relief of Garfield Arthur Ross; with amendment (Rept. No. 436). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. H. R. 4853. A bill for the relief of Charles H. Holtzman, former collector of customs, Baltimore, Md.; George D. Hubbard,

former collector of customs, Seattle, Wash.; and William L. Thibadeau, former customs agent; without amendment (Rept. No. 437). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. S. 1110. An act for the relief of A. Randolph Holladay; with amendment (Rept. No. 438). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. S. 1386. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim, or claims, of Duke E. Stubbs and Elizabeth S. Stubbs, both of McKinley Park, Alaska; with amendment (Rept. No. 439). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 6417) granting a pension to Vada Cross; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 6664) granting a pension to Genevieve Roy Shetterly; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BACHARACH: A bill (H. R. 6830) to provide relief to depositors in closed national banks; to promote resumption of industrial activity, increase employment, and restore confidence by fulfillment of the implied guaranty by the United States Government of deposit safety in national banks; to the Committee on Banking and Currency.

By Mr. DIRKSEN: A bill (H. R. 6831) to amend the Agricultural Adjustment Act with respect to the processing tax on hogs; to the Committee on Agriculture.

Also, a bill (H. R. 6832) to provide emergency relief with respect to commercial mortgage indebtedness, to provide commercial mortgage credit, to stabilize the financial structure of the country, to protect investors and property owners, and for other purposes; to the Committee on Banking and Currency.

By Mr. WILSON of Louisiana: A bill (H. R. 6833) to modify and extend the project for the flood control and improvement of the Mississippi River authorized by the Flood Control Act of 1928; to the Committee on Flood Control.

By Mr. BUCKLER of Minnesota: A bill (H. R. 6834) to revive and reenact the act entitled "An act authorizing Vernon W. O'Connor, of St. Paul, Minn., his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Rainy River at or near Baudette, Minn."; to the Committee on Interstate and Foreign Commerce.

By Mr. HOOK: A bill (H. R. 6835) to prohibit the importation of copper; to the Committee on Ways and Means.

By Mr. KELLER: A bill (H. R. 6836) to provide for the printing and distribution of Government publications to the National Archives Establishment; to the Committee on Printing.

By Mr. WHITE: A bill (H. R. 6837) to refund the compensatory processing tax on jute bags; to the Committee on Agriculture.

Also, a bill (H. R. 6838) to authorize the sale of small home sites in national forest lands to persons permanently employed in the vicinity; and to promote the improvement of home sites and construction of permanent homes in national-forest areas; to the Committee on Agriculture.

By Mr. DIES: A bill (H. R. 6839) to aid agriculture and relieve the existing national economic emergency; to the Committee on Agriculture.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Minnesota, regarding the appropriation for destitute school districts in the State of Minnesota; to the Committee on Education.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BYRNS: A bill (H. R. 6840) granting a pension to Elizabeth W. Steele; to the Committee on Invalid Pensions.

By Mr. CHANDLER: A bill (H. R. 6841) to remove the charge of desertion from the record of Albert T. Lipford; to the Committee on Military Affairs.

By Mr. COLMER: A bill (H. R. 6842) for the relief of M. D. Solomon; to the Committee on Claims.

By Mr. DIRKSEN: A bill (H. R. 6843) granting a pension to Sophia Finley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6844) for the relief of John A. Burke; to the Committee on Military Affairs.

By Mr. DRISCOLL: A bill (H. R. 6845) for the relief of Nellie Barnard; to the Committee on Military Affairs.

By Mr. FIESINGER: A bill (H. R. 6846) for the relief of Harry Nagel; to the Committee on Naval Affairs.

By Mr. GASSAWAY: A bill (H. R. 6847) for the relief of William F. Trice; to the Committee on Claims.

Also, a bill (H. R. 6848) for the relief of the First Federal Savings & Loan Association of Shawnee, Okla.; to the Committee on Claims.

By Mr. GREEN: A bill (H. R. 6849) granting a pension to Julia Reynolds; to the Committee on Pensions.

Also, a bill (H. R. 6850) granting a pension to John F. Fisher; to the Committee on Pensions.

Also, a bill (H. R. 6851) for the relief of George Preston Thomas; to the Committee on Military Affairs.

By Mr. GREENWOOD: A bill (H. R. 6852) for the relief of James W. Emison; to the Committee on Military Affairs.

By Mr. KELLY: A bill (H. R. 6853) for the relief of Meyer Joseph Lapine, deceased; to the Committee on Naval Affairs.

By Mr. LEHLBACH: A bill (H. R. 6854) granting a pension to Annie E. Lull; to the Committee on Invalid Pensions.

By Mr. McLEOD: A bill (H. R. 6855) authorizing the Secretary of War to award a Distinguished Service Cross to Vincent J. Toole; to the Committee on Military Affairs.

By Mr. MOTT: A bill (H. R. 6856) for the relief of William E. Williams; to the Committee on Claims.

By Mr. PARSONS: A bill (H. R. 6857) granting a pension to Albert C. Bonnell; to the Committee on Pensions.

By Mr. PLUMLEY: A bill (H. R. 6858) granting an increase of pension to Phoebe S. Decker; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4338. By Mr. BLAND: Petition of 22 citizens of Westmoreland County, requesting the passage of a uniform Federal old-age pension law that must be adopted by the States before any Federal aid or relief is available; to the Committee on Ways and Means.

4339. By Mr. BUCKLER of Minnesota: Petition of Norma Arnold, unit adjutant of the Dilworth (Minn.) Unit of the Ladies' Auxiliary to the Green Hill Legion Post, No. 397, Department of Minnesota, in behalf of the members, praying for the passage of the Vinson bill (H. R. 3896) to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

4340. Also, petition of Flora Hallaway, Pelican Rapids, Minn., in behalf of the members of the American Legion Auxiliary Unit, Department of Minnesota, asking for passage of the Vinson bill (H. R. 3896), to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

4341. Also, petition of Mrs. A. E. Helland, of Gonvick, Minn., legislative chairman of the Ninth Congressional District units of the American Legion Auxiliary, in behalf of the members, praying for the passage of the Vinson bill

(H. R. 3896), to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

4342. Also, petition of Mrs. J. M. Kulstad, of Halstad, legislative committee chairman, in behalf of the members of the Halstad (Minn.) Auxiliary Unit of the American Legion Post, Department of Minnesota, praying for the passage of the Vinson bill (H. R. 3896), to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

4343. Also, petition of Mrs. O. G. Gunderson, of Roseau, unit legislative committee chairman, in behalf of the members of the Roseau (Minn.) Auxiliary Unit of the American Legion, Department of Minnesota, praying for the passage of the Vinson bill (H. R. 3896), to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

4344. Also, petition of Mrs. Nobel Stortroen, of Fergus Falls, legislative committee chairman, in behalf of the members of the Fergus Falls (Minn.) Auxiliary Unit of the American Legion Post, No. 30, Department of Minnesota, praying for the passage of the Vinson bill (H. R. 3896), to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

4345. Also, petition of Mrs. G. N. Bergh, secretary of the Hallock (Minn.) Unit of the Ladies' Auxiliary to the Hallock Legion Post, Department of Minnesota, in behalf of the members, praying for the passage of the Vinson bill (H. R. 3896), to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

4346. Also, petition of Mrs. Albert Christenson, of Moorhead, unit secretary, in behalf of the members of the Moorhead (Minn.) Ladies' Auxiliary Unit of the American Legion Post of Moorhead, Department of Minnesota, praying for the passage of the Vinson bill (H. R. 3896) to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

4347. Also, petition of Mrs. T. H. Dahl, secretary of the Ulen (Minn.) Unit of the Ladies' Auxiliary to the Ulen Legion Post, No. 412, Department of Minnesota, in behalf of the members, praying for the passage of the Vinson bill (H. R. 3896) to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

4348. Also, petition of Mrs. E. F. Wright, of Crookston, unit president, in behalf of the members of the Crookston (Minn.) Ladies' Auxiliary Unit of Nels T. Wold American Legion Post, of Crookston, Department of Minnesota, praying for the passage of the Vinson bill (H. R. 3896), to make immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

4349. Also, petition of Mrs. S. G. Birkeland, president of the Gonvick (Minn.) Unit of the Ladies' Auxiliary to the Gonvick Legion Post, No. 304, Department of Minnesota, in behalf of the members, praying for the passage of the Vinson bill (H. R. 3896), to make immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

4350. Also, petition of Mrs. Emma Stenerson, of route no. 1, Fergus Falls, representative in behalf of the members of the Dalton (Minn.) Auxiliary Unit of the American Legion Post, No. 508, Department of Minnesota, praying for the passage of the Vinson bill (H. R. 3896), to make immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

4351. Also, petition of Mrs. W. B. Sherwood, of Baudette, unit legislative committee chairman, in behalf of the members of the Baudette (Minn.) Auxiliary Unit of the American Legion, Department of Minnesota, praying for the passage of the Vinson bill (H. R. 3896), to make immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

4352. By Mr. COLDEN: Resolution adopted by the Council of the City of Los Angeles, Calif., petitioning the Congress of the United States to give favorable consideration to a bill recently introduced providing for the immediate establishment of a national civil academy for the training of young men and women for all branches of public service, through a school of public administration maintained by the Federal Government, appointments to which would be on a plan similar to that governing appointments to the Military and Naval Academies; to the Committee on Education.

4353. By Mr. DRISCOLL: Petition of citizens of Mercer, Pa., protesting against the passage of bills to establish a national lottery, to repeal the law prohibiting sale to soldiers in uniform of alcoholic beverages, to allow the delivery of liquor through the mails; to the Committee on Ways and Means.

4354. Also, petition of citizens of Grove City and Jackson Center, Pa., opposing organizations and individuals who have beliefs contrary to the traditions of the United States, and in opposition to freedom of speech or press for such individuals or organizations; to the Committee on the Judiciary.

4355. By Mr. GINGERY: Petition of Group 1320 of the Polish National Alliance of the United States of North America, Altoona, Pa., requesting Congress to enact legislation for the observing of October 11 as Pulaski Day; to the Committee on the Judiciary.

4356. By Mr. GWYNNE: Petition of citizens of Waterloo, Iowa, urging the enactment of legislation to pay a monthly pension of $200 per month to every citizen who has reached the age of 60 years; to the Committee on Ways and Means.

4357. Also, petition of sundry citizens of Waterloo, Iowa, urging enactment of the so-called "Townsend bill"; to the Committee on Ways and Means.

4358. Also, petition of citizens of Eldora, Iowa, urging the enactment of House bill 2856, introduced by Representative WILL ROGERS, of Oklahoma; to the Committee on Ways and Means.

4359. Also, petition of citizens of Waterloo, Iowa, urging the enactment of House bill 2856, introduced by Representative WILL ROGERS, of Oklahoma; to the Committee on Ways and Means.

4360. Also, petition of citizens of Hampton, Iowa, urging the enactment of House bill 2856, introduced by Representative WILL ROGERS, of Oklahoma; to the Committee on Ways and Means.

4361. Also, petition of citizens of Marshalltown, Iowa, urging the enactment of legislation to pay a monthly pension of $200 per month to every citizen who has reached the age of 60 years; to the Committee on Ways and Means.

4362. Also, petition of citizens of Waterloo, Iowa, urging the enactment of House bill 2856, introduced by Representative WILL ROGERS, of Oklahoma; to the Committee on Ways and Means.

4363. By Mr. HART: Memorial of the Senate and General Assembly of the State of New Jersey, memorializing the Congress of the United States now in session to as speedily as possible adopt and pass some remedial measure, and to take such other action as may be necessary, fit, and proper to curtail as far as possible under Federal laws this growing national evil of mob violence and lynching, to the end that everyone in the United States of America may be accorded and guaranteed full protection of life, liberty, and property under our Constitution; to the Committee on the Judiciary.

4364. Also, petition of the board of directors of the Jersey Chick Association, favoring the enactment of House bill 5802, introduced in the House of Representatives February 25, 1935, by Congressman LEA of California to amend and provide for an excise tax on eggs and egg products; further resolving that resolution be brought to the attention of the President of the United States, the Secretary of Agriculture, the Secretary of State, and the New Jersey Representatives in Congress for their consideration; to the Committee on Ways and Means.

4365. Also, petition of Institute of Rural Economics, supporting the President in maintaining wage scales on relief projects slightly less than those prevailing in the community; to the Committee on Ways and Means.

4366. Also, petition of Institute of Rural Economics, beseeching the National Government to adopt a more consist-

ent policy directed toward the establishment of a prosperous agriculture in this country; to the Committee on Agriculture.

4367. Also, petition of Institute of Rural Economics, urging the President to use every effort to execute tariff and trade agreements which will maintain and increase foreign outlets for apples; to the Committee on Ways and Means.

4368. By Mr. HOOK: Resolution passed by the Common Council of the City of Iron Mountain, Mich., asking that the President of the United States proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

4369. By Mr. KENNEY: Joint resolution of the One Hundred and Fifty-ninth Legislature of the State of New Jersey memorializing the Congress of the United States to adopt measures directed against mob violence and lynching; to the Committee on the Judiciary.

4370. By Mr. KIMBALL: Petition of the Common Council of the City of Detroit, Mich., requesting the authorization and appropriation of sufficient moneys to build a Veterans' Administration hospital of 500-bed capacity in the Detroit area; to the Committee on World War Veterans' Legislation.

4371. By Mr. KRAMER: Resolution of the American Women, Inc., of Los Angeles, relative to the advancement of Americanism, etc.; to the Committee on Foreign Affairs.

4372. Also, resolution of the Lumber and Allied Products Institute, of Los Angeles, relative to the 30-hour-week legislation, etc.; to the Committee on Labor.

4373. By Mr. LAMBERTSON: Petition of Raymond R. Frager and other citizens of Washington County, Kans., urging passage of House bill 2066, known as the "Farmers Farm Relief Act"; to the Committee on Agriculture.

4374. By Mr. PFEIFER: Petition of the Metropolitan District Council, United Textile Workers of America, New York City, concerning the Wagner industrial dispute bill and the Lundeen unemployment insurance bill; to the Committee on Labor.

4375. By Mr. RICH: Petition of citizens of Port Allegany, Pa., favoring House bill 2999; to the Committee on Interstate and Foreign Commerce.

4376. By Mr. ROGERS of Oklahoma: Petition of Nancy Hashaw, 51 Stanley Street, Houston, Tex., numerously signed, urging immediate action of Congress on House bill 2856, embracing a Federal system of old-age pensions to citizens of the United States above the age of 55 years not engaged in the field of competitive earning; to the Committee on Ways and Means.

4377. Also, petition of Ben More and numerous other citizens of Prairie Point, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4378. Also, petition of T. F. White and numerous other citizens of Donalsonville, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4379. Also, petition of Cliff Jackson and numerous other citizens of Bainbridge, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4380. Also, petition of Alto Cox and numerous other citizens of Donalsonville, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4381. Also, petition of A. J. Mitchell and numerous other citizens of Chicago, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4382. Also, petition of Jess Burnett and numerous other citizens of Hardinsburg, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4383. Also, petition of Sam Haycroft and numerous other citizens of Glen Dean, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4384. Also, petition of Richard Mattingly and numerous other citizens of McQuady, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4385. Also, petition of John Marsh and numerous other citizens of Troy, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4386. Also, petition of P. W. Wilson and numerous other citizens of Bowling Green, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4387. Also, petition of C. H. Franklin and numerous other citizens of Shamrock, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4388. Also, petition of James Parker and numerous other citizens of Atlanta, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4389. Also, petition of Frank Lucan and numerous other citizens of Mora, N. Mex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4390. Also, petition of G. Murphy and other citizens of Buford, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4391. Also, petition of J. S. Skalton and numerous other citizens of Hoschton, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4392. Also, petition of Lewis Rush and other citizens of Brownstown, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4393. Also, petition of Clement C. Cook and numerous other citizens of Vandalia, Ill., favoring House bill 2856, by WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4394. Also, petition of Thomas Baker and numerous other citizens of Maplewood, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4395. Also, petition of P. J. McGuire and numerous other citizens of Kirkwood, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4396. Also, petition of W. E. Gunter and numerous other citizens of Webster Groves, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4397. Also, petition of Wyle Matthew and numerous other citizens of McLeod, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4398. Also, petition of Johnie More and numerous other citizens of Macon, Miss., favoring House bill 2856, by Con-

gressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4399. Also, petition of P. H. Robertson and numerous other citizens of Smith Mills, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4400. Also, petition of E. H. Burton and numerous other citizens of Enondale, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4401. Also, petition of John Holder and numerous other citizens of Pendleton, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a mnoth; to the Committee on Ways and Means.

4402. Also, petition of J. A. Herstine and numerous other citizens of Beaver, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4403. Also, petition of S. Hughes and numerous other citizens of Greenville, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4404. Also, petition of W. P. Hankins and numerous other citizens of Cedar Bluff, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4405. Also, petition of R. Moses and numerous other citizens of Winchester, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4406. Also, petition of William Lucas and numerous other citizens of Omar, W. Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4407. Also, petition of George Jones and numerous other citizens of Sharpsburg, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4408. Also, petition of R. Logan and numerous other citizens of Fulton, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4409. Also, petition of John W. Coleman and numerous other citizens of Columbus, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4410. Also, petition of Gilbert Lindsey and numerous other citizens of Pachuta, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4411. Also, petition of John Thomas and numerous other citizens of Headland, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4412. Also, petition of Jerry Thompson and numerous other citizens of Battle, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4413. Also, petition of E. Newson and numerous other citizens of St. Louis, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4414. Also, petition of William Anderson and numerous other citizens of Murphysboro, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4415. Also, petition of A. Norton and numerous other citizens of Amarillo, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4416. Also, petition of William Benjamin and numerous other citizens of Cloutierville, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4417. Also, petition of S. Folmar and numerous other citizens of Glenwood, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4418. Also, petition of Thomas McClanahand and numerous other citizens of Truman Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4419. Also, petition of John Denham and numerous other citizens of Paulding, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4420. Also, petition of Julius Williams and numerous other citizens of Sherman, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4421. Also, petition of York Flakes and numerous other citizens of Newton, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4422. Also, petition of M. E. Brown and numerous other citizens of Schoolfield, W. Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4423. Also, petition of J. Hemingway and numerous other citizens of Whiteville, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4424. Also, petition of Nelson Caraway and numerous other citizens of Manning, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4425. Also, petition of H. E. Tillotson and numerous other citizens of Hot Springs, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4426. Also, petition of H. Jordan and numerous other citizens of Bayou Goula, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4427. Also, petition of P. M. McNair and numerous other citizens of Shivers, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4428. Also, petition of F. Washington and numerous other citizens of Browns, Ala., favoring House bill 2856, by Con-

gressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4429. Also, petition of Will Sadler and numerous other citizens of Buchanan, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4430. Also, petition of Dan Abnatha and numerous other citizens of Proctor, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4431. Also, petition of S. Ellsworth and numerous other citizens of Batchelor, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4432. Also, petition of A. Chambers and numerous other citizens of Halifax, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4433. Also, petition of A. Jackson and numerous other citizens of Clarksdale, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4434. Also, petition of H. W. Goodrich and numerous other citizens of Vinton, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4435. Also, petition of John Adams and numerous other citizens of DeKalb, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4436. Also, petition of J. H. Gregg and numerous other citizens of Orr, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4437. Also, petition of S. Neal and numerous other citizens of Shores, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4438. Also, petition of E. Redmond and numerous other citizens of Red Lick, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4439. Also, petition of E. Blair and numerous other citizens of Columbia, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4440. Also, petition of C. C. Williams and numerous other citizens of Ingomar, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4441. Also, petition of J. L. Handy and numerous other citizens of Winston-Salem, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4442. Also, petition of C. W. Reed and numerous other citizens of Vine Grove, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4443. Also, petition of J. W. Christian and numerous other citizens of Danville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4444. Also, petition of C. H. A. Bell and numerous other citizens of Jacksonville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4445. Also, petition of M. C. Maze and numerous other citizens of Arab, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4446. Also, petition of E. W. McWilliams and numerous other citizens of Athens, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4447. Also, petition of S. J. Gailliard and numerous other citizens of New York City, N. Y., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4448. Also, petition of R. W. Weeks and numerous other citizens of Marietta, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4449. Also, petition of A. L. Cowart and numerous other citizens of Troy, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4450. Also, petition of D. Abshire and numerous other citizens of Gueydan, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4451. Also, petition of Jacob Zagar and numerous other citizens of Hartford, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4452. Also, petition of A. David and numerous other citizens of Welsh, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4453. Also, petition of P. V. Richardson and numerous other citizens of Evans, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4454. Also, petition of William A. Thomas and numerous other citizens of New Orleans, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4455. Also, petition of J. Barnett and numerous other citizens of Dawson Springs, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4456. Also, petition of J. H. Reynolds and numerous other citizens of Beloit, Wis., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4457. Also, petition of Robert Rucker and numerous other citizens of Gary, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4458. Also, petition of A. Gleghan and numerous other citizens of Gonzales, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal

old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4459. Also, petition of C. Phillips and numerous other citizens of Talladega, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4460. Also, petition of E. Ash and numerous other citizens of Fortson, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4461. Also, petition of S. Thompson and numerous other citizens of Monroe, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4462. Also, petition of M. Shook and numerous other citizens of Cassville, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4463. Also, petition of D. Starns and numerous other citizens of Keytesville, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4464. Also, petition of M. Brueggemann and numerous other citizens of Alton, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4465. Also, petition of L. Cartwright and numerous other citizens of Alamo, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4466. Also, petition of Woodard Steward and numerous other citizens of Chicago, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4467. Also, petition of John Heard and numerous other citizens of Watertown, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4468. Also, petition of L. Robinson and numerous other citizens of Savage, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4469. Also, petition of E. V. Bainster and numerous other citizens of Decatur, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4470. Also, petition of A. L. Saunders and numerous other citizens of Beaumont, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4471. Also, petition of Gus Banks and numerous other citizens of Senatobia, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4472. Also, petition of M. Taylor and numerous other citizens of Moberly, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4473. Also, petition of Louis W. Cook and numerous other citizens of Hungerford, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4474. Also, petition of John P. Cundiff and numerous other citizens of Mount Vernon, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4475. Also, petition of E. Scrutchfield and numerous other citizens of Louisville, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4476. Also, petition of A. Daron and numerous other citizens of Lake Charles, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4477. Also, petition of George Bland and numerous other citizens of Esmont, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4478. Also, petition of M. F. Chambers and numerous other citizens of Red Springs, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4479. Also, petition of Jerry Windham and numerous other citizens of Enterprise, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4480. Also, petition of M. Gordon and numerous other citizens of Seymour, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4481. Also, petition of N. Rhodes and numerous other citizens of Hannibal, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4482. Also, petition of G. D. Stamps and numerous other citizens of Utica, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4483. Also, petition of W. H. White and numerous other citizens of Crutchfield, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4484. Also, petition of G. Johnson and numerous other citizens of Buckner, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4485. Also, petition of E. Goff and numerous other citizens of Dille, W. Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4486. Also, petition of J. Polite and numerous other citizens of Green Cove Springs, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4487. Also, petition of O. K. Ashley and numerous other citizens of Jeffersonville, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4488. Also, petition of J. McCain and numerous other citizens of Broken Bow, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal

old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4489. Also, petition of E. K. Powell and numerous other citizens of Rose, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4490. Also, petition of J. Chambers and numerous other citizens of Somerville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4491. Also, petition of C. Stubbs and numerous other citizens of Sunny South, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4492. Also, petition of S. Mills and numerous other citizens of Wadley, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4493. Also, petition of John E. Smith and numerous other citizens of Como, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4494. Also, petition of M. J. White and numerous other citizens of Huntington, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4495. Also, petition of J. A. Boak and numerous other citizens of Charleston, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4496. Also, petition of R. M. Sanders and numerous other citizens of Delaware, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4497. Also, petition of L. Mathews and numerous other citizens of Chattanooga, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4498. Also, petition of L. Hurst and numerous other citizens of Maywood, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4499. Also, petition of David Alston and numerous other citizens of Darnell, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4500. Also, petition of L. Penluton and numerous other citizens of Diboll, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4501. Also, petition of S. Dixon and numerous other citizens of Wilmington, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4502. Also, petition of O. J. Howk and numerous other citizens of Kansas City, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4503. Also, petition of G. W. Crutchfield and numerous other citizens of Chilhowie, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4504. Also, petition of L. Yivens and numerous other citizens of Omaha, Nebr., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4505. Also, petition of M. Copeland and numerous other citizens of Mill Spring, N. C., favoring House bill 2856, by Congressmen WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4506. Also, petition of F. Lyon and numerous other citizens of Elizabethton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4507. Also, petition of George Williams and numerous other citizens of White Castle, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4508. Also, petition of S. Dodson and numerous other citizens of Williamson, W. Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4509. Also, petition of W. Borders and numerous other citizens of Newton, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4510. Also, petition of Ollie Litton and numerous other citizens of Chattaroy, W. Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4511. Also, petition of W. C. Martin and other citizens of Wade, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4512. Also, petition of John Yarbrough and numerous other citizens of Jackson, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4513. Also, petition of Hught Smith and numerous other citizens of Hubbard, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4514. Also, petition of George Reed and numerous other citizens of Groesbeck, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4515. Also, petition of Grant Dunn and numerous other citizens of Chicago, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4516. Also, petition of E. P. Vaughn and numerous other citizens of Rome, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4517. Also, petition of Ed McLadden and numerous other citizens of Marianna, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4518. Also, petition of F. Duncan and numerous other citizens of Falcon, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age

pensions of $30 to $50 a month; to the Committee on Ways and Means.

4519. Also, petition of Charles L. Taylor and numerous other citizens of Selma, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4520. Also, petition of C. R. Cooper and numerous other citizens of Dunn, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4521. Also, petition of Earnest Childress and numerous other citizens of Lenox, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4522. Also, petition of Grandville Childress and numerous other citizens of Dyersburg, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4523. Also, petition of Joe C. Adams and numerous other citizens of Groesbeck, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4524. Also, petition of Thomas Morris and numerous other citizens of Pine Bluff, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4525. Also, petition of Jack Vaughn and numerous other citizens of Dublin, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4526. Also, petition of George Jackson and numerous other citizens of Mattson, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4527. Also, petition of N. C. Jorgensen and numerous other citizens of Fort Pierce, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4528. Also, petition of Austin Jordan and numerous other citizens of Laurel, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4529. Also, petition of Charles Little and numerous other citizens of Paulette, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4530. Also, petition of Paul W. Hickman and numerous other citizens of Mound City, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4531. Also, petition of Steave Williams and numerous other citizens of Chapel Hill, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4532. Also, petition of Sam Jackson and numerous other citizens of Brenham, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4533. Also, petition of John Washington and numerous other citizens of Capleville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4534. Also, petition of Henderson Moore and numerous other citizens of Oakville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4535. Also, petition of Tom Ford and other citizens of Memphis, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4536. Also, petition of Marvin McKinney and numerous other citizens of Germantown, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4537. Also, petition of George Sharron and numerous other citizens of Bells, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4538. Also, petition of S. I. Koonce and other citizens of Alamo, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4539. Also, petition of Levi Watkins and numerous other citizens of Clarksville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4540. Also, petition of R. B. Macklin and numerous other citizens of Cumberland City, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4541. By Mr. RUDD: Petition of the East Brooklyn Savings and Loan Association, 1012 Gates Avenue, Brooklyn, N. Y., concerning subsection (h) of section 5 of the Home Owners' Loan Act of 1933; to the Committee on Banking and Currency.

4542. Also, petition of the Howard Friends League, Inc., Brooklyn, N. Y., concerning the Sirovich bill (H. R. 4550) and the Dickstein bill (H. R. 5494); to the Committee on Immigration and Naturalization.

4543. Also, petition of Louis and Charlotte Wilcox, 8717 One Hundred and Second Street, Richmond Hill, Long Island, N. Y., concerning the Rayburn-Wheeler public-utility holding companies bill (H. R. 5423); to the Committee on Interstate and Foreign Commerce.

4544. Also, petition of the Chamber of Commerce of the Borough of Queens, city of New York, concerning Senate bill 1725, public holding companies; to the Committee on Interstate and Foreign Commerce.

4545. Also, petition of the Chamber of Commerce of the Borough of Queens, city of New York, regarding Senate bill 1417, concerning a Bituminous Coal Commission to regulate and tax the bituminous coal industry; to the Committee on Ways and Means.

4546. Also, petition of the Brotherhood of Utility Employees of America, Brooklyn Edison Local, No. 102, Brooklyn, N. Y., favoring the passage of House bill 5445; to the Committee on the Post Office and Post Roads.

4547. By Mr. SMITH of Connecticut: resolution adopted by the Common Council of Naugatuck, Conn., memorializing Congress to establish October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

4548. By Mr. SUTPHIN: Joint resolution 3 of the New Jersey Assembly, urging passage of antilynching legislation; to the Committee on the Judiciary.

4549. By Mr. THURSTON: Petition of citizens of Russell, Lucas County, Iowa, requesting that constitutional powers of the Congress be reestablished; to the Committee on Coinage, Weights, and Measures.

4550. By Mr. TRUAX: Petition of Cleveland Newspaper Guild, representing 334 organized editorial department workers of daily newspapers and press services and syndicates of Cleveland, Ohio, urging favorable action on the Wagner labor-disputes bill; to the Committee on Labor.

4551. Also, petition of Parent-Teacher Association of Vernon Junior High School, Marion, Ohio, by their secretary, Mrs. Edward Robson, opposing block booking and blind selling of motion pictures and urging passage of House bill 142; to the Committee on Interstate and Foreign Commerce.

4552. Also, petition of Charles E. Ausman Camp, No. 98, United Spanish War Veterans, of Paulding, Ohio, by their commander, John Dewit, urging passage of House bill 100 to restore benefits to Spanish War veterans as taken away from them by the Economy Act; to the Committee on Expenditures in the Executive Departments.

4553. Also, petition of J. E. Overbeck and other citizens of Columbus, Ohio, believing that the Rayburn-Wheeler bill introduced in Congress February 6, 1935, is unfair, unnecessary, and unwise and, if passed, will be detrimental to the best interests of the country; to the Committee on Interstate and Foreign Commerce.

4554. Also, petition of the Ohio Association of Retail Lumber Dealers, by their secretary, Findley M. Torrenle, Xenia, Ohio, urging an investigation for the purpose of ascertaining what defects exist in the National Housing Act or in its method of administration which have delayed the revival of construction promised when the act was enacted, and to revise the personnel of the National Housing Administration so that this body will be composed of representatives of the building industry familiar with its problems and in sympathy with every effort to revive it; to the Committee on Banking and Currency.

4555. By Mr. WHITE: Memorial of the Idaho State Legislature, urging upon the Congress of the United States the favorable consideration of legislation and necessary appropriation to carry to completion a project that will divert the natural flow from the Yellowstone Lake into the Snake River; to the Committee on Irrigation and Reclamation.

4556. By Mr. WOLCOTT: Petition of Ralph McCoy, of Romeo, Mich., and 47 other residents of Macomb County, Mich., urging the prompt enactment of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

4557. By the SPEAKER: Petition of the city of Iron Mountain, Mich.; to the Committee on the Judiciary.

4558. Also, petition of the Board of Chosen Freeholders, Camden County, N. J.; to the Committee on Ways and Means.

4559. Also, petition of the National Veterans' Association, Inc., Minneapolis, Minn.; to the Committee on the Judiciary.

4560. Also, petition of the Barnum Branch, Unemployment Council, Denver, Colo.; to the Committee on Labor.

4561. Also, petition of the city of New York; to the Committee on Ways and Means.

4562. Also, petition of the Lions Club of Murfreesborough, Tenn.; to the Committee on Ways and Means.

4563. Also, petition of the Reserve Officers Association of the United States, Springfield, Ill.; to the Committee on Appropriations.

4564. Also, petition of the Duncan Valley Booster's Club, Duncan, Ariz.; to the Committee on Ways and Means.

4565. Also, petition of the city of Chicago; to the Committee on the Judiciary.

4566. Also, petition of the Amex Post, No. 532, Veterans of Foreign Wars of the United States; to the Committee on Ways and Means.

4567. Also, petition of the University Labor Federation; to the Committee on the Judiciary.

4568. Also, petition of the city of New Kensington, Pa.; to the Committee on the Judiciary.

4569. Also, petition of the Daughters of the American Revolution, Nolichuckey chapter, Greeneville, Tenn.; to the Committee on the Public Lands.

4570. Also, petition of Ignatius K. Werwinski; to the Committee on the Judiciary.

4571. By Mr. MERRITT of New York: Petition of Miss Helena Cronauer, of 84 Horatio Street, and sundry other residents of New York City, the Bronx, Brooklyn, and Mount Vernon, N. Y., protesting against the passage of the Rayburn public-utility bill; to the Committee on Interstate and Foreign Commerce.

4572. Also, petition of Lulu Rogers, of 126 St. Marks Avenue, and three other residents of that neighborhood, protesting against the passage of the Rayburn utility bill; to the Committee on Interstate and Foreign Commerce.

4573. Also, petition of Hannah J. Reiner, of 840 West End Avenue, and eight other voters of New York City, protesting against the passage of the Rayburn bill; to the Committee on Interstate and Foreign Commerce.

4574. By Mr. WERNER: Petition of citizens of the Second Congressional District of South Dakota, urging the passage by Congress of the Dies bill, or similar legislation, providing for the expulsion from the United States of alien Communists and agitators against our present form of government; to the Committee on Immigration and Naturalization.

4575. By Mr. BEAM: Petition containing over 14,000 signatures, voluntarily mailed to the Chicago Times, expressing the wish that Congress pass a bill providing for the immediate payment in cash of the adjusted-service compensation certificates presented by Mervyn Molloy, representing the Chicago Times; to the Committee on Ways and Means.

SENATE

WEDNESDAY, MARCH 20, 1935

(Legislative day of Wednesday, Mar. 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, March 19, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed a bill (H. R. 6424) to exempt a limited quantity of cotton from the tax under the Cotton Control Act, to provide for the better administration of such act, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

H. R. 5322. An act authorizing the President of the United States to present in the name of Congress a medal of honor to Maj. Gen. Adolphus Washington Greely; and

H. J. Res. 134. Joint resolution to continue the commission for determining the boundary line between the District of Columbia and the State of Virginia for not to exceed 9 additional months, and to authorize not to exceed $10,000 additional funds for its expenses.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Byrd	Frazier	Logan
Ashurst	Byrnes	George	Lonergan
Austin	Capper	Gerry	McAdoo
Bachman	Carey	Gibson	McCarran
Bailey	Clark	Glass	McGill
Bankhead	Connally	Guffey	McKellar
Barbour	Coolidge	Hale	McNary
Barkley	Copeland	Harrison	Maloney
Bilbo	Costigan	Hastings	Metcalf
Black	Couzens	Hatch	Minton
Bone	Cutting	Hayden	Moore
Borah	Dickinson	Johnson	Murphy
Brown	Dieterich	Keyes	Murray
Bulkley	Donahey	King	Neely
Bulow	Duffy	La Follette	Norbeck
Burke	Fletcher	Lewis	Norris

Nye	Russell	Thomas, Okla.	Van Nuys
O'Mahoney	Schall	Thomas, Utah	Wagner
Pittman	Schwellenbach	Townsend	Walsh
Pope	Sheppard	Trammell	Wheeler
Radcliffe	Shipstead	Truman	White
Reynolds	Smith	Tydings	
Robinson	Steiwer	Vandenberg	

Mr. AUSTIN. I announce the absence of the Senator from Pennsylvania [Mr. DAVIS], occasioned by illness, and ask that the announcement stand for the day.

Mr. LEWIS. I announce that the junior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the Senator from Oklahoma [Mr. GORE] and the senior Senator from Louisiana [Mr. LONG] are necessarily detained from the Senate. I ask that this announcement stand for the day.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

SUPPLEMENTAL ESTIMATE FOR LEGISLATIVE ESTABLISHMENT (S. DOC. NO. 39)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment under the Architect of the Capitol, fiscal year 1935, in the sum of $10,000, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of the State of Oregon, which was referred to the Committee on Claims:

House Joint Memorial 19

To the Honorable Senate and House of Representatives of the United States in Congress assembled:

We, your memorialists, the Thirty-eighth Legislative Assembly of the State of Oregon, convened in regular session, respectfully represent that:

Whereas during the Spanish-American War the troops who were serving in the Philippine Islands in 1899 were requested by the War Department to remain in service for an additional 6 months after the expiration of their enlistment period and until troops could be sent to replace them; and

Whereas these troops were promised by the officers in charge that if they would so remain during the period of such emergency then existing that they would be given regular travel pay of soldiers whose enlistment expired and reenlisted in the service of the United States, as was authorized by section 15 of the Army bill then in force; and

Whereas these troops were held in service for said 6-month period under such agreement, and these troops were never paid such travel pay so promised; and

Whereas numerous citizens of the State of Oregon would be greatly benefited by such payments; and

Whereas House Resolution 2024 of the Federal Congress covering such payment has been recommended by the War Claims Committee for passage: Now, therefore, be it

Resolved by the House of Representatives of the State of Oregon (the senate jointly concurring therein), That the Congress of the United States be, and it hereby is, respectfully memorialized to enact with all convenient speed House Resolution 2024 of the Federal Congress; and be it further

Resolved, That certified copies of this resolution, duly certified, be transmitted by the secretary of state to the President of the Senate and the Speaker of the House of Representatives in Congress, and to the Senators and Representatives in Congress from the State of Oregon, and that the latter be urged to use their best offices to procure the enactment of such legislation as will accomplish the purpose of this resolution.

The VICE PRESIDENT also laid before the Senate the following joint resolutions of the Legislature of the State of Tennessee, which were referred to the Committee on Finance:

House Joint Resolution 7

Whereas the question of social security is of paramount importance to the people of the Nation and of Tennessee at the present time; and

Whereas Congress is shortly to consider the passage of an act relating to old-age pension for those over 65 years of age needing such assistance; and

Whereas those who are unemployable by reason of disability and handicaps are of vital concern to the people of our State at this time: Therefore be it

Resolved by the house of representatives of the sixty-ninth general assembly (the senate concurring), That Congress is hereby memorialized by a request from this body to include the old-age pension act, herein above referred to, provisions for such persons of 40 years of age and over who, by reason of total disability on account of physical handicap or otherwise, are in need of such assistance. And we respectfully petition each and every member of the Tennessee delegation in Congress, including Members of the Senate and the House of Representatives, to do all in their power to secure the passage of this legislation. Be it further

Resolved, That the clerk of the house is directed to send copies of this resolution to every member of the Tennessee delegation in Congress, including the Senators, and also a copy to the Clerks of the House of Representatives and Senate.

Whereas the manufacturers' gasoline tax levied by the Congress of the United States will expire on June 30, 1935, unless reenacted or extended by the Congress of the United States; and

Whereas the sale of gasoline is now taxed at a much higher rate than any other commodity: Now, therefore, be it

Resolved by the House of Representatives of the State of Tennessee (the senate concurring therein), That we hereby respectfully urge the Congress of the United States not to reenact or to extend the provisions of said taxing act beyond the date on which it will expire; be it further

Resolved, That the clerk of the House of Representatives and clerk of the Senate of the State of Tennessee be, and they are hereby, instructed to furnish to the Speakers of the House of Representatives and Senate of the United States copies of this resolution.

House Joint Resolution 15

Memorial asking Congress to pass such laws that will pay the soldiers' bonus, etc.

Be it resolved by the House of Representatives of the State of Tennessee (the senate concurring in), That—

Whereas due to the long continued depression, thousands of American veterans of the World War are unemployed and without the means of adequate support and are unable to provide the necessities and comforts of life for themselves and their families, through no fault of their own; and

Whereas it is the policy of the national administration in its recovery program to bring about a distribution of public funds and accomplish wide-spread reemployment; and

Whereas the payment of the remainder of the amount due on the veterans' adjusted-compensation certificates held by veterans of the World War, will result in a distribution of money to every community in the United States, which money will find its way into every channel of trade through the purchase of necessities and comforts of life, the payments of debts, the building and repairing of homes, the rehabilitation of small business enterprises, and through many other needed expenditures; and

Whereas the American Legion and Veterans of Foreign Wars have in their respective national conventions overwhelmingly approved the immediate cash payment of said certificates; and

Whereas such certificates constitute a just obligation of the Government to the veterans of the World War: Now, therefore, be it

Resolved by the House of Representatives of the State of Tennessee (the senate concurring), That the Congress of the United States immediately pass such legislation as is necessary for the immediate payment of the balance due on such adjusted-compensation certificates, with the remittance of interest and other charges against the principal sum of such certificates; and be it further

Resolved, That the secretary of state of the State of Tennessee be directed to transmit a copy of this memorial to the President of the United States, the Vice President of the United States, and to the Speaker of the House of Representatives, the Honorable JOE BYRNS, and also that a copy of the same be forwarded to Senators N. L. BACHMAN and K. D. MCKELLAR, and to each of the nine Members of the United States House of Representatives from the State of Tennessee.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Tennessee, which was referred to the Committee on Interstate Commerce:

House Joint Resolution 20

Whereas there is a marked discrimination against the South in the freight rates as set by the Interstate Commerce Commission in shipments of products from southern States going to the North and East as compared with rates on northern products coming South; and

Whereas Tennessee is fast becoming industrialized; that the products of its factories, farms, forests, and mines need wider markets; but under the ruling of the Interstate Commerce Commission, Tennessee products are handicapped by freight rates in competing with the northern and eastern producers; and

Whereas one southern Governor has publicly asserted that the said discrimination against the South amounts to 23 percent of the freight rate; and

Whereas there is now pending in Congress legislation to correct these inequalities, which provides "that all such charges for the transportation of property between the different rate-making or geographical sections of the United States as now designed or may hereafter be designed by the Interstate Commerce Commission for rate-making purposes, be so adjusted as to cause no greater charge for the transportation of property moving from one rate-making or geographical section into another rate-making or geographical section than the charge for the transportation of like classes of traffic moving wholly within the rate-making or geographical section, distance considered; and wherever differences exist entitling rate carriers in one rate-making or geographical section to higher revenues than carriers in another rate-making or geographical section, such differences in revenue needs shall be recognized in difference of rates among the several carriers affected": Now, therefore, be it

Resolved by the House of Representatives and Senate of the State of Tennessee, That we petition and urge the Tennessee delegation in both branches of Congress to support legislation that will correct the present rate discrimination; be it further

Resolved, That a copy of this resolution be certified by the Governor and speakers of the senate and house to the entire Tennessee delegation at Washington.

The VICE PRESIDENT also laid before the Senate petitions of several citizens of the States of Arkansas and North Carolina, praying for the enactment of old-age pension legislation, which were referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the executive committee of the Optical Retail Code Authority, New York City, N. Y., favoring continuance of the Optical Retail Code (approved N. R. A. Code No. 454), which was referred to the Committee on Finance.

He also laid before the Senate a memorial of sundry citizens of Bradford, Pa., remonstrating against the enactment of legislation to provide for the control and elimination of public-utility holding companies operating or marketing securities in interstate and foreign commerce, etc., which was referred to the Committee on Interstate Commerce.

Mr. DICKINSON presented a concurrent resolution of the Legislature of the State of Iowa, memorializing Congress to enact legislation providing for the immediate cash payment at face value of the adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

(See concurrent resolution printed in full when laid before the Senate by the Vice President on the 18th instant, p. 3798, CONGRESSIONAL RECORD.)

Mr. CAPPER presented a resolution adopted by the Southwest Farm Congress, Dodge City, Kans., favoring the enactment of Senate bill 1807, to amend the Agricultural Adjustment Act, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by the Southwest Farm Congress, Dodge City, Kans., opposing any amendment to section 4 of the Interstate Commerce Act, which was referred to the Committee on Interstate Commerce.

He also presented a memorial of sundry citizens, being farmers, stockgrowers, and dairymen, of Meade County, Kans., remonstrating against the enactment of Senate bill 1807, to amend the Agricultural Adjustment Act, which was referred to the Committee on Agriculture and Forestry.

Mr. COPELAND presented a resolution adopted by the board of directors of the East Brooklyn Savings and Loan Association, of Brooklyn, N. Y., protesting against alleged discrimination in the Home Owners' Loan Act of 1933 in favor of Federal savings and loan associations in the matter of exemption from taxes, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the Building Managers Association of Buffalo, N. Y., protesting against the enactment of rent-control legislation for the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a resolution adopted by Local No. 239, Journeymen Barbers' International Union of America, Washington, D. C., endorsing House bill 5443, to regulate the election of delegates of the District of Columbia to national political conventions, which was referred to the Committee on the District of Columbia.

He also presented a resolution adopted by the New York State Society of Professional Engineers, Inc., favoring the enactment of legislation creating a new Cabinet office of public works, to be presided over by a professional engineer, which was referred to the Committee on Education and Labor.

He also presented a resolution adopted by Memorial Associates, Inc., New York City, N. Y., favoring continuance of the operations of the N. R. A., which was referred to the Committee on Finance.

He also presented a resolution adopted by Nassau County Local, American League of the Friends of the New Germany, New Hyde Park, Long Island, N. Y., protesting against the enactment of the bill (H. R. 2753) to declare citizenship forfeited in the case of any naturalized citizen who left the United States for the purpose of voting in the plebiscite in the Saar region, Germany, and who did vote during said plebiscite in the Saar region in Germany, which was referred to the Committee on Immigration.

He also presented a resolution adopted by the Common Council of the City of Middletown, N. Y., favoring the enactment of legislation providing for the regulation of the display of the American flag on Government buildings, which was referred to the Committee on Public Buildings and Grounds.

He also presented a resolution of the Polish-American Political Club of Southampton, Suffolk County, N. Y., favoring the enactment of measures making provision for public-works projects, which was ordered to lie on the table.

He also presented a resolution adopted by the Board of Supervisors of Oneida County, N. Y., favoring the enactment of legislation bringing hospital care within the purview of Federal emergency relief, which was ordered to lie on the table.

He also presented resolutions adopted by the New York State Society of Professional Engineers, favoring the making of all loans and grants of Federal moneys to the States and political subdivisions thereof contingent upon the maintenance at full strength of the regular personnel of the State or municipal agencies applying for such moneys, which were ordered to lie on the table.

Mr. PITTMAN presented the following joint resolution of the Legislature of the State of Nevada, which was referred to the Committee on Interstate Commerce:

Senate joint resolution urging Congress to enact a Federal train-limit law

To the Congress of the United States:

Your memorialist, the Legislature of the State of Nevada, hereby respectfully represents that—

Whereas the Legislature of the State of Nevada has enacted a bill limiting the length of freight trains operated within the State to a length of 70 cars, and there are pending before several State legislatures measures of identical or similar import, with indications that most of them will soon be adopted; and

Whereas there are several bills before Congress with practically identical provisions, except that they are national in scope, being applicable to interstate commerce throughout the Nation without exception or exemption; and

Whereas the purpose of all such bills is to promote the safety of employees and the traveling public; and

Whereas the consideration of such bills in State legislatures occasions a great deal of acrimony and recrimination, arising from threats of the railroad companies to remove their shops from States enacting such bills, and other threats of litigation, accompanied by costs that would be prohibitive; and

Whereas for these reasons it would be infinitely better to have a Federal law limiting freight trains engaged in interstate commerce to 70 cars, thus forestalling the removal of shops from one State to another, and silencing all threats of litigation; and

Whereas it would be far more economical and satisfactory to the railroads to have such an interstate law, through the operation of which they would run their trains from State to State without interference, without switching and breaking them up for the mere purpose of complying with varying laws which might be vastly different and inconsistent with each other within a space of a few miles; and

Whereas by the early passage of a national train-limit law a long step would be taken in the desirable direction of uniform legislation upon a subject where it is truly essential: Now, therefore, be it

Resolved by the Senate and Assembly of the State of Nevada, That the Congress be most earnestly urged and beseeched to enact a bill at its earliest convenience, limiting the length of freight trains engaged in interstate commerce to 70 cars, and that such law be fashioned after the laws of Arizona and Nevada.

Resolved, That the secretary of state of the State of Nevada be and hereby is directed to forward a certified copy of this memorial to each member of the Nevada delegation at Washington.

REPORTS OF COMMITTEES

Mr. LOGAN, from the Committee on the Judiciary, to which was referred the following bills, reported them each with amendments and submitted reports thereon:

S. 17. A bill making it a felony to willfully fail to appear after having been admitted to bail (Rept. No. 350); and

S. 18. A bill to amend section 1015 of the Revised Statutes (Rept. No. 351).

Mr. WHEELER, from the Committee on Indian Affairs, to which was referred the bill (S. 2145) extending the time for repayment of the revolving fund for the benefit of the Crow Indians, reported it without amendment and submitted a report (No. 352) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma:

A bill (S. 2306) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the heirs of James Taylor, deceased Cherokee Indian, for the value of certain lands now held by the United States, and for other purposes; to the Committee on Agriculture and Forestry.

A bill (S. 2307) for the relief of Mrs. W. B. Nix and Mrs. J. A. Nix; to the Committee on Claims.

By Mr. DIETERICH:

A bill (S. 2308) for the relief of Martin M. Philipsborn; to the Committee on Claims.

By Mr. COPELAND:

A bill (S. 2309) for the relief of owners of cargo aboard the steamship *Boxley*; to the Committee on Claims.

A bill (S. 2310) to amend section 602 of the act entitled "An act to establish a Code of Law for the District of Columbia", as amended; to the Committee on the District of Columbia.

A bill (S. 2311) to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.; to the Committee on Commerce.

By Mr. SCHWELLENBACH:

A bill (S. 2312) for the relief of the Western Construction Co.; to the Committee on Claims.

By Mr. SHIPSTEAD:

A bill (S. 2313) to amend the Agricultural Adjustment Act, as amended, with respect to farm prices; to the Committee on Agriculture and Forestry.

A bill (S. 2314) to extend the benefits of the Emergency Officers' Retirement Act to certain emergency officers of the War with Spain, the Philippine Insurrection, and the Chinese Boxer Rebellion; to the Committee on Military Affairs.

By Mr. TYDINGS:

A bill (S. 2315) to authorize the incorporated town of Valdez, Alaska, to construct a public-school building and for such purpose to issue bonds in any sum not exceeding $50,000; and to authorize said town to accept grants of money to aid it in financing any public works;

A bill (S. 2316) to authorize the incorporated town of Petersburg, Alaska, to undertake certain municipal public works, including the filling, grading, and paving of streets and sidewalks and construction of necessary bridges and viaducts in connection with the same, and for such purposes to issue bonds in any sum not exceeding $40,000; and

A bill (S. 2317) to ratify and confirm the corporate existence of the city of Nome, Alaska, and to authorize it to undertake certain municipal public works, including the construction, reconstruction, enlargement, extension, and improvement of its sewers and drains, fire-fighting system, streets and alleys, sidewalks, curbs and gutters, and a municipal building, and for such purposes to issue bonds in any sum not exceeding $100,000; to the Committee on Territories and Insular Affairs.

By Mr. CAPPER:

A bill (S. 2318) to protect producers, manufacturers, and consumers from the unrevealed presence of substitutes and mixtures in woven or knitted fabrics and in garments or articles of apparel made therefrom, manufactured in any Territory of the United States or the District of Columbia, or transported or intended to be transported in interstate or foreign commerce, and providing penalties for the violation of the provisions of this act, and for other purposes; to the Committee on Interstate Commerce.

By Mr. BARKLEY:

A bill (S. 2319) to provide for increasing the limit of cost for the construction and equipment of an annex to the Library of Congress; to the Committee on the Library.

By Mr. WHEELER:

A bill (S. 2320) authorizing the erection of a memorial statue of Chief Plenty Coos; to the Committee on Indian Affairs.

By Mr. COSTIGAN:

A bill (S. 2321) for the relief of S. M. Price (with accompanying papers); to the Committee on Claims.

By Mr. TYDINGS:

A joint resolution (S. J. Res. 88) to abolish the Puerto Rican Hurricane Relief Commission and transfer its functions to the Secretary of the Interior; to the Committee on Territories and Insular Affairs.

HOUSE BILL REFERRED

The bill (H. R. 6424) to continue the Cotton Control Act, to exempt a limited quantity of cotton from the tax thereunder, to provide for the better administration of such act, and for other purposes, was read twice by its title and referred to the Committee on Agriculture and Forestry.

CHANGE OF REFERENCE

On motion of Mr. ASHURST, the Committee on the Judiciary was discharged from the further consideration of the bill (S. 1842) to amend section 863, title 48, of the Code of Laws of the United States of America relating to the District Court of the United States for Puerto Rico, and it was referred to the Committee on Territories and Insular Affairs.

FIRST DEFICIENCY APPROPRIATIONS—CONFERENCE REPORT

Mr. ADAMS submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6644) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 8, 10, 17, 18, 22, 27, 28, and 29.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 5, 6, 9, 11, 12, 13, 14, 15, 19, 20, 21, 23, 24, 25, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, and 47, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the words and figures in such amendment, "during the fiscal year 1936", insert the following: "until December 2, 1935"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: ": *Provided*, That the use of the annex by the Bureau of Prisons, Department of Justice, is hereby continued until July 1, 1936"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1 and 26.

ALVA B. ADAMS,
CARTER GLASS,
KENNETH MCKELLAR,
FREDERICK HALE,
HENRY W. KEYES,
Managers on the part of the Senate.

J. P. BUCHANAN,
EDWARD T. TAYLOR,
WILLIAM W. ARNOLD,
JOHN TABER,
Managers on the part of the House.

Mr. ADAMS. I ask unanimous consent for the immediate consideration of the conference report.

There being no objection, the report was considered and agreed to.

IMPORTATION OF FOOD PRODUCTS

Mr. DICKINSON. Mr. President, I ask unanimous consent to have inserted in the RECORD an editorial from the Logan Observer, published at Logan, Iowa, entitled "Bring It Here: Hungry America Furnishes the Market."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Logan (Iowa) Observer]

BRING IT HERE: HUNGRY AMERICA FURNISHES THE MARKET

Hands extend across the seas. There are fewer cows in American meadows, less milk in bossy's reserves and food in her stomach. Cream separators are turning to rust and the back porch is littered with empty cream cans. Corn and wheat lands are swaying vistas of daisies and buttercups and oat fields are rank with burdock and milkweed. Butter-grease spots show on the stevedore's overalls. There are corn kernels in his shoes, wheat chaff in his hair, rye and oat beards in his whiskers.

Stars are falling elsewhere, and great ocean liners are filling their holds, while the American farmer looking on his regimented acres soliloquizes, "What the hell?"

What follows here is taken from the market letter of March 1 of James E. Bennett & Co., a large Chicago commission house:

"Butter * * * over 1,500,000 pounds New Zealand butter are scheduled to arrive in New York next week. Market showing strong indications of going still lower."

Quotations serve well enough, so more follow: This from the Bennett Co. letter of March 7: "According to New York reports a cargo of 281,000 bushels of Argentine corn, half yellow and half white, has arrived there, with the yellow selling in a small way around 4 cents over Chicago May (corn), while the white was held at 7¼ to 8 cents over May without takers. * * * Local sentiment appears to be bearish due to reported importations and possibility of heavy arrivals this summer."

From a Bennett letter of a few days before: "Oats and rye * * * Premiums are well maintained, but demand is somewhat disappointing especially in oats, with Argentine arrivals competing in the southern and southeastern territory."

The Uhlmann Grain Co., Chicago, provides this information: "According to the Canadian official exports for grain entering the United States since the 1st of August (1934), we find that nearly 25,000,000 bushels of various cereals and flour have been admitted to this country, constituting wheat which is the predominating influence, of over 13,000,000 bushels, and over 7,000,000 bushels of barley."

In a recent letter Thomson & McKinnon Co., Chicago, state: "Our advices from London say that the new Argentine wheat has been found of very satisfactory milling quality, and now that the United States millers are assured of its milling fitness a better demand is logically in order."

The southern politician has a way with him, and much influence where influence gets results, as apparent in this excerpt from a Bennett & Co. letter of March 2 concerning cotton: "It was reported that the A. A A. would permit 10,983,264 bales of 500 pounds gross weight to be sold tax free from the crop to be grown this summer."

Have you by any chance heard that northern pork was to be sold free of any processing tax this summer?

A Bennett letter of March 5 gives this to ponder on: "Argentine oats have been competing with our own supplies in the South and Southeast for some time at a materially lower basis, and foreign rye continues to come into this country."

A Chicago market report on cattle, dated March 4, "Week's receipts included 20 cars of Canadian cattle that sold largely at $9.50 to $10.75." Another, dated March 2, "Yesterday's receipts of cattle were 2,500, including five cars from Canada."

Cattle from Mexico are making their way across the border. Some definite data on such cattle shipments will be available soon.

Meanwhile, overproduction in the United States must be stopped. This thing of the United States farmer and rancher producing more than this country can use and the export market will consume is nonsense. Take the word of Henry Wallace and the other A. A. A-ers for that. New Zealanders, Argentinians, Canadians, and Mexicans must be kept off relief rolls.

"THE PITTSBURGH-PLUS" PLAN

Mr. CLARK. Mr. President, I ask unanimous consent to have printed in the RECORD a very brief editorial from the St. Louis Star-Times on the subject of the insertion of the "Pittsburgh-plus" plan in the steel code.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the St. Louis Star-Times]

STEEL PRICE CONTROLS

The difference of opinion which has broken out between the Federal Trade Commission and the N. R. A. over the modernized version of "Pittsburgh plus" which is found in the steel code, is typical of two outlooks upon the conduct of business. The code provides that when steel, manufactured, for instance, in St. Louis, is sold in St. Louis, the price shall include the freight rate on such a steel shipment from the nearest "basing point", which happens to be Chicago. This means that Chicago steel mills can lay down steel in St. Louis at the same price as St. Louis mills, unless the latter shade their list prices. The strongest kind of an effort is made in the steel industry to maintain uniform list prices, so by taking away freight differentials the general tendency is to establish a rigid price structure, without competition.

This is what the steel industry as a whole wants. It is what the N. R. A. steel code authority, dominated by steel men, secured from General Johnson and are retaining under Donald Richberg. The Federal Trade Commission, with a dislike for price fixing and monopoly, asks that the system be abolished, and their argument against it is termed "biased, inaccurate, and misleading" by the steel operators.

The N. R. A. is trying to save the basing-point system by greatly enlarging the number of basing points, including, it would seem, almost every city in the country that has a steel mill. But if that is done, of what use is the system? Establish enough basing points, and it is the same as having none, except for a lot of red tape.

It has been discovered, from the temporary uplifts in steel production, that the larger manufacturers can make money when operating at 40 percent of capacity or less. That means they are pricing their products so high that the attempt to attain high production is terrifically handicapped. A tremendous overhead is being absorbed on a small volume of business.

Lower steel prices, along with lower costs throughout the building-construction industry, would give the country exactly what it needs to get large-scale operations under way and absorb the unemployed. The artificial price controls established through the N. R. A., and previously maintained by arrangements which did not come to public notice, are a blight upon recovery. They are well illustrated in the steel basing-point system, even though that system is not so bad as it was a dozen years ago, when all steel prices in the eastern United States were based upon Pittsburgh, and that section was fortified in a near monopoly of the steel industry.

WORK-RELIEF PROGRAM

The Senate resumed the consideration of the joint resolution (H. J. Res. 117) making appropriations for relief purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. SCHALL], which will be stated.

The LEGISLATIVE CLERK. At the proper place in the bill it is proposed to insert the following:

All corporations organized for any purpose by officials or agencies of the United States for its use since March 4, 1933, shall be liquidated within 90 days; and no other or like corporations shall be organized for any purpose by or in behalf of the United States except by express authorization of Congress.

Mr. SCHALL. I send to the desk a resolution and ask that it may be read.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

PHILADELPHIA BOARD OF TRADE,
Philadelphia, March 7, 1935.

RESOLUTION ADOPTED BY MEMBERS AND GUESTS OF THE PHILADELPHIA BOARD OF TRADE AT A DINNER-MEETING HELD AT THE MANUFACTURERS' AND BANKERS' CLUB

Whereas there has been chartered under the laws of the State of Delaware the Public Works Emergency Leasing Corporation (January 1934), by Incorporators Harold L. Ickes, Oscar A. Chapman, and Theodore A. Walters; the Public Works Emergency Housing Corporation (October 27, 1933), by Harold L. Ickes, Frances Perkins, and Robert D. Kohn; the Commodity Credit Corporation (October 17, 1933) by H. A. Wallace, Oscar Johnston, and H. Morgenthau, Jr.; the Federal Surplus Relief Corporation (October 4, 1933) by H. A. Wallace, Harold L. Ickes, and Harry L. Hopkins; the Federal Subsistence Homesteads Corporation (November 21, 1933) by Harold L. Ickes, Oscar L. Chapman, and M. L. Wilson; organized in perpetuity and authorized to "acquire any real property or any interest therein and improve, develop, maintain, grant, sue, lease (with or without the privilege of purchasing) or otherwise dispose of any such property or interest therein"; and

Whereas the powers granted by these charters, obtained under Executive orders, interfere with the inherent constitutional rights of our citizens; and

Whereas we are opposed to the use by the Federal Government of corporations, incorporated under the laws of the several States, to carry out Federal purposes in competition with private enterprise: Therefore be it

Resolved, That such corporations as were organized since March 4, 1933, by officials or agencies of the United States for its use shall be liquidated within 90 days and that henceforth, except by express authorization of Congress, no other or like corporation shall be organized for any purpose by or on behalf of the United States.

THE PHILADELPHIA BOARD OF TRADE,
H. W. WILLS, *Secretary.*

The VICE PRESIDENT. The resolution presented by the Senator from Minnesota will lie on the table.

Mr. SCHALL. Mr. President, about 150 years ago Washington crossed the Delaware. About a year and 4 months ago President Roosevelt and 4 Cabinet generals and 9 bureaucracy colonels crossed over into Delaware, established their camp in Wilmington, and organized six holding corporations with which to make an assault on the Republic of the United States and make of it a United States of Soviet Russia. Washington's Delaware experience aided in the establishment of the principles of the Constitution. The mission of the new-deal leader today, as revealed by the provisions of the six Delaware charters, is to evade the Constitution and set up a dynasty of economic socialization embracing all industries, enterprises, and activities, in which "any corporation now or hereafter organized" may engage. Washington resigned his commission when the work of emergency had been completed; but Roosevelt, instead of being content with the 2 years' commission of so-called "emergency" given to him by Congress, seeks by subterfuge of planned emergency to continue his powers and hopes that when he has created enough chaos, the remains of the Republic may fall into the lap of these secretly organized corporations through which he may accomplish his ambition of permanent dictatorship.

Washington and his followers aimed to restore all the rights of liberty and property to the American people. The new-deal plan chartered in Delaware aims to take all liberty and property from the individual American citizen and confer these rights upon Federal boards incorporated in Delaware and captained by the administration's bureaucracies.

I have inquired here on the floor of the Senate, I have inquired wherever I could come in contact with anyone who might know, why these corporations were organized, but no response has come from any source indicating for what purpose they were created. Perhaps a short analysis of the actions of the present administration might give premises for deduction.

During the campaign preceding the last election, when the Democratic slogan was that "It could not be worse", things seemed to take an upward turn in the country. Stocks and prices rose. Wheat in my State was selling for better than a dollar a bushel. There was a decidedly bright outlook. Mr. Roosevelt said it was Wall Street attempting to bolster up the Hoover campaign, but election came and Mr. Roosevelt was elected.

The upward turn continued. The then President-elect said, "That is because they have confidence in me." On the 4th day of March he came into office. He made some promises at that time, none of which has been kept. The pledges of the platform upon which he was elected and that he vowed he was 100 percent back of, a covenant with the people, are still in every particular left unfulfilled. The first thing he did when he came into office was to figure out some unlawful way by which he could do something which the Constitution did not warrant. He said to his Attorney General, "Find some way by which I can usurp the authority to close all the banks of the United States." He pretended to discover something left over from the war Congress which gave him that power, although the Congress had thought it had repealed all the war legislation. He closed all the banks in the country, 15,000 or more as sound as a hound's tooth, thus to begin his career as President at the lowest ebb of depression. He manufactured the slogan, "A war on depression." He did this not because he had a war but because he desired to usurp from the Government war powers to the furtherance of his ambition, and what better suggested slogan could there be than "War on depression"? It was nearly as good a slogan as another Democratic administration had when it coined, "He kept us out of war." And the "war on depression" has been carried on with exactly the same results as that other slogan, "He kept us out of war."

It seems to me, looking back over the administration, that it has not wanted recovery. It has deliberately set out to accomplish chaos, and in that respect it has been very successful.

Twenty-five days after the President raised his hand and swore to defend and maintain the Constitution, he sent to Congress a bill, and had it crowded through the House without even having it put in print, which would have put a publisher in jail for 10 years and fined him $10,000 for daring to advocate anything of which the President did not approve.

That bill came to the Senate and, thanks to the efforts of the Senator from California [Mr. JOHNSON], the poison was taken out of it. A communications bill was sent to the Congress and passed the House providing a complete censorship, but most of the censorship was stricken out here in the Senate. It always appeared to me that those things which it is desired to keep covered up must have some sinister thing back of them or there would not be required so much secrecy. The bill passed the Senate, but there still remained in it a clause which gives the President the power, upon his declaring an emergency, to take over every means of communication in the United States, such as the telegraph, the telephone, the radio, the movies, and the mails.

There came to Congress a bill creating what is known as the N. R. A., the National Racketeers Association, the National Ruin Act. This bill gave to the President a great number of powers. That was one emergency created by the administration.

Then the President followed it with the A. A. A. Act, another emergency created for his use. He had to have some foundation upon which to lay the idea that he should acquire these powers. He has acquired one power after another until there is not much left today of the Constitution. I hope today that the Senate may by its vote redeclare the Republic of the United States.

The 2-year lease to the N. R. A., giving the President these enormous powers, and the A. A. A. Act have about expired. At the beginning of the regular session of the Seventy-third Congress President Roosevelt sent word to the Congress that he wanted the 77 powers which he had usurped from Congress and the judiciary in the extra session of Congress made permanent. From this demand alone you can surmise the tenor of his ambition. They were not made permanent. They are about to expire.

The only thing left of the N. R. A. today is a skeleton. General Johnson, the ringmaster and nurse of the N. R. A., declared that it is as dead as the dodo, and intelligent people wonder why the administration insists on keeping it alive. I will tell you why he wants to keep it alive. It is because within its carcass is contained the usurped powers from the Constitution of our Republic without which powers he will be thwarted in his ambition. George Christians, of Tennessee, the leader of the white shirts and interested in other fascistic organizations, says he talked with President Roosevelt at Warm Springs in company with Moley and other well-known intimates of the President. He says he told the President that he was the Kerensky of the coming revolution. The President objected to being only Kerensky, and Christians stated that no one man had been able to weather the three phases of revolution and that other strong men must follow in order to make revolution an accomplished fact. The President reminded him that he had forgotten Cromwell, Napoleon, and Caesar. He foresaw that his hold on Congress might slip and he would not be able to secure more power or perhaps even hold that which he had, and in order to hold that which he had some permanent structure must be erected into which his usurped powers could be covered. The Delaware holding corporations fit the bill. They were created and filed a year and 4 months ago and are like a set trap lying there in ambush ready to capture its prey. All that is needed is more money with which to put them in action, and the powers that he asked Congress to make permanent and which they have not done will have been retained without their consent.

They have made these corporations permanent. If they get this $4,000,000,000 lump-sum appropriation, $2,500,000,000 will go into these corporations where several hundred millions of dollars are already planted. If that purpose is accomplished and this money goes into those corporations, then we are indeed on our way to Moscow.

Mr. President, I have been unable to get anyone in the Senate to tell me the purpose for which these organizations have been organized. They can take over and handle everything; banking, railroading, mining, manufacturing, building materials, development of natural and unnatural resources; in short, they can do anything in the world that any private citizen now does, and I use the word "world" advisedly, because they can extend their business to any part of the world. Any business of the country can be carried on by these corporations. They are outside of the Constitution. It is a clever move on the part of the administration to acquire the power in Delaware to move the Government of the United States to Delaware in case they can create enough chaos to warrant it without an uprising of the citizenry. Congress will have no authority over these corporations which are organized by the captains of the bureaucracies. They have put over their man-made laws and enforced them with the power of the Government, contrary to the Constitution that declares we are a country of law, not men.

My amendment, if adopted, will keep this country a Republic.

Perhaps I had a better opportunity than some Senators to get acquainted early with the President of the United States. I was on the *Mount Vernon* when it was torpedoed about 250 miles off the coast of Brest. She had a hole torn in her side about 20 by 30 feet and shipped something like 10,000 tons of water. A few of the boilers were left operating because of the airtight compartment, so that we could keep moving, and we finally got back to Brest. I was then transferred to the *Leviathan*, another German ship. The Germans had continually dropped notes saying they were going to get both of those ships.

I talked with Admiral Wilson just before I went on the *Leviathan*. I was at the top of a great room where one whole side of the building was covered with a map of the Atlantic Ocean, with fine wires running across it indicating here and there the location of the different ships, so that Admiral Wilson might be in constant control and know what was happening on the Atlantic Ocean. He said, "I am putting you on the *Leviathan*." Orders were issued to the captains of these ships, and they did not open them until they had started on their trips. He said to me further, "I am routing you over the same course the *Mount Vernon* took. I believe the Germans will think that since we had one ship torpedoed there we will not send another one on that route. But", he said, "I do not know of any safer way. Any way is dangerous."

Just before we sailed my attention was attracted by a great clamor of bands, and I inquired what might be happening. We were anchored about a mile and a half or two miles out from the coast, and they explained to me that a great bevy of motor boats was coming; that bands were playing; and so we listened until the motor boats finally arrived, and the bands marched upon the deck of the ship, and they played; and then there came on board—as the Bible would say, with 500 men to run before him—the Assistant Secretary of the Navy of the United States, henceforth whom history will undoubtedly know as Franklin "Delaware" Roosevelt!

The next morning I came on deck, and the captain was in controversy with somebody, saying that a flag of the Secretary of the Navy was at the top of the flagpole, and that it was hazarding and jeopardizing the ship.

That ship, the great *Leviathan*, which I note is being put out of commission today in the interest of English shipping, carried about 15,000 soldiers. It made a trip about every 10 days. That one vessel, Senators, could carry enough man power over there to win the war if it had been alone, and it was doing it. The saving of those ships meant everything. This was early in the morning, about the same time of the morning that the *Mount Vernon* was torpedoed, which I was upon. The captain explained to me that this ship stood some 90 feet, I think it was, above the water level; that it could be seen over a circle so many miles in circumference on a clear day. It happened to be foggy that morning, but he said that the sun coming up would soon lift the fog. The flag at the top of that flagpole, running high into the air, he explained, would enlarge the circle of visibility so many times. I do not remember just what it was, but it was a tremendous amount of visibility that the flag at the top of the mast would carry out to the enemy, and give them an opportunity again to torpedo the *Leviathan*. The captain said, "That flag must come down"; and so he sent down word to communicate with Mr. Roosevelt. Mr. Roosevelt sent back word that he was sick, and that the captain could confer with his secretary. The captain conferred with the secretary, and asked him to have the flag pulled down; but Mr. Roosevelt said no, that the flag should remain; that he was not afraid, and he did not see why a captain trained to encounter danger should be afraid. The captain finally ended the argument by saying, "I may never be an admiral, but that flag must come down", and so it was taken down.

My friends, Senators, this man's vanity is so great that he must have his flag at the top of the mast, even though the ship of state may be torpedoed. Thirty-eight men were killed in the *Mount Vernon*. Some of them were shut in when it was necessary to close the water-tight compartments. I could hear the poor devils yelling down there, but it was a question of their lives or the life of the ship; and so they were shut in, and there they died.

Mr. President, we are engaged in a battle over the pending joint resolution, proposing to appropriate a lump sum of $4,000,000,000 this year; and the Senator from Kentucky [Mr. LOGAN], who stood here upon the floor, said he supposed next year there would be a request for another $5,000,000,000. No strings are attached to this appropriation. The joint resolution is here before us; and the four items which came over from the House in the first paragraph of the joint resolution, if you will read them, give us a clear idea of what the President intends to do with that money in connection with the corporations in Delaware. The Senate committee has cut that out. The joint resolution was finally referred back to the committee at the suggestion of the leader of the Senate, who no doubt received the suggestion from the White House, on account of the McCarran amendment.

The McCarran amendment has been defeated by the administration through careful underground maneuverings, for he holds tremendous power through appropriated billions under his absolute control. His flag still waves at the top of the mastpole, inviting disaster and chaos, because only through disaster and chaos can he possibly hope to carry out the international scheme of breaking down our Republic, leveling our standard of living with that of Europe, and through mass psychology, carefully matured through handling of all communications, transfer a docile, confiding, trusting people from the Ship of the Republic to a fascistic ship of which he is to be the undisputed captain and add his illustrious name to that group of Cromwell, Napoleon, and Caesar.

The difference between the "new plans" in Europe—Rome, Berlin, and Moscow—and the new deal here is in the method of approach. We have on our side of the Atlantic the smiling exterior of beneficent paternalism and the billions in doles and the steady encroachment of the Federal Government over the industrials and utilities, over the railways and banks, and over all branches of agriculture and commerce, both interstate and intrastate; whereas "over there", in Rome, Berlin, and Moscow, there is the blunt appeal to force. In Europe the "new plans" may be effective through "shock troops", whereas here the more effective method is by subsidy and control of communications.

The bill has come back to the Senate divided up into eight divisions. The first four of those divisions, taking something over a billion and a half of money, fit into these corporations of Delaware exactly as a hand fits into a glove; and, on top of that, the President is to have 20 percent of the $4,000,000,000. These two sums added together give him absolute control of $2,250,000,000 that it is absolutely up to him to do as he pleases with; and I have no doubt, Senators,

that he will please to put it into the corporations in Delaware and make of the United States a union of soviet social republics. There can be no other meaning.

In Chicago the other day a Communist was arrested for speaking. Why, Senators, there is no danger from foreign communism. It is the communism here within the bosom of our own country that is dangerous. The communism within this very administration that seeks to legislate us into a lockstepping, regimented, subservient, cringing people. It is right here within the country. An international plot is afoot to destroy our Republic.

This Fabian approach to the socialization of the United States by the method of incorporating Delaware holding companies is not at all fanciful. It is a concrete actuality with a strong international organization behind it.

Doubtless no Senator here is unfamiliar with the history of that socialistic order known as the "Fabian Society." Among its best-known figures in the United Kingdom is George Bernard Shaw, just as among its best known workers in the United States is Bernard M. Baruch, as many think the real President of the United States.

It has been demonstrated at every turn of this administration that the head of it is more interested in foreign countries than he is in our own. He was a candidate for the Vice Presidency and worked his head off from one end of the country to the other advocating our joining the League of Nations. Up to the time he became Governor of New York he was a member of the board of directors of the International Bankers Association and was instrumental in making the $15,000,000,000 loans to foreign countries. He attempted his "damnedest" to put us into the World Court, only a back door to the League of Nations. He is today busy giving away to foreign countries, through treaty rights that should be shared with the Senate of the United States, our industries. His first thought is always of some country other than the United States. The platform on which he was elected President declared—and he said that he was back of it 100 percent—that no duties should be placed upon goods coming into this country unless it was so decided by the Tariff Commission, and that tariff making should be, as far as possible, removed from Executive interference. He came in here to Congress and crowded over, at the end of a brad, this bill, which gives the tariff-making power to him and deprives the Senate of any right of interference with him. The bill gives it to him in secret. Everything in this administration has been done in secret. Bills have been passed here and signed by the President, every one of them containing secret clauses, every one of them a censorship measure.

Bill after bill has been crowded through here; and all these powers accumulated there in the White House are now, my friends, to be transferred to corporations in Delaware that are marked "perpetual", and the incorporation papers were marked by the people who filed them "Do not publish", and you cannot get a word out of anybody here or anywhere else as to what the purposes of the corporations are.

In this treaty-making power that the President usurped from Congress he has the power to raise and lower tariffs 50 percent, at his own sweet will. Just the other day, in the interest of foreigners, he made a treaty with Belgium interfering with 47 industries in this country, lowering our tariff on glass, steel, textiles, laces, cement; in short, the products of 47 industries of the country, amounting to 76 articles all told, while the iron mines of my State of Minnesota are lying idle. His idea of helping the United States is to transfer to foreigners the labor for the production of the articles and materials that are to be shipped into this country.

The President made another treaty with Cuba, I understand—we get this only by hearsay, so it may be wrong—but I understand that in that treaty the duty of 70 cents per bushel on potatoes is lowered to 35 cents. In my State our farmers are selling their potatoes for from 12 to 15 cents a bushel; 11,000,000 men are out of employment, 22,000,000 on the dole, and ten billion increase in the public debt; we are taking in $1 and spending $5; our interest payments exceed our income-tax return; and our President has ordered Congress, and it has obeyed, to raise the bonded-indebtedness limitation from twenty-eight billion to forty-five billion, twenty billion more than allowed for the World War peak. His pretended "war on depression" is twice as costly as the World War; and yet we are making treaties in secret, in "star chamber", where the United States is not represented, but every foreign country that may desire to do so sits there in conference. In "star chamber" these things are to be done.

Today over 300 newspaper men, put into the employ of the President, put into the employ of the Government, paid for by the taxpayers, are dishing out the news of the country to the newspapers, and the newspapers must print what they are given, tying up every department, punishing anybody who dares speak what he thinks, or dares speak in behalf of this Republic.

We are in a condition today where it seems that we are worse off than those in Russia, for at least in Russia the authorities come right out in the open and tell you what they are doing. Here they are down underneath, boiling away secretly to put over this and to put over that, of which the country or the Senate or the Congress knows nothing. Why does not somebody come here and tell us about these corporations, why they are organized, for what purpose, and what is going to be done?

The people elect us to come here and represent them. I am afraid I have not been able to do much representing. About all I have been able to do is to serve the purpose of the geese that cackled outside of Rome to save the republic, and thereby attracted attention to the enemy sneaking up, the assassins at night with the daggers in their hands. Some geese cackled, and that saved the republic of Rome.

God help me to be a goose and to continue to cackle! I know I am a goose. I know that the punishment visited upon me has been visited upon me only because I am goose enough to stand up here and ask God to help me, that in some way somebody will get up and stand for the Republic of the United States, and not allow it to be stolen by foreign emissaries with their tool in the house of the President of the United States. My God, Senators! stand up for your rights, and stand up for your country before it is too late, and vote for my amendment to do away with these corporations that are going to make our United States of America a United States of Russia!

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Minnesota [Mr. SCHALL].

Mr. ROBINSON, Mr. HARRISON, and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. LOGAN (when his name was called). I have a general pair with the senior Senator from Pennsylvania [Mr. DAVIS]. In his absence I transfer that pair to the junior Senator from Oklahoma [Mr. GORE], who is necessarily detained from the Senate, and vote "nay."

The roll call was concluded.

Mr. McKELLAR (after having voted in the negative). I find I have a pair with the Senator from Delaware [Mr. TOWNSEND]. I transfer that pair to the Senator from Washington [Mr. BONE], and allow my vote to stand.

Mr. LEWIS. I desire to announce the absence, on account of illness, of the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Louisiana [Mr. OVERTON].

I also wish to announce that the Senator from Kentucky [Mr. BARKLEY] and the Senator from Washington [Mr. BONE] are detained on important department business.

I desire also to announce the following general pairs:

The Senator from Nevada [Mr. McCARRAN] with the Senator from Delaware [Mr. HASTINGS];

The Senator from Massachusetts [Mr. WALSH] with the Senator from Oregon [Mr. McNARY]; and

The Senator from Utah [Mr. THOMAS] with the Senator from Minnesota [Mr. SHIPSTEAD].

All of the Senators I have just named are detained on business of the Senate.

Mr. AUSTIN. I wish to announce that the senior Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness. I am not advised how he would vote if present. His general pair has been announced.

The result was announced—yeas 10, nays 69, as follows:

YEAS—10

Austin	Dickinson	Metcalf	Steiwer
Barbour	Gibson	Schall	White
Carey	Hale		

NAYS—69

Adams	Copeland	La Follette	Pope
Ashurst	Costigan	Lewis	Radcliffe
Bachman	Couzens	Logan	Reynolds
Bailey	Cutting	Lonergan	Robinson
Bankhead	Dieterich	McAdoo	Russell
Bilbo	Donahey	McGill	Schwellenbach
Black	Duffy	McKellar	Sheppard
Borah	Fletcher	Maloney	Smith
Brown	Frazier	Minton	Thomas, Okla.
Bulkley	George	Moore	Trammell
Bulow	Gerry	Murphy	Truman
Burke	Glass	Murray	Tydings
Byrd	Guffey	Neely	Van Nuys
Byrnes	Harrison	Norbeck	Wagner
Capper	Hatch	Norris	Wheeler
Clark	Hayden	Nye	
Connally	Keyes	O'Mahoney	
Coolidge	King	Pittman	

NOT VOTING—16

Barkley	Gore	McCarran	Thomas, Utah
Bone	Hastings	McNary	Townsend
Caraway	Johnson	Overton	Vandenberg
Davis	Long	Shipstead	Walsh

So Mr. SCHALL'S amendment was rejected.

Mr. TYDINGS. Mr. President, I wish to call the attention of the Senate for just a moment to an amendment which I think will not be controversial and which I think the committee will accept, as it would cure an oversight in the joint resolution.

On page 3, line 18, after the word "States", I ask that there be inserted the words "and Territories." The joint resolution is supposed to cover the Territories as well as the States, and unless these words be inserted, it may be ambiguous. I ask unanimous consent that the amendment be agreed to.

The VICE PRESIDENT. The Chair is informed that the amendment which the Senator seeks to amend has already been agreed to, and in order that the parliamentary situation may be such that the Senator could offer his amendment to the amendment, the vote by which the amendment was agreed to would have to be reconsidered.

Mr. GLASS. Mr. President, in that circumstance, I would not give unanimous consent. In the first place, I think the matter is already covered in the joint resolution, although there is some difference as to its interpretation. However, if we have to go over that whole allocation again, I will not consent.

Mr. NORRIS. Mr. President, I do not think the Chair understood the Senator from Maryland. The Senator asked unanimous consent that his amendment be agreed to.

Mr. TYDINGS. I do not think there will be any controversy.

Mr. NORRIS. That could be done, I take it, without reconsideration of the vote.

The VICE PRESIDENT. The Chair thinks the Senator from Nebraska is correct, because almost anything can be done by unanimous consent.

Mr. TYDINGS. I ask unanimous consent that the words "and Territories" be inserted after the word "States", in line 18, on page 3.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. HAYDEN. Mr. President, I offer an amendment, to be inserted as a new paragraph in the bill, and I ask to have it read.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 3, after line 25, it is proposed to insert the following new paragraph:

From the appropriation made herein not less than the several sums authorized to be appropriated for the fiscal year ending June 30, 1936, by the act approved June 18, 1934, entitled "An act to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes", except the amount authorized by section 4 of such act of June 18, 1934, shall be expended in the manner and for the purposes specified in said act; and (2) except as hereinafter provided, all additional sums allocated from the appropriation made herein for the construction of public highways and other related projects (except within or adjacent to national forests, national parks, national parkways, or other Federal reservations) shall be apportioned by the Secretary of Agriculture in the manner provided by section 204 (b) of the National Industrial Recovery Act for expenditure by the State highway departments under the provisions of the Federal Highway Act of November 9, 1921, as amended and supplemented, and subject to the provisions of section 1 of such act of June 18, 1934: *Provided further*, That any amounts, in addition to the amounts specified in the preceding proviso, allocated from the appropriation made herein for the elimination of existing hazards to life at railroad grade crossings, including the separation or protection of grades at crossings, the reconstruction of existing railroad grade crossing structures, and the relocation of highways to eliminate grade crossings, shall be apportioned by the Secretary of Agriculture to the several States (including the Territory of Hawaii and the District of Columbia), one-half on population as shown by the latest decennial census, one-fourth on the mileage of the Federal-aid highway system as determined by the Secretary of Agriculture, and one-fourth on the railroad mileage as determined by the Interstate Commerce Commission, to be expended by the State highway departments under the provisions of the Federal Highway Act of November 9, 1921, as amended and supplemented, and subject to the provisions of section 1 of such act of June 18, 1934; but no part of the funds apportioned to any State need be matched by the State: *And provided further*, That the President may also allot funds made available by this joint resolution for the construction, repair, and improvement of public highways in Alaska, the Canal Zone, Puerto Rico, and the Virgin Islands, and money allocated under this joint resolution to State relief agencies may be expended by such agencies for the construction and improvement of roads and streets: *Provided, however*, That in the expenditure of funds from the appropriation made herein for the construction of public highways and other related projects preference in the employment of labor shall be given (except in executive, administrative, supervisory, and highly skilled positions) to persons receiving relief, where they are qualified, and the President is hereby authorized to predetermine for each State the hours of work and the rates of wages to be paid to skilled, intermediate, and unskilled labor engaged in such construction therein.

Mr. HAYDEN. Mr. President, the primary object of my amendment is to insure that all money appropriated by this joint resolution which may be allocated to the construction of highways and related projects shall be expended in accordance with existing law by the State highway departments. The final adoption of the amendment will guarantee that the principle of apportionment among the States of lump sums according to an equitable rule will be maintained. That principle was first adopted in 1916, and Congress has not departed from it in a single instance for 19 years. I ask that it remain unimpaired and in full force and effect.

Congress should insist that this be done, particularly at this time, when there appears to be a revival of an idea which was wholly discredited and discarded 20 years ago. Congress has consistently refused to designate what particular roads should be built, because that is a matter of local concern which can better be decided by the State highway departments. Now, however, we are told that an authority which Congress, for reasons of sound policy, has always refused to assume may safely be delegated to some executive branch of the Government.

The original Federal Aid Highway Act was sponsored in 1916 by two men of wide legislative experience who were well aware of the yearning for power which always possesses one with bureaucratic authority—Representative Dorsey W. Shackleford, of Missouri, and Senator John H. Bankhead, of Alabama, the father of our distinguished colleague. They were firm in the determination that Congress, and Congress only, should apportion all Federal grants for highway construction; that the States, and not the Federal Government, should do the actual work of road building.

What a blessing it has been that such a sound principle was adopted! For nearly two decades it has been unnecessary for any Senator or any Representative to approach any bureau chief, hat in hand, to beg for an allotment of road

funds to his State or to his district. Congress itself settled the matter, and left no discretion to any executive authority.

Mr. GLASS. Mr. President——

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Virginia?

Mr. HAYDEN. I yield.

Mr. GLASS. Why should any State be compelled to come here with hat in hand to beg a bureaucrat for any sort of allocation or appropriation?

Mr. HAYDEN. That is particularly true with respect to highways, because we have within each State an efficient State highway department which can do the work.

Mr. GLASS. It is particularly true with respect to all States, because all States are supposed to be efficiently administered by their own governments.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Idaho?

Mr. HAYDEN. I yield.

Mr. BORAH. May I ask a question of the Senator from Arizona? Is not the principle which the Senator is seeking to apply with reference to the road department the same principle which is sought to be applied in section 10, which was stricken out the other day, with reference to other departments?

Mr. GLASS. Yes.

Mr. BORAH. On Saturday or Friday we struck out section 10, which provided that—

> Federal public roads projects, rivers and harbors projects, reclamation projects, and public buildings projects undertaken pursuant to the provisions of this joint resolution shall be carried out under the direction of the respective permanent Government departments or agencies having jurisdiction of such projects, and the performance of all contracts in connection with such projects shall be subject to the supervision and control of such departments or agencies.

That was stricken out.

Mr. HAYDEN. There was a question there, if the Senator will permit the statement, as to whether any work now being done by an emergency agency would have to be transferred to a permanent agency. The issue was between permanent and emergency agencies. In my amendment, however, the distinction is clear. The work is to be done by the States and the State highway departments will have charge of the work.

Mr. GLASS. I will say to the Senator from Idaho, if I may, that the purposes of the amendments are so manifestly alike that I ascribed the other amendment to the Senator from Arizona rather than to the Senator from Oregon [Mr. STEIWER].

Mr. HAYDEN. The same principle which I have stated was at stake nearly 2 years ago, when Congress had under consideration the $3,300,000,000 public-works bill, and President Roosevelt himself agreed that the usual procedure should be followed, with the result that the appropriation of $400,000,000 for highways was the only sum definitely earmarked in that measure. Senators may remember that the President appointed four members of his Cabinet as a public-works committee, and I made it my business to confer with them regarding funds for highways. Two of them, the Secretary of War and the Secretary of Agriculture, promptly agreed that all road work should be done by the States in the usual way.

The two other Cabinet members would not agree to my suggestion. The Secretary of Labor and the Secretary of the Interior both thought the selection of highway construction projects should be made in Washington. Secretary Ickes said, with his usual frankness, that everyone else was willing to leave the determination of what should be done to the administrative authorities, and that he could see no reason why there should be an exception with respect to roads.

I remember that Secretary Ickes said to me, "Senator SHIPSTEAD was just here, and expressed a willingness to take his chances on obtaining funds to deepen the channel of the upper Mississippi River." My answer was: "Mr. Secretary, you have put your finger on the vital point. Senator SHIPSTEAD will take his chances upon seeing you before I do." I then went on to say that if it were known that some man in Washington had the money to build roads my constituents would demand that I see that man and insist that a particular road be built. The people of every State and every congressional district would likewise demand that the Senators and their Representatives see the man who could build roads for them. If, on the other hand, the money should be apportioned among the States for expenditure by the State highway departments in the usual way, not a Senator and not a Representative would have to consult anybody in Washington about highway funds.

Since his Cabinet committee was equally divided, I took the problem to the President, who promptly said that he had no desire to see a new bureaucracy built up in Washington which 96 Senators and 435 Representatives in Congress would have to convince that road projects in their States or districts should be adopted for construction. The President spoke of his experience as Governor of New York, and readily agreed, from his own knowledge, that the regular and customary way was the best. That is how roads were made the exception in the public-works law of 1933. I insist that the same precedent be again followed in this appropriation.

But the idea that the Federal Government should build speedways across the States will not down. Admiral Peoples, the Director of Procurement, stated before both the House and Senate Committees on Appropriations that the construction of such highways under direct Federal supervision was one of the objects which could be accomplished by this joint resolution.

I read from his testimony:

> Consideration has been given to undertaking the construction of what may be termed "national highways" or "express highways", as illustrated by the form of construction used in some highways adjacent to large cities. These highways would be located in broad relation to population distribution, and would be laid out to avoid highly developed areas and to run outside of population centers. It is assumed consideration will be given to the elimination of major grade crossings in connection with these highways.

The idea apparently is that a wide right-of-way is to be acquired, and that the Treasury could be reimbursed for the cost of such superhighways by selling or leasing the frontage on either side for gasoline stations or other business enterprises. I am sure that if such a plan were adopted, more than one Senator would be importuned to obtain a lease for a "hot dog" stand desired by some resident of his State.

I have here a proposal to build a magnificent transcontinental express highway from Boston to San Francisco. The right-of-way is to be at least 1,000 feet wide. The total cost of this route with four traffic lanes is estimated at $12,000,000,000. The idea has met with favor.

I have here a publication called "Highway Topics", published in Columbus, Ohio, and in it I read a quotation from a statement made by Secretary Ickes:

> I have heard plans for the transcontinental highway which would capture the imagination of any believer in the country's future--a four-lane road stretching across the country, avoiding all congested city areas, uninterrupted by any grade crossing.
>
> A 1,000-foot right-of-way contributed by the States would make it possible to control the landscaping of such a highway to make it the most beautiful as well as the most useful highway in the world.
>
> A public-works program on some such basis as that discussed could absorb the energies of all our people on a self-respecting basis in wide-spread economic activity.

Under no circumstances would Congress ever appropriate the money to build such a highway. I have taken the trouble to check the route and find that it would pass through 12 States and 45 congressional districts. How can the Senators from the other 36 States make their people believe that such a highway is highly beneficial to them? How can the other 390 Representatives explain to the farmers in their districts that they must still drive through the dust or the mud because the road-making energies of the Nation are to be concentrated on this gigantic project?

The enactment of my amendment will put an end to all such dazzling schemes and will insure the continuance of a policy which is slowly but surely bringing about the con-

struction of a system of serviceable highways which benefits every section of the Union. What we have been doing through the State highway departments may not be magnificent, but it is intensely practical and entirely satisfactory to the great majority of the American people.

It is my desire that the Senate shall vote on this amendment wtih the distinct understanding that its adoption prohibits the Federal Government from undertaking the construction of any superhighways or interstate speedways. It is entirely proper that the National Government shall improve its own property within the national parks, the forest reserves, or other Federal reservations and build approach roads or connecting roads over federally owned rights-of-way where the chief purpose is to make accessible scenic beauty or points of historic interest. But such roads are for the tourist or the vacationist and are not commercial highways where speed and the saving of distance are the first consideration.

The amendment specifically provides that the sums allocated for the construction of public highways and other related projects shall be apportioned among the States in the manner provided by section 204 (b) of the National Industrial Recovery Act. This is the only reference to the National Industrial Recovery Act, and no other part of that act is made applicable to the money appropriated out of the Treasury by this joint resolution. Reference to section 204 (b) is made for the sole purpose of bringing about an apportionment of highway funds on the basis of seven-eighths in accordance with the Federal Highway Act of 1921 and one-eighth by population. Reference is made to section 1 of the act of June 18, 1934, to insure that, so far as highways are concerned, not less than 25 percent of the apportionment to any State may be applied to secondary or farm-to-market roads.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from Idaho?

Mr. HAYDEN. I yield.

Mr. BORAH. Would the Senator be willing to accept an amendment in the way of a new section, to read as follows?

That reclamation projects and public-buildings projects undertaken pursuant to the provisions of this joint resolution shall be carried out under the direction of the respective permanent Government departments or agencies having jurisdiction of such projects, and the performance of all contracts in connection with such projects shall be subject to the supervision and control of such departments or agencies.

Mr. HAYDEN. Mr. President, I prefer not to accept such an amendment. I prefer not to do so upon basis of the argument made a day or two ago by the Senator from Nevada [Mr. PITTMAN], who very pertinently pointed out that the enactment of such a provision would prevent the Federal Emergency Works Administration doing any reclamation work.

Mr. BORAH. Mr. President, the effect of the amendment which I am now proposing would be that the reclamation projects proper only should be carried on in this way—not undertakings which were not reclamation projects. How could it be said to be unwise for the Reclamation Service to do the work to which it has been assigned for years and with which it is familiar?

Mr. HAYDEN. Has the Senator heard of any proposal to take away from the Reclamation Service that duty?

Mr. BORAH. Has the Senator from Arizona heard of any proposition to take road construction work away from the Bureau of Roads?

Mr. HAYDEN. I have directed the attention of the Senate to proposals for the construction of great interstate express highways to be built by a Federal bureaucracy, and not by the States. I propose to see that that does not occur; but I have heard nothing to indicate that the United States Reclamation Service is to be deprived of its usual jurisdiction.

Mr. BORAH. I do not desire to incorporate in the act that which would be objectionable under the argument of the able Senator from Nevada [Mr. PITTMAN], but I desire to have incorporated in the act a provision which would make it necessary that reclamation work be performed by the Reclamation Service. That certainly would be wise.

Mr. HAYDEN. As the Senator from Nevada pointed out the other day, in his State certain work was done by others which normally would be undertaken by the Reclamation Service, such as the drilling of wells or the cleaning of certain ditches, and things of that kind; but it was done with transient labor. If the language the Senator from Idaho proposes in his amendment would prohibit the Federal Emergency Relief Administration, which has jurisdiction over transient labor, from doing anything in the nature of reclamation, then his amendment should not be adopted. That would also be true of the other items as he has listed them in his proposed amendment.

Mr. BORAH. What the Senator's amendment seems to do is to separate the work to be done under the road appropriation.

Mr. HAYDEN. Because such work never has been done by the Federal Government.

Mr. BORAH. Neither has the reclamation work. It has always been conducted by the Reclamation Service.

Mr. HAYDEN. Yes; but the Reclamation Service is an agency of the Federal Government, whereas the State highway departments are the agencies of the States, and I am making that clear distinction.

Mr. COSTIGAN. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from Colorado?

Mr. HAYDEN. I yield.

Mr. COSTIGAN. What is the significance of the reference to predetermined wages on page 3, in lines 22 to 25?

Mr. HAYDEN. The Senator will remember that prior to 2 years ago the so-called "prevailing-wage rule" applied to all highway construction, and there were continuous disputes as to what was the prevailing wage in the locality where the contract had to be undertaken. The men who were building a road on a desert where nobody was living insisted that there was no prevailing wage in the locality. In order to avoid that situation, 2 years ago, at my suggestion, the Congress adopted an amendment which was first brought to my attention, by the way, by the able Senator from Ohio [Mr. BULKLEY], that each State highway department should for that State predetermine the scale of wages. That is exactly what has been done. The scale is included in the offering of bids; the scale is included in the contract, that so much must be paid to the common laborer, so much to the truck driver, and so much to the steam-shovel man. Failure by the contractor to pay that scale is a breach of the contract, with the result that we have had complete satisfaction with respect to the rate of wages paid to road labor throughout the Nation.

Mr. COSTIGAN. Where States have laws requiring the payment of the prevailing wage will those laws govern?

Mr. HAYDEN. No; the rule that governs, so far as Federal funds expended on State highways is concerned, is the scale predetermined by the State highway departments. All the President has to do in this instance is to look at 48 scales of wages on file in Washington and then determine what is the proper rate for each State.

Mr. COSTIGAN. Is this portion of the amendment of the Senator from Arizona necessary in view of the amendment already adopted by the Senate?

Mr. HAYDEN. Yes; because the amendment adopted by the Senate has in mind the prevailing scale of wages, whereas the amendment now offered proposes definitely to get away from that by providing for a predetermined scale. It has worked perfectly in every State; there has been no complaint from any source.

I might state to the Senate that this amendment has been submitted to every State highway department in the Union. They are entirely satisfied as to its workability. The joint resolution has been pending for a long time, and so I had opportunity to see that the amendment was sent out to the State highway departments for criticism and approval. They all say it is perfectly workable and is entirely satisfactory to them.

Mr. TRAMMELL. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from Florida?

Mr. HAYDEN. I yield.

Mr. TRAMMELL. I desire to ask the Senator if his amendment would not discontinue the policy of the Federal Government making the entire contribution for emergency road construction?

Mr. HAYDEN. Oh, no; there is not a dollar covered by my amendment but what is a direct grant from the Federal Government, not a cent of which has to be matched.

Mr. TRAMMELL. It does not have to be matched?

Mr. HAYDEN. It does not.

Mr. TRAMMELL. We adopted that policy in 1933 and have continued it up to the present time.

Mr. HAYDEN. There is no change in that policy. The amendment refers back to the act which provides that there shall be no matching of this fund.

Mr. TRAMMELL. I have had no opportunity to check up all the references, but if the amendment goes back to the original act of 1916 and omits the later act of 1921 and makes no reference to the act of 1933 on the question of the distribution of the fund it will revert back to the old plan of matching 50–50.

Mr. HAYDEN. The Senator will notice on page 2 of the amendment reference is made to "the Federal Highway Act of November 9, 1921, as amended and supplemented, and subject to the provisions of section 1 of such act of June 18, 1934." Under that section the money would not have to be matched. That feature has been carefully checked by every State highway department, and all agree that that is perfectly clear.

Mr. TRAMMELL. I wish to thank the Senator for that information. I think it is a very vital matter.

Mr. HAYDEN. It is.

Mr. TRAMMELL. During this emergency and the present condition of most of the States it would be practically impossible for many of them to match on the old system of a 50-50 basis, and I am delighted that the Senator's amendment continues the policy of the act of 1933, not requiring the States to match on a 50-50 basis.

Mr. GLASS. Mr. President, upon reflection, I do not see how with any great degree of consistency I could vote against the amendment proposed by the Senator from Arizona, but I should not think that any Senator who voted to eliminate the amendment offered by the Senator from Oregon [Mr. STEIWER], approved by the committee and favorably reported by the committee, could with any degree of consistency vote for the amendment now proposed by the Senator from Arizona [Mr. HAYDEN]. It proposes to set aside one particular sort of work for a particular sort of preferment as against all other kinds of work. I am not going to vote against it, because I think that ought to be done as to all projects, but the so-called "Steiwer amendment" provided that it should be so done, and the Senate, understanding the committee reported the Steiwer amendment favorably, voted to strike it out. So I do not see how any Senator on this floor who voted to strike out the Steiwer amendment can with any degree of consistency vote for the amendment of the Senator from Arizona.

Mr. BORAH. Mr. President, I desire to offer an amendment to the amendment of the Senator from Arizona, to read as follows:

Provided further, That rivers and harbors projects, reclamation projects, and public-buildings projects undertaken pursuant to the provisions of this joint resolution shall be carried out under the direction of the respective permanent Government departments or agencies having jurisdiction of such projects, and the performance of all contracts in connection with such projects shall be subject to the supervision and control of such departments or agencies.

As a parliamentary inquiry, Mr. President, I ask if that amendment would be in the third degree?

The PRESIDENT pro tempore. In the opinion of the occupant of the chair, the amendment proposed by the Senator from Idaho, having been finally acted upon by the Senate, it is not in order to present it again to the Senate.

Mr. BORAH. May I ask the Chair to consider that I have changed the amendment? It is not the same amendment. I have changed it by striking out "Federal public-road projects", inserting the words *"Provided further"*, and beginning with "rivers and harbors projects", so that it is not the same amendment.

The PRESIDENT pro tempore. It is in order so far as being in the second degree is concerned. It is not in the third degree, and therefore if the amendment is in order at all it is in order as an amendment in the second degree.

Mr. HAYDEN. May I suggest to the Senator that he is not offering the amendment in exactly the same language as finally proposed by the Senator from Oregon? He will note that the amendment had reference to permanent departments. If I remember correctly, the Senator from Oregon said "or existing agencies", because some agencies are not permanent.

Mr. BORAH. Does the Senator desire to have the words "existing agencies" inserted?

Mr. HAYDEN. I do not think the Federal Emergency Relief Administration, which is a temporary agency, should be prohibited from taking men out to work on a country road or to do some reclamation work, such as was referred to by the Senator from Nevada.

Mr. BORAH. Very well. I will insert the words "existing agencies", and I hope the Senator now will accept it.

Mr. HAYDEN. The final objection which the Senator from Nevada made to the proposal by the Senator from Oregon was that the enactment of the legislation would prohibit the President from creating any new agencies to do such work. Does the Senator desire to accomplish that purpose, to prohibit the President from establishing any new agencies?

Mr. BORAH. I am perfectly willing to accept almost any amendment that will accomplish the purpose, but I want the permanent agencies, such as the Reclamation Service and other agencies, to be permitted to carry on the work which really belongs to them.

Mr. HAYDEN. I believe the Senator is unduly alarmed. The President stated positively to the members of the Committee on Appropriations who visited him that he firmly intended to use all existing agencies of the Government. The President never has done anything else, and for that reason the amendment is not necessary.

Mr. VANDENBERG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from Michigan?

Mr. HAYDEN. I yield.

Mr. VANDENBERG. All the Senator has said about reclamation work is emphatically true with respect to rivers and harbors work. After many years of difficult development we have finally perfected our river and harbor formula under the Board of Engineers in the War Department in a fashion that ought not to be wrecked in any particular or jeopardized in connection with any of the responsibilities in relation to river and harbor work.

Mr. HAYDEN. Does the Senator from Michigan say it has been wrecked or jeopardized?

Mr. VANDENBERG. The Senator from Michigan does not say so, but he does say that when we affirmatively decline to recognize the jurisdiction of the United States Board of Engineers with reference to river and harbor work, there must be some reason for it.

Mr. HAYDEN. I have a distinct recollection of the high praise the President gave to the Army engineers.

Mr. VANDENBERG. What is the objection to saying so?

Mr. HAYDEN. Only that the language of the proposal made by the Senator from Idaho as it is written, as I understand it, prohibits the establishment of any new kind of agency.

Mr. VANDENBERG. Why does the Senator want a new agency to carry on river and harbor work?

Mr. HAYDEN. We do not want to establish a new agency for that particular purpose.

Mr. GLASS. Mr. President, the Senator ought distinctly to recall that the Senator from Nevada [Mr. PITTMAN]

contended that the word "permanent" was not intended to be a qualification of "agencies", and that he was perfectly willing so to modify his amendment as to make it still more clear that it did not qualify "agencies", so that the President would be authorized to establish new agencies.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. McKELLAR. I hope the Senator will accept the amendment of the Senator from Idaho [Mr. BORAH]. These matters ought to be left with the respective departments and agencies. Exactly the same principle applies. I think river and harbor projects ought to be left with the War Department, and I think reclamation work ought to be left with the Reclamation Service.

Mr. GLASS. I do not understand that is embodied in the amendment of the Senator from Idaho.

Mr. VANDENBERG. The Senator from Idaho has offered the committee amendment including that particular item.

Mr. BYRNES. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from South Carolina?

Mr. HAYDEN. I yield.

Mr. BYRNES. This matter was discussed at some length in the Senate on Saturday. I understood that at the conclusion of the discussion of the Senator from Nevada [Mr. PITTMAN] and the Senator from Oregon [Mr. STEIWER], who were the two Senators who participated in the discussion and were very much interested in it, they had some conferences as to changing the language. I think if the amendment of the Senator from Idaho could be withdrawn for a few minutes until the Senator from Nevada and the Senator from Idaho had a chance to discuss the matter, an agreement might be reached. The language of the section to which there was objection related particularly to Federal road projects and reclamation projects where in each case the F. E. R. A., or any organization which succeeded it, might desire to do work which would not come within the scope of the ordinary reclamation projects or the Federal aid projects, and it was felt that they should not be precluded from doing that kind of work.

There is no desire to interfere with the existing departments or organizations in carrying on such work as rivers and harbors or regular reclamation projects. If that be true, I think there will be no difficulty in arriving at an agreement.

Mr. VANDENBERG. The difficulty in withdrawing the amendment at the moment is that in the parliamentary situation we may not have an opportunity again to offer it, except that it be offered as an amendment to the amendment at this particular point.

Mr. BYRNES. I think if the Senator from Idaho would modify his amendment so as to provide, in line 25, "insofar as practicable" and at the end of the section add the words "upon which jurisdiction is conferred", it would be in accord with the views of the Senator from Oregon [Mr. STEIWER] and the Senator from Nevada [Mr. PITTMAN].

Mr. VANDENBERG. I have in my hand a copy of the measure upon which the Senator from Oregon [Mr. STEIWER] has been making notes and apparently his notes correspond with the language which the Senator from South Carolina has just suggested.

Mr. BYRNES. I had a copy of it on my desk, and that is why I suggested it.

Mr. GLASS. Mr. President, if I may interject, if the matter may be adjusted by conference, why not withdraw the whole proposition for the time being? There are three other amendments to be offered and considered. After the Senators have agreed upon language which they believe the Senate would accept, then the amendment may be offered.

Mr. HAYDEN. I see no reason why it should not be offered as a new and substantive proposition.

Mr. BYRNES. If the Senator from Michigan will persuade the Senator from Idaho to accept the language of the proposed amendment of the Senator from Oregon [Mr. STEIWER], who was the original proponent of the section, I believe there will be no objection to it.

Mr. FLETCHER. Mr. President, when this question came up the other day I at first insisted that section 10 ought not to be rejected, on the ground that I did not propose to make it possible that river and harbor work, now being done under the War Department and under the competent and efficient Board of Army Engineers, could be placed under some other jurisdiction, such, for instance, as the P. W. A. I insisted that section 10 was sound and ought to remain in the joint resolution.

After the discussion the Senator from South Carolina [Mr. BYRNES] said there was no danger whatever of river and harbor work being transferred to the P. W. A. or any other organization, but it was to be done under the War Department and the Board of Engineers. That was thoroughly understood. It was that feature of the matter in which I was particularly interested.

After a further reflection, I think the President will do precisely what section 10 provides and therefore I think it is not very important one way or the other, either to put it in or leave it out. I have no objection to section 10. I suggested to the Senator from Nevada [Mr. PITTMAN] that in line 23 the words "wherever practicable" ought to be inserted, and he agreed to that suggestion. That is the suggestion now made here. It was my suggestion and not the suggestion of the Senator from Nevada [Mr. PITTMAN] or the Senator from Oregon [Mr. STEIWER]. The Senator from Nevada agreed to it at the time and said he had no objection to it.

Mr. BYRNES. That is correct.

Mr. FLETCHER. Then, why does not the Senator say he is willing to have those words inserted.

I was saying, Mr. President, that, in my judgment, this is precisely what the President will do in carrying out the work referred to in section 10. After considering the matter, I do not believe it is important either to strike out the language or to leave it in. I think it is practically immaterial, although I have no objection to putting in the language. I certainly felt concerned, particularly about river and harbor work, at the beginning, because I know there has been some interference there, and I did not like that prospect. That work ought to be left to the War Department.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Utah?

Mr. FLETCHER. I do.

Mr. KING. Does not the Senator believe that if there are not some prohibitions in the joint resolution, and if this matter is left entirely to the discretion of the President, certain influences—and I do not mean to imply that they are improper influences—may be brought to bear upon him to persuade him to assign the work to some other organization? If we believe that this work ought to be done by the Reclamation Service, by the Public Roads Service, and by the engineers of the War Department, why not say so? What is the objection to the legislative branch of the Government putting into the law those things which they believe to be proper, and which they desire to have carried into effect?

Mr. FLETCHER. I will say to the Senator from Utah that I think that is quite pertinent and quite sound reasoning. It is perfectly well that such a provision should go into the law, except that there is some confusion here about the use of words, and I do not think we ought to run any risk on that score. Some people think the word "permanent" does not apply to agencies and does not apply to departments. I do not care whether it does or not. I do not think the word "permanent" applies to agencies at all in this language, and I cannot see why there should be a difference of opinion about it; but, rather than have confusion in language and difference of opinion about the meaning of words, I felt that we could just as well leave it out entirely, because I believe this is exactly what the President will do.

Mr. GLASS. Mr. President, if the Senator will yield, the Senator was so intent that there should be no misunderstanding about the matter that he voted, along with the

chairman of the committee and others, to retain the Steiwer amendment.

Mr. FLETCHER. Yes.

Mr. GLASS. And I think most Senators voted that way; but there was defective hearing and mathematics elsewhere.

Mr. FLETCHER. I was in favor of that amendment, as I have said. I was opposed to the motion to strike it out. I still am in favor of it. I have no objection to the amendment offered by the Senator from Idaho. At the same time, I say that I do not believe it is vital, because I believe it provides for exactly what the President will do.

Mr. BORAH. Mr. President, I desire now to offer the amendment as it has been discussed between the State of Nevada and the State of Idaho. [Laughter.] I ask the clerk to take it down, because I shall have to read it:

Rivers and harbors projects, reclamation projects (except the drilling of wells, development of springs, and subsurface water), and public-buildings projects undertaken pursuant to the provisions of this joint resolution shall be carried out under the direction of the respective permanent Government departments or agencies having jurisdiction of such projects, and the performance of all contracts in connection with such projects shall be subject to the supervision and control of such departments or agencies.

Mr. FLETCHER. I cannot see any connection between river and harbor projects and reclamation projects.

Mr. BORAH. There is no connection between them.

Mr. BYRNES. Mr. President, will the Senator from Idaho yield?

Mr. BORAH. I yield.

Mr. BYRNES. As to river and harbor and reclamation projects, as I understand the amendment, I have no objection to it. As to public-buildings projects, the definition of public buildings including buildings, for instance, at a navy yard or an Army post or at a subsistence homestead, if such buildings had to be repaired, under this amendment, the work would have to be done under what department or agency? I have not a copy of the amendment before me, and therefore I have to ask the Senator.

Mr. BORAH. Mr. President, the amendment in that respect is the same as the amendment printed in House Joint Resolution 117; but I confess that I am not particularly interested in the public-buildings phase of the amendment. I am only interested in the reclamation projects. Others are interested in the river and harbor projects.

Mr. BYRNES. Mr. President, I will say to the Senator that my only fear is as to that one classification. I should not want to restrict the measure too greatly in respect to the construction of buildings, other than courthouses, which are not to be constructed under any system other than contract and by the Treasury Department. I do not desire to have the language too broad. I wonder if the Senator will eliminate public buildings. Then I shall have no objection to the amendment.

Mr. GLASS. Mr. President, may I suggest to the Senator from South Carolina that the repair of buildings and barracks always has been done under the jurisdiction of the War Department. The Treasury Department has never bothered with that. This is a proposal to commit these matters to the departments having jurisdiction of them.

Mr. BYRNES. I think, then, there is no sound objection to the amendment. If there should be, we can ascertain it in conference, and the matter can be straightened out there.

SEVERAL SENATORS. Vote!

Mr. BORAH. I ask for a vote on the amendment.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Idaho [Mr. BORAH] to the amendment offered by the Senator from Arizona [Mr. HAYDEN].

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The question now is on the amendment offered by the Senator from Arizona [Mr. HAYDEN], as amended.

The amendment, as amended, was agreed to.

Mr. ROBINSON. Mr. President, I offer an amendment to which I ask the attention of the Senator from Virginia [Mr. GLASS].

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. At the proper place in the joint resolution, it is proposed to insert:

The sanitary plumbing work performed in connection with the building construction work undertaken under and by virtue of the authority granted in this resolution shall be let separately by contract to the lowest qualified bidder.

Mr. ROBINSON. Mr. President, I do not desire to consume unnecessary time. A day or two ago the Senate refused to agree to section 8, which was a committee amendment, because the language of the amendment was entirely too broad. The amendment as now presented represents what I believe to be a satisfactory and sound arrangement.

Mr. GLASS. I have no objection to the amendment.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Arkansas [Mr. ROBINSON].

The amendment was agreed to.

Mr. ROBINSON. I ask leave to have printed in the RECORD a letter, in the nature of a memorandum, relating to the amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION OF MASTER PLUMBERS
OF THE UNITED STATES (INCORPORATED),
Washington, D. C., March 18, 1935.

Hon. JOSEPH T. ROBINSON,
United States Senator, Washington, D. C.

DEAR SENATOR ROBINSON: Many thanks for your consideration and courtesy extended this afternoon when I visited you in company with Mr. M. J. McDonough, president of the Building Trades Employees.

Complying with your recommendation that I give you a brief summary of reasons why we believe the Senate should adopt the proposed amendment to the works-relief bill, I respectfully submit you the following:

1. Unless the bill provides that sanitary mechanical construction work (plumbing) be let by contract, we believe the present tendency of most of the governmental agencies to purchase their own materials, and hire their own labor, will be continued.

2. When the Government purchases its own materials and hires its own labor, the retail branch of the industry does not have an opportunity of participating.

3. It is our understanding that the works-relief bill will provide funds for the erection of public buildings and various construction projects. Unless this work is let separately by contract, only the manufacturers, wholesalers, and labor will be benefited. The retailer will be eliminated.

4. As an important factor in the building industry, and as taxpayers, we believe it to be unfair to eliminate one of the divisions of an industry.

5. There is no economy effected by the elimination of the contractor in the plumbing industry. When work is let on a contract basis, an economy is actually effected. The reason for this is because the contractor carefully selects his employees and supervises their work in an efficient manner. This comes as a result of the contractor's many years of experience.

6. Aside from our belief that we should participate in a share of the "recovery dollar", there is an even greater motive for the letting of plumbing construction work by separate contract to the lowest qualified bidder: This is the intimate relationship that exists between plumbing and public health.

7. When plumbing is installed by irresponsible or unqualified mechanics, health hazards of major proportions are created. A recent notable evidence of this is found in the 1933 Chicago epidemic of amoebic dysentery.

8. Most States, and practically all cities, have laws and regulations covering the installation of plumbing. The experience of the past 2 years in relief-work projects is that there is a decided tendency to set aside existing laws that apply to our industry, and not to take them into consideration when work is constructed.

9. Many cases have reached our attention whereby State and local plumbing inspectors have attempted to carry out existing plumbing laws and regulations, only to be told that they were without authority on Federal projects.

In short, unless an amendment of the type we propose is adopted, we believe that there will be created a menace to public health. Further, as a result of our inability to participate in recovery work, unemployment will be created to a substantial extent.

The plumbing industry in the United States is very large in normal times. There are over 25,000 plumbing contractors (master plumbers) ordinarily engaged in the business of the industry. These master plumbers employ about 150,000 journeymen plumbers, and apprentices. The normal volume of the industry is in excess of $2,000,000,000.

We are already in a chaotic condition, suffering from a severe depression. Frankly we are close to the breaking point. But the greater majority of our members have confidence in the admin-

istration, and they are looking forward with great hope and expectation to the relief program that appears to be in sight.

All our amendment does is guarantee these members of our industry the opportunity of participating in and being helped by the program the administration has planned; it guarantees the people of the Nation value received for public improvements, and protects them against undue hazards to public health.

Very sincerely,

JOSEPH D. GRIGSBY.

OUR NEW PROPOSED AMENDMENT

The sanitary plumbing work in connection with the building construction work undertaken under and by virtue of the authority granted in this resolution shall be let separately by contract to the lowest qualified bidder.

Mr. NEELY. Mr. President, there is on the clerk's desk an amendment which I proposed last Thursday, and which I ask to have stated.

Mr. COSTIGAN. Mr. President, will the Senator yield to allow me to suggest the absence of a quorum?

Mr. NEELY. I yield to the Senator.

Mr. COSTIGAN. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	La Follette	Reynolds
Ashurst	Costigan	Lewis	Robinson
Austin	Couzens	Logan	Russell
Bachman	Cutting	Lonergan	Schall
Bailey	Dickinson	McAdoo	Schwellenbach
Bankhead	Dieterich	McCarran	Sheppard
Barbour	Donahey	McGill	Shipstead
Barkley	Duffy	McKellar	Smith
Bilbo	Fletcher	McNary	Steiwer
Black	Frazier	Maloney	Thomas, Okla.
Bone	George	Metcalf	Thomas, Utah
Borah	Gerry	Minton	Townsend
Brown	Gibson	Moore	Trammell
Bulkley	Glass	Murphy	Truman
Bulow	Guffey	Murray	Tydings
Burke	Hale	Neely	Vandenberg
Byrd	Harrison	Norbeck	Van Nuys
Byrnes	Hastings	Norris	Wagner
Capper	Hatch	Nye	Walsh
Carey	Hayden	O'Mahoney	Wheeler
Clark	Johnson	Pittman	White
Connally	Keyes	Pope	
Coolidge	King	Radcliffe	

The PRESIDENT pro tempore. Ninety Senators having answered to their names, a quorum is present.

Mr. NEELY. Mr. President, I ask that the clerk read the amendment I have sent to the desk, and which I now offer.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. On page 10, line 3, after the word "Agencies", it is proposed to insert the following:

SEC. 10. (a) Not less than $500,000,000 of the sum appropriated by this act shall be utilized for the construction, preservation, or improvement of school houses, and buildings used exclusively or principally for educational purposes.

Mr. NEELY. Mr. President, this amendment concisely and clearly discloses its purpose. But there are unusual reasons why this purpose should be promptly effectuated which do not speak for themselves. These reasons are to be found in the melancholy history of the unparalleled depression that devastated the country from 1929 until 1933. The recent panic which generally paralyzed the building industry has been especially disastrous to the Nation's program of school-building construction.

In the short period of 3 years—from 1930 to 1933—the construction work on school buildings decreased 73 percent, or at the average rate of more than 24 percent a year. The impairment of the efficiency and the injury to the educational system which the rural school districts have suffered in this matter are beyond the possibility of exaggeration. While our school-building activities have diminished at an alarming rate, the demand for additional school facilities has increased as it never increased before.

By virtue of the benign National Recovery Act the curse of child labor has been eradicated from this country. Consequently, hundreds of thousands of boys and girls who, because of their employment in industry, formerly presented no perplexing problems to school authorities are now eager, deserving, persistent seekers for the blessings of free-school education. Unhappily, the insufficiency of school buildings makes it impossible to provide these multitudes of underprivileged children the educational opportunities which they desire, and have the undoubted right to receive.

A recent survey made by the Office of Education in the Department of the Interior shows that a sum exceeding $600,000,000 is needed for school-building construction. A survey of available public-works projects made by the Public Works Administration shows that almost a billion dollars is needed for school-building construction throughout the country.

But the pending amendment asks for neither of these sums from the extraordinary appropriation which the Senate has already approved. The amendment seeks to have only $500,000,000 of the appropriation utilized for school-building construction.

Mr. BONE. Mr. President, will the Senator yield?

Mr. NEELY. Gladly.

Mr. BONE. I shall have to leave the Chamber in a moment, and I am very anxious to hear an explanation of one phase of the joint resolution. The amendment offered by the Senator refers only to schoolhouses and buildings. I have had a great deal of correspondence about the pressing need of teachers.

Mr. NEELY. The Senator from New Mexico [Mr. CUTTING] will soon offer an amendment that will provide relief for the teachers.

Mr. BONE. May I intrude on the Senator's time for a moment?

Mr. NEELY. Certainly.

Mr. BONE. On page 3 of the joint resolution, in lines 15 and 16, appears the allowance of $300,000,000 for projects for professional and clerical persons. I wonder if that would be broad enough to cover what the Senator from New Mexico has in mind.

Mr. CUTTING. Mr. President, will the Senator from West Virginia yield to me?

Mr. NEELY. I yield.

Mr. CUTTING. I do not feel, myself, that the language referred to by the Senator from Washington is clear enough to make certain the carrying out of the things which I desire to have carried out. There might be some doubt about the construction of that language, and I believe that the Congress ought to make it entirely clear just what they want to do with regard to the public schools of the United States. I call Senators attention to the fact that if we do not take action at this time, there will be some three and a half million children out of school next year.

Mr. NEELY. Mr. President, some of the outstanding reasons why the amendment should be adopted are impressively stated in a summary which is now before me, and which was supplied the able senior Senator from Colorado [Mr. COSTIGAN] by an official of the Office of Education in the Department of the Interior. This summary is as follows:

ESTIMATE OF SCHOOL BUILDING NEEDS REPORTED TO THE OFFICE OF EDUCATION BY STATE AND CITY SUPERINTENDENTS OF SCHOOLS, DECEMBER 1934

Reports from half the States and half the cities of 2,500 population and over show that there is need for the construction of 12,793 school-building projects, at an estimated cost of $625,999,022. These data were received in answer to a questionnaire by the Office of Education as of December 1934. Returns from State departments of education in 24 States showed that 9,628 school-building projects at an estimated cost of $241,285,254 are needed in rural areas, and returns from 1,026 cities of 2,500 population and over, or 52 percent of the number to which the questionnaire was sent, show that 2,965 building projects at an estimated cost of $384,713,768 are needed in urban areas.

The schools of the country are in desperate need of these buildings for the following reasons:

1. From 1930 to 1933 school-building construction dropped 73 percent. Lack of money since 1930 to make necessary repairs on school buildings, many of which were obsolescent before that date, has increased the dangers of postponing needed school-building construction. While the $125,000,000 allotted by the P. W. A. for school buildings helped the situation in a number of places, it has only made a beginning in catching up with the need.

2. The conditions arising out of the depression, coupled with the excellent provisions of the National Recovery Act prohibiting child labor, have thrown back upon the schools an army of boys and girls between 14 and 18 years of age who formerly did not attend any school. However, the public schools have neither the buildings, the equipment, nor funds to take care of the 2,500,000 children between 14 and 18 years of age who are neither in school nor able to find work. Efforts are being made through transient

camps, C. C. C. camps, youth organizations, etc., to meet this problem, but little has been done to enable the one agency whose job it is to provide education and recreation for this group to meet this situation. A school-building program is essential if this emergency is to be met by the public schools.

The attention of the friends of labor is particularly invited to the next paragraph of this summary.

Not only are the schools in need of school buildings but the workers in the building trades are in need of jobs. In 1929 there were 2,444,610 workers in the building trades. In December 1934, 619,058 were employed in the building trades. There is no type of building project of a socially desirable character requiring skilled workers which could put so many men to work as the construction of school buildings. It is estimated that a $600,000,000 school-building program would give employment to 300,000 workers in the building trades.

Mr. COSTIGAN. Mr. President——

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). Does the Senator from West Virginia yield to the Senator from Colorado?

Mr. NEELY. Certainly.

Mr. COSTIGAN. In support of the helpful and illuminating statement being made by my friend the able Senator from West Virginia, I wish to say that I have in my hands certain tables, furnished by the Office of Education in the Department of the Interior, with reference to the subject the Senator from West Virginia is now discussing. I trust he will permit me, at the close of his remarks, to have these tables inserted in the RECORD. They represent results obtained by the Office of Education from surveys referred to in the report which the Senator has brought to our attention.

These surveys, reported in separate tables, show the estimated cost and number of school-building projects needed in urban and rural areas, also the school-building needs in certain rural areas in 24 States, and the school-building needs in cities of 2,500 population and over in various States of the Union.

Mr. NEELY. Mr. President, the Senator from West Virginia will be very much obliged to the distinguished Senator from Colorado if he will now read to the Senate the tables to which he has referred.

Mr. COSTIGAN. Mr. President, the tables are as follows:

TABLE I.—*Total estimated number and cost of school-building projects needed in urban and rural areas, by States, as of December 1934*

State	Total number projects	Total estimated cost	Urban		Rural	
			Number projects	Estimated cost	Number projects	Estimated cost
Total	12,615	$621,781,722	2,919	$382,137,768	9,775	$239,643,754
Alabama	77	5,666,412	77	5,666,412		
Arizona	11	210,700	11	210,700		
Arkansas	50	788,500	50	788,500		
California	2,358	50,927,120	358	35,927,120	2,000	15,000,000
Colorado	547	7,313,200	22	2,546,200	525	4,767,000
Connecticut	92	9,378,500	32	5,128,500	60	4,250,000
Delaware	8	5,050,000	8	5,050,000		
District of Columbia	22	2,985,000	22	2,985,000		
Florida	758	18,548,874	253	10,126,265	505	8,422,609
Georgia	3,781	12,157,371	81	5,157,371	3,700	7,000,000
Illinois	88	19,064,200	88	19,064,200		
Indiana	72	17,451,320	72	9,451,320		8,000,000
Iowa	40	4,625,100	40	4,625,100		
Kansas	29	4,340,000	29	4,340,000		
Kentucky	665	26,209,000	53	6,302,500	612	19,906,500
Louisiana	78	5,650,300	78	650,300		5,000,000
Maine	271	7,394,646	21	1,394,646	250	6,000,000
Maryland	78	2,799,400			78	2,799,400
Massachusetts	168	31,726,729	119	28,926,729	49	2,800,000
Michigan	639	51,926,475	139	26,926,475	500	25,000,000
Minnesota	58	7,522,500	36	5,922,500	22	1,600,000
Mississippi	58	1,766,516	58	1,766,516		
Missouri	111	8,277,200	111	8,277,200		
Montana	155	2,728,000	5	328,000	150	2,400,000
Nebraska	19	2,395,500	19	2,395,500		
Nevada	1	75,000	1	75,000		
New Jersey	92	30,154,350	92	30,154,350		
New Mexico	17	1,163,800	17	1,163,800		
New York	169	92,678,841	169	92,678,841		
North Carolina	57	2,145,500	57	2,145,500		
North Dakota	6	1,032,300	6	1,032,300		
Ohio	203	24,140,210	162	19,454,465	41	4,685,745
Oklahoma	254	12,710,123	104	5,210,123	150	7,500,000
Oregon	193	6,230,000	18	1,480,000	175	4,750,000
Pennsylvania		80,000,000				80,000,000
Rhode Island	5	592,000	5	592,000		
South Carolina	27	830,000	27	830,000		
South Dakota	1	62,000	1	62,000		
Tennessee	356	11,756,000	32	2,319,000	324	9,437,000
Texas	231	12,464,761	231	12,464,761		
Utah	20	1,522,500	20	1,522,500		
Vermont	7	830,800	7	830,800		
Virginia	75	3,734,000	75	3,734,000		
Washington	208	12,006,000	48	2,924,000	160	9,082,000
West Virginia	94	7,743,500			94	7,743,500
Wisconsin	353	12,762,274	73	9,262,274	280	3,500,000
Wyoming	13	245,000	13	245,000		

TABLE II.—*Estimates of school building needs in rural areas in 22 States, submitted by State departments of education, as of December 1934*

State	Number of building projects needed	Total estimated cost of building projects
California	2,000	$15,000,000
Colorado	525	4,767,000
Connecticut	60	4,250,000
Florida	505	8,422,609
Georgia	3,700	7,000,000
Indiana		8,000,000
Kentucky	612	19,906,500
Louisiana		5,000,000
Maine	250	6,000,000
Maryland	78	2,799,400
Massachusetts	49	2,800,000
Michigan	500	25,000,000
Minnesota	22	$1,600,000
Montana	150	2,400,000
Ohio	41	4,685,745
Oklahoma	150	7,500,000
Oregon	175	4,750,000
Pennsylvania		80,000,000
Tennessee	324	9,437,000
Washington	160	9,082,000
West Virginia	94	7,743,500
Wisconsin	280	3,500,000
Total for 22 States	9,775	239,643,754

Mr. COSTIGAN. Mr. President, I wish to add that I am deeply interested both in the argument and in the subject now being persuasively presented by the Senator from West Virginia.

Mr. NEELY. Mr. President, notwithstanding the fact that the tables which my eminent friend from Colorado has so kindly read "have no tongue", they nevertheless speak with "most miraculous organ" in favor of the pending amendment. In view of the crying necessities which are demonstrated by the figures supplied by the able Senator from the West, who could ever hope to justify the casting of a vote against the amendment and the relief which it proposes for the distressed school districts of the Nation, and the hundreds of thousands of children who are pleading in vain for an opportunity to go to school?

The amendment, if adopted, will materially help to solve the problem of agonizing unemployment. It is estimated that the expenditure of the sum of $500,000,000 for school-building construction will directly result in the employment of 250,000 workingmen who, through no fault of their own, have been without jobs almost continuously ever since 1929.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. NEELY. With great pleasure.

Mr. COSTIGAN. Would not the adoption of the amendment also result in the employment of much indirect labor—perhaps an equal number?

Mr. NEELY. Undoubtedly; and also the sale of great quantities of building material. In turn, the manufacture of such material would require the employment of armies of workers in the various enterprises which are related to the building industry.

Mr. COSTIGAN. Mr. President, some recent estimates which I have seen indicate that surveys will be required in advance of the construction of such buildings, and that approximately 45,000 white-collar workers outside of those to be engaged as workers on these buildings would also be given employment.

Mr. NEELY. All which is well said and undoubtedly true. Furthermore when the buildings shall have been constructed, by virtue of the adoption of the amendment, thousands of idle school teachers who have been without employment for 5 or 6 years will be again placed on the pay roll and afforded an opportunity to serve their country, by educating its children and preparing them for the duties of life.

Lyman Beecher, one of the most brilliant ministers that New England ever produced, in an address entitled "Necessity for Education", a part of which appears in one of the old McGuffey readers, says:

> We must educate! We must educate! Or we must perish by our own prosperity. If we do not, short will be our race from the cradle to the grave. If in our haste to be rich and mighty we outrun our literary and religious institutions, they will never overtake us; or only come up after the battle for liberty is fought and lost, as spoils to grace the victory, and as resources of inexorable despotism for the perpetuity of our bondage.

How applicable are Mr. Beecher's words to the situation which confronts this Nation today. How deaf is he who does not hear them. How indifferent is he who does not heed them.

This Congress has appropriated almost a billion dollars for military purposes. Let it not insult every school teacher and school child in the country by refusing to make available half that sum for educational facilities. Let us not continue to make our educational system a pauper and our military establishment a prince.

After the Franco-Prussian War a great Frenchman said, in effect, not Germany's arms but her superior school system enabled her to vanquish all the forces of France. Let us learn a lesson from the sad experience of our friends across the sea and profit by the Frenchman's terse comment upon his country's loss of a great war.

Let us understand that ignorance is a greater menace to the peace and happiness of the American people than any foreign foe ever has been or ever will be. Let us learn once for all that it is better to build churches and schoolhouses than it is to build battleships and military fortifications; that it is wiser and safer to send our children to school than it is to send our boys to war. Let us provide the means of teaching the young women and men of this land that it is more righteous to live for one's country and win for humanity the lasting victories of peace than it is to glory in the "images of camps and sieges and battles" and waste the wealth of the Nation in preparing for war. Let us take the first step toward a brighter and a better future by adopting the pending amendment.

Mr. President, I ask unanimous consent to insert in the RECORD a telegram from the State superintendent of schools of West Virginia and a letter from the president and the secretary of the National Education Association.

There being no objection, the telegram and letter were ordered to be printed in the RECORD, as follows:

THE NATIONAL EDUCATION ASSOCIATION
OF THE UNITED STATES,
Washington, D. C., March 15, 1935.

The Honorable MATTHEW M. NEELY,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR NEELY: The National Education Association wishes to commend you for your proposed amendment to Joint Resolution 117, which calls for the utilization of $500,000,000 for the construction, preservation, or improvement of school buildings. As you know, independent surveys and estimates by the United States Office of Education and the National Education Association have already clearly shown that at least this sum of money could be wisely spent immediately for the relief of unemployment through the construction of necessary school buildings.

During the past 5 years the normal program of school-building construction has come practically to a standstill. Almost no new buildings have been constructed; yet the total enrollment in the public schools has continued to increase. The studies to which we have referred show clearly that the school-building problem is not confined to any particular part of the country. The need exists in New England, Middle West, South, and far West.

Federal funds for the construction of school housing would help materially to:

1. Relieve insanitary, overcrowded conditions in thousands of school buildings.
2. Improve instruction by making it possible to organize classes of normal size.
3. Discontinue the use of hundreds of schoolhouses, already condemned by public health departments or fire marshals, which daily menace the health and the safety of some 700,000 school children.
4. Discontinue half-day sessions and give some 400,000 children a more normal educational opportunity.
5. Discontinue the use of portable shacks, rented buildings, and other substitutes for schools now used by about 600,000 children.
6. Increase the efficiency and economy of rural schools. Some 16,000 could be quickly established in areas which are ready to consolidate, but which cannot do so now for lack of funds.

For what other type of public work can greater returns in human values be secured?

Very cordially yours,

H. L. SMITH,
President National Education Association.
WILLARD E. GIVENS,
Secretary National Education Association.

CHARLESTON, W. VA., *March 13, 1935.*

Hon. M. M. NEELY,
United States Senate, Washington, D. C.:

Boards of education, service clubs, parent-teachers associations, chambers of commerce, school administrators, and teachers join me in asking that part of appropriation for new work relief be earmarked for construction of school building. Federal aid for school buildings imperative to welfare of children and school progress in West Virginia. County and State funds insufficient.

W. W. TRENT,
State Superintendent of Schools.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from West Virginia.

Mr. CUTTING. I ask for the yeas and nays.

Mr. GLASS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Brown	Couzens	Glass
Austin	Bulkley	Cutting	Guffey
Bachman	Bulow	Dickinson	Hale
Bailey	Burke	Dieterich	Hatch
Bankhead	Byrnes	Donahey	Hayden
Barbour	Capper	Duffy	Johnson
Barkley	Carey	Fletcher	Keyes
Bilbo	Clark	Frazier	King
Black	Connally	George	La Follette
Bone	Copeland	Gerry	Logan
Borah	Costigan	Gibson	Lonergan

McAdoo	Murphy	Russell	Trammell
McCarran	Murray	Schall	Truman
McGill	Neely	Schwellenbach	Tydings
McKellar	Norbeck	Sheppard	Vandenberg
McNary	Nye	Shipstead	Van Nuys
Maloney	Pope	Steiwer	Walsh
Metcalf	Radcliffe	Thomas, Okla.	Wheeler
Minton	Reynolds	Thomas, Utah	White
Moore	Robinson	Townsend	

The PRESIDING OFFICER. Seventy-nine Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from West Virginia [Mr. NEELY].

Mr. GLASS. Mr. President, I shall ask for a yea-and-nay vote on the pending amendment, contenting myself with calling attention to a few facts.

This is a proposal to expend a half billion dollars for the erection or preservation or improvement of schoolhouses in the country. It differs from other allocations in that it causes such expenditure to take a preferential position over all other expenditures. In other words, for the other allocations expenditure may be made or it may not be made, but under the amendment now proposed half a billion dollars must be expended on schoolhouses.

The only other observation which I care to make—and it seems needless, because Senators can perceive it for themselves—is that it projects the Federal Government, in a tremendous way and at a tremendous pace, into the educational affairs of the States. I call for the yeas and nays.

The yeas and nays were ordered.

Mr. BONE. Mr. President, I should like merely to say a few words, not desiring to delay the vote—and I wish to join the Senator from Virginia in asking for a yea-and-nay vote. With scarcely a murmur to disturb the placid serenity of the proceedings of this body we voted nearly a billion dollars this year for the Army and Navy. I think I merely express what is in the hearts of millions of people when I suggest the propriety, not to say the absolute wisdom, of preserving, at all costs, our school system, because if that fails us in this emergency we are, indeed, in a sad predicament.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. BONE. Yes.

Mr. HAYDEN. While the Federal Government has built battleships, has it ever built schoolhouses?

Mr. BONE. I think it is high time that we consider our educational system, instead of giving all our time to the consideration of battleships. There will not be any civilization worth preserving if our educational system shall go on the rocks.

Mr. HAYDEN. After all, the fact remains that, while the Federal Government has loaned money for this purpose, the amendment proposes a direct gift to a project which is preferred over all other activities provided for in the joint resolution.

Mr. BONE. I do not want to make any argument; I merely want to content myself with expressing my own honest convictions on this subject. I know there is a tragic condition confronting our school system, and I do not believe the Congress of the United States can longer blink at that situation; we have got to look it squarely in the face. We have either got to determine that we are going to support our educational system or let it go on the rocks, when we are spending 50 percent of our revenues for war; that is, we are allocating that much of the Federal money for war.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. LA FOLLETTE. I gathered from the remarks made by the Senator from Washington that he was interested not only in the physical facilities for education but in the maintenance and the protection and preservation of the school system. If I read the amendment offered by the Senator from West Virginia correctly, it provides exclusively for the expenditure of half a billion dollars for construction purposes, which, in my view, will not meet the situation, although I recognize that there could well be an improvement of the physical properties provided for educational purposes. However, many of the States and localities are finding it difficult, if not impossible, to keep their present facilities in operation; and it seems to me the amendment offered by the Senator from West Virginia, while appealing in its general aspects, specifically does not go to the heart of the situation with which the public educational system of the United States is confronted.

Mr. BONE. I realize that there is merit in what the Senator from Wisconsin suggests, but I am advised that the pending amendment is to be followed by an amendment to be offered by the Senator from New Mexico [Mr. CUTTING]. I know in my State and in many other States, as is made evident by the table submitted by the Senator from West Virginia, and also by the Senator from Colorado [Mr. COSTIGAN], that there is a great need now for the rehabilitation of the schools. There are literally millions of youngsters now of school age who are not afforded proper equipment for their education.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. BARKLEY. I was wondering whether it is not a fact, from our observation here, that the so-called "collapse" of our educational system, if it may be called that, has not involved so much a collapse of the physical facilities for education as it has along other lines. As I recall, a year or two ago we were compelled to vote money out of the Federal Treasury to pay school teachers; and there are many other unfortunate aspects of education which have come about as a result of the depression and the inability of local communities to raise funds or issue bonds for school purposes, and which are not necessarily involved in the physical facilities for education. It may be that in many communities, under the law which has already been put in effect, many loans have been made to schools, districts, and counties and cities to build high schools and common schools and other school facilities. They have not, however, so far as I recall, in any case asked that aid be extended as a gift.

Mr. WALSH. Mr. President, I was impressed by the idea expressed by the Senator from Wisconsin [Mr. LA FOLLETTE]. It seems to me the whole subject ought to be given special study before we adopt an amendment of this kind. I think what are needed more than school buildings are the primary facilities for education. As Chairman of the Committee on Education and Labor, I have had pressure brought upon me to provide relief money for textbooks, and I have had exhibited to me worn out and tattered textbooks unfit for use, which in many parts of the country the schools are obliged to use. So if we are going into this field of relief, it does not seem to me now is the time to do so; we ought not to begin with erecting buildings, but we ought to begin with supplying the basic needs of the pupils of the schools. The whole subject should be especially studied before we adopt amendments relating to only one aspect of this problem.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from West Virginia [Mr. NEELY].

Mr. GLASS. Let us have the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. LOGAN (when his name was called). I have a pair with the Senator from Pennsylvania [Mr. DAVIS]. Not knowing how he would vote, I withhold my vote.

The roll call was concluded.

Mr. ROBINSON. I announce that the junior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the senior Senator from Louisiana [Mr. LONG], the Senator from Oklahoma [Mr. GORE], the Senator from Mississippi [Mr. HARRISON], the Senator from Arizona [Mr. ASHURST], the Senator from Virginia [Mr. BYRD], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Illinois [Mr. LEWIS], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Nevada [Mr. PITTMAN], the Senator from South Carolina [Mr. SMITH], and the Senator from New York [Mr. WAGNER] are necessarily detained from the Senate.

I wish further to announce that the Senator from Mississippi [Mr. HARRISON] has a general pair with the Senator

from Oregon [Mr. McNARY], and the Senator from New York [Mr. WAGNER] has a general pair with the Senator from Delaware [Mr. HASTINGS]. I am not advised as to how these Senators would vote on this question.

The result was announced—yeas 33, nays 44, as follows:

YEAS—33

Bailey	Couzens	McCarran	Shipstead
Bilbo	Cutting	McGill	Thomas, Okla.
Black	Dieterich	Murray	Thomas, Utah
Bone	Donahey	Neely	Vandenberg
Borah	Frazier	Norbeck	Wheeler
Burke	George	Nye	White
Capper	Hatch	Russell	
Copeland	Johnson	Schall	
Costigan	McAdoo	Schwellenbach	

NAYS—44

Adams	Clark	Keyes	Radcliffe
Austin	Connally	King	Reynolds
Bachman	Dickinson	La Follette	Robinson
Bankhead	Duffy	Lonergan	Sheppard
Barbour	Fletcher	McKellar	Stelwer
Barkley	Gerry	Maloney	Townsend
Brown	Gibson	Metcalf	Trammell
Bulkley	Glass	Minton	Truman
Bulow	Guffey	Moore	Tydings
Byrnes	Hale	Murphy	Van Nuys
Carey	Hayden	Pope	Walsh

NOT VOTING—18

Ashurst	Gore	Long	Pittman
Byrd	Harrison	McNary	Smith
Caraway	Hastings	Norris	Wagner
Coolidge	Lewis	O'Mahoney	
Davis	Logan	Overton	

So Mr. NEELY's amendment was rejected.

Mr. CAPPER. Mr. President, I offer the amendment which I send to the desk, and ask that it may be considered at this time.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 3, line 5, after the second parenthesis, it is proposed to insert a colon and the following:

Provided, That not less than 25 percent of any amounts allocated from the appropriation made herein for the construction of public highways and related projects shall be applied to secondary or feeder roads, including farm to market roads, Rural Free Delivery mail roads, and public-school bus routes.

Mr. HAYDEN. Mr. President, I should like to explain to the Senator from Kansas that his amendment is wholly unnecessary. An amendment which I offered and which the Senate has already adopted provides that all expenditures for highways and related projects shall be made under the provisions of section 1 of the highway act approved on June 18 last year. That act provides exactly the terms which the Senator has offered in his amendment, so that of any apportionment made to a State under this joint resolution not less than 25 percent of the Federal grant must be spent on the type of secondary roads he has in mind. The Senator is merely duplicating a provision of law already in existence which my amendment, heretofore adopted by the Senate, makes applicable.

Mr. CAPPER. Mr. President, there was some doubt in my mind whether the purpose desired was really accomplished by existing law.

Mr. HAYDEN. Let me assure the Senator from Kansas there is no doubt about it at all. It is so understood by all the State highway departments.

Mr. CAPPER. With the assurance of the Senator from Arizona, I withdraw my amendment.

The VICE PRESIDENT. The Senator from Kansas withdraws his amendment.

Mr. CUTTING. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 10, line 3, after the amendment there agreed to, it is proposed to insert the following:

Not to exceed $30,000,000 of the amount herein appropriated shall be made available to the States, on the basis of demonstrated need, to enable them to maintain their public schools for the remainder of the current school year.

Mr. CUTTING. Mr. President, I can hardly believe there will be any objection to the amendment I am now offering. It carries the comparatively small sum of $30,000,000. It is not in any way mandatory. It is left to the discretion of the President to determine how much less than $30,000,000 may be necessary to use for this purpose.

It is based on an official survey being made at the present time by Dr. Dawson, of the United States Bureau of Education. Up to date, the survey has covered 32,000 school districts in 26 States. It shows that for this particular current year forty-two-thousand-and-odd schools will have to be closed unless immediate Federal aid be granted.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CUTTING. I yield to the Senator from Missouri.

Mr. CLARK. I should like to ask the Senator from New Mexico what information he has as to the extent to which the sum mentioned in his amendment would go in correcting the conditions about which he is speaking? In other words, I am in sympathy with the purposes of the Senator's amendment, but it does seem to me that $30,000,000 will be entirely inadequate to make any material contribution to the situation he is describing.

Mr. CUTTING. Mr. President, as I have just said, the survey is not complete. It may be that more than that will be necessary. I have an estimate from former Representative Collins, of Mississippi, who is now heading the Public Education League, that approximately $35,000,000 will be required from the Federal Government to enable the public schools to remain open during the present school year. In framing the amendment, I put in $30,000,000 because it seemed to me a sum which would appeal to every Senator as a modest amount. If we do not do this, as I have said, 42,000 schools will be closed, more than 102,000 teachers will be out of work, and three and a half million school children will have to quit school about the 1st of April—that is, one-eighth of the school children in the United States.

It has been said that this situation can be taken care of through the existing agency of the F. E. R. A., and I think possibly that may be true; but I should not care to take any chance on that. The matter is too important and too vital to the continuation of our public-school system. I hope there will be no objection to the amendment. It seems to me much fairer to lay down the policy as coming from Congress than to leave a matter of this degree of importance to the decision of any administrative official.

I may call the attention of Senators who have printed copies of the amendment to the fact that I have modified it by inserting after the word "States" the words "on the basis of demonstrated need." That was to obviate the objection that possibly the amendment as originally proposed might be interpreted as requiring the money to be distributed pro rata among the States.

I should prefer not to continue the discussion of this matter, but will ask consent to have read from the desk two letters addressed to me, one by Miss Borchardt, of the American Federation of Teachers, and the other by former Representative Ross Collins, which I think will enlighten the Members of the Senate more than anything I could say.

The VICE PRESIDENT. Without objection, the letters will be read.

The legislative clerk read as follows:

AMERICAN FEDERATION OF TEACHERS,
Chicago, Ill., March 18, 1935.

Senator BRONSON CUTTING,
United States Senate, Washington, D. C.

MY DEAR SENATOR CUTTING: Three and a half million children will be deprived of their right to a free public-school education unless adequate Federal aid is now given to the States to enable them to maintain their schools for the remainder of this year. On behalf of these children we beg of you to use your good offices to assure to the people of this country that sufficient funds from the relief bill now pending before the Senate will be used to prevent the closing of America's public schools in 26 States. Every phase of endeavor in need of aid has been recognized by our National Government; many and varied interests have been given great aid. But the American free public school has been allowed to deteriorate to a miserably low level—to pass out of existence—in fact, in some places because the people of the several States have not been given aid during this grave emergency from their National Government to enable them to maintain their schools.

A desperate fight is necessary now. A recent survey made by the United States Office of Education of 32,139 school districts in 26 States shows that unless Federal funds are made immediately avail-

able 42,200 schools employing 102,116 teachers and serving 3,429,920 pupils will be closed. These are the figures of our very reliable United States Office of Education gathered and compiled by Dr. Howard A. Dawson.

Their survey further points out that the total deficit in the operating fund reported for these schools is $31,816,009. (These figures, may we add, are very low. One-third of the teachers of the United States are at present getting less than the minimum established under the N. R. A. for unskilled labor.)

This problem is not a sectional one. Hardly a State in the Union but that its schools have suffered sorely; suffered proportionately more than any other undertaking in the State, for the schools have received relatively less aid from their National Government than any other agency. True, some States have been hit harder than others, and need relatively more aid. But the child deprived of his right to schooling in one State thereby becomes the potential problem of every other State. Illiteracy and crime—all forms of social waste—know no State lines. The welfare of the children of any State, deprived of an opportunity for schooling is a national problem. Many of the States cannot finance their public schools now. They simply cannot raise the funds. Eighty percent of all public-school support comes from local funds, 19 percent from State funds, and only 1 percent from the Federal Government. Without entering at this time into a consideration of equity of the taxing system of local governments, we must face the fact that at the present time 92 percent of their funds are raised by a general property tax. Assessed property valuations have declined materially in the last few years; in some States as much as 35 percent. And even this reduced income has not been forthcoming. Tax delinquencies as high as 40 percent in some States on a depreciated realty have prevented the States or the cities from getting the necessary funds with which to run their schools.

While one-eighth of the children of the elementary schools of the United States are in danger of losing their right to a free public-school education, we cannot stop to make still another survey on the State's capacity to finance education in an emergency and in good times.

We urge that studies be made; that the splendid research of the United States Office of Education be aided; that studies of note, such as those made by Dr. Paul Mort, be given the greatest attention. But in the immediate emergency we beg of you to ask for funds for the children of the United States, to keep open schools, with teachers paid in proportion to the value of the social contribution to the State and Nation which they make.

Last year, due to the persistent and effective demands made for our Nation's children by Representative Ross Collins and Senator WALTER GEORGE, the schools were given emergency aid. The Nation is, indeed, indebted to these men for their fight for the schools.

We beg of you, because we know of your deep interest in the social welfare of the Nation, to use your good offices to secure for the schools funds sufficient to guarantee the free public schools' being kept open with teachers paid for their services.

We shall, I assure, deeply appreciate your active support.

Sincerely yours,

SELMA M. BORCHARDT,
Vice President and Legislative Representative
American Federation of Teachers.

PUBLIC EDUCATION LEAGUE,
Washington, D. C., March 19, 1935.

Senator BRONSON CUTTING,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR CUTTING: The alarming conditions confronting the Nation's public schools today, together with your well-known interest in the cause of education, lead me to place before you the urgent need of an immediate appropriation by Congress of funds sufficient to enable the public schools to remain open during the rest of the present school year.

According to the Office of Education of the Department of the Interior, unless sufficient Federal funds are made available at least one-eighth of the public-school children of the country will be deprived of educational opportunity for the remainder of the school year. Through lack of funds, many schools will have to close on April 1 and others soon after that date. You will agree that this would be a public shame, as well as a great injustice to public-school teachers and pupils. It would create undeserved hardship and add to the already overcrowded ranks of the unemployed.

For your benefit I am enclosing a statement setting forth some of the conditions which imperil the cause of public education today. This statement has been drawn up by the Public Education League, recently organized to promote adequate Federal aid to the public schools now and in the future, and to serve the cause of public education in other ways. I am in hearty accord with the purpose and program of this organization.

The situation was bad last year; it is even worse now. I am most anxious that the calamity that threatens the schools this year shall be averted. To this end I earnestly trust you will promptly lend your interest and ability. I am confident that you will receive the hearty support of an overwhelming majority of the Members of both Houses of Congress.

Approximately $35,000,000 will be required from the Federal Government to enable the public schools to remain open during the present school year. As you realize, this is a very modest sum compared with the many billions appropriated for purposes of industrial recovery. I can conceive of no more appropriate and important action by Congress than the earmarking, for the purpose here mentioned, of this small portion of the $4,000,000,000 carried in the works-relief bill.

Very sincerely yours,

ROSS A. COLLINS.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. CUTTING. I yield.

Mr. TYDINGS. What States will not be able to finance their public schools?

Mr. CUTTING. I am unable to give that information to the Senator, because the survey has not been completed. I know there are 26 States in which that condition has been found to exist up to date. No doubt more will be added to the list before the survey shall be completed, but I have not a list of the 26 States.

Mr. TYDINGS. I do not desire to stand in the way of children securing an education, but I doubt very much if any of the States that say they cannot finance this program are accurate in that statement. I believe they simply will not levy the necessary taxes. There are many rich men in the various States. Let the States pass State income-tax laws; let them raise their own taxes and stand on their own feet. I do not see why the States that are minding their own affairs, and whose people are struggling desperately to hold on, should pay for education in other States.

Is there to be no limit? If the Federal Government is to do all these things, then I must ask the people in my State not to go on trying to raise money to run their schools, but to come here and get their share of the Federal money. What is the sense of a State like Maryland, for example, or any other State that now is supporting itself, trying to carry on if it has to pay its own expenses and then contribute to the expenses of every other State in the Union?

Mr. CUTTING. Mr. President, I think there might be something to the Senator's argument if this were not such a small item in the total budget of the schools of the country. The Federal Government is not contributing more than about 1 percent of the expenses of the public schools throughout the country. I do not know which States are indicted by the Senator. Neither does the Senator know which States he is indicting. Therefore it is quite impossible to answer him.

We are faced here with a condition, and not a theory. By the 1st of April, one-eighth of the school children of the United States will have to leave school unless we take some action right now. So I hope the Senator will defer his inquiry into the tax systems of the various States until the report shall have been completed, which probably will happen in a short time.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. CUTTING. I yield.

Mr. TYDINGS. I do not doubt for a moment that some States have perhaps been without the money to carry on their educational systems, but it is their business to get the money; it is their business to call their legislatures together and levy sufficient taxes to keep the schools open, and if the real estate will not stand any more, then let them tax the wealthy in those States. That is what we will have to do here in Washington to replace this money. Why should not each State maintain its own educational system?

If the Senator will bear with me, I have just come from an experience along this line. The State of Maryland did not want to raise any taxes to carry on relief there, but now, under great pressure, they have finally passed a sales-tax law in the State in order to raise $5,000,000 of relief money. Nobody in the legislature wanted it; they did not want to vote to put taxes on the people, but it is their business to run the State without coming to the Federal Government for money to carry on the ordinary, routine operations.

I do not know of one of the States in which there are not many wealthy men, and if the poor people cannot pay the taxes, let the legislatures tax the rich. Let the States stand on their own feet and not come here and penalize the States which are making a desperate effort to keep their expenses within their collections without assistance from Washington.

Mr. McKELLAR. Mr. President, will the Senator from New Mexico yield to me?

Mr. CUTTING. I yield.

Mr. McKELLAR. Did not exactly this situation arise last year, and did not the Relief Administration as it is now constituted come to the relief of the schools?

Mr. CUTTING. That did happen.

Mr. McKELLAR. Would not that occur again this year? Why earmark the money when there is full authority in the Relief Administration to arrange the matter?

Mr. CUTTING. Mr. President, although I have no doubt that the Federal Relief Administration would actually use a good deal of its funds, as it has been doing in the past year, for the relief of school teachers, it seems to me a much better way to legislate is to have Congress come out directly and say that we believe in spending the amount of money necessary to do this particular job.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

Mr. CUTTING. I yield.

Mr. BARKLEY. Does the Senator know how much was expended out of the relief funds during the past year for this purpose?

Mr. CUTTING. No; I have not those figures.

Mr. BARKLEY. My information has been that it was something like $20,000,000. I may be mistaken. Does the Senator from South Carolina know whether that is an accurate figure?

Mr. BYRNES. Mr. President, I have not the figures; I thought I had them, but I find I have not. Inasmuch as I am on my feet, may I say that under the Federal Emergency Relief Act, as it has been construed by the Federal Relief Administrator, approved by the office of the Comptroller General, the Administrator has the power to solve this situation by employing teachers. That is not a violation of the principle of the pending joint resolution, because under the head of " professional and clerical workers " they simply employ teachers for such period as will enable them to continue the schools in session for the desired time.

What I do not like about the amendment offered by the Senator from New Mexico is that it would cause us to embark, I fear, upon a new policy, one not based upon relief to the individual teacher, but, as I caught his amendment from the reading, on the basis of need, on the need of the schools, or the need of the taxpayers of the district, or the need of some other individuals, which is entirely different from the policy which has heretofore been pursued. The policy heretofore followed is working satisfactorily. If the joint resolution shall be enacted, the Relief Administration will have the funds necessary to arrive at a solution of the problem presented by the Senator from New Mexico.

The reason why the Relief Administration cannot now arrive at a solution is because of the lack of funds, awaiting the enactment of the pending joint resolution. If this measure is enacted, then the teachers can be cared for. I understand that the Relief Administrator, not knowing how long the present situation will continue, is a little cautious in making advances at this time; but I am satisfied that just so soon as the joint resolution shall be enacted, the teachers will be provided for and the schools will be continued.

I know what the Senator from New Mexico has in mind, but I think it far better that we should continue to render the assistance by giving aid to teachers, just as we would to any other professional or clerical workers, and we can render assistance on that basis, instead of on the basis set forth in the amendment.

I ask the Senator from New Mexico if he will not be willing to await the enactment of the joint resolution and see whether the Federal Relief Administration will not continue to render aid, just as it did during the last year?

Mr. CUTTING. Mr. President, let me ask the Senator this question: If the Federal Emergency Relief Administration is not now giving out these sums on the basis of demonstrated need, then on what basis are they distributing them?

Mr. BYRNES. On the basis of demonstrated need of the teachers, and that is exactly in accord with the entire policy of the joint resolution and of the existing law. But I did not so understand the amendment of the Senator from New Mexico. The teachers are employed in teaching night schools in various places. In the rural districts, where most of the aid has been rendered, I know hundreds of schools have been helped in this way.

Mr. BARKLEY. Mr. President, in that connection, is it not also true that, in addition to aiding teachers out of relief funds, allocations have been made to the payment of expenses of students in certain colleges and other educational institutions throughout the country?

Mr. BYRNES. I think it was stated that almost 100,000 students have received what is called student aid and have been able to attend college because of such aid.

Mr. BARKLEY. In the administration of the funds heretofore appropriated, the Administrator has been most liberal, it seems to me, in distributing wherever the need was found to exist, not only to the professional teacher but to the student also.

Mr. CUTTING. I think that is true, Mr. President; but that very fact would seem to demonstrate that the aid has not been given entirely on the basis of need to the individual school teacher.

Mr. BARKLEY. That may be true.

Mr. BYRNES. The Senator from Kentucky asked about an entirely different question from that in which the Senator from New Mexico is interested, because the Senator from Kentucky asked about the assistance that had been rendered students attending colleges.

Mr. BARKLEY. My object was to show that, without any mandatory provision in the law which has already been enacted, and which has been in force for a year or two, the administration has been unusually liberal in the distribution of the funds for educational purposes.

Mr. CUTTING. Mr. President, I agree with the Senator on that point; I should not want anything I have said to be construed as implying that the law has not been administered in a very liberal manner. But I do prefer to have matters of this sort directly sanctioned by Congress, because we never know what administrative officials may in the future decide to do.

Mr. ADAMS. Mr. President, will the Senator yield for an inquiry?

Mr. CUTTING. I yield.

Mr. ADAMS. I wish to make inquiry of the Senator from New Mexico as to whether he does not know that in fact there have been advances of Federal funds made upon other bases than teachers' employment; as a matter of fact, whether the State of New Mexico has not received some $250,000 of Federal funds for its schools?

Mr. CUTTING. I think that is true, although I have not the figures with me at the moment.

Mr. BORAH. Mr. President, will the Senator from New Mexico yield to me to ask the Senator from South Carolina a question?

Mr. CUTTING. I yield.

Mr. BORAH. As I understand the Senator from South Carolina, he is of the opinion that in taking care of the teachers as has heretofore been done the situation designed to be covered by the amendment of the Senator from New Mexico will be taken care of?

Mr. BYRNES. That is my understanding.

Mr. BORAH. Would the paying of the teachers of itself keep open the schools? Are there not other expenses?

Mr. BYRNES. My understanding is that last year—and the Senator from New Mexico has already called attention to it—aid was rendered in the manner contemplated by the pending joint resolution, and it resulted in continuing the schools throughout the country for a considerable period, mostly in the rural districts. I do not know that it was done in any of the cities, but the aid was rendered, and it did result in keeping the schools open.

Mr. BLACK. Mr. President, will the Senator from New Mexico yield to me?

Mr. CUTTING. I yield.

Mr. BLACK. May I ask the Senator whether there is anything in his amendment which would prevent a continuation of the exact practice mentioned by the Senator from South Carolina?

Mr. CUTTING. I do not see anything at all that would prevent it.

Mr. BLACK. Is there anything in the Senator's amendment which would make it mandatory that the method suggested there be followed in aiding the schools, or is it merely suggestive?

Mr. CUTTING. It says "not to exceed $30,000,000." Of course, if the need should not arise up to that amount, less would be expended.

Mr. RUSSELL. Mr. President, will the Senator from New Mexico yield to me?

Mr. CUTTING. I yield.

Mr. RUSSELL. The Senator has touched upon the very point about which I am most apprehensive—that this amendment might be construed to operate as a limitation and restrict the funds which could be expended to $30,000,000. The need might be much greater, and under the method now being pursued by the Federal Emergency Relief Administration in assisting schools they might not be able to reach some very deserving cases on account of the fact that the $30,000,000 would not be sufficient to assist all the schools which could prove beyond any peradventure that they were in need of funds.

Mr. CUTTING. Mr. President, I based my figures on the estimate submitted to me by the different associations interested in this matter. They said $25,000,000. Personally I should prefer $35,000,000 or even $40,000,000.

Mr. RUSSELL. It is permissive that the Administration could spend less than $30,000,000, but they could not spend more than that. It occurs to me that if the amendment is to be adopted the limitation should be raised to at least $50,000,000.

Mr. GLASS. Mr. President, I ask that the amendment be stated from the desk.

The VICE PRESIDENT. Without objection, the amendment will again be stated.

The LEGISLATIVE CLERK. At the proper place in the bill it is proposed to insert the following:

Not to exceed $30,000,000 of the amount herein appropriated shall be made available to the States on the basis of demonstrated need to enable them to maintain their public schools for the remainder of the current school year.

Mr. STEIWER. Mr. President, will the Senator yield?

Mr. CUTTING. I yield to the Senator from Oregon.

Mr. STEIWER. I wish to suggest to the Senator from New Mexico the same idea which was suggested by the Senator from Georgia. I am in sympathy with the object and purpose which the Senator from New Mexico has in mind; but I concur in the belief that the amendment as offered may operate as a limitation, and only as a limitation. I imagine that the Senator from New Mexico did not so intend it.

I desire to ask him how we may avoid the limiting effect of his amendment, in view of the fact that the first part or the committee amendment on page 3 of the joint resolution provides, in effect, that the President may employ as much of this appropriation as he may deem necessary for the purposes of the Federal Emergency Relief Act of 1933. How can we avoid the conclusion that that gives the President the unlimited right to employ the money for the payment of salaries to teachers who are in need, which is the equivalent of saying the salaries of teachers in districts which are financially unable to meet their obligations? Inasmuch as the Senator's amendment is itself permissive, and permits the expenditure up to $30,000,000, and inasmuch as the President has a much greater power under the provisions of the Federal Emergency Relief Act, is it not true that the only effect of the Senator's amendment is to limit to the sum of $30,000,000 the amount that may be used for the employment of teachers? Is the Senator able to explain away that thought?

Mr. CUTTING. I can see the force of the Senator's argument. I simply assumed from the figures presented to me that the amount necessary would not go substantially beyond that figure, although it might be better, in view of what the Senator has said, to increase the amount to $40,000,000 instead of $30,000,000.

Mr. STEIWER. I have no objection to that.

While I am taking the Senator's time I desire to make some minor observations which I can make in a few sentences.

I think I was in error when I said that limitation would be the only effect of the Senator's amendment. One other effect, of course, would be to provide payment of money to the States rather than payment by the Relief Administration or by the Administrator direct to the teachers. That is another effect of the Senator's amendment, but I think it is not of controlling importance. The important phase is the possible limitation of the amount which may be expended for the purpose the Senator has in mind.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. CUTTING. I yield.

Mr. TYDINGS. I understand that the Senator's State has received some money from the relief fund for public-school purposes, and I understand now that the revenues as anticipated may make it necessary for the Federal Government again to assist the educational program in New Mexico. If that assumption be correct, may I ask the Senator whether it is not possible for the State of New Mexico to call the legislature into session and to levy the taxes necessary to provide sufficient funds to carry on the State's educational program?

Mr. CUTTING. Mr. President, I do not think this is the time to go into a question involving the internal situation in the State of New Mexico. I have no information whatever of the sort the Senator mentions, and my interest in the matter is not based on local considerations at all.

Mr. TYDINGS. I am not using that illustration personally; I am simply using it to elicit information.

Mr. CUTTING. Then, I will say to the Senator that of course he is familiar with the fact that the State of New Mexico has a peculiar educational situation which is not shared by any other State; that the language problem is of enormous importance with us; that no educational facilities whatever were given to the State under the long years of territorial rule, and that a vastly greater problem is put on the shoulders of that particular State in proportion to its resources than exists anywhere else. I prefer not to discuss that phase of the matter at the present time.

Mr. TYDINGS. Mr. President, let me point out to the Senator that the language of his amendment is "based on needs." What is the need? Is it because of the refusal of the legislature of his State to do its duty and provide sufficient taxes to keep the school system going?

Mr. HATCH. Mr. President——

Mr. TYDINGS. Just a moment. May I make a further observation? Why should any State refuse to appropriate sufficient money to keep its school system going and then come over to Washington and ask for funds for that purpose?

Mr. CUTTING. In answer to the Senator, I will say that I think the people who are going to administer this proposed law can be trusted to use their own judgment as to what constitutes "need." I cannot believe that they would interpret the law in any such manner as is suggested by the Senator from Maryland.

Mr. TYDINGS. The point I am making is that there is no need if the legislature will do what I suppose it can do, namely, raise sufficient taxes to keep the school system in a particular State going.

Mr. CUTTING. I am afraid the Senator's supposition so far as New Mexico is concerned is not entirely correct.

Mr. TYDINGS. I venture to say there are not 25 States in the Union which cannot raise sufficient money to keep their educational systems going without appealing to the Federal Government. If we once get into that field, it will

encourage every other State to cut down its appropriations for schools so that there will be a deficit, and to come over to Washington and get the money.

Mr. CUTTING. I hope that when the survey is completed, the Senator from Maryland will study it carefully and give us the benefit of his judgment.

Mr. TYDINGS. Mr. President, I am endeavoring to study it before we take a vote on the amendment and before the survey is completed. I will say to the Senator that with respect to those States which cannot take care of the situation and cannot raise the money, I think the Federal Government may properly step in; but I do not believe we should encourage a State, whose legislature is reluctant to do its duty and to appropriate the necessary money, to come and get money which belongs to all the States, so that one-half the school system of the State is supported by the Federal Government and the other half is supported by the State.

Mr. CUTTING. So far I have no information about any such State legislatures as the Senator is criticizing.

I now yield to my colleague.

Mr. HATCH. Mr. President, I will ask the Senator if it is not true that our State did call its legislature into special session and provided a sales tax in order to keep the schools open last year. We have adopted other forms of taxation in New Mexico with the exact purpose referred to by the Senator from Maryland. The State of New Mexico is trying to do its part in keeping the schools of the State open; and we are thankful for the aid we have received from the Federal Government, which assisted us materially last year and this year.

Mr. TYDINGS. Mr. President, I prefer not to interfere further with the Senator from New Mexico in his discussion of his amendment. At the proper time I shall make some remarks.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CUTTING. I yield to the Senator from Kentucky.

Mr. BARKLEY. Aside from the attitude of provincial statesmanship on a problem of this sort, does not the Senator's amendment open the measure to interpretation by any administrator so as to provide for the maximum which could be appropriated for educational purposes? Therefore, would there not be danger that, even if the need should become greater, the Administrator would be limited to that maximum? In view of the liberality of the Administrator so far, would it not be better to leave it to him, so that there would be no maximum limitation?

If I were the Administrator under an amendment of that sort I should feel almost constrained to interpret it as a mandatory limitation by Congress on the amount I might spend for that purpose.

Mr. CUTTING. I think, if I may say so to the Senator, that it could not be mandatory except to the extent of maintaining the public schools for the remainder of the current school year. I do not think it could be a limitation for any other purpose. As the people directly concerned feel that $35,000,000 would be needed to take care of that situation, I think that $40,000,000 would be a better figure than $30,000,000.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. CUTTING. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. May I say to the Senator that, having glanced at his amendment, it seems to me it involves a complete deviation from the theory of this joint resolution, which is a relief measure designed to provide employment for those who are without opportunity to work. As I read the Senator's amendment, it is not designed to provide work for individuals but is for the relief of school districts which may have a "demonstrated need", not necessarily for the payment to teachers, but for any other school objectives. Does it not seem to the Senator that two utterly different theories are involved here; and that if this amendment proposed by the Senator were adopted, those who are administering the relief would find it incumbent upon them not to consider so much the need of individual teachers as the need of individual school districts; and then would not administrators be confronted with the problem of determining how and upon what basis they should apportion this money amongst the several States? It seems to me, if I may say so, that there is a fundamental confusion of issues in the amendment of the Senator.

Mr. CUTTING. Mr. President, to my mind, the argument of the Senator from Wyoming is entirely too theoretical and too tenuous to carry any weight in a matter of this importance. All through the joint resolution there is a certain amount of confusion, of course, between different objectives. We are trying to provide employment. We are trying to provide work relief, so far as possible. To some extent we are trying to provide direct relief. But when we deal with the public-works provision of this joint resolution we are going to have two somewhat different objectives to meet.

Mr. O'MAHONEY. What does the Senator mean by "demonstrated need"?

Mr. BORAH. To keep the schools open.

Mr. CUTTING. I mean exactly that. To keep the schools open.

Mr. O'MAHONEY. What is the rule, what is the standard by which we are to judge what "need" is? What will the Administrator say it means? What can he say it means?

Mr. CUTTING. The reason I put in the words "on the basis of demonstrated need" was in order to comply with the objections which Senators made as to the method by which this was to be administered.

Mr. BORAH. "Demonstrated need" to keep the schools open for a certain length of time.

Mr. O'MAHONEY. To keep the schools open. That is precisely what I was saying. The amendment means keeping the schools open, not providing employment for teachers—two utterly different things.

Mr. BORAH. But teachers may be employed under another provision of the bill entirely.

Mr. O'MAHONEY. Certainly. Therefore, I say that the amendment offered by the Senator is a clear departure from the theory of the joint resolution in that it undertakes to take $30,000,000 out of this relief appropriation in order to keep schools open. That might be something utterly different from the payment of school teachers. Indeed, it is certain to mean something utterly different. This amendment opens the door to Federal control of education. If the Federal Government is to provide the money to support the schools, it will inevitably guide the schools. My feeling is that education should be recognized as a local duty.

Mr. TYDINGS. Mr. President——

Mr. CUTTING. I yield to the Senator from Maryland.

Mr. TYDINGS. According to a calculation I have just made, the relief money paid to New Mexico last year—and I may say to the Senator that I am taking New Mexico as an illustration merely because he is addressing the Senate on this issue—the relief paid to New Mexico last year, plus New Mexico's share of the Federal-aid projects, amounted to $28 per capita, or, in round numbers, $100 to a family. That came out of the Federal Treasury last year—$100 to a family. I think that is going pretty far, and that the States ought to be able, through local taxation, with $100 to a family being given to them, to pay to keep their schools open and not have the rest of the country taxed in order to give them more than they received last year.

Mr. BORAH. Mr. President, if the Senator from New Mexico will yield to me, if my memory serves me correctly, last year we appropriated a very large sum of money to take care of educational interests in one of the very rich States of the Union.

Mr. TYDINGS. That may be true; I am not condoning that act; but I believe the legislature in every State in the Union can levy sufficient taxes to keep schools of the State open without a dollar coming from the Federal Treasury.

Mr. BORAH. That argument would make unnecessary this joint resolution as a whole.

Mr. TYDINGS. I think that is true. I think that every State in the Union can levy sufficient taxes to take care of all relief, all the schools, and everything else if the legislatures have the courage to do it; and they ought to do it and ought not to pass the buck to the Federal Government.

Mr. BARBOUR. Mr. President, will the Senator yield for a question?

Mr. CUTTING. I yield.

Mr. BARBOUR. I do not want further to prolong the discussion, but there is one aspect of the situation which gives me concern and about which I should like to ask the Senator a question. I myself know of many instances in connection with hospitals where the situation is infinitely more acute than it is with respect to schools. I am wondering if this amendment which particularly relates to schools were adopted, whether it would militate in some way against provision being made for other institutions which might be equally or more important? In other words, I am wondering if it is a fact that the Senator's amendment—and I am in sympathy with it, for it has to do with a situation which appeals to us all—may make it very difficult perhaps to provide properly for institutions other than schools which might be equally deserving and equally in need. That is a possible consequence which seems to me not to have been mentioned or considered. I do not mean this premise to be a fixed conclusion of mine in the sense that it should defeat the Senator's purpose. But I do mean that if what I refer to is actually a fact, that I would then feel constrained to offer a similar amendment, similar, at least, to the extent of being for the relief of certain hospitals or other public institutions of that sort if the amendment now proposed by the Senator from New Mexico were adopted. I do not want further to complicate the joint resolution itself, however, for, as a matter of fact, I do not approve of it anyway, excepting as it provides enough to take care of any or all necessary relief for those unemployed otherwise actually in need.

Mr. McKELLAR. Mr. President——

Mr. CUTTING. I will yield to the Senator after I shall have responded to the Senator from New Jersey. I cannot think that the adoption of this amendment would in any way limit the administration of the proposed act with respect to any other class of projects. I do not see how it could be interpreted in that way. The discretion of the President, as has been frequently pointed out, is exceedingly wide under the joint resolution as it stands.

Mr. BARBOUR. I do not want to appear to quarrel with the Senator; as I have said, his proposal appeals to me; but if he is correct in his interpretation of the situation I see no need for his amendment, though I intend to vote for it.

Mr. McKELLAR. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from Tennessee?

Mr. CUTTING. I yield.

Mr. McKELLAR. The Senator from New Mexico very well said a few moments ago that, after all, it has to be left to the administrator. If I recollect aright, the present administrator of relief has been exceedingly mindful, to say the least, of the needs of the schools and of the school teachers, and much money—I do not know the exact amount—has been spent along those lines, and I think very properly spent; I endorse that work; but, at the same time, it seems to me that it would be infinitely better to leave it as it is, where it is being well done, than to embark on a new plan of this kind to impose a limitation of this kind.

Mr. GLASS and Mr. POPE addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from New Mexico yield; and if so, to whom?

Mr. CUTTING. I yield first to the Senator from Virginia.

Mr. GLASS. I do not rise to present any argument as to the Senator's amendment but to make a few suggestions.

In the first place, it departs from all the other allocations by making the appropriation of not exceeding $30,000,000 peremptory; providing that it "shall" be done instead of that it "may" be done.

In the second place, I wish to emphasize what has already been suggested to the Senator, that, under the permissive allocations already made by the joint resolution $350,000,000 are available, I think, for the purpose of paying teachers, and that the Senator's amendment is in danger of being interpreted as a severe limitation upon that amount.

The Senator from Idaho [Mr. BORAH] said awhile ago that we appropriated money last year to take care of the schools in a very rich State. Did the Senator have in mind the State of that Senator who so entranced the Senate yesterday with his plea for patriotism and who, it seems, has been unable to impress his ideas of patriotism and self-respect upon his own community? Is that the State which the Senator from Idaho had in mind?

Mr. BORAH. I did not experience any entrancement, so I do not know just to whom the Senator from Virginia has reference.

Mr. GLASS. I do not imagine the Senator experienced it, but he witnessed it.

Mr. BORAH. Well, I listened to the eloquent speech of the Senator from Illinois. I had reference to the State of Illinois.

Mr. GLASS. Exactly; and the city of Chicago by legislation enacted by Congress was authorized to borrow $22,000,000 from the Reconstruction Finance Corporation to pay its bad debts to its own school teachers. So I think anybody who wants to teach the whole Nation self-respect had better begin at home.

Mr. CUTTING. Mr. President, before yielding further, I should like to say just a word in reply to the Senator from Virginia. He finds two objections to this amendment. The first is that he considers it peremptory.

Mr. GLASS. The Senator will understand that I am not objecting.

Mr. CUTTING. Perhaps "objection" is an incorrect term.

Mr. GLASS. The only reason I am not objecting is that I promised the Senator I would not object, and I keep my promises.

Mr. CUTTING. I am perfectly willing to release the Senator from any promise he may have made to me.

Mr. LEWIS. Mr. President, may I be pardoned to ask the Senator from New Mexico if he will permit me a moment to say that I have just been informed that some allusions have been made concerning the teachers and the educational system in Chicago? I should like very much to know what they were, and if they call for any information on my part.

Mr. CUTTING. Would the Senator object to waiting until I conclude my reply to the Senator from Virginia? Then I will yield to him.

Mr. GLASS. Mr. President, the allusion does not require any information. We have the information. I said that Chicago borrowed from the Reconstruction Finance Corporation $22,000,000 in order to pay back salaries to its school teachers.

Mr. LEWIS. The eminent Senator from Virginia and myself very commendably helped to pass that legislation, so that I can approve his action.

Mr. GLASS. No; I did not help to pass it.

Mr. LEWIS. The eminent Senator sat on the conference committee and yielded to the necessities of the school teachers and gave the provision approval.

Mr. GLASS. I yielded to the necessities of the conference and not to the necessities of the school teachers. [Laughter.]

Mr. LEWIS. Whatever the cause of the yielding, it was a yielding of which I greatly approve. [Laughter.]

Mr. GLASS. What I was suggesting was that the Senator yesterday lectured me upon the subject of patriotism and the exercise of self-respect, and I wanted to suggest to the Senator that he had better begin at Chicago.

Mr. LEWIS. I may say to my able friend that I know of nothing wherein I made allusion to self-respect; but the eminent Senator says it was alluded to and intimates that I ought to begin at Chicago. I take the vain consolation, so far as the self-respect of Chicago is concerned, that it is already quite sufficient, as demonstrated by its actions specifically and by its admiration for him.

Mr. GLASS. And by getting $22,000,000 out of the Federal Treasury with which to pay its school teachers.

Mr. LEWIS. With the aid and connivance of the Senator from Virginia.

Mr. GLASS. No.

Mr. CUTTING. Mr. President, if I may say a word in my own time, I should like to say to the Senator from Virginia, first, that I do not construe the use of the word "shall" as being mandatory in this particular amendment, because the amendment begins with the words "not to exceed $30,000,000." That would allow the Administrator to spend anything less than the $30,000,000 that he deemed it proper to use.

Mr. GLASS. That is true; but the Senator should seriously consider whether or not his amendment is not a limitation upon the amount he would desire expended for this purpose.

The Senator's proposition—and I am not opposing it; I told him I would not, and I am not—is not a drop in the bucket. Just think, Chicago alone borrowed $22,000,000 from the Reconstruction Finance Corporation with which to pay the back pay of its school teachers—Chicago alone—and here the Senator is proposing simply $30,000,000 for the entire Nation!

Mr. POPE. Mr. President, will the Senator yield?

Mr. CUTTING. I should prefer to take up the points made by the Senator from Virginia. I will be glad to yield to the Senator from Idaho in a few moments.

The second point which the Senator from Virginia made was that there was a possible limitation involved in the amendment. In response to previous inquiries I stated that I would modify my amendment by increasing the amount to $40,000,000, which would be in advance of anything that has been estimated by any of the associations as being necessary at this time. On that basis I think there could be no objection to the limitation. Of course the amount is a small amount if we were going to deal with the entire educational situation in the Nation; but this is merely a sum of money proposed to enable the public schools to be kept open for the remainder of this particular school year.

The third point made by the Senator from Virginia was that under the joint resolution we are already able to spend $350,000,000 for miscellaneous projects.

Mr. GLASS. Oh, no! I said for professional services.

Mr. CUTTING. The Senator used the figure $350,000,000, and that is why I thought he referred to that clause. The projects for professional and clerical persons carry the sum of $300,000,000.

Mr. GLASS. Yes.

Mr. CUTTING. I am very doubtful whether that would be interpreted as including the public schools, though it might, of course, include the school teachers.

Mr. GLASS. Would not the objective of the Senator be reached if he would offer a parenthetical amendment reading "including school teachers"?

Mr. CUTTING. I think it might include school teachers, but I am more particularly interested in the schools than I am in the mere relief of school teachers. That is one reason why I have proposed the amendment.

It may, as the Senator from Wyoming said, be slightly inconsistent with other parts of the joint resolution, but I think it would be easy to go through the measure section by section and show far more serious inconsistencies between the different parts of it. I do not think we should stick at things of that sort when we are trying to remedy a serious condition which exists in 26 of the States of the Union, which is not merely of local importance, but is of extreme national importance.

Mr. POPE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from Idaho?

Mr. CUTTING. I yield.

Mr. POPE. Since the discussion has been proceeding, I have called the Federal Emergency Relief Administration and was told that $2,400,000 now is being paid out each month to teachers, $60,000 each month to supervisors, and $1,500,000 each month for relief of students; that the total which had been paid out within the last year has been between $40,000,000 and $50,000,000.

Mr. CUTTING. Yes; but my amendment only applies to the remainder of the current school year and is based on the figures furnished by the educational associations, which say that amount of money will be necessary. I cannot see, from anything that has been stated, what objection there could be to the adoption of the amendment, especially since I have increased the amount from $30,000,000 to $40,000,000. It is not mandatory to spend any of it.

This amendment, at least, makes clear the intention of Congress. I do not believe any Senator would desire to have the public schools of the Nation close. I do not see why we should not say so. Even if we are able to take care of that situation through existing agencies, I can see no reason whatever why there should be any objection to the adoption of the amendment.

I modify my amendment by substituting "$40,000,000" for "$30,000,000."

The PRESIDENT pro tempore. The Senator from New Mexico modifies his amendment.

Mr. HARRISON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from Mississippi?

Mr. CUTTING. I yield, though it is my desire to yield the floor.

Mr. HARRISON. There are many of us who have the same viewpoint as has the Senator, and who very much desire to see appropriate aid upon the part of the Federal Government rendered to the rural schools which are in need of assistance. There are some of us who believe it might be disadvantageous to enact this kind of legislation. Personally, I am very much perplexed as to the wisdom of the proposal, much as I desire it, because I am afraid, as has been pointed out, that the limitation placed might work out to disadvantage in some instances.

I invite the attention of the Senator to the fact that the relief authorities have placed a limitation against towns of 5,000 or more in the matter of granting relief, on the theory that towns and cities of that size could provide their own funds to carry on the schools. They have taken care of rural communities and small towns. Under the terms of the amendment offered by the Senator from New Mexico there is no restriction as to the size or population of the municipality. It merely provides for the continuance of the public schools during the current school year.

With that limitation removed which has been placed on it by the authorities which have been administering the relief, I think it would greatly add to the amount suggested by the authorities. These figures no doubt were compiled on the same theory on which assistance was rendered last year, namely, to rural communities and towns of less than 5,000 population. With the amendment worded as it now is it might greatly add to the amount involved.

I believe the wise thing to do—because there is no limitation in the appropriation acts which we have passed and there is full power to render the assistance—is not to write into the joint resolution a limitation on the matter at all, although if the Senator should press his amendment to a vote I am going to vote for it because I am in entire sympathy with what he is trying to do.

Mr. CUTTING. I am glad the Senator will support it, because I intend to press it to a vote with the change to $40,000,000 instead of $30,000,000.

I have no idea just what communities were visited by this survey, but I have no reason to think they were purely rural communities. While, like the Senator, I am principally interested in the rural schools, yet we are all interested in the educational system of the United States as a whole and desire it to continue in industrial centers as well as rural communities. I have no doubt that the estimate was made taking into consideration both kinds of schools. For that reason I hope we shall have a record vote on my amendment.

Mr. TYDINGS. Mr. President, we are getting into fields of legislation which cannot be justified except on the ground that we are in a great emergency. I do not believe the emergency is great enough to justify a venture of the kind suggested in the pending amendment. We are already trying to provide work for the unemployed. We are already taking care of those on relief in the various States. Now

we propose to take over the educational system of the States as well.

I have been observing some of the State legislatures, and, in my opinion, the proposition now is getting to be one of not appropriating any more money than absolutely necessary so that a case can be made out for getting money from the Federal Government. Every State that is trying to stand on its hind legs and survive individually is being penalized. Every State that is not trying to do that is receiving an advantage.

I am about to give some figures as to the State of New Mexico; and in doing so I make no personal reflection on the Senators from New Mexico or on the people of the State. I am simply using it as an illustration.

Last year the State of New Mexico paid in Federal taxes $1,160,000. The State received in Federal-aid projects $8,539,000 and in relief $3,610,000, or a total of $12,149,000.

Let us suppose that we give back every dollar of Federal taxes which the State of New Mexico paid into the Treasury. Subtracting what they paid from what they received, that leaves $10,989,000 over. So, giving them back all the Federal taxes they paid, we gave them $100 a family, or $28 a head, besides.

It strikes me that the State of New Mexico and all the other States which are in that category can afford to call their legislatures into session and levy sufficient taxes to raise the mere pittance which will be required to keep the public schools open. The Federal Government has no business financing the educational systems of the various States of the Union. We have gotten in the habit of spending money; we have gotten in the habit of dishing it out; and it occurs to me that we are not as careful as we might be.

Shall we appropriate money for relief? Oh, yes; if relief is absolutely necessary; but here, in a public-works measure supposed to provide employment for people, we have a proposition to take some of the money and use it for the routine State expenses in 24 or 25 States of the Union!

Senators, all this money will have to be paid back. Sooner or later every dollar we appropriate will have to be raised in Federal taxation. Where is the end? Why not take over something else in the next Congress and something else in the next Congress? Or instead of doing that, why not let the legislatures that now have not the courage to levy the taxes which they ought to levy to run their own internal affairs reassert their prerogatives and cease coming here to Washington to get money for every little State agency that breaks down?

We cannot go on financing everything in the Republic. What is the use of a State trying to keep away from Washington and raise taxes to finance its own public-school system if next door to that State another State refuses to raise the necessary taxes and gets the money from Washington?

We are only setting the example of encouraging States to shirk their responsibilities. It may be pleasant now, but sooner or later it will come home to plague us.

There is not a State in the Republic that could not get along with one-tenth of the Federal relief money which is now being expended within its borders, because the State itself could raise most of the money required to deal with this problem.

My State does not want to do it. No; it does not want to put up any money. It would rather get it all from Washington. So would every other State in the Union; but I cannot hereafter go down to my legislature and say, "Raise all the money you can to take care of unemployment in this State", because I should be forced to say, "Other States are not doing it, and if you do it you will not only pay for taking care of your own unemployment, but you will pay for taking care of the unemployment in other States as well."

Mr. CUTTING. Mr. President, will the Senator yield?

Mr. TYDINGS. Yes; I yield.

Mr. CUTTING. I wonder if the Senator from Maryland is aware that in his own State the proportion of relief funds provided by the Federal Government runs over 63 percent of the total.

Mr. TYDINGS. And what is the proportion in the Senator's State? Ninety-eight and one-half percent from the Federal Government and 1½ percent from New Mexico. My State raised as much, on the average, as any other State in the Union.

Mr. CUTTING. I desire to say also, in behalf of my State, that we have not received $10,000,000 for any institution like the Maryland Casualty Co. or the United States Fidelity & Guaranty Co., or any of the other great benefits which have been received by the State of Maryland.

Mr. TYDINGS. Those are not gifts. They are only loans upon security which the Government thinks ample. That has not anything at all to do with this question. That is only a collateral issue.

As long as we have gotten into the subject of Maryland, I desire to point out that Maryland paid $39,000,000, not in income taxes, but in internal-revenue taxes, mass taxes, cigarette taxes, gasoline taxes; and how much did it get back? It did not get back half that much. The figures which the Senator from New Mexico read were for 2 years, not for 1 year. Maryland paid in 1 year, in mass taxes levied on the poor people, twice as much as it received in relief, while the State of New Mexico got back $10 for every dollar it paid, and then came and got relief from the Federal Government while contributing only 1½ percent.

I have been in New Mexico, and there are as nice-looking towns and villages and cities in that State as in any State in the Union. I have seen as much prosperity there as I have seen in east Baltimore or south Baltimore, where the working people reside. In fact, I think the standard of living in New Mexico as a whole is superior to that of the poor sections of our large cities; yet the Senator from New Mexico is asking those people to pay their share of their own upkeep and their own schools and to contribute to the people of his State, who live on a higher plane than those of my State or those of the State of the Senator from Pennsylvania or those of the State of the Senator from Connecticut, where are located the big industrial cities, where real misery exists, and where a man cannot have a garden out in the back yard to raise his own vegetables, or a cow to milk to supply his own table.

Mr. CUTTING. Mr. President, will the Senator yield again?

Mr. TYDINGS. Yes; I yield.

Mr. CUTTING. I wonder if the Senator has been in the State of New Mexico since the drought of 1934.

Mr. TYDINGS. Yes; I have been there. I was down there last year, and a lovely place it is.

Mr. CUTTING. I am afraid the Senator has not been very extensively around the State.

Mr. TYDINGS. I saw some of the prettiest towns there I have ever seen, with Spanish architecture, and prosperity, so far as I could see. I did not see any bread lines there. I did not see any mobs of unemployed persons there; but Senators may go over into the metropolis, which is only 36 miles from here, and they will find thousands at every employment office every day. They will find 150 people sitting in my office every morning at 11 o'clock, hoping to God they can get a job before the sun goes down.

This joint resolution is not a relief measure. It is a pork-barrel measure. It is a measure to take money from the sources that can least afford to pay it and give it to places which can get along without it. The joint resolution does not purport to deal with the great wells of unemployment in our large cities. It deals with reforestation, soil erosion, and what not, while in the cities of the country eight or nine or ten million people are without work.

We are asked to pay all our own expenses and to pay all the expense of other States, and then it is proposed to spend the unemployment-relief money in the agricultural areas, where there is no unemployment in comparison with that which exists elsewhere. It is an outrage on misery. It is an injustice on humanity. It is penalizing every large city in the country.

I know we are going to vote on this measure, not upon the basis of humanity, but each Senator is going to see that his

State "gets his." That is what we are doing. Each Senator here has his own little project; he is "set on the mark", waiting for the gun to go off in the air so that he can go down to the Administrator and get $100,000 or $1,000,000, or $10,000,000, or $50,000,000 for his State, without any regard to the unemployment which exists in the cities. Now it is proposed to take the little bit of unemployment money which we have safeguarded for the big cities and with it, forsooth, keep up the rural schools in the agricultural districts, and all this in the name of humanity!

I see seated near me the junior Senator from Massachusetts [Mr. COOLIDGE]. Up in his State each community is bearing its proportionate share of unemployment relief. Am I correct?

Mr. COOLIDGE. Certainly.

Mr. TYDINGS. The whole State is organized so that every city supports its unemployed, so to speak; but what credit does it get for that? The taxpayers are no more able to do that in Brockton, Mass., than they are in any city, village, or town in New Mexico or any other city in the Middle West; and when we look at the unemployment contributions we find that in the large spaces no contributions whatever have been made.

I do not mean to reflect on the whole agricultural area. There is no doubt, in my mind, that in some of the drought-stricken States generosity and humanity perhaps demand large expenditures, but not in the proportion in which they have been made during the past 2 or 3 years.

To come back to my original proposition, there is not a legislature in the land with courage enough to make it worthy to be a legislature which cannot immediately levy sufficient taxes to keep its school system open if the legislature and the Governor desire to do so; but is it not easier to come to Washington and get the money from the Federal Government than for the respective States to discharge their own responsibilities?

Before long there will not be any States if present tendencies continue. Some people may think that will be a good thing. I do not think so. When we take out of the Federal Treasury $100 a family, $28 for every man, woman, and child in a single State in a single year, and then, on top of that, give them back all the Federal taxes they have paid, we have done a pretty good job for the State. If it were my State, I should not have the nerve to come here and ask the Federal Government also to take care of my rural schools. I should think I had already been highwayman enough, and I should not want to take any more from the communities that pay most of the taxes.

This joint resolution carries, for rural rehabilitation and relief in stricken agricultural districts, half a billion dollars. How many unemployed are there in the drought-stricken areas? Has anyone here an estimate of the number? I have never seen any estimate of the number of rural unemployed, and yet one-eighth of the whole appropriation is set aside for that one object. Imagine the steel workers and others in the large cities who are out of employment rehabilitating the rural districts!

The joint resolution also carries $100,000,000 for rural electrification; $800,000,000 for roads and highways, most of which will be spent in the agricultural districts; $350,000,000 for reforestation, and so on.

Mr. President, I think the large cities of the country have already been sufficiently penalized. I think most of us here have already shown a spirit of generosity toward the rest of the country in the expenditure of relief funds. I plead with Senators not to drive us too far.

Remember that the figures I quoted as to the taxes in Maryland were not the figures of income taxes. They referred only to internal-revenue taxes, the taxes which fall on the masses of the people; and they showed that we had paid more than twice the amount spent by the United States in our State for relief. In addition to that, we had contributed to relief in our State, and in addition to that we had received no extraordinary appropriations at all.

What is the use of the State of Maryland, or Rhode Island, or Iowa, or any other State, trying to balance its budget and raise taxes, burdensome as they may be, if other States are to come to Washington and say, "Just because we have not the money, we are not going to try to get the money, and we want to get it from the Federal Government"? I know that my friend the Senator from New Mexico, fair as he is, will not contend seriously that the Legislature of New Mexico could not be called into session, and, within a week, raise sufficient money to provide for all the rural and other schools in that State. I am sure he would concede that. It might be hard on the people, of course, it would be hard; but, as in all other things, the people are going to pay for it in the end.

Although my voice may not amount to anything now, I believe the die is already cast, that this amendment will be adopted, and even if it is not adopted, the money will be used for this purpose, but I wish to register my protest now and sit here until the chickens come home to roost, and we will see whose chickens they are.

Mr. HATCH. Mr. President, I have no desire or purpose of dragging the affairs of New Mexico into this debate. I am sure that my colleague, in offering the amendment which he has presented, did not have the State of New Mexico in mind at all, but was simply striving to serve the schools of the entire Nation.

Mr. TYDINGS. Mr. President, will the Senator yield to me?

Mr. HATCH. I yield.

Mr. TYDINGS. I concur in what the Senator has just said, and while I used the State of New Mexico as an example and referred to the Senator's colleagues, I had no intention of reflecting upon New Mexico or on the Senator from New Mexico, and certainly had no intention of referring to him in any way that might injure his pride.

Mr. HATCH. I am quite sure the Senator from Maryland did not intend any reflection on the Senator from New Mexico or on the State of New Mexico; but the Senator from Maryland has repeatedly said that the Legislature of the State of New Mexico should and could be called into session immediately, and taxes provided to carry the burden of the schools of the State of New Mexico, and that the amounts we have received from the Federal Government should not have been paid.

As I have said, I do not want to discuss the affairs of my State here on the floor of the Senate, but I do want to say to the Senator from Maryland that the Legislature of New Mexico has already been called into special session; that when last year we were confronted with an unprecedented situation due to a drought which destroyed practically all our agricultural interests, when our cattle industry and our sheep industry were most severely injured and we were in the depths of the worst depression we had ever known, the Governor of our State called the legislature into special session, and they passed what seemed to be the only measure which would give relief to the schools. A sales tax was adopted, and the proceeds of that tax went directly into the school fund.

We already have in New Mexico a State income tax; we have taxed all our property to the limit of constitutional limitations. We had reached the point in New Mexico where there were no more sources of revenue. We had to have help in order to keep our schools open.

Unfortunately for us, we are not a rich State. We do not have a great deal of wealth. We are large in area, but small in population, and our people are not wealthy. The Federal Government saw the needs of New Mexico and came to the relief of the people of my State in a generous manner, but not in an excessive way, and not beyond the needs and requirements of the people of that State.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

Mr. HATCH. I yield.

Mr. BARKLEY. As a matter of fact, can any State become a rich State by relying solely upon its own people to enrich it?

Mr. HATCH. It cannot.

Mr. BARKLEY. Is there a large or wealthy city in the United States which has not drawn its wealth from all

parts of the country by reason of the willingness of the people in other States to patronize its industries and to pour wealth into it?

Mr. HATCH. I thank the Senator from Kentucky for his contribution. The people of New Mexico during our prosperous years—and we have had prosperous years in New Mexico—have contributed largely to the wealth of the cities of the United States, and we have paid much to the State of Maryland.

Mr. President, I do not see in the pending joint resolution any degree of sectionalism whatever. I do not conceive that a thing which is good for the agricultural part of the United States is not good for the whole Nation. I believe that measures which are helpful in New Mexico, and which assist the people of my State, contribute to the welfare of the whole country. I believe that when money is paid into New Mexico, my people spend that money in ways, as suggested by the Senator from Kentucky, which benefit the cities and States in other parts of the Nation.

It has been said here, "How about the shoes; how about the steel mills; how about various things?" When the people of New Mexico have money, they buy shoes, they buy clothing, they buy tractors, they buy farm implements, and all those come from the East, and from the big industrial centers, just as the Senator from Kentucky has intimated.

Mr. President, the Senator from Maryland has at various times throughout this debate referred to the waste and extravagance—the terrible waste and extravagance—of soil-erosion control, of flood control, of reclamation, and similar things, and has said that the Federal Government should not be engaged in those projects.

One reason why the State of New Mexico does not have more taxable wealth is because a large part of our land is public domain, owned by the Federal Government, and the conservation policies of the Federal Government are necessary to preserve that land which is being washed away and which is being blown away. The wealth of the lands of the United States is decreasing through soil erosion more than $400,000,000 annually. These are not my figures; they come from a report made by the Mississippi River Valley Commission in October last year to the Public Works Administration, and it is shown that more than 25 percent of the tillable land of the United States is depreciating each year through flood damage and through soil erosion.

Mr. President, is it waste and extravagance in the Federal Government now to seek, by the expenditure of money in the employment of men who are unemployed, to conserve those natural resources of the country, to build up and protect our lands, which are the sources of the real wealth of this Nation? It is the part of wisdom to take steps to preserve our resources. The waste and the extravagance lie in having let this deterioration go on for years past. The United States of America is a rich nation, but it is not able to stand $400,000,000 annual damage to the lands of America, and if we do not correct that condition future generations will hold us responsible.

It is because I believe in a system of public works of permanent and lasting benefit and improvement that I advocate strongly the large appropriation contained in the pending measure, and I believe that the money will be spent in various parts of the country, not only in the agricultural sections of the Middle West but in the cities, where it will do good, and will mean the building up of real assets to the country. It is not waste, extravagance, and loss to spend money on permanent improvements which are of lasting benefit.

I repeat, when in New Mexico we have money we will buy shoes and we will buy clothing. I do not see the Senator from New York in the Chamber, but if he were here I would say that our women folks would even buy hats, many of which are made in New York City, and the milliners of New York City might be aided by this appropriation, even though the Senator cannot see it.

Mr. President, I said that I did not want to drag my own State into the discussion and the debate, but I feared that the statements which have been made would indicate that my colleague had offered his amendment simply to benefit the State of New Mexico; and knowing that that was far from his mind, and believing in the amendment as a worthwhile amendment, which would serve to benefit all the people of the United States, whether they are in the cities in the East or in the West or in the Middle West, I shall support the amendment of my colleague.

Mr. CUTTING. Mr. President, I may say to my colleague that he has stated the facts absolutely correctly. I offered the amendment at the request of two national educational associations, and without any local consideration in mind whatever, though, of course, as the Senator has aptly pointed out, the interests of New Mexico in this particular matter seem to correspond entirely with the interests of the country at large.

Mr. BYRNES. Mr. President, I desire to consume only 3 or 4 minutes.

I call the attention of the Senate to the fact that under the joint resolution as it now stands, with the provision extending for one year the Federal Emergency Relief Act of 1933, the Federal Relief Administrator has the power to do exactly what is sought to be done by this amendment.

Within the last few weeks the Federal Relief Administrator has made advances to six States. He now has pending applications from eight States. Within a week or 10 days the sum of $700,000 has been advanced to the State of Mississippi. The two Dakotas, Alabama, and two other States have received advances. Representatives are now in the field investigating the applications from other States. There is no reason to doubt that under the existing law, wherever there is a need, when it is shown that there is some justification for it, assistance will be rendered to the schools to enable them to complete their terms.

I believe that embarking upon an entirely new policy may be dangerous. Certainly the pending amendment is a limitation upon the amount that should be used for school purposes, and those who really are in favor of rendering assistance to the schools should oppose the pending amendment.

Mr. McKELLAR. Mr. President, before the Senator sits down may I ask him a question? Has there been any complaint at all of lack of attention to these school matters by the Federal Relief Administration? As I understand, there has been none at all.

Mr. BYRNES. Not one complaint. The Relief Administrator advises me that within the past few weeks six States have received advances; that applications are pending at this time, and there has been no complaint from any State that any fair and just request has not received attention.

Mr. HARRISON. I do not know that I would have said anything, Mr. President, had it not been for the suggestion that my State had recently obtained some $700,000 for school relief.

As I indicated in a question I asked the Senator from New Mexico, I am in entire sympathy with the purpose he has in mind. I do not at all accept the viewpoint of the Senator from Maryland, much as I respect him, and much as I admire him. I think it is narrow statesmanship to attempt to arouse the country against the city, one section against the other, and one people against another. I do not know what taxes they pay up in Maryland. I do not know what taxes they have to pay in New Mexico. I do know, however, that so far as my own State is concerned, a purely agricultural State, the people have been burdened to the limit with taxes. They have not only paid a high tax on land and occupational callings, but they have even reverted to the sales tax out of necessity.

I know that in my own State public schools have closed. More of them are going to close. As a Mississippian, I appreciate what the Administrator of Emergency Relief has done in the matter of providing assistance to and carrying on some of the schools in my State. I may say, incidentally, that I do not know of any public official who has measured up to the duties of his office more than has Harry Hopkins. He has had a difficult task and he has performed it well. I agree that he has in the fullness of his heart and in the dis-

charge of his duty made allocations to some States, and will make them to more if the need requires. But I want to say that so far as this more than $4,000,000,000 appropriation is concerned, I do not know where he could give greater relief than to the public-school system of the country. What purpose could be better served. Is not the education of our boys and girls the very foundation of our civilization and future place in the sun?

Some may not think that is the kind of relief they want to give, but I know that in many places throughout this country, teachers have gone without their warrants being paid, they have struggled with greatly reduced salaries, many of them can hardly live upon the salary they are obtaining. And I know that when schools close those people are thrown out of employment, and probably put in another way upon the relief rolls of the country. So I entertain the strongest conviction that a goodly portion of this money should go for relief to keep the public-school systems of this country going.

I regret that the situation is such as to demand Federal aid. But it is here, and I should rather see relief given in that way, even though the flood waters come down from the North and flood our land and my State, run people off of the land, endanger the lives of the people. I would rather see the school system of the State kept going than money go out even for flood relief.

The same is true as to the need for public highways in my State, which I think is as far behind as any State in the country, and I say it with no degree of pride. I think a large amount of this money should go to public-highway construction, because it gives man-power work, relieves the unemployment situation, and gives permanent benefit to the State. As much as I believe in that, however, I want to see the public-school system in my State come first and kept going.

I state to the Senator from New Mexico, because I know that in whatever he engages, his purposes are always high, and that he is sincere about what he is trying to do, that I believe it is a mistake for us to adopt the amendment limiting the amount which might go to the public-school expenditure.

I wish this matter might be put off until tomorrow. I do not believe myself more sincere in the position I take than he is, and I put both of ourselves upon the same plane, but all with whom I have talked think it is best to have the amount unlimited to take care of the needs, especially when the administrative officers are doing the work now and serving the purpose that we are trying to write into the legislation.

But when the distinguished Senator from Maryland, wonderfully qualified in every way that he is, a leader in this body and entitled to that leadership, rises in his place and makes a speech against the purposes of spending money to carry on the public schools of this country and giving employment to the teachers and education to the children in this emergency, and puts the issue before me, and the roll is called, I know where I am going to stand, and that is for the education of the children of the country and for the continued operation of the public schools. So I hope the Senator from New Mexico will confer with others who believe as he and I and others believe, and that in the end he will think it is wise, in view of the circumstances, and the assurance of the administrative officers, to withdraw his amendment so that it might not limit what we are trying to do.

Mr. CUTTING. Mr. President, may I call to the attention of the Senator that the amendment simply deals with maintenance of the public schools for the remainder of this particular current school year. Does the Senator think that it will be necessary to spend more than $40,000,000 for that purpose? If so, it is contrary to the estimates made by these educational associations.

Mr. HARRISON. I know, Mr. President, that heretofore the administration has felt that in carrying on the public schools and rendering assistance they should not do it in cities of, say, over 5,000 population, because they have felt that if it embraced all the cities of the country that it would be too costly, that it would be almost impossible. And so they have confined it to the smaller rural schools and smaller cities. I do not want that controversy to arise here. I am afraid it will provoke such an issue between the cities and rural communities that will add confusion to the question, and might hamper or destroy the present policy of the Government.

My State is not one of the large States. It has more schools, of course, than has New Mexico, but I think the figures might climb much higher than even $40,000,000, and I am quite sure if the amendment of the Senator from New Mexico is adopted, which does not limit the expenditure to cities of 5,000 or more, as is now the policy of the administration, that the expenditure will climb probably to $100,000,000 or more. So I think we might get into some conflict and confusion about this whole matter which with rare exceptions the Senate of the United States wants to carry forward, namely, assistance to the public schools.

Mr. GLASS. Mr. President, I hope we may have a vote. We will never pass this joint resolution if we are going to spend 2 hours as we have done today on every minor amendment.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from New Mexico.

Mr. CUTTING. Has my amendment been modified so as to provide the amount of $40,000,000?

The PRESIDENT pro tempore. The Senator's amendment has been modified so as to provide $40,000,000.

Mr. CUTTING. Then I ask for the yeas and nays on this question.

The yeas and nays were ordered.

Mr. WALSH. Mr. President, I do not desire to delay the vote; but before the vote is taken I wish to have it understood that if this amendment shall be adopted not only will rural towns and villages and counties be here asking for relief for educational purposes, but cities as well.

In my State of Massachusetts there are teachers in the schools of several cities who have not received their salaries for several months. We are trying to work out that problem, and are working it out without coming to the Federal Government; but once we open the Federal door for educational relief, if any Senator thinks we shall ever be able to confine it to rural communities, he is greatly mistaken. Once we depart from the policy of direct Federal relief to the needy and engage in other relief activities, there will be no limits to many proposals and excessive appropriations. Loans from the Federal Treasury to educational institutions and for school purposes may be justified, but grants will lead to the educational system becoming federalized, and will end local self-government.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from New Mexico [Mr. CUTTING]. On that question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LOGAN. On this question I have a pair with the senior Senator from Pennsylvania [Mr. DAVIS], who is absent. I find that I can transfer that pair to the senior Senator from Montana [Mr. WHEELER], which I do, and vote "yea."

Mr. BULKLEY (after having voted in the negative). I inquire if the Senator from Wyoming [Mr. CAREY] has voted?

The PRESIDENT pro tempore. That Senator has not voted.

Mr. BULKLEY. I have a general pair with that Senator. Not knowing how he would vote, I withdraw my vote.

Mr. ROBINSON. I wish again to announce that the junior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON] are detained by illness.

I also announce that the following Senators are necessarily detained: The Senator from New Hampshire [Mr. BROWN], the Senator from Montana [Mr. WHEELER], the Senator from Ohio [Mr. DONAHEY], the Senator from Florida [Mr. TRAMMELL], the Senator from Oklahoma [Mr. GORE], the Senator from Illinois [Mr. LEWIS], the Senator from Wyoming [Mr.

O'MAHONEY], the Senator from Louisiana [Mr. LONG], and the Senator from Iowa [Mr. MURPHY].

The result was announced—yeas 55, nays 25, as follows:

YEAS—55

Austin	Copeland	King	Reynolds
Bailey	Costigan	La Follette	Russell
Bankhead	Couzens	Logan	Schall
Barbour	Cutting	McAdoo	Schwellenbach
Barkley	Dickinson	McCarran	Shipstead
Bilbo	Duffy	McGill	Steiwer
Black	Frazier	McNary	Thomas, Okla.
Bone	George	Metcalf	Thomas, Utah
Borah	Gibson	Murray	Townsend
Bulow	Hale	Neely	Truman
Burke	Harrison	Norbeck	Vandenberg
Capper	Hastings	Nye	Wagner
Clark	Hatch	Pittman	White
Connally	Johnson	Popo	

NAYS—25

Adams	Fletcher	Maloney	Smith
Ashurst	Gerry	McKellar	Tydings
Bachman	Glass	Minton	Van Nuys
Byrd	Guffey	Moore	Walsh
Byrnes	Hayden	Radcliffe	
Coolidge	Keyes	Robinson	
Dieterich	Lonergan	Sheppard	

NOT VOTING—15

Brown	Davis	Long	Overton
Bulkley	Donahey	Murphy	Trammell
Caraway	Gore	Norris	Wheeler
Carey	Lewis	O'Mahoney	

So Mr. CUTTING's amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, I offer an amendment, on page 2, line 7, to strike out the sum of "$4,000,000,000" and to insert in lieu thereof "$9,000,000,000."

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 2, line 7, it is proposed to strike out "$4,000,000,000" and to insert in lieu thereof "$9,000,000,000", so as to read:

That in order to provide relief and work relief, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be used in the discretion and under the direction of the President, to be immediately available and to remain available until June 30, 1937, the sum of $9,000,000,000—

And so forth.

Mr. LA FOLLETTE obtained the floor.

Mr. TYDINGS. Mr. President, will the Senator yield for a question?

Mr. LA FOLLETTE. Yes; I yield.

Mr. TYDINGS. Does the Senator intend to allocate his $9,000,000,000 if the amendment should be adopted?

Mr. LA FOLLETTE. Should the amendment be adopted it would be necessary, of course, to alter the break-downs contained on page 3 of the joint resolution.

Mr. TYDINGS. I will say to the Senator, in all good faith, that some of us would be more inclined to look with favor on his amendment if we had the break-down that is going to result from the $9,000,000,000. I do not mean to put the Senator to that trouble tonight; but if tomorrow he could give us the break-down it might be that some of us would be inclined to support the amendment who otherwise would not do so.

Mr. GLASS. Mr. President, if the Senator will yield, the break-down would come when these amounts had to be paid back.

Mr. LA FOLLETTE. Mr. President, I recognize that there is a basic conflict of opinion concerning the methods which should be employed in meeting the most serious economic disaster in the written history of the world. I do not question the sincerity of the motives or the patriotism of those who sharply disagree with the point of view to which I have adhered consistently since December 1929, when Congress met following the stock-market crash. The arguments of those who contend that this major economic catastrophe can be permitted to run its course cannot stand analysis for one moment. They cannot stand analysis because certain basic, essential, fundamental, and sweeping economic changes have taken place in this country during the past three or four decades.

Among the most important of these changes is the fact that within the past three or four decades we have taken rapid strides toward the solution of the problem with which mankind has been wrestling since the dawn of written history—the problem of production.

When the pioneers came to this country they were armed with only a few crude tools. They had a bitter struggle against the forces of Nature just to wrest from her the barest necessities of life—food, clothing, and shelter. It was not so long ago in the history of this Republic, for I remember hearing my own mother say that up until the time she was 8 years of age all the clothing which she wore upon her person was produced upon the farm where she lived, with the exception of her shoes, and they were made by hand by the village shoemaker. Thanks, however, to the natural resources with which the Nation was so richly and so generously endowed, thanks to a magnificent citizenship, and thanks to the progress of science and invention, within the past three or four decades we have come with a rush out of the age and the economy of scarcity into an economy of potential abundance and security for all.

Today we have the natural resources, we have the man power, and we have the productive capacity on the farm and in the factory to provide for every citizen of the Republic not only those bare necessities of life for which our immediate ancestors and our forebears had to struggle, but we can today provide for every family in the country those things which, in my view, are sometimes misnamed "luxuries"; those things which give some leisure to life; those things which add to the cultural and the human values of life; those things which make life worth living upon the earth, both from the material and from the spiritual standpoint.

Mr. President, I believe it is generally conceded that the basic, sweeping, and far-reaching economic changes which have taken place in this country have made every large economic group in America dependent upon every other large economic group. Today the farmer cannot get a decent price for his products unless those who live in the cities, towns, and villages have purchasing power with which to pay a decent price for farm products. On the other hand, those who live in the cities, towns, and villages of the country cannot obtain employment, they cannot secure decent wages, unless those who live upon the farm have the purchasing power with which to buy in part the products that are produced and distributed in the cities, towns, and villages of the Nation.

Furthermore, Mr. President, 99 percent of the business and professional men of the Nation have been made dependent for the successful operation of their businesses and for the successful practice of their professions upon the purchasing power of the great masses of the people of the country. Until there is adopted in this country a program which will put the idle at useful work, distribute purchasing power, and stimulate industry, we shall continue to find ourselves in the same or a worse economic situation.

In this session of Congress we are repeating the same procedure which has been repeated in every session of Congress since the depression began. During the first few years of the depression it was impossible to get the Congress to take action to meet the emergency in any respect whatsoever. Then finally, when there came a general recognition of the necessity for action upon the part of the Federal Government in meeting the emergency, in each succeeding session of Congress we have been confronted with a reluctance upon the part of a majority of the Congress to provide sufficient money to inaugurate a program adequate to deal with the crisis. When we came forward with the first relief bill in 1930–31, it was denounced as being excessive, although it provided for only $250,000,000. In the special session of 1933, when the relief bill was finally enacted, providing for $500,000,000, most of the Senators regarded the sum as excessive.

In the special session of 1933, when the $3,300,000,000 public-works program was brought forward, there were many Senators on the floor who denounced that appropriation as being excessive. Yet, Mr. President, after the adjournment of each session of Congress, it has become perfectly obvious that the provisions made to meet not only the

relief situation, but the situation confronting us, so far as unemployment and reemployment were concerned, have been inadequate to the task at hand. In short, it has been impossible to secure the adoption of a program adequate to meet the situation, because there rests in the minds of many Senators—and it is reflected in the minds of many people in this country—the idea that the depression, if permitted to run its course, will cure itself.

It is my view that there is no greater fallacy in the minds of men in this country today than the one that we have drifted out of the depressions of the past, and that therefore we will come out of this depression. I am convinced that we never drifted out of a depression in the past. I am convinced that we have come out of those past depressions because we have been pulled out by the reinvestment of large blocks of private capital for further capital expenditure.

Today the real inducement for the reinvestment of huge blocks of private capital for capital expenditure purposes has disappeared, at least temporarily, from the American economic scene. This is largely due to the fact that the frontier in this country has finally expanded until it now touches the Pacific Ocean. In depressions of the past, when we had a rising tide of immigration, a rising birthrate, and, therefore, a constantly mounting population curve, there was real inducement at the bottom of one of these swings in the business cycle for huge blocks of private capital to flow in, and to reinvest in capital expenditures, for more railroads, to finance the development of the urban and agricultural communities which were constantly springing up from our frontier as it pushed westward, to build more factories and more plants, to provide for the ever-increasing consumer demand due to our ever-mounting population. But, as I said a few moments ago, the frontier has finally been expanded until it touches the Pacific Ocean.

Any young man who took Horace Greeley's advice today to go West would, in the first place, probably have to thumb his way across the United States, and then, when he got to the edge of the frontier, he would be very lucky if he could get a job carrying a spear in the moving pictures in Hollywood.

I do not discount the importance of capital investment for retooling of plants, for the replacement of depreciated property, and for the installation of new machinery to meet new methods. But, generally speaking, the inducement for private capital to reinvest in large blocks for capital-expenditure purposes is no longer present as a factor in our economic situation, and that is a very significant economic fact. It is the reason why this so-called "normal, natural recovery" which has been predicted by orthodox-minded business men, financiers, economists, and politicians, every 6 months since 1929, has not taken place and never will.

Mr. President, just to drive the point home, let us assume that we had $15,000,000,000 right on my desk at this moment. Where would you invest that $15,000,000,000 as a private investment, for capital-expenditure purposes, and expect to get your money back?

I do not want some Senator to tell me that he knows a hotel in his State which can be bought for 15 or 20 cents on the dollar. I do not want to be told of an apartment house which can be obtained for the first mortgage. Those are not the kind of reinvestments I am discussing. I am talking about reinvestment for capital expenditure purposes.

I am sure you would not invest it in the building of any more railroads, when today some of the railroads are before the Interstate Commerce Commission asking for orders of convenience and necessity to tear up some of their existing trackage.

I am sure you would not finance the building of any more hotels, when you can buy very good ones in this country for 15 to 20 cents on the dollar.

I am sure you would not build any more expensive apartment houses, when you can buy many of them for the first mortgages.

I am convinced that you would not finance the development of any more urban or agricultural communities. I am convinced that you would not recommend investing the money in any more automobile plants, when we have a capacity of eight and one-half million units in this country today, and the figures show that at the peak of the boom we never sold more than six and one-half million units at home or abroad.

I am sure that if you have been to Akron, Ohio, you would not recommend building any more tire factories.

I am sure you would not invest the money in any more shoe plants when we have a capacity for producing shoes in this country which, if we let it run at the peak for 6 months, would turn out three and one-half pairs of shoes for every man, woman, and child in this country.

I do not believe you would recommend investing the money in any more textile plants, nor do I think you would recommend building any more silk mills. The fact is, Mr. President, that the real inducement for the reinvestment of huge blocks of private capital for a capital-expenditure purpose has disappeared from the American economic scene.

While it is true that this physical frontier, the expansion of which had so much to do with our constantly increasing development in this country, has been closed, there is another frontier beckoning to courageous statesmanship in this economic crisis. Half the homes in America, both on the farms and in the cities, are below a decent standard of sanitation, comfort, and convenience. In nearly every large metropolitan city of America there are areas which are a disgrace to American civilization. I refer to the slum areas which are in nearly every large metropolitan city in this country. In New York City, to which we often point with pride as the acme of metropolitan development, there are 504,433 apartments that do not have adequate inside plumbing. In the city of Cleveland, Ohio, a survey of the slum area in that community showed that the cost for police and fire protection for that area was approximately $25.50 per capita, as compared with a per capita cost in every other community in the city of $4.25. This survey does not take into account the cost of institutional and corrective care for those whose lives are warped, bent, and broken by their environment in the slum areas of America.

There are $15,000,000,000 worth of highway-railroad grade-crossing separations which need to be made in the cities, towns, villages, and along the highways of this country. With the mounting speed of operation of railroad trains and with the increased speed of automobile travel, these death traps must be eliminated from our cities and from our highways. If we give only the lowest possible economic value to human life, the elimination of these highway-railroad grade-crossing death traps would be self-liquidating in the best sense of the word.

There are thousands of communities in this country, Mr. President, which do not have adequate potable water-supply systems. There are thousands of cities, villages, and towns in this country which do not have modern sanitary sewage-disposal plants. In my own State, as a result of 5 years of intensive study by competent persons, there has been developed a demonstrated need for useful needed work, upon which I base the assertion—applying that survey to the country as a whole—that there is $100,000,000,000 worth of needed and useful work which remains to be done in this country.

What is the alternative, Mr. President? The alternative advanced by those who are opposed to this measure is to balance the Budget and to freeze upon the relief rolls of this Nation in idleness and in half misery those who have already been forced to go through the cruel and inhuman process of pauperization before they got upon the relief roll. To follow that course is to commit economic suicide by degrees. It not only means a demoralized morale—it not only means a loss of skill upon the part of the workers of this country due to enforced idleness—but it also means in the end the destruction of the progress which we have made toward the solution of the problem of production.

Mr. President, it is perfectly idle and futile to talk about balancing the Budget in an emergency of this character. We can no more balance the Budget of the Government of the United States in the emergency of this economic crisis than we could balance the Budget during the emergency of war. In that respect this crisis of the depression and the

crisis of war are similar. In both there are extraordinary expenditures which have to be made. They cannot be avoided. The difference is, however, that once we are in a war there seems to be a unanimity of opinion that the war must be carried on to a successful conclusion. I was about this Chamber, Mr. President, during the dark days of the war. I saw no Senator rise in his place to say that we could not fight the war because it would unbalance the Budget. On the contrary, the Budget of this Government was unbalanced $7,000,000,000 in the first few weeks of the war, and before it was over it was unbalanced to the extent of twenty-six and a half billion dollars. Many Senators applauded the unbalancing process as a patriotic action on the part of this Government.

I will go a step further, Mr. President. Assume the unthinkable thing that some country should declare war upon this country tomorrow; is there a single Senator in this Chamber who would arise in his place and say that we could not defend the United States because it would further unbalance the Budget? Of course not! Everyone knows that in that event all the money necessary for the successful conduct of a war to defend this country would be provided instanter by this Congress.

On the other hand, Mr. President, if we were confronted by the emergency of war, we would not expect to see the President of the United States call in the Director of the Budget and the Secretary of the Treasury and ask them how much money he could have to conduct the war. On the contrary, we would expect to see him call in the Chief of Staff, the Chief of Naval Operations, and ask them how much money it was going to take to run the war, and then, once he had obtained those estimates, he would call in the Secretary of the Treasury and say "Mr. Secretary, here is the problem in your field. Get this money and be quick about it."

Mr. GLASS. Mr. President, if I may interrupt the Senator, I will remind him that one of the most earnest messages sent to the Congress of the United States by any President was a message sent by President Woodrow Wilson, in which he very earnestly protested against undertaking to conduct the war solely by borrowing and urged that it be done by taxation.

Mr. LA FOLLETTE. Mr. President, I remember that the message did not have very much effect on the Congress, because it voted down the tax bill which my father sponsored in this Chamber, which would have taxed war profits to the limit. Reactionary Democrats and reactionary Republicans joined hands to defeat his proposal and adopted one which provided a much less heavy taxation upon war profits and upon wealth, and thereby to that extent took the position that they preferred to finance the major expenses of the war out of borrowings.

Mr. GLASS. But the Congress did enact a tax law imposing unprecedented tax burdens on the American people at that time. It may not have been as extensive a tax bill or as severe a tax bill as the Senator's distinguished father proposed, but, at that, it was an unprecedented tax bill.

Mr. LA FOLLETTE. I acknowledge that a portion of the expenditure for the war was financed by taxation, but I simply wish to point out that the Congress did not follow the Executive's advice to finance the war out of taxation.

Mr. GLASS. That was not the point.

Mr. LA FOLLETTE. I understood that is what the Senator said.

Mr. GLASS. No. The protestation was against financing it altogether by bond issues, and that is what we are now doing.

Mr. LA FOLLETTE. The Senator will have to acknowledge that the course followed has not had my approval. As one of those who have advocated an adequate program to meet the emergency, I have been consistent in seizing every opportunity presented to attempt to increase the taxes of the country to meet the emergency, because I recognize as well as does the Senator from Virginia or any other Senator that in order to meet the problems with which we are confronted in this emergency we must tax!

Mr. GLASS. I think that is true. The Senator did not understand me as being critical of him, did he?

Mr. LA FOLLETTE. Oh, no.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER (Mr. BILBO in the chair). Does the Senator from Wisconsin yield to the Senator from Michigan?

Mr. LA FOLLETTE. I yield.

Mr. VANDENBERG. I do not wish to interrupt the Senator's specific argument, but I would not want his comment respecting the financing of war to pass without this supplemental observation, which, I am sure, will not only interest him but encourage him.

I am perfectly sure that the conclusion which our long-time munitions inquiry will lay down as an American fundamental for the future will be that we must never again fight a war, if it comes, on borrowed money. We must pay as we go. There is no other way to prevent the inflation which inevitably produces the subsequent reflexes precisely of the type from which we are now suffering.

I am sure the conclusion will be that we cannot make a profit out of war, we cannot avoid the subsequent deflation incident to war, except as we cease attempting such experiments on borrowed money. I think if there is an analogy between that situation and the one in which we now find ourselves, it most emphatically challenges the fact that we persist in spending, spending, spending, and decline to provide even a reasonable proportion of the revenues necessary to pay the bill.

Mr. GLASS. Mr. President, if the Senator will submit to a further interruption——

Mr. LA FOLLETTE. Certainly.

Mr. GLASS. I think of all people I am competent to distinguish the difference between the exaltations which pervade the Nation in time of war when the lives of the boys are imperiled and the rather more deliberate and reluctant spirit, if it may be so characterized, which pervades the Nation when we are spending money in experimentation. I say that because as Secretary of the Treasury I floated the Victory Loan after the war, and I know that even so soon after the war I experienced a great deal of difficulty in arousing the patriotic spirit of the Nation.

Mr. LA FOLLETTE. Mr. President, I am not in disagreement with the Senator from Michigan about the necessity of taxing in an emergency of this kind. I was very much interested in what he had to say about the prospective report of the committee investigating the munitions industry, a committee which has, in my opinion, rendered such splendid public service.

However, I wish to say in reply to the suggestion of the Senator from Virginia that it is my firm conviction that the issues at stake in this economic crisis will have a greater potential effect upon the way men, women, and children have to live in this the richest Nation on earth, than the outcome of any war in which the Nation has ever been engaged since it was founded.

Mr. COSTIGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Colorado?

Mr. LA FOLLETTE. I yield.

Mr. COSTIGAN. Human nature being what it is, both in and out of the Senate, I assume that the distinguished Senator from Wisconsin has some doubt as to the willingness of the present Congress to finance the pending relief measure now, and that the real question to be answered is whether we must proceed to make emergency expenditures in this country regardless of an immediate program of taxation adequate to pay for such emergency expenditures.

That being so, if it is so, I take for granted that the Senator from Wisconsin believes as an alternative that we must have a long-time balancing of the Budget, namely, adequate expenditures in the crisis, whether of peace or war, and, following that crisis, sufficient taxation in better times to help retire the indebtedness incurred during more difficult times. If that is the position of the Senator from Wisconsin, I need not say that I agree with him on both counts.

Mr. LA FOLLETTE. I am in partial agreement with the statement made by the Senator from Colorado, but I was about to say, when he rose to interrupt me, that it seems perfectly clear, from the experience of other countries which have been afflicted with the same economic "disease" from which we have been suffering, but which have had it longer than we have, and therefore we may see something of its prognosis, that every large industrial country in the world has come to a point where it had to determine whether it would tax sufficiently to maintain government credit or whether it would resort to uncontrolled or an attempted controlled inflation. The only industrial country in the world which has had the courage to tax sufficiently to maintain its credit and at the same time to adopt measures which it considered necessary to meet the problems of its people is Great Britain.

Therefore, Mr. President, in further answer to the suggestion of the Senator from Colorado, I think this country will be forced to increase taxation, not in order to balance the Budget—for that I believe to be an utter impossibility—but in order to make it possible to continue these extraordinary expenditures over a long period of time it must increase its taxation in order to maintain the credit of the Government.

Mr. ROBINSON. Mr. President, I understand that the Senator from Wisconsin would like to resume his address tomorrow.

Mr. LA FOLLETTE. I am anxious not to delay the joint resolution, and I certainly have tried not to take up any time on it; but the Senator from Virginia [Mr. GLASS] advises me that it will have to go over until tomorrow. If the Senator from Arkansas wishes to have an executive session, it would be agreeable to me to yield at this time.

Mr. ROBINSON. It is desired to have an executive session at this time.

Mr. LA FOLLETTE. Then I yield the floor for the day.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. BILBO in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. LOGAN, from the Committee on the Judiciary, reported favorably the nomination of Stanley Reed, of Kentucky, to be Solicitor General, vice James Crawford Biggs, resigned.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the following nominations:

Frank P. Lockhart, of Texas, now a Foreign Service officer of class 2 and a consul general, to be also a secretary in the Diplomatic Service; and

George A. Makinson, of California, now a Foreign Service officer of class 3 and a consul, to be a consul general.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

The calendar is in order.

RECONSTRUCTION FINANCE CORPORATION

The legislative clerk read the nomination of Charles T. Fisher, Jr., of Michigan, to be a member of the Board of Directors of the Reconstruction Finance Corporation.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE JUDICIARY

The legislative clerk read the nomination of Clifton Mathews, of Arizona, to be United States circuit judge for the ninth circuit.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John M. Moore to be United States marshal for the eastern district of Kentucky.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

ARCHIVIST OF THE UNITED STATES

The legislative clerk read the nomination of Robert D. W. Connor, of North Carolina, to be Archivist of the United States.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of David B. Macgowan, of Tennessee, to be consul general.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John P. Hurley, of New York, to be consul general.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

Mr. CLARK. Mr. President, I ask that the nomination of Jessalee Nash to be postmaster at Hollister, Mo., be passed over until I may have a chance to examine it.

Mr. McKELLAR. Does the Senator desire to have the nomination recommitted?

Mr. CLARK. No; I merely ask to have it passed over.

Mr. McKELLAR. With that exception, I ask to have the nominations of postmasters on the calendar confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters on the calendar, with the exception of the nomination of Jessalee Nash to be postmaster at Hollister, Mo., are confirmed en bloc.

That completes the calendar.

RECESS

Mr. ROBINSON. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 55 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Thursday, March 21, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 20 (legislative day of Mar. 13), 1935

UNITED STATES ATTORNEY

Joseph T. Votava, of Nebraska, to be United States attorney, district of Nebraska, vice Charles E. Sandall, term expired.

POSTMASTERS

ALABAMA

Leo F. Walton to be postmaster at Lafayette, Ala., in place of J. F. Frazer. Incumbent's commission expired June 17, 1934.

COLORADO

Charles L. Dunn to be postmaster at Johnstown, Colo., in place of O. T. Brunner. Incumbent's commission expired March 8, 1934.

CONNECTICUT

James M. Tomney to be postmaster at Coscob, Conn., in place of H. G. Miller. Incumbent's commission expired April 16, 1934.

Albert P. Walsh to be postmaster at Danbury, Conn., in place of E. H. Bailey. Incumbent's commission expired January 9, 1934.

John A. Jackson to be postmaster at Durham, Conn., in place of O. M. Bristol. Incumbent's commission expired May 2, 1934.

William J. Hernberg to be postmaster at Mansfield Depot, Conn., in place of M. M. Hansen. Incumbent's commission expired December 7, 1932.

Harry A. Schultz to be postmaster at Middlefield, Conn., in place of E. M. Jenkins. Incumbent's commission expired March 18, 1934.

Joseph R. Tyrseck to be postmaster at Montville, Conn., in place of F. C. Perry. Incumbent's commission expired January 22, 1934.

Eugene B. Thomas to be postmaster at Moodus, Conn., in place of W. N. Manee. Incumbent's commission expired May 2, 1934.

James R. May to be postmaster at New London, Conn., in place of P. K. Dewire, resigned.

John A. Leahy to be postmaster at Plainfield, Conn., in place of C. A. Jerome, resigned.

Paul D. Wren to be postmaster at Westbrook, Conn., in place of E. F. Schmidt. Incumbent's commission expired May 9, 1934.

James J. Lee to be postmaster at Willimantic, Conn., in place of F. M. Smith. Incumbent's commission expired January 28, 1934.

Inez V. Lawson to be postmaster at Wilton, Conn., in place of J. L. Davis. Incumbent's commission expired December 16, 1933.

FLORIDA

Gertrude Scott to be postmaster at Jacksonville Beach, Fla., in place of A. E. Koehler, deceased.

Lynn W. Bloom to be postmaster at Lakeland, Fla., in place of F. D. Smith, retired.

GEORGIA

Bernie C. Chapman to be postmaster at Porterdale, Ga., in place of B. C. Chapman. Incumbent's commission expired February 25, 1935.

ILLINOIS

Theodore S. Wright to be postmaster at Kansas, Ill., in place of R. F. Sexton. Incumbent's commission expired February 28, 1933.

Vernon L. Baie to be postmaster at Shabbona, Ill., in place of E. R. Grant. Incumbent's commission expired May 12, 1932.

Louis H. Tegtmeyer to be postmaster at Steeleville, Ill., in place of N. A. Jay. Incumbent's commission expired January 31, 1934.

INDIANA

Orlin F. Reinhardt to be postmaster at New Salisbury, Ind., in place of B. F. Pearson, removed.

IOWA

William S. Richard to be postmaster at Corydon, Iowa, in place of G. R. West. Incumbent's commission expired December 20, 1934.

KENTUCKY

Nannie G. Woodson to be postmaster at Eddyville, Ky., in place of L. G. Hall. Incumbent's commission expired December 20, 1934.

MAINE

Arlene C. Hoffses to be postmaster at Waldoboro, Maine, in place of W. C. Flint. Incumbent's commission expired December 20, 1934.

MARYLAND

Guy K. Motter to be postmaster at Frederick, Md., in place of I. S. Biser, retired.

MASSACHUSETTS

Thomas S. Starodoj to be postmaster at Ware, Mass., in place of L. E. St. Onge, retired.

MICHIGAN

Edgar S. Allen to be postmaster at Mancelona, Mich., in place of A. E. Gibbs. Incumbent's commission expired January 13, 1935.

Clarence J. Maloney to be postmaster at Mass, Mich. Office became presidential July 1, 1934.

Donald E. Howell to be postmaster at Wayne, Mich., in place of H. C. Ziegler, removed.

MINNESOTA

May E. Aukofer to be postmaster at Welcome, Minn., in place of F. H. Wherland, deceased.

MISSOURI

Sidney M. Cramer to be postmaster at Archie, Mo., in place of W. O. Tout. Incumbent's commission expired June 24, 1934.

Zera Lee Stokely to be postmaster at Poplar Bluff, Mo., in place of A. N. Ferguson. Incumbent's commission expired June 2, 1934.

NEW JERSEY

William H. Fisher to be postmaster at Phillipsburg, N. J., in place of J. R. Dick, removed.

NEW YORK

Ida P. Jenkens to be postmaster at Greenwood Lake, N. Y., in place of W. B. Phillips, removed.

Arthur J. Belgard to be postmaster at Ogdensburg, N. Y., in place of J. M. Bentley, retired.

OREGON

Sylvester D. Goshert to be postmaster at Nyssa, Oreg., in place of P. D. Smith. Incumbent's commission expired June 2, 1934.

PENNSYLVANIA

Leo McAlee to be postmaster at Johnsonburg, Pa., in place of J. J. Donnelly. Incumbent's commission expired January 28, 1934.

James M. Herrold to be postmaster at Port Trevorton, Pa. Office became Presidential July 1, 1922.

Edward L. Middleswarth to be postmaster at Yeagertown, Pa., in place of J. M. Aiken. Incumbent's commission expired March 8, 1934.

PUERTO RICO

Hortensia R. O'Neill to be postmaster at San German, P. R., in place of H. R. O'Neill. Incumbent's commission expired December 18, 1934.

RHODE ISLAND

Laura Francois to be postmaster at Alton, R. I., in place of J. A. Greenhalgh. Incumbent's commission expired October 16, 1933.

George W. Jenckes to be postmaster at Slatersville, R. I., in place of G. W. Jenckes. Incumbent's commission expired June 17, 1934.

Grace S. Croome to be postmaster at West Kingston, R. I., in place of G. S. Croome. Incumbent's commission expired January 28, 1935.

TEXAS

Oscar L. Weaver to be postmaster at Thurber, Tex., in place of John Plummer, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 20 (legislative day of Mar. 13), 1935

RECONSTRUCTION FINANCE CORPORATION

Charles T. Fisher, Jr., to be member of the Board of Directors of the Reconstruction Finance Corporation.

ARCHIVIST OF THE UNITED STATES

Robert D. W. Connor to be Archivist of the United States.

UNITED STATES CIRCUIT JUDGE

Clifton Mathews to be United States circuit judge, ninth circuit.

UNITED STATES MARSHAL

John M. Moore to be United States marshal, eastern district of Kentucky.

DIPLOMATIC AND FOREIGN SERVICE

David B. Macgowan to be consul general.
John P. Hurley to be consul general.

POSTMASTERS

ARIZONA

John B. Boone, Coolidge.
Albert H. Adams, Scottsdale.

CALIFORNIA

Bertha A. Williams, Cloverdale.

DELAWARE

Bradford P. Jones, Bridgeville.
Roland F. Quillin, Laurel.

FLORIDA

George H. Stokes, Callahan.

GEORGIA

John Frank Chappell, Americus.

ILLINOIS

Henry R. Engel, Beecher City.
Scottie Brown, Edgewood.
Paul H. Sachtleben, Hoyleton.
Anthony H. Koselke, Lansing.
Donald C. Simons, Maple Park.
Madeline E. Brannick, Minooka.
Mary Bellert Corson, Northbrook.

INDIANA

Helen B. Fultz, Crothersville.
Walter R. Meinert, Silver Lake.

KANSAS

Harold P. Knipe, Grinnell.
Ila M. Menefee, Hoxie.
Albert H. Gillis, Kansas City.
Wilbert F. Kunze, Kensington.
Joseph H. Schneider, Nortonville.
Elmer L. G. Epperson, Scott City.
John E. Barrett, Topeka.
Joseph B. Riddle, Wichita.

MINNESOTA

Charles B. Smith, Alexandria.
Marie H. Sands, Alvarado.
Thomas H. Brandon, Annandale.
John E. Pasch, Barnesville.
Walter L. Dickson, Big Falls.
Peter Evensen, Bigfork.
Egbert J. Sutherland, Chatfield.
James B. Hubbell, Forest Lake.
Irene G. Almquist, Harris.
Edward J. King, Hastings.
Paul M. Saemrow, Morristown.
Robert E. O'Donnell, Mound.
Otto A. Kubat, Owatonna.
George H. Tome, Pine Island.
Robert S. Cowie, Rothsay.

MISSOURI

Emmet O. Griffin, Carterville.
Elta E. Eubank, Clifton Hill.
George L. Chancellor, Goodman.
Albert J. Robinson, Gorin.
Joseph W. Evans, Hale.
Laurence D. Estill, Lawson.
Edna S. Spencer, Malta Bend.
Ivan Weber, Richmond.
Charles E. Logan, Spickard.

NEW HAMPSHIRE

Harry B. Burtt, Amherst.

NEW YORK

John L. Purcell, Aurora.
Hattie B. Dye, Cassadaga.
Charles C. Curry, Dansville.
William C. Sharp, Greenwich.
George H. Raum, Kenoza Lake.
Frederick M. Dennin, Lake Placid.
William H. Ordway, Mount McGregor.
Frank D. Hurd, Napanoch.
Edward V. Canavan, Niagara Falls.
Percy C. Tatem, Old Westbury.
Oren G. Hunter, Parish.
Robert A. Lundy, Ray Brook.
Virginia L. Dennison, Sackets Harbor.
Victor J. Banfield, Van Etten.
Fred Burns, Walden.
Gertrude M. Ackert, West Park.

NORTH DAKOTA

Otis Malone, Almont.
John A. Knapp, Binford.
Willam F. Moede, Dunn Center.
Agnes S. Reynolds, Edmore.
Michael C. Rausch, Elgin.
Francis W. Powers, Havana.
Thelma G. Bohrer, Stanton.

SOUTH CAROLINA

Benjamin Rutledge Fuller, Clinton.
Thomas E. Stokes, Darlington.
Walter T. Barron, Fort Mill.
George S. McCravey, Liberty.
Raymond Phillips, Seneca.

UTAH

Jesse M. French, Greenriver.

VIRGINIA

Harvey G. McGlothlin, Richlands.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 20, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God of our fathers, at this time we would open the doors of our hearts to the divine presence, whose love shall bring us into fellowship and unity with Thy holy purpose. Do Thou grant it, blessed Lord. Let us hear Thy voice calling us into harmony with the wisest and best plans for the Republic. Heavenly Father, with our faltering lips we pray for an anguished world which is still sharpening its swords. The paganism of war is still brooding over the ideals of empires based on bloody tragedy which is lurking in the shadows. On the waves of militaristic emotion, generated by the insanity of hate, crying, " Dominion or death ", the nations are headed toward the rocks and shoals on which the countless millions have perished. Almighty God, put forth Thine arm against the savagery of human nature. Teach man everywhere that the world can never be saved through the bludgeon of force. Oh spare it from the blinding flash that soon may convulse it in the throes of death and destruction. Bring all peoples to the realization that Bethlehem alone can overthrow the Caesars and the road to the cross is the way to peace. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate insists upon its amendments to the bill (H. R. 6644) entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes ", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses

thereon, and appoints Mr. ADAMS, Mr. GLASS, Mr. MCKELLAR, Mr. HALE, and Mr. KEYES to be the conferees on the part of the Senate.

HOUR OF MEETING TOMORROW

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

Mr. SNELL. Mr. Speaker, reserving the right to object, I do not want to interfere with the arrangement of the time of meeting each day, but if you are going to continue to allow speeches to come in when we have an important bill before the House, I am going to oppose meeting at 11 o'clock in the morning. We had two or three such speeches yesterday, and we have a short one today. We have had several such speeches every single day, and if you are going to continue that program, I shall object.

Mr. TAYLOR of Colorado. I may say to the minority leader that we have about 6 hours of general debate before us, and the Ways and Means Committee feels that we might expedite the matter by having an extra hour tomorrow. Those Members who do not care to listen to the debate need not do so.

Mr. SNELL. That is all right, but when you have an important bill before the House, I think it is incumbent upon the gentleman's side of the House to protect the time on that measure.

Mr. TAYLOR of Colorado. I did not object and no one did object to the gentleman from Nebraska delivering a 10-minute tribute to the memory of William Jennings Bryan on his birthday. I am confident the whole House approved of the granting of that much time for that purpose.

Mr. SNELL. That is all right. I do not care anything about Mr. Bryan or anybody else particularly, but if you are going to do this I think it is rather unfair to ask us to come here at 11 o'clock.

Mr. TAYLOR of Colorado. We are not going to keep that up, but I felt that we could not refuse 3 minutes for the gentleman from Texas to present an important matter.

Mr. SNELL. I have no objection to the gentleman from Texas having such time; in fact, I am pleased for him to have it; but I am talking about the custom here of having Members make speeches and then ask us to come in at 11 o'clock, when on other days we have nothing to do.

Mr. TAYLOR of Colorado. I have no objection to that. I should like to adjourn as early in the afternoon as we consistently can, in order to give the Members an opportunity to keep up as near as possible with their office work.

Mr. SNELL. If we let you do this, will you protect your own bill hereafter?

Mr. TAYLOR of Colorado. I will try to protect our bill, and I hope to continue to adjourn over Saturdays as long as I can, because it is utterly impossible for the Members to sit on the floor of this House 6 days a week and comply with the imperative work that is heaped upon them.

Mr. GREENWOOD. Mr. Speaker, if the gentleman will permit, I do not understand there are any special orders for tomorrow. There are about 7 hours of general debate left, and I think meeting at 11 o'clock tomorrow would facilitate the general debate so we could get on with the consideration of the bill; and, of course, with respect to these special assignments, any Member can object.

Mr. SNELL. If you are going to do that, does not the gentleman think it is an obligation of the majority to protect its own legislation?

Mr. GREENWOOD. I agree with the gentleman that these special assignments ought not to be continued when we have a bill like this under consideration, but at times there are special occasions when we hate to object.

Mr. SNELL. I think the gentleman is right about that.

Mr. GREENWOOD. On such occasions I would not desire to object to the gentleman or anybody else getting such permission.

Mr. SNELL. I do not want to object, but we have been having such requests continually, and then we are asked to meet at 11 o'clock to make up for them.

Mr. GREENWOOD. May I ask if there is any special order for tomorrow?

Mr. TAYLOR of Colorado. I know of none for tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Colorado that when the House adjourns today it adjourn to meet at 11 o'clock?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

The SPEAKER. Under the special order of the House the gentleman from Texas [Mr. KLEBERG] is recognized for 3 minutes.

Mr. KLEBERG. Mr. Speaker, I yield to the gentleman from New York to submit a unanimous-consent request.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent for time within which the Clerk may read a communication addressed to me by the gentleman from New York [Mr. FISH] expressing his views on the pending bonus bills now before the House, following the remarks of the gentleman from Texas [Mr. KLEBERG]. This will take about 3 minutes.

Mr. RANKIN. Mr. Speaker, reserving the right to object, it seems to me that this time ought to be allotted to the distinguished gentleman from New York [Mr. FISH] by the Member in control of the time on the Republican side. The gentleman from New York may be very busy somewhere else making speeches or something of that sort, but if this letter from him is going to be read it ought to be taken out of the time allotted for debate on this measure; and much as I regret to do so, I am going to ask the gentleman from New York [Mr. REED] to secure time in that way. I shall not object to the reading of the letter if he can get such time out of the time allotted for debate to that side of the House.

Mr. REED of New York. Personally I have a very important engagement, and I was hopeful——

Mr. RANKIN. I may say to the gentleman from New York [Mr. REED] that if he has to leave, if they will allot the time on that side, we will have the same Clerk read it that would read it if the gentleman was here.

Mr. TREADWAY. If it will aid in getting under way so that we may allot time, I shall yield 3 minutes to the gentleman from New York now.

Mr. RANKIN. That is the most generous thing I have ever known the gentleman from Massachusetts to do. [Laughter.]

The SPEAKER. The gentleman from Texas [Mr. KLEBERG] is recognized for 3 minutes.

COTTON

Mr. KLEBERG. Mr. Speaker, on yesterday a bill passed this House providing exemptions for certain raisers of cotton. I cannot, Mr. Speaker, fail to take this occasion to do at least my bit by calling the attention of the House and the country to the fact that this bill, and the preliminary agitation and publicity attending it, have had more to do with the fall in the price of the Southland's greatest crop than possibly any other one thing.

Mr. Speaker, on March 1 the average price of cotton in the 10 spot markets was 12.58 cents per pound, making the value of a bale of cotton $62.90. March 11 the price had dropped to 11.21 cents per pound, making the value per bale $56.05. March 18 the spot price had dropped to 10.55 cents per pound, making the value per bale $52.75. In this period of 18 days the value of a bale of cotton had dropped a little more than $10.

The United States supply of American cotton March 1 was estimated at approximately 11,000,000 bales. This supply was worth approximately $700,000,000 March 1, but it declined to less than $600,000,000 by March 18. A large part of this decline of $110,000,000 in 18 days can be attributed to the agitation for 2-, 3-, and 4-bale exemptions to all producers, and the effect such exemptions would have in increasing the production of cotton in 1935 and adding to our already burdensome supply.

Under the present 1935 cotton program, it is estimated that approximately eleven and one-half million bales will be pro-

duced in 1935. If a crop materially larger than this is produced and added to the prospective carry-over of around eight and one-half million bales August 1, 1935, the supply for the 1935–36 season will be so large as to have a disastrous effect on the price received by producers.

The supply for the present season and the present prospective supply for the 1935–36 season are adequate to meet all prospective demands, both at home and abroad.

In spite of all that has been said about the rapid increases in production in foreign countries, the 1934–35 world cotton production is now estimated by the Bureau of Agricultural Economics at 22,600,000 bales compared with an estimated production in 1933–34 of 26,100,000 bales. Production in foreign countries for the current season is estimated at 12,869,000 bales, a decline of 184,000 bales from the previous season.

Now, Mr. Speaker, by comparing cotton prices as of March 4, 1933, then approximately $37 per bale, and cotton prices prior to the drop just referred to, we should view a change now with real concern at this period, the planting season. Since the beginning of the operation of the so-called "Bankhead Act" there has been no case decided in the courts. A reasonable satisfaction on the part of the producers of cotton to date can, therefore, be assumed.

When you divide the producers of cotton into two classes requiring a revision downward of the landowner group and give a 3-bale exemption to the share-cropper or tenant, we are going to find ourselves confronted finally with a constitutional question before the courts as the inevitable result of this division between the producers of cotton all over the South.

[Here the gavel fell.]

Mr. KLEBERG. While I am not wedded by any means to the idea that compulsory reduction of production as a permanent policy is to the best interest of the South, I do think that as emergency legislation it has definitely shown results in bringing prices up to at least the point of giving temporary relief to the distressed cotton farmer.

On Monday, March 18, 1935, the Doxey bill amending the Bankhead Act was under consideration all day in the House. Its passage was a foregone conclusion. On that day the price of cotton declined an average of $2.50 per bale.

On Tuesday, March 19, 1935, the bill was voted on and passed and the market recovered 32 to 37 points.

About this time a conference of Senators from cotton-producing States halted this progressive liquidation that had been undermining the price structure in the last several days. One Senator announced that an agreement had been reached reducing the quota to 10,000,000 bales, on which 12 cents per pound would be lent next season. In addition, 30 percent of the customs receipts to be used as a subsidy for exports and other purposes was made part of this agreement.

It should be apparent that the above release and not the Doxey bill stopped the down rush of prices.

The mere mechanics of changing all quotas and contracts now complete and the making of the multitude of new ones to include the new exempted class will so delay the ginning and marketing, not to mention the picking, as to make the burden of the southern cotton farmer of both groups near unbearable.

My objections to the Doxey bill are confined to the exemption features of the measure and the failure of the proponents to provide for an adequate reimbursement to the ginners of the South for their part in administering the act. I am in hearty acccord with the appeal board provisions and the provision for the payment of ginners for 1935 and 1936. I hold only the very highest regard for the distinguished gentleman from Mississippi—the author of this bill. I consider him one of the most competent and able representatives from the southland from which we both come. Personally, he is a delightful and courteous gentleman whom I feel privileged to call my friend.

I am not, of course, acquainted with the problems which confront him in his district and State. Therefore my opposition to this measure is in nowise to be considered a reflection on him. We have served together as fellow members of the House Committee on Agriculture, and for my part I say here and now that no member of the committee has shown a greater interest in the welfare of his district or in the general welfare of those engaged in agricultural pursuits than has WALL DOXEY.

Some fairly accurate calculations have been made for the purpose of indicating how the original 2-bale allotment provided in the Doxey amendment would affect various States and counties. I will present at the conclusion of this statement tables showing the result of allotting 2 bales of cotton to all producers in Walker County, Ala., and the result of making a 2-bale allotment to all producers in Franklin County, Ark. Time did not afford a more complete statistical picture to be developed.

For example, if exemption is to be extended to 3 bales, the number of counties affected, as Franklin County in Arkansas and Walker County in Alabama, in the case of the 2-bale allotment, would be many times multiplied. This would have the effect of working the grossest injustices as between various types of producers within communities, within counties, within States, and then as between States in the Cotton Belt. With the 3-bale exemption to all individuals there would be numerous counties in which this type of producer would require more than the total allotment to these counties. This would leave no cotton available to be allotted to other producers in these same countries. Even to meet the necessary allotment to those in the 3-bale class it would be necessary to draw upon other counties in the State. As between States, there would be a general movement of cotton away from certain States to other States.

If we are to stay within the Bankhead allotment, the tendency in all cases would be to draw cotton away from all tenants and all landowners who produce more than 3 bales of cotton and allot the same to those who produce 3 bales of cotton or less. This would have the effect of drawing cotton away from the established cotton-producing counties and regions and allotting it to those counties and those regions which normally produce small quantities per individual producer. The net result would be that the number of producers who have in the past produced a relatively small percentage of the crop would be allotted a much larger percentage of the total allotment than their average production would entitle them to receive.

A further effect of this proposal would be to so greatly increase the amount of work to be done by those in charge of the cotton-adjustment program as to make it impossible to secure all necessary information, to make allotments, and to issue exemption certificates in time to gin the crop of the present year. The problem at this point would involve a complete farm census which would have to be made to determine the production record of more than two and one-half million producers, the tabulation of the information thus obtained, the allocation to each individual of the allotment to which he is entitled, and then the issuance of exemption certificates to cover the same. It should be pointed out that county allotments could not be made until the foregoing information is obtained and from it is determined the necessary amount of tax-free cotton to be set aside in the case of each State. It should also be pointed out that the allotment to the entire Belt would first be reduced by the number of pounds required to meet the allotment to be made under the 3-bale exemption. Following this the State and county allotments would be based upon the cotton remaining.

To put the proposed 3-bale exemption into effect, it would also be necessary to rewrite all rules, rewrite all regulations, rework the entire method of procedure, and revise all forms and literature required to put the program into effect this year. All literature covering the voluntary program and the application of the Bankhead Act this year has been printed. Most of it has been in the field for many weeks. Much of the work of the present year is drawing to completion.

In applying the Bankhead Act in 1935, the President's proposal to grant "exemption for the full amount of his base production to each farmer who has an established base

production of not more than two bales of cotton" is being put into effect under the following administrative ruling:

If the allotment basis of any farm on which cotton was planted in any year after 1927 and before 1935 is 956 pounds or less, the allotment shall be 100 percent of the allotment basis, and if the application of such percentual figure to the allotment basis of any farm with an allotment basis of more than 956 on which cotton was planted in any year after 1927 and before 1935 results in a figure of less than 956 pounds, the allotment shall be 956 pounds.

These tables give a sectional idea of the results to be reasonably expected and the above data is the result of a study made at my request by the Cotton Section of the Agricultural Adjustment Administration.

Walker County, Ala.—Estimated allotment necessary to allot 2 bales to each producer unit having an average production of 2 bales or less, and to allot not less than 2 bales to each producer unit having an average production of more than 2 bales

Production range (pounds produced per producer unit) (1)	Number of producer units (2)	Average bales produced per unit (3)	Total bales produced during base period, by ranges (4)	1934 allotment in bales, by ranges (5)
From 0 to 239	132	0.45	59	31
From 240 to 478	518	.80	414	215
From 479 to 717	500	1.25	625	324
From 718 to 956	516	1.75	903	468
From 957 to 1,195	397	2.25	893	464
From 1,196 to 1,434	493	2.75	1,356	703
Total	2,556		4,250	2,205

The average production of cotton in Walker County, Ala., by 4,546 producers in the period 1928 to 1933 was 11,042 bales. Of this amount, 2,556 producers, each having an average production of 3 bales or less, produced 4,250 bales. The total county allotment in 1934 was 5,727 bales, of which 2,205 bales were allotted to these small producers of 3 bales or less, while in 1935 they would receive 5,112 bales if 2 bales were allotted to each producer having an average production of 2 bales or less, and not less than 2 bales were allotted to each producer having an average production of more than 2 bales. Relatively, this means that producers who produced 38.5 percent of the cotton in the period 1928 to 1933 received 38.5 percent of the total county allotment in 1934, while in 1935 this same group of small producers would receive 89.3 percent of the total county allotment.

Franklin County, Ark.—Estimated allotment necessary to allot 2 bales to each producer unit having an average production of 2 bales or less, and to allot not less than 2 bales to each producer unit having an average production of more than 2 bales

Production range (pounds produced per producer unit) (1)	Number of producer units (2)	Average bales produced per unit (3)	Total bales produced during base period by ranges (4)	1934 allotment in bales by ranges (5)
From 0 to 239	113	0.45	51	30
From 240 to 478	624	.80	499	291
From 479 to 717	631	1.25	789	460
From 718 to 956	210	1.75	368	215
From 957 to 1,195	259	2.25	583	340
From 1,196 to 1,434	129	2.75	355	207
Total	1,966		2,645	1,543

The average production of cotton in Franklin County, Ark., by 2,240 producers in the period 1928 to 1933 was 4,602 bales. Of this amount 1,966 producers, each having an average production of 3 bales or less, produced 2,645 bales. The total county allotment in 1934 was 2,772 bales, of which 1,543 bales were allotted to these small producers of 3 bales or less, while in 1935 they would receive 3,932 bales if 2 bales were allotted to each producer having an average production of 2 bales or less and not less than 2 bales were allotted to each producer having an average production of more than 2 bales. Relatively, this means that producers who produced 57.5 percent of the cotton in the period 1928 to 1933 received 57.5 percent of the total county allotment in 1934, while in 1935 this same group of small producers would require 41.8 percent more than the total county allotment.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point and to include therein the cotton quotations of yesterday, to show that the price of cotton advanced $1.50 a bale while we were voting on the Doxey bill, and when everybody knew the bill was going to pass with the 3-bale limit included.

The SPEAKER. The gentleman from Mississippi asks unanimous consent to extend his remarks in the RECORD at this point and to include therein some statistics relative to the price of cotton yesterday. Is there objection?

Mr. RICH. Mr. Speaker, I reserve the right to object to inquire what those statistics are going to be and how much space in the RECORD they are going to occupy.

Mr. RANKIN. What I want to show is that on yesterday cotton advanced $1.50 a bale, while we were passing the Doxey bill with the 3-bale limit included.

Mr. RICH. I am just interested in how much of the RECORD the gentleman from Mississippi will take up with these statistics. He takes up so much of the RECORD that I do not want him to fill in several pages.

Mr. RANKIN. Oh, if I did, the gentleman from Pennsylvania would not read it; so what is the difference? I want to extend my remarks in the RECORD to include the cotton market of yesterday, to show that instead of cotton going down on the passage of the Doxey bill it actually went up $1.50, and that it did that while we were voting on the Doxey bill, when everyone knew that the bill was going to pass, including the amendment increasing the limit for small farmers to 3 bales.

Mr. RICH. I want to know how many editorials that will comprise.

Mr. RANKIN. Oh, I am not going to introduce any editorials, and to be frank with the gentleman from Pennsylvania, I really now do not expect to extend my remarks at all, because I have told the House and the country what I want them to know. [Laughter and applause.]

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

EXECUTIVE ORDERS RESPECTING VETERANS' LAWS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to place in the RECORD certain Executive orders issued by the President yesterday, which change the veterans' laws by Executive order. I might say the time for issuing such Executive orders expired last night.

The SPEAKER. Is there objection?

There was no objection.

Mr. COCHRAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following Executive orders issued by the President yesterday:

To the Congress of the United States:

Pursuant to the provisions of section 20, title I, of the act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933, I am transmitting herewith Executive Orders No. 6989 (Veterans' Regulation No. 1 (g)), No. 6990 (Veterans' Regulation No. 2 (d)), No. 6991 (Veterans' Regulation No. 6 (d)), and No 6992 (Veterans' Regulation No. 10 (c)), approved by me March 19, 1935.

Executive Order No. 6989 amends Executive Order No. 6156 (Veterans' Regulation No 1 (a)), approved by me June 6, 1933. Executive Order No 6990 amends Executive Order No. 6230 (Veterans' Regulation No. 2 (a)), approved by me July 28, 1933; Executive Order No. 6991 amends Executive Order No 6232 (Veterans' Regulation No. 6 (a)), approved by me July 28, 1933, and Executive Order No. 6992 amends Executive Order No. 6098 (Veterans' Regulation No. 10), approved by me March 31, 1933.

These regulations were promulgated in accordance with the terms of title I of Public, No. 2, Seventy-third Congress, "An act to maintain the credit of the United States Government", approved March 20, 1933.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 19, 1935.*

EXECUTIVE ORDER No. 6991

VETERANS' REGULATION No. 6 (D)

ELIGIBILITY FOR DOMICILIARY OR HOSPITAL CARE, INCLUDING MEDICAL TREATMENT

By virtue of and pursuant to the authority vested in me under section 6 of title I of the act of March 20, 1933 (48 Stat. 9), as amended by section 1 of the act of June 16, 1933 (48 Stat. 301), as amended by section 29 of the act of March 28, 1934 (48 Stat. 525; 38 U. S. C. 706), the following regulation amending Veterans' Regulation No. 6 (a), as amended, is hereby prescribed:

1. Paragraph VIII of Veterans' Regulation No. 6 (a) is hereby amended to read as follows:

"The Administrator of Veterans' Affairs is authorized to continue hospital and domiciliary care of those persons properly admitted under the laws in effect prior to March 20, 1933, until such time as they may be discharged without jeopardizing their health or life."

2. This regulation shall be effective as of March 20, 1933.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 19, 1935.*

EXECUTIVE ORDER No. 6989

VETERANS' REGULATION No. 1 (G)

ENTITLEMENT TO PENSIONS

By virtue of and pursuant to the authority vested in me under sections 1 and 4 of title I of the act of March 20, 1933 (48 Stat. 8, 9; 38 U. S. C. 701, 704), the following regulation amending Veterans' Regulation No. 1 (a), as amended, is hereby prescribed:

1. Paragraph IV of part I of Veterans' Regulation No. 1 (a) is hereby amended to read as follows:

"The surviving widow, child or children, and/or dependent mother or father of any deceased person who died as a result of injury or disease incurred in or aggravated by active military or naval service, as provided for in part I, paragraph I, hereof, shall be entitled to receive pension at the monthly rates specified next below:

Widow under 50 years of age	$30
Widow 50 years to 65 years of age	35
Widow over 65 years of age	40
Widow with one child, $10 additional for such child up to 10 years of age, increased to $15 from age 10 (with $8 for each additional child up to 10 years of age, increased to $13 from age 10).	
No widow but one child	20
No widow but two children (equally divided)	33
No widow but three children do	46
(With $8 for each additional child; total amount to be equally divided.)	
Dependent mother or father	20
(Or both) (each)	15

"The total pension payable under this paragraph shall not exceed $75. Where such benefits would otherwise exceed $75, the amount of $75 may be apportioned as the Administrator of Veterans' Affairs may prescribe."

2. Paragraph III of part II of Veterans' Regulation No. 1 (a) is hereby amended to read as follows:

"The surviving widow, child or children, and/or dependent mother or father of any deceased person who died as a result of injury or disease incurred in or aggravated by active military or naval service as provided for in part II, paragraph I hereof, shall be entitled to receive pension at the monthly rates specified next below:

Widow under 50 years of age	$22
Widow 50 years to 65 years of age	26
Widow over 65 years of age	30
Widow with one child, $7 additional for such child up to 10 years of age, increased to $11 from age 10 (with $6 for each additional child up to 10 years of age, increased to $9 from age 10).	
No widow but one child	15
No widow but two children (equally divided)	24
No widow but three children (equally divided)	34
(with $6 for each additional child; total amount to be equally divided).	
Dependent mother or father	15
(or both) (each)	11

"The total pension payable under this paragraph shall not exceed $56. Where such benefits would otherwise exceed $56, the amount of $56 may be apportioned as the Administrator of Veterans' Affairs may prescribe."

3. Veterans' Regulation No. 1 (a), as amended, is hereby amended by adding a new part (VI) reading as follows:

"PART VI

"DISAPPEARANCE

"I. Where an incompetent veteran receiving pension under part I or part II of this regulation disappears, the Administrator, in his discretion, may pay to the dependents of such veteran the amount of pension provided in part I or part II for dependents of veterans; provided that in no event shall payments under this part in any claim exceed the amount of pension payable at the time of disappearance."

4. This regulation shall become effective April 1, 1935.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 19, 1935.*

EXECUTIVE ORDER No. 6990

VETERANS' REGULATION No. 2 (D)

EFFECTIVE DATES OF AWARDS OF DISABILITY AND DEATH PENSIONS; PROVISIONS FOR FILING CLAIMS; REVIEW OF PRESUMPTIVE CLAIMS BY SPECIAL REVIEW BOARDS

By virtue of and pursuant to the authority vested in me under section 9 of title I of the act of March 20, 1933 (48 Stat. 10), as amended by section 32 of the act of March 28, 1934 (48 Stat. 526 (38 U. S. C. 709)), the following regulation amending Veterans' Regulation No. 2 (a), as amended, is hereby prescribed:

1. Paragraph I of part I of Veterans' Regulation No. 2 (a) is hereby amended to read as follows:

"I. The effective date of an award of pension shall be as follows:

"(a) The effective date of an award of pension shall be fixed in accordance with the facts found, except that:

"(1) No award of disability or death pension shall be effective prior to the date of the veteran's separation from service, date of the veteran's death, date of the happening of the contingency upon which disability or death pension is allowed, or the date of receipt of application therefor, whichever is the later date.

"(2) In the event the claimant's application is not complete at the time of original submission, the Veterans' Administration will notify the claimant of the evidence necessary to complete the application, and if such evidence is not received within 1 year from the date of request therefor, pension may not be paid by virtue of that application.

"(3) Where a claim has been finally disallowed, a subsequent claim on the same factual basis, if supported by new and material evidence, shall have the attributes of a new claim, notwithstanding the provisions of paragraph II, part II of Veterans' Regulation No. 2 series."

2. Paragraph IV, subparagraph (b) of part I of Veterans' Regulation No. 2 (a) is hereby amended to read as follows:

"(b) Pension to a dependent mother or father shall continue during dependency until death or remarriage of the mother or father, whether the dependency arises prior or subsequent to the death of the veteran: *Provided, however,* That when pension or compensation is properly discontinued by reason of remarriage it shall not thereafter be recommended."

3. This regulation shall be effective as of the date of its promulgation.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 19, 1935.*

EXECUTIVE ORDER No. 6992

VETERANS' REGULATION No. 10 (E)

MISCELLANEOUS PROVISIONS

By virtue of and pursuant to the authority vested in me under section 4 of title I of the act of March 20, 1933 (48 Stat. 9; 38 U. S. C., 704), the following regulation amending Veterans' Regulation No. 10, as amended, is hereby prescribed:

1. Paragraph IV of Veterans' Regulation No. 10 is hereby amended to read as follows:

"The term 'veteran of any war' shall include the following persons: World War—Any officer, enlisted man, member of the Army Nurse Corps (female) or Navy Nurse Corps (female) who was employed in the active military or naval service of the United States on or after April 6, 1917, and before November 12, 1918: *Provided, however,* That if the person was serving with the United States military forces in Russia the dates herein shall be extended to April 1, 1920; Spanish-American War—Any officer or enlisted man who was employed in the active military or naval service of the United States on or after April 21, 1898, and before August 13, 1898, including those women who served as Army nurses under contracts on or after April 21, 1898, and before August 13, 1898, and including any person who served in the military or naval service of the United States between August 13, 1898, and July 4, 1902, both dates inclusive, and who left the continental United States under orders for military or naval service in Guam, Cuba, or Puerto Rico, between such dates: *Provided,* That for the purposes of hospitalization the term 'veteran of any war' shall include persons who served overseas as contract surgeons of the Army on or after April 21, 1898, and before August 13, 1898; Philippine Insurrection—Any officer or enlisted man employed in the active military or naval service of the United States, including those women who served as Army nurses under contracts, who actually participated in the Philippine Insurrection on or after August 13, 1898, and before July 5, 1902: *Provided, however,* That if the person was serving in the United States military forces engaged in the hostilities in the Moro Province, the ending date shall be July 15, 1903; Boxer Rebellion—Any officer or enlisted man, including those women who served as Army nurses under contracts, employed in actual par-

ticipation in the Boxer Rebellion on or after June 20, 1900, and before May 13, 1901."

2. This regulation shall be effective as of the date of its promulgation.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 19, 1935.*

PROTEST AGAINST POLICY OF DEPARTMENT OF AGRICULTURE TO LOWER CONSUMPTION OF PRODUCTS MADE FROM WHEAT

Mr. GUYER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a concurrent resolution adopted by the Legislature of Kansas.

The SPEAKER. Is there objection?

There was no objection.

Mr. GUYER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following concurrent resolution adopted by the Legislature of the State of Kansas:

Senate Concurrent Resolution 14

A concurrent resolution protesting against the announced policy of the United States Department of Agriculture to lower the consumption of products made from wheat

Whereas the United States Department of Agriculture recently has announced a plan of reshaping agriculture to a pattern in which the recommended consumption of the products of wheat ranges downward from less than the present already greatly reduced total to a per capita minimum of less than half the present rate; and

Whereas the Bureau of Home Economics, the Consumers' Council, and other activities of the United States Department of Agriculture already are employing their wide-spread contacts with teachers of home economics, experts on diet, the public schools, and consumers generally to promote adoption of diets in which consumption of wheat is steadily to be reduced to a point which would result ultimately in abandonment of one-half of the western lands now used for its production; and

Whereas the success of such a program of reshaping the national diet and the country's agricultural map would bring inconceivable disaster to the wheat growers of Kansas, which raises more bread wheat than any other similar area in the world: Be it

Resolved by the Senate of the State of Kansas (the house of representatives concurring therein)—

SECTION 1. That they vigorously protest these efforts to reduce wheat consumption and call upon the State's representatives and all other representatives of the great wheat-producing States of the West to take such action as will promptly and effectively end these activities directed against normal consumption of the greatest and most useful of mankind's foods, recognized through ages as "the staff of life"; be it further

Resolved, That this resolution be enrolled and signed by the secretary of the Senate of the State of Kansas and the chief clerk of the house of representatives, and by the Lieutenant Governor and the speaker of the house of representatives, and copies thereof transmitted by the secretary of state of the State of Kansas to the Secretary of Agriculture of the United States, to each Member of Congress from the State of Kansas, to all members of the Agricultural and Appropriation Committees of Congress, and to the Governors of our neighboring States of the wheat-growing West, whose interests are imperiled only less than those of Kansas, America's greatest wheat-producing State.

I hereby certify that the above concurrent resolution originated in the senate and was adopted by that body February 21, 1935.

CHAS. W. THOMPSON,
President of the Senate.

Secretary of the Senate.

Adopted by the house March 9, 1935.

S. C. BLOSS,
Speaker of the House.

Chief Clerk of the House.

RESOLUTIONS ADOPTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE

Mr. TURNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. TURNER. Mr. Speaker, I have here four House joint resolutions, nos. 7, 9, 15, and 20, adopted by the General Assembly of the State of Tennessee. I ask unanimous consent to extend my remarks in the RECORD by including those resolutions.

The SPEAKER. Is there objection?

There was no objection.

Mr. TURNER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolutions adopted by the General Assembly of the State of Tennessee:

House Joint Resolution 7

Whereas the question of social security is of paramount importance to the people of the Nation and of Tennessee at the present time; and

Whereas Congress is shortly to consider the passage of an act relating to old-age pension for those over 65 years of age needing such assistance; and

Whereas those who are unemployable by reason of disability and handicaps are of vital concern to the people of our State at this time: Therefore be it

Resolved by the house of representatives of the sixty-ninth general assembly (the senate concurring), That Congress is hereby memorialized by a request from this body to include the old-age pension act, herein above referred to, provisions for such persons of 40 years of age, and over, who by reason of total disability on account of physical handicap, or otherwise, are in need of such assistance: and we respectfully petition each and every Member of the Tennessee delegation in Congress, including Members of the Senate and the House of Representatives to do all in their power to secure the passage of this legislation; be it further

Resolved, That the clerk of the house is directed to send copies of this resolution to every Member of the Tennessee delegation in Congress including the Senators, and also a copy to the Clerks of the House of Representatives and Senate.

House Joint Resolution 9

Whereas it has come to our attention that on certain Government reservations gasoline is now and has been sold without State taxes being paid;

Whereas there has been a bill introduced in the Congress of the United States by Mr. WOODRUM, granting the consent of Congress to the several States to levy and collect taxes on gasoline and other motor-vehicle fuels when sold on United States military and other reservations: Therefore, be it

Resolved by the General Assembly of the State of Tennessee, That we favor the passage of said bill no. 3660, known as the "Woodrum bill"; that we therefore recommend to our United States Senators and Representatives in Congress assembled that they use their influence in the early passage of said measure; be it further

Resolved, That copies of this resolution be sent to each of said Senators and Representatives and that a copy be sent to Congressman WOODRUM at Washington, D. C.

House Joint Resolution 15

Memorial asking Congress to pass such laws that will pay the soldiers' bonus, etc.

Be it resolved by the House of Representatives of the State of Tennessee (the senate concurring), That—

Whereas, due to the long-continued depression, thousands of American veterans of the World War are unemployed and without the means of adequate support and are unable to provide the necessities and comforts of life for themselves and their families, through no fault of their own; and

Whereas it is the policy of the national administration in its recovery program to bring about a distribution of public funds and accomplish wide-spread reemployment; and

Whereas the payment of the remainder of the amount due on the veterans' adjusted-compensation certificates held by veterans of the World War will result in a distribution of money to every community in the United States, which money will find its way into every channel of trade through the purchase of necessities and comforts of life, the payments of debts, the building and repairing of homes, the rehabilitation of small business enterprises, and through many other needed expenditures; and

Whereas the American Legion and Veterans of Foreign Wars have in their respective national conventions overwhelmingly approved the immediate cash payment of said certificates; and

Whereas such certificates constitute a just obligation of the Government to the veterans of the World War: Now, therefore, be it

Resolved by the House of Representatives of the State of Tennessee (the senate concurring), That the Congress of the United States immediately pass such legislation as is necessary for the immediate payment of the balance due on such adjusted-compensation certificates, with the remittance of interest and other charges against the principal sum of such certificates; and be it further

Resolved, That the secretary of state of the State of Tennessee be directed to transmit a copy of this memorial to the President of the United States, the Vice President of the United States, and to the Speaker of the House of Representatives, the Honorable JOE BYRNS, and also that a copy of the same be forwarded to Senators N. L. BACHMAN and K. D. MCKELLAR and to each of the nine Members of the United States House of Representatives from the State of Tennessee.

Whereas there is a marked discrimination against the South in the freight rates as set by the Interstate Commerce Commission in shipments of products from Southern States going to the North and East as compared with rates on northern products coming South; and

Whereas Tennessee is fast becoming industrialized; that the products of its factories, farms, forests, and mines need wider markets, but under the ruling of the Interstate Commerce Commission Tennessee products are handicapped by freight rates in competing with the northern and eastern producers; and

Whereas one southern Governor has publicly asserted that the said discrimination against the South amounts to 23 percent of the freight rate; and

Whereas there is now pending in Congress legislation to correct these inequalities, which provides "that all such charges for the transportation of property between the different rate-making or geographical sections of the United States, as now designed or may hereafter be designed by the Interstate Commerce Commission for rate-making purposes, be so adjusted as to cause no greater charge for the transportation of property moving from one rate-making or geographical section into another rate-making or geographical section than the charge for the transportation of like classes of traffic moving wholly within the rate-making or geographical section, distance considered; and wherever differences exist entitling rate carriers in one rate-making or geographical section to higher revenues than carriers in another rate-making or geographical section, such differences in revenue needs shall be recognized in difference of rates among the several carriers affected": Now, therefore, be it

Resolved by the House of Representatives and Senate of the State of Tennessee, That we petition and urge the Tennessee delegation in both branches of Congress to support legislation that will correct the present rate discrimination; be it further

Resolved, That a copy of this resolution be certified by the Governor and speakers of the senate and house to the entire Tennessee delegation at Washington.

House Resolution 12

Whereas the commodity exchange of the principal cities of the United States largely determines the daily prices of butter, which fixes the price paid our dairy farmers for cream, butterfat, and fluid milk; and

Whereas the amount of butter actually sold on such exchanges represents a very small portion of butter in commercial channels of trade and has been and is now subject to market manipulation, which costs the dairy farmers millions of dollars through fluctuation as a result of such manipulations: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the Sixty-ninth General Assembly of Tennessee, That we hereby petition Congress to consider the enactment of appropriate legislation to control and regulate the butter exchanges of the principal markets of the Nation, to adopt uniform standards and grades of the United States Department of Agriculture, and to stabilize the daily market quotations for exchange or open-market sales of butter; be it further

Resolved, That copies of this resolution be mailed to the Tennesee delegation now in Congress, also to Hon. Henry A. Wallace, Secretary of Agriculture, respectfully soliciting their aid in behalf of dairy farmers who are now producing milk and butterfat at the highest feed cost since 1911.

LEAVE TO ADDRESS THE HOUSE

Mr. BINDERUP. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. BINDERUP. Mr. Speaker, I ask unanimous consent that on next Monday I may be permitted to address the House for 20 minutes upon the subject of our unwise monetary system, the quantative theory of money, and the necessity for a return to the constitutional provisions of our Government to coin and control all money, and the remedy, the commodity dollar.

The SPEAKER. Is there objection?

Mr. TAYLOR of Colorado. Mr. Speaker, I object.

EXTENSION OF REMARKS

Mr. DALY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a letter which I received from the Philadelphia Chamber of Commerce in reference to the Wagner-Lewis-Doughton bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. YOUNG. Mr. Speaker, I object.

WORLD WAR ADJUSTED-SERVICE CERTIFICATES

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 3896) to provide for the immediate payment of World War adjusted-service certificates, to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 3896, with Mr. CANNON of Missouri in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Under the rule the gentleman from North Carolina [Mr. DOUGHTON] was granted 5 hours, and the gentleman from Massachusetts [Mr. TREADWAY] 5 hours. The gentleman from North Carolina has consumed 1 hour and 38 minutes, and has remaining 3 hours and 22 minutes. The gentleman from Massachusetts has consumed 1 hour and 16 minutes, and has remaining 3 hours and 44 minutes.

Mr. TREADWAY. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I ask unanimous consent that the Clerk read a letter which I send to the desk, addressed to me by the Honorable HAMILTON FISH, on the subject of the bonus.

The CHAIRMAN. Without objection, the Clerk will read.

The Clerk read as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 18, 1935.

Hon. DANIEL A. REED,
House of Representatives, Washington, D. C.

DEAR COLLEAGUE: I will not be able to be present to vote on the adjusted-service certificate bill, and am, therefore, asking you to present my views to the House so that he who runs may read.

I am opposed to the Patman bill, as I consider it the most dangerous single piece of legislation that has seriously been urged upon the Congress since I became a Member of the House 15 years ago. I would regard myself as being derelict to every political principle I hold if I remained silent while the Patman bill, with its inflationary provision for printing-press money, was under consideration. There is no more reason to pay the veterans through starting up the printing press than to pay off the national debt, or the appropriations for the Army and Navy, or the pay of Members of Congress. The adoption of such a vicious and dangerous method of inflating the currency would bring ruin and disaster to the American people, as it has done in the past to Germany, France, Soviet Russia, or wherever it has been tried.

The pretense that men can be enriched by either swelling the volume of currency or issuing fiat money is a delusion which has affected mankind at recurring intervals since the dawn of civilization, and it is always popular in a period of depression. The real creditors are the laborers, the American wage earners; and if the creditor is to be cheated by a reduction in the value of the dollar, it is and must be at the expense of labor. The American Federation of Labor and the American Legion are opposed to inflation in the United States, as they appreciate that it will work additional hardships upon labor and consumers in all parts of the Nation.

The Patman bill is an absurdity and a monstrosity today, with the cost of living, especially on the necessities of life, skyrocketing beyond the budget of the American housewife. It imposes further inflation upon already inflated prices of meat, pork, and butter. Every disabled veteran receiving compensation from the Government will receive 90 percent or less of what he is now receiving and even the World War veterans would be paid on the same ratio on their adjusted-service certificates, and so would every insurance policyholder, savings bank depositor, and everyone including the wage earner who would be the main sufferer, as wages never catch up with the high cost of living in periods of inflation.

The proponents of the Patman bill tell you that it has been sold to the country and to the veterans. Bunk and nonsense. It has not even been sold to the Senate of the United States, where it was defeated by a 3 to 1 vote. Anyone who has followed its course must know that it is a dead cock in the pit, and has no chance whatever of being enacted into law. It is a gold brick for the veterans who have been used to promote a gigantic and ruinous inflationary scheme. The time has come to speak plainly and put a quick end to this fantastic inflationary and printing-press proposal. I would oppose it if I were the only Member of the House to do so, and congratulate the American Legion for washing their hands of any such unsound and dangerous legislation.

If the Tydings-Andrews bill is offered, I shall leave a pair for that compromise measure, but realizing that it will be defeated, I shall likewise leave a pair for the Vinson bill, on the basis that it is a relief measure and that at least 90 percent of the World War veterans are in need and in debt. The certificates have to be paid in 10 years and as a relief measure, in view of the fact that billions have been doled out in all directions and to various groups, there is no valid reason to discriminate against the World War veterans.

I disagree with the President, who meticulously points out the exact terms of the agreement with the veterans and selects that as the only Government bond or contract that must not be broken or repudiated. I see no reason why the pound of flesh is demanded alone of the veterans, or that the adjusted-service certificates must be like the laws of the Medes and Persians, not to be changed or modified.

Many business men in my district previously against the payment of the certificates now believe that it is the fair, generous, and the best step to take, and may help in stimulating business and putting money in circulation.

In view of the fact that the dollar has been debased to 59 cents by the President and the cost of living increased 25 percent by act of Congress since the contract with the veterans was entered into, I would not need any other reasons to convince me of the justification of my vote for the Vinson bill.

There is, however, one additional reason, and that is a statement made recently by Eugene Grace, president of Bethlehem Steel, who told a congressional committee that he had received a bonus of $3,600,000 during the World War and saw no reason why industry and wealth should be conscripted in time of war, but that it was all right to conscript the mechanics and labor to do the fighting.

If we ever have another war it must be in defense of the United States and not in defense of the war profiteers and munitions makers of America. I urge the immediate enactment of the bill to draft wealth, industry, labor, and man power equally and take the profit out of all future wars.

As the oldest World War veteran, in point of service, on the Republican side, and a member of both the Veterans of Foreign Wars and the American Legion, I deplore the personalities, recriminations, misunderstandings, and bad blood that has developed between these veteran organizations, headed by two able and outstanding veteran leaders, James E. Van Zandt, of Pennsylvania, and Frank N. Belgrano, Jr., of California.

Bonus, or no bonus, I am for both the Veterans of Foreign Wars and the American Legion, as constituting the greatest force in our country for the maintenance of our free institutions, the Constitution, and our republican form of government, against communism, nazi-ism, fascism, and all subversive attacks on the Government of the United States of America.

Holding the views I have expressed, I hope the House will turn down the Patman bill and pass the Vinson bill by a substantial majority.

Very sincerely yours,

HAMILTON FISH, Jr.

During the reading of the foregoing the time of Mr. REED of New York expired, and, by unanimous consent, at the request of Mr. RICH, permission was granted to print the letter in full.

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. ANDREW].

Mr. ANDREW of Massachusetts. Mr. Chairman, the question of the so-called "bonus", as I see it, is not to be considered in any sense as a question of a gift to the veterans, but, rather, as the settlement of a debt which the Government formally recognized 11 years ago in the World War Adjusted Compensation Act. As I was in Congress at that time and had something to do with the framing of that act, I should like to recall very briefly the motives which prompted the provisions in that act of 1924.

It had taken some years after the close of the war for the public in this country to recognize the fact that the soldiers, sailors, and marines who had had a part in the war had been very poorly paid as compared with the civilian workers or as compared with those who furnished supplies during the war. In fact, 6 years had elapsed since the war ended when Congress finally decided in 1924 that some step should be taken. It was then agreed by Congress, and with a large part of the veterans concurring, that it would be a fair and generous settlement with the veterans to double the pay which they had received in the war. Those who had served in this country had received a dollar a day. It was proposed to give them extra pay of a dollar a day; that is, speaking of the enlisted men; and for those who had served overseas and had received $1.10 a day it was proposed to give them an additional $1.25 a day. Now, that would have been a very great godsend to the veterans if it could have been given to them when they returned from the war and were discharged—discharged without jobs or means of livelihood, in many cases without even civilian clothes to wear, and when prices were at a monstrous level. But the time had passed and by 1924 a new situation had superseded that at the end of the war. By 1924 this country was in a period of abundant prosperity. There was very little unemployment, and it was believed by a majority in Congress and, I believe, by most of the friends of the veterans and the veterans themselves that instead of giving them at that time a lump sum in cash, such as would have been of the utmost value to them in 1919, it would be better to put that amount aside, so to speak, allow it to accumulate for a period of years with compound interest at 4 percent, and then give them with that accumulation of money a certificate in the nature of an endowment insurance policy, payable in 20 years or payable to the heirs of the veteran in case he happened to die. The eventual value of the certificate—its "face value" as it is frequently called—would amount to more than two and one-half times that of the adjusted-service pay, based upon a dollar a day for home service and a dollar and twenty-five cents a day for foreign service.

So the adjusted-compensation certificates came into existence, offering to the veteran at the end of 20 years, during which period he would have been insured, two and one-half times the amount of what was considered a generous settlement of his adjusted pay. It was thought that they would come to maturity at a time when, in all likelihood, the veteran would be in far greater need of money than he was in 1924; when presumably he would have a growing family to look after and to educate, or, in the unfortunate event of his death in the meantime, this sum, two and a half times his adjusted pay, would be given to his wife or family at a moment when they were in special need. President Roosevelt in his letter to a Legion commander in Texas not long ago said that 85 percent of the veterans who had died had left their families no estate other than the adjusted-compensation certificate given them through this veterans' legislation. That arrangement was made in 1924, and I think it was fair and generous under the conditions that then prevailed, and that it offered benefits to the veterans in the long run far greater than any cash payment of a smaller amount at that moment.

The situation changed, however, in 5 or 6 years, when a great and unexpected calamity befell what had been a very prosperous country. Our whole people, the veterans included, were confronted with economic distress. We entered into a period of prolonged depression, great hardship, and vast unemployment. The cash value of those certificates became suddenly of much more importance to the veterans than it was in 1924. It was not unnatural that the veterans should have then asked that that which was owing to them, and which the Government had recognized as owing to them, should be paid in cash. I have a great deal of sympathy with the request which the veterans make today for a cash settlement. They have seen in the last few years vast expenditure of money for almost every group in the community. They have seen our cotton growers, our wheat growers, our hog growers given what amounts to a bonus. They have seen the tobacco growers, the rice growers, and even the peanut growers given such bonuses. They have seen groups in different parts of the country provided with subsistence homesteads and many other benefits at the expense of the taxpayers.

It seems to me but natural that the veteran should say, "If our Government can afford to give billions of dollars to other special groups, why cannot it pay its debt to us? At least we did something for our country in its hour of danger. Why cannot our country be equally generous to us in our hour of trial, and give us today what is actually owing to us?" I think their request is justifiable and is reasonable and ought to be granted.

Now I have presented a bill to accomplish this—H. R. 6029—which I think meets the requirements of justice to the veterans and to the general public, which is very simple, and which I should like to explain to you. It is the subject of a great deal of confusion because my good colleague from Buffalo, N. Y., Mr. ANDREWS, also has a bill before the House, and I find great confusion among the Members and in the press as to the two bills, which are in some respects quite different.

Mr. TREADWAY. Mr. Chairman, I yield 5 additional minutes to the gentleman from Massachusetts.

Mr. ANDREW of Massachusetts. The bill to which I should like to direct your attention is H. R. 6029, and I think it will not take me long to explain its provisions. The other day I happened to be going up in the elevator in the House Office Building when one of my colleagues asked me when we got on the elevator if I would explain my bill. I told him I thought I could explain its provisions before we got to the top floor. I did, and I think he understood it.

This bill is intended to provide for the veterans what is actually owing to them today. We agreed in 1924 that an

extra $1 a day for home service and $1.25 a day for overseas service was owing to them. My bill proposes to give them immediately in exchange for their certificates the option of getting that compensation at the rate of $1 or $1.25 a day, as the case may be, plus accumulated interest at 4 percent from the day the war ended. This extra pay was owing them when they were in the service during the war, and I have assumed that November 11, 1918, was the average middle date of a man's service. The Veterans' Adjusted Compensation Act provided that the days between April 5, 1917, when the war began, and July 1, 1919, almost 8 months after the war ended, were the days of service for which adjusted pay should be given, and I think November 11, 1918, is the medium date in the service of most men who participated in the war. On this account I have taken that date as the date from which interest shall begin, and the bill proposes to give to the veterans their adjusted-service pay plus 4-percent interest compounded for the 16 years and more which have elapsed between the armistice and the present time.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. ANDREW of Massachusetts. I yield.

Mr. FITZPATRICK. Can the gentleman tell us how much it would cost to pay the entire amount under his program?

Mr. ANDREW of Massachusetts. If every certificate holder exercised his option and demanded cash at the present moment, it would cost $1,300,000,000; or, roughly, $1,000,000,000 less than either the Patman or the Vinson bill. Of course, if some of the veterans chose to retain their certificates for a time, which some of them probably would, for the sake of the additional interest and for the insurance benefits, the immediate cost to the Government would be less.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. ANDREW of Massachusetts. I yield.

Mr. HOUSTON. I understood the gentleman to say he was in Congress when the original bill was drawn.

Mr. ANDREW of Massachusetts. Yes.

Mr. HOUSTON. Why were these certificates limited from April 5 to November 11 of the following year, when a man was enlisted for the duration of the war and may not have gotten out until even 6 months after the war ended?

Mr. ANDREW of Massachusetts. April 5, 1917, was the date the war began. In the Adjusted Service Compensation Act we did include all service up to July 1, 1919, or 8 months after the armistice, because it was intended to look after the men during the period of demobilization. Does that answer the gentleman's question?

Mr. HOUSTON. Not entirely.

Mr. MILLARD. Mr. Chairman, will the gentleman yield?

Mr. ANDREW of Massachusetts. I yield.

Mr. MILLARD. What is the difference between the gentleman's bill and the Tydings-Cochran-Andrews bill?

Mr. ANDREW of Massachusetts. I hope my colleague [Mr. TREADWAY] will give me a little more time. I am not sure I can answer the question, both for lack of time and because I am not sure I understand the Tydings-Andrews-Cochran bill. One difference is that my bill is infinitely more simple, understandable, and explainable than those bills. I have read those bills over several times, but I am not positive at the present moment that I have yet grasped their whole purport. I will say, however, that another difference lies in the fact that the Tydings-Andrews-Cochran bill proposes that instead of paying the veterans cash the veterans will be given Government bonds which they can sell.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. ANDREW of Massachusetts. The bill to which the gentleman from New York refers proposes to pay the veterans not in cash but in bonds. Personally, I cannot see what advantage there is to the Government in meeting this obligation by asking the veterans to sell its bonds. The proposal is that they should be paid in bonds, which they can then sell on the general market. We do not follow this system with any other appropriations or expenditures. We are spending this year through the Department of Agriculture $1,162,000,000, but we did not give the Department of Agriculture, or those to whom they may become indebted, bonds to sell in the open market, as is proposed for the veterans in the Tydings-Andrews-Cochran bill.

The House has passed the work-relief bill involving $4,880,000,000, but we are not asking the beneficiaries of the work-relief bill to take bonds, promises to pay, instead of actual cash. So far as I know, this is an unprecedented proposal, and I do not see why the veterans in receiving pay for what is a debt to them should be asked to become the advertising or selling agents for the Treasury bonds. Our Treasury is still intact, it is still sound, thank God; and it is not necessary for the Treasury to ask the veterans to receive its promises to pay. The Treasury can just as well sell its bonds on the market and give the men the cash that is due them. Besides, if we were to pay the veterans in bonds, we should cause inconvenience and loss to many of them. Not many of the 4,000,000 veterans have safes or safety-deposit boxes in which to safeguard the bonds. They would hide them away in bureau drawers or under their mattresses or in the family bible, and many of them would be lost or stolen. If we are going to give them cash, let us give them cash, which they can safeguard until they spend it by putting it in Postal Savings accounts or in savings banks or other such institutions.

I ought to add in this connection that I am utterly opposed to paying the bonus by printing money for the purpose. I should consider such a procedure a very perilous precedent to establish. If Congress were to agree to pay the bonus expenditure by the use of the printing press, the next proposal might well be to pay the work-relief expenditure of nearly five billions in the same way, and it might be proposed to cover our other deficits by this method; then we should be on the road to ruin which the German Government took after the war.

I believe that we should meet this expenditure as we meet our other expenditures—out of the general funds in the Treasury, just as we meet the expenditures for the Agriculture Department or for the War and Navy Departments or as we prepare to meet the $4,880,000,000 involved in the work-relief bill. That means out of funds in the Treasury that result from taxes or loans.

Mr. HEALEY. Mr. Chairman, will the gentleman yield for a moment?

Mr. ANDREW of Massachusetts. I yield for a brief question.

Mr. HEALEY. I understand the gentleman is opposed to the payment of the full amount of the certificates which will be due in 1945.

Mr. ANDREW of Massachusetts. I am in favor of paying the veterans what is actually owing them, paying them $1 extra a day for home service and $1.25 extra a day for foreign service, with all of the 16 years' interest accumulated from the date the war ended to the present time. This, as I see it, is what the Government owes them. If it was less, we should fail to meet our obligation. If it was more, it would involve an additional gift. It is different from the face value of these certificates.

Mr. HEALEY. So I understand. As I understand it, the gentleman's bill was introduced for the first time this session.

Mr. ANDREW of Massachusetts. Yes, if you mean this particular bill.

Mr. HEALEY. It was not introduced in any previous Congress?

Mr. ANDREW of Massachusetts. No.

Mr. HEALEY. And it expresses the gentleman's view as to what is due the veterans at the present time?

Mr. ANDREW of Massachusetts. Yes, so far as bonus payments are concerned.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. ANDREW of Massachusetts. Mr. Chairman, I should like to yield, but my time is very limited.

Mr. HARLAN. Was it similar to the Griffin bill?

Mr. ANDREW of Massachusetts. It is very much like the Griffin bill.

May I say if you will look over this bill you will find it is very simple. It covers less than two pages. The whole essence of the bill is in 17 lines contained in the second section. May I say further that all that follows in the other sections are provisions as to where the money is to come from, and how it is to be administered. The money is to come from the general funds of the Treasury, and the Administrator of Veterans' Affairs is given authority to issue the necessary regulations to fulfill the purposes of the bill, and those regulations are given the force and effect of law. Then there is a section extending the time for filing applications.

Mr. Chairman, I believe that H. R. 6029 comes as near as it is humanly possible to giving complete justice to all the veterans. I believe it comes as near as is humanly possible to doing what is fair and reasonable from the point of view of the taxpayer. I believe it is more easily understood and more easy to explain than any other bill now before the House dealing with this subject.

[Here the gavel fell.]

Mr. TREADWAY. I yield the gentleman 1 additional minute.

Mr. ANDREW of Massachusetts. Mr. Chairman, in conclusion may I say that I think H. R. 6029 comes nearer to meeting what apparently is the view of the President of the United States than many of the other bills now before the House. I say that not because of any private personal knowledge of his views, but if you will read the letter which the President wrote on December 31 to the commander of the American Legion post in Henderson, Tex., you will see that this bill meets his objections to other bills and conforms with most of his implied suggestions. I am as anxious, as I know all of you are, to pass a bill at this time that will not delude the veterans with false hopes but will give them some approximate assurance that the bill is going to become law. I share what I know is the hope of every Member of this House that we can dispose of this problem finally at this session of Congress, that we can give the veterans their full due and leave no occasion for further discussion of our wartime debt to the veterans. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Chairman, there is probably no major question before the Congress that is so personally interesting to the great mass of the people as the question of the payment of the bonus. The tariff is yet a great question, but few people attempt to study it, although its application is reflected directly in the necessaries of life of all our citizens. Many people in Congress and out of Congress attempt to discuss the financial question, but not many of them who discuss it are quite sure that they understand it. And this opinion is shared by most of those who listen to them. But the great majority of the people, rich and poor, learned and unlearned, do not understand the financial question, although it is a most important one, especially if tampered with by the many different theorists each with a theory all his own. So it is with many other important national issues. With the bonus, however, it is different. The question is, Shall the Government pay or shall it not pay?

Of course, there are two sides to this question, and there are many who believe that the bonus should not be paid. There is no doubt but that there are many more who think it should be paid. A majority of numbers does not change an unjust cause into a just cause, but an overwhelming majority of numbers helps to confirm each in his judgment that his cause is just. In a republic like that in which we live, the voice of an overwhelming majority spoken on a matter which all understand is practically a mandate.

The two sides to this question draw advocates and adherents from all classes and groups. There are many educated and uneducated persons on each side. There are many rich and many poor persons on each side. There are many veterans on each side, but a large majority of the veterans favor the payment of the bonus.

The arguments for and against the bonus are few and are easy to group.

The principal arguments of those who oppose the payment of the bonus now are:

First. They claim it is not due until 1945.

Second. They claim that the Government cannot afford to pay it now.

The principal arguments of those who favor the immediate payment are exactly the opposite of the other group. They claim that—

First. The bonus was due when the veterans were discharged.

Second. They claim that with the Government spending billions in many different ways that it should pay a just debt which would tend as much to relieve the depression as any of its other expenditures.

It would seem to me that it is not so important now whether the bonus is due or not. If the administration was attempting to relieve the depression by a plan of thrift, and by encouraging individual effort, and by attempting to balance its Budget, and to live within its means, it would be highly advisable to defer such expenditures as it could until their contractural maturity. No doubt the veterans would consider it a patriotic duty to do their utmost to assist their country in that respect. There are two schools of economic philosophy who offer formulas for relieving the depression. One school advocates thrift, strict adherence to the Constitution and to national precedents heretofore found reliable, and to a balanced Budget. The other group advocates priming the pump of industry and prosperity by supplying, through the Federal Treasury, a sufficient flow of finance and currency that will prime the pump and keep it going until it can start its flow from the well or fountain of national resources. They believe with those who say that the best way to make money is to spend money. While the other group believes that the power of wealth comes from its possession.

Both theories can support good arguments, and many successful men can be named who owe their success to adherence to one of these theories and many can be named who tried the other theory successfully. Like in most other experiences of life, it is probable that a fair balance of each theory will offer the safest course.

But since this administration has proceeded upon the theory that business can be best encouraged by great expenditures, it should not find it inconsistent with its plans to pay the bonus now. The administration plans are laid along the lines of extending relief to the needy and of making such distributions as will carry money and relief to the largest possible number of people and of encouraging business. The payment of the bonus surely meets all of these tests as completely as any plan yet attempted. There is no denying the fact that many veterans are needy, and, no doubt, without any fault of their own in most cases. At the beginning of this year 1935 there were 450,000 veterans registered on the unemployed rolls, as shown by the records of the Department of Labor. These were asking for work. How many thousands there were living the best they could and not able to work nobody knows. Surely a veteran who offered his life for his country is entitled to assistance if any person is. The payment of the bonus will carry money into the uttermost parts of the country. It will go to the city palace and to the alley tenement. It will go to the castle by the sea and to the cabin in the mountains. It will go to the farm and the factory. It will go everywhere and will carry sunshine with it wherever it goes.

It will encourage business if any of these large expenditures will do it. In many cases it is already earmarked for the grocery man who advanced credit that a veteran and his family might eat, or for the merchant who furnished clothes that the veteran and his wife might look respectable and that his children might go to school. The landlord will get a payment on his rent, long past due. The great creditor class, who themselves are debtors to some other creditors, will be given an opportunity to pay their debts. It is safe to say that every dollar of the bonus will be used at least 10 times to pay some debt. This $2,350,000,000, which represents the amount that will be paid out as bonuses, will

probably discharge $25,000,000,000 in private debts. This will bring much relief to many who have been stooping under the load of debt.

Therefore, balancing the arguments for immediate payment against those opposing immediate payment—I find that the fact that this is a debt that must be paid some time—tips the scale in favor of immediate payment now. I shall vote accordingly. When the hearings on this bill were held before the Ways and Means Committee I sought by questions to get from Mr. PATMAN a brief statement of the essential difference between the Patman bill and the Vinson bill. The following is a question that I propounded and Mr. PATMAN's reply to it:

Mr. JENKINS. Then, as I take it, there is not so very much difference between the two bills as to the method of payment; that is, the amounts to be paid and the adjustment of interest, etc.? There is not much difference in those respects, is there?

Mr. PATMAN. I do not think there would be any difference in those matters. I think we could get together very quickly and easily on the points that were mentioned.

From this it appears conclusively that the only essential difference between these two bills is the method of providing the money for payment. The Vinson bill provides the money for payment in the regular way. This will in all probability be by the issuance of bonds by the Government, just as it gets money to operate many numerous activities. The Patman bill provides for the printing of new money. I favor the Vinson bill because it does provide payment in the regular way, while the Patman bill establishes a new precedent. I think it will be a dangerous precedent for, if we can issue new money to pay one debt, why not issue it to pay all debts? The Government is staggering now under the most terrific debt in its history. If we can discharge a debt of two and one-half billions of dollars by issuing new money, why can we not pay off all our debts of about $32,000,000,000 in new money? We can, but what would be the effect on our money system and on the country?

A bill passed by the House in 1932 providing for the immediate payment of the bonus was defeated in the Senate. At that time it was the policy of the administration to attempt to relieve the depression by adherence to the usually well-recognized principles of economy and thrift and balanced budgets. If that bill had carried a plan whereby the unemployed and needy veteran could be paid immediately and whereby those who were able could have been requested to defer their demands, I think it might have carried. Acting upon this theory, I introduced a bill soon thereafter providing that the bonus be paid under a plan where the unemployed should be paid first, then all other classes would be reached as the finances of the Government could be arranged without undue strain on the Treasury. My plan provided that those veterans who had not drawn the first half of their bonus and were willing to wait should be permitted to do so. There are many thousands in this group. Those who were employed at regular employment by the Government or by the State, county, or municipality should be required to wait. They would be drawing public money and should wait. Likewise, those who were enjoying sufficient income so as to be subject to the payment of the Federal income tax should be required to wait. These three groups would account for a large proportion of all those entitled to a bonus. Then it was my plan that to those found entitled, after excluding the groups above mentioned, should be paid one-half of the bonus promptly, while the other half would be paid in 6 months. When these had been paid, then the Government could take up the payment of the other groups as its finances would justify. It is probable that all could have been reached within a few years. This plan would have saved the strain on the Treasury and satisfied the veterans at that time.

The situation has changed very materially since then. The whole set-up is different. There is no inclination anywhere in the Government to save the strain on the Treasury. The plan is to effect a controlled expansion of the currency. No better opportunity could be desired for such a course than to pay the bonus. This should be done as a part of the program to relieve the depression.

The payment of the bonus has other very important additional features in that it provides for the payment of a debt which is recognized by all to be just; and it is also a recognition by a grateful Nation of the services of her heroic defenders.

Mr. Chairman, I favor the payment of the bonus now, and I favor its payment in the regular way. This is the Vinson way. If, however, the majority of the House shall decree it should be paid as provided for in the Patman bill I shall hope that although the precedent may be a dangerous one, the future Congresses will be as patriotic as those in the past and will not abuse such a precedent. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FADDIS].

Mr. FADDIS. Mr. Chairman, this so-called "bonus question" reminds me very much of Mark Twain's statement regarding the weather, in that a great deal has been said but very little has ever been done. It is high time we were doing something to dispose of this matter which is continually bobbing up at each session of Congress. No movement in favor of a just and worthy cause has ever been stamped to earth, to remain there. Armies may be marshaled against it, mandates may be issued, propaganda may be directed against it, powerful captains of industry may heroically lead onslaughts against it or craftily maneuver to defeat it; but every move of its enemies but serves to increase the determination of its defenders.

Who can read the testimony of Eugene G. Grace before the Senate Munitions Committee, and agree with him in his conclusions? Who can blame the men who served their country in time of war, for asking that they be paid a bonus one three-thousandth as large as that paid to Mr. Grace? His bonus came from the taxpayers of this Nation. Under the provisions of the Patman bill this bonus would not be raised by taxes. It provides for the expansion of the currency. Not only are the minions of capitalism, Mr. Grace and his associates, opposed to a bonus, but they are more particularly opposed to the Patman bill. They are the ones who desire to keep this Nation hypnotized with the medieval idea that a nation must pay interest on the money necessary for its expenses. I call your attention to the fact that Mr. Grace is also opposed to the move to take the profit out of war.

This so-called "bonus" is an attempt to adjust, in some slight degree, the difference in the compensation of the man who fought the war and the man who profited by it; the man who engaged in the most dangerous of all pursuits for $1 per day and the man who received $5,000 per day while remaining in safety. It is a debt self-confessed by this Government and is just as much a part of its indebtedness as is any other of its obligations. I am for the Patman bill because it is a controlled expansion of the currency, with the necessary gold to back it up. It is an honest effort to pay the bonus and be done with promises and evasions. By this method we can dispense with the question for good. Any other measure, I fear, would be but another empty promise. I desire to see the veterans get their money while they are living and while they need it most. They rendered the service and not their heirs or kinsfolk.

There has been enough battling over this matter. Let us not embark upon another series of campaigns with the Committee on Appropriations to appropriate the money; with the Committee on Ways and Means to levy the taxes to raise the money. Let us cease to listen to the evil spirits who whisper to us to issue more interest-bearing, tax-free securities in order to further enrich the bankers of the Nation. I believe the rank and file of the veterans of this Nation are also opposed to imposing additional taxation upon the people when such a procedure is unnecessary.

I believe in the bonus and I am going down the line in favor of a bill, which I believe will accomplish my desires, in a way which will benefit the veterans without working a hardship upon the taxpayer. To my mind no better measure could be devised to spread throughout this land money which will go to work, money which, for the most part, will be devoted to purchasing commodities of our mines, mills,

farms, and factories; money which will furnish employment to thousands and thousands; money which will bring happiness to millions of veterans and their families. [Applause.]

Mr. SAMUEL B. HILL. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Chairman, ladies and gentlemen of the Committee, we have a choice of two bills before us. One is the Vinson bill which merely authorizes the payment of the adjusted-compensation certificates without providing any means of raising the money. The other is the Patman bill, which provides for the utilization of the idle gold and silver now in the Treasury. While there are other plans proposed, it is generally understood that the real issue is between these two bills.

In deciding this question we are not dealing with personalities. The distinguished gentleman from Kentucky [Mr. VINSON] is one of the best friends that I have in the House. He has shown himself my friend upon many occasions and I am indebted to him for his loyalty. He and I have shared similar views on many important questions since I entered the House and I have the kindliest feelings and the most profound respect for him. But, as I have said, we are not dealing in personalities.

I prefer the Patman plan to the Vinson bill. While the Vinson bill merely authorizes the appropriation of money to pay the adjusted-service certificates, we may as well recognize the fact that this money will have to be obtained by the issuance and sale of tax-exempt bonds and an increase in taxes to provide funds for the retirement of such bonds. The issuance and sale of such bonds will provide new avenues of escape for those who wish to evade increased taxation to defray the cost of this depression. The very class who should bear their proportionate share of the burdens of this depression will purchase these bonds, while the classes upon whom the burdens of taxation fall most heavily will pay the principal and interest of these bonds. Those Members who vote for the Vinson bill should be prepared to vote for the issuance of $2,000,000,000 of additional bonds and such necessary increase in taxes to retire such bonds. There is no use to say that we can discharge our obligations to the soldiers and the country by merely authorizing the payment of these certificates. The soldiers will get nothing from such authorization unless we go farther and provide the funds to make good the authorization. What will be the attitude of Congress if the Vinson bill is passed? When the President vetoes it and sends a message to Congress asking for an increase in taxes to retire these new bonds, will those who favor the Vinson bill vote for such increased taxes?

The Patman bill, on the other hand, does not require the issuance of new bonds or the increase in taxes. It avoids this disagreeable necessity by utilizing the increased valuation in our metallic stock due to the reduction in the contents of the gold dollar and the recent acquisition of silver. There are about $5,500,000,000 outstanding paper currency backed up by about $9,000,000,000 of metallic stocks in the Treasury of the United States. In other words, there are about $3,000,000,000 of gold and silver in the Treasury that will not be needed for redemption purposes or as a metallic reserve when we resume redemption. In my judgment, the utilization of this idle gold and silver to pay the adjusted-service certificates will carry out the purposes and intents of the Gold Revaluation Act. The primary purpose of that act was to increase the price level by restoring the normal purchasing power of the dollar as it existed during the time that the principal part of public and private debts was contracted. This was to relieve the debtors from the staggering burdens of debt which is crushing everyone in this country today by affording an opportunity to the debtor to pay his creditor with the dollar which has the same purchasing power as the one he received from the creditor at the time the debt was contracted. At the time that bill was passed I opened the arguments in favor of its passage. I stated that we could not effectuate the policies of revaluation unless we utilize the increased valuation of our gold. The very fact that we revalued the gold dollar was sufficient to restore the normal purchasing power of that dollar in other countries. This was because in other nations an ounce of gold, which could formerly purchase 20 American dollars would buy 35 American dollars after we reduced the content of the dollar. This made it possible for foreign buyers to purchase 40 percent more of our products with the same ounce of gold, or, stating the matter differently, to purchase our products 40 percent cheaper. In other words, it lowered the value of our dollar in comparison with foreign currency, making it temporarily profitable for foreign countries to purchase our products.

This was not true, however, within the United States. There was, of course, some decrease in the purchasing price of the dollar internally as the result of revaluation. How much decrease occurred no one will ever be able to say, because there were other factors involved, such as the previous act of Congress in suspending specie redemption and in reforming gold clauses so that obligations payable in gold could be discharged in the lawful currency of the country. But such increase in the price level resulting from revaluation was largely psychological, except in the case of exportable surpluses, such as cotton, where the demand was immediately increased on account of the desire of foreign buyers to take advantage of their opportunity to purchase cotton and other exportable surpluses at a cheaper price. This no doubt influenced to some extent the prices of other related products.

The point I am trying to make is that if the administration had not intended to utilize the free gold or increased valuation of such gold, there was no necessity to revalue other than for the purpose of adjusting our currency on the basis of foreign currencies so as to give competitive opportunities to our export trade.

Insofar as the paper dollar is concerned internally, we have more gold behind it today than we did prior to the Revaluation Act. This increase in gold is not due entirely to the increased valuation of gold. We have actually acquired more than a billion dollars of gold than we had at the time the Revaluation Act was passed. It cannot be disputed, therefore, that we now have the soundest currency that the world has ever seen. I know of no instance in history where any country had more than 50 percent of metallic reserve to support its paper currency. Few countries have ever had as much as 100-percent metallic reserve, so that in the utilization of $2,000,000,000 of such gold we will in no wise impair the soundness of our outstanding currency issue. In fact, we will still have more gold behind our currency than ever before in the history of this or any other country.

There are other unusual factors which strengthen our currency and make it entirely safe for us to utilize this idle gold. In the first place, we are an export nation. The trade balance is in our favor. This means that we are selling more products to foreign nations than they are selling to us. Every student of the question will admit that an important factor in the determination of the soundness of a nation's paper currency is its export trade. This is because the excess of what we sell over what we buy must be paid to us in gold. Therefore as long as we have a favorable trade balance and demand cash settlements, the gold of the other nations will continue to come to the United States. The certainty that we will continue to increase our gold supply renders our currency the safest on the face of the earth, so that even if we were to deplete our gold supply below the 100-percent reserve the world would know that in a short time, through the process of trade, our gold supply would increase to the necessary amount.

There is another very important factor that gives to our money a soundness which no other currency possesses. We are the greatest creditor country the world has ever seen. Practically all of the nations of the country owe us money. Certainly the currency of a creditor nation is much sounder than the currency of a debtor nation, just like the promissory notes of a creditor concern which has far more assets than liabilities is much better than a promissory note of an insolvent company or individual.

It must be admitted that there is one possible threat to the soundness of our currency and that is occasioned by the fear

that we will continue to issue tax-exempt bonds. Naturally, if we increase our obligations to the danger point so that our solvency will be affected and if we fail to provide additional revenues from time to time to make good such obligations our credit will be impaired. In other words, the Government, like a business, cannot indefinitely permit its expenditures to exceed its income without seriously affecting its credit. But considering all the factors involved which go to the determination of the soundness of a nation's money, it must be admitted that we have the soundest money on earth. I challenge anyone to say that the utilization of this idle gold to pay the adjusted-service certificates will in anywise impair the soundness of our currency. Of course, no one will take this position. We all believe, as a matter of fact, that it is the plan of the administration to eventually use this increased valuation in our monetary stocks for some purpose. What that purpose is no one knows. It may be the retirement of bonds or it may be to finance future relief and public-works projects. We who prefer the Patman plan believe that there is no better way to use this idle gold than to pay the adjusted-service certificates. These certificates must be paid in 1945. If we do not use this free gold now to pay them, it may be used for some less worthy purpose. All that it is proposed to do is to pay the soldier what the Government originally confessed that it owed him plus 6 percent on his money. To anticipate the maturity of the legal obligation is not to set a precedent. We did the same thing in reference to the war contracts. We have done the same thing in many other instances.

I wish to make it clear that I am not an inflationist in the sense in which that term is usually interpreted. I am for sound money which, according to my definition, means gold and silver or their paper representatives. My idea of money is expressed in the forcible language of Associate Justice Field:

From the earliest period in the history of civilized nations we find pieces of gold and silver used as money. These metals are scattered over the world, in small quantities; they are susceptible to division, capable of easy impression, have more value in proportion to weight and size, and are less subject to loss by wear and abrasion than any other material possessing these qualities. It requires labor to obtain them; they are not dependent upon legislation or caprices of the multitude; they cannot be manufactured or decreed into existence; and they do not perish by lapse of time. They have, therefore, naturally, if not necessarily, become throughout the world a standard of value. In exchange for pieces of them, products requiring an equal amount of labor, are readily given. When the product and the piece of metal represent the same labor, or an approximation to it, they are freely exchanged. There can be no substitute for these metals.

Of course, the paper representatives of gold and silver are as much money as the gold and silver. The paper currency of a nation is no more nor less than a promissory note, which does not bear interest, and which has legal-tender qualities. It is an obligation on the part of the Government to pay the holder of the note a designated quantity of the precious metal.

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Chairman, I yield the gentleman from Texas 5 additional minutes.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. DIES. I am sorry; I do not have the time to yield, as I have only a few minutes.

As long the Government is able and willing to carry out its promises, the promissory note is the equivalent to the gold and silver which it promises to pay. The best guaranty that the Government can fulfill this promise is the fact that it has on hand at all times sufficient gold and silver to redeem its promises. This means a 100-percent metallic reserve back of all of its outstanding paper currency.

The next best assurances that the Government will carry out its promises is the maintenance by the Government of good credit. The promissory notes of the Government to deliver a certain quantity of the precious metal is perfectly good even if the Government does not have sufficient quantities of such metals to redeem all of its promises at one time, provided that the Government has good credit and can quickly secure such precious metal for the purpose of making good its promises. Even if the Government does not have all of the precious metal itself to redeem all of its outstanding promises, the very fact that people have confidence that the Government can secure in a short time enough precious metal to make good its promises will make such promises good. In other words, if I owe John Brown $500, payable on demand, I may not have the $500 but if John Brown has confidence that I can secure the $500 at any time that he demands it, my promise is just as good as if I had the $500 always on hand. Of course, the best safeguard that I can take to guarantee the fulfillment of my promise is to keep the $500 on hand, but if I so arrange my affairs that there is reasonable expectation that I can secure the $500 when it is needed, my promise is good and will be accepted.

I am not, Mr. Chairman, an advocate of what is commonly called "fiat" money. I do not believe in inconvertible paper currency. Such paper money is the promissory note of the Government to deliver a designated quantity of the precious metal, which is either not kept or which the Government has not made adequate arrangements to keep or it is printed declarations of units of value. In other words, if the Government promises to deliver a certain quantity of the precious metal and the Government does not have such precious metal, and due to its bad credit has no reasonable expectation of being able to secure such metal, then the promise of such Government is "fiat" money, according to my definition. The same is true if I make a promise to pay John Brown $500 on demand when I know that I do not have the $500 and have no reasonable expectation of securing it.

I do not say that the Government cannot issue such money and force it into circulation. I think that the Government can issue a reasonable quantity of such money so long as the total supply of it does not exceed the demand for a medium of exchange. The reason for this is because the Government has a monopoly over the circulating medium. The Government is the only power that can give legal-tender qualities to its paper promises. People must have a medium of exchange with which to do business. It is an absolute necessity in modern society. Therefore, the Government can by establishing a monopoly over the medium of exchange give a certain amount of value to its paper promises by denying legal-tender qualities to all other forms of money.

In other words, the Government can seize all of the metallic money and make it a felony for anyone to use or possess it. Having done that, the Government can declare that its own paper money is the only lawful money of the realm. This gives to that paper money a value. Even if the Government does not seize the metallic money, it can drive it out of circulation, either into hoarding or to foreign countries, by flooding the country with a cheaper form of money. This is on account of the Gresham law. Under this law a cheaper money will drive out a better. A cheaper money is given legal-tender qualities. This means that the debtor has the option as to the form of money in which he decides to pay his debts, but the creditor is not given any option. Therefore, if the debtor has metallic money and paper money, and if he thinks that the paper money is less valuable than the metallic money, he will pay all of his debts with the paper money and either hoard the metallic money because it is a more stable store of value or he will send it abroad, where he can get more for it. But one thing must not be forgotten. The value of such money is determined by the law of supply and demand. In the same proportion that the supply of money exceeds the demand it will fall in purchasing power, until it may become valueless.

The serious danger of the Government issuing such inconvertible paper money, or promises which it cannot fulfill, is that it will issue too much. In the first place, how can a government arbitrarily determine how much money will be needed under varying circumstances to serve as instruments of exchange? As President Garfield said:

As a medium of exchange, money is to all business transactions what ships are to the transportation of merchandise. If a hundred vessels of a given tonnage are just sufficient to carry all the commodities between two ports, any increase of the number of vessels

will correspondingly decrease the value of each as an instrument of commerce; any decrease below 100 will correspondingly increase the value of each. If the number be doubled, each will carry but half its usual freight and will be worth but half its former value for that trade. There is so much work to be done and no more. A hundred vessels can do it all. A thousand can do no more than all.

Even if a legislative body would know how much money to issue, what assurance would it have that at the next session a new membership would determine to double the quantity. There is no limitation to the possible issue of such money except the wishes of those who have the power to manufacture such money into existence. The legislative body may determine that it needs to decrease the purchasing power of the dollar 50 percent by increasing its quantity 50 percent. But the very fact that it issues such inconvertible paper currency may inspire fear and when unreasoning and terrified fear is once unloosed, can anyone say how far it will go? The history of the world has demonstrated time and time again that when a nation begins to issue promises that it cannot fulfill there is danger that it will issue so many of such promises that they will become valueless.

But with money tied to a metallic base the situation is different. The increase in the paper money is determined by the increase in the metallic money. The increase in the metallic money is determined by natural economic laws. To produce a dollar of gold or silver someone must work and someone must think, and someone must invest capital and incur risk. These "someones" are not going to produce gold and silver unless they make a profit. It is well known that the total amount of money expended in producing and seeking to produce, and trying to discover, gold far exceeds the value of the silver and gold actually produced. In the first place, nature limits the amount of the gold and silver. In the second place, economic laws limit the amount that can be profitably produced, so that when the increase in paper money is determined by the increase in the stock of the precious metals there is no danger of uncontrolled inflation. But when we cut our currency issue loose from its anchors of gold and silver, there is no limit to the possible quantity and the subsequent depreciation.

But, as I have said, no such danger exists in reference to paying the adjusted-service certificates with the gold and silver in the Treasury.

It is claimed by the advocates of the Vinson plan that it has more chance of passing the Senate than the Patman bill. How do they know this? Has anyone shown any authentic facts to support this statement? Can they produce a statement from the majority of the Senators that they will vote for the Vinson bill? If this is true, why did they not introduce the bill in the first instance in the Senate and get the Senate to act upon it? If they are so confident of the Senate's approval, why did they first come to the House with the plan? The truth is that no one knows what the Senate will do with either the Patman bill or the Vinson bill, and it is not within our province to speculate as to the probable action of the Senate. We constitute a separate and distinct body. Let us discharge our duties under the Constitution and let the Senate discharge its duties under the same Constitution. Let us do what we think is right and give to the Senate the same privilege.

As a mater of fact, the Patman bill has never had a fair test in the Senate since 1932. It has been offered as amendments to other bills, but no one will contend that this is a fair test of its strength in the Senate. Many Senators may be in favor of the Patman bill and may be opposed to tying it to some other measure. Since 1932 a great deal of water has gone over the wheel. The valuation of our gold has increased more than $3,000,000,000 dollars since that time, and the total stock by weight has shown a tremendous increase. Since that time we have revalued the gold dollar, and since that time many new Senators have been elected. As far as the President is concerned, he has said that he will veto either of the two bills. If he vetoes the Vinson bill, he will call upon Congress to provide the increase in taxes. Can anyone say with certainty that the House will pass the Vinson bill with the necessary increase in taxes over the President's veto? Does not everyone believe that there is a better chance to pass the Patman bill in the House over the President's veto than the Vinson bill?

Mr. Chairman, Mr. PATMAN is the outstanding and recognized leader among those who favor the payment of the soldiers' adjusted-service certificates. He has consistently and actively devoted himself to this cause since he has been in Congress. He has made hundreds of speeches in every part of the United States and has expended some of his own money and time to sell his plan to the country. He was fighting for this cause when the leadership of the American Legion was opposing it. In spite of their powerful opposition, Congress passed his bill two times. Mr. PATMAN did not sell the Vinson plan to the country, and I believe that the overwhelming majority of war veterans favor the Patman plan. [Applause.]

Mr. SAMUEL B. HILL. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER of Tennessee. Mr. Chairman, as a member of the Committee on Ways and Means it was my pleasure to support the bill H. R. 3896, and I am glad to again have the privilege of speaking in support of the passage of a measure which has for its purpose the payment of the balance due on the adjusted-service certificates held by the veterans of the World War.

The enactment of this legislation will not only provide for the payment of a just debt to these veterans which has already been acknowledged by the Government, and will, of course, have to be paid, but will afford the greatest measure of benefit throughout the entire country of almost anything that has thus far been proposed. It provides for the payment of this debt to the veterans at a time when most of them need it more than at any time since their service was rendered or the date of the acknowledgment of the debt, and will also afford this measure of relief throughout the country at a time when it is needed more than at any other time in the history of the country.

The veterans have based their claim upon the high ground that the passage of this measure will afford relief throughout the entire country and will benefit all classes of our citizens. They do not base their claim for consideration upon the selfish ground that they alone will be benefited by this legislation.

The money used for the payment of this obligation of the Government will go to every nook and corner of the entire country. The service men went from everywhere that anybody else lived, and at the close of the war they returned to their former homes. As an illustration of the wide-spread distribution of these funds, I cite the case of my own State of Tennessee. The balance due on these certificates to the veterans of Tennessee, after deducting the amount of loans already made on the certificates, will amount to the sum of $36,108,472.80. The veterans of the counties of the congressional district which I have the honor to represent will receive the following amounts: Crockett, $239,554.20; Dyer, $433,389; Gibson, $642,086.40; Haywood, $359,669.40; Lake, $144,706.80; Lauderdale, $323,002.80; Obion, $401,386.80; Tipton, $379,472.40; Weakley, $403,815.60; making a total sum of $3,327,083.40 for these nine counties. This illustration is typical of the situation which will exist throughout the Nation.

The situation presented by the pending bill presents the strongest possible evidence of the fact that no question is ever settled until it is settled right. The adjusted-compensation question has not been settled right; therefore it still remains unsettled today. I have always taken the position that the original plan proposed by the American Legion for the settlement of adjusted compensation to the veterans was the fairest and best that has ever been proposed. It afforded the veteran the opportunity of exercising his option as to whether he would receive the cash payment provided for the adjustment of his compensation or would receive a certificate which really amounted to an insurance policy. I hold to the view that if I owe a man a hundred dollars it is my duty to pay him, and I have no right to tell him what

he has to do with his money after I pay the debt. I think it was a mistake for the Government to try to assume the role of a self-appointed guardian for the veteran and determine the question of the purpose for which money should be used which was acknowledged to be due him. If this original optional plan had been enacted by Congress, I have no doubt but that this question would have been settled long ago. The Government adopted a different policy toward the veterans than that adopted for others.

When the veterans returned from the service they were given the sum of $60, which was not enough for them to actually change from the uniform to civilian clothes, based upon the price levels prevailing at that time. The Government gave $240 each to civilian employees, which was paid in cash. The Government then paid some $3,000,000,000 to war contractors in an adjustment of their compensation and about $2,000,000,000 to railroads, all of which settlements were made on a cash basis. I submit that in view of this action it was unfair to give the veterans a certificate due 20 years from the date it was issued.

The question has been raised that the debt is not due until 1945. In answer to this I would invite attention to the fact that if the average amount which was acknowledged to be due the veterans, based upon a dollar a day for service in this country and $1.25 a day for service overseas, is taken as a basis and the same average amount of interest figured on this amount from 1918, when the debt was really due, which the veteran has been required to pay on the loan made on his certificate, that it will be shown that the present face value of these certificates would have been due on October 1, 1931.

The distinguished gentleman from Texas who preceded me [Mr. DIES] has had a great deal to say about a bond issue and the Mellons, Morgans, and Rockefellers not assuming their share of the tax burden of this country.

Certainly I have no quarrel with him on that point, but he should know, and the Membership of the House knows, that these Government bonds are not exempt from the surtax that is levied under the revenue laws.

Mr. PATMAN. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. PATMAN. The corporations do not pay a surtax.

Mr. COOPER of Tennessee. The gentleman from Texas [Mr. DIES] did not say anything about corporations; he referred to individual taxpayers, to the Mellons, the Morgans, and the Rockefellers, and that is what I was answering. They do have to pay a surtax on all bonds held by them, or on the revenue from them.

Now, Mr. Chairman, it is not my purpose at this time to enter into a further discussion of the question of payment of the adjusted-service certificates to the veterans of the World War. I assume that there can be no doubt that the House of Representatives will pass a bill providing for the payment to the veterans what is due on these certificates.

The real question presented here for consideration is, How will that objective be accomplished? It is to that phase of the matter that I want to direct your attention for the few remaining moments allotted to me on this occasion.

There can be no argument raised between the distinguished gentleman from Texas [Mr. PATMAN] and myself. I have voted for his bill just as many times as he has voted for it. He and I came here at the same time. We have stood shoulder to shoulder in trying to secure what was just and fair for our comrades of the World War. It was my privilege to serve as a member of his steering committee in the last Congress, and was designated by him to watch the parliamentary phases that developed during the consideration of his bill. I have voted for this measure on every occasion presented here.

I want now to direct your attention to the practical side of the question that we now have for consideration. As practical men we should consider these practical matters from a practical viewpoint. Now, then, what are the facts we have presented to us today which relate to H. R. 1, one of the measures now under consideration by this body.

My purpose is, and my paramount purpose is to see that the service men get their money. I believe that they are entitled to it. That is the purpose that I have set out to accomplish.

What are the facts with reference to H. R. 1. The House has repeatedly passed the measure and yet it is not the law of the land. The men still do not have their money. For my part, I am not willing to lead them up a blind alley when I see no hope of getting out at the other end. That is the situation we have presented to us. When I find that I am unable to reach an objective by approaching in a certain direction, I think the part of wisdom is to then consider whether or not I can reach that objective in another way; and that is the real, practical question we have presented here today for our consideration.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I am sorry, I do not have the time. I hope the gentleman will excuse me. As a member of the committee I could have reasonably asked for more time than I did, but many other Members want time and I requested only a limited time. I hope the gentleman will excuse me.

Mr. Chairman, that is the practical situation we have facing us here today. It is whether or not you really want the service men of this country to receive their money. If you do, I submit that the plan submitted by them as incorporated in the bill H. R. 3896 is the best way to accomplish that purpose. The bill H. R. 1, for which I have voted all these times in the past, has never at any time received more than 31 votes in the Senate—31 out of 96—and on a real test on that bill at one time it received only 18 votes. From a practical standpoint, we should bear in mind that there has never been much difficulty about passing legislation for the veterans of the country through the House of Representatives. Beginning in May 1920, the first Congress to convene after the close of the World War, a measure was passed providing for adjusted compensation for the veterans. It went to the Senate and failed there. That was in the Sixty-sixth Congress. Then in the Sixty-seventh Congress legislation was again passed in the House. It went to the Senate and failed to become law. We know that we do not have the difficulty to meet here, but it is at the other end of the Capitol that we have the difficulty to meet.

The distinguished gentleman from Texas [Mr. DIES] has talked a great deal about the House of Representatives rising up to its full stature and doing what it thinks is proper, and then letting the Senate do as it pleases. That argument is all right, but again we wind up with the men not having their money. If you want the men to get their money after you have failed repeatedly, my view of it is that it is better to take a course that offers a better opportunity of accomplishing the desired result.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I am sorry; I have not the time. As to all of these measures to which reference has been made, the history has been the same. It took from 1920 to 1924 to get the bill enacted providing for the adjustment of compensation for the veterans of the World War. There never was any difficulty at any period of that time about the House of Representatives passing it. That difficulty was at the other end of the Capitol. From 1924, the time the measure was passed, on up to now there never has been any difficulty about the House voting to pay these certificates. The difficulty has been at the other end of the Capitol. So I present to you this very practical situation that we have to meet in a practical way as practical men. We should pass the bill H. R. 3896, which certainly has the best chance to become law and pay the veterans their money. [Applause.]

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. BACHARACH. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, this bill is out here on the floor because of the extravagance program of the President.

It is out here because, instead of conserving the resources of the country, instead of saving the money of the people, instead of reducing the expenses of the Government, we have embarked on the promotion of all kinds of wild schemes which have provided no relief from unemployment and have increased the expenditures of the Government from $4,000,000,000 to $8,500,000,000 per year. These expenditures have done nothing toward the relief of unemployment except to increase the number of persons on relief from approximately 10,000,000, when the President took office, to 22,000,000 now. These expenditures have increased the national debt of this country from approximately $20,000,000,000 to $28,800,000,000, not including the $5,000,000,000 of guaranteed bonds and $2,500,000,000 of the bonus.

This makes a total of outstanding debt of $36,300,000,000, practically all of which must be paid by the Government. In addition to that debt, there is in sight $2,000,000,000 more of guaranteed bonds on account of the home loan and the farm loan; there is $5,200,000,000 relief funds appropriated, but not yet expended, and $4,880,000,000 which has passed the House and is in the Senate. Then we are running a deficit of at least $1,000,000,000 a year on ordinary expenses. This makes a probable debt, when the appropriations which have now passed the House are spent—and they probably will be spent inside of the next year—of $48,380,000,000. In addition to that, we have a State and municipal debt of $20,000,000,000. All told, the national debt, including these items, is therefore approximately $68,000,000,000.

The national debt of Great Britain is approximately £8,144,000,000, or $40,231,000,000.

No attempt is being made in this bill or in any other bill that comes before the House for consideration to raise taxes to meet the expenses of the Government.

We are spending from $8,500,000,000 to $9,000,000,000 a year and we are only raising $3,000,000,000 by taxes—a straight deficit of $6,000,000,000 a year, by spending three times what we are taking in.

We have a program laid out for us in the President's Budget calling for a continuation of the present program throughout the fiscal year 1936, and there is no end in sight. He does not dare tell the people the truth and tell them that we must increase their taxes if we are to go on. Taxes raised to meet the extravagance program of the President would have to be on a basis far beyond the dreams of any of us. We must practically multiply our taxes by three in order to meet the expenses of the Government. Only in that way can the solvency of the Government be preserved. In 2 years from now the debt of this country will reach a staggering figure, and unless we are able to stop our spending program and have the courage to multiply our taxes by three, and thereby meet our expenditures, our bonds are going to default, our Government credit structure is going to be ruined, and we are not going to be able to continue to maintain the integrity of the Government itself.

Frankly, I do not blame the soldier boys, with this picture in front of them—with the prospect of the destruction in the value of their own bonus certificates—for asking for their payment now. Frankly, I cannot vote for it. I cannot vote for it because I believe that the soldier boys should show the patriotism that they showed in war times, that the rest of the citizenship should show the patriotism that they showed in war times, that everyone should do without some of the things that they would like to have, that we should reduce our relief load to a minimum, that we should raise the taxes of the country to the point where we are meeting our expenses, and this can be done if we have courage enough.

We are now taxing those with tremendously large incomes from 65 to 75 percent, with our State and Federal income taxes. While undoubtedly these will have to be increased, they produce a very small amount of money and most of the tax burden must be borne by the ordinary people. Our taxes are now far lower than the British tax. The British are practically balancing their budget. We are getting worse and worse. There is no efficiency in our relief organizations; there is no efficiency in the Government.

Oh, that the soldier boys would defer this request. That they would request the President to stop the $5,000,000,000 bill which is now pending in the Senate and which is a much more serious menace to the credit of the country than this bill. That bill should be limited to absolute relief requirements alone. Oh, that the President of the United States would stop asking Congress, and that Congress itself would stop asking for ridiculous appropriations for which there is no necessity, and which will serve no useful purpose. Oh, that the Congress and the President would have the courage to levy the taxes on the people required to meet our obligations.

Let us now show the patriotism that is required to preserve America. Let us stop these continual irresponsible appropriations for things that will not bring recovery, and try to restore his job to the American workingman and take him off relief. Only by stopping the President's program of extravagance and the spending program of other organizations and of our own Membership, and by resorting to honest, patriotic taxes, can we save America. A continuation of the present course of the President and the Congress in spending, will completely destroy the credit structure of the Government of the United States. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, cooperating with Senator TYDINGS, and, I might add, at his request, I introduced two bills which provide for the payment of the bonus. The second bill, which I introduced Monday, H. R. 6796, is practically the original Tydings bill. The thought is the same with a change in phraseology.

Mr. ANDREWS of New York has offered a similar bill, and Mr. MCREYNOLDS, of Tennessee, has a bill almost identical to the Tydings bill.

Why did I introduce the bill? Because I honestly believe and I know the great majority of this House must come to the same conclusion after reading past statements by the President that neither the Vinson nor Patman bills can secure the President's signature.

I would like to see this question settled. It has been used as a political football long enough. It appears in every campaign and many candidates pledge their votes without knowing what they will be asked to vote upon.

We all know that before any bill can become law it must be signed by the President or passed over his veto. I neither challenge nor criticize the motive of any Member of the House or Senate. I concede the honesty of purpose of all, no matter what their views, of course, might be; but I do say it is not fair to veterans to send a bill to the White House which we know the President will not sign and which cannot be passed over his veto. Such action only means disappointment in the end for the veterans. We all maintain the veterans are our friends. We seek their friendship. Why follow a course that will disappoint our friends?

Of course, I do not speak for the President, but enough has been said by the Chairman of the Senate Finance Committee, who, after an hour's talk with the President, leaves the impression with newspapermen that the President will not sign either the Vinson or the Patman bills.

The President publicly expressed himself in April 1932 and in October of the same year on the bonus question. His statement in October 1932 covered his statement made in April of that year and reads as follows:

> Last April my views on the subject (bonus) were widely published and have been subsequently quoted. I said:
>
> "I do not see how, as a matter of practical business sense, a Government running behind $2,000,000,000 annually can consider the anticipation of bonus payment until it has a balanced Budget, not only on paper, but with a surplus of cash in the Treasury."
>
> No one, for political purposes or otherwise, has the right in the absence of explicit statement from me, to assume that my views have changed. They have not.

Can anyone say the President since that time has made any statement that warrants anyone in believing that he has changed his view?

The thought back of the Tydings bill is to enact a law that will in no way increase the public debt. In plain language

it gives veterans an opportunity to cash their certificates based upon the value as of the day the assignment is made.

We all know that there is only one course to follow when there is a deadlock between the executive and legislative branches of the Government; that is a compromise.

I therefore feel the bill I sponsor can be used to effect a compromise.

I did not appear before the Ways and Means Committee, but Senator TYDINGS did. His explanation of the bill will be found, starting with page 173 of the hearings, which are available. When the Rules Committee took up the question I was present and appealed for a rule that would give the House an opportunity to vote upon the bill I sponsor. That opportunity has been afforded, and I will at the proper time offer H. R. 6796 as a substitute, and an opportunity will be afforded to get a roll call on a motion to recommit if my substitute fails in Committee of the Whole.

Briefly, the Vinson bill provides for the payment of the adjusted-service certificates in full at this time, the money to be raised through an issue of bonds.

The Patman bill provides for payment by the printing of currency. The bill, which I will call the "Tydings bill", provides for payment in bonds. It provides for the payment of the certificate in bonds now at the value as of date of payment rather than the value in 1945. In other words, the purchaser of the bond will receive the interest between date of purchase and date of maturity in 1945. The transaction would be the same as the sale of a Liberty bond due in 1945 bearing 3-percent interest that you would sell today. The veteran gets the market value of the bond with the interest to date of sale, but the purchaser will receive the interest in the future. The bill provides the bonds must be sold only at par value.

Now, what does this transaction mean? It means that a veteran who insists upon payment now will receive approximately 80 percent of the face value of his certificate. Of course, if he has already borrowed, that amount will be deducted. If the veteran elects to wait until 1945, he will receive that which the Government is obligated to pay in 1945.

Mr. Chairman, we can never pay the veteran that which the country owes him in dollars and cents. No one will contend we can.

There are only a few Members of this House today who were here when the law was passed providing for the adjusted-service certificates. Most of the Members who voted for that bill are no longer here.

I came here immediately following that action by Congress. Had I been in Congress at the time, I never would have voted for such a proposition. We cannot say that there is any contract between the veteran and the Government. The veteran made no contract with the Government, and nobody had a right to speak for the veterans as a whole when that legislation passed this Congress. He was forced to accept what the Congress gave him. Had I my way, I would have made some reasonable settlement with the veterans at the time of their discharge, not what we owed them, because, I repeat, we never could have paid them in dollars and cents what we owed them, but I would have given them a reasonable amount to let them get started. They had lost their jobs. They came back to this country, and they were required to buy new clothes. When they went to seek their jobs those who were so proud to hang that flag in their windows with stars on it showing how many of their employees had gone to war failed in thousands of instances to take the men back who were represented by those stars on the flag that they proudly displayed in the window. The boys who were cheered as they left their desks to join the ranks failed to get the reception they thought would await them on their return. Someone else occupied that desk. Of course, this does not apply to the great majority of patriotic business men, but it actually occurred in thousands of cases.

Those who made money out of the war should have been made at that time to have paid the veteran that to which he was entitled. Congress gave him $60, and even that was deducted from his adjusted-service certificate. It was an insult to give a man $60 who had been away from his home and his surroundings for 2 years fighting for his country while others remained here on the scene enriching themselves.

The hearings before the Senate committee in the last few weeks give an idea of the tremendous sums which were made by manufacturers of munitions in this country. What for? To ship abroad to give to our soldiers to use in saving this country.

Now, the bill that I offer here today does not satisfy me, but I am not going to offer any amendments to it. That will be done when the question is before the Senate. There are a number of changes that should be made, but the outstanding one is to provide that in reaching the present-day value of the certificate all interest charges on loans already made shall be wiped out. In some instances, before the Government took over the loans, banks charged veterans as high as 8 percent for loans on their certificates. Cancel the interest charges is an amendment that should be agreed to by all. If this bill is sent to the Senate there will be an opportunity for a compromise, a compromise with the President. Therefore, I feel the thought embodied in this bill should be sent to the Senate. I cannot conceive that the bill advocated by the gentleman from Texas [Mr. PATMAN] will ever become a law, and the same applies to the Vinson bill.

Mr. PATMAN. Will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. PATMAN. The gentleman said he would be willing to remit all interest now. Is that true?

Mr. COCHRAN. That is correct. I have always contended that unless the interest is canceled the veterans who borrow will have little left in the end.

Mr. PATMAN. Therefore, the gentleman admits it must be due now, or he would not be willing to remit the interest?

Mr. COCHRAN. No; I do not admit anything of the kind. To cancel the interest and pay the obligation due in 1945 are separate and distinct.

Mr. PATMAN. If the gentleman does admit it is due, why does he want to withhold that money from the veteran, or pay him 75 cents on the dollar?

Mr. COCHRAN. As I explained a moment ago in as plain English as anyone could use, I do not think it is possible to get a law unless we compromise with the occupant of the White House. Why should we pass the gentleman's bill when we all know the President of the United States will not sign it, and there are not sufficient votes in the other body to pass it over his veto.

Mr. PATMAN. Will the gentleman yield further?

Mr. COCHRAN. I yield.

Mr. PATMAN. The gentleman does not know the strength of the bill in the other body, and he does not know whether the President will approve his bill or not. Is that not true?

Mr. COCHRAN. I know this; that the Senate has demonstrated on two occasions that there is not a two-thirds majority in the Senate in favor of bonus legislation, not only the kind of legislation which the gentleman from Texas is advocating but the same applies to the Vinson bill.

The CHAIRMAN (Mr. ZIMMERMAN). The time of the gentleman from Missouri [Mr. COCHRAN] has expired.

Mr. COCHRAN. No Member of Congress has been in closer touch with the veterans than I have. I have handled thousands of cases for them and have been successful in getting favorable decisions in the majority of cases I presented for them. I doubt if there is a Member of the House who succeeded in winning more insurance claims for dependents of veterans than I have. General Hines, who knows of my activities, will confirm this statement.

It so happens I was the first Member of the House to offer a bill to pay the adjusted-service certificates in part. That bill was referred to the then Secretary of the Treasury, Mr. Mellon, by Mr. Hawley, who was at that time in charge of the Ways and Means Committee. There was nearly a billion dollars to the credit of the adjusted-compensation fund at the time Mr. Mellon's report caused my bill to be pigeonholed by the Ways and Means Committee, but later a similar bill

was reported and passed and the veterans were allowed to borrow. I merely state this to show that I have tried to be of service to the veterans, and in advocating this bill today I am again trying to be of help, because, as I have previously stated, I am firmly of the opinion that only disappointment awaits the veterans if either the Vinson or Patman bill is sent to the White House, while if this bill goes to the Senate there will be a good chance for a compromise.

The CHAIRMAN (Mr. ZIMMERMAN). The time of the gentleman from Missouri [Mr. COCHRAN] has expired.

Mr. BACHARACH. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. THURSTON].

Mr. THURSTON. Mr. Chairman, I desire to direct my remarks to just two or three phases of the matter under consideration.

One of the delightful delusions entertained by the alleged financial advisers of the country is the contention that the payment of the soldiers' bonus will unbalance the Budget. Just why these high-minded patriots have adopted the conclusion that a dollar paid out of the United States Treasury to a veteran creates a greater debt than a dollar paid out for any other purpose, whether legitimate or for wastage, has not been sustained; but the enjoyment of this fiction by these financial ostriches has been a pleasing pastime for the group which sold worthless foreign securities to our people and who committed about every breach of financial trust ever placed with the men supposed to have some financial judgment.

During the war practically all common labor employed by the Government in munitions factories or other war-time agencies, under the direct or indirect control of the Government, paid a basic wage of $1 per hour for an 8-hour day for common labor, with double pay for overtime, and usually the workday consisted of 10 hours, so that the laborer drew $12 per day. Then Saturday afternoon and Sunday were considered overtime and, of course, these men worked Saturday afternoon and Sunday if they were employed at all; so at the end of the month these unskilled laborers received from $250 to $350 wages. They were furnished barracks to live in, comparable to the buildings occupied by the soldiers. It is true these men were obliged to pay for their food and clothing, but at the end of the month they had from $200 to $250 net.

What pay did the enlisted man receive during this period? During the early period of the war an enlisted man received only 50 cents per day, amounting to $15.50 per month; later this amount was raised to $1 per day, and the noncommissioned officer possibly $1.25 to $1.50 per day, or a total of from $30 to $40 per month. Out of this pay the soldier was obliged to pay his insurance and frequently pay an allotment to a dependent, so on the average the enlisted man had a net sum of about $25 per month.

In other words, a civilian employed in a Government camp or factory, many of whom were aliens and could not be trusted in the military or naval service, received 10 times the pay, without the hazards of service to which the soldier or sailor was subjected.

When he entered the service, in effect, they said, "Young man, you have been employed in a hazardous undertaking. The Government cannot carry the burden or liability incident to your employment; therefore, you will be obliged to purchase your own insurance."

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. THURSTON. I yield.

Mr. WOODRUFF. Is my understanding correct that the gentleman from Iowa, now addressing the Committee, served during both the Spanish-American War and the World War?

Mr. THURSTON. I will say to my friend from Michigan that I did; and I have never been obliged to ask for a pension under the former or for compensation under the latter, nor have I ever applied for the bonus which my State provided, or that which the Federal Government has allowed, so, without personal interest, I feel that I may freely discuss the bill before the House.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield further?

Mr. THURSTON. I yield.

Mr. WOODRUFF. The gentleman refers to pensions. In this House we have the Veterans' Committee and two pensions committees, all having jurisdiction over benefits to ex-service men; can the gentleman inform the committee whether during the past 2 years any one of these committees reported anything of any benefit whatsoever to the ex-service men of this country?

Mr. THURSTON. In reply I may say that I do not happen to be a member of either of the three committees mentioned; but insofar as I am informed, not one single bill has been reported by any committee having jurisdiction over the subject during the past 2 years, no matter how meritorious or deserving a veteran might have been.

Then the 10 percent plus contracts encouraged everyone who held one of these agreements to defraud the Government by wasting material, padding pay rolls, and every other device that could be conceived to rob the Government. Very likely the beneficiaries of these gigantic steals were and are opposed to the payment of the adjusted-compensation certificates.

Real bonuses were given to the concerns in settlement of war-time contracts with the Government, involving hundreds of millions of dollars. Of course, these patriots were not required to wait until 1945 to receive their bonuses.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield further?

Mr. THURSTON. I yield.

Mr. WOODRUFF. I think it will be interesting to the committee to know that an audit of the war contracts following the war disclosed the fact that this Government had been defrauded of many hundreds of millions of dollars by the contractors of this country. This is information the committee ought to have before it when it decides the issue presented here today, it seems to me.

Mr. THURSTON. In order to promote a building program, the Government is now spending large sums in advertising in the press and through the radio, to urge our citizens to repair dwellings and erect new homes. Will any sensible person contend that if a veteran received the payment of his certificate, that he would not be as much inclined to spend or invest as any other citizen? The average veteran is married and the head of a family; and thousands upon thousands of these men would welcome the opportunity to invest funds in acquiring a home, or improving the ones they now own.

While we talk about, and appropriate money, in sums of millions and billions for the benefit of great Government projects and relief work, is it too much to ask that these individual veterans each receive a few hundred dollars at the most, which we all know is a just debt the Government owes to him?

One of the masterpieces of humor of all times was the so-called "economy program" of the present administration. It is true that it did strip many of the veterans, and bring undue reductions to Government employees; and when these two groups felt the lash of this program, then suggestions were made to broaden the base of this proposed saving plan. Those who might have fairly been called upon to withstand some of the burdens of the Government were in a position to defeat such unwarranted and harsh proposals, so the economy plan gently but surely disappeared from public view, and is now listed among the forgotten policies of the present administration—more forgotten than the "forgotten man." The Economy League was embalmed and buried, and does not yet know it; it might at least bring suit against the administration for desertion and nonsupport.

Much has been said in this country about a sound military policy. In our national-defense program, what will be the value of ships and airplanes and artillery, if we do not have willing men to man them? Because of the attitude of the present administration toward the veteran, the morale of our service has been lowered. It is up to the Congress to

reassert our faith and confidence in those who have served and those who are to serve us in time of national distress. A failure to play square with the service men of the past will undermine the morale of the soldier of the future.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. O'NEAL].

Mr. O'NEAL. Mr. Chairman, I apologize to this body for the personal references to myself, but it might be thought that I have no knowledge of the soldier and little interest in him. I waited in France for the arrival of the first American troops, and I joined the First Division as a private soldier before it was assembled as a unit in France. I served with it from the firing of the first gun for approximately a year, and then I was sent to the Twenty-sixth Division, the Yankee Division, as an officer, if a second lieutenant can be so called, where I served until the war closed.

Upon my return home I became chairman of a commission which wrote the history of every Kentuckian in the war, and I headed a committee that placed 3,800 men back at work.

I helped to organize the national American Legion, served as department commander of Kentucky and as national executive committeeman for many years. I aided in the organization of the American Legion endowment fund, and Kentucky was the first State to raise its quota, and I was active in that campaign. I have held national committee appointments almost throughout the history of the Legion. I was the treasurer of the national convention corporation which entertained the Legion in Louisville in 1929, and I was vice president of the Veterans of Foreign Wars convention in Louisville in 1934.

I do not feel that I have shown any lack of interest in my comrades, and I think that I know the soldier.

My approach to this subject is from the viewpoint of a soldier, a legionnaire, and an overseas veteran, and I will concede that the soldier was paid less than others during the World War; the profiteers, workers in the shipyards, and many other groups received profits which almost amounted to criminal prodigality; that adjustments were made with big business that will forever be a blot upon the escutcheon of America. But admitting that, what should now be the attitude of the veteran and the legionnaire toward our country in 1935? The only question is, Can our country afford to pay the certificates at this time and shall we, the soldiers, deal this staggering blow to our country, for which, once, we were willing to make every sacrifice, even life itself? I think I know the mind of the veterans who served in France and those who sought to serve. If they understood the present condition of our country and what the payment of this huge amount now might do to their country, there would not be one true soldier out of one hundred who would accept the settlement of this just debt on any terms.

No finer body of men ever lived than the soldiers of 1917 and 1918, and the spirit that drove through at Cantigny, that stopped the finest fighting machine of the war in its grimmest attack at Soissons and Chateau Thierry, and carried on to victory is not dead. It sleeps from the weariness of the load it has carried, and it is lulled to slumber by the sympathy and the plausibility of well-meaning but mistaken friends.

Frankness, candor, and absence of hypocrisy is the mark of a soldier, and it is the duty of the veteran to look the present situation in the eye.

Our form of government cannot survive unless our country changes its point of view. The situation is more dangerous than is fully realized. Hardly anyone believed in 1929 that the crash was immediately before us, and it came with the speed of a high-explosive shell. Today the Government of the United States is bravely bearing nearly a $35,000,000,000 load. Can you conceive what that means? It has been said that if this debt had been owed by someone the day Christ was born and he had paid $50,000 a day every day from that time to the present, the debt would not be entirely liquidated. Yet we must feed the poor, the hungry, the afflicted, the old, and our disabled comrades. Where do we get the money with which to feed them—from our Government as long as its credit is sound. When our credit is no longer sound, the Government can no longer aid the unfortunates. We are at grips with the fundamentals of economics. If we can hold on and take care of our absolute necessities, as mentioned above, until business is on its feet, then our country is saved. If we pile debt upon debt, we may place the strain upon our Government's back that will break it before business recovery, and the break, when it comes, will come swiftly. We must deny ourselves so that we may preserve the Government's credit so that it can hold on until reemployment comes. No matter how fundamentally just is that claim, I cannot vote to lay upon the shoulders of an overburdened government credit another crushing load of one or two billion dollars, except to feed, clothe, and house the hungry.

Do not be misled by kindly but specious reasoning. Your common sense will tell you that if the Government pays this money now, it must raise the money, and that means more debt. I respect greatly my comrade the gentleman from Texas. He has toured the country, appeared before Legion committees, and he has convinced many veterans that this large sum can be paid in cash without creating a debt merely by the issuance of United States notes.

I have not time to express my reasons for believing this to be fallacious, but one group of veterans calls his plan fantastic and theoretical, and claims credit, in introducing the Vinson bill, of "taking the issue out of the dangerous realm of financial and political fantasies and bringing it down to the solid ground of fact." My good friend and colleague from Kentucky says that the Patman bill "changes the monetary system of the United States."

The Vinson bill does not state how the so-called "bonus" is to be paid, and Mr. PATMAN says, "If the bill does not say how it is to be paid, then it is not worth a row of pins to the veteran." He says further—

> If tax-exempt interest-bearing bonds are voted to pay this debt, as will be required under the commander's bill, by the time the bonds are paid, the coupon clippers will have received $2,000,000,000 in interest, the same amount that the veterans will have received on the debt.

It reminds me of the Tower of Babel and the confusion of tongues. One doubts the soundness of the Legion bill, and the other doubts the wisdom of the Patman bill. I am inclined to paraphrase the old saying that there are three sides to every question—your side, my side, and the right side—by stating that the three sides to this question are the Patman bill side, the Vinson bill side, and the right side.

Certainly the common sense of the veteran knows that the so-called "bonus" cannot be paid out of air and that our country must raise the money or borrow it. This means that the national obligation will be even further greatly increased, and will shorten the time which its credit can withstand breaking, and as a veteran and legionnaire, I cannot hasten that day, for our disabled veterans are dependent upon the credit of our country to live for the rest of their lives, and the widows and orphans and the unfortunates of this country are helpless and doomed if our country fails them.

I feel personally that this is an actual imminent danger. Let us use our credit sparingly and only for extreme necessities so as to extend the time to the ultimate limit with the hope that renewed business will come before that time is reached. What a travesty to think that the veteran through lack of understanding might shorten the life of his country's credit and cause disaster which would have been averted, if the load could have been carried a little longer. If the true soldier understood, he would again rush to the defense of the country he saved, and repudiate any action that might make it impossible for our country to care for our disabled comrades, the widows, the orphans, and all other unfortunates who must look to the credit of our country for their salvation.

May I say, parenthetically, that this does not only apply to the veteran, but every American citizen should take heed, for our country cannot withstand the pressure forever. We speak of competitive armaments, but in America today there is competitive extravagance at the expense of the Government. State is vying with State for Government appropria-

tions; business, capital, labor, farmer, unemployed, and every shade of thought is in a struggle to get more and more; and it appears to me that even we in Congress think too much of our connections and too little of our common country. May the veteran understand the situation, but may he not be the only one to practice unselfishness and self-denial.

May I speak again to my comrades in the language they will understand. The World War was at a standstill until the Allies placed their armies under a unified command and followed orders to victory. It is not a mere figure of speech to call this depression a war. In my opinion, when the orders were written for the French to evacuate Paris and the British to drop back to the Channel ports the danger was no greater than today. The same reasons for unified command are in evidence today as they were in 1917–18. We must charge someone with responsibility, and in major matters we must follow the high command. Our Commander in Chief has all the facts, and he sits as an impartial judge or an unprejudiced general. His only thought is to win this war, and he is in a better position to know the facts and the dangers than any one of us. A wrong decision could be destructive. Our Commander in Chief, with all the facts before him, with the responsibility of 125,000,000 people upon his shoulders, has pointed out the danger, and I do not see how a soldier can do other than to follow him for our country's sake.

In conclusion, as a loyal member of the veterans' groups, I was sworn to support God and country first. That meant country first, myself and other veterans second when there was a conflict. I can think of no higher service than for the veteran to set an example for the civilian group and to decide against our own interest for the good of our country and possibly for the very salvation of it.

I shall vote as I think every soldier would if he understood the true situation—against both the Patman and the Vinson bills. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 15 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman, ladies and gentlemen of the Committee, I earnestly favor the measure now before us which provides for the immediate cash payment of the adjusted-service certificates. I voted for the rule making it possible to bring this measure up for consideration today, and I am very happy to have an opportunity to speak to you and urge its passage. If the President vetoes it, as he threatens to do, I shall vote to pass it over his veto.

THE LEGION AND MY CONSTITUENTS FOR VINSON BILL

There are three special bills before the House—the Vinson bill, the Patman bill, and the Tydings-Andrews bill. The Vinson bill authorizes the Government to pay now these adjusted-service certificates in cash, and it cuts out interest on all loans made by the veterans on their certificates—in other words, no veteran who has borrowed money on his certificate will be charged up with any interest.

The Vinson bill is backed by the American Legion. Their national commander, their national legislative representative, other national leaders, Legion State organizations, hundreds of Legion posts, many of the Disabled American Veterans posts, a great many of the Legion posts and auxiliaries, and hundreds of individual World War veterans in my district have urged me to support the Vinson bill. They think that the Vinson bill has the best chance to get through and become a law. I have not had a single person or organization in my district to express opposition to the Vinson bill.

No one in my district has urged me to support either the Patman bill or the Tydings-Andrews bill. No one in my district has expressed opposition to this immediate cash payment. Heretofore when this legislation has been up many business men have expressed opposition.

The Ways and Means Committee, that has made a careful study of this legislation, has reported favorably the Vinson bill. I have been and I shall continue to do what I can to carry out the wishes of the veterans and others in my district who have urged me to support the Vinson bill.

I have nothing but the kindest feeling for my colleague [Mr. PATMAN]. It is believed by many that his bill would embark this Government on a policy of inflation—using the printing press. If his plan to pay off the bonus by simply printing $2,000,000,000 of paper money is sound, it seems to me there would be no good reason for us not to print paper money to provide for the construction of highways, for relief, and for paying the national debt.

The House passed the Patman bill in 1932. It went to the Senate and only received 18 votes. The House passed the Patman bill again in 1934 and it went to the Senate and received only 31 votes. The leaders of the American Legion felt that it might be wasted effort to pass the Patman bill now and have it defeated again in the Senate. The veterans seem to think that they can pass the Vinson bill in the Senate, and if it is vetoed by the President, that it can be passed over his veto.

The Tydings-Andrews bill provides that the Government shall issue bonds to the veterans for their certificates, payable January 1, 1945, but does not take care of the interest, and it would be up to each veteran to sell his bond. It would cut almost in half their certificates. It also provides that no veteran can for 6 months, sell his bond at less than par. It is unfair to the veterans to require them to raise the money that is being paid to them by negotiating their bonds. The Government should sell the bonds. It did not give to the war contractors, the railroads, and others bonds and require them to sell the bonds. The Government gave them cash. No one can sell these bonds so well as the Government can. I want the veterans to have the full amount of their certificates paid in cash, and therefore I am against the Tydings-Andrews bill.

Mr. PATMAN. Will the gentleman yield for a question?

Mr. ROBSION of Kentucky. I yield to the gentleman from Texas.

Mr. PATMAN. Will it not be just as easy to quit printing the money as it is to quit printing the bonds?

Mr. ROBSION of Kentucky. No; I do not think so. Russia, Germany, and every other country that has ever embarked upon inflation pursued the identical course that is proposed in this measure by the gentleman from Texas, and in each and every instance it has proven disastrous to those countries. If we could stop after printing this 2 billion it might not hurt much.

Mr. RABAUT. Will the gentleman yield?

Mr. ROBSION of Kentucky. I yield to the gentleman from Michigan for a question, but not to make a speech.

Mr. RABAUT. Is there not something to the metallic backing of printed money?

Mr. ROBSION of Kentucky. I do not like to enter into a discussion of the money question. I do not have the time to do so.

Mr. RABAUT. The gentleman brought up Russia and Germany.

Mr. ROBSION of Kentucky. Yes; and they have gone back to a metallic-money basis.

Mr. MAY. Will the gentleman yield?

Mr. ROBSION of Kentucky. I yield to my colleague from Kentucky.

Mr. MAY. I know my colleague, the gentleman from Kentucky, wants to pay the veterans and will vote to pay them. May I ask him, if the Patman bill, to which he says he is opposed, should be substituted for the Vinson bill, will he vote for the Patman bill?

Mr. ROBSION of Kentucky. I certainly will. I favor the Vinson bill, but will vote for the Patman bill if the Committee votes to substitute the Patman bill. I want the veterans paid.

NOT A RECENT CONVERT--A JUST OBLIGATION

I am not a recent convert to this legislation. Soon after I entered the House in 1919 I introduced a bill providing for this additional pay for the veterans; and on May 29, 1920, 15 years ago, I made a speech here in favor of the so-called "adjusted pay (bonus)" and voted for it. We passed it in the House, but it failed in the Senate. In 1924 I helped to pass the adjusted-service certificate bill in the House, and after a veto I helped to pass it over the President's veto. I have always favored this legislation, and in the primary campaign of 1934 both my opponent and myself pledged our-

selves to the immediate cash payment of these adjusted-service certificates; and in speaking and voting for this bill today I am doing what I think is just and right, and I am giving my best efforts to carry out the pledge I have made to the veterans of my district for the last 15 or 16 years.

The questions arise: Is it right? Is it a just debt? Is it now due? Do the veterans need it now?

May I say that this is not a dole, gift, or bonus. It proposes to pay a just debt. We can hardly realize in these times of depression that during the war the average pay of the workers of this country was approximately $8 per day. The Government in building camps, shipyards, operating railroads, and doing other work paid to the workers all the way from $5 to $25 per day for 8 hours' service. The Federal employees, clerks, and so forth, put in less than 8 hours per day, yet were allowed 30 days of annual leave and 30 days more of sick leave with full pay, and for 4 years during the war and just following the war Congress allowed these Federal employees whose salaries did not exceed $2,500 a year a bonus of $240 per year. In all, each of these 500,000 Government employees received nearly $1,000 in cash bonuses; this, of course, in addition to their salaries. This bonus amounted to $500,000,000.

As a general rule, small as well as large business men made big profits during the World War. Many business men made as high as $10,000 a day; a few as much as $50,000,000 in a single year. One shipping concern alone made $69,000,000 in profits during the war.

I was not a Member of Congress during the war, and at the time the soldiers' and sailors' pay was fixed at $1 per day on this side and $1.10 per day overseas. In view of the big profits and wages made by those who remained at home, I have never been able to understand why Congress fixed this small pay for the soldiers, sailors, and marines. They represented the flower of the young manhood of the Nation. They were taken from their homes, their schools, their relatives, and friends; from the farms, railroads, mines, shops, factories, and mills; from their opportunities to make money and for educational advancement and put into the Army and Navy where they were subject to the call and orders of their commanders for 24 hours a day and 365 days a year. These boys had no choice as to the amount of their pay or where or when they would serve.

Out of this small amount of approximately $30 per month, the boys had to pay around $7 per month for insurance (made necessary because of their service in the Army or Navy) and hundreds of thousands of them had to pay $15 per month as allotments to dependents; and, if anything was left, they were urged to buy Liberty bonds on the installment plan, and hundreds of thousands of them did so.

Knowing these facts, when I became a Member of Congress in 1919 after the war, I introduced a bill to provide additional pay to our soldiers and sailors, and have consistently supported this legislation ever since; and on May 29, 1920, I had an opportunity to make my first speech in favor of this legislation and to cast my first vote for it when we had up and passed a bill granting additional pay to our soldiers and sailors. This measure passed in the House by a vote of 289 to 92, but failed of passage in the Senate. On March 23, 1922, the adjusted-service pay certificate bill was brought up in the House and I had an opportunity to speak and vote to pass it. It passed by a vote of 333 to 70. They passed the present adjusted-pay certificate in 1924; it was vetoed by the President, and I helped to pass it over the President's veto.

This measure provided for the issue of adjusted-service certificates granting an additional $1 per day for service in this country and an additional $1.25 per day for service overseas, and certificates were issued for these amounts with interest added to those who served more than 110 days. Those who served 110 days or less had been and were paid in cash. These certificates were dated January 1, 1925, and were payable January 1, 1945, or on the death of the veteran.

There were approximately 4,051,000 veterans who were entitled to receive these certificates. It is estimated that the average amount of these certificates is $1,000 each. Of course, the amounts due the veterans who have died since that act was passed have been paid.

In December 1932 there were 3,531,800 adjusted-service certificates in force.

Congress later on provided that a veteran could borrow as much as 50 percent of the face value of his certificate; 3,037,500 have borrowed from the Government or from banks and have pledged their certificates for these loans, amounting to approximately $1,500,000,000.

Of course, the veterans had no more say in Congress passing this act providing for these adjusted-service certificates payable on January 1, 1945, than they had in fixing their pay. These certificates were handed to them, and they could take them or leave them. Many of us at that time were still in favor of the cash payment, but this adjusted-service certificate bill was the only measure we had an opportunity to vote on.

It will require in the neighborhood of $2,000,000,000 to pay off these certificates and discharge the interest now against them on the loans held by the Government and the banks. It can be seen that 85 percent or 90 percent of the veterans found it necessary to borrow on these certificates. The interest is compounded. Undoubtedly they do not have the money to pay off these loans; and if the loans should run to January 1, 1945, the other 50 percent of these certificates would be absorbed by interest and, in fact, the veterans who have borrowed money on their certificates would receive on January 1, 1945, on the average, $65 each.

OTHER CLAIMS ADJUSTED

The World War cost the United States more than $36,000,000,000. All the man power in uniform received less than $4,500,000,000 of this amount, or about one-eighth of the total cost of the war.

We desire to point out that no one can receive this adjusted pay who held the rank above that of captain. It can readily be seen that the big item of cost of the World War did not go to the 4,000,000 defenders.

Is there any good American with a spark of honor and any sense of justice who will say it was right or just to force our boys to accept $1 per day for service in this country and $1.10 per day for service overseas? Is there anyone who would deny for a moment that these veterans are not entitled to this additional $1 per day for service in this country and this additional $1.25 per day for service overseas? Their total pay would then only be $2 per day in this country and $2.35 per day for service overseas.

We were so prosperous in 1918, 1919, and 1920 that we gave little attention to the Dent Act of Congress providing for the adjustment and additional compensation, amounting in all to nearly $3,000,000,000, to about 7,000 war contractors—yes; the war contractors who worked under the "cost-plus" plan—the more they spent the more they made—and we paid nearly $2,000,000,000 to the railroads for the use of the railroads during the war.

We loaned to the allied governments more than $10,000,000,000. About $3,000,000,000 of this was turned over to them in 1919 and 1920, after the war. We adjusted their debts and interest, and in all it is estimated that our Government conceded to them, counting the interest over a period of 62 years, something like $10,000,000,000, and it looks like we are not going to receive any of the balance.

These allied countries used these billions they received after the war to pay their soldiers and sailors bonuses and pensions.

These measures were all passed by a Democratic Congress and approved by a Democratic President. These war contractors and railroads were not required to wait 17 years or 27 years to have their contracts and pay adjusted. This claim of the veterans is the unfinished business of the World War. It is all right to pay $5,000,000,000 in adjusting the pay of these war contractors and the railroads, according to some of those representing the big interests of this country, but it is all wrong to adjust the pay of 4,000,000 of America's gallant defenders.

By the Transportation Act of 1920, a recapture clause was provided in the act which provided that the excess profits

of the railroads should be turned into the United States Treasury. Because of a dispute arising between the railroads and the Government, these funds were impounded, or kept, and there had accumulated in this fund more than $360,000,000. A Democratic Congress last year passed an act and it was approved by President Roosevelt, which repealed that provision of the transportation act and returned this $360,000,000 of excess profits to the railroads. Now the President and some of the big rich fellows say we cannot afford to do this act of justice to the needy defenders of our country.

Recently the country was shocked when it read of the disclosures of the dodging of income taxes and the large profits taken from Uncle Sam by the munitions makers during the war. There appeared before this committee of the Senate Mr. Eugene E. Grace, of the Bethlehem Steel Corporation. He admitted that during the years 1917 and 1918 he received approximately $3,000,000 as an officer of this concern, and in the last 12 or 15 years during and following the war he received about $12,000,000 in bonuses and salaries. The bonus and salaries paid to him and others during the war came in a large part out of the pockets of Uncle Sam and out of the pockets of the taxpayers of this country. Mr. Grace declared on the witness stand that he was strongly opposed to the cash payment of these adjusted-service certificates.

If this country is ever destroyed, it will be because of the attitude of such men toward our veterans and the common people of this country.

In view of the fact that the Democrats were in control during the war and fixed the veterans' pay at this small sum, and in view of the further fact of the payment of bonuses to war contractors, to the railroads, to the 500,000 Government workers, and others during the war, I cannot see how President Roosevelt and his Democratic leaders in Congress can now refuse to right this wrong and how they can have the heart to fight this effort to do this act of only partial justice to the defenders of our country.

Mr. CANNON of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. Yes.

Mr. CANNON of Wisconsin. Is it not also true, when you are referring to Mr. Grace, that the contracts he entered into with the United States on behalf of the Bethlehem Steel Co. were held unconscionable by a referee shortly thereafter?

Mr. ROBSION of Kentucky. That is my information.

IS THIS MONEY NOW DUE?

It certainly is a just debt. Those who remained at home collected their big wages and big profits at the time the services were rendered and the profits accrued. These veterans were entitled to receive this additional pay at the time they rendered these services, and certainly not later than the end of the war; but under these adjusted-service certificates they must wait until 1945, 27 years after the war. If we pay it to them now, they will receive it something like 17 years after they rendered the services. It has been due and unpaid now for nearly 17 years. This question, like any other question, will never be settled until it is settled right.

Uncle Sam, the paymaster to those who built camps, worked in shipyards, on the railroads, and for the Government, paid to those who remained at home more than five times per day what he paid to those who left their homes and opportunities to defend and save our country. There was made in this country during the war one millionaire for nearly every boy who lost his life on Flanders fields.

It seems to me if there is to be partiality shown, it should have been shown to those who offered their lives and who made the real sacrifice and not to those who remained 3,000 miles behind the lines. The flesh and blood of the land was called to service and sacrifice. The dollars remained at home to profiteer, and it is the dollar part of the country now that is so strenuously fighting against this measure of justice to our defenders.

THE SO-CALLED "ECONOMY ACT"

The Democratic Party in its convention at Chicago in 1932 adopted a plank pledging the Democratic Party and its candidate to a reduction of at least 25 percent in the cost of government and to the cutting out of bureaus, commissions, and useless officeholders. Mr. Roosevelt accepted this platform 100 percent and declared over and over in his speeches in the campaign that he would do this very thing and that we would stop the deficits and stop going in debt.

The President, in March 1933, forced through the so-called "Economy Act." He stated to the Congress that this act was necessary to preserve the credit of the United States and to balance the Budget. This measure affected, in the main, two groups—the veterans and their dependents and the officers and employees of the United States Government. This measure drove thousands of disabled veterans from the Government hospitals. It took hundreds of thousands of crippled, needy, and disabled veterans and the widows and orphans of veterans off of the pension rolls and countless thousands of these were turned out on the streets and highways and became the objects of common charity. No such ruthless or cruel act was ever done to the defenders of this country from the day of the Revolution until now. There never was a greater act of ingratitude on the part of the Government toward its defenders and protectors. None of us can estimate how many lives were taken by this ruthless act. I hope the day is not far distant when we may have an opportunity to vote for its repeal and restore to our veterans and their widows and orphans their rights and again express the gratitude of this Republic for the services rendered by them.

We permitted, during the World War at least, 1,000,000 men from the allied countries within the draft age to hide behind the American flag and receive big wages and enjoy the wonderful opportunities of this country. We could not put them in our Army or Navy because they were aliens; they could not be put into the army or navy of our allies across the sea because they were over here and not over there. Our boys were required to help preserve and save not only our country but the allied countries at $1 per day and $1.10 per day. They should have been forced to get into our Army or Navy or go back to their own countries.

When this great army of American soldiers and sailors returned to their homes, they found—many of them—their places filled by aliens. Tens of thousands of them did not have money to buy themselves work outfits.

Congress in the years that followed passed many splendid measures helpful to the disabled veterans and their widows and orphans, but the so-called "Economy Act" wiped out many of these measures. Under the so-called "Economy Act" the salaries of all Government officers and workers were cut 15 percent. Congress since that time has restored this 15 percent, but it has not restored the rights taken away from the veterans and their dependents. The excuse in doing this to the veterans was in order to balance the Budget and preserve the credit of the United States. In violation of the promise of the Democratic Party and President Roosevelt scores of bureaus with hundreds of thousands of additional officers and workers have been put on the pay roll of the Government. Taxes have been increased, and when the so-called "works-relief bill" is passed by the Senate as requested by the President, the national debt will have been increased approximately $15,000,000,000, and on June 30, 1935, the national debt will be about $35,000,000,000—$10,000,000,000 more than it was at the close of the World War!

Yes; while requiring the poor, disabled veterans of the Nation and the widows and orphans of veterans, nearly all of whom are poor people, to balance the Budget by cutting their throats through the Economy Act, the administration engages in the wildest campaign of waste and spending that has ever been put on by this country or any other country of the world.

I am not complaining of any necessary relief to the needy people of this country. I am complaining of the waste of public money. I am complaining of the graft, inefficiency, partisanship, and favoritism in the administration of this relief. I am complaining about the expenditure of hundreds of millions of dollars to take productive land out of production and other hundreds of millions of dollars to bring unproductive land into production, and the expenditure of

hundreds of millions of dollars to destroy cotton, wheat, and corn and to kill and burn hogs and pigs when we have more than 22,000,000 people on the relief rolls and they and other millions are suffering with hunger and cold.

There are many worthy boys in the C. C. C., but no one denies now that it is a political unit. It, like relief, is being administered in behalf of politicians. No doubt you have observed in your communities that instead of confining the enrollees to the needy people, the sons of prominent lawyers, doctors, business men, and big farmers (good Democrats) have been put into the C. C. C.

The President and Democratic leaders say we have nothing now to pay this just debt to the needy veterans, but they do say they are going to double the C. C. C., and there will be in that unit at least 600,000 boys, costing the Government at least $100 per month each, amounting to four times as much as the average pension of the veterans and widows and orphans who were taken off the pension rolls by the Economy Act. Shame on the administration for calling upon the poor, disabled veterans who served for $1 or $1.10 per day, or less than that in the Spanish-American War and the Indian wars, to balance the Budget and preserve the credit of the United States.

Our soldiers and sailors, as we pointed out, received less than one-eighth of the amount of the cost of the World War; therefore they did not unbalance the Budget. The fellows who unbalanced the Budget were the war profiteers and the fellows who are unbalancing the Budget more from day to day in this country are not the veterans, but it is President Roosevelt and his Democratic "brain trusters" and associates. Let those balance the Budget who are responsible for its being out of balance.

The C. C. C. is one of the greatest Democratic political units in this country. It has been announced in the press by Democratic leaders that there will be 10,000 jobs as foremen and directors of the C. C. C., whose salaries will range from $150 to $250 per month, and these jobs will be Democratic patronage, and in order to secure one of these jobs you will have to be a certain brand of Democrat and have the backing of a Democratic Senator or Congressman.

Let the administration cut out hundreds of thousands of useless political jobs. Let it quit paying out the people's money to destroy food and clothing and paying out hundreds of millions of dollars of the people's money to keep people from producing food and clothing. The President is for all these big expenditures and is backing this wasteful extravagance, but when it comes to adding a little more to the pay of the American soldiers and sailors he expresses bitter and vigorous opposition.

DO THE VETERANS NEED IT?

Most of our boys who entered our Army or Navy during the World War were poor or in moderate circumstances. This has been true throughout all of the ages. The poor man carried the gun. The World War veterans are now men with families. I venture to say that 85 to 90 percent of them are in needy circumstances, and hundreds of thousands of them are on relief. They really need this money to support themselves and their families. Would it not be immeasurably better to pay them this just debt now and permit them to support themselves and families, rather than to be supported, as a great many of them must be, from relief?

This administration has been very extravagant, and they offer as an excuse that in putting out this money the purchasing power of the people will be increased. In passing this bill we not only pay a just and honest debt of the Government to our gallant defenders but we distribute practically $2,000,000,000 that will penetrate every city, town, hamlet, and rural community. There will be something like an eight times turn-over of this money within the next 12 months. This means that this money will do $16,000,000,000 worth of business within the next year. This money will go to those of every political faith. It will not be distributed in a partisan way. It will help all. The fact that 85 to 90 percent of the veterans have borrowed all the money on their certificates that can be borrowed is evidence that they are in need.

I hope at the earliest moment possible that this relief can be brought to them and their families.

Sixty-three thousand six hundred and ninety-six veterans of Kentucky will receive $34,261,787.60. The veterans of the 17 counties of the Ninth Congressional District of Kentucky that I have the honor to represent will receive the following sums:

Bell County	$507,740.60
Clay County	242,764.71
Clinton County	117,988.42
Cumberland County	133,713.22
Harlan County	845,954.93
Jackson County	137,159.57
Knox County	344,189.67
Laurel County	276,612.34
Leslie County	141,064.56
McCreary County	191,672.21
Monroe County	171,361.01
Owsley County	94,650.20
Pulaski County	467,026.56
Rockcastle County	198,512.50
Russell County	156,330.72
Wayne County	207,672.20
Whitley County	389,581.92
Total to veterans of Ninth District of Kentucky	4,623,945.42

CAN WE AFFORD IT?

We are told that the national debt is now nearly $29,000,000,000, and if the so-called "works bill" is passed it will increase the national debt to $35,000,000,000. I confess that this is too much debt for our country, but who has increased this national debt $15,000,000,000 in the last 2 years? The veterans and their dependents did not do it.

The President has at his disposal in the Treasury unspent for public emergency work $1,500,000,000, yet he comes to Congress and demands an additional $4,880,000,000. That part of his request for relief should be promptly passed. The Republicans are all in favor of that, but a lot of us fear that it would not be right to hand over to the President $4,000,000,000 with dictatorial powers and with no strings to it. Millions and millions of it would be wasted, or it would go to help the Democratic Party or Democratic politicians. Economy does not enter into the plans of this administration unless disabled veterans and their widows and orphans are involved. A nation can always afford to take care of its needy defenders, and a nation that refuses to do so some day will find itself without defenders. If we are going to cut down, for God's sake do not cut down on needy defenders who are walking the streets and highways of this country begging for clothing, shelter, and something to eat for themselves and their families. [Applause.]

NATIONAL DEFENSE

I have heard many speeches made throughout this session of Congress urging large increases for our Army and Navy because of unsettled and threatening conditions in our Nation and in the world. If the plans of the administration are carried out, as stated by many of the Democratic leaders and the press of the country, the administration proposes to spend this year on the Army and Navy, and Army and Navy projects, approximately $1,000,000,000—about one-half of the sum we now propose to pay the 4,000,000 men who defended and served their country in the World War. May I say to those who are opposed to this measure, and to my countrymen, that the best dollars this country ever spent or can spend for national defense is the dollar that takes care of those who bore the heat of the battle and their widows and orphans. It requires men of loyalty, patriotism, and courage to man the forts, fleets, and airplanes. Let our defenders at all times feel and know that this is a grateful Nation, and if this spirit is kept alive, we need have no fears for the safety of our country. This Nation will never be destroyed from without—if it is destroyed, it will be destroyed from within. There is too much communism, sovietism, and wild, unreasoning radicalism in this country. [Applause.]

Let me say to those of large fortunes or large business interests who are fighting this measure, What force or forces are there that will stand as a protector of your lives and of your property and uphold the Constitution of this country?

Upon whom can we rely as our first line of defense? Is there any mightier force or more dependable forces than that great army of World War veterans who responded to their country's call and added another illustrious page to our history and brought our flag back in honor and victory, and those who served so gloriously in the Spanish-American War, the Civil War, and their sons and grandsons? Is it not worth while for them to know that this country will in the future, as in the past—until recently—be ready to show its gratitude to those defenders and their dependents? It will not do for a part of our citizens to have all of the patriotism and a small minority to have all of the money. If we could not all serve, we can nourish and cherish those who did.

DOLLARS VERSUS FLESH AND BLOOD

I wish to take this occasion to commend the policy of the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, other veterans' organizations, and others in our land for sponsoring legislation that will make it impossible when war comes again in this country for the dollars to remain at home and profiteer while flesh and blood alone serves, sacrifices, and dies for this country.

If this policy had been pursued, we would not have had a national debt of over $25,000,000,000 at the close of the World War and the Nation disrupted and depressed. We would not have the problem that is before us today. The economic collapse of our country and the world today can be traced directly to the World War—an inexcusable war. It grieves us to know now that it accomplished nothing of good for the world or this country, but it did bring about the death of 9,000,000 splendid men, the maiming and injuring of 9,000,000 others, and the making of 18,000,000 of widows and orphans, and piled up a debt that bankrupted the entire world.

If the profits are taken out of war and the dollars, the property, and those who remain behind the lines are called to the colors as well as those who go to the camps and battlefields, we will then have taken the greatest step for peace that this country has ever taken.

Believing, as I have believed for more than 15 years, that this is a just and honest claim against our Government, and that it is long past due, and now greatly needed by our defenders and their families, I am happy to have this opportunity to speak and vote for it. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. LUCAS].

Mr. LUCAS. Mr. Chairman, it is a great privilege for one to have his efforts for service men of the late war indelibly stamped in the records of this great legislative body. I desire to express my appreciation to the able Congressman from North Carolina, the Chairman of the powerful Ways and Means Committee, who made it possible for me to speak upon what is believed by many to be the most important piece of legislation now pending before the Congress.

My colleagues, I am in complete agreement with the distinguished Congressman from Tennessee, and boldly assert that there is only one question in this legislation for determination, and that is, Shall we pay to the veterans of the late war cash in lieu of their adjusted-service certificates in the quickest and surest way possible?

Point No. 1: I answer emphatically in the affirmative and start this argument with the premises that the general welfare of service men is paramount to every other issue raised in the various bills before us. Payment to the veteran is a sacred obligation, growing out of the most deadly and costly conflict in all of our history, and yet the proponents of the Patman bill seek to add to the obligation of solemnity a mandatory scheme of currency expansion which completely changes the monetary program of this country. With all the candor at my command, and with thoughts chiseled from a heart of sincerity, I say that this is no time to fire the imagination upon subjects not germane to the real issue before us. And I beseech you to remain cool in reasoning and dispose of the main question before us without permitting a single side issue to warp your judgment and perhaps help defeat the fundamentals of this legislation.

Let us analyze the facts before us in a cool and impartial manner. We all agree that there is a divergence of opinion in the House of Representatives and throughout the Nation, as to whether or not Congress should pass a law favoring the payment of these adjusted-service certificates. There are those who oppose the payment in any form. On the other hand, you will find another class of Representatives who sincerely and whole-heartedly feel that these certificates should be paid. That is the real issue before the House and the Nation. The Members of this House are entitled to be recorded "yes" or "no" upon that single issue, and the people are entitled to know where we stand without the question being confused or muddled, and the only bill which provides for a record vote upon that elemental act of justice is H. R. 3896, known as the "Vinson bill."

The Patman bill, known as H. R. 1, seeks the payment of the certificates, but also devises the method of payment through the expansion of the currency. I shall not undertake to discuss the monetary features of this bill, but suffice to say that the starting of the printing press for the purpose of turning out greenbacks in the sum of $2,000,000,000 and more creates a highly debatable and intriguing question. The two proposals are wholly incompatible. They are total strangers, each having a long and conspicuous career, and under no theory could they find a common meeting ground. The principles involved are as far apart as the poles.

Those who are against the payment of these certificates, and who have no interest in the expansion of the currency, will vote in the negative upon every bill or amendment thereto which is offered for consideration during this debate. On the other hand, if some one or more of these gentlemen might be more interested in currency expansion than they are in the payment of the bonus, they might be induced to vote for the Patman bill, thereby helping defeat the Vinson bill, and, of course, the rule works both ways.

There is a further class who believe in the payment of the adjusted-service certificates, but who do not feel kindly toward currency expansion, and yet, if the Patman bill should prevail, the man who is primarily for the payment of the certificates would be compelled in the final analysis to vote for the expansion of the currency in order to be on record for legislation of this character. I submit in all fairness that the issues should be divided. I submit that if there are those in the House who believe that it is indispensable to the payment of the governmental obligations to expand the currency, there should be a bill introduced before the Banking and Currency Committee to that end, and eventually the Members of this House would have the opportunity to pass on the merits or demerits of such an inflationary measure. I cannot believe, I will not believe, that the Members of this House will follow this amorphous, uncrystallized method to thrust upon me an expansion of the currency when I do not want it, and yet, if the Patman bill prevails, I should be forced to take it if I wanted to be on record for the payment of the adjusted-service certificates. What a nightmare! What a travesty on intellectual honesty! I plead with the Members of this House, regardless of your views upon the money question, to discard the Patman bill and vote for the Vinson bill, which is an outright issue upon which we can all find a common meeting ground without doing any injustice to a single man in this House.

Point no. 2: Under point 2, for the sake of argument, let us assume that all bills are upon an equal basis and proceed from that point to discuss as to which bill we believe has the best opportunity of becoming a law.

First, the American Legion, the most powerful and the largest patriotic organization in all the world, is behind the Vinson bill, and they will follow this bill to the Senate and also carry it to the people of the Nation if necessary. I have received letters and telegrams from Legion members, posts, and auxiliaries, urging me to support the Vinson bill. I have likewise received telegrams from members of the Veterans of Foreign Wars in my district asking me to support the Patman bill; and I say that it is exceedingly unfortunate for the veteran of this country that these two great organizations are divided upon what bill should pre-

vail in the House. I have nothing but words of kindness for the Veterans of Foreign Wars. I know many of their leaders in Illinois, and they are gentlemen and patriots of the highest degree. As to the American Legion I have been closely associated with that organization and all of its problems since the war. My labors for the service men and their labors for me in the State and in the Nation are well known. It was my privilege and honor to be the first post commander in my home city of Havana in Illinois. Later I was department commander of that great State, and when the Honorable Howard Savage was elected national commander at the Philadelphia convention I was appointed as national chairman of legislation and came to Washington at that time to help enact into law the mandates of the Philadelphia convention. Later I became national judge advocate of the American Legion and served four different terms under four different national commanders, and at the present time I am the judge advocate general of the Illinois National Guard, of which the great majority of the officers are veterans of the late war. I have met all types and kinds of service men. I know my colleagues will pardon the personal allusion, but I make it in order that the Members of the House may know my close association with veterans all of these years, which gives me an additional right to influence legislation which I believe to be the most advantageous and which has the best opportunity of becoming the law of the land.

As a result of my intimate connection with the American Legion there may be those who feel that I should follow the Legion's suggestions, regardless of what they might be. But I say to you in all sincerity that if the American Legion were backing the Patman bill and the Veterans of Foreign Wars were behind the Vinson bill, I should still be for the Vinson bill.

There has been some derogatory mention made in these debates about Frank Belgrano, the national commander of the American Legion. I say that the remarks made were wholly unwarranted and without justification. Under such circumstances any attack made upon the leader is an indirect attack upon the organization which he represents, and I want at this time to pay a brief tribute to this highly patriotic American institution. The men responsible for the Legion banded themselves together for God and country and were controlled by the highest and purest motives. They revealed a broad and tolerant spirit when they recognized no Army rank and made no distinction in the character or place of service. The nonsectarian and nonpolitical clauses of their constitution have the approval of every American who believes in the Constitution of our fathers. And these men possessed an abundance of equality and justice when they decreed that every man who holds an honorable discharge from the Army, Navy, or Marine Corps is eligible for membership in the American Legion. One day I stood on the platform with the Honorable Frank O. Lowden, former war Governor of Illinois, and in the midst of a speech which was well worthy of that true Illinoian he turned to me and said:

Mr. Department Commander, the American Legion is the greatest patriotic organization of its kind, and wherever you find an American Legion post you will find the American flag, and wherever you find an American flag the free institutions of America are safe.

And in this hour of American economic stress and turmoil let us remember that the American Legion is one of the great insurance policies for the continuation of a free and independent Government.

Second, you are all familiar from previous addresses with the history of the Patman bills when they reached the Senate, and the question arises today as to whether or not the Senate is in any different frame of mind to pass legislation with currency expansion attached than it was a year ago. Based upon my knowledge and observations, I have concluded that the Patman bill cannot pass the Senate, and I give to you the following additional reasons: It has been stated by the distinguished gentleman from Kentucky in his presentation of the Vinson bill that Senator ELMER THOMAS, godfather and patron saint of the inflationary movements, has asserted that the cash payment of the bonus might go too far. Recently the press of Michigan, reporting upon what Senator VANDENBERG said, stated in substance that he was opposed to the payment of the bonus in any such kind of money as contemplated by certain bonus bills. Again, in talking with the Honorable WILLIAM H. DIETERICH, United States Senator from Illinois, he advised me that between the Patman and the Vinson bills, the Vinson bill was the only one that had a chance of passing the Senate. Here you have one of the leading Republicans of the United States Senate, the leading inflationary Senator of that body, and one of the President's stalwart supporters in the Senate all advising either directly or indirectly that the Patman bill cannot pass.

I submit in conclusion that if the Members of this House are primarily and honestly interested in the payment of the adjusted-service certificates in cash they must vote for the Vinson bill. If you have a hobby for confusion and bewilderment or if you feel that to expand the currency is to save the Nation, then pass the Patman bill and send it to the United States Senate, there to rest in oblivion forever. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield now to the gentleman from Tennessee [Mr. MITCHELL].

Mr. MITCHELL of Tennessee. Mr. Chairman, I am glad that we have reached the consideration of the pending bill to pay the adjusted-service certificates. The Patman bill provides for the issuance of currency in the form of United States notes, and the Vinson bill provides that the payment of the certificates shall be made through the United States Treasury by the issuance of Government securities. I have heretofore favored the passage of the Patman bill and voted for it at a former session and have signed a petition during this session to bring the measure on the floor of the House for consideration, but since so doing it is generally understood that the Patman bill would not meet the approval of the Senate or be signed by the President. I am anxious to see us pass a bill that will be approved by the opposite side of the Chamber and at the White House. I am therefore supporting the Vinson bill. Many messages have been sent to me by the different Legion posts in my district, recommending that I support the Vinson bill, and I am anxious to reflect the preference of the soldiers themselves and to pass a bill here that will promptly become the law and result in the ex-service men receiving a cash settlement on their certificates. I am not so much concerned as to which bill is passed as I am to see a prompt settlement made to the ex-service men.

I have favored legislation to pay the veterans ever since I have been a Member of the House, and have introduced a bill to provide for this payment without interest deductions.

None of us should regard this legislation as an additional obligation of the Government. We have already agreed to pay the veterans in 1945, and this is not, therefore, in any sense a new debt. If the certificates are not paid now, the interest will practically consume the remainder due. More than 3,000,000 men will have their certificates eaten up by interest deductions before 1945. Only about sixty-odd dollars would be coming to each veteran, some 2,000,000 or more soldiers, on that date if they are required to wait until then. To pay these certificates at this time will do more to bring about prosperity and do away with the depression in every section of the United States than any measure we can pass. It will put new money in circulation in every section of the country. Many of the soldiers are crippled, many are suffering from disease brought on from military service and the exposure of camp life. It is estimated that around 80 veterans are dying each day. This is an awful death rate and is rapidly depleting the ranks of those who went to the defense of our homes and to the defense of America. There should be no interest deduction of any kind on these certificates.

The Government paid out many billions of dollars after the war as a bonus to industry and so-called "big business." The war contractors were paid billions by the Government as so-called "adjustment" after the war was over. Many of these were illegal contracts and should not have been paid, but they received the cash, nevertheless, and not a promise to pay in 1945. The shipbuilders received many millions as a so-called "bonus." The railroad owners were

given a guaranteed return of the same average percent on their investment as they received during the 3-year period before the war. They were also voted a bonus of $3,000,000 a day extra after the Government released them from control for 6 months. They were paid between one and two billion dollars in cash and not in interest-bearing certificates.

We also loaned billions of dollars to foreign countries after the war and none of this has been repaid. These nations claim now that they are too poor to pay for the last war, but are at this time preparing for another. We should take steps to enforce the collection of these debts, and that at once. This is money rightfully due the taxpayers of America and I favor legislation that will bring about a speedy collection of all debts due us by every foreign nation.

In addition to these wrongs, more than $3,000,000,000 of income-tax payments was refunded after the war, although in each instance, the taxpayer had made out and sworn to their income-tax schedules. These refunds would pay the veterans' certificates alone. Such refunds in my judgment were a fraud against the Government and the people. The United States Steel Corporation alone was refunded more than $15,000,000, and $10,000,000 was allowed in addition as interest. Andrew Mellon, prominent as Secretary of the Treasury, made refunds to his company and allowed interest on the same at 6 percent. This was paid in cash and not in certificates due in 1945. War profiteers made billions of dollars that come out of the United States Treasury while our soldiers were on foreign fields fighting that we might live. In view of the consideration given big business and the bankers of the country, who were least entitled to consideration, why deny the ex-service man the right to a settlement of the debt so justly due since 1918? Money can never repay the obligation we owe the World War veterans for their service and their sacrifice. No treasury could meet this obligation in dollars and cents.

The enlisted man, a private, received $1 per day for service on this side during the war, and $1.25 per day for overseas duty. They were permitted, and in many instances required, to make allotments to dependents at home. Out of their pay was deducted certain fixed and necessary expense of each soldier. He was also required to pay an insurance premium of some $6 per month to the Government. In many instances, he purchased Liberty bonds to help the Nation in its effort to raise money with which to defray the expense of the war. He not only made a personal sacrifice, but a great financial loss came to him while he was in military service. No opportunity to look after his business or investments at home. He was sent from his family and loved ones to fight the battles of his country. Surely that same country, and the same people for whom he so patriotically fought, should not longer fail to recognize his right to a cash payment of these adjusted-service certificates.

I would prefer that we take one-half of the $5,000,000,000 public works and relief money voted by the House at this session, and now pending in the Senate, if necessary, and use it to pay these certificates, rather than fail to pass a bill which provides for the cash settlement of the veterans' certificates. I believe this would be a better relief measure than the public-works program. I think it would do more to help relieve the present depression all over America than any other measure that can be passed.

To illustrate, there would be new money sent into every county and in every civil district in the United States, the veterans' pay. In the Fourth Congressional District of Tennessee, which I have the honor to represent, there would be paid out in the 18 counties of my district the sum of $3,634,574.96, distributed by counties as follows:

Cumberland	$142,085.80
Bedford	261,786.34
Cannon	110,972.70
Clay	118,946.34
Coffee	208,668.42
DeKalb	176,525.46
Fentress	137,067.12
Franklin	270,706.32
Jackson	168,775.38
Lincoln	315,741.24
Marshall	$193,429.08
Moore	50,139.54
Overton	224,541.18
Pickett	69,736.30
Putnam	295,089.78
Rutherford	400,992.12
Smith	192,174.66
Wilson	297,193.18

I insist that no man should be so unpatriotic as to compel his neighbor to endure the hardships of war, and perhaps to lose his life, while another, a citizen of the same country, is permitted to remain at home in a place of safety and security and earn profits from the war. It should fall with equal burden upon the shoulders of every man alike. All profits should be taken out of war. We would then more often enjoy peace. It is possible under the Constitution to eliminate war profits. I am giving fullest support to legislation now pending in committee to outlaw all war profits. Let the present Congress pass a bill that will, in the future, outlaw the profits of war to private business and industry and require it to be turned over to the Treasury of the United States. The power to force a citizen into military service to be wounded or killed is a greater invasion of his right than anything that can be done toward using his property in Government service. We can certainly legislate over property rights under the Constitution, as surely as we can over personal rights.

The payment of the bonus would raise the per capita circulation in America around $15. This would mean much to the "forgotten man" in our country. The bankers and money-changers oppose the passage of either of these bills because it will increase the supply of money and thus operate to reduce interest rates. The bankers are now drawing interest from the veterans' certificates which they hold as gilt-edge collateral. They are making a profit out of these and of course do not want to surrender them.

In addition to paying the debt we already owe and have acknowledged, the settlement now of these certificates and paying them off in new money would result in the saving of many millions of dollars of Government expense due to maintaining the adjustment-compensation bureau here in Washington. This expense is more than half a million dollars a year every year.

No one will deny but what the passage of this bill means the restoration of greater purchasing power in the hands of the people in every section of the United States. In my State of Tennessee, alone, the veterans would receive in cash $32,497,536.52 with which to pay debts and prevent the foreclosure of mortgages, or new money with which to buy the ex-service man a home for himself or family, or provide the necessities of life for him and his loved ones. It is a relief measure for all and a just obligation due the soldier.

Let us not longer delay the passage of this measure, which has for years been a political issue in every section and at each and every election. It has been discussed long enough. We should pass the Vinson bill and send it to the Senate, where, I believe, it will be endorsed, and then I hope approved by the President.

Let us not forget the sacrifice and suffering of the soldiers, who left their homes and loved ones to fight on foreign soil that we might live and enjoy freedom in America. Dollars and cents cannot repay them for the sacrifice they made for us all. Money has small value when compared to human life or the future destiny of a great and free people. It has been well said:

> Ill fares the land, to hastening ills a prey,
> Where wealth accumulates and men decay.

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. CROWE].

Mr. CROWE. Mr. Chairman, I rise in support of paying the adjusted-service certificates, known as "the bonus", and I think it is time we should look at this matter in the best way to obtain the actual payment of the bonus. I think we should entirely divorce expansion and inflation from this measure and should pay the bonus in the regular way that we raise funds to pay anything else that this Government owes. For that reason I support the Vinson measure.

It is now 16 years since the war was fought. Shortly following the World War we settled with everyone in cash except the veterans. Railroads, manufacturers, Government clerks all received cash with interest from the time the service was rendered, and cash was promptly paid. We thought the veterans had plenty of intelligence to go into the service and win the war, but when the time came to make the settlement, we said, "Boys, we will pay you in later years, because you are too young now to understand what to do with the money." If they were too young then, it is certainly high time now that we settle with them. Several days ago some of the giants of industry appeared here, and we learned at that time of the bonuses that they received for their service during the World War. For instance, Eugene Grace, of Bethlehem Steel Co., received in addition to his salary some $3,000,000 of bonus during the war. This bonus, mind you, received from profit of war, yet he opposes a bonus of $1.25 a day for service at the front rendered by our veterans. That was enough to make us understand that if they could have such enormous sums of money, certainly the defenders of our Nation are entitled to receive their money at this time. Not only did the steel industry make enormous sums of money out of the war but many other large industries, such as the Du Ponts, made tremendous profits. Not only the giant industries made enormous sums but other men—men who were not fit to go in the service for physical or other defects—made large salaries and wages working in the Nation's and other factories. Wages received by these men at home ran from several dollars a day to $15, $20, and $25 a day, while the veterans were in camps, living in barracks, or in transit overseas or on the battle front receiving their paltry $1 or $1.10 a day. But we hear it said that they were fighting for patriotism and we cannot pay people for being patriots. I admit that, and acknowledge that no sum of money can replace the nerves of the men who went through a barrage of liquid fire or who lay in a dug-out in constant terror, or who fought in the Marne or on any of the sectors at the front in France. We can, however, offer a small bit of remuneration, and with it not the grudge of the Nation but the courage and respect of a nation to its defenders.

Another sound reason for paying the bonus at this time is the fact that yearly thousands of veterans are passing on to their reward. After this long delay, it is now time and high time that this acknowledged debt be paid them. Who are we to determine that after settling with men of affairs and men of money speedily at the conclusion of the war, that we can say to the veterans, "Your services are not now needed. We know you cannot be drafted to go into another war. For that reason we will let you wait until a more opportune time in which to pay you." The Congress that settled with our veterans with bonus certificates should have settled with them in cash as they did everyone else. Since they did not, the least this Congress can do is to take up these certificates and give our veterans the cash. Let us pay the soldiers this debt that we have long owed them. [Applause.]

Money from this source will reach every section of the entire United States. People in the Ninth Indiana District, which I represent, will be interested in the following table which goes into each county of that district, and is as follows:

Bartholomew	$409,286.31
Brown	85,070.45
Clark	506,406.21
Dearborn	346,602.82
Franklin	238,651.58
Jackson	390,636.00
Jefferson	315,754.91
Jennings	194,239.80
Lawrence	585,731.77
Ohio	61,679.37
Orange	287,392.60
Ripley	297,581.96
Scott	109,696.11
Switzerland	138,799.16
Washington	268,067.39

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, patriotism is the feeling that you are somebody. It is the feeling that you belong to a nation that is not only great and strong but that is interested in your welfare. It is for this reason that we are willing to give our lives for our country. It is for this reason that we give our devotion to the Stars and Stripes. In return we have a right to ask and expect that that nation will protect us after we get through protecting it. It was for that reason that the veterans of the World War were entitled to some recognition after the war, but we forgot all about them when the war was over.

The treatment of our soldiers and veterans during the war and since the war is a national disgrace. Quoting from the Chicago Tribune of May 21, 1920:

Every soldier knows that training camps were located not for training purposes but to bring money to the favorite communities.

Every soldier knows that of the money not deliberately misspent, fully one-half was wasted, because it was administered by miserable incompetence appointed for political advantage.

Every soldier knows what an infinitesimal fraction of war-time expenditures ever reached the battlefield.

Every soldier knows that both his comfort at the rear and his safety on the battlefield were sacrificed.

Every soldier knows that throughout the war his interest was sacrificed to that of the slacker and profiteer.

Every soldier knows that the only suggestion of national economy has been to economize at his expense.

While the war was on, while these young men were marching to the front, those of us who were too dilapidated and too old to go to war shouted: "Go! go! go!" We never said, "Come." It was during that period also that those who said it would wreck the Nation to pay the soldiers their just compensation wrapped the flag of glory around them and grabbed everything in sight. They made millions and billions out of the blood, the tears, and the agony of an agonized world, and even attempted to monopolize the patriotism that is common to us all. It was they who suggested to the veterans that they should be too patriotic to ask for a few paltry dollars as a just recognition for the service they had rendered to the nation.

When the veterans began to realize that patriotism was reciprocal, that it meant something more than to go and be gassed, that it meant that a nation was grateful for the service they had rendered, then we devised a scheme where we called something that we were to give to them a bonus. You know that word "bonus" means gift, and if we could fool the veterans that we were giving them something for nothing, then they could not "bone us." [Laughter and applause.] That is where the word "bonus" comes from. So we finally gave them what we called "the adjusted compensation certificates" payable in 1945. Of course, we knew that by the time these certificates became due and payable, according to the mortality tables, 60 out of every 100 would be dead, and only 40 out of every 100 live to get what we call the "bonus."

Not only that, but after they got these adjusted-compensation certificates, then we devised a scheme whereby we loaned them 50 percent of the money we owed them and made them pay interest on their own money that we owed them. That is the treatment we gave the soldiers. As a matter of fact, I have often said the soldiers were the easiest bunch of men that I ever knew to be deceived and fooled. At the same time we loaned, through private organizations, banks, and through the Government, some $26,000,000,000 to foreign governments and foreign people that never will be paid. Let us forget about it. Oh, the Secretary of State and others are now trying to pay that $26,000,000,000 and take it out of the farmers, if you please, but that has nothing to do with this case.

Now, it is for these various reasons, because of the debt that we owe the veterans, that I am speaking for the soldiers' compensation, and I want to congratulate this Congress because we are going to do it in the right way, and we are going to do it. For that reason I am for the Patman bill. [Applause.]

We have heard a lot about inflation. My friends forget that we are inflated, inflated with bonds, until we do not know where we are going any more. We have been inflated

with bonds, and I want to say this deliberately, many of us who keep on voting, have voted for inflation all the way through, except that it is a different kind of inflation. Inflation of bonds. Will any of my good friends on the Democratic side tell me what is the difference between inflation of bonds and inflation of money? Do you know that when this administration went into power—and I am for this administration—there were $52.23 per capita in circulation on February 28, 1933, and that on January 31, 1935, there were only $42.42 per capita of actual circulation, or a contraction, in spite of all this wild, exaggerated talk about inflation, of $9.81 per capita under this administration. That much less money in circulation than when this Administration went into power. To cover up this deflation we have issued billions of tax-exempt interest-bearing bonds.

Mr. MAY. Will the gentleman yield?

Mr. LEMKE. I yield.

Mr. MAY. The difference between inflation with bonds and inflation with currency is that the bonds will continue and pile up another $2,000,000,000 in interest which the currency will not.

Mr. LEMKE. Another five or ten billion before it is paid, and the coupon clippers will get it, not the veterans. That is the difference. [Applause.] What is the difference? When am I solvent or insolvent? When I issue $5,000,000,000 noninterest bearing legal tender, if you please, or when I issue $45,000,000,000 tax-exempt interest-bearing bonds? When am I the more solvent? It is for you gentlemen to decide. That is what we have been doing all the time.

Mr. TRUAX. Will the gentleman yield?

Mr. LEMKE. I yield.

Mr. TRUAX. How much will the bonded indebtedness be increased if we pass the bankers' bonus bill, the Vinson bill?

Mr. LEMKE. I just stated, another ten billion before it is paid, because we are not taking up those bonds so very fast.

Mr. TRUAX. How else can they finance that bill, unless they issue tax-exempt bonds or increase taxation?

Mr. LEMKE. I say I am for the Patman bill because that is all we will have to pass. If you enact the other one, then you will have to have another tax bill or else it must be done by bonds, but an administration that is not in favor of it will not use the bonds unless you pass another law to provide the funds. But if you pass the Patman bill you do not have to get a further appropriation. If you pass the Vinson bill, you will have to get an appropriation. You have to make three jumps where the Patman bill takes it all in one jump. [Applause.] That is the difference between the two.

Now, the Members on both sides of the aisle who belong to the Committee on Banking and Currency bring out inflation of bonds all the time, but when you talk about money, then they say, "That is fiat money." I will give you a good definition of what inflation means. Inflation, as used today, is when the Government of the United States prints money and gives it to anybody else but the bankers, if you please. That is a definition of inflation. [Applause.] We have $4,878,500,000 of paper money that the bankers have received from the Government absolutely for nothing except seven-tenths of 1 cent per bill, the cost of printing. That is all they pay to your Uncle Sam. When we ask that this money, instead of being given to the bankers, be given to the veterans, the protectors of this Nation, then they yowl, "Inflation! Inflation! Inflation!" That is all we have been hearing. At present there are $3,332,500,000 Federal Reserve notes outstanding. Do you know what the bankers paid for those? Seven-tenths of 1 cent per bill, or on an average, 30 cents a thousand, and in the previous Congress last year we voted that all those bankers have to do is to put up Government bonds and get all the money they want. What is back of that money? Where is the metallic base? Hot air is the metallic base back of that money and nothing else. [Applause.]

Mr. MAY. What is to prevent this wild inflation which might occur? The Patman bill provides that they can call in as many of these Federal Reserve bank bills as are outstanding if it becomes necessary to do it. The objection is that they are calling in the bankers' bills instead of calling in the others.

Mr. LEMKE. The Patman bill takes the bankers out of control, takes money away from the bankers and gives it to the soldier, to the tune of $2,000,000,000. These bankers have had it for nothing; they never rendered any service for it. The soldiers will get it for what we have agreed to pay them, not that we can ever pay them enough for what they underwent in the mud, the filth, the slime, and the blood of foreign battlefields, where they had to fight because our international bankers bet on the wrong horse to the tune of $15,000,000,000. We would never have gotten into the war if it had not been for that. [Applause.]

In conclusion let me state that the nation that does not protect its protectors cannot long endure. No nation on earth is great enough to ignore the appeal of its defenders. The soldier protects the nation in time of danger, even unto death, and the nation tacitly agrees to compensate him in a small way in the time of need. This is the compact between the nation and the veteran. Without this feeling of security and reciprocity there can be no true patriotism—there is no nationalism.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Chairman, it seems to me there was never any piece of legislation that received such unanimous approval from the Membership of the House as that providing for the payment of the soldiers' bonus. Practically no Member of the House has taken the floor in opposition to the principle of discharging this obligation to those men who served during the World War. The proposition resolves itself into a question of the method of payment, or the way in which we are to make available the funds for the payment of the so-called "bonus."

The distinguished gentleman from Illinois a few moments ago stated that the Patman bill would be defeated in the Senate, and, I believe, tried to use that as persuasive argument for our approval of the Vinson bill. Personally, I cannot subscribe to this view. It seems to me very clear that it is our responsibility here to decide what bill we want, regardless of what the Senate may do or regardless of what the President of the United States may do. We have our responsibility. We individually as Members of the House and collectively as the House of Representatives have the responsibility of saying how we believe this obligation shall be discharged; and we should not be persuaded by any suggestion that the Senate may have a different view.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. RANKIN. I have talked to as many Senators about this proposition as any man in the House has and my information from the other end of the Avenue, obtained within the last 30 minutes, is that the Patman bill stands a much better chance to pass the Senate than does the Vinson bill. [Applause.]

Mr. BOILEAU. I thank the gentleman. I am of the same opinion; but, regardless of that, we have our responsibility here, and we should decide what kind of bill we want without being influenced by the propaganda that is being spread all over the Nation. If we pass the Patman bill, as I hope and believe the House will, it will then go to the Senate. The Senate, I believe, will then accept the Patman bill; but if perchance they do not accept it, if they so amend the bill that we send over that it comes back here in substantially the same form as the Vinson bill is now written, we shall then have our opportunity to say whether or not we want to recede from the position we took or concur in the Senate amendments. It is our responsibility to preserve the integrity of the House of Representatives and legislate as we see fit without regard to the attitude of the Senate. [Applause.] I believe the Patman bill has a greater chance of enactment by the Senate than the Vinson bill, but I do not offer this as an argument for voting for the Patman bill. There has been some suggestion, too, that the President of the United

States would veto the Patman bill. Is there any man or woman in this House who can stand up here and say they have any assurance that the President will not veto the Vinson bill? If so, I hope they will say so now. I hope also that in tomorrow's mail we shall not receive a letter from the representative of any organization similar to the letter we received a year ago when we were considering amendments to the Economy Act in which that particular gentleman stated that he had reasons to believe the President would sign the bill with the Taber amendment rather than the bill with the amendment put in by the Senate. At that time many Members of the House were influenced by that statement, that they had reason to believe that the President would favor the so-called "Taber amendment" over the Senate amendment, but we found when the bill went to the President of the United States with the Taber amendment, for some reason the President did not sign that bill either, but vetoed it, and we had to pass it over his veto.

Whether it is the Patman bill or the Vinson bill, I am satisfied that if the bill should finally be enacted by the Congress and should be vetoed by the President that in the House we can pass it over the veto of the President; and when we shall have done that we shall have discharged our responsibility. I do not believe anyone has the authority to say that one bill has a better chance of being given the President's approval than the other. Statements I have seen in the press, statements which I believe to be authentic, convince me that the President has expressed his disapproval of both plans.

In my own mind it comes right down to the proposition of whether we are going to issue more tax-exempt bonds with which to pay the bonus or pay it through the issuance of new currency. I do not know whether other Members of the House have had the same experience I have had with reference to this propaganda in favor of the Vinson bill, but out in my district the American Legion officials have tried to give the impression to the veterans that the Legion was noncommittal and was neutral with reference to the method of paying the bonus.

If that is the case, then, why are they supporting the bill that will provide for a bond issue and why are they fighting the bill that will provide for an expansion of the currency? They have not taken a neutral position. They have taken a definite position in favor of a bond issue, and, Mr. Chairman, I do not believe it is within the province of the representatives of the ex-service men to tell the Congress how it should pay this bonus. They have a moral right to make a demand for what they consider right in our treatment of veterans. They have the privilege to come and ask that the bonus be paid, but they have no right, in my opinion, to inject themselves into the question of whether we should maintain what bankers call a "sound dollar" or whether or not the views of the so-called "sound dollar" and "sound currency committee" should prevail.

Mr. Chairman, may I say in this connection that a year ago last fall at the Chicago convention of the American Legion a resolution in favor of a sound dollar was adopted by that convention. This was a resolution sponsored by the committee for sound currency and a sound dollar. May I say, furthermore, that the great mass of the American Legion membership did not then know that the men back of that sound dollar and sound currency committee were men high in the councils of the American Legion. The membership of the convention were not advised of the fact that men who were high in the councils of the American Legion were also members of this committee. When the American Legion had their convention last fall in Miami, Fla., they did not pass a sound-dollar resolution. They did pass a resolution, however, urging payment of the bonus, and in that resolution they said they wanted it paid "in a manner that would not create any national debt."

Mr. Chairman, the Patman bill does not provide for any additional debt, whereas the Vinson bill does so provide. In fact, the Vinson bill almost doubles the obligations of the United States Government. I for one want to pay the bonus in accordance with the mandates of the American Legion. Let us pay it just the way you and I have talked about it in our districts for the last 3 or 4 years before we ever heard of the Vinson bill and before the American Legion changed their position and came out in favor of a bonus rather than against it.

Mr. MAY. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Kentucky.

Mr. MAY. Has the American Legion leadership or the legislative counsel of the American Legion ever presented a bill to the Congress until the Vinson bill was presented?

Mr. BOILEAU. No. The American Legion went on record as being in opposition to the payment of the bonus. This last fall at Miami, Fla., they passed a resolution favoring payment of the bonus. Our good friend WRIGHT PATMAN was down there. He was one of those who advocated the adoption of the resolution at the Legion convention, and you and I know WRIGHT PATMAN well enough to know that when he supported that resolution and when he got on the floor and urged the adoption of that resolution he did not advocate a bond issue. You know it and I know it.

[Here the gavel fell.]

Mr. COOPER of Tennessee. Mr. Chairman, I yield to the gentleman from Michigan [Mr. RABAUT] such time as he may desire.

Mr. RABAUT. Mr. Chairman, yesterday the distinguished gentleman from Kentucky [Mr. VINSON], the author of the bonus bill, said, in reference to the Patman bill, "Do not fool the soldiers." Today as a Representative from the State of Michigan I wish to say, "Do not fool the people." If, to favor the Vinson bill we force a new bond issue through we are again saddling a debt upon the people of this country. Mr. Chairman, there is a day and a time will come, and the hour is at hand when this sort of dealing should be stopped. Let us stop it now. The opportunity is ours. The plan, whole-hearted support of the Patman bill, the measure providing for controlled expansion of the currency. Where is the confusion? Yea, or is confusion embraced to successfully and skillfully draw the red herring across the Patman trail. The Senate may object! Why should that question be raised here? Let that legislative body face the country and be accountable for its own acts and may this House of Representatives proceed to legislate the greatest good to the greatest number. This the passage of the Patman bill will achieve. It has been said from the Well of this House, with reference to the soldier, "Do not hang this inflation upon the soldiers." We were ready to, and did, hang the security of our Nation on him. May I say to you now, hang this honor of controlled inflation upon the soldiers and permit them to take this Nation gloriously out of this depression as they took us triumphantly and in safety out of war. [Applause.]

Mr. COOPER of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Chairman, as one who is intensely interested in the immediate cash payment of the veterans' adjusted-service certificates, or so-called "bonus", I have sat here for the better part of 2 days listening to the remarks, pro and con, but principally in favor of one bill or the other. In fact, there has been very little said in support of the major principle under consideration, which is whether or not the certificates should be paid immediately. The House unquestionably will pass a bill by an overwhelming majority. But the thing that is distasteful to many Members of this House is that we should have the House arrayed into two camps—those in favor of the Vinson bill and those who favor the Patman bill. I want to say it is my candid opinion that the average veteran who holds one of these certificates is the least concerned of all as to what method is used. He is interested in one thing and one thing alone—he wants the certificates paid so he can get his money.

I think it is most unfortunate that an attempt has been made to create a schism and division among the veterans themselves. There is no division among the veterans in reality; they are united on the one proposition that they want their money as the result of the immediate cash pay-

ment of the certificates and they want it now. And I desire to say in the outset of these brief remarks that while I propose to vote to substitute H. R. 1, or the Patman bill, for the Vinson bill, if this fails, I will vote for Mr. VINSON'S bill. There is no occasion to become excited about this matter, because, after all, we all are, or should be, seeking the same purpose—namely, the payment of these certificates.

Last year it was my privilege to serve on the steering committee of some nine Members of this House who had in charge the steering of this bill—H. R. 1—through the House. On that committee was the able gentleman from Kentucky [Mr. VINSON], the author of H. R. 3896, under consideration here today. At that time my friend and colleague from Kentucky was a warm advocate of H. R. 1. It was my privilege to sit in on discussions of H. R. 1 with him and the distinguished gentleman from Texas [Mr. PATMAN] as recently as the early days of this session of Congress, but prior to the introduction of H. R. 3896. My friend from Kentucky thought that H. R. 1 was a good bill then. I am sure that he must still think that it is a good bill. It is my opinion that if the House substitutes the Patman bill, my friend from Kentucky will be found back in the fold, wholeheartedly and enthusiastically supporting our colleague's [Mr. PATMAN] bill. If I am mistaken as to this, then I hope such will be the case. I know that my friend the able Member from Texas will support the Vinson bill in the event that the House fails to substitute his bill. And this is as it should be. This fight, with its apparent bitterness, should never have been precipitated. The number of the bills, H. R. 1 and H. R. 3896, clearly shows that the Patman bill was introduced long prior to the Vinson bill. These two important and leading bills on this subject should never have come from the same source. Both of these distinguished colleagues, I am confident, are absolutely sincere in their efforts to secure the immediate payment of these certificates. They both want to see them paid, and I am sure that if the proper cooperation had manifested itself, this fight between two friends could have been and should have been averted.

As a member of the steering committee for H. R. 1 again this session, which committee was formulated prior to the introduction of H. R. 3896, I foresaw this fight between the veterans themselves, or, rather, the leaders of the respective organizations representing the veterans. I called the matter to the attention of that committee, and as a result Governor SCRUGHAM, the able gentleman from Nevada, who is a member of that steering committee and who, more than that, was one of the organizers of the American Legion when it was founded in Paris, with the assistance of our committee contacted the distinguished national commander of the American Legion, who now sits in the gallery of this House. Mr. Belgrano was invited to meet with our committee and discuss our differences, if any there were. If the distinguished commander of the Legion had seen fit to accept the invitation, and he was here in Washington at the time, it is my opinion that we would not have any differences of opinion now, and we could have all gotten together and presented a united front in an earnest fight to have these certificates paid immediately.

Mr. Chairman, I do not impugn the motives of our distinguished leader of the Legion. I am sure that whatever his motives were in introducing this bill without ever even discussing the matter with WRIGHT PATMAN, he was honest in his judgment. PATMAN should have been consulted by our distinguished commander of the Legion. For 6 years WRIGHT PATMAN has led the fight at every Legion convention for the payment of these certificates. For 6 years he has fought the battle of the rank and file of the American veterans. I am a member of the Legion myself; was twice commander of my post; and treasure my membership in the Legion as one of my most prized possessions. And I would not by any word or act say or do anything that I thought would injure that great patriotic organization. I am for it. But I do sincerely regret that this mistake—a mistake of judgment, no doubt; an honest mistake, if you please; but still a mistake—has been made.

But, Mr. Chairman, I should like to get down to the real proposition before us, which is: Shall the veterans have their certificates paid now?—and to endeavor to give some reasons why they should be paid.

In the first place, the words "veterans' bonus" is a misnomer. Moreover, these words are misleading, for nowhere in the original legislation does the word "bonus" appear. These certificates were issued for the sole purpose of granting to the veterans additional compensation in a feeble effort to equalize the disparity which had existed during the war between the wages paid the average employee and the soldiers during the war period. In other words, it is in no sense a bonus, but was an attempt on the part of Congress to correct this war-time injustice.

To illustrate: During the war Bill Jones worked in the shipyards or the munition factories at pay ranging from $8 to $20 per day. At the same time his brother John, who had joined the Army and endured all the hazards and hardships of the war, was compensated at the rate of $1 per day during the same period. Moreover, while John was serving his country under the flag at $1 a day, undergoing all the hardships and hazards of the war, with his life at stake, and while his brother was enjoying the peace-time employment of possibly $20 a day, there were still others who were more fortunate. I refer to the war-time contractors, who were accumulating gigantic fortunes which ran into millions of dollars. These men were entering into contracts with the Government on a cost-plus basis: As a result, we had thousands of new millionaires created overnight, and at the expense of the taxpayers of this country.

Once the war was ended the Congress enacted laws for the adjustment of pay in cash and other benefits to the railroads, the contractors, and others that exceeded the million-dollar mark and ran into the billions. To put it differently, those who had dealt with the Government during the war as war contractors, munition manufacturers, and other civilians, after the war, came to the Government seeking an adjustment of their public dealing with the Government during the war period. The payments to them ran into the billions. Today we have the spectacle of a great world-wide depression. The boys who braved the diseases of the training camp, the horrors of the submarine zone, and the hideousness of "no man's land" come to Congress with the request for cash in the adjustment of their pay. They seek the immediate payment of the debt which Congress has heretofore recognized; and even today, in spite of all that has gone before, there are those who, because these veterans seek cash on this account, would refer to the heroes of 1917 and 1918 as "chiselers" and "Treasury raiders." However, I do not believe that these characterizations represent the sentiment of this country. It is my thought that a grateful American people who have not forgotten 1917 and 1918 desire to see this belated justice meted out.

Moreover, I should again like to call your attention to the fact that those veterans who have been forced, because of the economic distress in the country, to borrow on their certificates are now confronted with the deplorable fact that if this remedial legislation is not passed that they will lose the balance of their certificates. In other words, it is an undisputed fact that the interest rate charged the veterans on the loans where the veterans have borrowed, as authorized by Congress, will practically wipe out the 50-percent equity remaining in the certificates. The Government authorities have computed that a thousand-dollar certificate, upon which the veterans have borrowed one-half, will be consumed by interest to the degree that in 1945, if the interest is not remitted, or the certificate paid immediately, it will have the value of only $60. Very few of our American citizens realize the fact that the veterans have been paying as high as 7-percent interest, where they had borrowed on their certificates. At the same time the Government borrows its money at an average rate of 3 percent. This condition should be remedied by a Congress which, in the first instance, was responsible.

If H. R. 1 is enacted into law, it, unlike the Vinson bill, will not require an additional bonded indebtedness, nor will

it require an increase in taxation to retire that bonded indebtedness. Our national debt today is approximately $28,000,000,000. Unquestionably, this sum will be increased shortly by an additional $4,000,000,000, as a result of the Public Works appropriation bill, now being considered in the Senate. This will bring the bonded indebtedness of the country to approximately $32,000,000,000. It is hard for me to conceive of any good reason for increasing this $32,000,000,000 bonded indebtedness by an additional bond issue of $2,000,000,000, thereby bringing it to $34,000,000,000, which is exactly what would happen if the Vinson bill became law. Why should we increase it to $34,000,000,000, by an additional bond issue of two billion when we have a perfectly sound basis under H. R. 1 where the necessity for this $2,000,000,000 additional bond issue may be averted? Is it not the logical thing to substitute the one obligation of the Government for the other? This is exactly what we propose to do, substitute United States non-interest-bearing notes, the same kind of money as is now outstanding, for the adjusted-service certificates, which are another form of Government obligation.

If H. R. 1 is enacted into law, the Government will save $112,000,000 a year, until 1945, which represents the sum now being appropriated annually so that these certificates may be retired in 1945. This means a saving of one and one-half billion dollars, not to mention the $10,000,000 that it is estimated that it will cost to administer the present law until 1945.

But the argument is made by those opposed to the payment of these certificates by any method, and as well as those who favor H. R. 3896, that this is fiat money, or printing press money. I deny this. Some of the soundest experts on the question of money also deny this. Senator OWEN denies this. But, moreover, all question of the soundness of this money should forever vanish from the mind of the fair-minded persons, as a result of the colloquy which occurred between the able gentleman from North Carolina [Mr. HANCOCK], member of the Banking and Currency Committee from North Carolina, and Governor Eccles, Chairman of the Federal Reserve Board, before the Banking and Currency Committee last Thursday afternoon:

Mr. HANCOCK. Then, Governor, on the question of soundness, which, in your judgment, is the more sound, a Federal Reserve note issued against United States Government bonds, or a United States note issued against certain gold reserve?

Mr. ECCLES. I think they are equally sound.

Mr. HANCOCK. I asked that because I think, within the next few days, it is going to be quite an issue. I do not want to involve you in any other legislation, but there are two measures of great importance pending before Congress at this time, involving the payment of money. One is known as the Vinson bill, and the other, the Patman bill, and under the former, bonds would be used to secure the currency, whereas, under the latter, it would be paid with United States notes. Certainly I am glad to get your opinion.

But it is said that the President is opposed to this legislation or to any form of paying these certificates. Frankly, I doubt this. I hope it is not true. It was my pleasure to discuss this matter with the President personally last year. As one who has ardently supported his legislation, naturally I would be grieved by such a fact. It is said that our distinguished President, for whom I have great esteem, pledged himself against the immediate payment of these certificates in his campaign for the Presidency. Mr. Chairman, in both of my campaigns for Congress I have pledged myself to support the very principles that are laid down in H. R. 1 for the payment of these certificates. My commitment on that is as sacred to me as anybody else's commitment is to them.

Moreover, the immediate cash payment of these certificates must appear to all thinking people to be in line with the administration policy of increasing the purchasing power of our people in these hectic days of an unprecedented depression. The purpose of the administration which transcends all other aims has been to endeavor to increase the purchasing power of the people by as wide-spread a diffusion of the money of the country among the people as possible. If these certificates are paid, as we hope they will be, it would mean that $2,000,000,000 would go into every nook and corner of the United States. Could one conceive of a better method of distributing the money to the far corners of this country than the channel offered us by the immediate cash payment of these certificates? The stimulus to trade, industry, and purchasing power would be inevitable. This administration has for the past 2 years, and is now continually spending billions of dollars to bring about this same result. Then how can it be argued with any degree of logic that 1945 would be a more propitious time to pay these certificates than now? The American Legion convention at Miami went on record as favoring the payment of these certificates without increasing the obligation of the Government. H. R. 1, in my judgment, and not H. R. 3869, fits that resolution like the glove fits my lady's finger.

Mr. Chairman, in conclusion there is not a great deal to be said on the floor of this House as to the justice of our cause that has not already been said. If there ever was a time in this country when these veterans needed this money it is now. It would be a tremendous stimulant to business. It would mean for recovery what the public-works program means. And above all, it would once and forever remove the so-called "bonus" from the field of politics. The payment of these certificates now would mean that this veterans' issue would no longer be a football of politics. The people as a whole are in favor of it; the veterans need it; and under this plan of H. R. 1 no new obligation of the Government would be made. I appeal to you, my colleagues, if you see the matter as I do, to support H. R. 1. But if you do not see it as I do, to support H. R. 3896. And then whatever bill is adopted by the Committee of the Whole House, let us forget our differences and as real friends of the veterans, let us unite our efforts and pass a bill providing for the immediate payment of these certificates by such an overwhelming majority that it will be indicative of the fact that we propose to see these certificates paid at this session of the Congress.

Mr. COOPER of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from Utah [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, 2 years ago, when I became a Member of this House and stood up here and listened to the nomination of Hon. Henry T. Rainey for Speaker, and listened to other nominations on the floor of this House, I heard that this was the greatest deliberative body in the world. When I heard that statement my chest came out, and I was proud of the fact I had become a Member of the greatest deliberative body in the world. Since that time, Mr. Chairman, my feathers have drooped materially. I find out there is very little deliberation in this part of the Congress; I find out that nearly every bill I have voted upon since I came here is not the work of a Member of this House but is handed to us from some other department of government.

I say that the House of Representatives is fast deteriorating into a body of approval for departments and bureaus of the executive department of our Government.

I am refreshed today to be able to vote for a bill that has been evolved from start to finish from the brain of one of my colleagues in this House, Hon. WRIGHT PATMAN. [Applause.]

On the other hand, Mr. Chairman, what have we got? We are told that the bill introduced here by the gentleman from Kentucky [Mr. VINSON] is—what? Not the bill of this House, not the bill of the gentleman from Kentucky [Mr. VINSON], but that it is the American Legion bill. I say, Mr. Chairman, it is high time that the Members of this House begin to introduce legislation that is produced and is the product of this great deliberative body. We are not the representatives of the Senate; we are not the representatives of the President of the United States—we are the representatives of the people back home. The day should come when we do not anticipate a veto from the White House before we know what legislation we can support. [Applause.] The time should have come, and I say the time has come, when we should forget that there is a body at the other end of this Capitol and decide our problems as they come before us in this branch of the Congress. How much do they care over

there what we do here? And I say this to my friends who are supporting the Vinson bill: The Patman bill has at least 31 Senators over there who have voted for it, and up to date the Vinson bill has not one. If it has a sponsor, if it is so popular on that side of the Congress, then tell me why has it not been introduced over there.

However, I have no quarrel with advocates of the Vinson bill. They agree with us that the adjusted-service certificates should be paid at once, in cash. Our only disagreement arises as to the manner in which the payment should be made. The Vinson bill provides for inflation of the currency by the issuance of bonds. These bonds, under the Vinson plan, will be sold to the bankers, and the money derived from their sale will be paid to the deserving veterans. The bankers are not entitled to a bonus on these certificates. The bankers, in my judgment, should not again be allowed to profit on the services of our soldiers. But if the Vinson plan is followed, the Government will issue interest-bearing, tax-free bonds to pay its obligation to the war-time soldiers. Bankers will collect the interest on these bonds, and the people will pay that interest. Under the Vinson plan, the Government will, in effect, be borrowing money at interest to pay old debts; it will be mortgaging the future to those financial groups which are steadily concentrating in their hands the wealth and power of America. I believe that if this plan is adopted, the chief advantages to be derived from payment of the adjusted-service certificates will be sacrificed.

The veterans who hold adjusted-service certificates constitute only about 3 percent of the population of the United States. If payment of the adjusted-service certificates is so manipulated that 97 percent of the people are taxed for the benefit of 3 percent, an injustice will have been committed against the 97 percent. The Patman plan avoids that injustice. Under the Patman bill the adjusted-service certificates would be paid without the issuance of tax-free, interest-bearing bonds. The Patman bill does not provide a bonus for the banketeers; nor does it increase by one single penny the public debt. The Patman bill does not constitute the borrowing of money to pay a debt. It provides for the honest, outright discharging of a just obligation. It also affords a means of distributing purchasing power among the masses of the people—among the people who need it most. Therefore, the Patman plan does not provide that 97 percent of the people shall be taxed for the benefit of 3 percent. On the contrary, it provides that the neediest citizens in our social group will receive what the Government owes them. To increase the purchasing power of the masses will stimulate every legitimate industry. By a little lever we will start moving incalculable economic forces that will doubtless lift us upward to more orderly, more wholesome economic conditions.

You hear talk of inflation and you hear talk of expansion of the currency. How much time has been devoted by the sponsors of the Vinson bill to the fact that if it is passed it must be shouldered by the taxpayers of this country? You hear little of that. You hear talk of inflation and you hear talk of starting the printing presses whenever you mention currency inflation, but how many of these eloquent orators who talk about printing-press money tell you that whenever a bond is printed it must be printed by that same type of printing press?

These adjusted-service certificates do not constitute a bonus. It is misleading to call the certificates a bonus. It is misleading to call the Patman bill a "bonus bill." The immediate cash payment of the adjusted-service certificates would not be a gift from the Government to the veterans. There is nothing gratuitous about the Patman bill. Immediate cash payment of the adjusted-service certificates would not be an act of generosity on the part of the Government. Payment of the certificates would not be charity. Those who complain that the Government cannot afford to be so charitable as to pay the certificates either do not understand the nature of the certificates or they are deliberately misleading those who will listen to them. Let us dispose of this idea of a bonus once and for all. When I pay my just debts I am not paying a bonus. When you pay your creditor what you owe him you are not indulging in lavish generosity. When the Government discharges its honest obligations it is not dispensing charity. The adjusted-service certificates should be paid now in cash because they represent a just debt long since due.

During the World War there were millions of good citizens who joined the Army and millions of citizens who stayed at home and went about their work. Both classes of citizens were essential to the defense of our country. Not only was it necessary that some Americans should go to the battlefields of France; it was also necessary that some should stay at home and raise wheat, build ships, manufacture machinery and munitions, and perform the manifold other industrial tasks of war. All the heroes were not at the front. Adequate self-defense depended on the farmer and the laborer as well as on the soldier. We were all united in a great national effort requiring division of labor and unity of purpose.

And the laborer is worthy of his hire.

During the war the economic forces of the country were in a state of restless flux. Values expanded, wages were inflated, rent and interest skyrocketed beyond all reason. Farmers were getting $1.50 for a bushel of wheat. Skilled laborers in shipyards, on the railways, and almost everywhere were getting $15 to $18 a day. Common laborers received $5 and $6 a day for unskilled work. No one, I believe, has ever averred that these prices and these wages constituted charity or even unwarranted generosity. They were earned, and the laborer is worthy of his hire.

The war may have been a source of endless misery for millions; but some, at least, were able to capitalize on death and destruction. As the munitions investigation has recently revealed, scores of Americans made a million dollars a year out of the war. They made the shells our soldiers shot, and shells also that killed our sons and brothers. They made the airplanes our aviators flew over enemy trenches, and also the planes in which the enemy bombed our fronts. They made the poison gas our soldiers released to paralyze the foe; and they also made the poison gas that sent our sons and brothers back to us blind and crippled and insane. The war cost America billions of dollars, and these merry munitions makers and the whole jolly fraternity of international bankers got their share—a fabulous share—of those billions of dollars. It has been intimated that many of these million-dollar incomes were dishonestly earned by monstrous graft. But I have not yet heard a single protest from the Economy League or the American Veterans' Association. It seems strange to me that some people can look complacently on while the privileged few are stealing billions, and yet bellow with patriotic rage when someone proposes that the myriad poor should be paid what is due them.

We have seen that during the war the farmer received $1.50 a bushel for wheat, the laborer received $15 a day for skilled labor, and the munitions maker $1,000,000 a year for his shady services. During this same period the doughboy in the front-line trench was being paid for stopping bullets with his body and gulping down mouthfuls of poison gas $1 a day. Was that justice? True, he got his "board and room" in addition. His board consisted of the "bully beef" on which some chauvinistic capitalist was making a million a year, and his room was a muddy, bloody trench and the gas-filled sky above. The doughboy was getting $1 a day for his life. But was not he, too, worthy of his hire?

When some of the boys came back, Congress said to them, "Your services were at least worth the lowest wages paid in this country to the common laborer during the war." Surely Congress was not being charitable. Surely there was nothing prodigal in this meager recognition of the value of a soldier's life on the part of Congress. And so Congress "adjusted" the soldier's pay up to the lowest wage level of common labor, and, as an earnest of its intention, issued to the soldier an adjusted-service certificate. That was not charity; it was an act of miserly justice. That was not a bonus; it was the bargain driven by a generous Shylock. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 7 minutes to the gentleman from Pennsylvania [Mr. FOCHT].

Mr. FOCHT. Mr. Chairman and Members of the Committee, I assume much the same attitude as the gentleman from Kentucky [Mr. ROBSION], who is consistent now with the position he took in 1922 when the first bonus bill was presented to the Congress. I voted for it then with abundant reasons, and I have stronger reasons to be for it now than I had at that time.

I need not revert to any further reason as giving strength to my attitude toward squaring matters with the soldiers. Without going into the story that will be forever impressed on my mind of what occurred on this floor as we approached the war, and as we went into the war and during the progress of the conflict, when we could scarcely take a train at the Union Station without seeing tier after tier of rough boxes; and the same thing in Baltimore, the same thing at Harrisburg. Almost every night the wild cry went over the streets of Washington, "Extra!", "Extra!", by the newsboys calling out the calamities that had occurred on the seas and battlefields of Europe.

In 1924, after it was all over, and there was opportunity and abundant time to contemplate the whole scene, and figure out some just and honest method of compensation to the boys, giving them the difference between what they got and what men got at home, I saw boys leave in automobiles in front of my business office in Lewisburg and go 4 miles to work in a shell plant and come back in 8 hours, having made $35. You would have to have billions to make up the difference between what the boys over the seas got and what they got here.

But you double-crossed them. You double-crossed them by giving them some kind of a deal, that when completed they will only get half of what you promised them, the interest on what was loaned consuming what was left to mature in 1945.

I am surprised that the party in power you have here, regardless of the President, because he will veto anything, and what is the difference, when we have the power here to pass it over his veto. Why consider that, why waste any time about it, why consider him if he is against it? It is our business to do this thing, and will do it with the votes of both parties and some to spare.

What I cannot understand is, growing out of past experience of the able Members of the House, why you cannot bring in one bill which in some way the members of the Legion and Veterans of Foreign Wars will all accept. If there are any who do not want to settle on this basis and want it to run until 1945, why cannot you make it possible for those who want to settle on a cash basis get their money and let the rest carry on until 1945—why cannot you do something sound and sensible? But do something that brings an adjustment now. Talk about inflation, talk about bonds, talk about fiscal matters; these are not what the soldiers and the people are thinking about. Every man must know what the people think about the soldiers and what is wanted of us now, right now, and without any further delay and play of strategy to cause postponement and defeat.

What do people think or should think of the man who will take the hazard of battle? My friends, his neighbors believe that there is something he is entitled to, that he stands apart from other men, and he does. His fame and glory will shine across the pages of history for all time, and we will shine with him only when we do justice to him. I hope it may be done him here in this bill. [Applause.]

Mr. COOPER of Tennessee. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. LEA].

Mr. LEA of California. Mr. Chairman, in 1924, when the Ways and Means Committee had the bonus legislation under consideration, I appeared before it and urged that any bonus granted the veterans should be paid immediately and in cash. I have never changed my mind. The experiences since that time have only emphasized that such was the proper course. My feeling now is that whatever amount is to be paid to the veterans should be paid immediately and in cash.

It is no pleasure for me to appear here in opposition to a bill that purports to be in the interest of those who served in our military forces. As I see it, it is my duty to vote against the bill now before the House. I am not opposed to this bill because it provides for paying the veterans what we owe them; I am opposed to it because it creates a new bonus, a new debt, of over $1,000,000,000 against the people of the United States, to be passed down through coming decades with an increasing burden of interest. It is now 16 years since the war is over. The country is in financial distress. This is no time to create a new bonus. The new bonus this bill creates is 80 percent of the original bonus granted in 1924. The Vinson bill would require us to borrow a vast sum of money to pay interest we do not owe. Then we would be compelled to pay interest on that interest for at least two decades to come. Every dollar borrowed would require two to pay the debt in the end.

Another objection that I have to this bill, not so important as the first, is that I do not like its camouflage, its pretense. I do not like its pretense that the face value of these certificates represents what we owe the veterans, when it does not. If at this time, 16 years after the war is over, we want to create a new bonus, a new obligation against the people of the United States in favor of the holders of these certificates, we ought to have the candor to say so. I would much rather vote for such a measure than this bill, which makes a pretense of paying an existing debt, when such is not the fact, so far as the future interest is concerned.

The bonus act created a very specific obligation of the Government of the United States to the veterans. It provided that each veteran was entitled to a certificate for additional compensation, according to the number of days he served. The aggregate amount of the bonus was $1,400,000,000, speaking in round numbers. The average allowance was $400. That was the basic responsibility the Federal Government assumed. In addition to that $400 to the average veteran, the United States agreed to pay him interest for 20 years, for what? For the use of the veterans' money for those 20 years, instead of paying him in cash at the time. Today, although only half of the 20 years has passed, we have the demand that we shall pay 20 years' interest, nevertheless. The Government has used the money only half of the specified period, but interest is demanded for the whole period.

We agreed to give the holder of a certificate 4 percent, and why? Because on the day the bonus bill passed this House, it was costing the United States 4 percent interest for the money it was borrowing on its long-time obligations. The third responsibility the Federal Government assumed was to pay the holder of a certificate 25 percent in addition to the per diem allowance, on account of the deferred payment of the bonus.

That 25 percent in the aggregate increases the face value of the certificates about $700,000,000. In other words, Congress, in 1924, said to the veterans, "If you will wait 20 years before you receive your money, we will pay you $700,000,000 in addition to the 4-percent interest. This bill before the House provides that the $700,000,000 allowed to compensate for the delay in payment shall be paid now. Thus it is proposed that the Government shall pay as agreed for the delay in payment, but that payment shall not be delayed as agreed.

The 25 percent for deferred payment granted the holders of these certificates is spread over the 20 years that the certificates run. Each year the Veterans' Administration credits a certificate with 1¼ percent of the original fixed credit. So each year the original bonus of the veteran is increased 4 percent as interest for the use of his money and also by 1¼ percent on account of deferred payment. The veteran is actually being credited with 5¼ percent a year for the delay in the payment of his bonus.

Of the average certificate of $1,000, 60 percent of its face value represents the sum to be paid him for the use of his money. Forty percent of the face value represents the original credit granted the veteran. Today the aggregate face value of the certificate is $3,500,000,000. Their cash

value is $2,350,000,000, provided we allow that 25 percent credit to the veteran for interest from the time he left the Army up to 1925, instead of spreading the credit over the 20 years as the Veterans' Administration does. Allowing the veteran this credit for the time prior to the issuance of the certificates would mean $250,000,000 more for the veterans than if interest is computed only for the time after the certificates were issued.

I believe the original bonus credit should bear interest from the time the veteran was discharged from the service. The 25 percent credit would cover interest for that period at the rate of 4 percent.

So, after granting the veterans that $250,000,000 additional credit, the excess of the face value over the present cash value of the certificates is $1,150,000,000. The face of these certificates carries both the principal and interest to maturity. The situation is not unlike that of the baby bond. The baby bonds recently issued bear no interest to be paid currently, but combine principal and interest in the one sum of the face value to be paid at maturity in 10 years. Both the principal and interest are included in the face value in 1945. No man who bought a baby bond would go down to the Treasury today and expect to be paid $100, the face value of his baby bond, 10 years before its maturity. Why should we now expect the Government to pay both the principal and interest on an obligation that does not mature until 1945? There is no other instance in the history of our country, so far as I know, in which such a demand has been made on the Treasury of the United States. Such a proposal would not be thought of in private business transactions.

Now, in another bill it is proposed that instead of issuing bonds to raise the money with which to pay these certificates, we shall issue non-interest-bearing notes, and thus escape that accumulation of interest in the years to come. It is claimed such a plan will entail no burden and not increase the debt of the United States.

The argument is that it is just as easy to pay $3,500,000,000 as it is to pay $2,350,000,000. I cannot subscribe to that financial theory. I am not in favor of issuing non-interest-bearing notes to create any new obligations against the United States. If we can rightfully use this power to create values without burdens, then let us first use it to liquidate existing debts, of which we have $30,000,000,000. Aside from the question of whether or not it is wise to issue non-interest-bearing notes to pay the debts of the United States, I am not in favor of creating new obligations with the idea of satisfying them in that way. In the first place, it would be a poor policy. Suppose we issue this money under the argument that it is valuable money to those who receive it but no burden to those who pay. Then those who seek a loan or gift from the Government can say, "Give us the money. It does not cost you anything. It is no burden on the United States to issue this money, so why not give it to us?" Then, after we have given them the money, they can come back in the second stage of the transaction and say, "It is unjust to require us to pay back this money, because it did not cost you anything to give it to us." I do not want to place any such argument in the mouths of the numerous groups now advancing upon the Treasury of our country with plausible plans to reap where they have not sown.

We cannot justify this increased demand, this new bonus, as a debt, because it is not a debt. We cannot justify it as a relief measure, because it is proposed to pay this money to the veterans without regard to their physical or financial condition. We have not yet reached that stage where we can adopt a policy of giving money to able-bodied individuals well fixed financially for the purpose of promoting recovery.

As I stated at the beginning, we should settle with the veterans; we should give them full cash value for their certificates; pay them all we owe them. When we have done that we have discharged the duty of the United States to her veterans.

At the time this legislation was enacted there were two arguments as to why the veterans should be given certificates instead of cash. One was that it would reduce the current demand upon the Treasury. We had a vast debt. It was argued that 20 years later the debt would be reduced; that the Government would be in better condition to pay the bonus. In addition to that, we could not be unconscious of the fact that it was one of those cases where it was easier to make a big promise than a small performance.

The principal reason emphasized, however, was that it would be "better" for the veterans to have the certificates than the cash. It was claimed that at the end of 20 years they would be better off with the certificates than with the cash. Perhaps they would be, but that was bad psychology.

Mr. MAY. Will the gentleman yield?

Mr. LEA of California. I prefer not to until I have completed my statement.

It was bad psychology to say to the veterans of this country, the average age of whom was 30 years, "It is not best for you to get this money. We owe you, but you may waste the money. So for your own good we are not going to pay you." The veteran never would accept that argument in a hundred years. Neither would I. It assumed an offense guardianship over the personal affairs of the veteran. He was competent to go over to Europe and fight for us, but not competent to spend the additional $1.25 a day that we were to give him as a bonus.

It will cost no more to settle this obligation today at its actual cash value than it will in 1945. If there is any difference, it will be cheaper to settle today, when we can procure money for less than we are paying the holders of these certificates. We can pay cash value for these certificates and not increase the debt of the United States. We would simply transfer our creditors from the veterans to those who would purchase the bonds at a less rate of interest. We would not increase the debt. We would pay the veteran all we owe him. In this time of depression it is indeed a good debtor who pays 100 percent on his obligation. More should not be demanded.

The CHAIRMAN. The time of the gentleman from California [Mr. LEA] has expired.

Mr. TREADWAY. Mr. Chairman, I yield 7 minutes to the gentleman from New York [Mr. LORD].

Mr. LORD. Mr. Chairman, I think back to those days when the boys were marching away; to the days when they were going down the street with the band playing, flags flying, the sidewalks filled with people. In those days we were promising these young boys the best the world had when they came back.

We were going to take care of their loved ones while they were away and receive them with open arms when they returned, but how well did we remember? When they returned their jobs were held by another, they were out of money, depressed, and in poor health on account of the hardships of war.

If one was near the parks in our cities you would see hundreds of them at night with a roll of newspapers for a bed, sleeping under some shrubbery or in some sheltered place.

This is the way, my friends, that they were received on their return.

We have a very unusual procedure in this House. I am told legislation was never brought before this body in this way before, and it seems to me that is an endeavor on the part of the administration to confuse the issue and in the end defeat all of the bills. I believe it would have been more fair to all to have had the Vinson bill reported, the Patman bill, and the Andrews bill and let a vote be taken on each one of them.

There would have at least been an opportunity for a fair expression of the Members; and if all passed, let them go to the Senate and there decide the one they prefer. I understand that the Patman bill has been defeated five times in the Senate, so it would seem that there is little chance for passage at this time.

I am in favor of the Vinson bill and hope that it may pass, but I am afraid that many that are so anxious for the Patman bill and knowing the fate that it has met in the past

are looking forward to the defeat of all bonus legislation at this time.

Now the veterans are in no frame of mind to be turned down again. Many of the men are out of health, many of them are beyond making a living, many of them have had their pensions taken away. They are discouraged and in the last line of trenches today. I think what we should do is to be honest about this and put forth some bill that will save them. Suppose it does cost a little money, it will be small compared with what we are spending. We passed one bill recently involving the expenditure of nearly $5,000,000,000. Let us use half of it to pay the bonus, for it is more than we can use for any work-relief purpose in 2 years. So, as I see it, what we want to think of today, Mr. Chairman, is the poor soldier. I get many letters from them saying, "I cannot earn a living. I have two children. I have a wife; I have nothing to live on. Pay the bonus and help us over these hard times." Others write me and say, "Can you not get my pension? It was taken away from me by President Roosevelt at the beginning of this administration. I am not able to work, I cannot make a living, I have no job, and I could not take one if I could get one."

While I think this procedure in the consideration of this legislation is very unusual and believe we should have been allowed to vote on the two bills brought up squarely, sending them to the Senate and giving that body a chance to decide between them, still we must do something for the poor soldier. The people of the country feel different about this today than they have ever felt before; the people are willing to pay the bonus now. They see the conditions that exist; how money is being wasted for most every foolish thing in the world, so why not pay a debt that we owe and take men off relief? If we do not do it, someone is going to get censured, and I think very rightly so. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, it occurs to me that the substance of the discussion thus far has concerned itself largely with one of three bills. Assuming, broadly, of course, that most everybody will vote for a bonus bill—that admission is preponderantly true—although there are a number of Members of the House who will vote against any form of bonus. To them I would particularly like to direct some observations. I am of the opinion that it is necessary to act as quickly as possible with unanimity of opinion and send a bonus bill to the other side of the Capitol with every Member of this House in favor of it, if it is possible, largely because of the psychological effect upon the Senate, the psychological effect upon the White House, and the psychological effect upon the people of the country.

From all the discussion I have heard and read in the last few years with reference to the bonus, it occurs to me we can recapitulate this whole controversy by saying that the arguments against the payment of the bonus can be classed broadly: First, under the heading that it constitutes class legislation; second, that it will imperil the fiscal stability of this country; third, that it is a debt not due; fourth, that it will not aid recovery; fifth, that it is unpatriotic to put a price on military service; sixth, in the language of Mr. Curran, the executive secretary of the Economy League, that the boys did not get hurt, that they came back and are now enjoying the benefits of the piping times of peace and, therefore, are not entitled to the bonus; and seventh, holders of Government bonds could by the same logic, employed by proponents of the bonus, ask for cash for their bonds.

Let us take these contentions in order. First, they say that the payment of the bonus constitutes class legislation. Let us admit it, and then in fairness and justice go back to the 6th day of April 1917 when Congress was debating the enlargement of the Military Establishment bill on the floor of this very Chamber. Here they debated and argued as to whether they should conscript men between the ages of 19 and 25, or between 21 and 31, or between 19 and 35. If the bill pending before us today is class legislation, then the treble voice of every young soldier who fought in the army of democracy, and of all young soldiers, who—

> Short days ago,
> Lived, felt dawn, saw sunset glow;
> Loved and were loved; and now we lie
> In Flanders fields—

might well smite the conscience of every Member who has an opportunity to vote on this bill and say, "that, too, was class legislation." If it was sound then, by what strange logic is it unsound now?

Argument number two against the payment of the bonus that it will imperil the fiscal stability of the Nation is as old as Adam. We had no war debt when the war began and yet, in the middle of April 1917, the gentlemen who composed the Membership of this House strode up and down in the very well where I now stand and spoke of the proposal to float $5,000,000,000 of bonds and $2,000,000,000 in Treasury notes with which to finance the war as stupendous! It was staggering! It was unusual. Then, too, they shouted, "You will imperil the fiscal stability of the United States." Only $7,000,000,000 was asked then, but the same argument of endangering fiscal stability was brought forth. That debt was pushed up to $26,000,000,000 as the result of the great conflict and the Nation did not appear to be in peril. It dropped down to $16,000,000,000 under President Coolidge and it was taken as a matter of fact. Now it is back to $28,500,000,000, and I doubt whether anybody seriously believes that we are in fiscal danger.

That argument, however, will always be used where an expenditure of public moneys is involved. Secretary GLASS used it in opposing the first efforts to provide a bonus as far back as 1919, and I dare say it will be dusted off as a kind of perennial bugaboo so long as this Republic endures. Perhaps we had better reconcile ourselves to the solid fact that this Nation has grown to maturity. That it has reached man's estate in fiscal matters. When Uncle Joe Cannon used to sit up on the dais in front of that beautiful flag as Speaker of the House—and incidentally he came from the great State of Illinois—he was accosted by a constituent who expressed surprise that the Congress had finally reached the billion-dollar mark in appropriations, to which he replied, "Why, man, this is a billion-dollar country." When this bonus is passed and $2,200,000,000 added to the national debt, that debt will amount to $32,000,000,000, and to that I am willing to say, "This is a $32,000,000,000 country." The sooner we come to believe in and to appreciate that fact, the sooner will the shackles of fear be slipped from the fleet limbs of progress and we shall go ahead.

A third argument against the bonus is that it is a debt not yet due and matured. I deem it a most singular mistake that the President made in his letter to the commander of an American Legion post in Texas to the effect that this was a debt not yet due. If we seek to measure it by the standards applied to a commercial debt, that may be quite true. The bonus, however, is an altogether different debt. Every private debt is founded on contract, whether express or implied. When you buy groceries on credit there is an implied contract. The grocer gives you the groceries and makes out a charge slip. You accept the groceries with the implied agreement to pay. It is a transaction based on agreement. The same is true if you buy a Government bond, whether from a bank or directly from Uncle Sam. By implication, Uncle Sam agrees to give you a bond bearing certain promises and you, in turn, agree to pay the market or agreed value. Again there is agreement and a meeting of minds. Was there an agreement behind the bonus? Not if my recollection serves me accurately.

I looked over the report of a subcommittee of the Ways and Means Committee back in 1920 which was assigned the task of canvassing the communications that came to Congress regarding a bonus. The Honorable John N. Garner, now Vice President, was, as I recall, a member of that subcommittee. The great bulk of the expressions of sentiment received favored the Johnson bill, which called for a cash bonus of $1 per day, plus an additional $100, to each soldier

who saw overseas service. They wanted cash. They wanted it at that time because they needed it. They were amply articulate so that there could be no doubt about what they wanted. Instead of that, they finally got an endowment policy. Who will say that there was a basis of agreement behind the bonus bill as finally enacted? And if not, how can it be contended that it is a debt not due? The fact is that the soldiers had little to say about what they wanted, and to contend now that this debt can be measured by the standards which apply to any ordinary commercial debt is to draw an analogy not founded in fact.

The fourth contention is that to pay the bonus will not materially aid recovery. When the first half of the bonus was paid a few years ago, 1,500 postmasters in the Central West were canvassed to determine as accurately as possible just how that money was expended, and you may be surprised to know that, according to the compiled report, only about 5 percent of the money was reported as having been frittered away. That is an amazing record. The rest of it was wisely expended for things which they needed. To say that this bonus money when expended will not stimulate recovery is tantamount to saying that it will either be deposited in banks, destroyed, or placed in a hole in the ground, precisely as the man with one talent did in Biblical days. Just how money could be expended in the channels of trade, irrespective of the purpose for which expended, without somehow aiding recovery, would be difficult to answer.

Mr. TREADWAY. For the sake of accuracy, would it not be well to refer to ex-Speaker Reed as having made the remark in reference to the billion-dollar country?

Mr. DIRKSEN. The gentleman is quite right. It was ex-Speaker Reed.

Mr. TREADWAY. I am sure the gentleman wants to take all credit possible for Illinois, and we in Massachusetts were fond of Uncle Joe, too.

Mr. DIRKSEN. Suppose a certificate holder on receiving his bonus should expend it by purchasing an automobile. Some might consider that frippery, and yet does it not aid recovery? It would furnish work to the gentlemen up in Detroit who earn a livelihood and manage to pay rent and buy food and clothing by working in automobile plants. It would furnish work for men who fabricate steel in the mills of Pittsburgh and Youngstown. It would furnish work for the iron ore miner in Minnesota who goes into the earth to bring forth the basic ore from which steel is made. No matter what the certificate holder purchases with his bonus, by spending that money for consumers' goods and durable goods he is making a genuine and definite contribution to recovery, because every purchase when aggregated makes it possible for more men to go to work.

As a fifth argument it has been stated that for the ex-service man to demand this bonus and thus place a price on military duty is unpatriotic. History does not record who first used the argument of patriotism to gain a material point. In fact, it was first used so long ago that it has become rather obscure. However, let us be fair and equitable about it. If it is unpatriotic to ask for an adjustment of pay for service in the Army, then it is equally unpatriotic for the thousands of those who did not see service to retain the fat interest checks on Liberty Loan issues. Do you recall the posters that were exhibited in those days? "Give until it hurts." Thousands did. They invested their money freely in bonds that bore from 3½ to 4¼ percent interest and which today are the soundest investments in the land. Those bonds grow day by day as the interest accretions are added. The bonus certificates diminish day after day, as interest is charged against them. Now, if we will be fair and unselfish about this thing, let me suggest that we ask every man who collected interest from a Liberty or Victory bond to remit that interest back to Uncle Sam so that he too might share in the radiance of patriotism and I fancy that from those interest savings, we shall have enough money to pay the bonus several times over without the need for issuing bonds or resorting to any other form of financing. Sauce for the goose is sauce for the gander. I am willing to see that everybody shares in patriotism if that be the argument, but I venture that those who gave until it hurt would not now be willing to relinquish their patriotic interest collections because that really would hurt.

The sixth contention against the bonus comes from no less a personage than Mr. Henry H. Curran, executive secretary of the National Economy League at a salary of $25,000 per year. It is good old Henry who opines that the boys did not get hurt, that they came back to the piping times of peace and are therefore not entitled to the bonus. Poor misguided Henry! He still thinks that when the body comes back from war, free from shrapnel holes and shell wounds, that no damage might have been done to the morale, to the soul, to the spirit of the soldier. There is a moral cost of war—a ghastly moral cost—but too often the dollar signs have blinded us to that cost.

Those who remained at home could pursue their businesses, their professions without interruption, and continue with an integrated existence. The soldier who went over and came back had to reconstruct his whole life. He became a part of the army machine. Suddenly a discharge paper lifted him out of that reality and into the unreality of civil life. The war did something to him. His viewpoint was distorted. He had to begin over, and in thousands of cases the conflict took out of him something that made it impossible for him to once more enter into life where he left off at the time of enlistment. Hurt? God save the mark. They came back without wounds in the flesh, but no human agency will ever be able to determine the pathological and psychological and spiritual hurts that will abide with thousands of them always.

This same Mr. Curran in a recent circular of his states this query against the bonus:

> What if the holders of Government bonds should ask for payment before maturity date, just as the veterans are asking for the bonus before 1945?

Well, what if they should? Then where do we go? Judging from the avid way in which Government issues are still being subscribed, I fancy that Uncle Henry will not have to worry about that matter.

Now, Mr. Chairman, let us turn for a moment to the arguments in behalf of the bonus. In view of the fact that we shall expend nearly $1,000,000,000 this next fiscal year on military and naval expenditures, in view of the fact that we shall expend a billion dollars for guns and ships and munitions and what not as potential instrumentalities of death, how can we in all good conscience quibble and argue about the payment of little more than twice that much to liquidate one of the inheritances of war? Mind you, that a sum equal to almost one-half of the proposed bonus will be expended in a single year for military and naval purposes.

Is it not rather singular that we so freely appropriate huge sums for the instrumentalities of war and then resist all attempts of the soldiers of democracy to secure an adjustment of pay for services rendered 18 years ago? Millions for rifles and machine guns, but nothing for bread for hungry, unemployed veterans. Millions for howitzers, trench mortars, and antiaircraft guns, but nothing for veterans, many of whom are now on relief, who went forth in high spirits 18 years ago to make a Hohenzollern holiday. Hundreds of millions for cruisers, battleships, and destroyers, but nothing for the doughboys, the gobs, and the leathernecks who went forth to Chateau-Thierry, the St. Mihiel, and the Argonne, and who could now use a little money to pay taxes, lift small mortgages on their homes, or buy bread and milk for gaunt-eyed children, and a bit of new clothes for weary wives.

Mr. Chairman, I am whole-heartedly for preparedness, but what a frightful thing, if, in this hour, we permit our whole sense of perspective and sense of values to be distorted.

What an assault it would be on one's conscience to go to the Aberdeen proving ground and as a heavy shell burst in the air in practice, to say, "That one shell would have paid the balance on a bonus certificate." In May, our great Navy will be maneuvering in the Pacific and doubtless engage in target practice. What a queer feeling it would be to listen

as a heavy shell leaves the guns for some distant target, and to say, "That shell would have paid the balance on a bonus certificate, and revive hope in the heart and mind of some veteran who served 18 years ago." As those shells go "boom, boom, boom", one could, with perfect mathematical propriety, say "bonus, bonus bonus." Mr. Chairman, there must be an essential fitness of things, and fitness demands that this bonus be paid.

Another reason, Mr. Chairman, why this bonus should be paid is that it affords the greatest agency for the equitable diffusion of purchasing power that has come to my notice. On other occasions I have stood in the well of this House and complained at the inequitable distribution of public funds. I for one could not appreciate the equity and justice of expending, let us say, $50 or more per capita in the State of Wyoming and only $2 per capita in my own district, especially when there are more people in my district than in the entire State of Wyoming. It seems to me that to achieve the maximum amount of good from an expenditure of public funds it must be spent on the basis of population. Now, there is a very uniform ratio of ex-service men to population which obtains in every State in the Union. If and when the bonus is paid it will mean $140,000,000 to the State of Illinois and $6,000,000 to the State of Wyoming. It means that the most money will go into those areas containing not only the greatest number of ex-service men but in the very present nature of things which contains a proportionately larger need. I think you will find that each State will share uniformly in the distribution of the money, and what better device could one hope to find for a uniform diffusion of purchasing power into every hamlet, village, and city in the United States?

Finally, Mr. Chairman—and I have said this over and over—the payment of the bonus, making a proper charge on the Nation's books as an item of war expense, will have a salutary effect in behalf of the ultimate objective of peace. Today, ironically enough, as we debate whether this inheritance of the last war shall be paid, we stand in the very shadow of the eighteenth anniversary of our advent into the war. April 6, 1917, marked our entry into that struggle, and today as we contemplate the world picture, with war clouds lowering in Europe, with the world a veritable powder keg ready for the match, shall we not take the leadership in exhibiting to the American people the real cost of war in the hope that it will prove a great incentive for the development of a national peace consciousness. The business man is not always impressed with the profits of his business, but he is impressed with the losses. The losses frighten him, and when some skilled accountant comes in and points out additional losses it makes a definite and certain impression. In fact, it stirs him to action. Mr. Chairman, if we can but properly itemize the cost of war and exhibit the ghastly cost to the people it will make an impression that will be more potent as an agency of peace than any other force at our command.

We think of war in terms of "mess kits", "shoes", and "food." We think of war in terms of "howitzers", "field pieces", and "machine guns." We think of war in terms of "steel helmets", "hob-nailed shoes", and "battleships." How seldom we think of the productive labor that was lost, of pay checks that were lost, of disturbed business conditions, and of the disruption of the forces of peace and progress. Yet these are no less real as items of expense than the tangible things that we have always associated with war. Will arbitration by the sword ever be stopped, and will the sinister philosophy of Bernhardi ever be wiped out until the peoples of all nations are rendered an accounting of war, bearing every item of expense that will make it so frightful that, with George Washington, they will say, "War, the shame of mankind, shall be abolished from the earth"?

When all other appeals are fruitless, the appeal to the pocketbook still remains effective, and by paying this bonus without a bit of reluctance and charging it on the Nation's books as a legitimate item of war expense, we shall have gone far to provoke profound thought and contemplation before we will be plunged into another war.

Mr. CANNON of Wisconsin. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Wisconsin.

Mr. CANNON of Wisconsin. It is pretty well agreed that either the Vinson bill or the Patman bill will go to the United States Senate. Which bill is the gentleman for?

Mr. DIRKSEN. I think I shall vote for the Vinson bill. I believe it is a fair question. However, the thing which interests me more than anything else is that every Member of this House be recorded in favor of some kind of bonus as an overwhelming message to the country as to how this body stands on the subject.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. While we are debating upon the question of whether the adjusted compensation for our veterans should or should not be paid at this time, is it not pertinent to remind ourselves that the great nations who borrowed huge sums of money from us in their hour of need are not paying their debts?

These nations, claiming economic poverty and inability to discharge their obligations, are today increasing their military and naval forces to a degree which makes the entire world aghast.

Too poor to pay for the last war—but rich enough to prepare for another! Think of it! What a farce it is. Germany, who threw herself on the mercies of the Allies, pleading for her very existence, now announces to the world the intention of raising an army of 500,000 trained soldiers. France, with nearly three-quarters of a million men trained and ready, tells us that it is impossible to pay even the interest on her debt. Russia, with a standing army of at least 940,000 and 5,630,000 trained reserves. I understand that including other reserves who have had some training, but not complete military training, Russia has an army of possible soldiers amounting to 16,000,000 men; and what has Russia done about paying her debt to us? Nations are asking many things of us, but what do they do in return to assist us? They do not even pay their honorable debts to this country.

Uncle Sam, the Santa Claus of the universe during the World War days, views with righteous alarm these inconsistencies. We may wax indignant—and we probably will—but I hope and pray that if these warlike preparations result in a passage of arms across the sea, we as a nation will keep well aloof, not only with our arms but with our financial assistance as well. One experience of this kind should be enough. Our lesson has been learned—though it was terribly costly in every way.

I do not believe there is a man or woman here today who wants ever to enter another World War. Our economic conditions today are an aftermath of the last World War. We know the cost in dollars and cents; we know the cost in the loss of life and in the tremendous amount of human suffering. God forbid that we should ever have another war! [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, I am in much the situation with regard to this bill as the distinguished gentleman from Tennessee [Mr. COOPER]. Mr. COOPER, Mr. PATMAN, and I entered Congress at the same time, and, like Mr. COOPER, I have voted for Mr. PATMAN's bill as often as Mr. PATMAN has himself; but, like Mr. COOPER, I have always preferred a method of financing the bonus, such as is provided in the bill of the gentleman from Kentucky [Mr. VINSON].

I have asked for this time in order that I may explain briefly why I am for the Vinson bill. I am for the Vinson bill because I want the adjusted-service debt paid. I am for the Vinson bill because it is the only bill before the House providing for full settlement of the adjusted-service debt that has a ghost of a show of enactment.

In stating that I want the soldiers paid the adjusted compensation which Congress has declared to be due them, I am actuated by my conception of justice toward the veterans and

by my patriotic regard for the future of my country. With great reluctance, but as a duty, I say here and now that with dictators rattling sabers and blind forces of greed and selfishness unleashed in an unsettled world, I am genuinely apprehensive that the United States will be drawn into war during the next few years.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I would prefer to make a consecutive statement, but I yield to the gentleman.

Mr. HOUSTON. The gentleman said he favored the Vinson bill because of the method provided for paying it. Just what is that method?

Mr. LUDLOW. The time-honored, traditional method of financing all Government debts, which has prevailed for more than 100 years.

Mr. HOUSTON. More taxes?

Mr. LUDLOW. O Mr. Chairman, we do not get something for nothing in this world. If the bonus is not paid for by taxes, it will have to be paid for some other way.

What kind of a shape would our country be in as to the morale necessary to wage another war if we are told: "Why, you have not yet paid the soldiers of the World War the compensation that Congress has found to be due to them!"

Talk about preparedness! I submit that one of the best measures of preparedness for the next war is to pay the soldiers of the last war. [Applause.] Costly, you say. Yes; dreadfully so; but if we must have wars, we must pay the fiddler.

Now, in regard to the prospects of the Patman bill. I yield to no one in my admiration of the ability, the tenacity, the fighting qualities of the distinguished author of that bill. I formerly served with him on the World War Veterans' Committee, and I know that, despite all that may be said in the recriminations of debate, the veterans never had a more devoted friend than Mr. PATMAN, but I also know that the inflationists never had a better friend than he is. He is one of the ablest Members of this House, and he is as able an advocate of inflation as he is of the bonus. He has brought in a bill by which he undertakes to put over what he regards as two excellent things at one stroke—the bonus and inflation. I agree that his bill is for controlled inflation, and personally I believe it provides a real control, but still the public considers it an inflationary measure.

Recently we have witnessed a great deal of the reprehensible practice of combining two or more substantive propositions in one measure, as in the case of relief and public works, forcing the Membership to "take all or none". This practice is against public policy and should be discontinued. Inflation should never be hooked up with the bonus in the same bill. They are two distinct proposition.

Now, what are the practical aspects of this matter? If the House passes the Patman bill, the Senate will kill it. That is my positive opinion, based on the past. But suppose the Senate does let it get by. Then the President will shoot it to death with a double-barreled veto. One barrel of the President's gun will be aimed at the bonus and the other barrel at inflation. The barrel aimed at inflation will be the higher powered and more deadly barrel of the two. The President will go on the radio and in that ingratiating and convincing way of his he will warn the country of the perils of embarking on inflation, and it will be "good night" for the Patman bill. If we pass the Vinson bill, we are providing the President with a one-barreled gun instead of a two-barreled gun to shoot it with. The bill we pass might be shot with one barrel and live to become a law over the veto, but it can never stand the charge of both barrels.

If the House approves the Patman bill instead of the Vinson bill, some of us who are for the Vinson bill will vote for the Patman bill on final passage in the hope that the Senate will substitute the principle of the Vinson bill, knowing that whatever else may happen, the Patman bill is dead as a dodo. I only wish that Mr. PATMAN, in harmony with his fine and splendid attitude toward the veterans, would withdraw his bill and permit us to pass a bill that has a better chance to become a law. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. STACK].

Mr. STACK. Mr. Chairman, on the 4th day of March 1933 our great Commander in Chief of these United States declared war. He did not declare war against the maimed and the blind, the wounded and disabled veterans of another conflict, but he did declare war against the money changers in the temple of the international bankers. With a certain amount of success he has prosecuted to date that war, but he has not definitely succeeded in routing the money changers out of the temple.

When he took command of this army of 120,000,000 red-blooded Americans, his one objective and our one objective was prosperity for the entire country, prosperity for the rank and file, prosperity for the common people, prosperity for all the people.

He has experimented—and I say that wisely—he has experimented with floating bonds to prosecute giant public-works programs, to feed the hungry and to clothe the naked, but it seems to me that he has not as yet delivered that telling blow to our common enemy—depression. Something yet remains to be done; something must be done.

Today, my dear friends of the House, we have under consideration the payment of a just debt to the veterans of the late war. If you please, it is called "a bonus", and I tell you that as a veteran who fought and bled for his country, as a son of a Civil War veteran who helped to preserve his country, and the brother of a Spanish-American War veteran, I am not asking for a bonus for my comrades of the late war, but I am here asking and demanding that you pay them the debt you owe them—that this beloved country of ours owes them.

When war was declared, the young manhood, and, aye, the young womanhood of America did not ask for a bounty to defend the principles of democracy. No! We willingly shouldered our guns and many of us went to France and plowed through the mud of Flanders fields to be able to say to the immortal Lafayette, "America is here!"

As I said before, we have floated bonds and saddled the interest on the taxpayers' backs, and while I am not an expert on monetary systems, I am satisfied that there is only one way to pay this so-called "bonus", and that is through controlled expansion of the currency, and when you do that you will accomplish a twofold purpose—that is to say, you will pay the veteran what is coming to him, what should have been paid to him when he completed the job in 1918, and, secondly, you will send into every nook and corner in these United States money to pay the milk man, money to pay the baker, money to pay the grocer, money to pay the butcher, and money to pay the real-estate man, who has been carrying the veteran for several months back. You will put new money into circulation.

We have a depression in this country. Why? Because our crops failed? Because the cattle on our ranches were wiped out by disease? Oh, no! My colleagues of the House, Almighty God has given us abundantly in natural resources, and the only reason why stark depression has gripped this country is because of a lack of money.

This reminds me of a story, a true story, I once heard: A preacher down in one of the Southern States ascended the pulpit and, with all the dignity and holiness he could command, took as his text for the day's sermon, "Money is the root of all evil", and after he had talked to his flock concerning the evil of money, an old darky, sitting down at the rear of the church, rolled his eyes and, looking up to heaven, said: "O Lord, give us some more root!" And I say to you, "Give us some root through controlled expansion."

As a veteran belonging to several veteran organizations, I say to you that the average ex-service man is not so much interested in what manner you will raise the money to pay his adjusted-service certificate, but, as a loyal, red-blooded American citizen who did his bit in 1917–18 and who was willing to make the supreme sacrifice if necessary, he is interested in helping our beloved President in restoring prosperity. He may be hungry, he may be ragged, he may be

sick, he may be crippled, but he is still an American, ready to defend Old Glory tomorrow morning if needs may be. He loves America and everything that she stands for, and because he does love her, and her people, he does not want any more debts, unbearable debts, saddled on the taxpayer's back; he wants you, my colleagues of the House, and he wants me, his buddy, to defeat once and for all the great common enemy of Mr. Average Citizen—the great enemy of progress—our money changers and the international bankers. This you and I can do by enacting into law bill H. R. 1, commonly called the "Patman bill." [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. SWEENEY].

Mr. SWEENEY. Mr. Chairman, I voted twice for the so-called "bonus" bill—in the Seventy-second and the Seventy-third Congresses. I was here when the "bonus army" came here, the bedraggled, emaciated, unemployed veterans, 16,000 of them, who squatted over at Anacostia, representative of hundreds of thousands of veterans throughout the Nation. Many of us had to dig down in our pockets to help to purchase food to keep them alive and to furnish them with blankets, when blankets were rotting over at Fort Myer and in warehouses here at Washington; the Government refused to furnish supplies; a generous Government those days turned its face against these men and denied them the right to petition their Government. Each member of that army was an honorably discharged soldier; many wore the Distinguished Service Cross and the Congressional Medal of Honor.

I heard a speaker say today that the reason the bonus bill failed in the Senate in the Seventy-second Congress was because the Senate would not be intimidated by the spectacle of these men on the Capitol steps. The reason the bonus bill failed in the Senate was that the bankers did not want the Patman bill. They wanted a bond issue like they have always wanted a tax-exempt interest-bearing bond issue. They wanted a repetition of the Liberty bond issues, and they wanted to control them.

Because the Patman bill is the bill that has the support of all veterans' organizations—that is, the rank and file—the Patman bill is the bill I am going to support. I remember the time when war was declared, and I remember the boys marching down Market Street in San Francisco, State Street in Chicago, Pennsylvania Avenue in Washington, Fifth Avenue in New York, and Main Street in every town; when the bands were playing military music; when they were strewing flowers in their pathway; I remember when they marched through the caverns of Wall Street and lower Broadway in New York City to the ports of embarkation to sail to foreign lands to fight a bankers' war. I saw them showered with ticker tape by the brokers who were to profit by the war. Sixty-seven thousand of those boys never came back; 400,000 middle-aged men are now suffering because of the horror of that war; and the list is growing daily. Thirty thousand millionaires were created as a result of profits of the war, if you please, and now in this confusion the bankers' bill comes into this House sponsored by bankers. Those who defend the Vinson bill might well make their speeches and print them in the Wall Street Journal. That is where they belong.

We are going to control and change our monetary system because there is growing up in this country an intellectual ferment never before witnessed in the history of our land. The people are talking about money, and the Government has recognized this intellectual ferment; the money question is not so involved that the people do not know what class can make money out of nothing. The Government is going to retire $628,000,000 of the Panama consols. They are going to deny the national banks the right to issue currency, and they are going to retire the first and second Liberty loans. These recent announcements must come as a shock to the money changers.

This is progress; and it will not be long, if I sense the pulse of the Nation aright, until we take over the Federal Reserve System, lock, stock, and barrel; retire these troublesome bonds; and place the absolute control of our monetary system in the hands of the United States Government.

This is what we are going to do; but this bill is one about which the Members must not be confused. The Vinson bill is a bankers' bill, and those who support it are bankers, or their servants, if you will—some of the leaders of the American Legion pretend to speak for all their members—I do not want to cast any reflection or use personalities with respect to the leaders of the American Legion, but I want to pay a tribute to one man who has never raised the white flag of surrender in this fight or any other fight for the ex-service men of the Nation. I refer to Commander James E. Van Zant, of the Veterans of Foreign Wars.

When these boys stood on the Capitol steps out here—that is, the bonus army—when they heard the message from the Senate, "We are not going to pay you a bonus" did they start a riot, did they threaten to do injury to the Members of Congress? No. I saw an exhibition of patriotism I shall never forget. I heard 16,000 men join in the singing of The Star-Spangled Banner, and I saw them march back to the mud flats at Anacostia; those of you who were here remember that. You will never forget it. They were following the leadership of Congressman WRIGHT PATMAN, who has led in the fight for this legislation for 6 and more years. Many of us know full well his is not a bill to bring about wild inflation. The controls are in this legislation, designed to allow the Treasury Department to apply the brakes, if necessary, or if there is any danger of wild inflation.

These men need this money. It is needed to expand the currency, if you will, and I believe that expansion is necessary; but the veterans need this money to do the things some of the speakers have mentioned today—to pay their debts, to pay the butcher, the baker, and the candlestick maker. Those men who were at Anacostia are still in the bread lines if they are alive. The Government of that day, under the leadership of Mr. Hoover, drove them out of Washington, turned the machine guns on them. They murdered two veterans here in Washington and they injured some more—a benevolent Government—turned its back on those who fought its war. The very fact that this outrage was perpetrated upon the veterans in Washington was a factor in electing Franklin D. Roosevelt. The very fact that a bonus measure was under consideration was used by every Member of the Congress when they campaigned all over the length and breadth of this land. They called attention of their constituents to the inhuman treatment accorded these soldiers by the administration of that day.

Now, what are you going to do about it? Are you going to allow this confusion to come in now and upset this legislation or are you going to stay with WRIGHT PATMAN like we have always stood with him? [Applause.]

Mr. Chairman, I repeat the Vinson bill is the bankers' bill, designed to create the authorization by special legislation of over $2,000,000,000 in interest-bearing, tax-exempt bonds; the kind of "bloody bonds" that have chained the taxpayers of this Nation to the mast of despair. "Divide et impera"—divide and govern—is the slogan of the money-changers who prefer a bond issue to paying in full the adjusted-service certificates in lieu of a moderate expansion of the currency, as provided by the Patman bill. This bill also provides the machinery by which the Treasury Department can withdraw from circulation at any time sufficient Treasury certificates if in the judgment of the Treasury Department an uncontrollable inflation is imminent.

With over nine and one-half billion dollars of idle sterile gold and silver locked in the vaults of the Treasury, we witness the spectacle of Members of the Congress of the United States foregoing their constitutional power to issue money and regulate the value thereof; by urging payment of this obligation to the veterans of the World War in the "old fashioned way" by issuing tax-exempt, interest-bearing bonds that will be cornered in a few years by a select group of financial pirates. Just as they cornered the Liberty bonds.

The passage of the Patman bill means the extension of a purchasing power absolutely necessary at this time. It means in the city of Cleveland, Ohio, a payment to the veterans of my community the sum of $19,000,000. Thousands of these veterans are on the relief rolls and are desperate. They are

only asking for modification of this contract, to wit, the acceleration of the payment of the obligation due from their Government. The railroads and the banks have had their contracts modified from time to time.

The Government of the United States canceled several billion dollars of war debts due this Nation from the Allies, demonstrating that we have modified contracts in the past, and there has been very little objection registered against this action of the Government. The argument is advanced that because the adjusted-service certificates are due in 1945 the soldier is in duty bound to respect that contract. If it had not been for the distress of recent years there is no question in my mind that the soldier would have been satisfied to await, if he lived that long, the dawn of 1945, when the payment would be made in full. In many cases our generous Government and banks who loaned on the certificates have exacted interest, which, compounded, will dissipate the entire remaining principal when 1945 rolls around. Help these distressed veterans and their families to get some little comfort out of the few years that remains to them by placing in their hands this mere pittance to permit them to purchase the necessaries of life and, if possible, a few of life's luxuries before they cross the Great Divide.

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. HULL].

Mr. HULL. Mr. Chairman and gentlemen of the Committee, I supposed when I came here, so far as the bonus question was concerned, that it was centered on passing or rejecting the Patman bill. I had advocated, not as a Member of the House but editorially, the passage of the Patman bill previously when it was before Congress.

For 10 years, ever since the adjusted-service compensation law was enacted, I felt that the act was unjust to our veterans, and that in justice to them we should make full cash payment instead of postponing the matter further.

In my campaign I said, not privately but publicly, that immediate payment should be made. I regarded it as a paramount duty on the part of the Government; that, so far as I was concerned, I would pledge myself to vote for the Patman bill.

I am pledged to stand for the Patman bill and all that it may mean. We have paid out since the bonus law was passed untold millions for various purposes because our Government was in the World War. We have failed to collect $12,000,000,000 of foreign war debt, which should have been collected and used to do justice to our own soldiers. No serious endeavor has been made to obtain payment.

We are confronted at this time, notwithstanding all that has gone before, with a division of sentiment because there are two or three bills here in place of one. It has not only divided the sentiment in Congress but divided the sentiment of the veterans themselves.

It is peculiar to notice in the public press that some of those strongly opposed to the payment of the bonus are highly pleased because of the confusion and division of sentiment at this time. They seem to see in the situation an opportunity to prevent payment.

It is charged, among other things, that the Patman bill carries features which mean inflation of the currency. On the other hand, the Vinson bill carries another feature in direct conflict with the views of the President of the United States, who demands that no appropriation shall be made unless there shall be provided a method of payment by taxes or otherwise. There is no provision in the Vinson bill for payment of the bonus other than that of mere authorization.

One objection is raised to one bill and another to another. The important part is that prompt payment shall be made without evasion or further postponement.

Within a few days we are going to enact the $5,000,000,000 work-relief bill, which it is claimed will give work to the unemployed. We are going to give another boost of public expenditures with the hope that it will get us out of the depression. Whether or not the matter of the expansion of the currency is involved in the Patman bill or will be under the Vinson bill, whether or not under the Andrews bill there will be an expansion of bonds and public debt, the fact remains that every endeavor is being made to promote prosperity through acts of Congress and an appropriation of public funds. It seems to me that the Patman bill offers an opportunity of getting full payment of the bonus to the World War veterans who have waited 10 long years for a proper adjustment of their claim—money that they have long been entitled to—and that through them the money will reach the business marts of our country. It will give impetus to buying power and at least aid toward recovery.

I was pledged to the support of the Patman bill when I came here. I am still pledged to it, and I intend to vote for it. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. BUCKLER].

Mr. BUCKLER of Minnesota. Mr. Chairman, I feel very grateful to my friend on the Republican side for allowing me 5 minutes to address the House on this bonus question.

Well do I remember when the soldier boys left my home town under the first draft. The band was playing and the people were cheering the boys on to go and "fight for democracy." Almost everybody told them that when they came back home nothing would be too good for them—they would be remembered. Have they? Have they, I ask you?

My friends, what has been done for those boys? Many of them left their farms where they had their equipment, and went over to France. Many of them left their good jobs in the towns and cities and went over to fight what was said to be "a war for democracy." But what was the story? Soon after they came back home the panic was on and they had no jobs, and a great many of them have not had jobs since that time or since they first went to war. I am receiving letters every day from these boys, and they write me begging for a job of some kind, any kind of a job. And you gentlemen here know one of your hardest problems here as Congressmen is to locate a job for some of those men. Many of these veterans came back crippled, physically wrecked, some of them blind, and since the Economy Act was passed, they have not had much of anything to live on.

Well do I remember, and no doubt better do many of you here remember, when those boys came down here to Washington, D. C., about 3 years ago to try to get their "bonus" and forced to beg for something to eat and some clothes to wear—that they were shot in the back and their wooden shacks and their tents burned down, and they and their women and children were driven out of the city. That was the horrible treatment that they received when they "came back." And today, my friends, there are thousands and thousands of them and their families destitute and hungry, distressed and despondent, their morale and their faith sadly shaken; these boys who went "over there" to fight and "save this country for democracy."

Maybe they did fight to "save this country for democracy", but a great many people believe that they went "over there" to fight for Morgan's and Mellon's money and the international bankers. It was a rich man's war and a poor man's fight.

I contended, and I still claim, that they should have conscripted the excess wealth of these rich fellows to pay those soldiers when they came back.

The boys well remember when they stood or crouched in the trenches in mud, muck, and water, day and night, with death to be expected any minute and seeing their buddies lying dead all around them. Yes, going through "hell" for less than a dollar a day while most of the boys and men back home were getting $10 to $15 per day.

While our soldier boys were shedding blood, giving up their lives on the fields of battle or as in many cases, becoming mentally or physically crippled for life, about 2,000 new millionaires were "made" in the United States. When the first Liberty bonds were sold, the Morgan crowd and their henchman got four hundred million out of the first money collected. I say again, it was a rich man's war, but a poor man's fight.

During my campaign I advocated paying the soldiers' bonus by way of the Patman bill, which I am favoring here

today. You hear a great deal said about inflating the currency. But you do not hear these same "money racketeers" in Wall Street, who are against the Patman bill, say what they did to the farmers of this country in 1920 when they deflated the currency and credit of the Nation. The farmers have not had any money nor any credit since that time, because the money crowd broke the banks in the farming communities.

They make a big holler here about inflating the currency a few dollars under this Patman bill. We need some expansion of the currency—not wild inflation, but mild controlled expansion which is provided for in the Patman bill. That is what this country needs. This bonus payment not only will help the veterans but the farmers of this Nation as well. I happen to be a farmer myself. They raise a bugaboo and they cry out about a little expansion of the currency, because they are the gang who do not want any money and credit expansion because they want to control and manipulate the money and credit of this Nation.

You can go out to Arlington Cemetery and see the graves of the soldier boys buried there. A few days ago I saw a picture of the graveyards in France where some of them lie. Now, what are you doing for these boys who are still alive and with us today, my friends?

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. BUCKLER of Minnesota. Mr. Chairman, I ask my friend to give me 2 minutes more time.

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 2 minutes more.

Mr. BUCKLER of Minnesota. The world has gone crazy right now over preparations for war. They are getting ready to slaughter off the young men of this world again, and so I say it is about time we took notice of what is going on in the world, and instead of preparing for war and the slaughter of more men, we should pay the ones who fought the last war, so that they can take care of themselves and their families.

It would be a godsend if some power would rise up and take the guns and munitions away from all these war racketeers and jingoes who want to get nations into war all the time. I stand for a defense sufficient to protect our own Nation, but I contend that they will not invade our shores if we do not keep on whooping it up for war the same as the rest of them. I think it is about time we considered peace instead of war. You have sent delegates to peace conferences over in Europe and what not, and when they come back, you increase the armaments for more wars.

Men are racking their brains, working night and day, trying to invent some deadly new war machine, new killing gasses, new guns, and more destructive implements of war. If we have another world war, with present modern war equipment, we will destroy civilization.

Would not it be better, my friends, to put more time and energy to feed and clothe the hungry and needy of this Nation? And to try and correct the evils that cause these conditions?

So I say you had better pay the veterans now for the last war instead of spending money to get into another war like we are trying to do at this time. [Applause.]

When the last war was over, you had enough money to pay almost everybody else, but none for the veterans. Do you expect them to wait 25 years for their money, which they need so much now?

Veterans in every county in the United States will receive these bonus payments. In my own congressional district, the ninth of Minnesota, the payments will be as follows:

Becker	$419,433.42
Beltrami	385,957.78
Clay	430,933.68
Clearwater	177,927.90
Kittson	180,574.64
Lake of the Woods	78,171.97
Mahnomen	114,685.77
Marshall	316,918.92
Norman	262,082.98
Ottertail	950,700.84
Pennington	195,467.20
Polk	$671,358.15
Red Lake	128,366.80
Roseau	235,242.82
Wilkin	182,494.45

In just about the same total amount will the veterans of each of the other congressional districts of Minnesota and of the Nation be paid what they rightfully deserve.

Now is the time to pay these adjusted-compensation certificates. Let us vote for this legislation which will make it possible at once to pay the veterans in cash and refund any interest paid and cancel any interest due. They are entitled to this payment—they have earned it, it is theirs, they need it, they need it now. Let us give it to them now. Give them their money now while they yet live, while their families are still alive.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. BUCKLER] has expired.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. MCFARLANE].

HE SERVES BEST WHO SERVES MOST

Mr. MCFARLANE. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include certain excerpts from a special committee report.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MCFARLANE. Mr. Chairman, I am mightily glad to be here this afternoon to have this opportunity of speaking in favor of the passage of the Patman bill. In doing that, I feel that I am serving the best interests of my constituents, the best interests of the soldiers of the Nation, and the best interests of the Government of the United States.

I feel that it is nothing but fair and right in the beginning, to give credit where credit is due. Congressman PATMAN, I feel, is entitled to proper credit as the leader in Congress in fostering this legislation to pay the soldier this past-due indebtedness. Session after session of Congress, he has kept fighting away trying first one measure, then another, in an effort to find the proper measure that will best suit the needs of the country and at the same time pay the indebtedness with the least expense to the Government. All during this fight on the bonus, the Veterans of Foreign Wars, their commanders in chief, and their legislative representatives before Congress, have stood fast and always have fought for cash payment of the bonus. I am sorry we have not had the same kind and character of leadership in charge of the legislative committee of the American Legion. Their leaders before the Congress have repeatedly gone back on the resolutions passed at their national conventions, weak though many of these resolutions were, and this committee has failed to keep faith with the rank and file of the Legion.

In the debate we have heard the different arguments made pro and con, covering both sides of this question. In the brief time that I have I want to discuss some of the questions that I do not think have been covered in the debate, and which I think bear heavily on the issues as they have been developed thus far on this important question.

I am speaking to you as a member of the American Legion, as one of the rank and file, I think, who has held the different offices in the rank and file as service and adjutant officer of my local post and as its past post commander and those different offices where you work without pay. I have never held a job in the Legion that ever paid anything, like some of the Members you have heard speak from this floor today. Sometimes when we as Members of Congress try to express ourselves it is a little hard to get our thoughts over to the Membership here, as well as to make ourselves clear to our constituents and the Nation generally, and I hope you will give me your attention for just a few minutes while I try to clear up some matters I believe that are not generally known to the Members here or to the Nation.

LEGION LEADERS QUESTION MOTIVES OF CONGRESS

In the last week we have had the "four horsemen" of the Legion come here in their Weekly Bulletin, questioning the

motives of the Members of Congress, as to why they are voting for the Patman bill. In this bulletin of March 9 they ask you to vote against the Patman bill. Why? They accuse the Members of Congress of being more interested in inflation than they are in the soldiers.

Now, I am wondering when the motives of the "four horsemen" of the Legion became so lily white and so pure that they have a right to come here and question the Members of Congress as to their motives in voting for the Patman bill. These "four horsemen" of the Legion are the only ones who appeared before the Ways and Means Committee of the House advocating the passage of the Vinson bill.

This committee questions the motive back of the Members of Congress for supporting the Patman bill. There is a rule of equity that "he who comes into court of equity must come with clean hands."

The Chicago convention passed a "sound dollar" resolution, as follows:

Be it resolved by the American Legion in national convention assembled, That we favor a careful study by our Government of the dangers of inflation and that we favor a sound American dollar.

Mr. Vincent Carroll, a Philadelphian; Mr. Henry Stephens, of Warsaw, N. C.; and Mr. Joseph Edgar, of New Jersey, all spoke earnestly advocating this resolution.

It may be of interest to Members of Congress and the Nation generally and I am sure will be of interest to the rank and file of the Legion to understand the motives prompting the offering of the sound-dollar resolution.

SWORN TESTIMONY BEFORE UN-AMERICAN COMMITTEE

Let us turn to the sworn testimony before the Special House Committee Investigating Un-American Activities, and what do we find?

Mr. CHRISTMAS. I think I began to discuss inflation with him (MacGuire) early in 1933. We had many discussions about it. He thought he could spare some time to do some traveling, so my thought was it would be a good idea for him to discuss this question with prominent people in various parts of the country. When I say "prominent", I mean substantial citizens in different localities; and see if we could work up any sentiment for sound currency and against inflation. If I may put it this way, there were three ways this matter could have been handled. Mr. MacGuire could have sat in his office and written letters and made telephone calls and spent very little money and would have gotten nowhere. I told him when he traveled that I expected him to travel in a way which would enable him to meet these substantial people and that he was to entertain lavishly. As I say, I think his travels began sometime in June, at which time I understand he was using his own funds, for which he was entitled to reimbursement from these funds at a later date. As I recall it, he made two or three transcontinental trips * * *.

The CHAIRMAN. Was he at the American Legion convention there?

Mr. CHRISTMAS. Yes, sir.

The CHAIRMAN. Were you there?

Mr. CHRISTMAS. Yes, sir.

The CHAIRMAN. When did the period of this entertainment end?

Mr. CHRISTMAS. The period ended, I should say, about the latter part of December 1933 * * *.

The CHAIRMAN. So the way you want to leave it is there is $65,000 or $66,000 that Mr. MacGuire received from either you or Mr. Clark, which he spent in the period between June and December of 1933 for traveling and entertainment expenses. * * *

And there are other items. Now, has Mr. MacGuire ever given you an accounting as to how he spent that $65,000 or $66,000, which is unexplained?

Mr. CHRISTMAS. No. I told him he did not need to account to me for that.

The CHAIRMAN. Who else besides Clark was interested in this sound-dollar propaganda campaign?

Mr. MACGUIRE. Mr. Frew, as I say, contributed money.

The CHAIRMAN. Who else was interested?

Mr. MACGUIRE. And Mr. Doyle was interested.

The CHAIRMAN. And who else?

Mr. MACGUIRE. Mr. Henry Stevens, of Warsaw, N. C.; Tom Bird, of North Carolina; and a number of other prominent legionnaires. I can get the names. They are all a matter of record.

The CHAIRMAN. Whom did the committee consist of?

Mr. MACGUIRE. Mr. Carroll, of Philadelphia.

The CHAIRMAN. What Mr. Carroll?

Mr. MACGUIRE. Vincent Carroll. He is the assistant prosecuting attorney in Philadelphia and a prominent legionnaire. Mr. Henry L. Stevens, Jr., Mr. Doyle, myself, Mr. Esterbrook, Tom Bird, of North Carolina; Charlie Erskine, of—I think he is in Washington or Oregon—John Quinn, Frank Belgrano, the present national commander.

TRAVELING AND ENTERTAINING

Exhibit B.—Detailed schedule of cash disbursements of the committee for a sound dollar and sound currency December 4, 1933, to May 31, 1934, accounting for $31,000 expended:

William H. Doyle, past department commander, Malden, Mass	$9,100.00
Henry L. Stevens, Jr., past national commander, Warsaw, N. C	500.00
Dr. William Dunning, past department commander, Gonzales, Tex	400.00
Tom Bird	1,098.50
Vincent Carroll	3,400.00
Charles Esterbrook	2,773.34
George H. Norton, Somerville, Mass	626.45
Charles Erskine	300.00
Gerald C. MacGuire	1,992.67

The above amounts show partial distribution of the $31,000 distributed by the Sound Dollar & Currency, Inc., between December 4, 1933, and May 31, 1934, among these legionnaires. Of course, no attempt was made to account for the $66,000 expended by the sound-dollar committee boys before and during the Chicago Legion convention. Gen. Smedley Butler's sworn testimony before this committee may give us some light how some of this $66,000 was distributed to the "king makers" who did speak for the sound-dollar resolution:

General BUTLER. The next time I saw him (MacGuire) was about the 1st of September in a hotel in Newark. I went over to the convention of the Twenty-ninth Division. Sunday morning he walked into my room and he asked me if I was getting ready now to take these men out to Chicago, that the convention was pretty close. I said, "No; I am not going to Chicago." "Why not?" I said, "You people are bluffing. You have not got any money." Whereupon he took out a big wallet out of hip pocket and a great big mass of thousand dollar bills and threw them out on the bed. I said, "What's all this?" He says, "This is for you for expenses. You will need some money to pay them."

"How much money have you got there?"

He said, "$18,000."

"Where did you get those thousand-dollar bills?"

"Oh", he said, "last night some contributions were made. I just have not had a chance to deposit them, so I brought them along with me."

The above-quoted testimony was all given under oath before the Special Committee of the House Investigating Un-American Activities. If any of the above-quoted testimony is untrue each and all of these parties so testifying should be prosecuted by the "king makers" of the Legion above mentioned for giving perjured testimony. These hearings have been printed for some time and have had a wide distribution throughout the Nation. We have heard of no contemplated prosecution by the leaders of the American Legion now advocating "Belgrano's bankers' bonus bill" before Congress.

MONEY TALKS

In other words, it seems from the above-quoted testimony that the "Wall Streeters" had their paid lobbyists—MacGuire, member American Legion distinguished-guest committee—and other prominent legionnaires making transcontinental trips beginning early in 1933, and that they spent $153,665.86, of which about $66,000 was spent before and during the Chicago convention—1933—for "traveling and entertaining" and no accounting ever requested.

Now, my friends, do you believe that these leaders of the Legion who have been thus hooked up with the affairs mentioned are coming here opposing H. R. 1 in good faith, when we all know it is the only bill on the subject before Congress which will pay the debt without "creating any additional" debt, in keeping with the Miami resolution, without additional taxes, without any interest, without bonds, without unbalancing the Budget, and will save the overburdened taxpayers over $1,500,000,000, the amount required, if not paid now, to be set aside by borrowing from the bankers to pay the debt in 1945?

Mr. KVALE. Will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. KVALE. Apropos of the gentleman's statement, does the gentleman recall where those men resisted a resolution advocating the payment of the bonus up until the time of the Miami convention, and MacNider and others then made the statement that the Roosevelt administration was a failure,

that our monetary system was being destroyed, and the country was going to hell, and rubber dollars were taking the place of honest dollars, and why not pay them in rubber dollars?

Mr. McFARLANE. The gentleman is correct and I believe I have just quoted from the sworn testimony recently given before the Special House Committee Investigating Un-American Activities which I believe throws considerable light on the question he raises. I only wish I had the time to bring in all the records and give the Congress the facts regarding these matters. These records would then speak for themselves. I know and we all know who are familiar with Legion politics since the World War that somehow the rights and wishes of the rank and file have not been carried out as they should be. We down at the forks of the creek have wondered why that was so. Let us run that out in the open a little further and look at the records for just a moment.

On January 14 Mr. Frank Belgrano, Mr. Whaley, and Mr. Kelley and Mr. John Thomas Taylor, the same gentleman who later appeared before the Ways and Means Committee, came here and said, "We want you to vote against the Patman bill. We want you to vote for our bond-issue bill." Why? About the only reason they could give us then or now as to why we should vote for that measure is that they claimed it has the best chance of passing the Senate.

Now, is that not a fine argument, a reasonable argument? Does that not appeal to your deep sense of justice and reason as representative of 300,000 of your constituents; that you as a Member of the House should not vote for a bill even though you know it by far the more meritorious because you could not pass the bill in the Senate? Turn it around and what would the Senate have a right to think if they came over there and used the same argument as to the attitude of the House? Let us look a little deeper and see what some of the other motives of these "four horsemen" really are.

Mr. TRUAX. Will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. TRUAX. Who are the "four horsemen"? Will the gentleman name them, please?

Mr. McFARLANE. The gentlemen who appeared before the Ways and Means Committee, Mr. Belgrano, Mr. Whaley, Mr. Kelly, and Mr. John Thomas Taylor—Colonel Taylor.

Mr. TRUAX. Those gentlemen are known as the "king makers."

Mr. McFARLANE. Yes. I think they are really proud of their title. You know they admit they are responsible for interpreting the Miami resolution. They are the legislative committee of the American Legion. They are frequently referred to as "king makers." Now, what have the "king makers" done? Let us see about that. They came here and asked us to pass a bill that they know would require a bond issue to pay. Neither they nor anyone else before this Congress have ever advocated any method of raising revenue for the payment of this indebtedness. They just want more bonds. What are their instructions from the rank and file of the Legion? The Chicago convention passed this resolution:

TAX EXEMPTION

Whereas we of the American Legion are interested in the equitable distribution of the tax burden: Therefore be it

Resolved, That we recommend that earnest consideration be directed to the elimination of the injustices brought about by the issuance of tax-exempt securities.

This, my friends, is the instruction to the leaders of the Legion; this is the instruction they have in coming here and advocating legislation before Congress. Have they kept faith with the rank and file on this resolution? No.

CASH PAYMENT RESOLUTION

Then, let us look further, let us look at another instruction they have from the rank and file. At the Miami convention they passed the following resolution:

IMMEDIATE PAYMENT

Whereas the immediate cash payment of the adjusted-service certificates will increase tremendously the purchasing power of millions of the consuming public, distributed uniformly throughout the Nation, and will provide relief for the holders thereof who are in dire need and distress because of the present unfortunate economic conditions, and will lighten immeasurably the burden which cities, counties, and States are now required to carry for relief; and

Whereas the payment of said certificates will not create any additional debt [italics mine] but will discharge and retire an acknowledged contract obligation of the Government: Now, therefore, be it

Resolved, That since the Government of the United States is now definitely committed to the policy of spending additional sums of money for the purpose of hastening recovery from the present economic crisis, the American Legion recommends the immediate cash payment at face value of the adjusted-service certificates, with cancelation of interest accrued and refund of interest paid, as a most effective means to that end.

This resolution was really a demand that the mandate of the Portland convention of 1932 demanding cash payment of the bonus be carried out. The Portland convention, you will remember, adopted a continuing resolution which made that the order of business until it was paid.

Mr. BLANTON. Mr. Chairman, will the gentleman yield for an interruption?

Mr. McFARLANE. I yield to my colleague from Texas.

Mr. BLANTON. The Vinson bill, of course, would require the issuance and sale on the market of approximately $2,000,000,000 of tax-exempt securities which would be bought immediately by multimillionaires who seek thereby to evade paying income taxes. The tax-exempt securities already in existence, together with this $2,000,000,000 additional tax-exempt bonds would so affect the income of the Government that it would be reduced to a very small sum. And we would thereby enable the ultrarich to escape paying taxes to the Government. That is why I am for the Patman bill.

Mr. McFARLANE. That is true; and there is this additional reason, if we were to issue another $2,000,000,000 of tax-exempt bonds it would require in the future $2,000,000,000 of additional taxes to be raised to pay it. In addition to this, over the period of the 30 years ordinarily required to retire such bonds it would necessitate another $2,000,000,000 of taxes to pay the interest, or the bonus that would be paid the bankers. So it would require $4,000,000,000 in taxes to be taken from the already overburdened taxpayer to pay this indebtedness.

We thus find that the "king makers" of the Legion have completely repudiated their instructions on the tax-exempt resolution passed at the Chicago convention, because the bill they now sponsor, they know, as well stated by Hon. Henry Morgenthau, Secretary of the Treasury, would require a bond issue. They have further repudiated the plain letter of the Miami resolution calling for immediate payment of the cash bonus, for the Miami resolution says:

Whereas the payment of said certificates will not create any additional debt, but will discharge and retire an acknowledged obligation of the Government.

And the bill they sponsor calls for a bond issue, which would cost the already overburdened taxpayers about $2,000,000,000 in interest, which would be a clear bonus to the big bankers.

Mr. Chairman, we cannot carry out this mandate of the American Legion in my opinion in our vote in this Congress unless we vote for the Patman bill. It is the only bill pending before Congress at this time that will not create any additional debt and that will pay the bonus. There has not been a man in Congress, in committee or otherwise, who has ever advocated the raising of additional taxes to pay this debt. The only other way it can be paid is through a bond issue, and if you authorize a bond issue for this purpose it means $4,000,000,000 taken from the pockets of the taxpayers of this country. Let us vote for the Patman bill and keep faith with the soldier, the Government, and the taxpayer. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HOEPPEL].

Mr. HOEPPEL. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein names to which I shall refer in my address.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOEPPEL. Mr. Chairman and Members, before discussing the Patman and Vinson bills which provide for the payment of the adjusted-service certificates, and which appear to be sponsored by different veteran organizations, it may be well to remark that I am a past commander of both organizations and have the fullest degree of respect for the leadership in these organizations, as well as the membership with whom it is indeed an honor to be associated.

My observation is that the game of legislating here at Washington in the Seventy-third and in this Congress may be compared to a baseball game. Unfortunately—at least I think it is unfortunate—we have been too reluctant to play the game in our own right as participants and have failed to exert the individual initiative, energy, and responsibility which the people have a right to expect from the team representing them.

The newer Members of Congress, in my opinion, are generally liberal and progressive. As new players on the team, however, we literally adorn the bench while the game proceeds with the old players occupying the key positions. They continue to play the game in accordance with established custom and precedent with the result that, thus far, although we have secured some legislation of a worth-while character, in my opinion, it has not been sufficient to warrant the hope that substantial national recovery is in the offing. Too many sacrifices and scratch hits have been made to warrant the expectation that we will eventually surmount our present difficulties by these methods.

If we are to have the new deal in its fullest application, it would seem that the new Members of Congress might be called in to play so that the ideas they advance may be thoroughly discussed and then acted upon. Instead, however, the liberal and progressive groups appear to have been effectively benched through the adoption of the discharge rule of 218, thus restricting the legislative value of our services.

In my opinion, the players in the legislative game here, living in an atmosphere of apparent plenty, fail to look often enough over the fence of the arena into the crowd of spectators beyond, and so are more or less unaware of the details of their situation. If the deliberations of Congress were held in some of the manufacturing centers, where the idle factories stand like sepulchers, and where the unfortunate citizen roams the streets in a futile attempt to find work, or if the deliberations were held in the impoverished sand-storm areas of the West, perhaps Congress would have a keener and more sympathetic understanding of the plight of the unfortunate and would give less consideration to legislation predicated upon the further issuance of tax-exempt bonds, which only add to the distress of our already overburdened taxpayers.

While much has been done, there is much still to be accomplished through real team work—intelligent cooperation in which the strength of every Member is recognized and utilized as a contributing element to the success of the whole.

I shall not take time to discuss the various liberal and progressive bills which, in my opinion, should be enacted if we are to have additional home runs on the part of the administration for the people. I will refer only to one of these, the Patman bill, which we have under discussion today. Our consideration of the Patman and the Vinson bills may be resolved into the question of "bonds and bondage", as exemplified in the Vinson bill, or "legal tender and economic liberty" as provided for in the Patman bill. The Vinson bill will place the American taxpayer more fully under the heel of the private banker who will profit as much, in interest exactions, through the enactment of the Vinson bill, as will the veteran who earned the adjusted-service certificate through his personal sacrifice while others stayed snugly at home, enjoying substantial wages, and still others ruthlessly profiteered on the suffering of the world, securing for themselves additional millions.

The Members of the House proved their sincere interest in the veterans when they overrode the President's veto last year on the question of veteran benefits. I appeal now to the friends of the veterans to support the Patman bill, regardless of the threat of veto, which appears to impend. What kind of game of baseball would it be if the umpire had it within his power to call a man "out" unless he struck only at certain pitched strikes as designated by the umpire? Neither the umpire in the game of legislation nor any who claim to be spokesmen for him should seek to kill legislation by the threat of a veto. Such action is not democratic and ill befits any member of our party, which prides itself on its adherence to the principle of equal rights, as expressed by Jefferson.

The Patman bill, which I favor, does not embody the threadbare financial plan of "borrowing from Peter to pay Paul." It would not increase the burden of the taxpayer nor add one single cent to our national debt, for it would provide for the necessary money through the issuance of Treasury notes, with more than an adequate gold backing.

Thirty-five years ago, in Alaska, quite often during the long winter nights I engaged, with other comrades, in poker games, playing generally for insignificant stakes (as we had little money), quite often even playing for matches, of which also we had few. If a new party wished to enter the game, it was often necessary to break the matches in two, so that we would have enough tokens of exchange to continue the game.

With our increase in population and the lowered per capita of money in circulation, we do not have sufficient of the medium of exchange to transact business. The bankers of America, through their opposition to the Patman bill and espousal of the Vinson bill, seem to be opposed even to the Government itself entering into the financial game in the interests of its citizens. They are opposed to any additional circulation of the medium of exchange, unless it passes through their control, so that it may be expanded and contracted as their own advantage appears to dictate.

The Patman bill will put into circulation United States Treasury notes which the banker may not manipulate. Naturally, the banker is opposing the Patman bill and espousing the Vinson bill, as he has everything to gain through the latter and his power will be curtailed if we accept the Patman bill, as I hope we do, because of the positive certainty of its efficacy in alleviating the distress of millions of our veterans and, through the circulating medium, contributing to the welfare of the entire citizenry.

Candidly, I am in favor of the Patman bill as much in the interests of the unemployed as in behalf of the veterans who, in my opinion, are undeniably entitled to this payment now. There was no protracted delay in recognizing our financial obligations to the railroads and other agencies which claimed losses due to the war; nor was there any apparent disposition to postpone their settlement. But when it came to a group on whose sacrifices we built our success, and whose losses can never be adequately compensated—then selfishness and greed voiced their opposition, prating about the dangers of commercialization of patriotism, and so we temporized and granted our veterans the adjusted compensation certificates, as a token of our concern over their future welfare and an evidence of our indebtedness. The economic distress among our veterans is wide-spread, their need for the helping hand of a grateful nation was never greater than now, and through the payment of the adjusted-service certificates, a measure of assistance will not only be granted to them, but the benefits will be felt, in the stimulative effect of increased purchasing power, throughout every section of the country. In the name of justice and humanity, how can we longer delay?

I hold in my hand a copy of the March number of the Retired Men's News, a periodical which I edit and which circulates to every country in the world, except Africa. This periodical contains a picture of American troops somewhere in France on their way to the front—and possible death. The article is captioned "Did They or Did They Not Earn Their Bonus?"

I went to France as a member of Outpost Company C of the Second Field Signal Battalion. Including replacements, 16 comrades of my organization were killed in action or

died of wounds. One hundred and thirty-four additional of this same company were wounded in action, many of them quite seriously, and most of whom are carrying evidence of their wounds today. Included in this list is my former bunkie, DeVere H. Harden, who was the first American officer to be wounded in France. Is there any Member on this floor who, recalling the service and sacrifice of our veterans, will state that they are not entitled to the payment of the adjusted-service certificates now? Remember that the record I have just quoted is of only one company from the large number of similar organizations which suffered, no doubt, in many instances, even more casualties. In honor and tribute to these men, to whom I have referred, I insert their names in the RECORD at this point.

OUTPOST COMPANY C, SECOND FIELD SIGNAL BATTALION

Killed in action and died of wounds: Kenneth K. Burns, Robert L. Byrne, Arthur L. Doyle, Henry Glickman, Fred E. Hackett, Joseph E. Hadfield, John W. Ivens, Adolph R. Lodden, Lester R. Ludinghouse, James C. MacReady, Ben Nudd, Claud A. Stephenson, Cecil R. Sullivan, Clyde Thomas, Morris H. Thomas, William M. Van Fossen.

Wounded: Volney Bowles, Charles S Briscoe, DeVere H. Harden, Herbert M. Alstrup, Eric A. Anderson, John M. Bates, Christ L. Berg, William W. Bloomer, Edward E. Blythin, Max Boehmer, Jr., Chester I Boldman, Ben S. Boyce, Silas J. Boyd, Clarence F. Braun, Lester I. Bullard, Angus R. Burton, Robert C. Buttan, Albert Carter, William B. Caruthers, Cecil L. Chapman, Charles E. Chase, John M Collins, Jack Comer, Edward A. Connell, Keith B. Copenhaver, John H. Critchlow, Alvin H. Crosby, Joseph E. Daly, Clarence A. Davidson, James H. Davis, Thomas A. Deen, Jr., Deo Dewsen, Rudolph M. Dial, Fred L. Doble, Edgar E. Dragoo, Charles F. Drabek, Lyman Dunlap, Francis A. Dunn, Clarence E. Durst, Robert Edwards, Sigwald Flikeid, Ernest C. Freeman, Thomas C. Gardner, Arthur W. Geiseler, Andy Gomole, John B. Goodman, Giovanni Graffigna, Ole Gunderson, Felix A. Haglund, Cas C. Hale, Daniel C. J. Hall, Ernest W. Harper, Clyde H. Harrop, John H. Helton, Henry C. Hindley, Perry J. Hoke, Graham Hornbeck, Harry H. Howard, John Jobe, William E. Johnson, Horace C. Johnston, Hunter H. Johnston, Hazen P. Jones, Louis R. Judkins, John Kallman, Thomas J. Kane, James J. Kennedy, Reginald R. Kolter, Harry Kelly, Rudolph Kruger, Peter Larsen, Clarence S. Law, John W. Ledman, Fred A Lehn, Adrian, J. Lessard, Glen M. Libhart, Charles L. Linton, James E. Love, Arthur McGee, Jefferson J. McIlvain, Howell N. McKay, James A. Macklem, Mansellid Macy, Lee Mayfield, Elbert E. Meldrum, Adolph C. Miller, Alfred F. Miller, Thomas A. Mills, Carl C. Morriss, Oscar Manternach, Oscar Narrance, Hjalmar G. Nelson, John E Nelson, Randolph Nicaise, Emmett P. O'Brien, Clarence C O'Neal, Frank P. Paris, Ralph M. Parsons, Ralph G. Patterson, Carl L. Pederson, William B. Perkins, Gustave A. Perscheid, Jr., Charles R. Phillips, James M. Phillips, Morris Potash, Richard H. Reese, Neil E. Reid, John Richley, Fred C Ries, James Robertson, Jr., Ralph C. Robison, John C. Ryan, Paul H Sands, Halboy Sather, Edgar A. Schrader, Louis Selleseth, Joseph Schlachter, Roy C. Sharpe, Joseph H. Smith, Ernest Spicer, Philip L. Stallings, Morilla N. Stanly, Andrew G. Storrar, Jens Thompson, Waldo Thompson, Robert Teesdale, Leslie J. Tuck, Charles M. Tucker, Orus R. VanZandt, Hammer R. Webb, Vern W. Weeks, La Virne Whipple, and Louis H. Wynn.

While I went to France in this organization and served with them a short period, I abhorred the thought of lying wounded in "no man's land" and conceived the idea of transferring to the Air Service, where, if I suffered mishap, my troubles would soon be over. Instead of being assigned for actual flying, I was detailed to an executive position and was in charge of the first American aviators in France, many of whom passed under my administration prior to going to the front. Included in this list was the famous ace of aces, Capt. Eddie Rickenbacker, and many others who, while not so distinguished, were accredited as aces before the cessation of hostilities. Certainly no one will deny that Capt. Eddie Rickenbacker is entitled to the payment of his adjusted-service certificate, in the event he desires to cash in on it—and yet his service, though more spectacular, perhaps, was not more unselfish, more conscientious, more self-sacrificing than that rendered by our boys generally.

I have letters from numerous readers of my periodical, and from veterans throughout the United States, all of whom are appealing for the payment of the adjusted-service certificates now, in order that they may meet their obligations, such as payment of mortgages, payment of debts, provision for sick relatives, and so forth.

The Patman bill should be more properly termed a "security bill", as it will bring security to the great mass of our patriotic citizens who served during the World War, many of whom are losing their morale because of economic conditions and the unsympathetic treatment received from P. W. A. and F. E. R. A. authorities in their respective communities. The benefits provided for the veterans in the Patman bill will redound, in almost equal measure, to every citizen, more especially to the small business man who has been the principal sufferer under the N. R. A. If ever a measure may rightly be termed "a security measure", I repeat that I consider it is the Patman bill, and I do hope that my colleagues will exercise the same independence in voting for it that they did when they voted to override the veto last year on the question of veteran benefits. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield one-half minute to the gentleman from Tennessee [Mr. TAYLOR].

Mr. TAYLOR of Tennessee. Mr. Chairman, I am proud of the fact that I have a 100-percent record in support of veterans' legislation. During my 16 years as a Member of this body I have supported every measure designed to help those who wore the Nation's uniform; and I have been especially zealous by my voice and by my votes for those who incurred disability as a result of such service, their widows and dependent children.

I signed the discharge petition in support of H. R. 1, known as "the Patman bill"; however, I will gladly support H. R. 3896, known as "the Vinson or Legion bill", or any other measure that will discharge this debt of honor which we owe the veterans of our latest war.

Mr. Chairman, why all this agitation that the President will veto either the Patman or the Vinson bill? Why this rumor that the President will veto any bonus measure, regardless of its terms or its merits?

These reports may be true, Mr. Chairman, but I simply cannot bring myself to a reconciliation with either the logic or the justice of such a position.

Why this continual hostile attitude toward our ex-service men, Mr. Chairman?

What possible excuse or justification can there be for it? Why are they singled out and denied relief when every other element in our national life is being made the favored beneficiaries of the largess of the Federal Treasury? Is it possible that the man who responded to his country's call and rallied to his country's colors is the forgotten man about whom we heard so much compassionate appeal during the campaign of 1932? Verily, it would certainly seem so from the ruthless treatment he has received at the hands of his Government since.

God save the mark!

During the past 2 years we have been spending millions, yea, billions of dollars on every conceivable vagary that the inventive genius of the "brain trusters" and Frankfurters could devise—plowing up cotton, slaughtering pigs, planting saplings, promoting the more abundant life, and so forth—in a vain endeavor to reverse the laws of nature and overthrow sound economics. And yet we are unwilling to pay this debt of honor to those who came to the rescue of the flag when our Nation and civilization itself were in the balance.

Mr. Chairman, to me the neglect which we have already shown our ex-service men has been almost next to criminal. We have either forgotten or repudiated every promise we made the veteran when he left for the front following the declaration of war in 1918. When he returned, if he returned, the job he left had been preempted by some other person. Little or no preference was granted him in either Government or private employment. To defeat his just claim for compensation, he has been held up to the public gaze as a panhandler, a swindler, a Treasury raider, and a racketeer by a press, a forum, and the radio subsidized by an aggregation of tax-dodging millionaires. The propaganda carried on by the Economy League 2 years ago was so surcharged with poison, prejudice, and wanton misrepresentation that many ex-service men even hesitated to wear their service buttons less their chances for employment be imperiled and impaired.

It is high time, Mr. Chairman, that the public conscience should be quickened to the demoralizing effects of this injus-

tice to our soldiers, because who can predict in the midst of the military clamor and commotion of this very moment when this country may be confronted by the grim specter of war again. God forbid that we shall ever have another war, but let us not lull ourselves into the delusion that we have any special exemption even today from that great scourge of humanity and civilization. Let us show our veterans that traditional spirit of gratitude, good will, and fair treatment that has characterized our Nation in the past This is absolutely necessary, Mr. Chairman, if patriotism and heroism shall survive in this great Republic.

Now, Mr. Chairman, I do not desire to discuss the relative financial aspects and mechanics of the operation of either of these measures, because I believe, if enacted into law, that the provisions and purposes of either one of them will be carried out in perfectly good faith. If either passes the Congress and is signed by the Chief Executive it will mean not only a godsend to the veterans of the land but its benefits will be reflected by a marked acceleration of business generally, because practically every dollar of it will go into immediate circulation and will permeate every nook and corner of the entire Nation.

After deducting the loans on these adjusted certificates, if their face or maturity value is paid in full, there will be a remainder due the veterans in each county in the district I have the honor to represent as of December 1, 1934, as follows:

Anderson	$244,947.24
Blount	422,143.38
Campbell	333,191.34
Knox	1,936,302.84
Loudon	221,138.10
McMinn	360,415.98
Monroe	265,502.34
Morgan	168,949.26
Roane	304,004.34
Scott	174,873.60
Union	141,227.82

In conclusion, Mr. Chairman, I want to see the hearts of the veterans of my district gladdened by the payment of the remainder due them on the adjusted-compensation certificates, and, naturally, I am not adverse to seeing the $4,552,696.44, which is the aggregate they will receive, in local circulation.

Let us dispose of this bonus question now and end this agitation which has caused so much controversy, bitterness, and strife, and which too often has been used as a football by demagogues and designing politicians.

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. Mr. Chairman, those of us who have been advocating the immediate full cash payment of the adjusted-service certificates are today faced with a peculiar and, I think, a very fortunate situation, for we are about to vote upon and pass in the House a bill which, for the first time in the whole history of bonus legislation, has a fair chance of becoming law. Through the surprising liberality of the Ways and Means Committee and the unprecedented action of the Rules Committee the House is now given the opportunity not only to debate and to consider but actually to cast a record vote upon each of the three major proposals for payment of the bonus which have been introduced in the House at this session. These proposals are the Vinson bill, the Patman bill, and the so-called "Tydings or compromise bill."

I say this situation is both peculiar and fortunate. It would be so under any circumstances. It is the more so when we remember that this administration is and always has been unalterably opposed to the full cash payment of the bonus in any form, and that heretofore these two great policy committees—the Committee on Rules and the Committee on Ways and Means—have been completely dominated by the wishes, desires, and the policies of the President. So very extraordinary in fact is the situation presented by the action of these committees that I have wondered sometime if there is not a joker in it. I am wondering if the tiger could so change his stripes any more than the leopard could so change his spots. I am assuming, however, that this is not the case; that there is no joker; and that the great opportunity now given us by these committees after so long a delay is given in good faith.

How different is the situation now from that of the last session? Then the committee to which bonus legislation was referred refused altogether to act upon it or even to consider it. The President was then, and he is now, unalterably opposed to the bonus, and so far as these committees were concerned that was all there was to it. We were obliged to force the bonus bill out of committee by petition to discharge the committee. Having thus broken the hold of the administration upon the machinery of the House we passed the bonus bill in the House, knowing full well, however, that it could not become law because of the President's complete domination of the Senate at that time in the field of bonus legislation. The bill was allowed to die in the Senate but even had it passed that body it could not have gained enough support to override the Presidential veto with which it was directly threatened.

The change in the situation has been brought about by two things. First, the growing opinion on the part of the people that the immediate full cash payment of the adjusted-service certificates is a necessary and justifiable and a desirable thing, which opinion has become more and more reflected in the attitude and actions of the representatives of the people in Congress; and second, the discovery and the growing conviction on the part of the people that the President is not infallible and that his support or opposition to legislation is no longer the sole criterion by which the merits of that legislation should be judged. I confidently believe, therefore, that Congress now has definitely decided to pass the bonus bill, and that it can and will pass it at this session in spite of the President's opposition, and over his veto.

The question then arises which of these bonus bills we should select. Since I am and always have been in favor of the full and immediate cash payment of the adjusted-service certificates, so far as I am personally concerned, I must reject the Tydings bill altogether for the simple reason that it does not provide for either the full or the immediate cash payment. I reject it, therefore, on principle.

Both of the other bills, the Patman bill and the Vinson bill, do provide for full and immediate cash payment. Now, in my opinion, that and that alone is the real reason for passing a bonus bill. Therefore, unless some feature of one or the other of these bills is objectionable to me on principle—which I may say is not the case—then either of these bills ought to be acceptable to me. I may state my position on this point a little more exactly in this way. If either the Vinson bill or the Patman bill were now before us alone and without the other, I would support that bill. The reason I would support it, let me repeat, is because it would provide for immediate full cash payment by a method which, in my opinion, is not objectionable in principle.

I do not concur in all the criticism that has been directed by the adherents of the Vinson bill against the Patman bill. Neither do I concur in all the criticism that has been directed against the Vinson bill by supporters of the Patman bill. I believe much of this criticism is not only not justified but that it has also been unnecessary, and has worked to the damage of the general cause which most of us here espouse, and that is the enactment of a law by which the bonus may be paid immediately and in full. I, for one, am not afraid of the moderate currency expansion provided in the Patman bill. With more than $8,000,000,000 in gold in the Treasury and less than $5,000,000,000 in money of all kinds outstanding, I do not believe that a currency expansion of $2,000,000,000 is going to ruin the country. On the other hand, I do not fear, as my PATMAN friends do, that having already borrowed about $10,000,000,000 in the last 2 years to try to lift the country out of the depression, the borrowing of an additional $2,000,000,000 for this worthy purpose is going to ruin the Government either. The two bills, therefore, seem to be on about equal footing in that regard. Moreover, I think that either one of these bills, if it were before the House alone, could not only pass the House but that it could pass it by a two-thirds majority over the

President's veto when that veto comes. Therefore, so far as the House at least, is concerned, neither of the bills has any great advantage over the other in this respect.

Since I am tremendously interested in this legislation I have tried whenever possible to ascertain the reaction of my colleagues to these two bills, and I find that those whose main desire is to have the bonus paid immediately and in full view the problem in about the same way that I do. And so to those of you who are not opposed to one or the other of these two bills on principle and who are trying now to determine which bill you should prefer, I would say that I think the proper and the sensible thing to do is to select for endorsement and passage by the House the bill which, in your own opinion, is the one best calculated to muster the necessary two-thirds vote to override the veto. The President, of course, will veto either one of these bills, whichever one may be fortunate enough to pass the House and the Senate, because he is opposed to paying the adjusted-service certificates in any event. We must gird our strength, therefore, for the fight which will come after the veto and which we must win if the veterans are to receive their due at the hands of the Seventy-fourth Congress.

Let me suggest to you partisans, both of the Vinson bill and the Patman bill, and let me suggest it with the utmost frankness and courtesy, that in my humble opinion you are attaching too much importance to the alleged superiority of one bill over the other. Let me remind you of what you must surely know already, if you have kept in close contact with your veteran constituency, and that is, that the thing which most vitally interests the veteran in these bills is that they provide for immediate cash payment of the bonus and not that they provide for that payment in a particular manner or by a particular method.

Therefore I urge you in your advocacy of these bills not to be carried away by that advocacy to the point where, if your own bill does not prevail, you cannot consistently and wholeheartedly support the victorious one in what must be a united effort to pass that bill over the veto. And so I beg you, in the heat of this debate, not to burn your bridges behind you, so that our opponents may find us weakened and divided between ourselves when the final test comes. That is the condition in which opponents of immediate cash payment hope to find us when the real battle begins. They hope to find us then in irreconcilable conflict upon which I sincerely believe to be an incidental issue and one which hardly a single veteran in 10 now considers or ever has considered to be the main issue in this cause.

I may be unduly concerned about this. But when I hear the Vinson partisans ridicule the Patman bill as a "wild inflationary scheme" and when I hear the Patman champions denounce the Vinson bill as a "bankers' bonus bill", it seems to me that I have cause to wonder whether such partisanship can be reconciled, whether after such bitter denunciation we can ever present a solid front to our real adversaries, or whether by such tactics we are playing into the hands of our opponents so that in the final struggle they may divide and defeat us.

The full and immediate cash payment of the bonus is what the veteran wants, it is what the people want, and it is what I want. Since that, therefore, is what I conceive to be the real issue, I shall vote for that bill providing for this full cash payment which, in my opinion, after full discussion here, seems to me to be the one which has the best chance upon the final test to gain the two-thirds support in both the House and Senate, which is necessary to make that bill a law in spite of the veto. It may be that I shall guess wrong in this. It may be that the bill I select will not be the one that passes either the House or the Senate. But of this I feel confident, one of these bills, either the Patman bill or the Vinson bill will pass both the House and the Senate. And whichever bill that is, I can sincerely say that it will make no great difference either to me or to the millions of veterans we are trying to help. For my part, whichever bill passes the House and Senate will have my undivided support and vote upon the final test when it comes back to this body from the White House and the Speaker announces: "The question now is, shall the bill pass notwithstanding the veto of the President?" [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. GRAY] such time as he may desire.

Mr. GRAY of Pennsylvania. Mr. Chairman, the legislation now before us for consideration does not affect me directly one way or another. Though a member of several veteran organizations, the passage of any of the bills now under deliberation would not put a penny into my pocket or keep a dime out of it.

Therefore it seems to me that my views on the subject have a fair chance of having an objective, detached foundation, and of not being too highly colored by reason of self-interest. May I say without further comment that this mythical monster of inflationism contained in H. R. 1, the so-called "Patman bill", does not frighten me in the least. Just to keep the record on an even keel, I want to say that whatever little inflation may result from the passage and final enactment of the Patman bill is, at this particular time, one of the soundest arguments in its favor. As we have had deflation in prices, money, goods, property, and values to the point of stagnation until the gaunt specter of continuous decline haunted the soul of every man and woman in our country to the very edge of madness, we shall now, in a very small way, by the passage of H. R. 1, recover ourselves and our position just so much as the provisions of the bill are inflationary.

I should be grossly at fault, Mr. Chairman, if at this time I did not refer to the activities of certain groups that have interested themselves in opposition to veterans of all wars and of all legislation in respect to them. But because of the limitation of time it is necessary for me to confine my reference to public enemy no. 1, the National Economy League.

It seems to be the purpose of the National Economy League, when writing to Congressmen, to prod those to whom the letters are addressed into a state of resentment. I have never received a letter from any Economy Leaguer that did not contain a veiled or an open threat or an insinuation that I was a nit-wit.

Just yesterday the chairman of the National Economy League, Mr. Alexander Biddle, of Philadelphia, wrote, possibly to all Members of the House from Pennsylvania, stating that this public enemy no. 1 is now very active in a campaign to organize the whole State of Pennsylvania in support of a program to limit expenditures of public money. His letter says that if I am of the opinion that there is in some quarters a real sentiment for prepayment of the bonus, or any other legislation granting discriminatory and unwarranted benefits to veterans—and the National Economy League idea seems to be that all veteran legislation is of such nature—I should consult the intelligent young men among my constituents; that they are the voters of the future and realize that they must bear the burden of any taxation levied to make gifts to veterans; and that his experience is that these intelligent young men—the voters of the future—are fully awake and bitterly opposed to gratuities.

I have not the time to refer to the numerous implications of Mr. Biddle's letter, except to say that none but an Economy Leaguer could conceive a partial reimbursement of a soldier for services to his country as a gift or gratuity. Why does not the Economy League say what it means—that an American soldier should serve his country in war time without pay, without clothing, without food, without provision, and then be thankful that he was not butchered while saving the foreign investments of our own patriotic cabal of profiteering war lords and money changers?

It really should be stated for public record that I know nearly all the intelligent young men of my constituency—and they are uniformly of an opinion which would rather indicate that Mr. Biddle is more or less of a shorter and uglier word.

And for the lasting information of all Economy League letter writers, I wish to say that if they think the general contemptible tone of their letters will goad me into mental or emotional instability, they may as well start economizing on their stationery and postage.

Mr. Chairman, I soldiered too many years not to know that whatever small payment the Patman bill provides for

the ex-service men of the late war is but slight compensation for their work. And I am thoroughly convinced in my own mind that the best way to make payment at this particular time, for the good of the people, for the betterment of the Nation, and from the various monetary, rehabilitating, physical, and psychic phases of the entire business, is the passage of H. R. 1. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CANNON of Missouri, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 3896) to provide for the immediate payment of World War adjusted-service certificates, to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS—ADJUSTED-SERVICE CERTIFICATES

Mr. BEITER. Mr. Speaker, there is an old saying, "The age of the crowd does not change; it is always the same."

Inexperience and ignorance are born into the world as fast as knowledge of life and the teaching of experience die out of the world. The lessons learned in sorrow by one generation are soon forgotten. Each new generation seems to bring to the problems of existence all the folly and passion which are man's inheritance without the corrective and sobering restraint which it could learn from the past.

We elder folk who lived through the Great War and the men now in middle life who made up our fighting forces know only too well what war means. We saw its actualities. We need no reminder of its horrors. They can never be forgotten.

The transports laden down with human beings stowed away at night like inanimate material in racks built of gas pipe!

The victim dead of veritable epidemics which swept these crowded vessels tossed into the sea like ship's refuse!

The cold and sodden dugouts, not fit for beasts of the field, in which our fellow humans lived for months that passed into years!

The back-breaking and unceasing toil, the squalor, the fast-spreading disease, the blood-soaked fields, the ghastly carnage of actual encounter, the appalling mutilations, the lifelong disfigurements, the crippled helplessness, and the unspeakable horrors endured by the wounded and the dying, the neglect, the cruelty, the barbarity that seemed to strike and sever from mankind every attribute of humanity.

And in every direction, cutting off escape, death—multiform death, lurking, but alert—reaching for our men, clutching at our sons, wasting our homes, undermining the Nation's strength, and making mock of every hope and labor of mankind.

This was war! And war will evermore be this.

So we will not forget, Mr. Speaker, let us walk through the clinic of any one of the veterans' hospitals—there you will find a sample of what war means. The cheering and bands may lead us to believe it to be a brave profession—fighting—and those men you see there were once fine handsome soldiers. The suffering and anguish you will see there will tell you, as words cannot, the grim truth of war, its woes, anguish, killing labors, unsupportable sufferings, its havoc, the rayless night, and black despair which engulf the soul. But why, you say, remind us of these things. Lest we forget.

When the overinflated stock market crashed in 1929, after a few years of carefully manipulated prosperity, and thousands of small firms began "laying off" employees, the much overworked word "retrench" became the order of the day. Salaries were slashed right and left, and for the unskilled worker with the large family life became a "nightmare." It was no longer a question of comparative poverty, where we would have to give up small luxuries—it was now a battle for very life. After 2 years of eking out an existence with odd jobs, loans, charity, or whatever means he could devise to feed his seemingly always-hungry children, the spring of 1932 found him down to rockbottom and desperate.

Day by day the children grew more undernourished. Then some of them couldn't attend school because of lack of proper shoes and clothing. Statistics in the larger cities showed 60 percent of the school children were undernourished.

History was repeating itself. The people were clamoring for relief from this insidious thing called "depression" that had fastened itself to their throats and had become a veritable "Dracula." Any student of economics knows that the proper name for "depressions" and "panics" is "bankers."

But it was too late then to find out why their children were starving to death day by day in front of their eyes. The most important thing was to obtain relief and obtain it quickly, before another winter closed in upon them.

All other means to gain relief having failed, the last hope the veteran had left was his only asset—his Federal adjusted-compensation certificate, erroneously referred to as the "bonus."

To begin with, the veterans were not voted a "bonus." The act plainly states that it is "adjusted compensation" which they are to receive. Exactly what does this mean? As officially explained at the time—but minimized since—this extra money was the financial sacrifices of the men who gave up good jobs to brave death while stay-at-homes lived high on inflated salaries and real bonuses.

Consider John Brown a typical case. He answered his country's call to arms by exchanging a pleasant $1,200-a-year clerkship for a dollar-a-day job at the hardest kind of labor. James Smith, who remained at home, profited from the scarcity of labor by getting Brown's place at $2,000 a year. The business boom brought Smith rapid raises and bonuses. Meanwhile Brown, if not dead or wounded, was still trying to do democracy a good turn at a dollar a day. Result: Smith lived a life of safety and enjoyment; Brown lived a life of danger and privation.

After the soldiers returned and patriotic fervor had waned, many a Smith kept on with his work and Brown had to look for another job. Either that or Brown found a girl holding down his old desk at less money than he used to get. Then the dove of peace burst the "prosperity" bubble, and what happened? As a consequence, many veterans are in need—dire need. And this includes their families. Practically all the needy veterans have borrowed on their adjusted-compensation certificates to the limit allowed by law. They cannot meet the interests on the loans. They will lose the rest—approximately one-half the face value—when the certificates fall due in 1945. Hence their questioning argument:

First. The money is promised and must be paid, so why not pay it now—when it will do the most good?

Second. If Uncle Sam can find billions of dollars for the relief of big business, why cannot he dig up a smaller amount to relieve the "forgotten men"?

Third. If the Government can afford to gamble on the future of the railroads, why cannot it make a sure investment in the future of its heroes?

Fourth. If the Government can lend Mr. Dawes' bank $80,000,000, why cannot it provide 25 times that amount to discharge its fair and just debt to the veterans?

Fifth. President Eugene G. Grace, of Bethlehem Steel Co., got almost $3,000,000 in bonuses during the World War.

United States soldiers got a dollar a day.

In 10,000 years the soldiers would "earn" as much as Grace "earned" in the war.

The truth is that big business has already received its bonus from the Government. Firms received huge Mellon cuts through claim "adjustments" on account of the war. These Uncle Sam paid promptly, without murmur, though in many cases the claims were exaggerated. Yet the veterans who made big business prosper remain unpaid.

Soldiers' bonus? Why call it a bonus? Why not say "the interest of the dollar they fought for"? After they sacrificed their lives, eyes, and limbs for what they thought was a worthy cause, the almighty dollar said "quit." The soldiers

that were left came back home expecting to take up their jobs they had left when war called them. Again that same dollar said "no." These same soldiers walked the streets for many long months without clothes and shoes. Now they are walking the streets in want of the interest of that same dollar they fought for.

This adjusted compensation does not represent a "bonus." It is not a gratuity. It is hard-earned, legally granted "back pay." When the United States issued a "call to arms" these men had left jobs and flocked to the "colors." They had marched away with the promises of their erstwhile employers that their jobs would be waiting. And they had returned, some of them physically incapacitated for life, to find that "eaten bread is soon forgotten" and their honorable discharge and a nickel would get them a cup of coffee—if they had the nickel.

The country at large, feeling somewhat ashamed of the shabby manner in which the United States was treating the returned veteran, demanded that Congress do something toward adjusting the pay of those who were actually in the service with the wages of those others who were exempted under the very elastic clause in the draft act called "important occupation."

Men who were engaged in "important occupations" that were absolutely necessary to carry on the war successfully, such as railroading, ship-building, munitions workers, and so forth, were paid from $10 to $25 a day. Fighting troops must have supplies and it was important that those in the rear supply them. But even granting that the "important occupations" and the American armed forces were of equal importance during the period of the war, the fact remains that those who stayed at home were conpensated from $10 to $25 a day while those who joined the armed forces received from $1 to $3 a day.

The fact having been established that a member of the American armed forces in time of war is engaged in a relatively important occupation, it was up to Congress to do something toward equalizing the war-time wages of the veteran and the civilian. So in 1924 Congress, under pressure of public opinion, passed the Adjusted Compensation Act. This bill named a sum of money that was arrived at by percentages, factors of age, the amount of time spent in the service, domestic and overseas, and when all the clerks were through with their adding and subtracting the result was named as the amount that would appear on the face value of the veteran's adjusted-compensation certificate, to be paid in 1945—providing the veteran did not starve to death in the meantime.

Then there was a "trick" borrowing clause. If a veteran borrowed a small sum of money after 2 years had elapsed—at 2 percent more than the regular interest in any State compounded annually—the interest ate up the principal by the time the face value of the certificate was due.

I earnestly believe this bill should pass. I earnestly hope it will pass the House and the Senate and be approved by the President. I want to see those splendid fellows in a solid phalanx parading under the flag again with the renewed feeling in their hearts that they did not fight in vain and that ingratitude of those who stayed at home is not to be their portion. I want to see their lives brightened, their families made more happy, justice done, joy and sunshine take the place of gloom and darkness; and by the passage of this bill I want them to know that the heart of the American people goes out to them now in their time of depression in remembrance and in affection and in gratitude for the deeds they performed in their glorious youth to the honor and glory of our beloved country.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I am presenting herewith a few remarks made by me before the Ways and Means Committee recently at a hearing on the so-called "bonus bills", expressing my views on this all-important legislation:

Mr. JOHNSON. Mr. Chairman and members of the Ways and Means Committee, I do not have a prepared speech for the committee; therefore, will make my remarks very brief. I did not anticipate appearing before you this evening, but I have been listening all day to this hearing, which, in my judgment, is the most important hearing that your committee has had during the present session of Congress. It seems I cannot permit this hearing to close without saying a word.

It is a source of deep concern and much regret to me to find our comrades and friends divided on this important issue. Although there seems to be a sharp division here today on the method of payment of the adjusted-service certificates, there certainly is no division of sentiment among these groups as to the main objective. All are desirous of having the so-called "bonus" paid in full now.

I listened this morning with much interest to our national commander of the American Legion, Hon. Frank N. Belgrano, Jr., present his views. I also heard the very able and distinguished gentleman, my personal friend, Congressman VINSON, in support of his bill. Yesterday the distinguished gentleman from Texas, Mr. PATMAN, presented an able argument at the beginning of this hearing in support of H. R. No. 1. I am convinced that all who have appeared are devoted friends of the veterans, and no doubt each group feels that its plan is the only one that will assure the veterans of receiving their full cash payment, which is now long overdue.

Frankly I do not feel that way about it. I appeared before this committee in support of the first Patman bill, introduced some 5 or 6 years ago. I have supported each of the five bills that has been introduced by the gentleman from Texas, and I, personally, favor H. R. 1, now pending before your committee, to the so-called "Vinson bill", because I believe it is more in keeping with the sentiment of the resolution passed by the Miami convention, and for other reasons too numerous to mention here. But, on the other hand, I am convinced that what our boys want is action, and I shall support the bill that I feel has the best chance of final passage, provided it will pay 100 percent of this obligation. I could not, Mr. Chairman, conscientiously support any of the several compromise bills now before your committee, about which you have heard from the various authors. The so-called "Tydings bill", for example, proposing to deduct 3 percent of the interest for 10 years, would be very unfair to the veterans. That interest has already been deducted. By that I mean that if veterans had been paid a reasonable rate of interest from the date their service began, say, in 1917–18, every penny of the adjusted-service certificates would be 4 years past due.

Mr. Chairman, I want to pay my respects to the gentleman from Texas [Mr. PATMAN]. I have worked with him on bonus legislation for all these years. The name of PATMAN is synonymous with the word "bonus." He has done more, perhaps, to sell the public on the justice of full cash payment of the bonus than any other one man in the United States. A great majority of the American Legion posts in Oklahoma, and certainly an overwhelming majority of the posts in the Sixth Congressional District, which I have the honor to represent, have endorsed the Patman bills in the past. Today I have received several wires from American Legion posts assuring me they are willing to trust my best judgment as to which bill to support.

During the Seventy-third Congress practically all of these posts passed resolutions pledging their support of the Patman bill, the last of which was practically the same as the one now pending before your committee. Now, however, many of the same posts have endorsed the Vinson bill. The Veterans of Foreign Wars favor the Patman bill. I am pleased to add that I am proud to be a member of both great patriotic organizations.

On the other hand, I feel that the country is fed up on issuing additional bonds with tax-exempt securities, and it has been admitted by the sponsors of the Vinson bill that, if it is passed, this Congress must raise over two billions of additional taxes or float another bond issue. It is generally conceded that the bond-issue route is the only possible way it could be financed. I'm frank to say I don't like the bond-issue route. But, as much as I hate bond issues, I shall support any reasonable bill to pay our war veterans in full now.

I repeat that what the veterans want and are entitled to is immediate action on the part of this Congress. We have too long delayed doing the square thing by our World War veterans. Let's pay these boys, not in promissory notes or bonds, but in cold cash, and do it now.

The CHAIRMAN. Thank you, Mr. JOHNSON, for your remarks. Representative KENNEY, I believe, is next on the program.

As stated in my remarks before the committee, I am not a recent convert to the idea of paying the bonus in cash. On April 15, 1932, I appeared before the same committee in support of the Patman bill, at which time I said in part as follows:

I listened with surprise to one of the witnesses for the bonus the other day who said, "We admit that it is not due." I make no such admission. I do not hesitate to say to this committee that it is all past due, and it is a rank insult to every man who wore the uniform to refer to this legislation as a proposed donation to the World War veterans.

Again I stated to the same committee:

You will doubtless remember that hardly had the bark of the cannon died away and the smoke cleared from the battlefields in the Argonne Forest when the railroads, the shipbuilders, and some of the ammunition factories, as well as several thousand civilian employees, came to Congress demanding a bonus for their "patriotic war-time service." They did not ask for promissory notes

due in 1945, but they wanted the cash on the barrel head. I am ashamed to say that Congress soon after the war gave them their bonus in cold cash. Then, after all these had gotten their bonus, someone thought that probably the boys who had faced the machine guns at a dollar and a quarter a day should have their pay adjusted—not a bonus, mind you; Congress never gave the veterans a bonus, but merely proposed to adjust their pay.

In fact, Mr. Speaker, the record shows I have actively supported this legislation before the committees and on the floor of the House since the first bill was introduced. Speaking on the floor of the House February 17, 1932, I said:

Permit me to say again, as I have previously stated upon this floor, that I favor payment of the so-called "bonus" certificates in cash. This is a debt due the veterans by the Government. It is not only a just debt but an acknowledged obligation on the part of the Government to the veterans and should be paid now. I have had considerable to say in the past in criticism of war profiteers and shall discuss that again in a moment. First, however, we ought to at least partially pay those men who actually fought the last one. Let us in this manner take some of the profits out of the last war. Let us say to our Nation's defenders that their services were as necessary and as much appreciated as were the services of the railroads, shipbuilders, and civilian workers.

Again speaking on the floor of the House March 12, 1934, I answered some of the same argument made by the opposition then that I have heard today against the passage of the pending bonus bill. This is what I said then:

The opposition seems to be centering its attack against this bill on the claim that it is inflation, which shows why the major opposition is coming from the so-called "Old Guard." You heard the gentleman from Massachusetts [Mr. LUCE] refer to the pending measure as "wild inflation"; but he made no objection to similar proposals for the big bankers of the country. The gentleman from New York [Mr. FISH] protests because we would issue what he calls "printing-press money", which, of course, is a mere subterfuge.

The question has arisen as to the likelihood of a Presidential veto. Certainly none of us enjoy feeling compelled to vote to override the veto of our President. But I went on record concerning this legislation in that respect in a speech on the floor of the House during the Seventy-third Congress, as follows:

Mr. Chairman, I voted a few moments ago to bring this bill up for consideration to pay the adjusted-service certificates in cash. I shall vote for the bill today and if the occasion should demand, shall keep on voting for the bill.

A question has been raised by the gentleman from Kentucky [Mr. BROWN] and others that Members who are supporting this legislation are doing so for political expediency. I deny the charge. I submit in all sincerity that it takes more courage under the circumstances for Members to stand here and announce they are voting for the so-called "bonus" bill and will keep on voting for it in face of White House opposition, than it does for the gentleman from Kentucky to vote the other way. [Applause.]

I challenge the distinguished young gentleman from Kentucky or any other opponent of the soldier bonus to show a more consistent record for having supported the President's program than mine. But I have also consistently supported legislation to pay the adjusted-service certificates in cash. I am pledged to continue to support this legislation. Knowing our great President as I do, I feel that he would not have much respect for me or any Member of Congress who would not keep a solemn pledge made to his people.

I might add, incidentally, that some of the gentlemen who were so afraid of overriding the President's veto then are "conspicuous by their absence" in this Congress now. I have not changed my mind with reference to this important legislation. I am more firmly convinced than ever that the passage of the pending bonus bill will not only be a godsend to thousands of needy veterans but, if and when it becomes a law, it will be a fair and equitable way of placing $2,000,000,000 in circulation and distribute it in every town, hamlet, and community throughout the land.

Because I firmly believe that the Patman bill has a better chance of finally being enacted in some form, and because it squares with my conscience, and because of pledges heretofore made to my people, I am casting my vote for the Patman bill in preference to the several others now pending before this Congress.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6644) entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes."

THE PROBLEM OF SOIL EROSION

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address which I made yesterday afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. NICHOLS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a radio address delivered by me on Tuesday, March 19, 1935, as follows:

When the historian of a hundred years from now looks back at this administration and writes in his school textbook the salient events and accomplishments, I doubt that he will mention the F. E. R. A., the N. R. A., the C. C. C., the battle over the bonus, or any of the experiments in social reform or governmental control of business.

But the historian will note that it was at this time—1934 and 1935—that the gigantic midwestern farming area of the United States starting taking wings and flying away. The terrorizing dust storms which have arisen over the western prairies, and have been seen even in Washington, are an ominous warning that the American people must change their methods of farming and start protecting their greatest heritage, the soil.

It is my sincere hope and belief that the historian will be able to write a paragraph declaring that the Roosevelt administration recognized that the problem of soil erosion was one which meant the life or death of the Nation, and that this administration took drastic and effective steps to halt the ravages of the elements and unscientific farming—took steps to reverse the trend and to bring back the fertility of the soil.

If I can in my small way do anything to awaken the people as a whole and the officials in charge in particular to the need for drastic and prompt action along this line, I will consider my time spent in Congress as worth while. I have introduced two bills in Congress to make the Soil Erosion Service a permanent agency of government, with a continuing appropriation not subject to the allocation of emergency funds as at present. One of these bills provides that the Service be continued in the Department of the Interior, as at present, the other that it be transferred to the Department of Agriculture. I care not where the Service is lodged—my only concern is that it be given a permanent status and money enough to do its work well.

A survey in my home State of Oklahoma shows that out of a total cultivatable area of 44,000,000 acres, 28,000,000 acres have been seriously damaged by wind and water erosion, 13,000,000 acres have been gullied so badly that cultivation is rendered difficult, and 2,000,000 acres have been abandoned. This is appalling, especially when you consider that Oklahoma was not admitted to the Union until 1907, and that large portions of the farm lands have not been tilled more than 20 years.

But Oklahoma is not unique. A national survey has revealed that there are 350,000,000 acres which normally produce crops, and that 75 percent of this is sloping enough to suffer serious erosion.

Most of the topsoil is now gone from 125,000,000 acres, or more than one-third. Thirty-five million acres have already been abandoned and 100,000 acres are being abandoned yearly. If the process is not reversed and the fertility restored to the soil, the rate of abandonment will be greatly accelerated.

It is estimated that farmers are losing $400,000,000 annually due to soil erosion. The figures are staggering.

While the dust storms of the Midwest, which carry tons of topsoil away and leave huge portions of the countryside stark and bare, call forceful attention to this pressing problem here, it is not new in the larger history of the world. Historians record numbers of times in the past when tens of millions of people were forced to wholly abandon their homeland and trek sadly and wearily hundreds or even thousands of miles into a new section to establish their homes. On these treks, of course, they were subject to the ravages of roving bands of outlaws, who cut them down to carry off their few remaining articles of value. And by the time they were established in their new homes, generally it was found not more than 10 percent of the total population had survived.

In China, Mongolia, eastern Russia, Turkey, Persia, Siam, and other old parts of the world are wide-spreading valleys which were once cradles of civilization—fertile and rich and echoing with the laughter of children and the bustle of commerce. Now they are stark and dead, the playgrounds of lizards and animals of prey—not able to sustain the life of man. It will take thousands of years for mother nature, working through her slow but sure plans, to restore the fertility to these dead soils.

Historians even believe that the Garden of Eden itself was destroyed by soil erosion. This birthplace of the race, rich in animal and vegetable life, perfect in climate, seemingly had everything needed for a happy life. Yet because the soil was not conserved,

but was allowed to wash away to the sea, the Garden of Eden is now a barren wasteland where the burning winds of the desert scorch even the few twigs of vegetation which survive—a wasteland cursed by the caravans which cross it because it is so far between water holes.

I do not want to be an alarmist. I do not think that there is any imminent danger that the United States will become a desert. But I do think that it is evident that we have passed our peak in agricultural richness. Our flat western prairies are hard hit, and whole sections will be abandoned under the administration's submarginal land proposals, the people to be moved to more productive areas. And there are no new lands to move to now. When New England's farming lands started wearing out, the early settlers moved west and south. When the Atlantic seaboard States were affected, the farmers trekked westward toward the Pacific. Now, the conquest of the continent is complete. There is no place else to go. Americans must preserve the land they have.

The Soil Erosion Service at present is only a skeleton organization. It can carry on only a few projects in strategic sections of the country, largely as educational experiments. I believe that it should be expanded rapidly and given enough help to really apply the remedial methods which have been developed.

Italy, under Mussolini, is working more than 100,000 men daily to save her soil. The nation is paying for this both as an aid to agriculture and as a method of caring for the unemployed. Italy, of course, is an old land. The Italians know that they must care for the soil. Sections of that nation have been abandoned in the past because this was not done, and have only been brought back into cultivation by years of painful effort.

As Mussolini says, "Reclaim the land, and with the land the men, and with the men the race."

I appeal to you, ladies and gentlemen, to give serious thought to this serious problem. Let us give jobs to our unemployed in saving the soil for future generations. Let us enlist the help of our scientists and experts to prevent the forced migration of millions of our people, with consequent heartache and suffering and death.

Let us do our part, that the historian of 100 years from now may write into his textbooks this sentence: "1935 was notable for the inauguration of a Nation-wide soil-erosion control program which stopped the loss of the Nation's most valuable asset—its soil—and brought the return of prosperity and happiness to millions in the farming sections who were on the verge of despair."

STATEMENT OF PRINCIPLE OF LIBERAL GROUP

Mr. AMLIE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein the statement of principle adopted by about 30 or 40 liberal Representatives named in debate on the floor last Thursday by the gentleman from Arkansas.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. AMLIE. Mr. Speaker, under the leave to extend my remarks in the RECORD I include a statement of principle adopted by a group of liberal-minded Representatives belonging to the Democratic, Republican, Progressive, and Farmer-Labor Parties. The membership of this group was referred to in part by the gentleman from Arkansas [Mr. FULLER] in his speech in the House last Thursday, March 14.

The statement is as follows:

Whereas many Representatives in Congress from various sections of the country, and members from all of the political parties, have expressed the wish that there be created a nonpartisan forum of liberal and progressive minded Members of the House of Representatives in the hope that such a group will promote the enactment of more liberal and progressive legislation; and

Whereas the accomplishment of such purpose requires that Members participating in such a forum agree upon a program of legislation embodying proposals upon which there exists a substantial unanimity of opinion among the members of such group: therefore be it

Resolved, That the Members of the House of Representatives affiliating with this group do so for the purpose of advancing liberal and progressive legislation to the end that economic and social justice shall be accorded all of the people, and that special privilege shall be withdrawn from those who now enjoy such special privilege from the Government; and be it further

Resolved, That such group unite in support of legislation the enactment of which will accomplish the following:

(1) Federal regulation of the country's credit system and the restoration to Congress of its constitutional power to issue money and regulate its value.

(2) Abolish the practice of issuing tax-exempt securities.

(3) Increase income, inheritance, and gift taxes upon a graduated basis.

(4) Refinance agricultural indebtedness on a long-term basis, with interest rates at the rate of 1½ percent per annum; a revolving fund to be created for that purpose by an expansion of the currency with proper control thereof.

(5) Average cost of production for farm commodities, including a reasonable profit.

(6) Limitation of the hours of labor in industry to the end that the maximum number of people can be given employment at a living wage.

(7) Secure to labor its inherent right to bargain collectively.

(8) Appropriations for public works in amounts adequate to provide employment for those in need of employment at a wage sufficient to maintain a decent standard of living rather than at a wage that will tend to reduce the standard of living of those employed in private industry.

(9) Provide adequate Federal aid to public education in the employment of teachers and the building and modernization of educational institutions; funds to be allocated from public-works appropriations for that purpose.

(10) Government ownership of all natural resources and monopolies vested with a public interest.

(11) Remove profits from war and thus encourage the maintenance of peace.

(12) To develop American prosperity and promote international peace by avoiding foreign entanglements.

(13) Reduce interest rates on home loans.

(14) Federal responsibility for the social security of its citizens with liberal and adequate provisions for the payment of sick, old-age, and unemployment benefits.

(15) Protection of the constitutional right of freedom of speech and of the press.

(16) A liberal revision of the rules governing the House of Representatives so that legislation can be more readily considered by the House and be either enacted or rejected by a record vote; be it further

Resolved, That future meetings of this group be held from time to time upon the call of the chairman, selected at the previous meeting, for the purpose of discussing proposed or pending legislation; provided, however, that Members attending this and future meetings of this group do so with the understanding that they are desirous of cooperating in a united effort to promote liberal and progressive legislation, but that they reserve to themselves the right to vote for or against any measure presented to the House of Representatives regardless of any action taken by the group at any of its meetings.

FIRST DEFICIENCY APPROPRIATION BILL

Mr. BUCHANAN submitted the following conference report on the bill (H. R. 6644) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6644) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 8, 10, 17, 18, 22, 27, 28, and 29.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 5, 6, 9, 11, 12, 13, 14, 15, 19, 20, 21, 23, 24, 25, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, and 47, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the words and figures in such amendment, "during the fiscal year 1936" insert the following: "until December 2, 1935"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: ": *Provided*, That the use of the annex by the Bureau of Prisons, Department of Justice, is hereby continued until July 1, 1936"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1 and 26.

J. P. BUCHANAN,
EDWARD T. TAYLOR,
WILLIAM W. ARNOLD,
JOHN TABER,
Managers on the part of the House.

ALVA B. ADAMS,
CARTER GLASS,
KENNETH MCKELLAR,
FREDERICK HALE,
HENRY W. KEYES,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6644) "making appropriations to supply

deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes", submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On nos. 2 and 3: Makes textual clarifications in the limitation on the per diem allowances for subsistence in connection with the appropriation for the California Pacific International Exposition.

On no. 4: Appropriates, as proposed by the Senate, $10,000 for the work of the Virginia-District of Columbia Boundary Commission, modified so as to provide that such appropriation shall expire on December 1, 1935, instead of on June 30, 1936, as proposed by the Senate amendment.

On no. 5: Appropriates $25,000 for printing and binding for the Federal Power Commission, as proposed by the Senate.

On no. 6: Authorizes, as proposed by the Senate, the use of not to exceed $1,200 of the appropriations for the Federal Communications Commission for the purchase of additional land adjacent to the monitoring station at Grand Island, Nebr.

On nos. 7, 10, 17, 22, 27, and 28, relating to rent, heat, light, and fuel allowances for employees in the Foreign Service under the National Advisory Committee for Aeronautics, the Tariff Commission, the Navy Department, the Bureau of Customs, and the War Department: Strikes out the Senate amendments which provide that commencing April 1, 1935, such employees shall receive the allowances on a basis similar to that provided effective July 1, 1934, under the same general law for other departments and establishments of the Government.

On nos. 8 and 9, relating to the National Archives: Appropriates $458,000, as proposed by the House, for salaries and expenses (except printing and binding), instead of $533,000, as proposed by the Senate, and inserts a textual clarification in connection with the payment of per diem allowances in lieu of actual expenses of subsistence as proposed by the Senate.

On nos. 11, 12, 13, and 14, relating to the public schools, District of Columbia: Appropriates $15,000 for additional teaching equipment for commercial classes in junior and senior high schools and $20,000 for rehabilitation of the Adams Administration Building for use as a school building.

On no. 15: Appropriates $15,000 for control of predatory animals and injurious rodents under the Bureau of Biological Survey, Department of Agriculture.

On no. 16: Restores the House provision, stricken out by the Senate, continuing "until otherwise provided by law" the use of the annex (disciplinary barracks) by the Bureau of Prisons, Department of Justice, modified so as to continue such use until July 1, 1936.

On no. 18: Strikes out the appropriation of $4,039.68, inserted by the Senate, to pay the annual share of the United States as an adhering member of the International Council of Scientific Unions and Associated Unions.

On no. 19: Makes a textual modification, as proposed by the Senate, in the reappropriations for the International Economic and Monetary Conference and the General Disarmament Conference.

On no. 20: Strikes out, as proposed by the Senate, the appropriation of $5,000 to pay the widow of a Foreign Service officer, State Department

On no. 21: Appropriates, as proposed by the Senate, $17,500 for printing and binding for the Treasury Department.

On nos. 23, 24, and 25, relating to the Division of Procurement, Treasury Department: Appropriates, as proposed by the Senate, $168,317 for general expenses of public buildings and $15,470 for rent of temporary quarters, public buildings.

On no. 29: Appropriates $165,000, as proposed by the House, instead of $225,000, as proposed by the Senate, for expenses of the Office of High Commissioner to the Philippine Islands.

On nos. 30 to 47, inclusive: Appropriates for the payment of judgments and authorized claims certified to Congress after the bill had passed the House.

The committee of conference report in disagreement the following amendments:

On no. 1: Appropriating $10,000 to air condition the rooms of the Senate Committee on Appropriations.

On no. 26: Providing for the furnishing of the United States courthouse in New York City.

J. P. BUCHANAN,
EDWARD T. TAYLOR,
WILLIAM W. ARNOLD,
JOHN TABER,
Managers on the part of the House.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent for the present consideration of the conference report on the bill H. R. 6644.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Without objection, the Clerk will read the statement.

The Clerk read the statement.

The SPEAKER. The question is on the adoption of the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Page 2, after line 16, insert:

"Capitol building: For the purchase and installation for the committee rooms of the Senate Committee on Appropriations of complete, improved ventilation, dehumidifying air-conditioning apparatus with automatically controlled ducts and water piping for the connection of the different units of such apparatus, and for all necessary structural alterations required for such installation, including personal services, advertising, traveling, and other necessary expenses incident thereto, $10,000, to be expended by the Architect of the Capitol without compliance with sections 3709 and 3744 of the Revised Statutes of the United States, to remain available until June 30, 1936."

Mr. BUCHANAN. Mr. Speaker, this is an item for the air conditioning of the Appropriations Committee room of the Senate. I expect we had better make the improvement.

I move to recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Page 19, after line 15, insert:

"Furniture and furnishings for United States courthouse, New York, N. Y.: The Secretary of the Treasurer is hereby authorized, out of the lump-sum appropriations available for sites and construction of Federal buildings under the act of May 25, 1926, as amended, to expend not to exceed $443,772 to provide the necessary furniture and furnishings for the United States courthouse, New York, N. Y., authorized by the act of March 4, 1931 (46 Stat., p. 1598), and the Director of Procurement, Treasury Department, is hereby authorized to make contracts after advertising and competitive bidding, for the purchase of said furniture and furnishings and to make expenditures for services, supplies, material, and equipment, including the reconditioning of old furniture, and necessary travel and subsistence in connection with the purchase and inspection of commodities to be contracted for or purchased, and, when deemed desirable or advantageous by him, the said Director of Procurement is authorized to employ by contract or otherwise, without regard to civil-service laws and regulations, such temporary outside professional or technical services as he may find necessary in furnishing those portions of the said building requiring special treatment, all within the total amount made available herein: *Provided*, That the cost of furniture and furnishings, except filing equipment in areas devoted exclusively to that purpose, shall be based upon the square-foot area of the rooms to be furnished, and shall not exceed the rates set forth herein, as follows: For district and appellate court rooms, $1 75 per square foot; judges' private and outer offices, United States commissioners' court rooms, and the law library, $1.50 per square foot; for all other space, $1 per square foot."

Mr. BUCHANAN. Mr. Speaker, this is merely making available the unexpended balance in the construction fund for the courthouse in order to buy furniture for the courthouse. This is necessary in order that the money may be available.

Mr. Speaker, I move to recede and concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider the vote by which the conference report and the amendments were agreed to was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Speaker, for 7 days, in all their numerous issues, these unreliable, infamous, dirty, malicious newspapers in Washington, without reason or excuse, have been publishing deliberately untrue, vicious attacks upon me, with purposed intent maliciously to injure me.

This hellish conspiracy was hatched by Hearst's Herald and Times, and Eugene Meyer's Post, which family heritage he schemed away from the two little McLean boys. Their sole purpose was a dastardly attempt to get me out of the way before the District appropriation bill goes to conference.

I have been giving them plenty of rope, and these dirty, malicious conspirators have finally hanged themselves. Very shortly I am going to give the House and country all the facts about their low-down diabolical plot and the dishonest methods these mean, dirty, malicious Washington newspapers have employed. They have thoroughly disgusted every posted person who has read these ridiculous attacks.

They can search my life, and they will find that every act of mine has been strictly honest and upright, straightforward and honorable, and they know it.

I have a standing in this House that they cannot destroy. It has been builded upon a secure foundation for 18 years.

One of their representatives told a business man in Washington, who is my friend, that " no man can stand continued hammering, and they were going to continue hammering me until they could break me down and get me out of their way."

They cannot break me down. I " don't break." I defy these schemers. I defy these malicious plotters. When I shortly give you colleagues all the facts you will be astounded. [Applause.]

GENERAL PERMISSION TO EXTEND REMARKS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that all Members of the House may have 5 legislative days, at the conclusion of the consideration of the pending bill (H. R. 3896), within which to extend their own remarks on the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

MR. VINSON OF KENTUCKY ANSWERED

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in today's RECORD and to insert certain excerpts in explanation thereof.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, on yesterday my colleague, Mr. VINSON of Kentucky, made the following statement, as shown on page 4022 of the CONGRESSIONAL RECORD:

> The gentleman from Texas [Mr. PATMAN] made a statement before the committee that he believed all the securities of the Federal Government should be withdrawn and currency issued in lieu thereof. The gentleman attempted to do that on the floor of this House when he would have limited the interest on securities to one-half of 1 percent. Imagine $28,000,000,000 more in new currency when our present currency is $6,000,000,000. The gentleman goes the Townsend plan $4,000,000,000 better. [Laughter.]

In order to keep the record straight, I want it known that I am not advocating the immediate issuance of currency in payment of the national debt, but I do say that a policy can be adopted which will gradually and eventually permit the national debt to be paid in new money. I am afraid the gentleman from Kentucky left the impression that I was advocating that this be done quickly without proper safeguards, which is not the case. In order that the Members of the House may know that the gentleman did not quote a sufficient part of my statement to make my intentions clear, I am inserting herewith the colloquy that occurred between the gentleman from Kentucky and myself before the Ways and Means Committee on March 4, 1935:

> Mr. PATMAN. I was trying to stop issuance of Government bonds. I am opposed to the further issuance of them, and I wanted to make it just as hard to issue them as possible.
>
> Mr. VINSON. In other words, the gentleman wanted to stop the issue not only of Government bonds but of short-term securities?
>
> Mr. PATMAN. Well, yes.
>
> Mr. VINSON. That bore an interest charge of more than one-half of 1 percent.
>
> Mr. PATMAN. Short-term securities come in for about one-eighth of 1 percent.
>
> Mr. VINSON. Some of them have?
>
> Mr. PATMAN. The present rate.
>
> Mr. VINSON. Not one-eighth of 1 percent?
>
> Mr. PATMAN. Oh, yes; I beg the gentleman's pardon.
>
> Mr. VINSON. On January 1, 1935, the smallest interest rate was sixty-seven one-hundredths of 1 percent.
>
> Mr. PATMAN. And the length of time? Two years?
>
> Mr. VINSON. I forget just the time, but that is the smallest interest rate at that date. But that amendment of yours would have prohibited the issue of any Federal security that bore an interest rate in excess of one-half of 1 percent?
>
> Mr. PATMAN. Yes. I would be in favor of stopping it entirely.
>
> Mr. VINSON. And for the purpose of financing, issuing Treasury notes?
>
> Mr. PATMAN. Yes; within limited bounds and reasonable limitations, and in no way impair or destroy a sound monetary system.
>
> Mr. VINSON. The gentleman will agree with me that we have now outstanding $28,000,000,000 in securities?
>
> Mr. PATMAN. I do.
>
> Mr. VINSON. Long-term and short-term obligations?
>
> Mr. PATMAN. Yes.
>
> Mr. VINSON. If I understand the gentleman, it will be his purpose to retire entirely those bonds, Treasury notes, Treasury bills, and certificates of indebtedness, and replace them with currency.
>
> Mr. PATMAN. Gradually and eventually, yes; and change the reserve requirements of banks at the same time so that they cannot lend $10 to everyone, so they get 100-percent reserve, and there would be no inflation at all.

It will be noticed that I used the language that the money should be issued " within limited bounds and reasonable limitations, and in no way impair or destroy a sound monetary system " and that I impressed the point that such change could not be made quickly, but gradually and eventually. The Government should not pay interest for the use of its own credit.

ABSOLUTE CONTROL

The gentleman from Kentucky [Mr. VINSON], in his speech on yesterday, as it appears on page 4022 of the CONGRESSIONAL RECORD, under the heading " Phantom Brakes ", indicates that section 3 of my bill, which has the controlled-expansion feature, will not be effective, since the change in the regulation of the Treasury, which will take out of circulation the national-bank currency. Attention is invited to the fact that under section 3 of the bill, if there should be danger of undue expansion of the currency, and the Secretary of the Treasury issues an order to that effect, he may use either of the following methods to prevent undue expansion of the currency:

(1) Termination of the issuance and reissuance of Federal Reserve notes secured by direct obligations of the United States.

(2) Termination of the issuance and reissuance of national-bank circulating notes, and the retirement of such notes from circulation as rapidly as practicable.

(3) Termination of the issuance and reissuance of Federal Reserve notes secured only by gold or gold certificates.

(4) Termination of the issuance and reissuance of Federal Reserve notes secured by notes, drafts, bills of exchange, acceptances, or bankers' acceptances which are not issued in direct benefit of commerce, industry, or agriculture.

It will be noticed that subsection 1 permits Federal Reserve notes to be retired. As disclosed in the March 11, 1935, daily statement of the United States Treasury, there are $3,435,639,000 of such notes secured by direct obligations of the Government. When Federal Reserve notes are substituted for national-bank notes, as contemplated under the recent ruling of the Treasury, the Federal Reserve notes will increase as the national-bank notes are decreased and our bill permits either or both to be retired in the event of danger of undue expansion of the currency, and such ruling does not affect our proposal in any way. I do not contend that all of these direct obligations are Government bonds, but in order to make sure that it did cover all Federal Reserve notes, subsection 3, above, was inserted, which permits the termination of the issuance and reissuance of Federal Reserve notes secured only by gold or gold certificates. Therefore, the two sections 1 and 3 will include all of the Federal Reserve notes outstanding. The gentleman from Kentucky was kind enough to insert that part of the letter from the Secretary of the Treasury, which shows conclusively that the Federal Reserve Board, of which he is the Chairman, has the power and authority that is imposed in our bill. Federal Reserve banks should never have been given the privilege of issuing Federal Reserve notes on gold and gold certificates. If our bill passes and there is danger of undue expansion, a sufficient amount of these notes may be retired to prevent it.

GOLD RESERVE BEHIND UNITED STATES NOTES

My friend from Kentucky [Mr. VINSON] left the impression in his speech that no specific gold reserve would be

behind the money that we propose to issue. The bill specifically provides in section 2 (b) that a gold reserve will support it in the same way and manner that other money is supported by a gold reserve. Having eight and one-half billion dollars in gold and only five and one-half billion dollars in money outstanding, certainly there is no danger of this money being unsupported, as disclosed on page 3997 of the CONGRESSIONAL RECORD.

MISTAKE ABOUT WHAT VETERANS OWE

The report of the Ways and Means Committee discloses, as well as the statement of my colleague [Mr. VINSON] from Kentucky, on page 4023 of the CONGRESSIONAL RECORD, that the veterans owe $1,700,000,000 on their certificates, which leaves only $1,800,000,000 to be paid. I desire to invite their attention to the fact that 500,000 veterans have not borrowed and that the 3,000,000 veterans who have borrowed, have had loaned to them on their certificates $1,465,000,000, not including interest after October 1, 1931. If all interest is remitted back to 1927, these veterans will only have charged against their certificates $1,405,000,000, which will make the remainder due, according to the terms of H. R. 3896, the Vinson bill, more than $2,100,000,000 instead of $1,800,000,000, as stated by the gentleman from Kentucky and the committee's report. Therefore, the gentleman's statement and the committee's report are erroneous to the extent of $300,000,000 in this one item.

UNDER H. R. 1 INFLATION AND PAYMENT OF CERTIFICATES DIVORCED

The gentleman from Kentucky quotes me as saying that the proposal to pay the certificates should be divorced from the inflation of the currency. That is correct; and H. R. 1, the present bill, absolutely divorces such payment from inflation, but provides for the withdrawal of Federal Reserve notes at the same time United States notes are issued to pay the veterans, thereby making it possible for the veterans to be paid and the Government being saved $2,000,000,000 without necessarily increasing the currency in circulation one dollar. Since the gentleman has quoted what I said, I will take the liberty of quoting what he said. In the Courier Journal, a newspaper published at Louisville, Ky., in the issue of November 17, 1934, there appears an article in regard to how the members of the Kentucky delegation stand on the question of paying the adjusted-service certificates. The gentleman from Kentucky [Mr. VINSON] stated "that he was only in favor of paying the certificates if the payment is made in Treasury notes." Incidentally that is the method embodied in H. R. 1, now pending.

DIFFERENT PLANS ADVOCATED

My friend, Mr. VINSON, has seen fit to show what an effort I have made in the past to gain support for this proposal to pay these certificates, thereby showing that the question of paying the certificates came first and methods for obtaining support secondary. He is now asking that we go back where we were 6 years ago, when we were advocating the payment of these certificates, even by the issuance of bonds if necessary. We could not get support then, and I still say that such a measure has no chance for passage for full payment at this session of Congress. Our bill has been changed many times, that is true, but every time it was improved upon, getting better all the time, had the support of my friend, Mr. VINSON, all the time, and the last change that was made in it that will absolutely prevent any charge of unbridled inflation or uncontrolled expansion will meet every objection our opponents can bring against it.

CONTROLLED EXPANSION

It is true that we used controlled expansion as a slogan to get nonveterans' support for our measure. We must not overlook the fact that we cannot get this bill passed just because any organization of veterans wants it passed, unless we get nonveterans' support. Our method to pay the certificates without a bond issue, without raising taxes, and without affecting the Budget in any way has caused us to receive overwhelming support from the public generally, and the nonveterans in particular.

RAINBOWS, REASON, OR REACTION

Mr. HARLAN. Mr. Speaker, less than 5 months ago our electorate gave the Roosevelt administration a most overwhelming vote of confidence. In principle the people approved the things that had been done and hoped for their continuance. Today that confidence is being violated, that hope denied, not because of the desire of the administration but in spite of it.

The administration program consisted broadly of three objectives: To strengthen government, to relieve distress, and to procure a more equitable distribution of the national income. In a world where human progress has ever been slow and discouraging, and where we are but one among many sorely afflicted nations, material advancement toward any one of these objectives is difficult enough. Add to this the fact that almost every step taken to promote any one purpose came into immediate conflict with the advancement of either one or both of the other two, and the achievements of the last 2 years appear little short of miraculous.

But there are those to whom these difficulties are not at all apparent. To them the whole problem is childishly simple. They are not satisfied with any partial success. They want it all now. The obstacle of logic or reality does not exist for them. These are the rainbow chasers. They have countered almost every step of the administration with a proposal so extreme as to retard, if not checkmate, much good legislation.

For example, the administration enacts a law to guarantee certain bank deposits. The visionaries propose to repay all bank deposits lost during the entire depression. Put this great supply of money into circulation, they say, and our troubles are over.

Did someone advocate a more equitable distribution of income to keep the industrial machine going? Great, they exclaim, but let us not stop at income; let us divide wealth. Promise everybody at least $5,000; that ought to be enough to attract a few votes, anyway. This promise has frequently lured men to bloodshed and placed demagogues in power and produced universal poverty, but it has never yet been fulfilled, and there is nothing new in their proposed method.

The administration advocates Federal cooperation with the States to alleviate the want of old age. Excellent, they cry, but do not weaken; keep the old folks in luxury, and, at the same time, bring prosperity to us all. Give them $24,000,000,000—one-half of our national income—to spend each year; and raise it by a transaction tax so pleasing and mild that nobody will mind. Also, we will all gain by removing 10,000,000 old folks from the labor market.

During the World War we definitely took 4,000,000 active youngsters off the labor market. We paid out $11,000,000,000 a year, which went immediately into circulation. If we had only thought of that painless transaction tax, we could have turned that curse into a benediction. These are but examples of an outstanding problem presented with every important piece of legislation, illustrating a vicious drive by minorities to divert our natural resources away from the national good. Regardless of the title, the theme song of such groups is ever the same: Just give us the money—we will spend it and make you prosperous.

In times of panic the one thing we all need is money. Why worry? Let the Government print enough for us all. None of us like to pay interest. The answer is easy: let the Government print plenty of money; lend it without interest, and another worry is removed. The Government itself can print $28,000,000,000, retire its own bonds, and the job is done. All of this propaganda in a country where the Federal Reserve bank could issue $20,000,000,000 of paper money tomorrow if it were really needed and where there is practically no limit to possible credit expansion.

Such remedies have been tried times without number but have never yet cured a single evil toward which they were directed. They, like the drug habit, give a temporary feeling of well-being, but if continued lead to sure destruction, and if discontinued require tremendous suffering to return to health. Following the Revolutionary War we stopped the

practice at a tremendous loss. Germany, after the World War, continued it to her ruin.

These are but a few of the alluring ideas presented to Congress to improve the President's program. They are almost as old as human folly, but at every depression they are repainted and given to a suffering people as new and wonderful nostrums.

During the last 2 years these groups have all been kept in check by the cooperation of Congress with the President. Now, however, many legislators who were elected because of Roosevelt's popularity, are listening to the vociferous, organized, grabbing minorities. Unless all signs fail, and unless the thinking, sane but usually silent element in our electorate again exert their influence, as in 1933 and 1934, our Government appears to be headed back to those leaderless, hopeless, and helpless days of 1932.

The same cult of ancestor worshipers, who led us to the precipice then, are again giving voice. The fear which froze their tongues has been replaced by a burning ambition to gain, once more, the reins of Government.

Their principal plan is to defeat the administration program to open up our export trade through reciprocity treaties. They would build even higher the Chinese tariff wall which shuts out both our import and export business. They would again destroy our exports, drive capital abroad and enable favorite industries to exploit labor and agriculture. They would again collect their huge campaign contributions, build up immense profits at the expense of the wage fund, and we would all be headed once more towards a bigger and better bust.

Their litany is the same as that of their radical compatriots. "Just give us money; we'll spend it and make you prosperous." The creed of this cult is that "Whatever was, is right." They say that they favor some measures of direct relief; but when they were in power, they answered a continuing cry for food by the beneficent admonition to the starving that it is the duty of the citizen to support the state; not the state the citizen.

This group is so utterly reactionary that in their 1932 platform they even denounced so eminently fair a measure as the bank-deposit-insurance bill. These architects of destruction complain that governmental expenditures and the administration's efforts to curb stock gambling frauds are destroying confidence. Yet United States bonds are being constantly sold at decreasing interest rates. Their mouths declaim what their check books deny. Private bond issues of record amounts are being floated, and both domestic and foreign trade has increased approximately 30 percent.

Between the rainbow chasers, for whom reasonable progress is not enough, and the apostles of reaction, for whom any progress is too much, the President's program now stands in imminent danger. If it is to be saved, there must be a revival of that intense interest on the part of the public which was largely responsible for the remarkable success of the early Roosevelt regime.

During that time industrial unemployment was decreased by 4,000,000. Labor hours were shortened, wages raised, cutthroat competition controlled, and child labor abolished.

The Federal Housing Administration has so far pledged over 1,000,000 modernization jobs valued at $258,000,000. Farm prices have been restored. If the initial successes attained in negotiating reciprocity treaties are continued and industrial recovery in the cities progresses normally, the practical end of crop curtailment is in sight.

In spite of the somewhat meritorious charge that N. R. A. codes have been unfair to the small business man the number of business failures during 1934 was far below the number recorded in every year since 1920.

The Government instrumentalities, created in this emergency, have not been completely satisfactory; nor have they worked miracles. They need improvement to capitalize the experience we have gained. However, is there anything in the record of the rainbow chasers or the panic makers to persuade us that their leadership would be any improvement?

President Roosevelt was originally elected by a wholesale revolt of Republican voters disgusted with their leaders. The present administration has recognized this bipartisan obligation by ignoring party lines to a greater extent than at any time since the era of good feeling.

The attitude of this group of former Republicans will largely determine whether our developing program shall become visionary, remain sanely progressive or retrograde; whether we shall pursue rainbows, follow reason, or submit to reaction.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. GINGERY, indefinitely, on account of sickness.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 6644. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution and a bill of the House of the following titles:

H. J. Res. 134. Joint resolution to continue the commission for determining the boundary line between the District of Columbia and the State of Virginia for not to exceed 9 additional months, and to authorize not to exceed $10,000 additional funds for its expenses; and

H. R. 5322. An act authorizing the President of the United States to present in the name of Congress a Medal of Honor to Maj. Gen. Adolphus Washington Greely.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 5 minutes p. m.) the House adjourned to meet, in accordance with its previous order, tomorrow, Thursday, March 21, 1935, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON THE POST OFFICE AND POST ROADS

(Thursday, Mar. 21, 10 a. m.)

Subcommittee will hold hearings on bill (H. R. 5159) regarding air-mail service in Alaska.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

272. A letter from the national president of the American War Mothers, transmitting annual report, October 1, 1933, to October 1, 1934; to the Committee on World War Veterans' Legislation.

273. A letter from the chairman and executive secretary of Near East Relief, transmitting four annual reports covering actions of the disbursement committee of the organization for the year 1934 and including the last meeting of 1933 (Dec. 28, 1933); to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. GASSAWAY: Committee on the Judiciary. H. R. 5797. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory and supplementary thereto; with amendment (Rept. No. 455). Referred to the House Calendar.

Mr. GASSAWAY: Committee on the Judiciary. H. R. 6114. A bill to amend section 128 of the Judicial Code, as amended; without amendment (Rept. No. 456). Referred to the Committee of the Whole House on the state of the Union.

Mr. LANHAM: Committee on Public Buildings and Grounds. H. R. 3012. A bill to authorize the transfer of certain lands in Hopkins County, Ky., to the Commonwealth of Kentucky; with amendment (Rept. No. 457). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. TURNER: Committee on Military Affairs. H. R. 1563. A bill for the relief of Benjamin F. Jones; without amendment (Rept. No. 458). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 6708) to authorize the presentation of a Distinguished Flying Cross to Lt. Col. Francis T. Evans, United States Marine Corps; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

A bill (H. R. 6782) for the relief of Thomas W. Dolan; Committee on Military Affairs discharged, and referred to the Committee on World War Veterans' Legislation.

A bill (H. R. 6710) to provide for the retirement of certain enlisted men of the United States Marine Corps and of the Marine Corps Reserve who served as officeres in the Garde d'Haiti; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

A bill (H. R. 5136) for the relief of John W. Sweger; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 5671) for the relief of Mary Ellen Tiefenthaler; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 6747) for the relief of the Machinery & Metals Corporation of Philadelphia, Pa.; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 1454) for the relief of the J. N. Adam Memorial Hospital; Committee on Claims discharged, and referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CLARK of North Carolina: A bill (H. R. 6859) granting the consent of Congress to the State Highway Commission of North Carolina to construct, maintain, and operate a free highway bridge across Waccamaw River, at or near Old Pireway Ferry Crossing, N. C.; to the Committee on Interstate and Foreign Commerce.

By Mr. DIMOND: A bill (H. R. 6860) to establish a supreme court for the Territory of Alaska, to confer judicial power thereon, and for other purposes; to the Committee on the Judiciary.

Also, a bill (H. R. 6861) to extend the provisions of the Federal Highway Act to the Territory of Alaska, to enlarge the legislative power of the Legislature of the Territory of Alaska, and for other purposes; to the Committee on Roads.

By Mr. FARLEY: A bill (H. R. 6862) to reduce interest rates on postal-savings deposits made after July 1, 1935; to the Committee on the Post Office and Post Roads.

By Mr. GEARHART: A bill (H. R. 6863) to amend the law relative to the citizenship and naturalization of married women; to the Committee on Immigration and Naturalization.

By Mr. HESS: A bill (H. R. 6864) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching; to the Committee on the Judiciary.

By Mr. LUNDEEN: A bill (H. R. 6865) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching; to the Committee on the Judiciary.

By Mr. POWERS: A bill (H. R. 6866) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching; to the Committee on the Judiciary.

By Mr. SWEENEY: A bill (H. R. 6867) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching; to the Committee on the Judiciary.

By Mr. LUCKEY: A bill (H. R. 6868) to provide time credits for substitutes in the motor-vehicle service; to the Committee on the Post Office and Post Roads.

By Mr. GEHRMANN: A bill (H. R. 6869) authorizing the Chippewa Indians of Wisconsin to submit claims to the Court of Claims; to the Committee on Indian Affairs.

By Mr. DEMPSEY: A bill (H. R. 6870) to provide for payments to certain property owners in New Mexico for losses caused by the floods in the Rio Grande Valley during 1929; to the Committee on Claims.

Also, a bill (H. R. 6871) directing the conveyance of certain lands to the regents of the University of New Mexico; to the Committee on the Public Lands.

By Mr. JONES: A bill (H. R. 6872) to provide for the protection of land resources against soil erosion, and for other purposes; to the Committee on Agriculture.

By Mr. RABAUT: A bill (H. R. 6873) to authorize the erection of a United States Veterans' Administration hospital in or near the city of Detroit, Mich.; to the Committee on World War Veterans' Legislation.

By Mr. CONNERY: A bill (H. R. 6874) to provide employment for America's workers and to increase purchasing power; to the Committee on Ways and Means.

By Mr. GREEVER: A bill (H. R. 6875) providing for the allocation of net revenues of the Shoshone power plant of the Shoshone reclamation project in Wyoming; to the Committee on Irrigation and Reclamation.

By Mr. McSWAIN: A bill (H. R. 6876) to amend the Tennessee Valley Authority Act of 1933 by including the Cumberland River and its basin within the provisions of the act, and for other purposes; to the Committee on Military Affairs.

By Mr. WILCOX: A bill (H. R. 6877) for the relief of certain purchasers of lots in Harding townsite, Florida; to the Committee on the Public Lands.

By Mr. GEARHART: Joint resolution (H. J. Res. 224) authorizing the President of the United States to proclaim each of the years of 1935 and 1936 as "See America Year", and for other purposes; to the Committee on the Judiciary.

By Mr. KOCIALKOWSKI: Joint resolution (H. J. Res. 225) to abolish the Puerto Rico Hurricane Relief Commission and transfer its functions to the Secretary of the Interior; to the Committee on Insular Affairs.

By Mr. GAMBRILL: Joint resolution (H. J. Res. 226) authorizing the restoration and preservation of the frigate *Constellation*, and making Baltimore, Md., her home port; to the Committee on Naval Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Territory of Puerto Rico, regarding an amendment to the organic act of Puerto Rico; to the Committee on Insular Affairs.

Also, memorial of the Legislature of the State of Tennessee, regarding an old-age pension law; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Nebraska, regarding the limiting of the employment of labor

in connection with and the placing or rehabilitation farmsteads to persons who are citizens of Nebraska; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Minnesota, regarding an amendment to section 5219 of the Revised Statutes; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Idaho, regarding a project to divert the flow of the Yellowstone Lake into the Snake River; to the Committee on Irrigation and Reclamation.

Also, memorial of the Legislature of the State of Idaho, supporting payment of the bonus; to the Committee on Ways and Means.

Also, memorial of Anne E. Felix regarding the contest for the congressional seat from the Thirty-second District of the State of Pennsylvania; to the Committee on Elections No. 2.

Also, memorial of the Legislature of the State of New Jersey, supporting antilynching legislation; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Oklahoma, regarding the establishment of a national memorial park in Murray County, to consist of the area embraced by the geological formations known as "White Mound" and "Burning Mountain"; to the Committee on the Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CARPENTER: A bill (H. R. 6878) for the relief of Walter Howard; to the Committee on Claims.

By Mr. COLE of New York: A bill (H. R. 6879) granting an increase of pension to Emma S. Dolaway; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6880) granting an increase of pension to Helen L. Gilbert; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6881) granting an increase of pension to Eliza M. Bagley; to the Committee on Invalid Pensions.

By Mr. DARDEN: A bill (H. R. 6882) for the relief of the heirs of William H. Peters and Washington Reed; to the Committee on Claims.

By Mr. GUYER: A bill (H. R. 6883) granting a pension to Margaret Ann Canatsey; to the Committee on Invalid Pensions.

By Mr. HOEPPEL: A bill (H. R. 6884) authorizing the appointment of William C. Lucas as a captain, Medical Corps, United States Army, and to provide for his retirement, effective as of July 1, 1933; to the Committee on Military Affairs.

By Mr. KENNEDY of Maryland: A bill (H. R. 6885) for the relief of the Bell Telephone Co. of Pennsylvania; to the Committee on Claims.

Also, a bill (H. R. 6886) for the relief of certain disbursing officers of the Army of the United States; to the Committee on Claims.

Also, a bill (H. R. 6887) for the relief of Mrs. William E. Smith and Clara Smith; to the Committee on Claims.

Also, a bill (H. R. 6888) for the relief of Ludwig Larson; to the Committee on Claims.

Also, a bill (H. R. 6889) for the relief of A. Zappone and W. R. Fuchs; to the Committee on Claims.

Also, a bill (H. R. 6890) for the relief of A. Cyril Crilley; to the Committee on Claims.

Also, a bill (H. R. 6891) for the relief of Robert J. Enochs; to the Committee on Claims.

Also, a bill (H. R. 6892) for the relief of certain Indians on the Cheyenne River Reservation; to the Committee on Claims.

By Mr. KLOEB: A bill (H. R. 6893) granting a pension to Lenace Marlin; to the Committee on Invalid Pensions.

By Mr. LUNDEEN: A bill (H. R. 6894) granting a pension to Della M. C. Rudolph; to the Committee on Pensions.

By Mr. MONTET: A bill (H. R. 6895) to provide for a preliminary examination and survey for the enlargement of Franklin Canal, La.; to the Committee on Rivers and Harbors.

By Mr. PATTERSON: A bill (H. R. 6896) granting a pension to Isabel Bennett; to the Committee on Invalid Pensions.

By Mr. REILLY: A bill (H. R. 6897) to correct the military record of John S. Jungwirth; to the Committee on Military Affairs.

By Mr. SHORT: A bill (H. R. 6898) granting a pension to Jesse Mills; to the Committee on Invalid Pensions.

By Mr. SMITH of Washington: A bill (H. R. 6899) for the relief of Fred P. Halbert; to the Committee on the Public Lands.

By Mr. SUMNERS of Texas: A bill (H. R. 6900) to grant an honorable discharge to Harry B. Morelock; to the Committee on Military Affairs.

By Mr. TERRY: A bill (H. R. 6901) for the relief of Mabel Williams; to the Committee on Claims.

By Mr. THOMAS: A bill (H. R. 6902) granting an increase of pension to Jane Pelletier; to the Committee on Invalid Pensions.

By Mr. TONRY: A bill (H. R. 6903) to authorize the appointment and retirement of Randolph Clausen in the grade of lieutenant commander in the Navy; to the Committee on Naval Affairs.

By Mr. WEARIN: A bill (H. R. 6904) to authorize the appointment of W. B. Allen, former captain of Infantry, United States Army, to such rank on the active list, and for other purposes; to the Committee on Military Affairs.

By Mr. QUINN: Joint resolution (H. J. Res. 223) conferring upon the Court of Claims jurisdiction of the claim of the Rodman Chemical Co. against the United States; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4576. By Mr. ROGERS of Oklahoma: Petition headed by M. Spence, of Penns Grove, N. J., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4577. Also, petition headed by Rev. W. A. McCloud, of Newark, N. J., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4578. Also, petition headed by M. Johnson, of Newark, N. J., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4579. Also, petition headed by Antonio Catie, of Carteret, N. J., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4580. Also, petition headed by M. J. Mitchell, of Watertown, N. Y., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4581. Also, petition headed by George D. Smith, of Syosset, Long Island, N. Y., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4582. Also, petition headed by J. O. Neal, of Southampton, N. Y., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4583. Also, petition headed by Edward F. Dutton, of New York City, N. Y., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4584. Also, petition headed by L. Plenge, of New Hyde Park, N. Y., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4585. Also, petition headed by W. Steimhoff, of Livingston, N. Y., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4586. Also, petition headed by C. Brettbeck, of Leicester, N. Y., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4587. Also, petition headed by J. B. Walker, of Haverstraw, N. Y., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4588. Also, petition headed by F. C. Hoffman, of Freeport, Long Island, N. Y., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4589. Also, petition headed by L. Parks, of Buffalo, N. Y., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4590. Also, petition headed by S. R. Brown, of Newport, R. I., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4591. Also, petition headed by Noah Wimer, of Little Compton, R. I., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4592. Also, petition headed by Fred Smith, of Winchester, Wyo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4593. Also, petition headed by C. M. Hess, of Thermopolis, Wyo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4594. Also, petition headed by John D. Kerchhof, of Sheridan, Wyo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4595. Also, petition headed by E. Griffins, of Riverton, Wyo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4596. Also, petition headed by Joe Sayles, of Meeteetse, Wyo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4597. Also, petition headed by L. Mendey, of Kemmerer, Wyo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan of direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4598. Also, petition headed by Peter M. LaQua, of New Lisbon, Wis., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4599. Also, petition headed by William McWitt, of New Auburn, Wis., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4600. Also, petition headed by L. M. Pleasant, of Milwaukee, Wis., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4601. Also, petition headed by John Mohdrin, of Ferryville, Wis., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4602. Also, petition headed by George W. Harris, of Eau Claire, Wis., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4603. Also, petition headed by Charles H. Peardon, of Eagle, Wis., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4604. Also, petition headed by George Converse, of Crandon, Wis., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4605. Also, petition headed by William G. Losdelle, Sr., of Cornell, Wis., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4606. Also, petition headed by F. Fitch, of Clear Lake, Wis., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4607. Also, petition headed by N. Mullett, of Camp Douglas, Wis., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4608. Also, petition headed by J. Walker, of Boscobel, Wis., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4609. Also, petition headed by Walter G. Acker, of Beloit, Wis., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4610. Also, petition headed by A. M. Jockers, of Corbin, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4611. Also, petition headed by John A. Harris, of Coffeyville, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4612. Also, petition headed by M. Phares, of Cimarron, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4613. Also, petition headed by W. L. Stewart, of Chetopa, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4614. Also, petition headed by Frank Cresson, of Cherokee, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4615. Also, petition headed by H. R. Milley, of Chanute, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4616. Also, petition headed by J. W. Clodfelter, of Burrton, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4617. Also, petition headed by D. J. Couch, of Bentley, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4618. Also, petition headed by A. M. Glenn, of Belleville, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4619. Also, petition headed by Z. S. Harden, of Baxter Springs, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4620. Also, petition headed by W. C. Testerman, of Bartlett, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4621. Also, petition headed by George O. May, of Arkansas City, Kansas, favoring House bill 2856, by Congressman WILL

ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4622. Also, petition headed by M. Thomas, of Argentine, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4623. Also, petition headed by N. R. Palmer, of Americus, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4624. Also, petition headed by E. Roark, of Altoona, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4625. Also, petition headed by H. Longley, of Stevensville, Mont., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4626. Also, petition headed by John M. Belles, of Pryor, Mont., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4627. Also, petition headed by R. J. Mattinson, of Powderville, Mont., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4628. Also, petition headed by Robert Carpenter, of Martinsdale, Mont., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4629. Also, petition headed by E. Lightball, of Harlem, Mont., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4630. Also, petition headed by J. Omara, of Glasgow, Mont., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4631. Also, petition headed by E. Clapp, of Ekalaka, Mont., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4632. Also, petition headed by M. E. Figg, of Deer Lodge, Mont., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4633. Also, petition headed by B. M. Powers, of Corvallis, Mont., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4634. Also, petition headed by M. E. Showen, of Columbus, Mont., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4635. Also, petition headed by W. J. Adams, of Billings, Mont., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4636. Also, petition headed by B. F. Cupp, of Absarokee, Mont., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4637. Also, petition headed by George Solomon, of Tryon, Nebr., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pension of $30 to $50 a month; to the Committee on Ways and Means.

4638. Also, petition headed by J. R. Statt, of Stanton, Nebr., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4639. Also, petition headed by J. Burns, of Palisade, Nebr., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4640. Also, petition headed by William Edward Larkins, of Overton, Nebr., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4641. Also, petition headed by John T. Brannam, of Omaha, Nebr., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4642. Also, petition headed by E. A. McCall, of Norfolk, Nebr., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4643. Also, petition headed by R. A. Howe, of Mullen, Nebr., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4644. Also, petition headed by C. Cushman, of Minatare, Nebr., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4645. Also, petition headed by J. Wesley Scott, of Lincoln, Nebr., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4646. Also, petition headed by August H. Meyer, of Kearney, Nebr., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4647. Also, petition headed by John Dodot, of Juanita, Nebr., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee of Ways and Means.

4648. Also, petition headed by M. Hamar, of Grand Island, Nebr., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4649. Also, petition headed by John Hartsook, of Fairburg, Nebr., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4650. Also, petition headed by E. Trainer, of Crawford, Nebr., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4651. Also, petition of W. L. Daniel and numerous other citizens of Bay City, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4652. Also, petition of August Bock and numerous other citizens of Magnet, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4653. Also, petition of James Cochran and numerous other citizens of Albright, W. Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4654. Also, petition of Roy Davis and numerous other citizens of Grayson, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4655. Also, petition of P. S. A. Malone and other citizens of Dallas, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4656. Also, petition of Lige Williams and numerous other citizens of Sherman, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4657. Also, petition of Walter Young and numerous other citizens of Edna, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4658. Also, petition of A. D. Wright and numerous other citizens of Eden, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4659. Also, petition of Alex Wright and numerous other citizens of Princess Anne, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4660. Also, petition of O. D. Phillips and numerous other citizens of Hughes, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4661. Also, petition of John Gass and numerous other citizens of Olyphant, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4662. Also, petition of William Tuttle and numerous other citizens of Coal Creek, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4663. Also, petition of W. M. Hill and numerous other citizens of Briceville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4664. Also, petition of C. R. Strader and other citizens of Heiskell, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4665. Also, petition of L. V. Swain and numerous other citizens of Harlan, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4666. Also, petition of E. Dudley and numerous other citizens of Wake Forest, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4667. Also, petition of Wilson Hanks and numerous other citizens of Nederland, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4668. Also, petition of Oscar Bevoit and numerous other citizens of Port Neches, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4669. Also, petition of J. Juiston and other citizens of Pulaski, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4670. Also, petition of Reece B. Monroe and numerous other citizens of Wytheville, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4671. Also, petition of Antonio Podilla and numerous other citizens of Buena Vista, N. Mex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4672. Also, petition of J. A. Long and numerous other citizens of Seymour, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4673. Also, petition of N. Columbus and other citizens of Ardmore, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4674. Also, petition of L. Batt and other citizens of Yonkers, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4675. Also, petition of Felix Grayson and other citizens of Tishomingo, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4676. Also, petition of R. Alexander and numerous other citizens of Mill Creek, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4677. Also, petition of Ruevin Corney and numerous other citizens of Ada, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4678. Also, petition of Jim Grayson and numerous other citizens of Connerville, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4679. Also, petition of M. Collins and numerous other citizens of Pontotoc, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4680. Also, petition headed by Perry Hedrick, of Prescott, Ariz., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4681. Also, petition headed by M. Berberich, of Prescott, Ariz., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4682. Also, petition headed by E. Mack, of Phoenix, Ariz., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4683. Also, petition headed by D. Holmes, of McNary, Ariz., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4684. Also, petition headed by Sam A. Earle, of Fort Grant, Ariz., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4685. Also, petition headed by Manuel Schaeffer, of Flagstaff, Ariz., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4686. Also, petition headed by C. Barreras, of Flagstaff, Ariz., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4687. Also, petition headed by Luke McCreary, of Cashion, Ariz., favoring House bill 2856, by Congressman WILL ROGERS,

the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4688. Also, petition headed by C. Rutledge, of Buckeye, Ariz., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4689. Also, petition headed by John S. Wood, of Ajo, Ariz., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4690. Also, petition headed by James V. Brooks, of Ajo, Ariz., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4691. Also, petition headed by Ernest Holley, of Wasco, Calif., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4692. Also, petition headed by F. L. Huth, of Verdugo City, Calif., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4693. Also, petition headed by A. A. Hadley, of Tulare, Calif., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4694. Also, petition headed by H. A. Clinger, of San Juan Capistrano, Calif., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4695. Also, petition headed by J. S. Lattimore, of Redding, Calif., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4696. Also, petition headed by V. E. Toliver, of Porterville, Calif., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4697. Also, petition headed by J. Z. Gordon, of Los Angeles, Calif., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4698. Also, petition headed by A. Burkholder, of Los Angeles, Calif., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4699. Also, petition headed by A. P. Sefton, of Los Angeles, Calif., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4700. Also, petition headed by Cesario M. Lucero, of Los Angeles, Calif., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4701. Also, petition headed by E. R. Musgrove, of Hayward, Calif., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4702. Also, petition headed by E. Johnson, of Los Angeles, Calif., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4703. Also, petition headed by L. A. Hinton, of Fresno, Calif., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4704. Also, petition headed by F. E. Green, of Fowler, Calif., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4705. Also, petition headed by Joe Martinez, of Fruita, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4706. Also, petition headed by Sylvester Aragon, of Denver, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4707. Also, petition headed by Jose Antonio Benavides, of Del Norte, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4708. Also, petition headed by S. D. McAdams, of Colorado Springs, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4709. Also, petition headed by Juan Pedro Valencia, of Chama, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4710. Also, petition headed by Atanacio Duran, of Capulin, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4711. Also, petition headed by Mike Lamori, of Brodhead, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4712. Also, petition headed by Juan B. Trujillo, of Boncarbo, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4713. Also, petition headed by Daniel Medino, of Berthoud, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4714. Also, petition headed by E. U. Garcia, of Arboles, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4715. Also, petition headed by L. Jeron, of Antonito, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4716. Also, petition headed by Rafael Romero, of Allison, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4717. Also, petition headed by Serafina Naranjo, of Alamosa, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4718. Also, petition headed by H. Pratt, of West Cornwall, Conn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4719. Also, petition headed by Frederick Riley Pond, of West Cornwall, Conn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4720. Also, petition headed by F. E. Silvernale, of Sharon, Conn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4721. Also, petition headed by R. Silvernale, of Falls Village, Conn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4722. Also, petition headed by George Sherwood, of Meadows, Idaho, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4723. Also, petition headed by M. Fry, of Meadows, Idaho, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4724. Also, petition headed by Terrence McGee, of Lewiston, Idaho, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4725. Also, petition headed by Willis E. Way, of Emmett, Idaho, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4726. Also, petition headed by W. Hansen of Lake Village, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4727. Also, petition headed by George W. Casteel of Lagro, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4728. Also, petition headed by Henry A. Schweitzer, of Jasper, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4729. Also, petition headed by John F. Yarbrough, of Indianapolis, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4730. Also, petition headed by M. St. Clair, of Indianapolis, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4731. Also, petition headed by James Hall, of Henryville, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4732. Also, petition headed by Paul Worth, of Gary, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4733. Also, petition headed by Frank Cook, of Gary, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4734. Also, petition headed by Nathaniel Bailey, of Gary, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4735. Also, petition headed by D. A. Adams, of Evansville, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4736. Also, petition headed by Levi Delo, of Elkhart, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4737. Also, petition headed by Z. Brooks, of East Chicago, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4738. Also, petition headed by William H. Kennedy, of Crawfordsville, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4739. Also, petition headed by S. Breckenridge, of Columbus, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4740. Also, petition headed by Charles M. Fay, of Booneville, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4741. Also, petition headed by George Lorenz, of Dubuque, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4742. Also, petition headed by John H. Perkins, of Des Moines, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4743. Also, petition headed by Lewis Banks, of Des Moines, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4744. Also, petition headed by Simon Yann, of Davenport, Iowa, favoring House bill 2856 by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4745. Also, petition headed by Albert Fishburn, of Clinton, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4746. Also, petition headed by Mike Dick, of Cherokee, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4747. Also, petition headed by J. W. Cuteser, of Centerville, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4748. Also, petition headed by Franklin H. Floyd, of Center Point, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4749. Also, petition headed by Wilmore Demby, of Cedar Rapids, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4750. Also, petition headed by Andrew Norris, of Ankeny, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4751. Also, petition headed by David H. Stills, of Ames, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4752. Also, petition headed by William Nall, of Albia, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4753. Also, petition headed by James William Moore, of Daisytown, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4754. Also, petition headed by J. Kope, of Coalport, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4755. Also, petition headed by Paul Baran, of Charleroi, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4756. Also, petition headed by L. A. Walters, of Cecil, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4757. Also, petition headed by R. J. Wheelock, of Cambridge Springs, Pa., favoring House bill 2856, by Congressman WILL

ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4758. Also, petition headed by Robert M. Charlton, of California, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4759. Also, petition headed by Herman Shroyer, of Berlin, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4760. Also, petition headed by Charles O. Phares, of Belle Vernon, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4761. Also, petition headed by J. A. Herstine, of Beaver, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4762. Also, petition headed by Joseph N. McCormick, of Apollo, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; for the Committee on Ways and Means.

4763. Also, petition headed by E. Anderson, of Middlebury, Vt., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4764. Also, petition headed by Anton Kulackoski, of Wing, N. Dak., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4765. Also, petition headed by M. J. Brown, of Hettinger, N. Dak., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4766. Also, petition headed by S. Fain, of Springfield, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4767. Also, petition headed by F. M. Myrick, of Seville, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4768. Also, petition headed by J. A. Hughes, of Rutland, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4769. Also, petition headed by O. Ellis, of Powhatan Point, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4770. Also, petition headed by James S. Blackburn, of New Lexington, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4771. Also, petition headed by A. Frazier, of Middletown, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4772. Also, petition headed by W. J. Davidson, of Fletcher, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4773. Also, petition headed by P. Watts, of Dayton, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4774. Also, petition headed by M. Roberts, of Columbus Grove, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4775. Also, petition headed by Richard Cooper, of Cleveland, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4776. Also, petition headed by A. Brock, of Chesapeake, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4777. Also, petition headed by Jesse Black, of Bellaire, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4778. Also, petition headed by T. Geer, of Alice, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4779. By Mr. BOYLAN: Letter from the Home Relief Bureau Employees Association, of New York City, urging the passage of Workers' Unemployment, Old Age, and Social Insurance Act; to the Committee on Ways and Means.

4780. By Mr. COLDEN: Petition of John O. and Lewis S. Ward and 17 other constituents, residents of Los Angeles, Calif., asking that favorable consideration be given to the Townsend old-age-pension plan as a means of relieving distress and restoring prosperity; to the Committee on Ways and Means.

4781. Also, petition of J. B. McPherson and nine other constituents, asking that legislation be enacted providing for the payment of a pension of $200 monthly to citizens who have attained the age of 60 years; also a law creating a Nation-wide Federal retail sales tax, calculated at a rate sufficiently high to produce the revenue necessary to meet the requirements of the pension law aforementioned; to the Committee on Ways and Means.

4782. Also, petition of R. E. Lister and 20 other constituents, asking that a law be enacted providing for the payment of a pension of $200 monthly to citizens who have attained the age of 60 years; also a law creating a Nation-wide Federal retail sales tax, calculated at a rate sufficiently high to produce the revenue necessary to meet the requirements of the pension law aforementioned; to the Committee on Ways and Means.

4783. By Mr. COLE of New York: Resolution adopted by the Board of Supervisors of the County of Tioga; to the Committee on Interstate and Foreign Commerce.

4784. By Mr. EKWALL: Petition of House Joint Memorial 19, of the Thirty-eighth Legislative Assembly of the State of Oregon, memorializing Congress to enact House bill 2024, for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace April 11, 1899; to the Committee on War Claims.

4785. By Mr. FOCHT: Resolution of F. F. Holbrook, director of the Historical Society of Western Pennsylvania, to provide appropriation for continuation of the publication Territorial Papers; to the Committee on Appropriations.

4786. By Mr. GOODWIN: Petition of substitutes of the Pittsburgh (Pa.) Post Office, urging support of House bill 5445, being a bill to fill all vacancies in the Post Office Department; to the Committee on the Post Office and Post Roads.

4787. By Mr. GWYNNE: Petition of the Black Hawk County Medical Society of Waterloo, Iowa, protesting against socialized medicine; to the Committee on Interstate and Foreign Commerce.

4788. Also, petition of the members of the Sixth District of the Iowa State Medical Society, protesting against socialized medicine as contemplated by the Wagner bill; to the Committee on Interstate and Foreign Commerce.

4789. Also, petition of members of the Waterloo Dental Society, protesting against socialized medicine as contemplated by the Wagner bill; to the Committee on Interstate and Foreign Commerce.

4790. Also, petition of sundry citizens of Waterloo, Iowa, favoring the Townsend bill; to the Committee on Ways and Means.

4791. Also, petition of the Woman's Home Missionary Society, asking for the passage of the amendment of House

Joint Resolution 167, to abolish war; to the Committee on Military Affairs.

4792. By Mr. HILDEBRANDT: Petition of county commissioners from the various counties in South Dakota, requesting that Senate bill 133 should be killed in the House; to the Committee on Interstate and Foreign Commerce.

4793. Also, house concurrent resolution, memorializing the Congress of the United States to take immediate and appropriate action to place all interstate commercial transportation by highway under Federal regulation; to the Committee on Roads.

4794. By Mr. HIGGINS of Massachusetts: Petition; to the Committee on the Judiciary.

4795. By Mr. LUCKEY: Petition to request the proper authorities of the Federal Government to limit the employment of labor in connection with, and the placing on rehabilitation farmsteads to, persons who are citizens of Nebraska; to the Committee on Ways and Means.

4796. Also, memorial of the Senate of the State of Nebraska, memorializing Congress, the Department of the Interior, and the National Park Service to create a national park area in the North Platte Valley extending from Bridgeport, Nebr., to and including Guernsey Lake, Wyo., and to acquire such historic landmarks, sites, and structures as are pertinent to the history of the Oregon, Mormon, and California Trails, with particular reference to the acquisition, preservation, and restoration of old Fort Laramie and its maintenance as a historical museum; to the Committee on the Library.

4797. Also, resolution of the House of Representatives of the State of Nebraska, to request the proper authorities of the Federal Government to limit the employment of labor in connection with, and the placing of rehabilitation farmsteads to, persons who are citizens of Nebraska; to the Committee on Ways and Means.

4798. By Mr. MERRITT of New York: Petition of J. W. Fleet, of 469 Parkway, and approximately 40 additional residents of Brooklyn, N. Y., appealing to Congress to defeat the Rayburn-Wheeler public-utility bills; to the Committee on Interstate and Foreign Commerce.

4799. Also, petition of the New York State Society of Professional Engineers, Inc., urging Congress to preserve against loss of employment the existing civil-service personnel of State or municipal agencies receiving Federal loans or grants; to the Committee on the Civil Service.

4800. Also, petition of the New York State Society of Professional Engineers, Inc., urging upon Congress the necessity of the creation of a Cabinet office of public works as an indispensable function in planning for the welfare of the Nation at large; to the Committee on Appropriations.

4801. Also, petition of William P. Zimmer, of 7842 Eightieth Street, Glendale, N. Y., and 20 additional residents of that vicinity, appealing to Congress to defeat the Rayburn public-utility bill; to the Committee on Interstate and Foreign Commerce.

4802. Also, petition of James H. Shanley, of 422 East One Hundred and Forty-third Street, and approximately 40 additional residents of New York City and the Bronx, appealing to Congress to defeat the Rayburn public-utility bill; to the Committee on Interstate and Foreign Commerce.

4803. By Mr. MOTT: Senate Joint Memorial No. 18, of the Thirty-eighth Legislative Assembly of the State of Oregon, petitioning Congress to make necessary appropriations to the United States Department of Agriculture, etc., to combat and control prune thrips; to the Committee on Appropriations.

4804. Also, Senate Joint Memorial No. 15, of the Thirty-eighth Legislative Assembly of the State of Oregon, petitioning Congress to enact legislation providing for statements of assets and liabilities of branch national banks separately from all other branch banks; to the Committee on Banking and Currency.

4805. By Mr. PFEIFER: Petition of Howard Friends League, Inc., Brooklyn, N. Y., urging passage of the Sirovich bill (H. R. 4540) and the Dickstein bill (H. R. 5494); to the Committee on the Post Office and Post Roads.

4806. Also, petition of Union Terminal Cold Storage Co., the Manhattan Refrigerating Co., and the Kings County Refrigerating Co., Brooklyn, N. Y., concerning amendment to the Agricultural Adjustment Act, as proposed in House bill 5585; to the Committee on Agriculture.

4807. Also, petition of Mrs. Frank L. Babbott, Brooklyn, N. Y., concerning House bill 7472; to the Committee on Interstate and Foreign Commerce.

4808. Also, petition of New York State Society of Professional Engineers, Inc., New York, concerning the creation of a Cabinet office of public works and preservation against loss of employment of the existing civil-service personnel of State or municipal agencies receiving Federal loans or grants; to the Committee on Appropriations.

4809. By Mr. REED of Illinois: Petition signed by Mrs. Genevive Rothstein and nine others, favoring the adoption of the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

4810. By Mr. RUDD: Petition of the Union Terminal Cold Storage Co., the Manhattan Refrigerating Co., Kings County Refrigerating Co., Jersey City, New York, and Brooklyn, concerning House bill 5585, amending the Agricultural Adjustment Act; to the Committee on Agriculture.

4811. Also, petition of Howard Friends League, Brooklyn, N. Y., favoring the passage of the Sirovich and Dickstein bills (H. R. 4540 and 5494), amending existing maritime laws, to prevent further disasters such as the steamships *Havana, Mohawk,* and *Morro Castle;* to the Committee on Merchant Marine and Fisheries.

4812. By Mr. SCHAEFER: Petition of the Women's Auxiliary of the Federal and State Aid Association of Marissa, Ill., favoring the passage of an old-age-pension bill and the Lundeen bill (H. R. 2827); to the Committee on Ways and Means.

4813. Also, petition of the city of Chicago, Ill., requesting the passage of the General Pulaski Memorial Day resolution now pending in Congress; to the Committee on the Judiciary.

4814. Also, petition of Council No. 402, Polish National Alliance, Edwardsville, Ill., urging Congress to designate October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

4815. By Mr. SCOTT: Petition of Myrtle Bucknell and 19 others, favoring the Lemke bank bill (H. R. 3008); to the Committee on Banking and Currency.

4816. By Mr. SNYDER: Petition signed by James Walls, of Layton, and 40 other residents of Fayette County, Pa., urging the passage of an old-age-pension law; to the Committee on Ways and Means.

4817. By Mr. TRUAX: Petition of Florence Dalton and other citizens of Columbus, Ohio, stating that they will be seriously harmed if the public-utility bills (S. 1725 and H. R. 5423) are enacted into law, as they are unfair, unwise, unnecessary, and discriminatory; to the Committee on Interstate and Foreign Commerce.

4818. Also, petition of George E. Benson and 110 other citizens of Chillicothe, Ohio, urging enactment into law of a bill providing for the immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

4819. Also, petition of Tree Surgeons Union, 19535, of New Philadelphia, Ohio, by their secretary, Raymond T. Yost, urging support of House bill 141; to the Committee on World War Veterans' Legislation.

4820. Also, petition of Charles R. Mongey and other citizens of Columbus, Ohio, opposing the enactment of Senate bill 1725 and House bill 5423, as they are unfair, unwise, unnecessary, and discriminatory; to the Committee on Interstate and Foreign Commerce.

4821. Also, petition of Elmer Hahn and 20 other citizens of Laura, Ohio, urging their Congressmen to sign the petition to bring the Frazier-Lemke farm bill out of committee, and urging support of said bill when it comes up for vote; to the Committee on Agriculture.

4822. By the SPEAKER: Petition of the National Recovery Administration, Code Authority, Optical Retail Trade, 7 East

Forty-fourth Street, New York; to the Committee on Appropriations.

4823. Also, petition of the city of Naugatuck, Conn.; to the Committee on the Judiciary.

4824. Also, petition of the city of St. Paul, Minn.; to the Committee on the Judiciary.

4825. Also, petition of the Forty Years and Up Club, Inc., San Diego, Calif.; to the Committee on Ways and Means.

4826. Also, petition of the town of West Warwick, R. I.; to the Committee on the Judiciary.

SENATE

THURSDAY, MARCH 21, 1935

(Legislative day of Wednesday, Mar. 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, March 20, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6644) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes, and that the House had receded from its disagreement to the amendments of the Senate numbered 1 and 26 to the bill and concurred therein.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 6644) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes, and it was signed by the Vice President.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	La Follette	Reynolds
Ashurst	Couzens	Lewis	Robinson
Austin	Cutting	Logan	Russell
Bachman	Dickinson	Lonergan	Schall
Bailey	Dieterich	McAdoo	Schwellenbach
Bankhead	Donahey	McCarran	Sheppard
Barbour	Duffy	McGill	Shipstead
Barkley	Fletcher	McKellar	Smith
Bilbo	Frazier	McNary	Steiwer
Black	George	Maloney	Thomas, Okla.
Bone	Gerry	Metcalf	Thomas, Utah
Borah	Gibson	Minton	Townsend
Brown	Glass	Moore	Trammell
Bulkley	Gore	Murphy	Truman
Bulow	Guffey	Murray	Tydings
Burke	Hale	Neely	Vandenberg
Byrd	Harrison	Norbeck	Van Nuys
Byrnes	Hastings	Norris	Wagner
Capper	Hatch	Nye	Walsh
Clark	Hayden	O'Mahoney	Wheeler
Connally	Johnson	Pittman	White
Coolidge	Keyes	Pope	
Copeland	King	Radcliffe	

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness, and that the Senator from Wyoming [Mr. CAREY] is absent on official business. I ask that this announcement stand for the day.

Mr. LEWIS. I announce that the junior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the senior Senator from Louisiana [Mr. LONG] is necessarily detained from the Senate. I ask that this announcement stand for the day.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the State of Washington, which was referred to the Committee on Military Affairs:

House Joint Memorial 23

To the Honorable Franklin D. Roosevelt, President of the United States; the Senate and House of Representatives of the United States of America, the War Department, and the Members of Congress from the State of Washington:

We, your memorialists, the Senate and House of Representatives of the State of Washington in legislative session assembled, most respectfully represent and petition as follows:

Whereas the War Department has maintained a permanent fort at Vancouver, Wash., for many years, and said fort has always been occupied by a part of the United States Army; and

Whereas said fort has for many years been known and designated as "Vancouver Barracks", but that a more suitable name for said fort is Fort Vancouver, this being the name which designated said fort in the early history of the Northwest: Now, therefore,

The Legislature of the State of Washington respectfully petitions the Congress of the United States, the President of the United States, and the War Department to change the official name of Vancouver Barracks to Fort Vancouver: Be it further

Resolved, That this memorial be forwarded to the President of the United States, the President of the United States Senate, the Speaker of the House, the War Department, and to each of the Senators and Representatives in Congress from the State of Washington.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of Colorado, which was ordered to lie on the table:

House Joint Memorial 8

Whereas there is now pending in the Congress of the United States House Joint Resolution No. 117, a joint resolution making appropriations for relief purposes; and

Whereas there is also now pending the Hayden highway amendment to said measure, which is for the purpose of appropriating funds for the highway program, including the improving of existing road systems, constructing national highways, and the elimination of grade crossings, as set forth in the President's message to Congress on January 4, 1935; and

Whereas the adoption of the Hayden highway amendment is desirable, in that such work affords useful permanent improvements on which a large percentage of direct labor can be used and the projects undertaken can be selected and planned so as to compete as little as possible with private enterprise; and

Whereas the State of Colorado and the Western States of the United States have as one of their major public needs the completion of an adequate transportation system connecting vast public stretches of unoccupied public domain: Now, therefore, be it

Resolved by the house of representatives of the thirtieth general assembly (the senate concurring), That the Congress of the United States is hereby respectfully memorialized and urged to give every consideration to the said Hayden highway amendment; and be it further

Resolved, That the Senators and Representatives of the State of Colorado in the Congress of the United States be requested to give their support to and to vote for the aforesaid Hayden highway amendment; and that copies of this memorial be forwarded forthwith to the President of the Senate, to the Speaker of the House of Representatives of the Congress of the United States, and to the Senators and Representatives from the State of Colorado in Congress.

The VICE PRESIDENT also laid before the Senate a resolution adopted by a committee of the Farmers' Union at Bloomer, Wis., favoring granting to farmers of Chippewa and adjoining counties, Wisconsin, the privilege of repaying the Government, bushel for bushel, for feed and seed obligations, if and when such farmers make a full crop, which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate petitions of several citizens of the States of Tennessee and Virginia, praying for the enactment of old-age pension legislation, which were referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Okolona (Miss.) Chamber of Commerce, protesting against the ratification of the Great Lakes-St. Lawrence Deep Waterway Treaty, which was referred to the Committee on Foreign Relations.

He also laid before the Senate petitions of sundry citizens of the States of Connecticut, Maine, Massachusetts, Missis-

sippi, New Jersey, and New York, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

He also laid before the Senate a resolution adopted by the council of the city of Parma, Ohio, favoring the enactment of pending legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which was ordered to lie on the table.

Mr. BONE presented the following joint memorial of the Legislature of the State of Washington, which was referred to the Committee on Education and Labor:

House Joint Memorial 3

Relating to the use of public funds for the dental care of children in the public schools

To His Excellency the President of the United States, to the Honorable United States Health Commissioner, and to the Honorable Senate and House of Representatives of the United States:

Your memorialists, the Senate and House of Representatives of the State of Washington, most respectfully represent and petition as follows:

Whereas educators have determined that defective teeth are a serious impediment to progress in the education of the young, as well as a factor in delinquency; and

Whereas competent authorities state that 98 percent of the school children of the United States need dental care; and

Whereas under present circumstances the dental care of most of these children must necessarily be neglected to their serious loss throughout their lives; and

Whereas estimates show that the entire 25,000,000 public-school children needing this care may receive it for about $50,000,000 the first year and a much reduced sum in the years thereafter; and

Whereas no other expenditure of such a sum would contribute more to the health, happiness, and progress of the youth of our Nation and to their well-being as citizens in their adult years; and

Whereas in the relief programs of the Nation little has been done for professional groups which have suffered extremely along with the manual workers: Therefore be it

Resolved, That your memorialists do respectfully urge that Federal funds be appropriated immediately to the amount of $50,000,000 or such sum as may be necessary to provide dental care for all pupils in the grade and high schools of the United States who desire to avail themselves of this service; be it further

Resolved, That a copy of this memorial be transmitted to the President of the United States, to the United States Health Commissioner, to Mrs. Franklin D. Roosevelt, and to each Senator and Representative in Congress from the State of Washington.

REPORTS OF COMMITTEES

Mr. BAILEY, from the Committee on Claims, to which was referred the bill (S. 659) for the relief of Walter J. Bryson Paving Co., reported it with an amendment and submitted a report (No. 353) thereon.

Mr. LOGAN, from the Committee on Military Affairs, to which was referred the bill (S. 566) for the relief of George Yusko, reported it without amendment and submitted a report (No. 354) thereon.

Mr. BULKLEY, from the Committee on Foreign Relations, to which was referred the bill (H. R. 2569) for the relief of the estate of R. A. Wallace Treat, reported it without amendment and submitted a report (No. 355) thereon.

Mr. WHEELER, from the Committee on Indian Affairs, to which was referred the bill (S. 2146) for the relief of certain Indians of the Flathead Reservation killed or injured en route to dedication ceremonies of the Going-to-the-Sun Highway, Glacier National Park, reported it with amendments and submitted a report (No. 356) thereon.

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 1513) to add certain lands to the Siskiyou National Forest in the State of Oregon, reported it with an amendment and submitted a report (No. 357) thereon.

He also, from the same committee, to which was referred the bill (S. 1680) to include within the Deschutes National Forest, in the State of Oregon, certain public lands within the exchange boundaries thereof, reported it with amendments and submitted a report (No. 358) thereon.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 1787) to add certain lands to the Pisgah National Forest in the State of North Carolina, reported it without amendment and submitted a report (No. 359) thereon.

He also, from the same committee, to which was referred the bill (S. 933) to provide for an investigation and report of losses resulting from the campaign for the eradication of the Mediterranean fruit fly by the Department of Agriculture, reported it with an amendment and submitted a report (No. 360) thereon.

NATIONAL PARKS

Mr. ASHURST, from the Committee on Public Lands and Surveys, to which was referred the resolution (S. Res. 102) to investigate the advisability of establishing additional national parks and revising the boundaries of other parks, reported it with amendments, and, under the rule, the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

A bill (S. 2322) to amend section 36 of the Emergency Farm Mortgage Act of 1933 as amended; to the Committee on Agriculture and Forestry.

By Mr. TOWNSEND:

A bill (S. 2323) for the relief of Ida C. Buckson executrix of E. C. Buckson deceased; to the Committee on Claims.

By Mr. BARBOUR:

A bill (S. 2324) to incorporate the Military Order of the Purple Heart; to the Committee on the Judiciary.

By Mr. SHEPPARD:

A bill (S. 2325) granting a pension to Mary L. Robinson; to the Committee on Pensions.

A bill (S. 2326) authorizing the Secretary of War to lease or to sell certain lands and buildings known as "Camp Eagle Pass, Tex.", to the Eagle Pass & Piedras Negras Bridge Co.; to the Committee on Military Affairs.

A bill (S. 2327) to provide for the Federal incorporation of the Veterans Club of America; to the Committee on the Judiciary.

By Mr. BYRD:

A bill (S. 2328) for the relief of Mrs. Clarence J. McClary; to the Committee on Claims.

By Mr. BAILEY:

A bill (S. 2329) for the relief of Charles L. Kee; to the Committee on Claims.

By Mr. TYDINGS (by request):

A bill (S. 2330) authorizing the Virgin Islands Co. to settle valid claims of its creditors, and for other purposes; to the Committee on Territories and Insular Affairs.

By Mr. REYNOLDS:

A bill (S. 2331) for the relief of Sam Smith; to the Committee on Claims.

By Mr. PITTMAN, Mr. NORBECK, Mr. CLARK, Mr. BAILEY, Mr. McNARY, Mr. BYRD, and Mr. WHITE:

A bill (S. 2332) to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, and certain other acts relating to game and other wild life, administered by the Department of Agriculture, and for other purposes; to the Special Committee on Conservation of Wild Life Resources.

By Mr. THOMAS of Oklahoma (by request):

A bill (S. 2333) for the relief of John W. Dady; to the Committee on Indian Affairs.

By Mr. McKELLAR:

A bill (S. 2334) authorizing the appointment and retirement of William H. Kyle as a major, United States Army; to the Committee on Military Affairs.

By Mr. AUSTIN:

A joint resolution (S. J. Res. 89) directing the Comptroller General to readjust the account between the United States and the State of Vermont; to the Committee on the Judiciary.

By Mr. BONE and Mr. SCHWELLENBACH:

A joint resolution (S. J. Res. 90) authorizing loans to fruit growers for rehabilitation of orchards during the year 1935; to the Committee on Agriculture and Forestry.

By Mr. O'MAHONEY:

A joint resolution (S. J. Res. 91) to ratify the compact entered into between the States of Wyoming and Montana for division of the waters of the Yellowstone River; to the Committee on Irrigation and Reclamation.

AMENDMENT TO AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. BILBO submitted an amendment proposing to increase the appropriation for scientific investigations of diseases of animals from $366,755 to $391,755, intended to be proposed by him to House bill 6718, the Agricultural Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

WORK-RELIEF PROGRAM—AMENDMENT

Mr. McCARRAN submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was ordered to lie on the table and to be printed, as follows:

On page 6, after line 4, insert the following:

"All funds allocated under this joint resolution for expenditure in any State shall be administered under the supervision of a State administrator, to be appointed by the President, by and with the advice and consent of the Senate."

ALLOCATION OF RADIO BROADCASTING FACILITIES

Mr. WHEELER. Mr. President, on January 22 last the Federal Communications Commission transmitted to Congress a report relative to the allocation of radio broadcasting facilities in connection with nonprofit radio programs. I ask unanimous consent that this report may be printed in the RECORD.

There being no objection, the report of the Federal Communications Commission was ordered to be printed in the RECORD, as follows:

REPORT OF THE FEDERAL COMMUNICATIONS COMMISSION TO CONGRESS PURSUANT TO SECTION 307 (c) OF THE COMMUNICATIONS ACT OF 1934

The Communications Act of 1934, section 307 (c), provides—

"The Commission shall study the proposal that Congress by statute allocate fixed percentages of radio broadcasting facilities to particular types or kinds of nonprofit radio programs, or to persons identified with particular types or kinds of nonprofit activities, and shall report to Congress not later than February 1, 1935, its recommendations, together with the reasons for the same."

Under existing law the Federal Communications Commission is charged with the responsibility of licensing stations if public interest, convenience, and necessity will be served thereby, and with effecting an equal allocation of facilities to the zones and a fair and equitable allocation of facilities to the States according to population.

As a means of studying the proposal, the broadcast division, by direction of the Commission, held public hearings from October 1 to 20 and from November 7 to 12, 1934. Notices of hearings, 1,535 in all, were mailed directly to all parties of record at the Commission, to 21 administrations, departments, commissions, and offices of the Government, and wide newspaper publicity was given the matter so that anyone interested might be informed of the hearings. One hundred and thirty-five witnesses testified at the hearings, and approximately 14,000 pages of testimony were presented for the Commission's consideration in addition to several thousand pages of exhibits.

The broadcasting industry, including the licensees of broadcast stations and the manufacturers of radio equipment, expressed opposition to the proposal. Much of the testimony presented to the Commission by the industry was directed to the purpose of showing the service rendered by broadcasters to particular types or kinds of nonprofit activities. Representatives of the National Association of Broadcasters presented statistics from 269 stations representing 77 percent of the so-called "commercial" radio stations. The total investment of these stations, as reported, is $25,041,327, and the total cost of operating the stations for the period from January 1, 1934, to June 30, 1934, was $12,833,302. The total broadcasting time of these stations for the same period was 669,000 hours, of which 75,773 hours, or 11.3 percent, of the broadcasting time was devoted to program matter of the character referred to in the proposal, a large percentage of which were night hours. It was asserted that a greater percentage of the time might be considered as being devoted to educational purposes, using the term "educational" in its broadest sense to embrace all programs having a cultural or informative value. These general statistics were supported by reference to particular services of particular stations. Representatives of some of the most important institutions of learning were definite in their statements that they had ample opportunity for the development of their radio activities under present arrangements, and they were likewise definite in their opposition to any rearrangement which would place the burden of maintaining broadcast stations upon educational institutions.

Most of the witnesses who testified in behalf of the nonprofit groups expressed the belief that the interests of such institutions would be best served by a more efficient use of the radio facilities maintained at the present time and a more extensive use of the resources and audiences of stations now licensed.

It is clearly established by the Commission's study of the problem, that no allocation of facilities for special services could be effected by the authorizing of new stations to make up the proportion of facilities proposed to be allocated to special services. Limitations of physical laws on the number of available frequencies absolutely prevent any general enlargement of the number of broadcast stations. The addition of any appreciable number of new stations must necessarily result in interference with existing stations and in consequent reduction of service areas with the tendency to limit broadcast service to areas immediately surrounding the location of transmitters. But notwithstanding the fact that there are so many stations now that changes in one station almost invariably affect services of other stations, it is a fact that there are large areas of the United States in which there is not one radio service of dependable signal quality available to residents. Before undertaking to provide special services through the addition of new stations, it would seem a fundamental requirement that the general public throughout the whole country be provided with at least one radio service of general interest and dependable signal quality lest there be discrimination against areas not receiving any service.

Practically all types of nonprofit organizations were represented in this comprehensive study of the aims and purposes of radio broadcasting, but no unanimity of thought or plan on the part of these organizations is apparent from the record. While the hearings were conducted to determine whether statutory allocation was desirable, there were few definite proposals that such allocation be made. There were many statements made by prominent educators and leaders asking that no definite allocation be made by statute, hoping thereby, to protect the present cooperative effort being carried on between the commercial stations and the nonprofit organizations. Commercial stations are now responsible under the law, to render a public service, and the tendency of the proposal would be to lessen this responsibility.

They further stated that such organizations were not equipped and were not financially able to build and maintain their own broadcasting stations if facilities were allocated to them. The Commission feels that present legislation has the flexibility essential to attain the desired ends without necessitating at this time any changes in the law.

Among those appearing for the nonprofit organizations were representatives of labor, education, religion, and civic groups. The labor representatives did not favor a specific allocation of facilities but were interested mostly in the maintenance of the facilities that they now enjoy. Representatives of various educational institutions seemed to favor the present system, while offering certain improvements which apparently can be accomplished under existing law. Most of the representatives of religious groups seem to favor the continuance of the present system. In general, representatives of nonprofit groups expressed the opinion that the best results would be brought about by cooperation between the broadcasters and their organizations under the direction and supervision of the Commission, and not by an allocation of fixed percentages.

RECOMMENDATION

The Federal Communications Commission respectfully recommends that at this time no fixed percentages of radio broadcast facilities be allocated by statute to particular types or kinds of nonprofit radio programs or to persons identified with particular types or kinds of nonprofit activities.

REASONS

There is no need for a change in the existing law to accomplish the helpful purposes of the proposal.

Flexibility in the provisions of the law is essential to regulation if growth and development in the art of broadcasting is to be encouraged and regulated for the best interests of the public as a whole.

There are insufficient broadcast facilities available in the present development of the art to provide for specialized broadcast services consistent with a fair and equitable distribution of facilities and services throughout the country.

No feasible plan for a definite allocation of broadcast facilities to nonprofit organizations has been presented.

The hearings developed no evidence of a real demand on the part of the great body of nonprofit organizations or on the part of the general public for the proposed allocation of definite percentages of broadcast facilities to particular types or kinds of nonprofit activities.

It would appear that the interests of the nonprofit organizations may be better served by the use of existing facilities, thus giving them access to costly and efficient equipment and to established audiences, than by the establishment of new stations for their peculiar needs. In order for nonprofit organizations to obtain the maximum service possible, cooperation in good faith by the broadcasters is required. Such cooperation should, therefore, be under the direction and supervision of the Commission.

PROPOSED ACTION

In order to offer constructive thought and assistance in accomplishing the wholesome ends sought to be attained by Congress in directing the submission of this report, the Commission outlines a

course of action which it will undertake at once and which it believes will accomplish these desirable ends.

The Commission proposes to hold a national conference at an early date in Washington, at which time plans for mutual cooperation between broadcasters and nonprofit organizations can be made, to the end of combining the educational experience of the educators with the program technique of the broadcasters, thereby better to serve the public interest. The conference should also consider such specific complaints as might be made by nonprofit groups against the actions of commercial broadcasters in order that remedial measures may be taken, if necessary.

The Commission intends also actively to encourage the best minds among broadcasters and educators alike in order to develop a satisfactory technique for presenting educational programs in an attractive manner to the radio listener. Cooperation with the United States Commissioner of Education and other governmental agencies already established to assist in building helpful radio programs will be sought to an even greater degree than it now exists. The results of the broadcast survey, which is now being conducted by the Commission to determine the amount and quality of secondary service of large metropolitan broadcasting stations in remote sections of the United States as well as by broadcast stations generally, will be studied with the thought in mind of providing the best possible service to every American radio listener and to provide him with a well-balanced selection of nonprofit and public-interest programs. The results of a direct questionnaire survey now under way will be studied with the same thought definitely in mind.

The Commission feels in particular that broadcasting has a much more important part in the educational program of the country than has yet been found for it. We expect actively to assist in the determination of the rightful place of broadcasting in education and to see that it is used in that place.

There have been protests, particularly by persons interested in the preservation of the broadcasting facilities of educational institutions, against the procedure under which licensees are required to defend their assignments in hearings upon applications of other parties. The Commission now proposes that provisions be made to conduct informal preliminary hearings on applications that appear from examination to be antagonistic to established stations or likely adversely to affect the interests of any established stations to determine whether the application violates any provision of the Communications Act or the rules and regulations of the Commission, or whether or not the applicant is legally, financially, and technically qualified to contest the use of a radio facility with an existing station. Under such a provision, applications found inconsistent with law or regulation and applications of those found not qualified to operate stations will be refused without requiring the presence of licensees of existing stations at hearings.

It is the earnest belief of the Commission that the action planned by it will accomplish results which will prove of lasting benefit to the broadcast structure as well as to the American radio public. The Commission seeks to accomplish the purposes for which the nonprofit interests and the broadcasters are earnestly working without the necessity of any radical reallocation, which would precipitate dissatisfaction and chaos and which would tend only to complicate and impede true progress in the broadcast public service.

In making this report, the Commission is not unmindful of the sincerity with which the well-considered arguments were presented by the nonprofit organizations supporting the proposal of a statutory allocation as well as by the broadcasters generally. The fine spirit and cooperation were most helpful. The Commission does not wish to seem to disregard the requests of the nonprofit organizations. It is to effectuate these requests and to accomplish the greatest and the widest good that the Commission will undertake the action outlined in this report. It is our firm intention to assist the nonprofit organizations to obtain the fullest opportunities for expression. Every sound, sensible, and practical plan for the betterment of the broadcast structure will be speedily effected.

Respectfully submitted.

E. O. SYKES,
Chairman Federal Communications Commission.

ADDRESS OF POSTMASTER GENERAL FARLEY AT RICHMOND, VA.

Mr. BYRD. Mr. President, I ask unanimous consent to insert in the RECORD a very interesting address recently delivered by the Postmaster General, Hon. James A. Farley, chairman Democratic National Committee, at the annual banquet of the Young Democratic Clubs of the Third Congressional District, at Richmond, Va., March 6, 1935:

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It seems like carrying coals to Newcastle for me to suggest to the young men and young women of Virginia that they should take a serious and active part in politics and Government. The glorious history of the Old Dominion is a record of achievement in which youth has borne the greatest part.

We can go clear back to the appearance in history of that radiant Virginian, the Indian girl, Pocahontas, who at an age when girls of today are busy with their school books, saved the life of Capt. John Smith and, incidentally, the Jamestown settlement. For had she permitted the club of Powhatan's executioner to fall that settlement would have failed as did so many of the experimental Colonies of that era. It would have changed the whole history of Virginia, and perhaps the entire life of the Nation we know today. Without the great State that had so conspicuous a part in pioneering the Revolution the Colonies would never have been able to combat the might of England.

Our country faces today one of the gravest situations with which it was ever confronted. True, we have progressed since the depression was at its worst. Business has advanced in a gratifying degree. Unemployment is nowhere near as general as it was, and the bank problem has been solved so that the financial structure is safe. But we cannot maintain these gains if we stand still, let alone continue the progress to complete recovery. Forces are at work that tend to undermine the Government's plan to go forward along the same lines that have accomplished so much. Many people are impatient that everything has not been done at once and are forwarding programs that cannot, if they are followed, fail to wreck us anew.

Partisan politics has come into the picture. Personal ambitions have their part in complicating an already intricate situation. I do not wish to be understood as implying that a selfish motive was actuating all the efforts to hinder the administration. Undoubtedly there are many sincere people who, for one reason or another, think they have a better solution of our problems than those which President Roosevelt has so patiently and thoroughly studied out. In any event, it is going to require the hardest work and the deepest thought of every forward-looking, patriotic citizen to put our country back on the road of contentment and prosperity. So I call on every one of you to do his part.

I know it is customary on such occasions as this to tell the young men and women that the Nation is their inheritance and that it will devolve on them, before the passage of many years, to run this Government of ours and to charge themselves with the destiny of the country.

I should like to amend this rather trite declaration. It seems to me that now, and not merely the future, represents the opportunity of youth. It is a time of change—not a change in our system of government or a change in our Constitution, but a departure from old processes, a recasting of method consequent to new situations and new problems.

There is, of course, a tradition—or, perhaps, a better term would be a superstition—that graybeards and wrinkles are requirements for positions of dignity and power.

Experience is, of course, a vast asset. But the only way to acquire experience at any game or any business is by getting into it. The idea that rashness is a necessary attribute of anybody less than 60 years old is a proven fallacy.

The great parts in not only the national but the international drama have not infrequently been taken by young men. This is shown by our own history. The names of those to whom we refer as the founding fathers of our Government suggest to us the figures of historical old paintings. We get the idea that all them were stern-faced old gentlemen, who wore stocks instead of collars, bell-crowned hats, and ruffled shirts.

The reason for this is that these pictures were made after the subjects had performed their great accomplishments. Whereas the fact is that in the formative period of our country these men were in the full flush and fire of early adult years.

Virginia has an enviable record in the character of the officials she has selected for her high governmental posts, State and National. Since the brave and courageous Governors of her colonial days down to Governor Peery, who is carrying on the honorable tradition, she has perhaps a smaller percentage of failures in office than almost any other State. The rolls of Congress are dotted with the names of great Virginians. Senators CARTER GLASS and HARRY FLOOD BYRD are carrying on the line of square-dealing, hard-hitting, honest, and courageous Virginia Senators. Nor should I omit from the illustrious roll Claude Swanson who, after brilliant service in the National Legislature, was drafted by the President to head the Navy Department. These men, no more than their predecessors who made Virginian an illustrious title, sprang fully equipped into their eminence. You may be sure that even the immortal Washington was not intrusted with the mighty responsibility of leading the army of freedom without a scanning of the accomplishments of his youth.

He was a major and adjutant general of a military district of Virginia when he was 19. He was only 21 when he was sent by his State to visit the French army in the Ohio valley, presumably to see if the war clouds then gathering could not be dissipated. Instead, these clouds resulted in the storm of battle and we find him a lieutenant colonel when he was 22, and an aide to the British general in command when he was 23, and 2 years later he was selected as commander in chief of the colonial forces in the prerevolutionary struggles between France and Great Britain. He was only 26 when he became a member of the Colonial House of Burgesses.

It was because of the energy and vigor and intelligence with which he met the responsibilities of these posts that the Nation then being born turned to him as its chieftain.

The same thing is true of the other Virginia Presidents—Jefferson, Madison, Monroe, Tyler, and Woodrow Wilson. I have no intention of giving you a lesson in the history of your State, which you know better than I do, but I do wish to point out that in the formative days of the great Republic the young people came to the fore.

I have no doubt that the ancients of that day stroked their quivering chins and raised their aged eyes to heaven as they contemplated the policy of intrusting mere boys with grave responsibilities.

Perhaps there were older men, with more experience, available, but the time called for virility, promptness of decision and the courage of youth. So they did their parts and the verdict of their contemporaries was justified and endorsed by the history of succeeding decades.

Incidentally, it was not only the young men of that period who did big things. It was before the days, of course, when alert young women sat at their employers' elbows with a flying pencil and an almost equally rapid typewriter, but the wives and daughters of a great number of the Members of the Continental Congress performed the clerical work, intensely important and intensely secret, of their husbands and fathers. And I have a sneaking suspicion that much of the clarity of expression and literary quality of some of the speeches was contributed by these unsung heroines of the most important legislative session ever held.

Then, of course, we had Betsy Ross of debutante age, who made the first American flag almost before there was an army to fly that flag.

And young Molly Pitcher, who showed Gen. Israel Putnam's hastily enrolled farmers how to serve the guns at the Battle of Monmouth.

And a little later on came Dolly Madison, a Virginian, who, when her husband was President, saved the precious records of the White House as the British were advancing on it and carried them to security with her.

Add to this list the thousands of girls who patched the uniforms of the Continentals and mitigated the winter sufferings of the troops with their contributions of knitted socks, mittens, and comforters.

You may notice, if you read the outcries of our Republican opponents, that no inconsiderable part of their criticism is directed toward the presence in the Government of men and women comparatively young. And, perhaps, you young Democrats may note the parallel of these times with the strenuous period at the birth of the Republic. One would think, if he listened to Republican statesmen old in years and ancient in ideas, that our great President had gone into the highways and byways to dig out mere infants to aid him and advise him in the conduct of the Government through a period of great stress.

Fortunately, most of these contemporary figures, who are as out of date in their governmental theories as those represented in the oil paintings with their old-fashioned clothes and periwigs, have been retired by the people. Fess, of Ohio, Smoot, of Utah, Watson, of Indiana, Arthur Robinson, of the same State, Moses, of New Hampshire, and many others have been replaced by able, energetic Democrats who are in step with the spirit of the time.

Your organization, and hundreds of thousands of other young men and women not yet affiliated with it, though they are close kin to you in sentiment, played a great part in the retirement of these reactionaries who remained on the political stage so long beyond the period when their usefulness had ceased.

It was the youth of the country, with fresh ideas, with impatience at the old, helpless, drifting order that had dominated this country for a dozen years, who had the courage to face the economic wreck into which the country had been permitted to sag, and who made possible the election of Franklin D. Roosevelt and last November gave his administration the most complete endorsement ever received by a President of the United States since the days of those great statesmen whom I cited to you as examples of the success of young men in our history.

Virginia contributed more than presidents to the launching of our country. There was Chief Justice John Marshall, who made the Supreme Court the great tribunal it is today. This same John Marshall, when he was hardly of age, served as major of the Culpeper minute men, on whose buckskin shirts were worked the words "liberty or death." Those were the words used by Patrick Henry in his speech made at the little church down the street, when Henry was hardly older than the average college boy today. There are so many great names in your history—generals like Lee, poets like Edgar Allen Poe, naval commanders like Commodore Maury, scientists like Dr. Reed, who rid the world of the yellow-fever plague—that it is impossible to name on such an occasion as this a fraction of them. But I do wish to refer to Capt. Merriwether Lewis and Lt. William Clark, a pair of youngsters whose explorations acquainted the country with the vast empire that lay between the Mississippi and the Pacific coast. They are conspicuous examples of the fact that people need not wait for the dignity and experience of middle age in accomplishing great things.

There is no longer a trackless West by traversing which you can perform a service to your country and thereby win undying fame. There is, however, a vast frontier that awaits the new pioneers. I mean the almost unexplored field of economic security into which a trail must be blazed that will make it impossible for any future depression to leave millions of our people so destitute that they must accept a Government dole to keep from starvation. It must be a safe trail that will develop into a broad highway to prosperity, preserving all our constitutional landmarks, lest we be plunged into a morass infinitely worse than anything we have encountered.

To build and maintain such a highway I summon you young Democrats and welcome you to the field of politics for it is only in this field that we can advance in government.

Party politics of the most practical kind is a necessity in a nation committed to the two-party system. Organization is the keystone to party success. But all the tricks of the politician, all the expedients of election strategy amount to little unless the candidate for whom they are performed is worthy of the job in which the party strives to place him.

Even party success does not add much to the historical total of accomplishment unless success in election is followed by success in administration. That success can only be achieved by real devotion to the public welfare. The people are as quick to punish as to reward when it comes to public office.

Unsuccessful politicians like to dwell on what they call the fickleness of the voters. It is not the people who are fickle. They put men in office to do the work of government—to do what is best for the country and most in accord with the national desire.

True, we have now, and always have had, vociferous minorities who have clamored for this or that radical measure. These have been very noisy at times and the loudness of their clamor has given a false impression as to their number. But beneath the smoke raised by the advocates of economic and political nostrums, advertised to cure our troubles overnight, there is a great and controlling body of citizens whose votes take care of the Nation's destiny.

It is a curious thing that while no business man would care to be told how to run his business by one without experience in such a business, in the case of the Government—the biggest business of all and concerning everybody—many a man with a loud voice and a theory feels he is more competent to administer the Nation's affairs than one whose life has been spent in the public service.

Organized minorities have not infrequently created a lot of commotion. When they have formed a solid bloc they have been able, by throwing their strength to whichever party was willing to accept their ideas, to control specific areas.

They have unfortunately managed in this way to get a representation in Congress far in excess of their numerical deserts.

I confess I have a good deal of sympathy for Congressmen and congressional candidates whose districts are plagued by the presence of such groups and who feel that their election involves support of a cause for which they have no sympathy. But there is only one honest course open to men so placed.

It all comes down to the principle I have already enunciated, that permanent success in public office can only come with adherence to a man's own devotion to public welfare.

I think you will agree with me that our Republic is passing through a period of as great stress as it has ever experienced since the days when the young men stood to their guns barefooted, ragged, and hungry, with Washington, making the struggle for our national independence. You may be sure that in that time there were not lacking voices of advisers who counseled them to admit failure, pointing out that independence was an idealistic dream of immature minds engaged in a reckless experiment.

The mental processes of Tories do not vary. They abhor any kind of change and never cease to cite each difficulty of an attempt to make things better as an evidence of the break-down of whatever is being undertaken. The Tories of the days of Valley Forge talked and thought along the same lines as the Tories of 1933.

The favorite target of those who today would like to see the administration of President Roosevelt other than a success is the size of the fund required to combat unemployment and to keep people alive—people whose destitution comes through no fault of their own but by reason of a great economic disaster in which the whole world shares, and from which, incidentally, the United States of America is emerging more definitely than any other great nation.

You will recall that during the days of our prosperity the huge national debt incurred in war was steadily diminished and that taxes by which this was accomplished were by no means unendurable. We are a bigger, richer country than we were then.

The credit of the United States is at a high point here and abroad. Our dollar is the strongest of world currencies, as evidenced by the inflow of gold to this country. By the time you young Democrats are running the businesses of this country, the fears of today will seem in retrospect no more substantial than those that existed a dozen times during the life of our Nation. Those fears now live only in the pages of the history books and other volumes that are consulted by the school men who are concerned with the age-long story of finance.

In any event, we have got to go through with what we are doing. Nobody as yet has offered a serious alternative to President Roosevelt's recovery program. There is a lot of grumbling, naturally; some of it by those who can see no virtue in anything a Democratic administration does, some of it by those impatient ones who think that miracles are possible by which a disturbed world can be set aright overnight.

I suppose that such things are unavoidable in a politically minded country, particularly as there are no real issues on which the administration can be challenged. The verdict of last November's election shows how little impression this sort of thing has on the public mind.

This is about as good a time as any to tell you that what has happened and is happening is no surprise, either to the President or the rest of the administration you put in power 2 years ago. Franklin D. Roosevelt had no delusions as to the magnitude of the task that confronted him when he came to the White House. He knew then, and has never lost sight of the difficulties that lay ahead of him. Fortunately, he is a man of infinite patience as well as capacity, courage, and industry. He has met each situation as it arose without panic, without discouragement, and without the slightest lessening of his faith in the ultimate out-

come. Under such a leader, the war against adversity is bound to result in victory. You placed him where he is. You put the burden of recovery upon his shoulders. And I summon you now to give him the same loyalty, the same confidence, that you exhibited in 1932 and in 1934, and I know that the call will be heeded by you and that you will celebrate with him a final victory more important to our beloved country than any victory we have won.

And let me close with these words of our great President:

"Much has been written about the hope of youth, but I prefer to emphasize another quality. I hope that a great many have been trained to pursue truths relentlessly and to look at them courageously. I hope that they will face the unfortunate state of the world about them with a greater clarity of vision than many of their elders."

NEUTRALITY LAWS

Mr. BONE. Mr. President, I ask unanimous consent to have inserted in the RECORD an editorial from the Philadelphia Record of March 20, 1935, dealing with the question of neutrality laws and suggesting the desirability and advisability of Congress enacting a law empowering the President to stop all commerce between the United States and any warring nation, or citizens of any warring nation. I insert this editorial in the CONGRESSIONAL RECORD because I regard the Philadelphia Record not only as a magazine which is brilliantly edited but one which also reflects a truly progressive spirit.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Record]

WILL WE SING "OVER THERE" AGAIN?

"Will we get mixed up in it?"

That worried question is on every tongue as America watches Europe's tragic turn toward war.

The answer is "yes"—unless we take positive measures to stay out of it.

It is not sufficient that the great majority of Americans are opposed to entering another European conflict. It is not sufficient that we covet no territory now held by European powers. It is not sufficient that the Atlantic divides us from the theater of conflict.

All those factors were present during the last war. They failed to keep us out because our business and political leaders thought we could play with fire without getting burned.

We insisted on trading with the belligerents. We invoked the traditional principle of freedom of the seas. Actually, we admitted that the British Fleet had a right to stop us from trading with Germany, but refused to admit that German submarines had a right to prevent us from dealing with the Allies. It would, therefore, be more correct to say we invoked half a principle.

By the time America entered the war we were so deeply involved financially on the side of the Allies that our Ambassador to Great Britain, Walter Hines Page, wrote to President Wilson that he believed defeat for the Allies would destroy the American business structure.

We recognize now where we made our mistake in 1914–17. We acquired European entanglements without knowing it.

And we are in exactly the same position today as we were when the last war broke out. We have not made a move to prevent repetition.

Suppose a European war breaks out next month. Great Britain again would control the seas. Great Britain and whatever nations were allied with her would again buy American munitions, foodstuffs, and almost everything our factories make. We would not, in all probability, ever be paid for them. But business would seem to boom for a while.

Then, suppose defeat in the field or revolution at home threatened the side with whom we had been dealing. The United States would enter the war—and public desire for peace could not stop it.

The time to prevent such a tragedy is now.

The way is a neutrality law, empowering the President to stop all commerce between Americans and any warring nation or citizen of a warring nation.

It is such a law that should be under consideration in Washington today instead of discussions of the advisability of sending Germany a note of protest. The international meddlers are shouting that, under our peace treaty with Germany, we have as much right to protest against the rearmament of Germany as Great Britain has.

Of course we have a right to protest. But that isn't the question.

Have we anything to gain by protesting? Will a note increase the chances of America's remaining out of a European conflict?

It would have just the opposite effect. It would involve us again in the ghastly mess from which we extricated ourselves at a terrific sacrifice of men and money.

This newspaper cannot be suspected of friendliness toward the present German Government. But Hitler is a product of the general European situation.

And that is something beyond the power of this country to solve.

If Europe is to be preserved, Europeans must do the job. We can't.

Remember that whether or not American youths march off again to Europe does not depend on anyone's vague pacifistic intentions. It depends on a definite law which can be passed and enforced.

ORGANIZATION OF "SHARE OUR WEALTH" SOCIETIES—FORM LETTER

Mr. WHEELER. Mr. President, in the absence of the Senator from Louisiana [Mr. LONG] he has requested that I ask unanimous consent to have printed in the RECORD a form letter prepared by him.

There being no objection the form letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON THE JUDICIARY.

DEAR FRIEND: Your letter received. Just as soon as we can, we will make an answer to any specific question you ask. Our letters are arriving by the thousands at a time and with our limited funds we work night and day to answer them as fast as we can.

However, for the present we must hurry the work of every community in organizing a Share Our Wealth Society. Therefore we are answering you immediately by sending the general circular on how to proceed to organize a society, which circular describes our program in general detail. It is important that when you have organized such society for one community or part of one community that some committee or person should be named to get around into all nearby sections to get them to organize societies there.

As soon as you have organized your society and notified us about it, we will send you such copies of other bulletins and speeches as you may need and also books and manuals so that you can proceed on all fronts.

But the immediate necessity is to hurry to get our people busy in the work. If you knew how much that the fact these societies are organizing everywhere is causing the politicians to yield here and there already, you would appreciate how absolutely necessary to our purpose it is that we get the people into a society so that they may meet and become informed, thereafter to proceed along intelligent and unified lines.

Please hurry with the work to get your society organized. Write me as soon as you have completed organization. Be sure to send in the coupon off of the circular with the names of your officers.

Yours sincerely,

HUEY P. LONG,
United States Senator.

WORK-RELIEF PROGRAM

The Senate resumed the consideration of the joint resolution (H. J. Res. 117) making appropriations for relief purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE], which will be stated.

The CHIEF CLERK. On page 2, line 7, it is proposed to strike out "$4,000,000,000" and to insert in lieu thereof "$9,000,000,000", so as to read:

That in order to provide relief and work relief, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be used in the discretion and under the direction of the President, to be immediately available and to remain available until June 30, 1937, the sum of $9,000,000,000—

And so forth.

(Mr. LA FOLLETTE resumed and concluded the speech begun by him yesterday.)

Mr. LA FOLLETTE. Mr. President, the junior Senator from Arizona [Mr. HAYDEN], in an address which he made at some length in the Chamber a few days ago, fully discussed the comparative national debts of this country and of Great Britain, and also the respective national incomes of the two countries. The figures for France and Italy are also included. It therefore seems unnecessary for me to go into that phase of the situation, but I do wish to ask permission to insert in the RECORD at this point a table of estimates furnished to me by the Treasury Department, accompanied by the statement that—

The figures given in the enclosed tables represent the most reliable estimates we have been able to find; but, of course, you will understand that the Treasury cannot assume any responsibility for their accuracy.

The VICE PRESIDENT. Without objection, the tables will be printed in the RECORD, as requested by the Senator from Wisconsin.

The tables are as follows:

National and total public debts

	National public debt	Total public debt	National debt per capita	Total public debt per capita
United States	[1] $27,053,141,414	[1] $46,653,141,414	[1] $215	[1] $370
United Kingdom	[1] 39,111,650,000	[1] 45,616,650,000	[1] 850	[1] 991
France [2]	[3] 19,766,943,000	[4] 20,893,840,000	472	499
Italy [2]	[4] 8,807,975,964	(5)	214	(5)

[1] Source: A Summary of the British Tax System, p. 38. United Kingdom figures are as of Mar. 31, 1934; United States as of June 30, 1934.
[2] All conversions are at rate of exchange Dec. 11, 1934.
[3] As of Dec. 31, 1933. Source: The Economist, Mar. 10, 1934.
[4] Local debt is as of Mar. 31, 1930. Source: Annuaire Statistique, 1933.
[4] Made up as follows.

Internal (Mar. 31, 1934. Kimber's Record of Government Debts, 1934, p. 937)	$8,725,942,864
External (October 1934. Moody's Governments, p. 2604)	82,033,100
Total	8,807,975,964

[5] Not available.

NOTE.—Intergovernmental debts have not been included in national-debt or public-debt figures.

National income

	National income [1]	Year	Population	Per capita
United States	[2] $39,365,000,000	1932	[3] 125,700,000	$313
United Kingdom	[4] 16,759,540,872	1932	[4] 46,189,445	363
France	[5] 13,578,000,000	1932	[7] 41,834,923	325
Italy	[8] 5,548,465,000	1931	[9] 41,176,671	135

[1] All foreign figures converted at rate of exchange, Dec. 11, 1934.
[2] National Income, 1929 32, p. 10.
[3] National Industrial Conference Board Bulletin, May 10, 1934.
[4] Colin Clark, The Economic Journal (June 1933).
[5] 1931 Census.
[6] Estimate supplied by Bureau of Foreign and Domestic Commerce.
[7] 1931, Annuaire Statistique, 1933.
[8] Source: Kimber's Record of Government Debts, 1934, p. 931.
[9] World Almanac, 1932 Census.

Mr. LA FOLLETTE. It will be observed from the above tables that the total public debt per capita of the United States is $370 as compared with $991 in the United Kingdom.

I also wish to point out that for the year 1932 the per capita national income of the United States was $313, while in the United Kingdom it was $363.

It seems clear that the credit of the Government of the United States is not in the precarious situation which many Senators have contended. I grant that there is a point beyond which the credit of any nation cannot be extended, but I also contend that any nation which is willing to tax in an emergency of this kind can, with safety, greatly increase the indebtedness which it may assume.

Mr. President, in financial circles and in other circles in the Nation from time to time great apprehension has been voiced as to the possibilities of inflation in our country. We are certainly confronted in this crisis with the decision as to whether we shall tax sufficiently to maintain the credit of the Government of the United States or whether we shall be driven to resort to inflationary processes in order to meet the extraordinary expenditures which the crisis makes absolutely necessary. I venture the prediction that many of those who have been most vociferous in their protestations against inflationary procedure will ultimately favor inflation before they are ready and willing to pay the taxes necessary to prevent it.

As I pointed out yesterday, every large industrial country in the world during the economic crisis following the war has met that decision, and the only one which has had the courage to tax—and to tax upon the sound theory of ability to pay and thus to avoid inflationary procedure—is the Government of Great Britain.

From the beginning of the economic crisis I have contended on the one hand for a program which I believe is adequate to meet it, and on the other hand for taxation to make possible the extraordinary expenditures necessary to carry out such a program.

Mr. VANDENBERG. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Michigan?

Mr. LA FOLLETTE. I yield.

Mr. VANDENBERG. As one of those who are opposed to inflation, I wish to state to the Senator that I concur in his analysis. As one who is opposed to inflation, I see no logical alternative save that of taxation, and I am prepared for it now as heretofore.

Mr. LA FOLLETTE. I thank the Senator for his statement. The fact is that the Senator has supported the efforts which have been made in past sessions of Congress to increase taxes, and I feel certain he will do so in this session when the opportunity presents himself.

But there is a sharp conflict of opinion as to whether or not taxes should be imposed during the crisis or whether they should be postponed to some unknown date when the country shall be restored to more favorable economic conditions. I am in complete and utter disagreement with those who take the position that we can successfully meet the emergency with which we are confronted and at the same time postpone the date for the imposition of further taxes.

I am in disagreement with those who take that position for two reasons: First, because I am firmly convinced that we shall have to make these vast and extraordinary collective expenditures over a long period of time. Secondly, I am opposed to it because, as a result of these extraordinary expenditures the incomes of individuals and corporations are directly increased and, therefore, those who are in part the direct beneficiaries of any program undertaken to lift the purchasing power of the masses of the people should be required, in all justice and equity, to contribute their proportionate share, according to their ability to pay, to meet these extraordinary expenditures.

I am opposed to that position also because it has been my experience in the 9 years I have been a Member of this body, and in the years prior to that time when I was in the service of the Senate, that it is impossible to levy taxes in periods of prosperity. Senators will well remember that immediately following the war when we had incurred the largest public debt in all our history—in 1921, to be exact—when Andrew W. Mellon became Secretary of the Treasury he urged and the Congress adopted a program of reduction of taxation upon the false premise that it was contributing to the conditions described as prosperity in that period. I think the RECORD ought to show, also, that those upon the other side of the Chamber finally became convinced of the political desirability of reducing taxes, and the Democrats in this Chamber who prior to that time had stood for heavy taxation adopted the tactics of out-Melloning Mellon in their efforts to reduce taxation.

Had the advice of the so-called "progressive" group in this Chamber been taken during that period we would have reduced, if not entirely extinguished, the national debt incurred as a result of the war and the country would have been in a position to meet the emergency of the depression with much greater ease. Also had high taxes been maintained many of the excesses of the so-called "boom" period would have been avoided.

Since we have been in a serious economic crisis during the past several years we have experienced the reverse of the situation just described. Those of us who insist that increased taxes are necessary to maintain the credit of the Government in order that it may come to the relief of its distressed citizens are met with the argument that in periods of depression we must not impose additional taxes.

In addition may I point out, Mr. President, that in one respect taxes are somewhat akin to a flowing river with a potential power development. We may estimate the horsepower which could be developed if a dam were installed and the turbines started to work. But we will not get any energy from that potential power until we have installed the dam and until we have put the turbines to work. Similarly with taxation: Every day that we permit to go by without increasing the taxes upon those who should pay in accordance with their ability, revenue sorely needed by the Government, not only for the immediate period ahead of us but for a long time to come, so to speak, will have gone down the river never to be recaptured.

In conclusion of this phase of my argument I desire to sum it up by saying, first, that the credit of the Government

of the United States can be greatly extended; second, that in comparison with Great Britain—which is assumed by all to be in a sound financial condition—we have approximately one-third of the per capita indebtedness which she now is successfully carrying. Therefore, the arguments against a program sufficiently large to provide employment for those who are now out of work in this country, as well as for those who are upon relief, are not well founded. Such a program is entirely within the power and the financial ability of the Government.

Mr. President, I now desire to turn for a moment to some of the objectives which have been announced by the President and by his spokesmen in the Congress which they believe can be attained through the enactment of this joint resolution.

One of the objectives most often emphasized is that those who are upon relief and who are employable are to be given work. I wish to make the prediction that that objective cannot be fully attained. I shall pause only long enough to state that I have been furnished by the Federal Emergency Relief Administration, at my request, with a break-down of those who are on relief in the city of Chicago, according to their usual occupations. I shall not burden the Senate with an attempt to read this entire list; but it requires over two pages of single-space typewriting to list the previous occupations of the 154,000 workers who are on the relief rolls in Chicago. They range from actors and showmen through teachers, architects, clergymen, builders, wholesale and retail dealers, agents, collectors, credit men, radio and telegraph operators, boiler washers, engine hostlers, motormen, brakemen, farm laborers, charwomen and cleaners, miners, waitresses, and other categories.

Mr. President, it is my contention that it will be found to be impossible to devise projects which can give employment to all those who are on the relief rolls of the country, for the simple reason that there are many people who have been wiped out in this depression from a financial and economic standpoint, and who now find themselves forced to accept public relief, for whom it will be impossible to devise a work program or a work-relief program.

In the second place, I wish to point out that it is my firm conviction that the objective announced by the administration of withdrawing the Federal Government from the field of relief will be also impossible of attainment. I make that statement because I do not think Senators are fully aware of the large number of unemployable persons who, it is assumed, are now to be turned back upon the broken or impaired financial resources of cities, towns, villages, and States. I have an approximation for six States of those now considered to be employable or unemployable, furnished me by the Federal Emergency Relief Administration at my request. I desire to make it clear that the data they have presented are, according to their own statements, approximations based on studies made in from three to five cities and from four to five rural counties in each State.

Let us take the State of California, for example. There were, as of December 1934, 790,000 persons on the relief roll in the State of California. The Federal Emergency Relief Administration estimates that 332,000, or 42 percent, are employable. The balance, 458,000, are placed in the category of unemployable persons. We all know that California is a State rich in natural resources; that it has great wealth within its boundaries; but I venture the assertion that if we turn these 458,000 unemployables back upon the resources of California as a State, and upon the counties in the State, and upon the cities in the State, one of two things will happen: Either people who are justly deserving of assistance will not obtain it at all or the standards of relief will be reduced to disgracefully low levels—a condition which developed under the theory expounded here yesterday by the able Senator from Maryland [Mr. TYDINGS].

The Senator contended that every State should take care of its own; that every city and every county should take care of its own. I grant in theory that the Senator's position is sound; but we have reached a point in this country, due to the wide-spread disaster which swept over it in the form of this economic crisis, where we are no longer confronted with theories; we are confronted with realities.

I presented here, in session after session, exhaustive information to demonstrate that in the very States of those who now contend that this problem should be met by the individual States disgraceful conditions existed insofar as concerned self-respecting, upstanding citizens who had contributed to the development of their communities, their counties, and their States. Relief standards under the theory espoused yesterday by the Senator from Maryland, while that theory was in application under the administration of President Hoover, produced such disgraceful conditions in this country that finally the theories expounded by the able Senator from Maryand and others were swept aside, because the people of the country would no longer tolerate the conditions which existed even in the principal city of the Senator's State, Baltimore, and in every other city of any appreciable size in the country.

In Detroit, Mich., where the resources of the city were extended to the breaking point in an effort to meet this problem, conditions finally became so grave that it became perfectly obvious that the Federal Government had to come to the assistance of its distressed citizenship—citizens who were suffering, mark you, the torturing and demoralizing process of pauperization before they could even get the meager relief that was then being afforded.

Mr. President, one more word on that subject and I shall have concluded. Those Senators who figure out how many dollars of taxes their States turn into the Federal Treasury, and then contend that the broad taxing powers of the Federal Government should not be exercised in order to require the more wealthy communities to come to the assistance of those that are less wealthy, are also dealing with theory and not with reality.

In the first place, take the suggestion of the Senator from Maryland, made yesterday, that the State of New Mexico should resort to an income tax in order to meet its problem. Every Senator knows my attitude toward income taxation. I believe all taxes should be levied in accordance with ability to pay; but a single State attempting to impose an income tax upon its citizens is confronted with the problem of competing with States that do not impose income taxes, and a point is soon reached beyond which the State cannot go in an attempt to tax the wealth within its borders.

Furthermore, Mr. President, where did the wealth come from that the Senators from the seaboard and New England States boast about? Where did the great fortunes of citizens now resident of these communities come from? Were they produced in the States where these individuals now reside? Not in many instances. Take the fortune of the Mellon family. Was it produced in Pittsburgh? Was it produced in Allegheny County? Was it produced within the borders of the State of Pennsylvania? Of course not! Some of it was taken from the fingers of housewives all over the United States in the form of purchases of aluminum utensils. People who buy gasoline in all the States of the Union where the Gulf Oil Co. extends its far-flung operations have contributed to producing the fortune of the Mellon family. So I might go on with other examples, but it is useless to belabor the point; residence is not a factor which should be taken into account in levying equitable taxes.

Mr. President, I want now to refer to one or two other States, and then I shall put this statement into the RECORD.

Minnesota had 560,000 persons on the relief, according to this estimate, in December 1934. One hundred and ninety-seven thousand were in the category of employables, 363,000 are listed as unemployables. Is there a Senator here who really believes that the resources of the State of Minnesota, its counties, cities, towns, and villages, are sufficiently great to meet the problem of caring for 363,000 unemployable persons now on relief within its borders?

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Wisconsin yield to the Senator from Michigan?

Mr. LA FOLLETTE. I yield.

Mr. VANDENBERG. Of course, these figures do not include the unemployed who are not on relief.

Mr. LA FOLLETTE. They do not.

Mr. VANDENBERG. Yet who may become a potential burden at any moment.

Mr. LA FOLLETTE. Certainly; because, as the Senator well pointed out in his remarks, every person now unemployed in the United States—and the estimates fix the number at anywhere from 10,000,000 to 13,000,000—is a potential candidate for relief, not because he desires it, but because the very attrition of the years of bad economic conditions is wearing away his resources, and the resources of his family and those of his friends. This is the reason why the relief rolls have been growing during this year, when, on the other hand, there are indications that there has been some reemployment in industry and in agriculture. The relief rolls are growing because the resources of individuals who have been unemployed over a long period of time are becoming exhausted.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. COSTIGAN. What the Senator from Wisconsin has said about the unemployables is strongly confirmed by messages I have received. Early in the session I communicated with the Governors of the different States of the Union, requesting an itemization of the unemployed in their various jurisdictions, together with estimates of the unemployables, and asked the Governors to declare whether the unemployables in their respective States could be cared for without Federal assistance if the unemployables were turned back by the Federal Government to the States. Before the discussion of the pending joint resolution shall be concluded, I will place in the RECORD the responses of the Governors. They show that in the great majority of the States the Governors clearly express the view that it will not be possible for the States, unaided by the Federal Government, to take care of the unemployables.

Mr. LA FOLLETTE. Mr. President, I thank the Senator for his contribution. I ask to have the table to which I have been referring printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Approximate number of employable and unemployable persons in the relief population of 8 States in December 1934

State	Persons on relief	Employable	Percent	Unemployable
California	790,000	332,000	42	458,000
Connecticut	180,000	63,000	35	117,000
Illinois	1,140,000	535,000	38	875,000
Minnesota	560,000	197,000	35	363,000
New York	2,070,000	755,000	36	1,315,000
Ohio	1,170,000	414,000	35	746,000
Utah	110,000	32,000	29	78,000
Wisconsin	430,000	147,000	34	283,000

EXPLANATION

The data presented above are approximations based on studies made in from 3 to 5 cities (1 city in Utah) and from 4 to 5 rural counties in each State (and 40 Connecticut towns). The unemployable persons are children under 16 years of age, aged persons 65 years of age or over, housewives, persons who are physically or mentally disabled or who are otherwise prevented from seeking work, and students.

The employable persons are those who state that they are employed or seeking work. The approximations are overestimates of the number available for a work program to the extent that they include: (a) Farm operators; (b) persons already employed (about 10 percent of all workers in the United States relief population); (c) women with dependent children (about 3 percent of all workers in the United States relief population); and (d) persons who, although seeking work, are physically handicapped to the extent that they cannot safely be employed (about 5 percent of all workers in the entire relief population). Finally, if the work program is to be restricted to one worker per family, the number of employables would be still further reduced because many families contain more than one worker.

Mr. LA FOLLETTE. Mr. President, I have been citing this situation, and my grave doubt—nay, my firm conviction—that no program can be devised under the joint resolution which is now under consideration which will make it possible to take every employable person off the relief rolls and to give him work relief; and in the second place, have expressed my conviction that it will be necessary, not because of any theory but because of the realities and the actualities of the situation, for the Federal Government to continue its assistance to the cities, counties, towns, and States in meeting the problem of caring for those who will have to have direct relief.

However, I do not wish to be understood as taking the position that because I do not believe these objectives announced by the administration can be fully attained, I am not in sympathy with attempting, insofar as humanly possible, to put people to work on useful projects, where they will be creating wealth instead of living in idleness, misery, and despair.

I cannot follow the argument advanced by the senior Senator from New York [Mr. COPELAND], when he said that because he is convinced that the so-called "white collar" workers in New York cannot all be absorbed under this program, he prefers to condemn them forever to the humiliating process of direct relief. On the contrary, I am for the pending joint resolution, and, as my amendment indicates, if I could have my way about it, I would give employment to every employable citizen in the United States at useful work, creating wealth.

The amendment which I have offered providing a $10,000,000,000 program, would, I am convinced from our past experience under C. W. A. and under P. W. A., afford employment to those who are employable in the United States and who are now out of work, regardless of whether they are on the relief rolls or whether they are simply listed among the great army of unemployed. I cannot see the justice of discriminating between those who are unemployed and those who are not only unemployed but are also upon relief.

Mr. President, the question has been raised here many times as to the efficacy of this device in giving employment, distributing purchasing power, and stimulating industrial processes. I grant that the P. W. A. has been slow, and to that fact, the disappointing results which have been obtained under it thus far are to be entirely attributed. But in making this statement I do not wish to be misunderstood. I do not wish to be understood as criticizing the Administrator of the act, for he was compelled, of course, to follow the dictates of the Congress when it wrote the legislation. I know from my own personal knowledge that the "Budget balancers" and the "economy hounds" hacked and cut at that law until they had restricted it to such an extent that it could not operate with the speed essential to the success of the operation of a device such as is contemplated under public employment.

They stuck in the limitation that no grant should be in excess of 30 percent to any community for labor and materials. By this action the Congress predetermined that the law could not operate with speed and facility. The Congress failed to recognize that the incidence of unemployment was in many cases in cities which were in the most desperate financial situation. Most of them had been put into a distressed financial condition because they had been forced overlong to carry the entire burden of providing relief to those who were destitute and unemployed in their communities.

I have said, and I repeat here, that I think too much of the administrative authority under the Public Works Act was concentrated in Washington, and the Administrator knows full well my views upon that point, for I have communicated them to him on numerous occasions. I contended that only if the administrative authority were decentralized could the Public Works Administration function effectively, even under the statute as it was drawn; and I contended that if men could be found in the several States in whom confidence and responsibility could be placed when brought to Washington that men like them could be found in the States, and in regions, and could be given authority to act under general supervision of the Administrator in Washington.

But we have had one example, Mr. President, of what a speedy program of reemployment through public activity will afford. I refer to the much-maligned Civil Works Adminis-

tration. I say that it is much maligned because in my opinion too much emphasis has been placed upon the types of projects which were undertaken during its early period of operation, and too little attention paid to the sound types of projects which were the rule during the latter part of the operations of the C. W. A. It must be remembered, Mr. President—and this is to my mind a splendid example of the way in which we have defeated our objectives by attacking the problems created by this economic crisis with piecemeal and half-way measures—that the special session adjourned in 1933. Reluctantly and late in the session Congress had enacted the Public Works Act. But along in October, as has so often happened, it was discovered that a critical situation was confronting this country and that something had to be done immediately to meet it. So the Civil Works Administration was created, and $400,000,000 was allocated out of the Public Works Administration fund to the Civil Works Administration.

The first thing they did, Mr. President, in order to put these people to work quickly was to take over in toto the work, the made-work programs, which were being carried on in many cities of this country. I have no defense for the type of projects which were at that time carried on.

But as soon as the administration had time and as soon as the communities had time in which to present projects of a sounder and more worthy character the entire type of work which was being done under the Civil Works Administration altered, and I do not think there is a single Senator in this Chamber, regardless of his theoretical position, who will deny that putting those 4,000,000 people to work had a direct and an effective result in stimulating purchasing power and improving business conditions generally. As a matter of fact, it was during and immediately after the expenditures and the distribution of purchasing power made under the Civil Works Administration that the consumer-goods industries rose in their employment to within 500,000 persons of the number employed in 1929.

I am contending for the same position which I have taken ever since this depression began. I am once more urging the Congress to set up a program adequate to meet the crisis. Unless the Congress is willing to go far enough in the application of the theory which has been endorsed, by presenting this resolution, we will again be confronted with the same situation in a year or in 18 months. We will be confronted again with a crisis within the crisis, and there will be no planned projects. Then once more resort will be had to some emergency device, and in the meantime the morale of the people will have suffered, just as it did when C. W. A. picked them off of the relief rolls and out of unemployment and put them on civil works for a few months, and then threw them back on relief and into unemployment again. How many times do Senators think millions of people in this country can be treated in this fashion without forever destroying the morale of our citizenship?

Unless the program is big enough we will not secure any secondary investment from private sources for capital expenditure purposes. But if the program is big enough, and if it has sufficient size to demonstrate that it will be continued until it becomes no longer necessary, there will be a large volume of private-capital reinvestment. Those engaged in private industry will recognize the wisdom of retooling their plants, of buying new equipment in place of equipment which has become obsolete, if they are convinced that the program has continuity and that it is going to achieve certain objectives.

Therefore, Mr. President, under the experience which we had with civil works I contend that the amendment I have offered will give employment upon useful projects, which will contribute to the wealth of the Nation, to those who are now unemployed, regardless of whether they are on relief or whether they are simply in the army of the unemployed.

I recognize that I am in the same situation in which I have found myself in every session of Congress since December 1929. I know that there are too many "pump primers" in this Chamber. I know that there are too many Senators who are still looking for that mythical corner around which they believe they will ultimately meet returning prosperity. I know that this Congress is going to repeat the same mistakes that have been made and repeated in every session of Congress since the depression began. The great tragedy is that the mistakes made today will result once more in tremendous suffering on the part of millions of our people. I think Senators mistake the intelligence and I think you mistake the knowledge of the average citizen of this Republic. The people know that this is an absurd as well as a tragic crisis. They know that millions are undernourished, that they are underfed, that they are badly clothed, that they are badly sheltered in the midst of potential plenty.

Senators have expressed to me amazement that so many citizens in their States are for the so-called "Townsend plan." They should not be amazed, because the people of this country know that there is a barrier, a barrier imposed by man, standing between them and economic security and plenty. Therefore, they are ready to follow any leadership, they are ready to support any program which they believe will break down that barrier and solve the problem of distributing upon an equitable basis the potential plenty which exists in our natural resources, our skilled man power, and our productive capacity on the farm and in the factory.

Mr. President, if those now sitting in their seats of power in this country do not solve this problem, their places will be taken by people whom the citizens believe have the will and the ingenuity to solve it.

This is a conflict, Mr. President, between those, on the one hand, who are living in an age that is already dead, an age of economic scarcity, and, on the other hand, those who recognize that if the philosophy and the theories advocated in the era of economic scarcity be applied in the present condition of potential plenty, the result will be the destruction of all the progress which has been made through science and invention, through development of the skill of the people, and through the natural resources with which we have been so richly endowed. The time is coming, in my opinion, when a choice will have to be made. We will have to take a stand on one side of that fundamental issue or on the other. In other words, there are only two horns to this dilemma—either we will follow the theory and the philosophy of those who espouse the doctrine of scarcity; we will balance the Budget; we will cut off all expenditures of an extraordinary character and thus commit economic suicide while vainly waiting for the return of so-called "prosperity"; or else we can adopt a program which is adequate to restore the purchasing power of the people of this country and to lift it up to the point where it will be commensurate with our productive capacity, a productive capacity unknown before in all the written history of the world. There is no middle ground in this crisis.

So far as I am concerned, I took my stand on the side of securing an equitable distribution of our abundance when the depression began. We cannot successfully find middle ground in this situation. I am convinced that to apply the philosophy of scarcity, the theories which prevailed during the era of scarcity, to this fundamental economic question is inevitably to produce disaster and chaos.

I wish to point out, Mr. President, that from 1929 to the 3d of March 1933 those who had the orthodox point of view toward the economic crisis had an opportunity to try out their theories. They let the depression rip and tear through the economic structure of this country. However, in the closing days of that administration they were confronted with a catastrophic situation which drove them to violate their theories, and they created the Reconstruction Finance Corporation for the purpose of making available to distressed industrial, financial, and fiduciary institutions money taken from the taxpayers. Confronted with the inevitable result of permitting a fundamental crisis to run its course, they lost courage and turned back. It is true they "stood pat" and said that they would not come to the relief of human beings, but they were willing to throw the credit of the Government of the United States behind the capital

structure of the railroads, the banks, the insurance companies, and other corporations.

Finally, Mr. President, those orthodox theories of balancing the Budget and of economy which had been advertised as the only panaceas to produce recovery brought this Nation to the brink of collapse. Upon the capstone of the monument of those who espouse the doctrine of scarcity should be written the inscription that their policies finally succeeded in closing the doors of every bank in the United States.

Whatever may be the I. Q. of those who are in positions of economic power in this country, the I. Q. of the people is sufficiently high to cause them to say, "We have determined never to go through such an experience again."

I am glad of one thing which has developed in the consideration of this measure, and that is that it has been clearly demonstrated that no longer do party lines have anything to do with the fundamental economic and political policy of the Nation. We have seen in votes upon the pending measure the fact clearly demonstrated that the sincere opinions of men who differ upon this issue are not divided by the center aisle which separates the Republicans from the Democrats.

I realize that the amendment offered by me will not be agreed to, but I venture the prediction, Mr. President, that when the Congress shall meet at the next session or at the session following the next it will again be confronted with the necessity of quickly and in an emergency creating an organization in the attempt to meet another crisis within the crisis. If that be true, why not have the courage, the foresight, and the statesmanship now to set up a program which we know will have continuity, which will give an opportunity for efficient administration, and which will result not only in maintaining morale but also in the construction of projects which are needed and useful and which will contribute to the wealth of every city, town, village, county, State, and to the Nation as a whole?

I ask leave, Mr. President, at the conclusion of my remarks to insert some material concerning the Civil Works Administration which I have had prepared and which I do not care to take the time of the Senate to read.

The PRESIDING OFFICER. Without objection, the matter will be printed in the RECORD.

(See exhibits A, B, and C.)

EXHIBIT A

THE CIVIL WORKS ADMINISTRATION

The Federal Emergency Relief Administration which was established in May 1933 engaged immediately in setting up a Nation-wide organization for the administration of emergency relief. This organization, made up of approximately 5,000 local public-relief units, was built around a nucleus of State-wide relief administrations which were in existence in about half of the States and reasonably effective local welfare departments and poor boards in certain other States. In cooperating with the State administrations the Federal Emergency Relief Administration pressed toward the development of more competent case work in every State so that acceptance or rejection of relief applicants might be made on a more intelligent and uniform basis; exerted great effort toward improving the adequacy of relief by encouraging the substitution of cash relief for grocery orders and commissary systems; and worked for more adequate provision of food, clothing, shelter, and medical care for those on relief rolls.

Some progress had also been made in encouraging work relief in place of direct relief or the dole, and there was a growing conviction throughout the country among many groups, including the unemployed, that it was far better to provide jobs than to have recipients of relief benefit without working. For example, the Honorable James M. Curley, then mayor of the city of Boston, said at the inception of the civil-works program. "We have rather accepted for years the theory that it is wisdom for men on the public-welfare rolls not to be put at work because of the difference of the amount that would be required to pay to those men. I would suggest the advisability of transferring to the amount now appropriated for public welfare an amount equal to the amount allocated by the Federal Government so that men really might be put back to work." Although the merits of work relief over the dole were becoming widely recognized, the quality of the projects on which employment was given varied considerably from locality to locality because no national plan had been formulated. Too often work relief took the form of "made work", in fact in one State the relief projects were described as "raking leaves back and forth until the leaves are worn out." This was by no means universally true, for in certain progressive urban areas work of high social and economic value was performed.

In October 1933 it became evident that the Nation would soon face a winter of unparalleled hardships arising from unemployment. With approximately 14,000,000 persons on relief rolls throughout the country it was clear that reemployment in private industry had not proceeded as rapidly as had been anticipated, and that the public-works program had of necessity been slow in making its effects felt either through the reduction of the relief load or through the stimulation of business activity.

On November 8, 1933, the President announced the establishment of the Civil Works Administration for the purpose of giving work to 4,000,000 men then out of employment, and $400,000,000 was made available for the program by the Public Works Administration. The first 2,000,000 men to be employed under this program were to be transferred directly from relief rolls so that approximately two-thirds of the families then receiving relief would be placed immediately on a self-sustaining basis, and 2,000,000 more were to be employed from the United States Employment Service rolls.

The immediate purpose of the civil-works program was to meet the crisis of the winter of 1933–34, while a second important purpose was to strengthen the morale of the vast number of unemployed by providing regular jobs at regular wages. It was expected that in addition to solving the immediate problem many lasting benefits would derive from the program, both through the stimulation of business activity which would result from the expenditure of so large a sum within the course of a few months, and the addition to the wealth of the country from the many fine projects which were to be carried out.

The task of immediately placing 4,000,000 people on socially useful projects was one calling for a high order of administrative ability and, in addition, full and complete cooperation between the Civil Works Administration and other governmental agencies. That the task was well done is evident in retrospect. Mr. Paul V. Betters, director of the United States Conference of Mayors, stated recently that "the C. W. A. program represents the greatest piece of public management that the country has ever undertaken."

The first step taken in anticipation of the program was to establish State and local civil-works administrations throughout the country. This was largely accomplished by superimposing the new set-up on the Nation-wide emergency relief organizations which had been built up during the previous months of the year. The next step was to provide an adequate disbursing system. In this the Veterans' Administration, which had at the time the largest disbursing system in the Federal Government, cooperated by acting as the disbursing agency for the program. In order that the actual payment of wages might be made soon after being earned, approximately 4,000 assistant disbursing officers were appointed and bonded to the Federal Government. This vast organization handled during a period of only a few months disbursements totaling nearly $900,000,000, involving the issue of 58,500,000 Treasury checks during the course of the program. At the same time uniform accounting procedures were established in every C. W. A. office throughout the country, and provision was made for the adequate reporting of the activities of the program to the Federal Administration.

On November 16 the program was started and the first transfers of work-relief workers to the civil-works rolls occurred. At the end of the first week's employment, checks totaling more than $7,000,000 were issued to 789,000 workers, and from that date the number working increased progressively each week until in the week ending January 18 over 4,000,000 employees were engaged on useful work at regular wages.

A total of about $950,000,000 was expended in connection with the program, and of this amount 80 percent went for salaries and wages, with an additional 6 percent for teams, trucks, and equipment, most of which was paid to unemployed owners of their own teams and equipment. Material purchases constituted most of the remainder, or about $118,000,000. The volume of purchases of individual types of materials used on civil-works projects gives some indication of the demands which were made on industry. For instance, $20,000,000 worth of road (aggregate) materials was ordered, together with the following: Cement, $12,000,000; iron and steel, $15,000,000; brick and clay products, $10,000,000; lumber, $18,00,000; tools and hardware, $9,000,000; etc. Of the total of $950,000,000, approximately $900,000,000 was expended between the middle of November 1933 and the end of March 1934. With these figures in mind, it is evident that the increased purchasing power of civil-works employees, and the large purchase of materials necessary in order that desirable projects might be operated, contributed to the greater than seasonal activity evidenced in the production of goods and in retail sales during the early months of 1934.

The improved conditions attributable to the civil-works program were strikingly evident in many local communities during the period that the projects were in operation. For example, Mr. E. C. Rutz, city manager of Kalamazoo, Mich. (a representative average-sized American city), made the following statement at the height of the civil-works program: "Nothing heretofore tried has created such satisfactory results in our efforts to bring about business recovery. Commercial business improved 50 percent; delinquent taxes, insurance premiums, household debts being paid. Bank deposits are on the increase. Greatly improved social order indicates that we are making the progress looked for. C. W. A. appears to be directly responsible."

One of the most difficult tasks facing State and local administrators was the selection and approval of worth-while projects. This process was carried on under great pressure so that the

approved projects might be quickly initiated. Generally speaking the proposal, sponsoring, and supervision of all projects was largely in the hands of the public bodies for which the work was to be done. While 90 percent of the expenditures for civil works was made from Federal funds, nearly $100,000,000 was contributed by State and local governments.

It is estimated that there were about 300,000 projects approved during the life of the program, of which about 200,000 were actually placed in operation. As the program progressed there was a clear tendency for the projects to become more socially useful in character and varied in type. A month after the initiation of the program, projects were developed to employ a large number of nonmanual and professional workers and needy women who could not be employed on the types of projects operating under the terms of the allotment from the Public Works Administration. In addition, many projects, such as surveys, public works of art, archeological research, and pest-control campaigns employed nonmanual and professional people either exclusively or for the planning and supervision.

The improvement of public property constituted the greatest part of the civil-works program, accounting for nearly 90 percent of the total expenditures. The repair and construction of roads, streets, and highways, which employed the largest number of persons of any single type of project, resulted in the construction or improvement of some 500,000 miles of roads. Work on public buildings, because of the short term of the program, was largely repair and remodeling rather than new construction. Of all public buildings, schools probably benefited most; necessary repairs were made, sanitary arrangements improved, school furniture repaired and installed, grounds were graded, planted, made more attractive, and athletic fields and swimming pools were constructed.

National parks and monuments, city and State parks, playgrounds, also benefited by the C. W. A. Closely allied to the projects providing for recreational facilities was the extensive forestry program involving construction of firebreaks, removing brush and dead trees, erosion control, and restocking and protection of game. An extensive program developed for improving existing airports and building new ones was carried on under the technical supervision of the aeronautics branch of the Department of Commerce. This program involved over a thousand projects, including the development of 500 new airport sites.

A sanitation program on a Nation-wide scale was one of the most effective phases of the civil-works program. The spread of malaria was checked by draining marshes, and hundreds of thousands of acres of land were rendered fit once more for human habitation. In the Southern States 25,000,000 rats were destroyed in districts where typhus had been endemic, and in rural areas throughout the country a campaign to check intestinal diseases such as typhoid and hookworm resulted in the construction of 500,000 sanitary privies.

During the weeks that civil-works projects were being operated in nearly every town and county throughout the country there came a growing feeling that the liquidation of so vast an enterprise could not be accomplished by the date which had been selected by the President—March 30. While this doubt was often expressed in terms of the administration, "having a bear by the tail", nevertheless, the liquidation of the Civil Works Administration was accomplished by the predetermined date and in an orderly manner. There was relatively no economic loss occasioned by the sudden suspension of the large number of projects, since those projects which were of the most desirable type were carried on by relief labor under the new emergency-work program. Furthermore, supplies of tools and materials which were in the hands of the Civil Works Administration at the end of March were made available to the several States for use in completing transferred projects and projects to be subsequently initiated.

All of the benefits of the civil-works program cannot be measured in terms of dollars. While it is true that the Nation's wealth was greatly increased by the value added by projects completed under the civil-works program, a no-less-lasting benefit was the renewed hope and confidence given to thousands of the country's unemployed during a winter which would undoubtedly have seen wide-spread misery otherwise. A further benefit was the diversion into the channels of business of nearly a billion dollars within the period of only a few months. These benefits are self-evident, while others have accrued which are less often mentioned. The first of these was the education of relief officials throughout the country to a better understanding of the necessity for adequate relief and also the application of this understanding to local and State relief problems. The program served to crystallize the widely held conviction that work relief is a far more desirable type of aid than direct relief. The Civil Works Administration pioneered and was eminently successful in developing the technique for carrying on a Nation-wide work-relief program. It was only through this experience that the emergency-relief administrations were able to put into operation the present well-balanced and useful program covering almost every conceivable type of work.

EXHIBIT B

PROJECTS UNDER THE CIVIL-WORKS PROGRAM

It is estimated that there were about 200,000 projects actually in operation under civil works. Projects for the improvement of public property constituted the greatest part of the program and accounted for nearly 90 percent of total expenditures. The repair and construction of roads, streets, and highways, which employed the largest number of persons of any single type of project, resulted in the construction or improvement of some 500,000 miles of roads. Work on public buildings, because of the short term of the program, was largely repair and remodeling rather than new construction. Of all public buildings, schools probably benefited most—necessary repairs were made, sanitary arrangements improved, school furniture repaired and installed, grounds were graded, planted, made more attractive, and athletic fields and swimming pools were constructed.

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The following table shows the estimated distribution of total C. W. A. costs by the fields of activity in which work was done, and some of the more important types of projects.

Projects for improvement of public property:	
Roads, streets, etc	$330,000,000
Public buildings	127,000,000
Sewers, sanitation, etc	97,000,000
Waterworks, etc	28,000,000
Recreational projects	61,000,000
Waterways and flood control	42,000,000
Erosion control, grading, etc	92,000,000
Airports	9,000,000
Other projects on public property	48,000,000
Total	834,000,000
Public welfare and public health	24,000,000
Public education, arts, and research	49,000,000
Miscellaneous	8,000,000
Total project costs	915,000,000
Administrative costs	35,000,000
Grand total	950,000,000

As the program progressed there was a marked tendency for the projects to become more socially useful in character and more varied in type. A month after the initiation of the program, projects were developed to employ large numbers of professional and nonmanual workers and needy women who could not be employed on the usual type of construction projects which were required under the terms of the allotment from the Public Works Administration. In addition many projects such as surveys, public works of art, archeological research, and pest-control campaigns employed nonmanual and professional people either exclusively or for planning and supervision.

MEMORANDUM ON C. W. A. CASES

The civil-works program involved an expenditure of $950,000,000 and the employment of more than 4,000,000 men on some 200,000 projects scattered throughout the United States.

Nevertheless, the total number of complaints of fraud, graft, or other irregularities in which specific complaint or evidence of any sort was presented totaled only 611. These cases were investigated for the most part by agents of the Department of Justice or, in the case of complaints prior to February 15, 1934, by Department of Interior field agents. The other cases were investigated directly by agents of State civil-works administrations who submitted to Department of Justice men cases of major importance. But out of the 611 cases only 96 were found to be substantial enough to involve prosecution, and from these 96 cases only 13 convictions, involving 23 persons, resulted.

Estimated cost and source of funds expended on the civil-works program

ANALYSIS OF COST

	Amount	Percent of total
Salaries and wages:		
Wages	$728,534,000	75.9
Administrative salaries	29,566,000	3.9
Total	758,100,000	79.8
Team, truck, and equipment	62,700,000	6.6
Materials	117,800,000	12.4
Other costs	11,400,000	1.2
Total	950,000,000	100.0

Estimated cost and source of funds expended on the civil-works program—Continued

SOURCE OF FUNDS

	Amount	Percent of total
Federal	$854,050,000	89.9
State	5,700,000	.6
Local	90,250,000	9.5
Total	950,000,000	100.0

EXHIBIT C

CERTAIN FACTS CONCERNING THE EMERGENCY-WORK PROGRAM OF THE FEDERAL EMERGENCY RELIEF ADMINISTRATION

There are now approximately 56,000 projects in operation throughout the country under the work program of the Federal Emergency Relief Administration providing employment to some 2,300,000 persons on a relief basis. These persons are working at the prevailing hourly rate of pay in their community. The number of hours worked per month is limited, however, to the number which when multiplied by the prevailing hourly wage will provide total earnings estimated to be sufficient to furnish the bare necessities of life to the worker and his family. The procedure followed in placing an unemployed worker on relief work involves a home investigation by a case worker who inquires into the amount of income from odd jobs, aid from relatives, or any other source. The amount of money necessary to provide the family with the necessities of life is then estimated. From this estimated budget any income is subtracted, and the difference represents the amount of relief granted to the family. This figure is known as the "budgetary deficiency."

With the budgetary deficiency established for the family, the worker is allowed to work the number of hours on the work program which, at the prevailing wage rate, provides an amount equal to his budgetary deficiency. The average hours worked per month by workers on relief projects is approximately 56 hours per month. Inasmuch as extra allowances are necessary for those working to provide car fare or other transportation to and from the job, the necessary shoes, clothing, and other items, the earnings per person working on the relief projects average about $27 per month, as compared with $20 per month for families receiving direct relief only. The $27 represents the average for work relief throughout the country, the monthly wage ranging from as little as $10 or $11 per month in some of the Southern States to $50 per month in some of the Northern States on the Atlantic seaboard. Expenditures for material, rental of equipment, and for services of supervisors and highly skilled workers, when such persons are not available from the relief rolls, bring the total cost per worker on the present work program to about $35 per month.

Almost every conceivable kind of work is performed under this work program. Seven hundred and seventy-five thousand, or one-third of the 2,300,000 workers, are employed on highways and streets, mostly on maintenance and repair work, although 214,000 are building new roads. Forty-eight thousand employees work on the construction of public buildings, 2,300 on housing, 11,500 on bridges and grade crossings, 126,500 on sewers, 27,600 on public utilities, 73,600 on recreational facilities, 41,400 on waterways and levees, and 239,200 on erosion control and grading, making a total of about 570,000 engaged in new construction exclusive of roads. In addition, 290,000 are doing repair and maintenance work on similar public properties. Another 12,000 projects are in the fields of research, education, art, and other work, providing employment for the large number of professional and clerical workers on the relief rolls.

Of the 2,300,000 working under the work program, slightly more than 250,000, or approximately 11 percent, are women. Sixty-three out of every 100 women are engaged in sewing, canning, etc.; another 22 percent of the women are engaged in doing research or educational work; and 11 percent are employed in the field of public welfare (nursing, nutrition, public health, recreation, etc.).

These projects are initiated locally and in a few instances by State offices. They are reviewed by work divisions in the localities and must then be submitted to the State office for approval before the work starts. The work division organization is operative in every State and in almost every county in the country.

All of the projects are done by force account, not under contract, under the supervision of construction units of cities, or under the works division of the emergency relief administrations. Many highway projects are supervised by State highway departments under arrangements entered into with the Bureau of Public Roads.

Suggestions of desirable types of projects, engineering methods, safety measures, and other activities in connection with the work program are made to States by the works division of the Federal Emergency Relief Administration operating through a regional field staff.

The two most serious handicaps under which the work-relief program of the Federal Emergency Relief Administration is now operating are (1) the inadequate funds available for materials, and (2) the restriction on the number of hours an employee may work.

Under the present program limitation of funds has restricted the cost of materials to only about 12 percent of the total cost. An additional 4 percent is used for the rental of teams and trucks and other equipment. This limitation severely restricts the number of buildings, heavy construction projects, and other desirable work involving large proportions for materials that can be undertaken. It has resulted in many repair and maintenance projects and in the employment of mostly common labor. Partially because of the large proportion of common labor employed the average hourly earnings are only 48 cents on the present work projects of the Federal Emergency Relief Administration. Another factor explaining this low hourly average is that the work program includes many more persons proportionately to the total receiving relief—direct, plus work relief—in areas of low prevailing wage rates than in other sections.

The restriction on the number of hours worked per month makes the operations on a job difficult and results in a serious decrease in efficiency. It necessitates rotating employment either by employing one group 1 week and a different group the next, or one group for 2 days a week and a different group taking over the work for the following 2 days. The restriction is especially difficult for skilled and professional workers. These groups are only entitled to receive the same amount of money per month as a common laborer, but inasmuch as the hourly rate is two or three times that of a common laborer they can work only a few hours a month, with the resultant loss of efficiency and morale.

FEDERAL EMERGENCY RELIEF ADMINISTRATION

Work-relief program—Statistical summary, Jan. 1, 1935

1. Total number of persons on relief rolls	20,000,000
2. Number of families on relief rolls	4,400,000
Number of single persons on relief rolls	600,000
Total cases (families plus single persons)	5,000,000
3. Number on work-relief program	2,300,000
Number receiving direct relief only (including unemployables)	2,700,000
Total cases receiving relief	5,000,000
4. Average cost of direct relief per family per month [1]	$20
5. Average earnings per month on work-relief program [1]	$27
6. Total work-relief costs per worker per month [1] (including cost of materials, rental of teams, trucks, and equipment, and nonrelief employees in supervising and highly skilled positions) [1]	$35
7. Total monthly earnings of workers on work-relief program	$62,000,000
8. Average hours worked per month on work-relief program	56
9. Average hourly wages on work-relief program	48 cents

Types of emergency work projects in operation and number of persons working December 1934

Types of projects	Number of projects	Number of persons working		
		Total	New construction	Maintenance
All projects	55,710	2,300,000		
Construction and maintenance	33,518	1,655,900	784,300	871,600
Highways, roads, and streets	15,813	775,100	213,900	561,200
Bridges, grade crossings, etc	592	18,400	11,500	6,900
Public buildings	6,881	190,900	48,300	142,600
Construction, remodeling, and repair of houses used by the unemployed	456	16,000	2,300	13,700
Sewers, sanitation, etc	2,491	163,300	126,500	36,800
Public utilities	1,014	50,600	27,600	23,000
Flood control, etc	934	73,600	41,400	32,200
Recreational facilities	1,990	124,200	73,600	50,600
Erosion control, grading, etc	2,935	239,200	239,200	
Miscellaneous	412	4,600		4,600
Eradication of disease bearers, poisonous plants, etc	2,203	73,600		
Conservation of fish and game	191	6,900		
Sewing, canning, etc	7,650	338,100		
Public health and welfare	3,543	80,500		
Public education and arts	6,417	90,000		
Special surveys, research, and planning	2,188	55,000		

Number of men and women working on emergency work projects, by types of projects, December 1934

Types of projects	Number of persons working		
	Total	Men	Women
All projects	2,300,000	2,050,000	250,000
Construction and maintenance	1,655,900	1,647,900	8,000
Eradication of disease bearers, poisonous plants, etc	73,600	71,400	2,200
Conservation of fish and game	6,900	6,900	
Sewing, canning, etc	338,100	180,600	157,500
Public health and welfare	80,500	52,800	27,700
Public education and arts	90,000	45,100	44,900
Special surveys, research, and planning	55,000	45,300	9,700

[1] 3-month average.

Mr. TYDINGS. Mr. President, I shall detain the Senate for only a few minutes. Yesterday, while I was out of the Chamber, the Senator from Mississippi [Mr. HARRISON] indicated that in the argument made by me I had raised an issue of the cities versus the country districts. Perhaps I inferentially did present that situation, but I had no idea of doing so, except to try to render justice to all. In the information which I am about to give to the Senate perhaps that same deduction may be drawn, but I hope it will not be.

As I understand the pending joint resolution, it is primarily an unemployment-relief measure, designed to make work for the people of the country, and, naturally, the work should be made where the large wells of unemployment exist.

Yesterday the genial and lovable Senator from Arizona [Mr. HAYDEN] offered an amendment to the $800,000,000 appropriation for highways, grade crossings, and roads, which, at first blush, looked very fine until it was analyzed. The Senate adopted his amendment, and I shall not move to reconsider the vote by which it was adopted, because it would not be reconsidered, and to make such a motion would only waste the time of the Senate. However, I do wish to analyze that amendment for just a moment, so that those who are not inclined to support the joint resolution for ample reason may have additional reason to do so on the ground of its inefficacy to deal with unemployment.

The joint resolution provides $4,883,000,000 for work relief, and contemplates an expenditure of $800,000,000 for roads, highways, and grade-crossing elimination. According to the amendment adopted in the Senate on March 20, offered by the junior Senator from Arizona, the following observations appear well founded:

As allocated under that amendment, this expenditure has no relationship whatsoever to unemployment. For example, the State of New Mexico, which has three-tenths of 1 percent of the total population of the United States, receives one and one-half percent of the funds for highway construction, while the State of Ohio, which has 18 times as many people as has the State of New Mexico, receives for road purposes only two and one-half times as much money as does New Mexico.

The State of Arizona, which contains four-tenths of 1 percent of the total population of the United States, receives 1.3 percent of the $800,000,000 allocated for roads and highways, while the State of Massachusetts, which has nine times as much population as has Arizona, receives only 20 percent more of the highways money than Arizona receives.

Again the State of Idaho, which has four-tenths of 1 percent of the population of the United States, receives 1.1 percent of the appropriation for highways and roads, while the State of Pennsylvania, which has 19 times as many people as has the State of Idaho, receives only 4 times as much money for roads and highways as does the State of Idaho.

The State of Nevada, which contains one-tenth of 1 percent of the population of the United States, receives 1.1 percent of the money allocated for roads and highways under the unemployment-relief measure, while the State of New York, which contains 100 times as many people as does the State of Nevada, receives only 5 times as much money for roads and highways as does the State of Nevada.

The State of North Dakota contains six-tenths of 1 percent of the total population of the United States and receives 1.5 percent of the unemployment money to be spent on roads and highways in the United States, while the State of Indiana, containing four and one-half times as many people as live in North Dakota, receives a little more than 50 percent more than what North Dakota receives of the public-roads money.

The State of South Dakota, which contains six-tenths of 1 percent of the population of the United States, receives 1.5 percent of the unemployment funds to be spent on roads and highways, while the State of Michigan, which contains six and one-half times as many people as live in South Dakota, receives only twice as much of the road money as South Dakota receives.

The State of Utah, which contains four-tenths of 1 percent of the population of the United States, receives 1 percent of the unemployment money to be spent for roads and highways in the United States, while the State of California, which has 11 times as many people living therein as has Utah, receives 4 times as much money as the State of Utah receives.

I may say that I am not opposed in normal, ordinary, orthodox times to the road-building policy which considers area as well as population, but I understood this to be an unemployment-relief measure, and I am submitting these observations not because I would wish to retard the progress of the States I have compared with those which seem to be more fortunate, but to show that one-fifth of the entire sum allocated under the pending joint resolution is to be spent with practically no idea of unemployment in mind.

Mr. LA FOLLETTE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Wisconsin?

Mr. TYDINGS. I yield.

Mr. LA FOLLETTE. I should like to say to the Senator that upon analysis I believe the figures which he has given will not be found to be as convincing in support of his contention as would first appear. For instance, in the State of Arizona, in September of last year there were 103,995 persons on relief, or 24 percent of the total population. In the State of Idaho there were 62,543 persons out of work, or 14 percent of the population. North Dakota is another State the Senator mentioned, and there were 169,976 persons on relief in North Dakota, or 25 percent of the population.

Mr. TYDINGS. If the Senator will withhold his statement, I am going to discuss that very table.

Mr. LA FOLLETTE. Just let me finish, if the Senator will.

Mr. TYDINGS. Very well.

Mr. LA FOLLETTE. South Dakota had 232,000 persons, or 34 percent of its population, on relief. The Senator will acknowledge that there is a relief problem even in the agricultural States, or States which are predominantly agricultural.

Mr. TYDINGS. That is true.

Mr. LA FOLLETTE. In the next place, those States which are predominantly agricultural and which do not have large urban population cannot have the same kinds or types of projects which can be utilized to supply relief for unemployment or work relief as in the city of Baltimore or similar places.

Mr. TYDINGS. Let me say to the Senator from Wisconsin that I am going to discuss that very matter.

Mr. LA FOLLETTE. There is some justification, it seems to me, for giving road work to the States which are unable, because of their economic condition, to provide work through other kinds of projects.

Mr. TYDINGS. That is true.

The facts which I have brought out deal primarily with the $800,000,000 tentatively allocated to highways, roads, streets, and so forth, most of which, from the above observations, is to be spent not where unemployment exists but in the more sparsely settled States of the country. It is to be spent on a basis of acreage and not of population. It is to be spent on a basis of "pork" rather than of relieving unemployment, as these conclusions clearly show.

Further, $500,000,000 more is to be spent for rehabilitation and relief in stricken agricultural areas, $100,000,000 for rural electrification, $350,000,000 for sanitation, prevention of soil erosion, reforestation, forestation, flood control, and miscellaneous projects, making a total of $950,000,000, the major part of which seems to be earmarked to be spent in the more sparsely settled sections of the country. This leaves, in addition to such road moneys as may be left over, for the densely populated portions of the country, where unemployment exists in alarming degree, $300,000,000 for professional and clerical services, $450,000,000 for housing, or a total of $750,000,000.

Contrasting the tentative allocations of this money in the measure now before the Senate, the conclusion may be drawn that the sparsely settled States are likely to obtain the

lion's share of the $800,000,000 set aside for highways, roads, streets, and grade-crossing eliminations; of the $500,000,000 for relief in stricken agricultural areas; of the $100,000,000 for rural electrification; and the $350,000,000 for sanitation, prevention of soil erosion, reforestation, forestation, and flood control, a total of $1,750,000,000, leaving the large crowded cities, where unemployment stalks, to find work for their people out of $450,000,000 for housing, $300,000,000 for professional and clerical persons, and a share of the Civilian Conservation Corps fund of $600,000,000.

The $900,000,000 set aside for public projects of States, Territories, or political subdivisions thereof may likewise go, for the major part, to the sparsely settled sections of the country; and one cannot escape the conclusion that the President will have to act, if this measure shall pass, under the provision which allows him to reallocate 20 percent of the entire appropriation in order to take care of the unemployed in the very large cities and congested areas of the Nation.

As the joint resolution now comes before the Senate it is suggested that this huge appropriation is to be used for the larger part without any regard to reemployment where unemployment actually exists, but instead it is suggested by the allocation referred to that the biggest hog in the United States is to be cut up and the ham and chops and shoulders distributed to the sparsely settled States of the country while the larger cities, where need more greatly exists, will have to rely upon the tail and fat and squeals for substance. [Laughter.]

The President has the power, under the joint resolution, to check the abuse about to be suggested in the measure as it will leave Congress. With him is the one hope of the large cities of the country, with their large wells of unemployment, for equitable consideration under the joint resolution.

May I point out that in my hand I hold as well, dated March 21, 1935, an active file by States as of March 1, 1935, of the registered unemployed in the 48 States of the Union. Reading from that report, and contrasting it with the allocations of road money heretofore made, I may say that Ohio has seven times the number of registered unemployed that New Mexico has.

Mr. WALSH. Mr. President, if the Senator will yield, let me ask who prepared that report?

Mr. TYDINGS. It was prepared by the Department of Labor. Ohio, however, receives only two and a half times the amount of road money that New Mexico receives.

Massachusetts has 10 times as many registered unemployed as has Arizona, yet Arizona receives practically the same amount of road money as does Massachusetts.

Mr. WALSH. Mr. President, will the Senator yield further?

Mr. TYDINGS. Just as soon as I finish this table I shall be glad to yield.

Pennsylvania has 40 times as many registered unemployed as has Idaho, yet it receives only 4 times as much of the road money as Idaho receives.

New York has 35 times as many registered unemployed as has Nevada, yet New York receives only 5 times as much money from the road fund as does Nevada.

Mr. STEIWER. Mr. President, will the Senator yield?

Mr. TYDINGS. In just a moment.

Indiana has six times as many registered unemployed as has North Dakota, yet it receives only 50 percent more of the road fund.

Michigan has four times as many registered unemployed as has the State of South Dakota, yet it receives only twice the amount of money that South Dakota receives of the road fund.

These are all registered unemployed only.

Senators, I do not desire to array the counties against the cities; I am not opposed to relief in the more sparsely settled areas; but if you will examine these allocations thoroughly and fairly and humanely, if you will consider them on your conscience, if you will contemplate them from the standpoint of your sense of right and wrong, will you not see that as the allocations now stand in the joint resolution the cities, where there must be more relief consideration than in the agricultural districts, have received the smallest percentage of the allocations suggested here?

I first yield to the Senator from Massachusetts [Mr. WALSH]. Then I will yield to the Senator from Wisconsin [Mr. LA FOLLETTE], and then to the Senator from Oregon [Mr. STEIWER].

Mr. WALSH. Mr. President, are we agreed that the appropriations in this joint resolution are to be used largely for the purpose of providing employment for the needy?

Mr. TYDINGS. I had supposed so.

Mr. WALSH. Will the Senator state, in order that we may have the direct issue before us, what is the amount named in the joint resolution to be used for road building in the several States?

Mr. TYDINGS. Eight hundred million dollars.

Mr. WALSH. And that amount is greatly in excess of the usual annual appropriation for road building?

Mr. TYDINGS. About 5, 6, or 8 times the usual amount.

Mr. WALSH. That is what I assumed. So we have incorporated in the pending joint resolution an allotment of $800,000,000 for road building on the theory that it will help relieve unemployment conditions in the United States and put people to work?

Mr. TYDINGS. That is correct.

Mr. WALSH. And that sum is so allocated——

Mr. TYDINGS. By an amendment adopted yesterday.

Mr. WALSH. By an amendment adopted on the floor of the Senate, that the less populous States having large areas will have very much more money to give to their comparatively limited unemployed, while States such as my own, which has a large number of unemployed, will get a mere drop of the $800,000,000?

Mr. TYDINGS. In comparison.

Mr. WALSH. How can such a proposition be justified in the name of unemployment and relief to the needy?

Mr. TYDINGS. I do not see how it can be and I may add that this discrimination is made against the States not only where the largest population exists, but where the unemployment census shows that the largest unemployment exists.

Mr. WALSH. If this were an ordinary highway-appropriation bill in normal times, and were not labeled a relief measure or an unemployment-relief measure, we could understand these allotments.

Mr. TYDINGS. That is true.

Mr. WALSH. But to pretend that we are going to relieve unemployment in the larger communities to which the Senator has referred by what is labeled a "relief bill" is not just.

Mr. TYDINGS. The Senator has stated my position. If these were normal times, and if this were a normal road-building program, I should be glad to see the money divided up so as to develop the country, without regard to how many people might be employed in one State or another; but, Senators, I conceive this to be a measure for work relief—for reemployment of the unemployed.

I now yield to the able Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. LA FOLLETTE. Mr. President, let us take the first category, or first break-down, of $800,000,000 for highways, roads, streets, and grade-crossing eliminations, upon which the Senator has placed so much emphasis. Grade-crossing eliminations are one of the types of projects which can be most rapidly put into operation, if the objective is to put people to work speedily, because nearly all the highway departments of the States and of the cities have already surveyed the grade crossings and have plans and specifications ready for them.

Mr. TYDINGS. The Senator is correct about that. That work is readily available.

Mr. LA FOLLETTE. Let us take that as an example. We must assume, of course, in any type of legislation, that there is going to be intelligent administration of it; otherwise we could not ever pass a bill. It seems to me to be perfectly obvious that a large percentage of this $800,000,000 will be

spent for grade-crossing elimination, because of the fact that that character of work can be speedily commenced.

Mr. TYDINGS. What percentage does the Senator suppose would be used for that purpose?

Mr. LA FOLLETTE. I cannot answer that question.

Mr. TYDINGS. Is the Senator proceeding upon the theory that the railroads will pay a proportionate part of the expense?

Mr. LA FOLLETTE. No; absolutely not.

Mr. TYDINGS. The Senator is assuming that the grade-crossing eliminations will be given to the railroads gratis?

Mr. LA FOLLETTE. That they will be constructed as public projects, to preserve human life.

Mr. TYDINGS. I understand.

Mr. LA FOLLETTE. I desire to point out to the Senator that in 1930 the State of Wisconsin inaugurated a large grade-crossing elimination program as an unemployment relief measure, and every person who worked upon the 76—I believe that was the number—grade-crossing elimination projects which were undertaken during that program was an unemployed person from an urban community. So the Senator is not fair when he allocates all of the $800,000,000 to roads out in the country.

In the second place——

Mr. TYDINGS. If the Senator will let me continue, it is strange, but each time I get to a point he takes the floor before I have had a chance to explain my view.

Mr. LA FOLLETTE. If the Senator prefers, I will wait until he concludes his statement before speaking in my own right.

Mr. TYDINGS. To a certain extent I am going to agree with the philosophy of the Senator from Wisconsin. Part of the $800,000,000 is to be expended on grade crossings; I do not know how much, but I am ready to concede that 20 percent of it will be expended in that way. I understand that the Senator from Kansas [Mr. CAPPER] the other day offered an amendment providing that 25 percent of the $800,000,000 should be spent on a certain kind of what might be called back roads; and the Senator from Arizona [Mr. HAYDEN], the author of the amendment I have been discussing, said that that would be done anyway. Therefore I am assuming that not over 20 percent of this money will be spent on grade-crossing eliminations. Twenty percent of $800,000,000 is $160,000,000. That leaves $640,000,000 to be spent on highways; and all the observations I have made, in my judgment, would apply to that $640,000,000.

When we come to grade crossings, the comparisons I have made do not altogether apply. In some States—the more sparsely settled States, for example—there will be a larger percentage going to them as compared to the populous States for grade-crossing eliminations. In other cases there will be less. I shall be glad to point out to the Senator some of those States.

As a matter of fact, I made that calculation, but, unfortunately, did not bring it to the floor with me. It is true, as the Senator says, that some of the sparsely settled States will get less money in proportion for grade-crossing eliminations than they would get for highways; but I point out that other sparsely settled States will get a larger proportion of the grade-crossing elimination money than they will get of the normal routine road money. So what the Senator says is true in part, but it is true only as to a small percentage of the $800,000,000, on the one hand; and what he says is not true in another case, because some of the sparsely settled States get even a larger percentage of the grade-crossing elimination money than those I have already mentioned.

Mr. STEIWER. Mr. President——

Mr. TYDINGS. I yield to the Senator from Oregon.

Mr. STEIWER. I merely desire to ask the Senator a question concerning the basis on which he makes his calculation. If I understood him correctly, he assumed that $800,000,000 would be devoted largely to the highway-construction program.

Mr. TYDINGS. That is true.

Mr. STEIWER. Is the Senator relying upon the amendment agreed to yesterday, to which he made reference?

Mr. TYDINGS. I am relying on a table furnished by the Bureau of Public Roads as to how the money will be allocated under the amendment adopted yesterday.

Mr. STEIWER. Am I correct, then, in assuming—and I desire to be right, so that I may follow the Senator's argument more clearly—that he regards the amendment agreed to yesterday as covering the entire $800,000,000?

Mr. TYDINGS. That is my understanding. The Senator from Arizona [Mr. HAYDEN] offered the amendment, and from him I got the apportionment, and it has at the top:

Sample apportionments of $100,000,000.

Of course, the amounts stated in my remarks would be raised or lowered, depending upon what portion of the $800,000,000 went for straight highway construction and what portion went for grade-crossing elimination; but, regardless of that, the percentages stated and the contrasts which I made would still hold good, because I took a round figure of $100,000,000 upon which to make my deductions.

Mr. STEIWER. I agree that the percentage would hold good, but I had not understood the amendment agreed to yesterday as applying to the full $800,000,000; and I merely wished to inquire now as to the Senator's authority for that assumption—whether he is clear in his own mind that the amendment agreed to yesterday does apply to the $800,000,000.

Mr. TYDINGS. Let me play a political trick on the Senator in all good faith and ask him what percentage he thinks the amendment we adopted yesterday applies to highways.

Mr. STEIWER. I do not wish——

Mr. TYDINGS. If the Senator has no better information than I have, since I have the figures of the Bureau of Public Roads, I think I am on a little firmer ground than he is.

Mr. STEIWER. I have information decidedly superior to that of the Senator from Maryland, because I have the correct information; but I started to say that I did not wish to take the floor in the Senator's time.

Mr. TYDINGS. That is all right. The Senator from Oregon is one of the thoughtful and hard-working Members of this body, and I do not say that merely to be pleasant. I have served on many committees with him, and I always value any suggestion he may make, because it is always worth while.

Mr. STEIWER. It is very pleasant for the Senator to say it.

Mr. TYDINGS. In conclusion, Mr. President, I do not desire to delay the passage of the joint resolution. I simply have made this contrast in order to put this question before the Senate. I do not desire to array the agricultural sections or the sparsely settled States against the cities. There are many agricultural sections in my State; but what are we who also represent the large cities to do? Are we to sit here and say nothing while funds are allocated, when it certainly appears, from an examination of allocations, that there is enough to warrant the belief that this is no longer a measure for the reemployment of the unemployed of the country?

Mr. WALSH. Mr. President——

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Does the Senator from Maryland yield to the Senator from Massachusetts?

Mr. TYDINGS. I yield.

Mr. WALSH. Has the Senator given thought to the idea of offering an amendment to the joint resolution which in general terms would provide for allocating, where possible, all these sums on the basis of the number of unemployed in the various States?

Mr. TYDINGS. The Senator raises a very interesting point, and I have given a great deal of thought to it; and if I were President, if I may assume for a moment to step even in a small way into that great office, I should like to have a census of the unemployed taken immediately, and find out how many unemployed were upon the relief rolls. Having determined what work they could do, I would give preference to them under the pending measure, and I would award percentages of work to each community. For example, if we

had sufficient money to employ only 10 percent of those unemployed who were on relief, then I would allot the money on a basis of 10 percent to each community in the country. If we had sufficient to give employment to 20 or 30 percent, I would distribute it on a similar equitable basis. I should like to see a census taken.

Mr. WALSH. Why do we need a census? Is it possible that the F. E. R. A. do not know the number of people on relief rolls in this country? Have we not a record of the unemployed?

Mr. TYDINGS. Let me point out to the Senator that for 2 days I have sought the information. First, I called on the American Federation of Labor, which organization was very kind in its effort to furnish the information in an attempt to get a census of unemployment in the country, and to ascertain whether I could break it down into States, or whether I could break it down into qualifications for work. They had some information, but it was not as complete as I should like to have it.

I then called upon the United States Department of Labor yesterday afternoon, and they very kindly furnished me with the figures which I used in making the contrast here this morning. However, they say at the foot of the page:

These figures indicate the total number of applicants actively seeking employment through the offices of the United States Employment Service on the specified date. However, they cannot be used as a census of the unemployed for two reasons: First, the registration is entirely voluntary and therefore does not include all unemployed and, second, approximately 5 percent of the applicants are employed when they register.

Mr. WALSH. Does not that statement make the table of little value on the subject?

Mr. TYDINGS. It does, except that it shows about 6,538,219 who have actually applied for work, but we have no accurate figure. And may I say to the Senator from Massachusetts, how is the President or the Administrator to expend these funds for the purpose of relieving unemployment unless there is some available source from which he can obtain the facts upon which logically the expenditure of the money can be based?

Mr. WALSH. Is it a fact that we have no definite precise figures indicating the number of unemployed in this country?

Mr. TYDINGS. So far as I know there are no such figures, but there are relief figures.

Mr. WALSH. Are figures available of the number who are on the relief rolls?

Mr. TYDINGS. Yes; we have such figures.

Mr. WALSH. What are those figures?

Mr. TYDINGS. The last figure I saw showed around 22,000,000 men, women, and children on the relief rolls of the United States.

Mr. WALSH. Has the Senator those figures by States?

Mr. TYDINGS. I have not, but I am sure they can be obtained from the F. E. R. A. The Senator from Wisconsin has them.

Mr. WALSH. If the Senator should apply those figures to the comparison of the distribution of the highway appropriation, he would find an even greater contrast.

Mr. TYDINGS. I may say to the Senator that that would have to be an element, but I do not think it would be an accurate one, for the simple reason that many of the States of the Union have different relief plans. For example, in the Senator's own State each community administers relief, while in another State a State authority administers relief. So that that would not be an altogether accurate index. A census of unemployment, in my judgment, could be taken with this relief money, which would be invaluable to those who must spend it in order to relieve conditions which we all hope to see relieved.

Mr. WALSH. The Senator from Wisconsin has called my attention to a table, issued by the Emergency Relief Administration, showing the number on the relief rolls by States.

Mr. TYDINGS. It includes men, women, and children.

Mr. WALSH. That table was furnished at a hearing before a subcommittee of the Committee on Appropriations of the House of Representatives. Why would it not be a good idea for the Senator to insert it in his remarks?

Mr. TYDINGS. I ask unanimous consent that the table which I hold in my hand be inserted in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. TYDINGS. Mr. President, I wish to thank the Senator from Virginia for his patience and to say again that yesterday I had no intention of arraying one section of the country against another. I thought it was my duty, representing a large industrial city of a million souls, to protest and try to protect those who seemed to have been left largely out of consideration in the allocation of the funds.

Mr. WALSH. I did not understand the Senator in his speeches yesterday or today to be taking the position that, since the larger sums of money come through taxation from the larger cities, he was objecting to their not getting more than the smaller States. His objection, if I understood it aright, was that this was a relief measure, and that the sums of money for relief ought to go to where there is the least employment.

Mr. TYDINGS. I thought that that was one of the elements to be considered.

Mr. VANDENBERG. Mr. President, will the Senator yield to me?

Mr. TYDINGS. I yield.

Mr. VANDENBERG. The able Senator from Maryland is demonstrating the probability that the larger centers of population, where the larger factor of unemployment exists, are not calculated to get their pro rata share of this work-relief program, and are probably going to be left with a desperate problem on their hands despite this optimistic proposal.

Mr. TYDINGS. That is my belief, as the appropriation is now allocated.

Mr. VANDENBERG. I wish to call the Senator's attention to the fact, with which undoubtedly he is already familiar, that even if these larger centers did unexpectedly get their full pro rata share of the employment even as promised by the most zealous advocates of this program, so far as my own State of Michigan is concerned, for example, we could not possibly hope to put over 2 out of 5 of our total unemployed at work. The other 3 out of 5 fall entirely outside of this work-relief pale. They are left at the mercy of exhausted local resources and become a challenge to somebody, because they cannot be ignored. I am driven to the irresistible conclusion, supported, as it is, by the exhibits submitted by the Senator from Maryland, that we cannot meet the total situation with the work-relief program. We cannot meet it with this sort of a plan. It is not a case of whether we want to or not, it is a case where we cannot do it physically. It is not a case of voluntarily choosing direct relief in preference to work relief. It is a case where we are driven to continuing direct relief, because it is the only way we can care for all who must be sustained, pending the time when the unemployed as a whole can be returned to gainful employment in private industry and in normal commerce.

Mr. TYDINGS. Mr. President, I should like to ask the Senator a question, because in some respects the general conditions in his State I know are similar to those in my own.

Has it been the Senator's experience, in the case of relief moneys spent in the cities as contrasted with the relief moneys expended in the country districts, that in the cities the need is greater, the demand is more urgent?

Mr. VANDENBERG. That is correct, although, of course, there also is a country problem which must be fully met.

Mr. TYDINGS. In the country districts, because of one factor or another which I will not take the time to mention, there is not the urgent need for relief which one finds in the larger cities. Is that the Senator's experience?

Mr. VANDENBERG. I think that is an accurate picture, so far as volume goes. But this pending plan will not serve even the country districts.

Mr. TYDINGS. I had that in mind as well in trying to show that we were allocating the major part of these funds where the need was not so great or the urgency was not so great as in the cities.

Mr. VANDENBERG. I think the Senator is correct. But what I am now asking him is whether or not we are not driven to the conclusion, whether we like it or not, that we must fall back upon direct relief; and, since we are falling back upon direct relief, the $4,800,000,000 strain upon the public credit is not necessary, because under direct relief the situation can be handled for substantially less. I will vote always for whatever Federal funds are necessary for direct relief wherever local or State resources are exhausted.

On the other hand, if we are to approach the problem on a work-relief program, we have to go to the enormous basis proposed by the Senator from Wisconsin, and in my view this would wreck the public credit beyond repair. The joint resolution is a snare and a delusion from any viewpoint from which it may be assessed. I hope I am mistaken, but I fear it will be the most collosal disappointment in history.

Mr. TYDINGS. Mr. President, I want to conclude by saying that if the joint resolution shall be enacted as the appropriation is now allocated, it is my fervent hope that those in high authority, under the latitude given in the amendment qualifying the allocations, will take into consideration the humanities of the situation as they appear to me and try to make a more equitable distribution of the money.

Finally, I have no desire to keep relief from the country districts, including those in my own State, where relief is demanded and needed; but if these funds are to be expended, the greater problem, in my judgment, which is in the cities, I hope will receive the consideration which it deserves.

EXHIBIT A

TABLE 1.—*Number of resident families and persons [1] receiving emergency relief from public funds during August and September 1934*

[As reported to the Federal Emergency Relief Administration]

States	Number of families		Number of single persons		Total cases (families and single persons)		Total number of persons		Percent of total population [2]	
	August	September	August	September	August	September	August	September	August	September
Alabama	107,236	111,488	8,066	9,965	115,302	121,453	480,969	499,104	18	19
Arizona	21,222	20,766	5,171	5,341	26,393	26,107	99,104	103,995	23	24
Arkansas	87,978	96,354	2,196	4,908	90,174	101,262	402,134	417,280	22	24
California	140,589	137,886	46,262	46,369	186,851	184,255	594,457	588,896	11	10
Colorado	49,112	49,112	10,431	11,940	59,543	61,052	219,965	215,088	21	21
Connecticut	33,096	34,575	4,551	5,074	37,647	39,649	154,478	160,970	10	10
Delaware [3]	4,132	4,156	393	412	4,525	4,568	16,954	16,620	7	7
District of Columbia	15,867	15,201	6,892	7,992	22,759	23,193	69,506	68,036	14	14
Florida	93,419	89,502	13,902	15,077	107,321	104,579	383,485	374,199	26	25
Georgia	77,363	92,408	9,710	14,021	87,073	106,429	355,342	422,981	12	15
Idaho	12,660	13,935	2,273	2,972	14,933	16,907	57,508	62,543	13	14
Illinois	281,565	283,626	21,686	22,368	303,251	305,994	1,050,693	1,047,866	14	14
Indiana	88,137	93,268	12,311	15,524	100,448	108,792	384,810	409,078	12	13
Iowa	51,408	48,743	4,266	6,227	55,674	54,970	219,574	214,091	9	9
Kansas	57,130	60,129	6,951	9,870	64,081	69,999	246,953	262,154	13	14
Kentucky	96,216	92,998	5,643	7,911	101,859	100,909	468,854	450,567	18	17
Louisiana	62,191	58,299	2,823	4,260	65,014	62,559	279,602	266,306	13	13
Maine	11,502	14,206	2,606	2,821	14,108	17,027	56,464	58,782	7	7
Maryland	37,084	35,907	5,568	6,102	42,652	42,009	166,543	162,603	10	10
Massachusetts	135,428	144,452	24,041	26,100	159,469	170,552	622,826	663,641	15	16
Michigan	145,290	157,099	21,651	22,869	166,851	179,968	636,686	681,924	13	14
Minnesota	105,852	106,242	12,168	15,932	118,020	122,174	476,656	507,389	19	20
Mississippi	73,149	65,760	15,051	16,241	88,200	82,001	329,448	298,270	16	15
Missouri	107,474	113,160	16,221	18,577	123,695	131,737	456,652	488,399	13	14
Montana	21,128	21,181	6,612	6,830	27,740	28,014	97,774	95,060	18	18
Nebraska	27,679	33,726	5,638	7,455	33,317	41,181	121,970	150,732	9	11
Nevada	1,959	2,196	2,036	2,103	3,995	4,299	8,739	9,412	10	10
New Hampshire	6,009	6,828	1,868	1,949	7,877	8,777	28,637	27,867	6	6
New Jersey	121,069	123,112	14,632	15,561	135,701	138,673	531,983	532,218	13	13
New Mexico	20,955	26,545	2,041	2,284	31,996	28,829	133,819	117,458	32	28
New York	437,184	434,028	54,113	62,909	491,297	496,937	1,962,360	1,958,608	16	16
North Carolina	72,187	69,022	8,561	10,792	80,748	79,814	355,320	344,002	11	11
North Dakota	28,014	32,653	2,925	3,689	30,939	36,342	142,855	169,976	21	25
Ohio	225,582	238,094	53,591	60,266	279,173	298,360	1,017,476	1,066,783	15	16
Oklahoma	121,782	129,492	3,753	7,294	125,535	136,786	617,998	626,514	26	26
Oregon	23,601	22,833	5,113	5,061	28,714	27,894	108,715	92,509	11	10
Pennsylvania	310,097	327,736	59,865	63,707	399,962	391,443	1,599,375	1,554,362	17	16
Rhode Island	15,140	16,433	1,729	2,016	16,869	18,449	71,153	78,115	10	11
South Carolina	65,477	76,891	8,725	9,865	74,202	86,756	304,789	357,188	18	21
South Dakota	54,139	53,364	5,032	5,233	59,171	58,597	235,375	232,028	34	34
Tennessee	81,088	68,135	2,771	3,413	84,459	71,548	381,856	317,284	15	12
Texas	221,576	205,942	24,673	27,429	246,249	233,371	1,011,861	945,325	17	16
Utah	24,011	23,621	4,395	5,003	28,466	28,624	111,696	112,209	22	22
Vermont	3,775	4,339	1,169	1,298	4,944	5,637	18,787	21,201	5	6
Virginia	37,866	34,935	1,817	3,899	39,683	38,834	189,540	176,599	8	7
Washington	42,890	37,798	10,549	10,743	53,439	48,541	176,812	158,179	11	10
West Virginia	71,917	74,636	9,398	10,947	81,315	85,583	330,271	358,060	19	21
Wisconsin	83,361	87,277	16,392	20,412	99,753	107,689	385,526	402,958	13	14
Wyoming	5,863	5,680	1,065	1,252	6,928	6,932	26,606	26,147	12	12
Total, continental United States	4,058,059	4,095,772	569,296	650,283	4,628,255	4,746,055	18,204,016	18,401,706	15	15

[1] Covers general relief (direct relief and work program), rural rehabilitation, emergency education, and college student aid.
[2] Based on 1930 Census of Population.
[3] Relief from public funds was extended only in New Castle County (Wilmington). Represents direct relief, since no work program is in operation in the State.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. GLASS. I ask for the yeas and nays.

Mr. LA FOLLETTE. Mr. President, I should like to have the yeas and nays ordered, too, but I wish to make a few remarks. I shall not trespass on the patience of the Senator from Virginia for more than a few minutes. I merely wish to say that it is not my understanding that the amendment adopted yesterday, the so-called "Hayden amendment", applies to the $800,000,000. It is my understanding that it applies to the amounts appropriated and authorized for the fiscal year 1936, and, while I have not accurate figures at hand, it is my information that much less of this $800,000,000 will be allocated under that amendment than the Senator from Maryland contends. I have been informed that it applies to only about $124,000,000.

Mr. TYDINGS. The Senator may be right about that.

Mr. LA FOLLETTE. Which would tend to break down the force of the Senator's argument as against the amendment offered by the Senator from Arizona.

Just one other reference to the Senator's contention, and then I shall conclude. The Senator speaks as if rural electrification, the Civilian Conservation Corps, and projects in the nature of sanitation, prevention of soil erosion, reforestation, forestation, flood control, and miscellaneous proj-

ects, are all types of projects which will be constructed only in the sparsely settled western States, because those are the States which he has used as examples.

Mr. TYDINGS. Mr. President, that is not exactly accurate. I did not include the C. C. C. If the Senator will read my statement tomorrow, he will find that I said the cities would get a substantial share of that money. The other conclusions the Senator draws are accurate.

Mr. LA FOLLETTE. The fact of the matter is, Mr. President, that a great deal of the pressing need for soil-erosion prevention work is in many of the populous eastern States, where agriculture has been pursued for a longer period of time and where the ravages of soil erosion are more serious than they are even in the sparsely settled western States, of which the Senator made mention. Furthermore, the Senator cannot assume that those in the urban centers who are on relief and are unemployed will not obtain work upon such types of projects, for instance upon rural electrification. So I do not believe that the argument advanced by the Senator will stand analysis, because, as has already been demonstrated, and as the Senator concedes so far as the Conservation Corps is concerned, while it is true that a considerable degree of the activity has been in the sparsely settled Western States, yet, as a matter of fact, as the Senator knows, with the exception of the few camps which were established after the drought, every one of the boys in the Civilian Conservation Corps come from urban centers, and of the $30 a month which they receive they send back $25 to aid their relatives and their dependents in the urban centers. There are, I venture to say, boys from Baltimore working on Conservation Corps projects in some of the States which the Senator has mentioned, or other sparsely settled far Western States.

I will say to the Senator from Maryland that I am in a perfectly disinterested position so far as this argument is concerned, because on a previous occasion when the subject of roads was under consideration, and discussion was had as to whether the fund ought to be allocated on the basis of unemployment or in accordance with the provisions of previous highway acts, insofar as my own State was concerned, I remember it made practically no difference at all which system was adopted.

Mr. TYDINGS. That is true of many of the States.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Wisconsin on page 2, line 7, to strike out the sum of "$4,000,000,000" and to insert in lieu thereof "$9,000,000,000." On that question the yeas and nays have been demanded.

The yeas and nays were ordered; and the Chief Clerk called the roll.

Mr. LOGAN. I have a pair with the senior Senator from Pennsylvania [Mr. DAVIS] who is absent. I transfer that pair to the Senator from Alabama [Mr. BLACK] and will vote. I vote "nay."

Mr. BULKLEY. I have a general pair with the senior Senator from Wyoming [Mr. CAREY], who is absent. I understand that if present he would vote as I intend to vote. I am therefore free to vote and vote "nay."

Mr. LEWIS. I am requested to announce the absence of the junior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON] on account of illness. I also announce that the senior Senator from Louisiana [Mr. LONG], the Senator from Alabama [Mr. BLACK], and the Senator from Nevada [Mr. MCCARRAN] are necessarily detained from the Senate.

Mr. AUSTIN. I announce the absence of the senior Senator from Pennsylvania [Mr. DAVIS] on account of illness. I also announce that the senior Senator from Wyoming [Mr. CAREY] is absent on official business.

The result was announced—yeas 8, nays 77, as follows:

YEAS—8

Bilbo	Cutting	La Follette	Nye
Costigan	Frazier	Neely	Thomas, Utah

NAYS—77

Adams	Bailey	Bone	Burke
Ashurst	Bankhead	Brown	Byrd
Austin	Barbour	Bulkley	Byrnes
Bachman	Barkley	Bulow	Capper
Clark	Hale	Metcalf	Smith
Connally	Harrison	Minton	Steiwer
Coolidge	Hastings	Moore	Thomas, Okla.
Copeland	Hatch	Murphy	Townsend
Couzens	Hayden	Murray	Trammell
Dickinson	Johnson	O'Mahoney	Truman
Dieterich	Keyes	Pittman	Tydings
Donahey	King	Pope	Vandenberg
Duffy	Lewis	Radcliffe	Van Nuys
Fletcher	Logan	Reynolds	Wagner
George	Lonergan	Robinson	Walsh
Gerry	McAdoo	Russell	Wheeler
Gibson	McGill	Schall	White
Glass	McKellar	Schwellenbach	
Gore	McNary	Sheppard	
Guffey	Maloney	Shipstead	

NOT VOTING—10

Black	Carey	McCarran	Norris
Borah	Davis	Norbeck	Overton
Caraway	Long		

So Mr. LA FOLLETTE's amendment was rejected.

The PRESIDING OFFICER. The bill is still before the Senate and open to amendment.

Mr. STEIWER. Mr. President, I offer the amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the proper place in the joint resolution it is proposed to insert a new section, as follows:

SEC. —. (a) The acquisition of articles, materials, and supplies for the public use, with funds appropriated by this joint resolution, shall be subject to the provisions of section 2 of title III of the Treasury and Post Office Appropriation Act, fiscal year 1934; and all contracts let pursuant to the provisions of this joint resolution shall be subject to the provisions of section 3 of title III of such act.

(b) Any allocation, grant, or other distribution of funds for any project, Federal or non-Federal, from the appropriation made by this joint resolution, shall contain stipulations which will provide for the application of title III of such act to the acquisition of articles, materials, and supplies for use in carrying out such project.

Mr. STEIWER. Mr. President, a mere reading of the amendment will make its purpose clear to most of the Members of the Senate. Obviously the intention and purpose of the amendment are to make applicable the provisions of the amendment or rider to which we refer usually as the buy-American rider and which gives goods of American manufacture a price differential or advantage in the matter of filling contracts with the United States Government.

Section (a) of the amendment provides, in express terms, that the act to which I have referred shall be applicable to contracts let pursuant to the provisions of the joint resolution.

Section (b) provides, in effect, that in case of the allocation or grant of money from the appropriation provided by the joint resolution to the States for the construction of Federal or non-Federal projects, the act to which I have referred shall also be applicable.

I want to be entirely frank with Senators and will say that the first section, section (a) of the amendment, may not be necessary. I hope it will not be necessary to elaborate that proposition. It is contended by some that under the House joint resolution, with which we are dealing, as it now stands, the requirement for giving a preferential status to goods of American manufacture is already provided, but if that be true, of course, no harm can come from the enactment of the section.

The second section——

Mr. GLASS. Mr. President, I do not want to shorten the Senator's speech, but I do want to say that I will accept his amendment and let it go to conference.

Mr. STEIWER. The Senator's statement decidedly shortens my remarks, and I will conclude in just one sentence. The second section is necessary, for it has been held heretofore, in the matter of moneys allocated by the Government to States or municipalities to be spent by them in the making of their own contracts, that the "buy American" provision does not apply; therefore, if it be desired that it apply, it is necessary that section (b) be agreed to.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Oregon.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is before the Senate and still open to amendment.

Mr. GLASS. Mr. President, I desire to suggest, if there are any other minor or major amendments to be offered, that they be presented now. I make that suggestion for the reason that the senior Senator from Oklahoma [Mr. THOMAS] has an amendment proposing to add to the joint resolution what he designates as title II, which amendment he desires to withhold until all the other amendments shall have been presented. Therefore, I ask any Senator who has an amendment to offer to propose it now.

Mr. McNARY. Mr. President, I think the Senator from Virginia has given very fair notice; but in order that all Senators may have the advantage and benefit of it, I think a quorum should be called, and I suggest the absence of a quorum.

Mr. GLASS. Very well.

The PRESIDING OFFICER. The absence of a quorum being suggested, the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	La Follette	Robinson
Ashurst	Couzens	Lewis	Russell
Austin	Cutting	Logan	Schall
Bachman	Dickinson	Lonergan	Schwellenbach
Bailey	Dieterich	McAdoo	Sheppard
Bankhead	Donahey	McCarran	Shipstead
Barbour	Duffy	McGill	Smith
Barkley	Fletcher	McKellar	Steiwer
Bilbo	Frazier	McNary	Thomas, Okla.
Black	George	Maloney	Thomas, Utah
Bone	Gerry	Metcalf	Townsend
Borah	Gibson	Minton	Trammell
Brown	Glass	Moore	Truman
Bulkley	Gore	Murphy	Tydings
Bulow	Guffey	Murray	Vandenberg
Burke	Hale	Neely	Van Nuys
Byrd	Harrison	Norbeck	Wagner
Byrnes	Hastings	Nye	Walsh
Capper	Hatch	O'Mahoney	Wheeler
Clark	Hayden	Pittman	White
Connally	Johnson	Pope	
Coolidge	Keyes	Radcliffe	
Copeland	King	Reynolds	

The PRESIDING OFFICER. Eighty-nine Senators having answered to their names, a quorum is present.

Mr. GLASS obtained the floor.

Mr. BONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Washington?

Mr. GLASS. I yield to the Senator if he desires to present some matter.

Mr. BONE. It was my desire to offer an amendment.

Mr. GLASS. The Senator will understand that the call of the Senate was made at the suggestion of the leader of the minority in order that I might repeat the statement which I made a while ago.

Mr. BONE. Very well.

Mr. GLASS. The statement is to the effect that I hope every Senator who has an amendment to propose to the joint resolution will proceed now to offer his amendment, since the senior Senator from Oklahoma [Mr. THOMAS] has an important amendment which he will propose to the joint resolution as title II, and he does not desire to offer his amendment until all other amendments shall have been disposed of. Therefore, as a matter of expediting the consideration of the joint resolution, I hope Senators who have minor or major amendments will now propose them.

Mr. CLARK. Mr. President, I have an amendment which I intend to propose which I have not as yet prepared, and I do not understand that I am precluded from offering the amendment at the proper time because the Senator from Oklahoma desires to offer an amendment.

Mr. GLASS. I did not suggest that any Senator was "precluded", but in fairness to the Senator from Oklahoma and in order to expedite the consideration of the joint resolution, I made the suggestion.

Mr. CLARK. My amendment does not refer in any way to the subject matter of the amendment of the Senator from Oklahoma.

Mr. BONE. Mr. President, I offer the amendment which I send to the desk and ask to have read.

The PRESIDING OFFICER. The amendment will be read.

The CHIEF CLERK. It is proposed at the proper place in the joint resolution to insert the following section:

SEC. —. (a) The President and the Federal Emergency Administration of Public Works are hereby authorized and empowered to make loans to States, municipalities, or other public bodies, to finance, or aid in financing, the acquisition of any system, plant, works, or property for, or incidental to, the production, transmission, or distribution of electric energy, in cases where such acquisition (1) is by any such State, municipality, or other public body which has heretofore entered, or may hereafter enter, into any contract, compact, arrangement, or understanding with the United States of America, or any department, agency, or instrumentality thereof, for the purchase of electric energy, or for the acquisition, leasing, or use of any property, rights, or facilities belonging to the United States of America, or to any department, agency, or instrumentality thereof, and employed or used, or to be employed or used, in connection with the production, transmission, or distribution of electric energy; or (2) is by any such State, municipality, or other public body which, through contract, legislation, or otherwise, has joined with the United States of America, or with any department, agency, or instrumentality thereof in the construction, acquisition, or provision of any project or works in furtherance of navigation, of flood control, and the generation of electric energy, or has contributed to the cost of such construction, acquisition, or provision by the United States of America, or by any such department or agency thereof, or which is an agency, board, commission, or other instrumentality of such State, municipality, or other public body which has so joined or contributed.

(b) No such loan shall be made unless the President, or the Federal Emergency Administration of Public Works, or such agency as he may designate or create for the purpose, shall find and determine that the system, plant, works, or property so to be acquired either alone or in conjunction with a system, plant, works, or property of or to which they will constitute an extension, improvement, or addition, will be self-liquidating within a reasonable period.

(c) Any loans provided for in this section may be made out of funds appropriated herein or out of any funds available to the Federal Emergency Administration of Public Works, and shall be for such periods, not exceeding 40 years, as may, in the discretion of the President, or the Federal Emergency Administration of Public Works, or such agency as he may designate or create for the purpose, be proper in the interests of the borrower and the United States of America, and under such regulations as may be prescribed by or under authority of the President.

Mr. BONE. Mr. President, while the amendment is somewhat lengthy, its purpose is obvious on the most casual reading. I offer it for what seems to me a very pertinent reason.

The United States Government is now engaged in the building of a number of large hydroelectric developments. Their future, of course, is going to depend in a major degree on the outcome of the case now pending in the Federal court growing out of the decision of Judge Grubb which, if sustained by the Supreme Court of the United States, will mean the end of all these Government power projects.

We confront the fact that the United States Government is now spending several hundred million dollars in the creation of a number of projects which will be given over to the production of electric energy for sale. That sale will be either in conjunction with irrigation and reclamation projects, or in conjunction with navigation projects, such as the Bonneville development on the Columbia River, on the border line between the States of Washington and Oregon.

In my own State the Government is building a project known as the Grand Coulee development on the Columbia River, which will ultimately develop over 1,000,000 horsepower of electrical energy. At other points, including the Boulder Dam on the Colorado River, the Government is likewise engaged in the construction of similar projects which will develop huge amounts of hydroelectric power for which the Government must find a market.

I have received, and I presume the Senators from every State in the Union, particularly those who are from States where these great developments are now under way, have received this question: What is the Government going to do with this power? The question is a very pertinent one.

I do not know in just what kind of a predicament we are going to find ourselves and how we will make intelligent and sane answer to that question if we shall continue to create these projects without setting about the task of removing the harness from these plants and providing a market for the power. I cannot imagine any more stupid proceeding than

for the United States Government to build these great electrical giants and then circumscribe them and girt them in with physical and legal inhibitions which will make it impossible for the generators to send their current out over the wires where there is a market for it.

We may confront the spectacle of these great plants being completed without any market for the power. Markets are made in a number of ways. I do not intend to discuss that phase of the electric business today, but part of this market must be found in a field which is now partly occupied by private power companies.

I desire to discuss briefly the purpose of the amendment I have offered, and I call the attention of the Senate to its provisions. It provides that, out of the money to be appropriated, loans may be made to public bodies, which must be repaid within a reasonable period of time. Such loans may be made to States, municipalities, and other public bodies to finance the acquisition of existing privately owned power-distribution systems.

I have in mind one very definite instance which I use as an example. The city of Los Angeles at this moment is desirous of acquiring a portion of a city distribution system now privately owned. The city wants to buy it, pay for it, take it over, and combine it with its present municipally owned and operated electric system. When they shall do that they will have a completely municipalized system in that city. It involves nothing but taking over that part of the distribution system now privately owned, giving the city of Los Angeles the revenue from a completely diversified use of electricity in that city, so it will enjoy the benefits of all the revenues instead of merely a portion. The city would borrow the money from the Government in order to buy electricity developed at Boulder Dam.

The amendment narrows all loans to instances where the State or the city or the municipal corporation is going to buy power from the United States Government produced in one of the power plants which Senators have authorized by their votes.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Massachusetts?

Mr. BONE. I yield.

Mr. WALSH. From what fund are such loans or grants to be made?

Mr. BONE. From the fund we are now creating by the pending joint resolution.

Mr. WALSH. Would the amendment result in large sums being subtracted from this appropriation to the harm and hurt of the relief situation?

Mr. BONE. I do not think so. There are very few cities which desire to avail themselves of this provision at the present time. I know now of but one city, Los Angeles, though there are others which will desire such loans as we progress with our national power program, if the courts do not destroy it.

Mr. WALSH. As I understand the Senator's proposal, it is to advance some of this money to States or counties or cities for the purpose of purchasing electric-light plants.

Mr. BONE. No; not electric-light plants, but distribution systems which will be used to distribute power purchased from those plants for which we are providing funds under the pending joint resolution.

Mr. WALSH. For the purpose of establishing or purchasing distributing plants which will purchase electricity now being developed under some of the public projects?

Mr. BONE. That is correct. Let me make it a little more specific. In my State the Government is now building the Grand Coulee project. Between the States of Oregon and Washington on the Columbia River the Bonneville project is being developed, and we are expending huge sums of money on these power plants. The Bonneville project will ultimately develop half a million horsepower of energy. The Grand Coulee will have in excess of 1,000,000 horsepower. I cannot speak for Casper-Alcova or Boulder Dam. Other Senators know those figures as well as I know them; but I say now to the Senator from Massachusetts, for instance, that here is what we confront in this joint resolution: Out of the moneys that are now being appropriated in this joint resolution the President, unless stopped by the courts, will continue to develop and expand the Grand Coulee project in my State. Now we confront the spectacle of using part of the money appropriated by this joint resolution to build the Grand Coulee project, to build the Bonneville project, and when we get them built there will be no market for the power unless we help provide it.

We can hang our hats on either horn of the dilemma or on both horns; but if we are going to go just half way, then we are going to realize to our great discomfiture that we have authorized and built these gigantic electrical developments without having tried to provide a market for the power developed there.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Texas?

Mr. BONE. Yes.

Mr. CONNALLY. May I ask the Senator—who is going to build a plant until there is some demand for the power? Will not the board which passes on such projects take into consideration possible outlets for the power before it authorizes the construction?

Mr. BONE. The answer to the Senator is very easy to make. The Government is already building these plants. It is committed to the projects.

Mr. CONNALLY. It is committed only to those projects where there is some prospect of there being an outlet for the power; is it not?

Mr. BONE. I will say to the Senator from Texas that I should not be making this argument if I were convinced of the accuracy of his conclusions or his thought.

Mr. CONNALLY. Does the Senator mean to say that the Grand Coulee project is being built now, and the money of the Government is being wasted, when there is no outlet for that power?

Mr. BONE. I do not want the Senator to put in my mouth a suggestion that the money is being wasted. I content myself with answering him in this way: The Government is now preparing to build the Grand Coulee project. It will cost anywhere from $240,000,000 to $300,000,000. So far, the only thing in the record is a study of power potentialities and possible markets. But such studies in themselves do not create a market. I am trying to create a market by this amendment.

Mr. CONNALLY. Let me say to the Senator that I have no prejudice against the Grand Coulee project or the grand anything else; but if the Government is spending two or three hundred million dollars without any prospect at all of selling the power, the Government is wasting its money. I will take the words out of the Senator's mouth and insert them in my own if that is the case. The Senator knows better than I do whether or not those statements are correct. I do not know. Even at the expense of losing Washington in the next election, I should be in favor of saving that $200,000,000 if there is no prospect of getting anything out of the power.

Mr. BONE. The same situation confronted the United States Government in building Boulder Dam, and we have now tied on Los Angeles. It is going to use much of that power. We can provide a huge load for all of these plants if we will just give surrounding communities a chance to acquire existing distribution facilities so that they may utilize the power. I want Congress to cooperate fully in that direction.

Mr. McCARRAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Nevada?

Mr. BONE. Yes.

Mr. McCARRAN. I desire to interrupt the Senator to augment his argument and to give it more force from a specific instance coming from the Boulder Dam.

The territory surrounding the Boulder Dam is today financially unable, perchance, to utilize the power that may be developed by this great project financed by Government money. The Senator's amendment, if I understand it cor-

rectly—and I hope I do—would aid the contiguous communities to utilize that energy, and eventually pay back the money which has been expended and is now being expended on Boulder Dam. In other words, Los Angeles is not going to be the only community that can utilize the power and energy coming from the Boulder Dam. The States of Nevada, Arizona, and Utah are all interested in the utilization of the energy that will be developed through the Boulder Dam project.

I say this in view of the fact that the Boulder Dam project is today completed a year and a half or 2 years ahead of time. The gates have been shut down. The water is being impounded, and within the next few months energy of a secondary nature will be manufactured at Boulder Dam. Who is going to utilize that energy unless we encourage communities by saying to them that they may utilize this money, to be paid back, in financing organizations that will utilize this energy, and thus be enabled to repay the Government?

I desire to express my gratitude to the Senator from Washington for an opportunity to augment his thought.

Mr. BONE. I thank the Senator from Nevada for his suggestions, which are very illuminating. The Department of Public Works, the P. W. A., has sent into every State in the Union a set of bills, form bills, to be enacted by the legislatures of the States in order to facilitate the sale of publicly produced power. Every Member of this body is aware of that fact. The legislature in my State received them, but Washington State has probably the finest set of power laws in the Union. We have ample power under State laws, but cities do need the aid proposed in my amendment. The sole purpose of this amendment is to stimulate the sale of electrical energy by providing a market for the power from plants which Congress has authorized. I think we are going to find ourselves in a strange predicament if we do not do something of this kind. Since we have authorized these plants—and I think it was the part of wisdom to have authorized them, and was in keeping with the spirit of the age—it is up to us to make a market available to our own plants.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Idaho?

Mr. BONE. I do.

Mr. BORAH. There has been so much noise in the Chamber that I have been unable to follow the argument of the Senator from Washington. If I gather its purport correctly, his amendment would provide loans for certain purposes. Is that purpose to build power lines, and so forth?

Mr. BONE. No. The loans which are contemplated by the amendment are to be made to public bodies and public agencies in order to enable them to acquire existing distribution systems, provided the systems so acquired will buy power from one of the Government power developments at Muscle Shoals, Grand Coulee, or any other Federal power project. In other words, the amendment simply makes it possible for the Government to develop outlets for the power which will be produced in the gigantic power plants it is now building.

If Senators disagree with the underlying philosophy of this proposal, that is one thing. I do not imagine that all Senators here agree with my views; but I say that we may not walk away from this problem. We are building these big plants. We must find a market for the power. I desire to see every possibility of hampering or blocking these plants removed. It is contemplated that that money will be used to acquire existing systems and eliminate competition, which will also provide a market for power. Los Angeles now desires to do this. Cities and towns in my own State would like to acquire their distribution systems when the Government is ready to supply power. My amendment provides for loans for that purpose.

A little town that can acquire its distribution system for a couple of hundred thousand dollars cannot readily make such a loan in New York, because a bond house will not generally touch a small loan like that. Lawyers in this body will realize that that is true. I could not go to New York, representing a little town, and make a loan of a quarter of a million dollars from a bond house, because few bond houses want to underwrite such small bond issues, but the Government can make the loans, and we have set up the machinery to do it. We have created these great electrical giants. They should be made socially useful to the greatest possible degree.

Mr. BYRNES. Mr. President, I call the attention of the Senate to the fact that in the classification on page 3 of the joint resolution it is provided, in line 17, that the appropriation shall be available, among other things, for—

Loans or grants for public projects of States and Territories or political subdivisions or agencies thereof.

If the Senator from Washington has in mind projects of a State or any subdivision of a State, then in the classification in the joint resolution there is $900,000,000 available for such loans or grants to States, counties, or other subdivisions of a State or agencies of a State.

I do not think we should attempt to enumerate the various kinds of projects for which a State or county or agency may secure a loan. If we should do that, we should be adding innumerable projects and much language to the joint resolution.

Mr. BONE. Mr. President, I point out to the Senator from South Carolina that this amendment does not require any money. It does not add anything to the joint resolution in the way of an appropriation. It does not earmark anything. The joint resolution already earmarks certain amounts of money. I am trying, by my amendment, to identify this as one of the things that can be brought within the scope of the provision to which the Senator calls my attention.

Mr. BYRNES. That is really my objection to the Senator's amendment, in that there are now no limits at all upon the purposes for which a State, county, or other subdivision of a State can borrow money, if the project is a public project.

Mr. BONE. I wish I could find some consolation in the Senator's suggestion; but I suggest that he go down to P. W. A. and find out how much consolation he will get in case it is desired to borrow any money for the purpose I have suggested. I doubt if the Senator can find a single instance of a loan of that character from P. W. A. The R. F. C. refuses to make such loans on the ground that P. W. A. should.

Mr. BYRNES. I am speaking, not of the law as it has heretofore existed, but of the joint resolution now pending, to which I call the Senator's attention, feeling satisfied that if he will look at line 17, page 3, regardless of what may have been provided in any previous act, this measure provides authority for loans or grants for public projects of States and Territories—as it has been amended—or political subdivisions. It is complete authority. There is no limitation at all upon the language.

Mr. JOHNSON. Mr. President, may I ask the Senator to state again the exact place to which he refers?

Mr. BYRNES. On line 17, page 3, if the Senator will refer to the language which reads—

Public projects of States or political subdivisions thereof—

It was amended so as to make clear the purpose. It was amended so as to read, after the semicolon on line 17—

loans or grants for public projects of States—

Then there was an amendment—

and Territories—

Then, continuing the language of the joint resolution—

or political subdivisions—

There was another amendment—

or agencies thereof.

Mr. BONE. Will the Senator call my attention to the language "loans or grants"? Where is that to be found?

Mr. BYRNES. I have just explained that. The Senator may have been misled in that respect. The joint resolution, as reported from the committee, did not have in it the words "loans or grants"; and upon my motion an amendment

was adopted, in order to make it clear, inserting the words "loans or grants for", which comes after the semicolon and before "public projects."

Mr. BONE. That language does not appear in the text of the joint resolution before me.

Mr. BYRNES. I am telling the Senator that as reported the langauge did not appear in the joint resolution, but on the floor of the Senate the amendment was offered and was adopted; so that, as the joint resolution now stands, it does have in it the language in which the Senator is interested, and specifically provides that loans or grants may be made for public projects of States. Then another amendment was adopted, offered by the Senator from Maryland [Mr. TYDINGS], inserting the words "and Territories." Then, on the same line, an amendment was offered by me, which was adopted, adding the words "or agencies", so that it now reads:

Loans or grants for public projects of States and Territories or political subdivisions or agencies thereof.

Mr. JOHNSON. Does the Senator construe that to mean that loans may be made to existing projects for the purpose of acquiring others?

Mr. BYRNES. Loans may be made for public projects to States or political subdivisions thereof.

Mr. JOHNSON. Yes; but is there any limitation upon the reasons upon which such loans may be predicated?

Mr. BYRNES. As the language shows, there is no limitation.

Mr. JOHNSON. I am asking the question so that if this joint resolution subsequently shall become law, this little interchange may serve to show that a public project producing power may acquire, by loan or grant, money under this joint resolution for the purpose of purchasing or acquiring a private utility. That is the reason why I am asking the question.

Mr. BYRNES. I will say that the Senator is just as able as am I to interpret this language. I would say much abler, but I should say there is no restriction in the language at all except that a given project must be a public project.

Mr. JOHNSON. Exactly. I wanted to have that plain in the RECORD.

Mr. BONE. Mr. President, I should like to have the Senator from South Carolina retain the floor a moment, so that I may ask him a question.

Mr. McCARRAN. Mr. President, before the Senator from Washington propounds his question I should like to ask one. The language which the Senator from South Carolina had inserted in the joint resolution I think probably was not brought to the attention of the Senator from Washington.

Mr. BYRNES. That is probably true.

Mr. McCARRAN. The fact of the matter is that I had overlooked it, although I now recall the time when the Senator from South Carolina had the language inserted here on the floor of the Senate.

For the purpose of clarifying the situation, does the Senator from South Carolina think that the language which he had inserted in the joint resolution by way of an amendment is sufficiently broad to encompass the idea sought to be developed and brought into law by the Senator from Washington?

Mr. BYRNES. Mr. President, I say frankly that, having read hurriedly the amendment offered by the Senator from Washington, which is two pages long, I do not understand exactly how far the amendment of the Senator would go. But there is this restriction, that a project must be a public project, and that is the only restriction. The Senator from Washington knows the project to which he refers; and if it is a public project, then it comes within the scope of the measure, but if it is a private project, it does not. The only restriction is that a project must be a public project.

Mr. McCARRAN. I beg the pardon of the Senator from Washington, but I wish to ask a question of the Senator from South Carolina, who is the author of the language we are now discussing, in order to get his views for the purpose of clarifying the record.

The State of Nevada is today enacting laws pursuant to suggestions coming from the Department of the Interior and otherwise so that the State of Nevada may enter into a financial agreement with the Government to finance the building of power lines from the Boulder Dam into the interior of Nevada. Does the Senator from South Carolina believe that the language of the amendment he offered, to which he has made reference, is sufficiently broad to cover that?

Mr. BYRNES. Are the projects to be financed by an agency of the State or the State itself?

Mr. McCARRAN. Yes.

Mr. BYRNES. There is no question in my mind about the projects being covered by the language in the pending measure.

Mr. McCARRAN. Or it will be financed by a subdivision of the State.

Mr. BYRNES. The same answer would apply if it is to be financed by a subdivision or an agency, because many of the States have determined upon the policy of creating corporations to handle such projects as that the Senator has outlined. There is no question about it.

Mr. BONE. Mr. President, I want to take this opportunity to make one point very plain. Let us not get our minds off one point which has been emphasized and stressed a hundred times in the debate. Let us turn to the first page of the joint resolution. The language is:

That in order to—

Then come the italics, placed in the joint resolution by the committee of which the Senator from South Carolina is a member—

That in order to provide relief and work relief there is hereby appropriated—

And then the amounts are set out. These appropriations are for "work and work relief", and nothing else.

Lawyers are going to interpret this language and counsel for the P. W. A. is going to interpret it. I heard the able Senator from Virginia [Mr. GLASS] and, I think, the Senator from South Carolina [Mr. BYRNES], and other Senators say that this was a relief and work-relief measure and nothing else, and this language conclusively proves it.

Acquiring in whole or in part a distribution system would not, under the interpretation given these words on the floor of the Senate, would not include such "acquisition."

My amendment goes outside the scope of work and work relief in this one particular. I have offered the amendment because as a result of this measure the President will use money provided in this same resolution to build Boulder Dam, build Grand Coulee, build Bonneville, build Casper-Alcova, and build Fort Peck. He is going to use part of the money authorized by this measure to complete these big electric plants. When we confront the necessity of finding a market for the energy generated, let us at the same time be logical and make it possible for the President to find a market for the power.

I want to be perfectly frank with the Senator from South Carolina. If the people of Los Angeles acquire a portion of the distribution system of that city by virtue of a loan made possible under my amendment, it would be a transaction where gentlemen sat at a desk and signed some bits of paper transferring title to property. The city of Los Angeles would not build anything, there would not be any "relief work" in the transaction as that term has been employed here.

Mr. BYRNES. My own judgment is, from the statement made by the Senator, that that would not come within the measure, if the Senator has accurately described the project.

Mr. BONE. That is precisely what my amendment is aimed at. It is as clear on its face as it is possible for the English language to make it.

Mr. BYRNES. Let me ask the Senator this question: The Senator is talking about a project in which he is interested, the construction of a dam, and the Senator says that on the completion of that dam there will be no market for the energy generated. When is it expected to be completed?

Mr. BONE. The Boulder Dam is nearing completion now. The Senator from Nevada can give you information about that. I think the Senator from Oregon [Mr. McNARY] could tell us how near the Bonneville project is completed. The Bonneville project will be completed long before the Grand Coulee project in the State of Washington is completed. The Casper-Alcova, the Fort Peck, and these other plants, will be some 3 or 4 years in building, I am advised by the Senator from Montana [Mr. MURRAY].

Mr. BYRNES. The Senator says 3 or 4 years. If that be so, they certainly would not come within the terms of the pending joint resolution, the money thereby appropriated, under the language of the measure, to be expended by the year 1937. Those projects certainly would not come within the measure if what the Senator has said is accurate.

Mr. BONE. The city of Los Angeles is in position to avail itself at once of the benefits of this measure, and there are other cities in that neighborhood which can do so. Cities in my State will do so when the opportunity is offered.

Mr. BYRNES. From the statement the Senator makes as to the city of Los Angeles, I would say that project would not come within the terms of the joint resolution, because the object, as we have said for the last 6 weeks on the floor of the Senate, and it seems unnecessary to repeat it now, is to provide relief and work relief, and if the project to which the Senator refers involves the purchase of property without furnishing either relief or work relief to anyone, I do not think it would come within the terms of the joint resolution.

Mr. BONE. That is precisely why I raised the point I suggested, when the Senator points out, by reference to page 3, line 17, that the joint resolution is broad enough to include what I suggest in my amendment, and I have been seeking to discover whether or not it is broad enough to do the thing we have been discussing here.

Mr. BYRNES. I said to the Senator very frankly that I read the amendment hurriedly, and I could not read the two pages of the amendment carefully at the time; but if the project to which he refers is a public project, it would come within the joint resolution; but if he refers to a private project, I would think it would not, because this is a measure intended for nothing but a relief bill, and is not for the purpose of carrying out the purchase of property when it is to afford relief to no one and is not a project that would give work to anyone.

Mr. BONE. I think none of us has any misunderstanding. I am certain none of the Senators here has any misunderstanding as to the purpose of the amendment. I have tried to make it plain. We now face a situation where the R. F. C. refuses to make such loans and sends applicants to the P. W. A. This bill, unless modified by my amendment, will actually forbid the P. W. A. to make such loans in aid of the very enterprises it is now completing with funds supplied by this bill. The picture is not a very happy one.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. BONE].

The amendment was rejected.

Mr. WALSH. Mr. President, I offer an amendment as to which I anticipate there will be no controversy, an amendment which I have submitted to the chairman of the committee, and to which he does not object. It provides for the extension and continuation of the law creating the Civilian Conservation Corps, which expires on March 30. A bill was presented by me early in the session containing the provisions of the amendment I now present.

The House text authorized the President to create new agencies for the purpose of carrying out the provisions of the pending works-relief bill. That text was stricken out by the Senate committee, and there is some question as to whether or not the life of the C. C. C. would not end on March 30 next unless an amendment such as I am proposing were adopted. Happily there is no objection to the amendment, as it is the one relief activity that meets with almost universal support and which should be continued as a statutory Government department.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to insert at the proper place the following:

SEC. 15. Section 6 of the act entitled "An act for the relief of unemployment through the performance of useful public work, and other purposes", approved March 31, 1933, is amended by striking out the words "two years" and inserting in lieu thereof the words "four years."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts.

The amendment was agreed to.

Mr. BORAH. Mr. President, we are now coming near the final disposition of the joint resolution. I think in all probability the only important amendment left to be considered is that of the Senator from Oklahoma [Mr. THOMAS]. Before the resolution is disposed of I wish to call attention to a matter which seems to me worthy of serious consideration.

We are about to appropriate the sum of nearly $5,000,000,000. The objective is that of recovery. A very large part of this money will be expended for the purchase of material. The Government will have to go into the market to buy material, and if the program with reference to public works is carried out with any degree of success whatever, there will be a large amount of material which necessarily will have to be purchased.

I wish to submit to the Members of this body the fact that the Government will have to go into a market which is rigged against the Government. It will have to purchase material the prices of which are fixed against the Government.

We are taking nearly $5,000,000,000 of the taxpayers' money, and by the time the Government shall have paid the bonds which it will issue, and the interest on these bonds, it will be eight or nine billion dollars, in order to relieve the poor of this country. Standing between the Government and the poor of the country are those who are fixing the prices which the Government will have to pay. Before the Government can reach the needy it must respond to the toll demanded by those corporations which have the power to fix what the toll shall be.

Millions of dollars which ought to go to the benefit of the poor will never reach them. It will go to the coffers of the already amply provided for and enjoying large profits. We will be back here next year, under this program, asking for another appropriation because we are not reaching the poor, we are only reaching the few.

Let me call attention to a report filed a few days ago by an agency of the Government and see whether Senators want to send the Government into this kind of a market with the taxpayers' money, or whether they will demand an open market, an uncontrolled market into which to send the taxpayers' money for the purpose of purchasing material. This report says:

It is price fixing so absolute that purchasing agencies of the Federal Government are reduced to a position of such helplessness that they literally place each bid in a separate capsule, shake them up, and draw one out of a hat. It is a price fixing so rigid that violations of the delivered price are actually penalized at the rate of $10 per ton even on sales to the Federal Government, while fines have been assessed on sales of as little as a fraction of a ton. It is price fixing so self-centered that, as the Commission pointed out in its former report, the advantages bestowed by nature on particular sections or communities have been nullified.

In other words, with reference to this industry—and I will come to others in a moment—the Government of the United States itself stands helpless before the demands of the organizations from which it will have to buy.

Mr. CUTTING. From what report is the Senator reading?

Mr. BORAH. From the report of the Federal Trade Commission made just a few days.

Mr. GLASS. Mr. President, will the Senator yield?

Mr. BORAH. I yield to the Senator from Virginia.

Mr. GLASS. Will the Senator state whether or not he is entirely certain that the purchase of this great amount of material will result in increased employment, or have these

great organizations their set-ups now and are they now prepared to furnish the material?

Mr. BORAH. I do not think under the circumstances in which the fund will be administered that it can result in any great employment. The companies have their set-up now, they have their organization, they have their employees, and they have the power to say to the Government "how much you shall pay us." There is no occasion for their increasing the number of their employees when they can set the price to suit themselves on the basis of their already complete organization. Mr. President, are we going to use this money which we are taking from the pockets of the taxpayers to reach the great mass of the people of the United States? If we are, we will clear out of the way the men who stand as toll gatherers upon the highway of trade and commerce to fix the price which they see fit to fix.

A few days ago a gentleman sent me a statement. I know him well. He has long been interested in the problem of building homes and developing home building in different communities. He is a man of high standing, and well known to many people in the Middle West. In this statement he says that cement per sack in the spring of 1933 was 45 cents. Now it is 67 cents.

How did it get to 67 cents? By demand? By the demand upon the product? Certainly not. It got to 67 cents by the arbitrary power which exists in one combine in the United States to fix the price of this principal factor in home building in the United States. And yet we are appropriating money with the good and noble intention of encouraging home building in the United States. Why, even those who have money would not build homes at the present time under present circumstances. They could not afford to make the investment which is necessary at the prices which they would now have to pay. In fact, people with means are foregoing the building of homes.

Plaster in the spring of 1933 was 85 cents. It is now 97 cents.

Wood shingles were $3.61 in 1933. They are now $4.63.

Red-oak flooring was $53.90 in the spring of 1933. It is now $82.03.

Doors were $2.65 in 1933. Now $3.40.

Metal lath, 2.2, in 1933 was 14 cents. Now 20 cents.

Metal lath, 3.0, in 1933 was 14 cents. Now 23 cents. An increase of 64 percent.

Plumbing, cast-iron soil pipe per foot, 25 cents in 1933. Now 34 cents.

And so on through the entire list of the ingredients which are essential commodities for the building of homes. Now, many of these prices were already high before the increases took place. And this person to whom I have referred very properly said:

> Under the circumstances which prevail at this time it is utterly impossible to encourage successfully the building of homes.

And why would it not be so? Who is there here who, if he wanted to build a home, would not hesitate under the circumstances to do so? How can you expect people of limited means to meet these prices and to improve their condition?

Mr. President, when we consider that a very large portion of this money will be utilized for the purpose of purchasing material, and that over 80 percent of the material which we are going to purchase is controlled by trusts and combines, is it wise to undertake this question of recovery until we remove that insuperable obstacle to recovery? It is a simple question of honest dealing with the taxpayer and the unemployed.

Last year we appropriated $3,500,000,000. Now it is a conceded proposition that we have put comparatively few people to work during that time. I am not criticizing the effort. By no means am I doing so. I certainly am not criticizing the good purpose and intention. But we were confronted by a situation which made it impossible to make progress in the way of distributing these funds to those who really needed them, and the vast amount of it went to those who did not need the funds.

Are we going to repeat that this year, and year after year? The condition in this country calls for candid consideration of methods. We are creating a debt that is staggering, we are piling up a tax burden which discourages legitimate business, and yet we do not make progress toward reducing unemployment. After all the efforts of the Government, perhaps 20,000,000 on relief. We make no progress. Why is this so? One great reason is that these expenditures are curtailed and cut down on their way to these millions of unemployed to such an extent that these vast appropriations grow larger and the number of unemployed grows larger at the same time year by year. In other words, those who are in need do not get what the Government intends they shall have.

I said the other day—and I dare to repeat it—until you can restore purchasing power to the masses of the people of the United States, there is no such thing as recovery. Appropriating large sums for the few does not help recovery. Until this money which you take from the Treasury and send out over the country reaches the masses, there is no such thing as recovery. Until you reach those in the ordinary walks of life and there build up your purchasing power, your efforts to restore prosperity will be in vain; and you never can do it so long as monopoly stands upon the highways of commerce and collects from the Treasury of the United States the amount which is set out whatever it sees fit to charge.

A few days ago Mr. Lippman had an article upon this subject which I think is of great importance. He certainly would not criticize where there is no ground for criticism. He says:

> The evidence is now sufficient to justify the conclusion that the high cost of capital goods is the chief domestic obstacle to recovery. This high cost is the result of monopoly and semimonopoly.

Mr. President, I am going to offer an amendment. I do not suppose at this late hour in the consideration of the joint resolution I can hope for the consideration it deserves, But if the Members of this body have had time to investigate the matter I believe they will take the first step which is necessary to be taken in order to remove this great obstacle to recovery. I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed at the proper place to add a new section as follows:

> SEC. —. That a portion of section 5 of the National Recovery Act, passed and approved June 16, 1933, reading as follows: "While this title is in effect (or in the case of a license, while section 4 (a) is in effect) and for 60 days thereafter, any code, agreement, or license approved, prescribed, or issued and in effect under this title, and any action complying with the provisions thereof taken during such period, shall be exempt from the provisions of the antitrust laws of the United States", be, and the same hereby is, repealed.

Mr. BORAH. Mr. President, the effect of this amendment is to restore the antimonoply and the antitrust laws of the United States. It places them back in full force and effect where they may be enforced, and in violation of which, if they were upon the statute books, these things would have been done of which I am now complaining. When these laws are restored the Government will have the power to protect labor, protect the consumer, and protect the Government itself and thereby protect the taxpayer and the needy against unjust and extortionate prices.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. BORAH. I yield to the Senator from Arizona.

Mr. ASHURST. The able Senator from Idaho read from a report of the Federal Trade Commission. Did that Commission make any recommendation or make any expression as to the effect of such an amendment as that which the Senator is now proposing?

Mr. BORAH. Yes, they made a recommendation; and, since the Senator has asked that question, I am going to ask that the conclusions of the Federal Trade Commission be inserted in the RECORD as a part of my remarks.

The PRESIDING OFFICER (Mr. DUFFY in the chair). Without objection, the matter referred to will be printed in the RECORD.

(See exhibit A.)

Mr. ASHURST. Can the Senator state whether the recommendations were favorable or unfavorable to the repeal of the provision of the National Recovery Act and the restoration of the antitrust laws?

Mr. BORAH. I think I am safe in saying that the Federal Trade Commission favors the restoration of the antitrust laws.

Mr. ASHURST. The Senator's argument has weight with me, and I wish to say here that the recommendations of the Federal Trade Commission also carry weight with me, and it would seem that the Senator's amendment would not be out of harmony with the recommendation of the Federal Trade Commission on this subject.

Mr. BORAH. I think it is in harmony with them.

Mr. KING. Mr. President, will the Senator yield?

Mr. BORAH. I yield to the Senator from Utah.

Mr. KING. I think I may support the position of the Senator from Idaho. The Federal Trade Commission recently submitted a report concerning the Steel Trust and its activities and the Pittsburgh plus-price system. A careful examination of that report, plus the recommendations made, indicates that the Federal Trade Commission believes in the enforcement of the antitrust laws. If the Senator from Idaho will pardon me, I may add that the Federal Trade Commission have made many investigations and submitted many recommendations to the Attorney General for prosecution of corporations and individuals for unfair practices and for violations of the Federal antitrust laws, but unfortunately, under three administrations, those of Mr. Harding, Mr. Coolidge, and Mr. Hoover, those recommendations were pigeonholed and no prosecutions were brought.

Mr. WAGNER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from New York?

Mr. BORAH. I yield to the Senator from New York.

Mr. WAGNER. Mr. President, I am in sympathy with much the Senator has said. But this whole subject matter will shortly come before the Senate for consideration, because the National Recovery Act expires on June 16. Proposals for the continuation of the N. R. A., in entirety or in modified form, are now before the Finance Committee.

Therefore I suggest to the Senator that, instead of proposing an amendment to the pending joint resolution, he ought to withhold consideration of N. R. A. problems until that time in the near future when N. R. A. revision will come before the Senate.

I am in sympathy with the Senator as to price fixing. I had never supposed when we passed the act that the so-called "price-fixing power" would be exercised as it had been. The Senator will remember that when the National Industrial Recovery Act was under consideration some of us thought some modification of the antitrust laws was necessary in order to fix minimum wages. But, in my judgment—I may be in the minority in that regard—the Administrator went beyond the powers which were contemplated by Congress when he countenanced fixing the price of commodities and limiting competition thereby. But I think this subject ought to be deferred until the time when the bill involving this whole question comes before the Senate. It may be that there are some powers we may want to retain, and others, such as price fixing, which we may want to prohibit definitely. That is the only appeal which I make to the Senator.

Mr. BORAH. Mr. President, the statement of the Senator from New York, of course, brings up the thought which I myself have considered; that is, as to the advisability of offering the amendment at this particular time. I was conscious that it would be thought that it was not really relevant to the subject which we are now considering, but, upon reflection, I reached a different conclusion, for the reason that the Government is going immediately into the market to buy the material which it will be necessary to procure under the joint resolution, and it seems to me that before doing that we ought to take a decisive step toward eliminating monopoly control of the market.

I will say to the able Senator from New York that I am not proposing to repeal any part of the National Recovery Act except the provision as to the suspension of the antitrust laws; I am not proposing to affect any other provision of the act; and if the National Recovery Act were executed in accordance with the views which the able Senator from New York himself expressed at the time it was passed, the repeal of the provision which suspends the antitrust laws would be in harmony with the act and not against it.

The repeal of the provision which suspends the antitrust laws would help to carry out more effectually the announced purposes of the National Recovery Act. All the amendment seeks with reference to the National Recovery Act is to take out that provision, and that provision alone, which suspends the antitrust laws. I ask the Senator, should we delay such action in view of the fact that the Government is going into the market to buy great quantities of material from those who have the power to say what the Government shall pay for it?

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BORAH. I yield to the Senator from Missouri.

Mr. CLARK. Does not the germaneness of this amendment to the particular pending measure conclusively appear from the fact that the amount of good which can possibly be accomplished in the way of work relief under this measure will necessarily be very materially affected by the extent which material prices have been jacked up by the monopolistic practices indulged under the N. R. A.?

Mr. BORAH. That is quite true. The question of work, the number of people who may be employed, and the amount of public works which can be carried on, and so forth, are all affected by the proposition which I am now seeking to bring before the Senate.

Mr. WAGNER. Mr. President——

Mr. BORAH. I yield to the Senator from New York.

Mr. WAGNER. I do not want to continue this discussion unnecessarily. After all, I am not in charge of the pending legislation. But I think the Senator is proposing to act in a rather hurried manner. We do not know in what manner the action he proposes may affect communities and disturb the very salutary features of the National Recovery Administration. I believe that most business men, as well as the representatives of labor, agree that the National Recovery Administration should continue in some form, and that to abolish it altogether would throw us back into the chaos from which it has lifted industry.

I say again—and the Senator knows from private conversation—that I am entirely in sympathy with what the Senator is attempting to accomplish. I think that the majority of the Senate entertains his point of view. When this matter comes up in the Senate in regular order, after consideration by the Finance Committee, undoubtedly we shall limit some of the powers now being exercised to suspend the antitrust laws. But I am not able to say at this moment whether the Senator's amendment might not disturb some very salutary features, such as the fixing of minimum wages.

Mr. BORAH. Oh, no, Mr. President.

Mr. WAGNER. The Senator from Idaho says no, but because of past decisions I have some apprehension about that. The Senator, in opening his remarks, I think, made the confession that he was bringing the amendment up rather hurriedly and without an opportunity to study its effects.

I am not pleading for a continuation of the provision of the National Recovery Act to which the Senator objects, but I should like an opportunity to study his amendment and determine if it might not be desirable to enact some particular saving clause which would preserve the salutary features of the act; and most of them have been salutary, I think, despite what has been said.

Mr. HASTINGS. Mr. President——

Mr. BORAH. I yield to the Senator from Delaware.

Mr. HASTINGS. I merely wish to make an observation, and I will ask other members of the committee to correct me if I am mistaken. In the first place, if the Finance Committee does what the Senate has requested it to do, and makes a thorough examination of the N. R. A., any bill it may report will not be back to the Senate very soon. That is the first suggestion to which I wish to call the Senator's attention.

Secondly, I think if the Senator from Idaho will examine the testimony given by two witnesses appearing for the administration upon this very point he will find a remarkable statement from those two officials as to the operation of the particular provision of the N. R. A. law. The statement is to the effect that, from their point of view, the antitrust laws have never been suspended under the N. R. A. Act. The only thing they have done under it—I remember distinctly this was Mr. Williams' explanation, and I repeat that if any member of the committee does not agree with me, I should like him to correct me—and the only purpose it served was to permit those interested to get together and talk things over in order that they might make a code.

So far as I can see, with all the importance placed upon it by those two gentlemen, assuming them to be correct, it would not interfere in any way with the N. R. A. if it were stricken out here.

Mr. BORAH. I do not think it would interfere with the N. R. A., but I do not accept the interpretations placed on this subject by those two important gentlemen to whom reference has been made. These codes do conflict with the antitrust laws. Many of the codes are permitting the most flagrant practices, all to the injury of the people generally and to the great injury of the poorer people. When one contemplates these prices constantly being raised by arbitrary power in the face of millions who are daily growing less able to buy, it seems to me worthy of our speedy and effective action, looking to their protection.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Virginia?

Mr. BORAH. Certainly.

Mr. GLASS. Adverting to the remark of the Senator from New York [Mr. WAGNER] that he is not in charge of the pending joint resolution, the implication being that whoever is in charge of it should object to the amendment of the Senator from Idaho, I may say that I did not suggest the amendment offered by the Senator from Idaho. I did not know it was to be offered.

If anyone thinks I am going to rise on the floor of the Senate and repudiate my consistent record against the suspension of the antitrust laws merely because I am in charge of this measure, he is very much mistaken. I voted against that feature of the N. R. A. Act; in fact, I voted against the whole wretched act from beginning to end.

I do not think any species of tyranny was ever practiced in any civilized nation of the earth comparable to the tyranny which has been practiced upon the people of this country under the N. R. A. Act.

I should have wished, if my advice had been asked, that a matter which on the face of it seems so irrelevant should not have been presented as an amendment to the pending joint resolution; but as I heard the Senator from Idaho speak, it seemed to me that it is quite relevant; that it is evident if we are going immediately into the market to purchase approximately $2,000,000,000 of materials under the joint resolution, that we ought to have a free market. Therefore my mind has responded to the reasoning of the Senator from Idaho.

At any rate, notwithstanding the fact that I am supposed to be managing this measure—and I have managed it as to every provision except one, and that is the enormous amount proposed to be appropriated [laughter]—I am not going to object to the amendment of the Senator from Idaho.

Mr. BORAH. Mr. President, let me say a word as to the offer of the amendment at this time. In the first place, when the National Recovery Act was before the Senate, if I may be permitted to refer to a personal matter, I offered an amendment striking out that provision of law which suspended the antitrust law. It was overwhelmingly adopted in the Senate, but it went out in conference. After the action of the Senate it is a notorious fact that large corporations, who have for years sought the repeal of the antitrust laws, came here through their agents and demanded that the action of the Senate be rejected and that the antitrust laws be suspended. At the beginning of the next session I offered the amendment which I now offer, and it was referred to the Committee on Finance. I requested a report on it, but it was not thought wise, I presume, to make a report of it at that time. At the beginning of this session, the first day of the session on which bills were introduced, I offered the amendment in the form of a bill and it was referred to the Committee on Finance. Therefore, the amendment has been pending for nearly 2 years.

I did hesitate to offer it to the pending joint resolution for the reason that I knew the idea would immediately arise in the minds of many Senators that it was not relevant; but when I came to consider the question that we are going to purchase, with public money, these materials at prices which the monopolies would fix, it seemed to me not only relevant, but it seemed to me my clear duty to offer it as an amendment to the joint resolution. I felt it was a part of any scheme of recovery. I did not believe that it would be a full discharge of duty not to offer it.

It raises no new question. It is a matter which has been in the minds of Senators ever since the National Recovery Act was passed. It is a matter which has been discussed in the public press. It is a matter upon which numerous Senators have offered their views. I venture to say a week's discussion would change the minds of very few, if any, Senators in regard to it. I do not feel that it is a new proposition or that it has been unexpectedly offered here so far as the Senate is concerned.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. HAYDEN. Do I understand the Senator's amendment to apply only to purchases made with money appropriated under the joint resolution, or is it a general repeal?

Mr. BORAH. My amendment would repeal that provision of the National Recovery Act which suspends the antithrust laws.

Mr. HAYDEN. The Senator makes a very logical argument as to why it should be repealed with respect to purchases to be made under the joint resolution of $2,000,000,000 worth of material.

Mr. BORAH. How could the Senate possibly apply the amendment without repealing the entire law?

Mr. HAYDEN. I am judging by some experiences we had in the Joint Committee on Printing. The code generally applied. Prices are fixed under the codes for materials used in the Government Printing Office. So far as Government printing is concerned, there is a leeway, and anyone could come in and bid on Government contracts for paper, for instance, without violating the code; but as to all other matters in private lines, the code would apply. It seems to me the same exception could be made here. If the Senator desires an exception as to the purchases made out of the $2,000,000,000 and provide that the antitrust laws shall not apply, that would be germane; but to repeal the entire provision of the N. R. A. Act, and using this joint resolution alone as a reason, causes me to believe the Senator goes too far.

Mr. BORAH. The distance which the Senator from Arizona goes would not have any effect whatever upon the situation. In order to remove the obstacles with which we have to deal we must necessarily lower the prices with reference to the entire public, because if the Government went to purchase, the manufacturers would say, "We do not desire to sell." They do not have to sell to the Government. So long as the antitrust law does not prevail they may say what their prices are and what they will be when they do sell to the Government.

We cannot, in my judgment, effectuate any protection whatever to the situation until we take away the power in its entirety to fix prices. That is all the amendment does. Does the Senate of the United States, at a time when it is appropriating the public money, wish to stand for the proposition that it is going into a market in which its own agencies know, when they go into it, that the Government is helpless? Call Mr. Eastman, Coordinator of the railroads, call those men who have had to deal with these corporations, and ask whether they have been able to deal with them except upon the terms of the corporation. If I were permitted to speak, I could go further than Mr. Eastman, and I could call attention, from a source which Senators would not doubt, that when they asked for 17 bids for the railroads' purposes, there were 17 bids exactly alike to the penny.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. HASTINGS. The same is true with reference to the Printing Office, which asked for bids. I think the Joint Committee on Printing received 49 bids, all the same to a cent.

Mr. HAYDEN. I beg the Senator's pardon. In the last opening of bids one of the bidders took advantage of the privilege he had in making a bid on a Government contract and bid 15 percent below the code price.

Mr. BORAH. The Joint Committee on Printing are operating under a code, and it is possible they might, under certain circumstances and conditions, effectuate a variation from the general rule. Here, however, is the Government going out into the markets of the United States to buy material.

Mr. HAYDEN. If it were buying material under a code, and every bidder should do as they did in one instance—submit identical bids for paper for the Government Printing Office—then we could simply select among them; but if any one particular bidder so desired, and underbid the code, he would get the business.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BORAH. Yes.

Mr. CLARK. The remarks of the Senator from Arizona take cognizance of only one of the monopolistic practices now being carried on under the N. R. A.; that is, price fixing. While the statement of the Senator from Delaware a moment ago was perfectly true that the two star witnesses on behalf of the N. R. A. stated before the Finance Committee that the N. R. A. had not been affected by the suspension or repeal of the antitrust acts, in the very next breath they went on to admit that every device of monopoly in the history of the country—price fixing, production control, Pittsburgh-pluses, and practically every one that could be thought of—had also been practiced under the N. R. A. by authority of the N. R. A. The suggestion of the Senator from Arizona would go only to one of those, which is price fixing, and would entirely ignore all the other monopolistic practices now being employed under the codes.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. DICKINSON. I desire to suggest the imperativeness of adopting this amendment by reason of the fact that only a short time ago notice was given that the Public Works Administrator is going to build 50,000 residences in the United States to use the very material to which the Senator from Idaho was referring a few minutes ago.

Mr. BORAH. And, of course, we cannot have any public works without buying a vast amount of the material to which I have referred.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Virginia?

Mr. BORAH. I do.

Mr. GLASS. Why should the Government be favored and individuals not be favored? Why should the Government Printing Office be favored, while little printers all over the country have been and are being driven out of business by the tyranny of the N. R. A.?

Mr. BORAH. Yes; and increasing unemployment.

Mr. GLASS. Yes. I know that to be a fact, because one of them wrote me and asked me what he should say when they were proposing to assess him for carrying on the activities of the printers' code. My advice to him was to tell the fellow who was trying to collect the money to "go to blank." [Laughter.]

Mr. COUZENS. Mr. President, will the Senator from Idaho yield?

Mr. BORAH. I yield.

Mr. COUZENS. The Senate Finance Committee has been hearing witnesses with many different viewpoints as to the value of N. R. A. I ask the Senator from Idaho if he thinks it fair to change the law before the expiration of the law? I raise the question simply because there seem to have been many codes prepared and in operation which would automatically expire on June 16, and which might be seriously affected if the repeal of this part of the law should take place before the automatic expiration of the law.

Mr. BORAH. Mr. President, my view of the matter is that the portion of the law which I am proposing to repeal could not possibly affect any of the codes unless those operating under them are engaged in price fixing. If they are engaged in price fixing, in my opinion, this amendment of mine would take away that power; and that is exactly what I desire to do.

Mr. COUZENS. Mr. President, will the Senator yield further?

Mr. BORAH. I yield.

Mr. COUZENS. Other questions are involved besides price fixing. In other words, the repeal for which the Senator now asks affects other provisions of the codes, such as getting together and agreeing on trade practices which automatically would be in violation of the antitrust laws if it were not for the N. I. R. A. That act itself gave these concerns permission to get together and agree upon trade practices which ordinarily would have been in violation of the antitrust laws.

Mr. BORAH. If the concerns simply came together and agreed upon trade practices which did not have the effect of destroying competition, the Supreme Court has held that such action would not be in violation of the antitrust law. If they came together, as Mr. Taylor of the steel corporation said they were now permitted to do, in front of the barn instead of behind the barn, and fixed prices, it would be in violation of the Sherman antitrust law. If, however, they came together to agree upon practices which were designed to protect competition, or fair practices, or fair competition, the Supreme Court now has announced unequivocally that such things are not in violation of the Sherman antitrust law.

The Sherman antitrust law has been so emasculated—if I may use the term—by the decision of the Supreme Court of the United States that only combinations in unreasonable restraint of trade, undue restraint of trade, are now prohibited. All comings together or discussions which have for their purpose an understanding between the parties which does not result in their fixing prices, or in lowering prices for the purpose of destroying a competitor, and so forth, are no longer prohibited. It is a source of sincere regret to me that the Sherman antitrust law is not sufficiently strong to accomplish more, but it does not now accomplish anything more than insisting upon fair competition or fair practices.

What I said before the Senator came into the Chamber I should like to repeat, and that is that the Federal Trade Commission, for instance, has made a report in which it says that the Government is helpless in the matter of buying steel. I maintain that that is true with reference to other materials which we shall have to buy. If we should restore the Sherman antitrust law, the only possible effect, may I say to the Senator, in my humble opinion—and I have given a vast amount of study to the question; I have examined all the authorities upon the subject—would be to stop price fixing upon the part of those from whom we are going to buy material.

Mr. ASHURST. Mr. President——

Mr. BORAH. I yield to the Senator from Arizona.

Mr. ASHURST. I ask the able Senator from Idaho to consider the last line of his amendment, which says:

And the same is hereby repealed.

He proposes to repeal that part of the existing law which now suspends or paralyzes the antitrust law. Is the able Senator certain that this amendment will revive the operation of the antitrust law, or merely, solely, and only repeal pro tanto the operation of the N. R. A.?

Mr. BORAH. No, no.

Mr. ASHURST. Does the Senator contend that his amendment will revive the operation of the antitrust law?

Mr. BORAH. I think there is no doubt about it, because I quote in my amendment the part of it which is to be repealed. That is the part which suspends the antitrust law, and I take away the suspension.

Mr. ASHURST. This may be a refined distinction; but does his amendment ipso facto and of itself restore the operation of the antitrust law?

Mr. BORAH. Yes; I have no doubt at all about it.

Mr. ASHURST. The Senator thinks that is the case?

Mr. BORAH. I have no doubt about it.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. ASHURST. Certainly.

Mr. BLACK. I desire to ask the Senator from Idaho a question. In his judgment, in case this amendment should be adopted, and wages have been fixed and hours have been fixed by mutual agreement, would that come within the purview of the antitrust law?

In other words, while I have not talked to the Senator, I am sure he would not, and I know I would not, desire to invalidate action which has been had, and which has resulted in somewhat increasing the wages and in reducing the hours. I am just wondering if a meeting together of industrialists, we will say, for that purpose, which would eliminate competition to that extent, would come within the prohibitive clause of the antitrust law.

Mr. BORAH. The Sherman antitrust law does not eliminate competition. It protects competition if it is fair competition.

Mr. BLACK. I understand that.

Mr. BORAH. And it permits any agreement with reference to wages, or anything else, unless it can be deemed unfair for the purpose of destroying competition.

Mr. BLACK. The Senator is of the opinion, then—I am, and I desire to get his idea—that trade associations could be formed in the future, if necessary, in which the employees could meet together and agree among themselves upon a limitation of hours and a minimum wage without coming under the prohibition of the antitrust law?

Mr. BORAH. I have no doubt about it.

EXHIBIT A

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Before there can be any consistent determination of public policy regarding price fixing by organized groups of competitors, the factual issue must be faced whether there is price fixing. So long as the idea is entertained that the factual condition may be an expression of competition rather than of price-fixing combination, there can be no logical treatment of that condition. In economics, as in medicine, diagnosis is fundamental. The diagnosis which the Commission makes is that the basing-point system not only permits and encourages price fixing, but that it is price fixing.

It is price fixing so absolute that purchasing agencies of the Federal Government are reduced to a position of such helplessness that they literally place each bid in a separate capsule, shake them up, and draw one out of a hat. It is price fixing so rigid that violations of the delivered price are actually penalized at the rate of $10 per ton even on sales to the Federal Government, while fines have been assessed on sales of as little as a fraction of a ton. It is price fixing so self-centered that, as the Commission pointed out in its former report, the advantages bestowed by nature on particular sections or communities have been nullified.

Not only that, but the immense sums invested by the Government in improving the gifts of nature and by private industry in the faith that natural advantages and their improvements would accrue to the benefit of the buyers, fabricators, and consumers of steel, as well as the producers, have been in effect largely appropriated by the producers. The basing-point system with its supporting formula in essence withholds the gifts of nature from the consuming classes and monopolizes them in the hands of the producers and sellers of iron and steel. Only aims of a blindly selfish character can account for the arbitrary abnormalties and flagrant fictions which are inherent in this basing-point system.

The necessary implication of statements by leaders of the industry is that the basing-point system in steel is a price-fixing system. As an instrument of price fixing, it has the sanction of the code whose provisions make its operation more definite and certain without in any degree lessening its inequities. The inequities of the system, whether for producer, fabricator, or consumer, arise fundamentally out of this fact, that it depends upon artificial and wholly arbitrary arrangements in the making of price, rather than upon competition automatically and impersonally working out into a price accurately reflecting a balancing of supply-and-demand forces.

The inequities of the system for the producer of steel lie in the fact that except for a few powerful interests in the steel industry the producer has little to say under the system as to whether his mill shall or shall not be a basing-point mill, as to what the price at his mill shall be, or as to what shall be the differential between the price at his mill and that of any other mill. Mill prices of the individual producer therefore may be totally unrelated to his own costs and to the several market factors which, under competition, would determine price.

The price differential of two steel basing points may remain, and in some notable instances has remained, constant for many years during which the prices themselves change. Yet it is inconceivable that all the price-making factors affecting the prices of two widely separated points, if permitted to operate without artificial restraint, would continue in such a balanced relationship as to preserve a constant differential over a period of years. Nor would it be possible under any price-fixing system to discover and maintain a parity between such points that would reflect the constantly changing relationship of supply-and-demand factors. If this be true, it follows that price fixing must of necessity bear unequally and not in accordance with natural causes on producers differently located.

For the fabricator of steel, other than that used in an identified structure, the inequities of the system arise, in part, from the artificial disparity of basing-point prices for steel on which competing fabricators must base the prices at which they buy. Such a fabricator, unless located at the basing point governing the delivered prices of the territory in which he wishes to sell, is at a marked disadvantage in competition for the business of that territory (except as to his own local point) with a fabricator located at such basing point, even though the first fabricator be at or near a producing point and even though he be freightwise nearer to the points of delivery than the second. Moreover, the parity of basing-point prices making the delivered prices of adjoining territory determines, other things equal, the extent of the territory in which one fabricator located at or near one basing point has a competitive advantage over another fabricator located at or near the other basing point. Consequently inequities for such fabricators must inevitably result from any arbitrary dictum that makes one producing point a basing point and another a nonbasing point or that artificially fixes the differential between basing-point prices.

Furthermore, gross inequities for fabricators of steel, likewise caused by the artificialities of the basing-point system in steel, result from the quantity extras, increase in some of which has been very pronounced under the code. These extras seem to bear no proper relation to the differences in costs of handling and selling and become an unfair burden on the small fabricator in competition with the large.

The inequities of the basing-point system in steel for the consumer are principally a matter of effects on the consumer's price level. The system's artificialities find expression in the rolling of steel at relatively uneconomic points of production and therefore in high producing costs; in excessive cross freighting and therefore in high delivery costs; and in far-flung selling territory and therefore in high selling costs. These several unnecessary costs occasioned by the use of the system are reflected in the price of the product already swollen to protect the producer having a heavy overhead, out-of-date equipment, inefficient management, or exclusively all-rail transportation, as against the water or other low-cost transportation of a rival concern. As the semifinished product passes through the channels of fabrication and distribution its price is pyramided by percentage margins on the unnecessary as well as necessary cost-and-profit elements and finally emerges to plague the consumer in a price level which he can with difficulty meet and which consequently retards the producer's operations. Moreover, the inequity is not for the consumer of steel alone, but for consumers and producers of every kind of commodity, in that national recovery is delayed through high consumer prices caused by artificially high production and distribution costs and profits.

Generally speaking, when a price-fixing combination is successful in raising prices, consumption will decrease. The process of holding for a fixed price in the face of decreasing consumption means reduced employment and reduced income for labor. If consumption continues to decrease, a price-fixing system calls for still higher prices in order to protect profits and thus a new cycle of reduced consumption is initiated.

It is a most significant fact that the steel industry was able to show satisfactory profits for the first 6 months of 1934 without operating to more than half its producing capacity. Profits under such conditions necessarily involve prices per ton which include a high margin over cost of production. It is theoretically possible to fix prices at a point where profits would be shown on a much smaller percentage of capacity. The consuming public would

doubtless revolt against the exaction of prices that would provide a profit on an investment of which only a minor percentage is being used. It has borne more or less patiently the burden of prices which provided a profit on an investment of which only 50 percent was used. Recent trade press reports state that some of the younger and stronger independent producers of steel are now contending for a drastic reduction in prices on the theory that it is better business to have a high volume of production on a reduced margin of profit than a small output at a high price. Such a position is consonant with the views of the Commission above expressed and with any logical long-run view of economic recovery.

The situation involves social and economic consequences of far-reaching and fundamental import. If the capitalistic system does not function as a competitive economy, there will be increasing question whether it can or should endure. The real friends of capitalism are those who insist upon preserving its competitive character.

RECOMMENDATIONS

The Executive order called for our "recommendations for revisions of the code." The duty which thus devolves upon the Commission is a serious one. Not only is steel the basic industry of the country but its basing-point system is similar to basing-point practices in several other industries. The President's action with respect to steel will doubtless be deemed a precedent as to the Executive attitude toward other basing-point practices.

There are at least four theoretically possible recommendations, either—

(*a*) That the multiple basing-point system, while it is a means for preventing price competition, is justified as a permanent policy by the evils of competition; or

(*b*) That in view of the chaotic business conditions now prevailing, the basing-point system be permitted to continue until recovery has been achieved or at least further advanced; or

(*c*) That the code be so amended as to prohibit the multiple basing-point system; or

(*d*) That the code be so amended as to eliminate Federal sanction of the multiple basing-point system and relegate the legality of the practice to judicial determination.

Each of these possible recommendations will be considered.

A.

The Commission is profoundly of the opinion that there is no sound economic foundation in a system of price fixing, whether it results from the cooperative activities of industry or whether it be imposed upon industry by governmental action.

Men who have invested their lives and fortunes in the manufacture and sale of goods should not, in view of the public interest, be intrusted with the responsibility of fixing prices. They will generally act with an eye to dividends rather than to the public welfare. This is no arraignment of the integrity of those who conduct business but is a recognition of their humanity, and of the soundness of the principle which underlies every judicial system, namely, that personally interested parties shall not be presumed to have unbiased minds.

Moreover, there is the difficulty of enforcement. If business assumes the responsibility of cutting off supplies, boycotting, or otherwise penalizing those who fail to adhere to the price system or to the prices which that system is the means of unifying, business to that extent employs selfish practices not conducive to the public interest. The use of such methods would be to regulate prices by the use of force exercised by men who are responsible neither to the people nor to the Government and who have their own personal ends to serve. Industry must perforce come to the Government for the enforcement of its own edicts and the signs that this is the inevitable outcome are abundant.

The Government cannot afford to enforce a code for one industry and refuse the responsibility of enforcing all codes for all industries.

If the Government were to police prices as fixed by industries, it would necessarily undertake to ascertain whether each industry's price schedule were fair and in the public interest. The magnitude and difficulty of such an undertaking requires no comment. And yet, we respectfully submit, such an undertaking eventually is implicit in the substitution in the steel industry of price fixing for prices resulting from price competition under the law of supply and demand.

The question, therefore, must be broadly considered. Thus considered, it means that in interstate commerce the Government would undertake the responsibility of seeing that prices, as set by each industry, are not cut by any member of the trade, or that those guilty of cutting are called to account. Moreover, the official supervision over the reasonableness of prices is a kaleidoscopic task; "the power to fix prices, whether reasonably exercised or not, involves power to control the market and to fix arbitrary and unreasonable prices. The reasonable price fixed today may, through economic and business changes, become the unreasonable price of tomorrow."[1]

The character of the resulting financial and political strain need not be described. Nor is even this the principal difficulty.

It would be more difficult to enforce price fixing than it was to enforce prohibition. In our opinion, there was at first a much stronger public sentiment for prohibition than there is for price fixing. The sentiment against prohibition grew with the inability or indisposition to enforce the prohibition laws, and on account of the unlawful liquor traffic and attendant vices consequent upon nonenforcement. No law can be effectively enforced in the absence of a preponderant public sentiment in favor of it.

It is easier to prohibit the manufacture, sale, transportation, or possession of a commodity than it is to prohibit the sale of a commodity at less than a given price. It is not possible by inspection to ascertain whether a shipment of steel or food products, for example, was sold at a prescribed price, as would be possible, by the momentary use of the senses, to ascertain that a consignment was intoxicating liquor.

In a memorandum presented to the resolutions committee of each major party in 1932 by 127 economists affiliated with 43 institutions of learning in 24 States in all parts of the country, the following appears:

"The undersigned, as independent students of the subject, believe that the weakening of the Sherman Antitrust Act would involve consequences of a radical nature, inconsistent with the very principles of private industry. The widening and extension of the realm of public price fixing in industry and commerce resulting from such action must impose an impossible burden upon governmental agencies of control and irreparable injury to the political and social, as well as economic, interests of the whole people."

The economists offered their suggestions as to principles to be embodied in a platform, in part thus:

"3. Rejection of the assertion made by those seeking to break down the Sherman Act, that it makes necessary the development of excessive capacity and wasteful overproduction, and the equally false assertion that this was one of the causes of the present industrial depression. On the contrary, the most competent economic opinion, as well in Europe as in this country, can be cited in support of the view that a strong contributing cause of the unparalleled severity of the present depression was the greatly increased extent of monopolistic control of commodity prices which stimulated financial speculation in the security markets. There is growing doubt whether the capitalistic system, whose basic assumption is free markets and a free price system, can continue to work with an ever-widening range of prices fixed or manipulated by monopolies (Am. Econ Rev., September 1932, p. 465)."

We believe that the views of the economists above quoted are sound. The memorandum will be found set forth in full in appendix G hereof. There is no substitute for price competition as a regulator of prices. It should be noted that inefficiency is fostered by price fixing not only among small units but also, and perhaps even more notably so, among huge amalgamations. Numerous economic studies have shown that the moderate-sized independent unit was as low, and often lower, in unit costs than the paramount unit in a given industry and, given protection against the unfair employment of great resources by its huge competitors, can fully hold its own on the market.

We respectfully submit that unless our institutions are to be fundamentally changed, industry and the administration must face the problem of a return to price competition rather than the perpetuation and legalization of price combinations.

We believe that the road toward true recovery is not in the direction of the multiple basing-point system or other price-fixing methods but is in that of the restoration of industry to a condition of sound and fair competition, and that unfair methods of competition shall be vigorously proceeded against.

We are in whole-hearted accord with the laudable desire to increase employment, to insure adequate wages, to prevent excessive hours, and child labor, and to otherwise improve the conditions of employees. However, we are of the opinion that labor problems and unfair methods of competition can best be dealt with separately and independently. To the same effect we respectfully refer to the plan recently submitted to the National Industrial Recovery Board by Mr. William H. Davis, former compliance director of the N. R. A. and now special adviser to N. I. R. B. A copy of his report will be found in appendix H. Reference is also made to a similar position taken recently by the committee appointed by the National Association of Manufacturers to study and report upon those questions.

B.

We consider next whether price fixing, through the basing-point system, should be recommended as a temporary expedient.

The argument is made that business should be given the right to fix prices for the time being in order to get on its feet and that at some future time the operation of the antitrust laws may be restored—perhaps in modified form. As to this, three points should be made:

(1) When the energetic Government measures and the depletion of stocks shall have notably increased the present upward trend, the argument will be made that business, after a long period of disaster, is improving and that relapse would be certain if price competition were again insisted upon. It will be harder, as business prospects become brighter, to return to price competition than during depression when men's minds are open as to the causes from which their troubles have come. Indeed, when prosperity returns, it will be attributed in large measure by opponents of antitrust laws to the suspension of such laws under the codes. It might then be necessary to await the next depression before adopting a return to price competition.

(2) If the present depression were outlived under Government sanction of price fixing through basing-point systems, or otherwise, we believe that there would be a substantial possibility of a new and early depression. The question of restraint of trade, price fixing, and monopoly should be settled now, in our judgment,

[1] Justice Stone in holding all agreements as to prices unreasonable and unlawful (273 U. S. 393, 397).

without incurring the risk of another depression with perhaps radical implications.

(3) If our economic conceptions above stated are correct, the argument in defense of the system here considered resolves itself into a plea that the Nation must wait till the depression is over before starting to remove a cause of the depression, or even that it is permissible in the meantime to intensify such cause.

C.

The third possible type of recommendation to be considered is that of executive decision that the code be amended not only so as to eliminate the multiple basing-point system from the structure of the code but also so as affirmatively to prohibit its use in the future. This might be done, for example, by requiring prices to be made f. o. b. mill and by prohibiting understandings as to price.

We would recommend such a course if we had assurance of adherence thereto by the industry. We are of the opinion, however, that the industry would decline to submit to such modification and that it would become necessary either to cancel the code or to attempt to impose a code so amended upon the industry. It is quite possible that the industry leaders, in common with interested parties in general, when litigation arises will insist that what they have done is lawful. They are entitled to be heard judicially on the merits of their case, if they so desire. Moreover, to attempt the reform over the industry's resistance would not save time, for the matter would doubtless be litigated.

The Commission and the courts have been constituted for the purpose of hearing and determining such controversies.

D.

The final possible recommendation to be considered is that the code be so amended as to eliminate Executive sanction of the basing-point system in the industry and leave it open to legal attack on the ground that it violates the antitrust laws. If express sanction of the system be eliminated from the code, it is, of course, excluded from protection under the following provision of the N. I. R. A.:

"While this title is in effect (or in the case of a license, while section 4 (a) is in effect) and for 60 days thereafter, any code, agreement, or license approved, prescribed, or issued and in effect under this title, and any action complying with the provisions thereof taken during such period, shall be exempt from the provisions of the antitrust laws of the United States (sec. 5)."

If the suggested action were taken it would be again open to the Department of Justice or this Commission, if the facts warranted, to go forward in formal proceeding to test the basing-point system under the Sherman Act of the Federal Trade Commission Act. Whereupon the ultimate decision would rest upon judicial determination.

Pursuant to the Executive order and in harmony with our views as set forth in this report, we respectfully recommend that the amended code be changed to eliminate provisions falling within the following classifications:

(a) Provisions giving express sanction to the multiple basing-point system;

(b) Provisions in aid of price fixing; and

(c) Provisions relating to regulation of production and new capacity.

If the President desires more specific information of the precise sections and parts of sections which in the opinion of the Commission should be deleted and the text of amendatory phraseology, we shall be glad to submit proposed amendments in detail and without delay.

By direction of the Commission.

GARLAND S. FERGUSON, Jr., *Chairman.*

Mr. ASHURST. Mr. President, I support the view of the able Senator from Alabama [Mr. BLACK] that trade organizations formed to secure shorter hours, higher wages, and safe places to work should not be affected. Indeed, I believe the law creating the Federal Trade Commission would take care of that.

The purposes of the N. R. A. were magnificent in scope, and in some instances it has been productive of some good; but, Mr. President, monopolists, chiselers, grafters, are not afraid of the codes. They know they never will be fined or go to jail under the N. R. A. They do respect the antitrust laws. They do believe they may be imprisoned or heavily fined if they violate the antitrust laws.

Here is a measure to appropriate $4,800,000,000. I understand that $2,000,000,000 will be expended in purchasing equipment and heavy articles. So far as my researches go, that is the largest sum of money ever carried in one bill in the history of our Government. As soon as the word went out that we were going to appropriate $4,800,000,000 that word attracted hither a gang of cormorants whose necks ought to be corded. The very information spread abroad that we were going to spend this vast sum has brought to Washington an obscene brood of harpies that has been for months hovering over every department of the Government and waylaying Senators and the Representatives of the people. They are not afraid of the codes. They know they will never go to jail under the N. R. A.; but they are respectful toward the antitrust laws.

In spending this huge sum of money it is our duty, as the guardians and trustees of the taxpayers' hard-earned funds, to see to it that every safeguard shall be thrown around this expenditure so that 1 year hence or 2 years hence, when this money shall have been expended, we may not be held accountable in the forum of conscience, or here, for the misapplication and the misappropriation, the malversation, of these funds.

I beg Senators to believe that if we depend upon the code or the N. R. A. to protect the taxpayers in the expenditure of this money, and do not have recourse to the antitrust laws, about 1 or 2 years hence not only will the faces of these Senators be red but their countenances will be scarlet because they overlooked the opportunity now offered to protect the taxpayers.

Mr. LEWIS. Mr. President, I do not wish to impose upon the Senate, which has been very generous to me and endured me often in presenting views as to phases of government, whether its Members were in agreement with or in opposition to my expressions. I have no desire to emulate Charles James Fox, who, in the British Parliament of later days, pleased himself to admit that there was not one day during the whole session when he did not speak. But there are times when occasions arise which, I feel, make pertinent certain observations which, made at other times, would appear to be, perhaps, mal á propos.

Mr. President, I wish to bring to the attention of brother members of the bar who are Members of the Senate, and to the attention of the other Members of the Senate, some reflections for a moment upon the amendment offered by the Senator from Idaho. He makes a charge regarding a law known as the "Sherman Antitrust Act", the product of legislation of the nineties, carrying the name of Senator Sherman, who himself opposed the act, despite the fact that it bears the burden of his cognomen. We recall, sir, what is important now for a moment to consider, and I should like to have the Senator from Idaho give me but a thought if he will.

How does he think the suspension of these laws came about? An organization of the profession of which he and I are members, and have been members for years, called the American Bar Association, assembling at various times, have been passing resolutions demanding the suspension of the Sherman Antitrust Act, on the ground that the delegates to this specially selected order of our eminent profession who assemble at these gatherings, indulging in feasts and some flow of the forbidden bowl during prohibition days, feel that the law should be suspended in order to give the business men a chance, as they would have it, to come together. If the Senator from New York [Mr. WAGNER] will heed me for a moment, he will discover that I am directing my remarks to those interests fortunately and well represented by these eminent masters of the profession who specialize in the representation of the private interests that have so long dominated the Republic and that brought upon us the unhappy calamity to which day by day we are compelled to allude.

The clients of these eminent counselors were influential enough to have them meet in a bar association and pass resolutions addressing themselves to us, this benign and unhappily ill-advised and misguided body called the "United States Senate", to instruct us, first, by their learning, and, then, because of their capacity to educate us and upon the theory of patriotism and protection of business, to direct us day by day, season by season, by sending their resolutions advising us to suspend the law in order that the law might be violated by specific clients whom they represented, and whose interests they were considering above those of the public, above the welfare of the country. These eminent gentlemen of the bar, who are supposed to represent law and order, and who go about the country just now in different committees to condemn the law-making power, the Houses of Congress, as an ignorant gathering of maudlin individ-

uals, sentimental in one aspect and crazy in another, disclose no understanding of the welfare of their country or capacity to serve it.

Little by little these resolutions have been flooding this body, emanating from those who affect to be respectful of the law and deferential to the courts. Then these eminent gentlemen followed the demand that we repeal the antitrust law in behalf of their clients, with a denunciation of the United States Senate, as probably the Senator from Alabama [Mr. BLACK] will recall, for having suggested the enactment of an anti-injunction law. That is why I referred to the Senator from New York, it being a matter in which I understand him to be interested. We thought we should give some protection as against those who seized helpless ones and jailed them for the violation of something they would not understand, and about which they could not possibly be learned, but, nevertheless, they were imprisoned, their families were impoverished, their people starved, and their names dishonored. And these are the eminent gentlemen who profess great respect for the law and deference to the courts and their judgments!

In the meantime, it is these gentlemen who suspend some of the members of their association because they are charged with having changed the records in a personal injury litigation, and in another instance because they are supposed to have destroyed something that took the form of evidence in a lawsuit. These gentlemen assembled here in a meeting a short time ago, and to show their contempt for the United States Senate and their defiance of any proceeding that was not initiated in behalf of their private clients and for their welfare, immediately gave expression to their contempt and disdain of the United States Senate by choosing as the secretary of the American Bar Association a certain gentleman who had been condemned for contempt of the Senate, and was then under judgment pending appeal to the Supreme Court of the United States, elevating him to high office as an expression by the bar of America of its disdain and contempt for the judgment of the United States Senate, which had dared find this gentleman guilty of an offense of having done the dishonorable thing, from our point of view, being the exact thing for which these gentlemen had suspended two members of their own association in lesser things, in one instance in connection with an unimportant personal-injury litigation, and in another instance in connection with a small and insignificant criminal case. But, nevertheless, the conduct which they felt caused these two members to be unworthy brought immediately their discharge and their dismissal from membership in the American Bar Association.

It is the American Bar Association which sends these resolutions to Congress ordering us to suspend the Sherman antitrust law on the ground that such action is necessary for the welfare of the Nation; and that if we will allow their clients to get together in some form of organization, the expenses of what are called the " business interests ", will be lessened; and, being lessened, they will be able to reduce the prices of their products, and for that reason they say they are justified in asking us to suspend and repeal the laws protective of the individual.

What is the effect? Senators, need we close our eyes to the solemn truth? After these gentlemen, these eminent counselors of the American bar, succeeded in behalf of their clients, in having the law suspended, the beneficiaries of that action in different places, in one form or another, met and devised schemes how to violate the law which they themselves created, called the " code ", by a form of monopoly, both as to price and procedure, resulting in reducing the small individual to a point where he could not compete at all, and in placing upon the small individual such a pressure that he must succumb or else violate the law.

The representatives of those who are called the business men in the building known as the " Chamber of Commerce ", assemble to instruct the United States Senate, speaking through the voice of one officer or another, as to what our duty is to the public, and what our duty is to the country, but particularly what we owe to them in view of their superior wisdom. Mr. President, the Senator from Idaho has brought before us, as have others, what has really transpired, to which these gentlemen reply, " Well, it is not our fault that these things have happened. They happened under the code. It is the code that does that, not we."

I remember in Switzerland a place where an important official died after suffering long from a malady. A competing sanatorium made some comment upon the subject and referred to the sanatorium where the death occurred. The latter did not like the reflection which seems to be cast upon it, so, in order to arrest the spread of the report that their treatment had caused the man to die, they put a sign out reading something like this:

> It was not the cough that carried him off,
> But the coffin they carried him off in.

[Laughter.]

Of course, it was not the conduct of these gentlemen; oh, no, it was not that which carried them off, it was the coffin which we speak of as the code which bore them to their burial.

Mr. President, it is time to be very frank and say to these honorable gentlemen, " Thou art the man ", and lay down clearly before the public who has caused this offense.

Let it not be understood that I am dwelling on any political aspects of the matter, but I cannot allow the administration of which we have been the sponsors to be blamed before the country for the offenses which the able Senator from Idaho has well disclosed, without calling attention to how those to whom I have referred have been able to influence, even by deliberate misstatement, the administration of the law, and to bring about these very results, unhappily afflicting as they are. Let these who have been responsible bear the consequences and the onus before the public. Let us frankly tell the country who it is that does this thing.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. LEWIS. I yield to the Senator from New York.

Mr. WAGNER. I have listened intently to everything which the Senator has said. In the event that it is now the intent of the Senate to adopt the amendment of the Senator from Idaho, which repeals that portion of the National Recovery Act modifying the antitrust laws, does not the Senator agree that it would be a wise thing to insert in his amendment a proviso preserving the regulation of maximum hours of labor, of minimum rates of pay, of child labor?

The Senator from Illinois is a very eminent lawyer, and in spite of the assurances of the Senator from Idaho [Mr. BORAH], I am not sure that it would not be regarded a violation of the Sherman antitrust law for employers to meet together and fix minimum wages or maximum hours, or agree that child labor shall not be employed. The Senate remembers the Clayton Act, passed in 1914, wherein Congress intended to prevent the courts from issuing injunctions in labor disputes, except where irreparable damage was threatened. But the courts afterward, by what I think was a very strange construction of what Congress had done, permitted the continuance of injunctions.

In view of our experience with regard to the interpretation of the antitrust laws, would it not be wise if we should in fact repeal the National Recovery Act, in this rather hurried way, to make proper reservation preserving the salutary features of that law?

Mr. LEWIS. Mr. President, I am interested in the Senator's observation, due to the fact, as Senators around me will recall, that on a previous occasion I opposed the suspension of the Antitrust Act and denied that the real object of such suspension was to provide a code which would lessen prices. I took the position and boldly asserted at a gathering at the White House—which, as my eminent friend the Senator from New York will remember, was on a very hot summer day—that before there should be allowed these gatherings together of industry, there should be set forth the purpose and the means by which they were about to undertake and carry out their program, which should show that it was not the object to deny to the toiler what the eminent Senator has just described.

I now answer him to the point. The Supreme Court of the United States, unfortunately, from my point of view, after having upheld the old doctrine that the combination or concentration must be an unreasonable one before it could be said to be an unlawful one, followed that with the other assertion that if it could be demonstrated that such procedure would after a while reduce costs and lessen expenses, the consolidation would be justified. Then the Supreme Court of the United States followed that ruling with a ruling in a case which came from West Virginia involving a combination of coal mines and coal owners, holding, following the Steel decision, that they might assert that their intent was to reduce costs and therefore lessen overhead and lessen prices. The Court held that it was enough for them so to assert. Thus the Supreme Court of the United States sustained the action that came from West Virginia on the ground that in the expression of the people themselves who brought about the combination was to be found the decision as to whether the action was a violation or within the law.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LEWIS. I yield to the Senator from Kentucky.

Mr. BARKLEY. Unless Congress shall enact additional legislation extending beyond June 16 the life of the act known as the "N. R. A.", all the codes will automatically cease to exist on that date, because the law will then expire.

The Finance Committee is now engaged in an investigation of the past operations of the N. R. A., including its effect upon combinations and monopolies and other questions of similar character, as the result of the suspension of the antitrust laws during the past 2 years. As a consequence of that investigation, which I think is going to be very thorough, we shall know whether to extend the law at all; and if so, under what form and under what restrictions and with what changes.

In view of the fact that the present codes will extend only until the 16th of June, which is less than 3 months from now, in view of the investigation now in progress, in view of the fact that if we shall legislate on this subject today or tomorrow we shall do it somewhat hurriedly, without accurate information which is now being developed in the hearing, does not the Senator think we shall do a futile and probably an unwise thing? What is the Senator's reaction to that thought?

Mr. LEWIS. I will say to my able friend from Kentucky, knowing him as I do, and also—to use the phrase of the Senator from New York [Mr. WAGNER]—knowing him to be an able lawyer, that it does not matter to me when we shall do this. I leave to the wisdom of the Finance Committee and of the Members of this body the determination of the occasion which is most appropriate and most effective to make the changes. I answer my friend from Kentucky by saying that, so far as I am concerned, it will serve the purpose if, when the code shall be renewed or when the system called the "N. R. A." shall be restored in its completeness, there shall then be the form of qualification which shall protect the country in respect to the situation described by the Senator from Idaho and the Senator from Virginia.

Mr. BARKLEY. Mr. President, will the Senator permit me further to interrupt him?

Mr. LEWIS. I yield to the Senator from Kentucky.

Mr. BARKLEY. I think it fair to the committee to say that if, as the result of this investigation, we find that the operation of the codes and the suspension of the antitrust laws have operated to the damage and the injury of the American people, and that whatever good has come out of it has not been sufficient to overbalance whatever bad there is in it, when we consider the subject of extension we shall take that fact into consideration and deal with it deliberately on the floor when the measure shall come before this body for consideration.

In view of the fact that under the present law the expiration of the whole system is imminent, it seems to me we are not counseling with wisdom when we precipitately attach to the pending joint resolution an amendment which may automatically change every code now in operation and which will go out of operation on the 16th of June unless it shall be extended or changed.

Mr. LEWIS. I concede the practicability of the Senator's suggestions, and feel that the matter should be left, as no doubt it will be left, to the wisdom of the Senate as to when shall come the time for remedying those evils the existence of which I merely rose to assert, and their authorship to indict.

Mr. GLASS. Mr. President, will the Senator yield?

Mr. LEWIS. I yield to the Senator from Virginia.

Mr. GLASS. I think the Senator from Kentucky perhaps was unavoidably absent from the Chamber when I took occasion to make a few remarks about this amendment.

At first my thought was precisely the thought which the Senator from Kentucky now expresses; and I had contemplated asking the Senator from Idaho if it would not be better to await the action of the Finance Committee. The Senator from Idaho, however, rather demonstrated to my mind not only the feasibility but the applicability of his amendment to the pending joint resolution, in view of what has been repeatedly stated, and what we know to be the ascertained fact, that approximately $2,000,000,000 of the $4,880,000,000 made immediately available by the joint resolution is to be expended for materials. The Senator from Idaho pointed out and demonstrated, from information in his possession, that under the codes and under the suspension of the antitrust law the Government might go into a rigged market and be compelled to expend large sums of money at extortionate rates for materials. For that reason only I rather came to the conclusion that the amendment proposed by the Senator from Idaho is pertinent to the question now before us.

Mr. BARKLEY. Mr. President, will the Senator from Illinois yield to me further?

Mr. LEWIS. I yield to the Senator from Kentucky.

Mr. BARKLEY. I was absent on other official business when the question was discussed earlier in the day, and I did not hear the Senator's remarks, nor did I hear the reply of the Senator from Idaho.

I do not think it has been demonstrated, regardless of anyone's sincerity in believing it, that there is any such thing as a rigged market, or that the Government will have to buy its materials in a rigged market, where men or groups of men or groups of organizations have joined together in a combination in violation of the antitrust law, or any other law, because, even though the suspension of the antitrust law applies to certain features of the codes, the law under which it may be suspended specifically provides that nothing in it shall permit or sanction or make lawful monopolies which would be to the injury of the American people; and that is to some extent at least within the control of the administrators of the N. R. A.

I do not think it is quite fair to that institution, in spite of the volume of criticism which is being hurled at it, and which we are trying fairly to sift in order to get at the real facts, to say that, under an administration set up by the Congress and administered by the Government itself, the Government will have to go into a rigged market and pay exorbitant prices for any of the material it may have to purchase.

Mr. LEWIS. I yield now to the Senator from Wyoming, who rose a moment ago.

Mr. O'MAHONEY. Mr. President, I desire merely to suggest to the able Chairman of the Committee on Appropriations that if we continue to discuss amendments to the joint resolution it will probably be a long time before any of the money which is proposed to be appropriated by it will be available for the purchase of anything or for the relief of unemployment. Particularly does it seem to me that will be true if we are going to become involved in a debate upon the N. R. A. It appears to me to be perfectly obvious that we cannot, with scarcely a quorum present, undertake to amend the N. R. A. Act while attempting to appropriate for relief of the people.

Mr. GLASS. Mr. President——

Mr. LEWIS. I gladly yield to the Senator from Virginia.

Mr. GLASS. It is not necessary to repeat warnings, but the Senator from Wyoming does not believe in that doctrine

because he has simply repeated what I have said on the floor of the Senate over and over and over again, when hour after hour has been wasted on proposed amendments vastly more inconsequential than the very serious amendment which the Senator from Idaho has offered.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Kentucky?

Mr. LEWIS. I yield.

Mr. BARKLEY. While it is undesirable and deplorable that we have wasted, and may waste still further, valuable time in the consideration of this important legislation, we are not responsible for the fact that amendments which are wholly extraneous to the joint resolution, which are not in a real sense germane to it, are offered in good faith and seriously considered. Certainly those of us who express ourselves even briefly in opposition to such amendments should not be criticized for delaying the passage of the joint resolution.

Mr. GLASS. Mr. President——

Mr. BARKLEY. I do not impute any such criticism to the Senator from Virginia.

Mr. GLASS. No; because I have been surprisingly amiable and patient about the matter, as much so as a Senator could be.

Mr. BARKLEY. There is nothing surprising about that.

Mr. GLASS. It has been a matter of astonishment and amazement to myself? [Laughter.]

Mr. BLACK. Mr. President, will the Senator from Illinois yield?

Mr. LEWIS. With pleasure.

Mr. BLACK. I desire to send to the desk a suggested amendment to the amendment of the Senator from Idaho. I ask to have it read because I think it will probably change to some extent the trend of the discussion.

The PRESIDING OFFICER. The amendment to the amendment will be read.

The LEGISLATIVE CLERK. It is proposed to amend the amendment of the Senator from Idaho by adding thereto the following:

Provided, That nothing herein contained nor any law heretofore enacted shall be construed to prohibit nor to invalidate any agreement respecting child labor, hours of labor, or wages of employees.

Mr. BLACK. I hope the Senator from Idaho will accept that as a part of his amendment.

Mr. BORAH. I have no objection to it.

Mr. HARRISON. Mr. President, will the Senator from Idaho accept also in the same amendment the addition of the words, " and codes of fair competition "?

Mr. BORAH. Oh, no, I should not want to accept that amendment.

Mr. GLASS. I should hope not! [Laughter.]

Mr. LEWIS. I assume the Senator from Alabama [Mr. BLACK] is waiting for a reply from the Senator from Idaho [Mr. BORAH]?

Mr. BLACK. The Senator from Idaho replied and said he would accept my suggested amendment to his amendment.

Mr. LEWIS. Mr. President, I have been interrupted by Senators with my own willingness. I concur with the Senator from Kentucky [Mr. BARKLEY] that when an amendment has been presented by one who felt it necessary or justified, of course it should receive such discussion as would clarify it, and any Senator should have the right to express his views. Therefore, those who intermediately may have addressed themselves to the Senate touching an amendment which has been properly submitted should not be regarded as having unnecessarily prolonged the debate.

The Senator from Virginia [Mr. GLASS] is quite right. He has been very patient with the many interruptions, but when he pays a tribute to his patience by saying that he himself is surprised, he may rest assured that we who know him are reminded of the quotation relating to " that mild-mannered man, as mild as any man who ever cut a throat or scuttled a ship." [Laughter.]

Mr. President, the purpose of my rising was frankly to say to my brother lawyers that which should have been said long before, which I tried once or twice to make clear, namely, that the heads of our profession, a profession which speaks for the intelligence of mankind and for that spirit of justice which can only pervade in an elevated sense a refined atmosphere, in great assemblages called meetings of the American Bar Association, have put upon us the necessity of taking these actions. Having done so, I wish to point out that these are the same gentlemen who lately met in solemn conclave in the city of Milwaukee and adopted a resolution for six gentlemen, members of the bar, to investigate the United States Senate and ascertain why, wherefore, and by what reason we were enacting unconstitutional laws, and to investigate the President and the Congress as to why such laws, being enacted, were violating the Constitution and the sense of all propriety; and then named on the committee gentlemen who were counsel for the institutions who brought the codes into existence in order that they might perpetuate the offense which the Senator from Idaho [Mr. BORAH] has described.

Mr. President, you have been generous to allow me to break into this debate in the way I have. What we seek to do is to avoid the consequence of these wrongs. They ought not to be perpetrated under the guise or under the name of codes or under the guise of being reforms. They should be prohibited by a system that shall do justice to all without injury to any, and carrying with it the absolute guaranty of the responsibility of its source.

It is because of these consequences, under false names and deliberate misrepresentations, that I particularly rail against them. It will be recalled that in old Florence there was a sign at the outer gate, " Jesus Christ is the King of Florence "; but any man who dared raise his voice against those things which were called laws, which oppressed the humble and denied justice to the people, was immediately seized and carried to the top of the highest roof and his body bound against the chimney by which—there helpless—his eyes could be plucked out by wheeling birds, and his body choked to suffocation by the stifling gases issuing from the chimney. Here we have an exhibition of those who would create a system, apply to it the delicate names " justice, liberty, and constitution," when in its operation it works the same kinds of destruction as those to which I have just alluded in the illustration famed in history.

Mr. President, I thank the Senate for permitting me to rise and name the authors of the events which I believe were perpetrated in the name of the law upon this honorable and considerate body.

Mr. HARRISON and Mr. SHIPSTEAD addressed the Chair.

The PRESIDING OFFICER. The Chair had previously recognized the Senator from Mississippi [Mr. HARRISON], who yielded to the Senator from Illinois [Mr. LEWIS]. The Chair, therefore, recognizes the Senator from Mississippi at this time.

Mr. HARRISON. Mr. President, I am one of this body who believes that the best way to promote well-considered legislation is to proceed in an orderly way. Even though I have admired the tremendous and exceptional qualities of certain Senators, and am perfectly willing to concede that so far as I was concerned they were a thousand percent more able than was I to write into law certain provisions that would be correct and within constitutional limitations, I have never yet come to the conclusion that any one Senator had the exceptional ability which would cause him to be right in preference to the sober consideration of an intricate question by a committee composed of some 20 or more members.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. HARRISON. Yes.

Mr. CLARK. So far as the question is concerned which is now submitted by the Senator from Idaho, it is not a new proposition which has never been considered by a committee or by the Senate itself. As the Senator from Idaho very cogently pointed out a few moments ago, this proposition was adopted by an almost unanimous vote of the Senate itself 2 years ago, and was conceded by the Senate conferees in conference without even a contest being made for it.

Mr. HARRISON. I am sure that after I shall have proceeded a little further the Senator from Missouri will not find fault with what I am trying to say.

I know that the Senator from Idaho and other Members of this body have felt, and felt strongly, against any provision of law that might in the slightest way suspend the Sherman antitrust law. I remember the long fight here which became quite acrimonious, and certainly presented a problem so delicate that it was hard to solve, respecting monopolies and respecting the Sherman antitrust law when the N. R. A. legislation was being considered in this body.

So anxious were some of us to compose our differences and harmonize them that even after the bill passed the Senate and went into conference between the House and the Senate, we dispatched individuals to the Senator from Idaho to see whether or not certain provisions that were then being considered met his approval. I mention that fact merely because I respect his fine judgment, I respect his ability, I respect his views on this question, and we were hopeful that we had met them. My friend from New York, who sits before me now, will recall our efforts at that time. He played a leading part in that act.

Mr. BORAH. Mr. President, do I understand the Senator to say that he thought he had met my views?

Mr. HARRISON. I say that from the conference we dispatched the Senator from New York [Mr. WAGNER] to go over and see the Senator and make certain modifications, respecting the measure. I do not think the measure ever met entirely the views of the Senator from Idaho, because it is my opinion, and it has been at all times my opinion, that he desired to repeal whatever provision was there which affected the Sherman antitrust law, and did not wish to have the Sherman antitrust law affected by the N. R. A. law in any way at all.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Utah?

Mr. HARRISON. Yes; I yield.

Mr. KING. I desire to say to my friend from Mississippi that I am a member of the Finance Committee, and I did not approve of the emasculation of the provisions inserted in the N. R. A. bill by the Senator from Idaho giving some vitality to the antitrust laws. I did not approve of the action of the conferees, and I did not vote for the so-called "N. R. A." because I believed——

Mr. HARRISON. I may say to the Senator from Utah and I say to the Senator that I acquit the Senator from Utah of any charge that he desired to do anything that might affect the Sherman antitrust law. He has always been steadfast in that position. He was opposed to any such provision upon the floor of the Senate; he was opposed to it in conference; he was opposed to it when the conference report was brought back to the Senate; he has been opposed to it ever since; he was opposed to it this morning, and he will be opposed to it tomorrow. [Laughter.]

Mr. KING. As long as I live.

Mr. HARRISON. I think the witnesses who appeared before the Finance Committee realized that, and I know that the authority which administers the N. R. A. certainly knows that the Senator from Utah has been opposed to any such provision.

Mr. President, what are we trying to do? Are we here attempting to do something in an orderly way?

The Senator from Missouri [Mr. CLARK] says, "Everybody understands this proposition." Yes; Senators know whether or not they desire to repeal the provisions of the N. R. A. law so far as they affect the Sherman antitrust law. There is no phase of the question now being considered by the Finance Committee which is being given more consideration, and will be given more consideration, than the question of the Sherman antitrust law. I hope we may affect it in the least degree possible; and I remarked the other day to a gentleman who is one of the high officials of the N. R. A. that I hoped he would draft, with the draftsmen of the committee, a provision that so far as these voluntary codes that might be entered into are concerned, they would not suspend or affect the Sherman antitrust law, except—and I asked to have them state specifically the exception—and that I hoped when the provision should be written we might get together with the distinguished Senator from Idaho, because I recognized his views on the subject, his strong convictions on it, and see if we could not work out something that would be mutually satisfactory.

I had thought that if we could suspend the Sherman antitrust law only so far as to compel fair competition in the country—not to destroy competition, but to compel fair competition in the country—and then write into law minimum wages, maximum hours, and the prohibition of child labor, that might be the standard by which we would go, rather than leaving such matters in the form of generalities. The Sherman antitrust law should be upheld. It should be enforced, but courts differ in their interpretation of what acts may be a violation of that law. The penalties of that law are severe. It is the fear of its violation that causes men in business sometimes to be afraid to meet and exchange views, in the formulation of a code of fair competition, unless sanctioned by Congress.

This is an intricate and a delicate question, one about which people will differ; but only a few weeks ago the Senate charged the Finance Committee of this body with the duty of looking into N. R. A., considering the many charges which have been made respecting little business and big business, and changes of the whole measure, together with the message of the President of the United States, suggesting his further views with reference to the extension of the N. R. A.

We proceeded to work along that line. It is not a pleasant task for men to sit for hours on a committee and hear witnesses, but we have done it. I have never in my life seen a committee that performed its duties better than have the members of the Finance Committee performed their duties for the past 2 weeks in listening to the witnesses as they have made their statements before the committee. We are going on until we shall have made a full and thorough investigation of the charges which have been made against N. R. A., at the same time attempting in every honest way we can, in a spirit of patriotism, with the sole idea of trying to restore economic normalcy in this country, to modify the law and bring it to the Senate with our recommendations; and we trust it will not be so very long before that shall be done.

When that shall be done it will be done after full consideration. The Senator from Idaho [Mr. BORAH] and the Senator from Virginia [Mr. GLASS], who has charge of the great piece of legislation we are now discussing, will then have it within their power and their right to offer such amendments as they may desire to the bill which the Committee on Finance may recommend to this body for passage. If, then, after a full discussion of the whole matter, the Senator from Idaho desires to offer his amendment to repeal all the provisions in the N. R. A. Act which in any way affect the Sherman antitrust law, let the Senate then vote on it; but do not give to us a duty to perform and then, before we have had opportunity to complete our task, take it away from us.

The Senator from Idaho himself was appointed, less than 4 weeks ago, on a subcommittee of the Judiciary Committee; and he and his colleagues were charged by the Judiciary Committee, as I understand, to investigate the monopolistic tendencies of N. R. A. and to report their recommendations. Why were they charged with that duty if they felt that no investigation was necessary, if no consideration of the proposition was to be had, but it was the intention merely to come in and make such a recommendation as is here proposed? I can hardly believe it, yet the action here today smacks of it.

So I ask the Senate to let us proceed in an orderly way. What Senator here knows what effect the repeal of the provisions of the N. R. A. Act affecting the Sherman antitrust law in this legislation will have upon the business interests of the country? Have we not all set our goal to bring back business, to give some confidence to the people of the United States? Are we to pass important legislation without consideration, in the twinkling of an eye? How can we expect a man of business, how can we expect the

American people, to have confidence in a Congress which takes up a question 1 week to be investigated and considered, and then over night takes up and adopts an amendment relating directly to that matter?

I hope I may be wrong, but in my opinion, if this amendment should be adopted, it would mean the death knell of the legislation affecting the N. R. A. I do not know whether the N. R. A. should be extended or not. I know a great many people in this country think it should be extended for 2 more years. The President of the United States believes it should be extended for 2 more years. The President of the United States believes, as stated in his message and his conferences, that we should so modify the provisions of the law affecting the Sherman antitrust law that the objections heard would be met, and no injustice would be done to any person in the United States, but that people in business would be influenced toward having fair competition in this country.

I see no harm in invoking the Sherman Antitrust Law if fair competition can be assured, and some of the chiselers who have almost destroyed the operation of the N. R. A. knocked out.

Mr. WAGNER. Mr. President, will the Senator yield to me?

Mr. HARRISON. I yield.

Mr. WAGNER. I just want to ask the Senator if it is not a fact that the N. R. A. Act now provides that there can be no provision in any code permitted which would have the effect of creating a monopoly or——

Mr. HARRISON. Or effect unfair competition.

Mr. WAGNER. Exactly. So that monopolies are now prohibited under the National Industrial Recovery Act, and if any practices are permitted under a code which have that tendency, they are violating the statute.

Mr. HARRISON. Yes. In other words, the codes are supposed to be in consonance and in sympathy with national recovery.

Mr. CLARK. Mr. President, will the Senator yield to me?

Mr. HARRISON. I yield.

Mr. CLARK. The Senator must certainly be familiar with the fact, as I know he is, that it has been testified by the highest officials of the N. R. A., in spite of what the Senator from New York and the Senator from Mississippi have said, that these codes have set up price fixing, that they have set up production control, that they have set up all sorts of trade agreements having to do with discounts, that they have set up a complete system of "Pittsburgh-pluses", which practices have been held by the courts of the United States almost universally for nearly 40 years to be monopolistic practices. It does not answer that for the Senator from New York to say that the statute forbids monopolistic practices, when they are permitted.

Mr. WAGNER. Mr. President, I say that if a code permits such a practice, it is in violation of the law today and that the Senator's complaint would be toward the administration of the act, not of the act itself.

Mr. BARKLEY. Mr. President——

Mr. HARRISON. Mr. President, let me proceed just a moment and then I shall yield the floor.

Mr. BARKLEY. Will not the Senator yield in connection with the question asked by the Senator from Missouri?

Mr. HARRISON. I yield.

Mr. BARKLEY. I do not recall that it has been testified before the committee by high authorities of the N. R. A., I am quite sure it has not been, that the codes or that the N. R. A. have set up any agency by which production is controlled or by which prices have been fixed. They have in their codes, as I understand the testimony and as I understand the fact to be, undertaken to provide against cutthroat competition and unfair practices in the form of a reduction of price by those who are able to bring about a reduction of price so as to drive former competitors out of business.

Mr. CLARK. Mr. President, if the Senator will yield——

Mr. HARRISON. If the Senator will permit me, the Senator from Kentucky is correct and the Senator from Missouri is correct. Trying to stabilize the situation and prevent cutthroat practices, they have caused some prices to be fixed, and therefore have controlled production. The Senator is right.

Mr. CLARK. The Senator will certainly not deny that there has been testimony that running through all these basic codes are monopolistic practices, price control, price fixing, production control, "Pittsburgh-pluses"; and while they may have originally been instituted by the codes, or authorities set up under authority of the N. R. A., the enforcement of them rests largely upon the boycott power and threat of prosecution by the N. R. A. itself.

Mr. BARKLEY. Will not the Senator from Mississippi yield long enough for me to ask whether, as far as the "Pittsburgh-plus" arrangement is concerned, the testimony was not to the effect that these were simply things in existence prior to N. R. A., and that they have, in most cases where they are now in effect, been permitted to continue?

Mr. CLARK. Mr. President, I will not interrupt the Senator from Mississippi further if he will permit me to answer that. That was precisely the contention of the steel companies; and in all of the "Pittsburgh-plus" cases which had been decided in this country, in a uniform line of cases, representing a great achievement on the part of the Department of Justice of the United States, the plan was held absolutely illegal and in violation of the Sherman antitrust law.

Mr. HARRISON. So far as that is concerned, Mr. Richberg and Mr. Williams, I believe, both stated that they did not believe in the "Pittsburgh-plus" plan and thought the code authorities should adopt certain basing points.

There have been a great many changes in the administration of the codes since their adoption. Experience has taught the authorities much. The price-fixing practices, as stated to us, have been practically eliminated in all the codes. The old control of production has been abolished, I think, in every instance. Many reforms have been worked out, and many of the abuses about which we have heard so much have been eliminated in the administration of the codes.

Mr. President, I get back to the proposition that within a very few weeks Senators will have an opportunity of voting directly upon the matter now before the Senate. We hope to report out a bill from the Finance Committee. Why not wait until the time when the proposed N. R. A. legislation will be before us? Why handicap it at this time? Why kill the whole thing before the committee has finished its work of investigating the matter?

If there were to be no opportunity in the future to vote on it, then it might be well and good to go ahead and press the amendment and thoroughly consider it, but I give my assurance to the Senator from Idaho that he will have an opportunity to vote on a measure which will affect all the materials which will be sold in connection with these public-works projects, and I hope that opportunity may come within the next 6 weeks. I hope the Senator will not press his amendment. The Finance Committee wants his views upon this matter. We are going to strive to travel in the Senator's direction, so I hope the amendment will not be tacked on to the pending bill.

Mr. BARKLEY. Mr. President, will the Senator yield before he concludes?

Mr. HARRISON. I yield.

Mr. BARKLEY. Can it not be stated on the part of the committee that if, as a result of the investigation, the Finance Committee itself feels that the suspension of the antitrust laws which has been carried so far in the N. R. A. Act ought to be eliminated, the committee itself will eliminate it, and bring that in as a part of a bill to be reported?

Mr. HARRISON. They certainly will do that.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Idaho [Mr. BORAH].

Mr. CLARK. Mr. President, I desire to detain the Senate merely for a moment or two. I believe that the amendment of the Senator from Idaho is timely, and is germane to the

pending joint resolution. The pending measure, as has been stated, contemplates the largest authorization of public funds ever carried in any measure in any country in the history of the world.

It is stated on behalf of the proponents of the measure that $2,000,000,000 of the money to be appropriated will be spent for material. Since that money is to be spent under the provisions of the joint resolution, it is of the highest importance and to the utmost interest to the American people that the $2,000,000,000 shall go as far as possible in order that it may accomplish the maximum results sought to be attained by this enormous grant.

The statement of the Senator from Idaho, that if this money were now spent in the market under present N. R. A. conditions it would mean that the United States Government would go with this vast volume of money into a rigged market, cannot be successfully gainsaid. It has been stated before the Committee on Finance, uncontroverted by anybody—because the only witnesses we have heard in that investigation so far are the authorized representatives of the N. R. A., the highest officials of that organization, the strongest proponents of the existing order—before that committee it has been stated repeatedly that the N. R. A. codes, which fix prices, regulate discounts, install "Pittsburgh-pluses", and control production, have not only been authorized but have been enforced both by the threat of boycott on the part of the United States Government and other parties to the N. R. A. agreements and also by threats of prosecution in the Federal courts of the United States.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Montana.

Mr. WHEELER. When bids on cement were made in connection with P. W. A. work, it was found that all the cement companies made exactly identical bids, and the companies explained that the reason why they did so was that they had to under the code.

Mr. BARKLEY. Mr. President, will the Senator permit me to make a statement?

Mr. CLARK. I yield to the Senator from Kentucky.

Mr. BARKLEY. So far as cement is concerned, when we had up for consideration the Tariff Act of 1930, it was proved, and no one contradicted it, that there was at that time a price-fixing arrangement among all the cement companies of the United States, and every time one of them increased or reduced the price it went up or down all over the United States. They did not wait for the N. R. A.

Mr. CLARK. Yes; and I will say that the agreement which was in effect at that time was illegal.

Mr. WHEELER. The fact that they had such an agreement before did not alter the situation at all. The condition I referred to existed not only with reference to cement in the case of the P. W. A., but with reference to innumerable other commodities which the P. W. A. had to buy. On every one of those items the bids were identical because, it was said, the bids had to be made in that way under the N. R. A. provisions.

Mr. CLARK. I do not think there is any question about that.

Mr. BARKLEY. Mr. President, I happen to know something about the cement matter referred to by the Senator from Missouri. Long before any N. R. A. was heard of, the cement producers of the country were in a combination by reason of which, whenever any one of them changed the price of cement, all the others followed suit, even in the most remote sections of the country; and while it was difficult to prove that the change came about by reason of concerted agreement, everyone knew that it did.

Mr. CLARK. The testimony before the committee by Mr. Richberg, Mr. Williams, and other heads of the N. R. A., conclusively shows the remarkable situation that although for nearly half a century in this country it was a criminal offense to enter into an agreement in restraint of trade, and it was also a criminal offense to enter into an agreement for a boycott, yet today, by reason of the existence of N. R. A., under N. R. A. authority, agreements in restraint of trade are not only made lawful, but such agreements are in many cases mandatory, and enforced by that other outlawed institution, the boycott.

Among other things mentioned this afternoon are the "Pittsburgh-pluses." I am going back to the germaneness of the amendment of the Senator from Idaho. If the Government desires to build a public building, let us say, in the city of St. Louis, Mo., or Kansas City, Mo., under the remarkable steel code it would be necessary to pay not only the price at which the steel could be bought at the doors of a steel factory in St. Louis, but also to add to it the freight from Chicago, the nearest basing point.

Mr. WHEELER. Mr. President, the situation is identical with reference to copper. The copper companies put in the same bids, and the P. W. A. stated that they had to do it by reason of the provisions of the N. R. A. So when the copper companies bid on contracts for copper wire at the place where the factory was located, they put in exactly the same bid as the man who had to ship it for many miles. The same thing is true not only with reference to copper, steel, and aluminum, but with reference to virtually every other basic commodity in the United States.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Alabama.

Mr. BLACK. Is the Senator familiar with the fact that under the steel code, if steel is sold for a lower price than that which has been fixed, a fine of so much per ton is imposed by the steel code authority; that is, the private companies which sell steel? Does the Senator know they are now doing that, and have been doing it?

Mr. CLARK. I thank the Senator for again drawing that subject to my attention. Of course, such practices as that necessarily limit the amount of work relief that can be extended under the provisions of the joint resolution we are about to pass.

Take another example: The Government has recently been building a hospital at Springfield, Mo. If that project were being constructed under the terms of the pending joint resolution, we should run into the provision in the lumber code which provides that flooring—and I use that example because there happens to be a flooring factory in Springfield, Mo.—flooring purchased by the Government for use in the hospital under construction at Springfield, Mo., could not be bought from the flooring factory at Springfield, Mo., for what it was worth, but its price would have to include the additional freight from either Memphis, Tenn., Monroe, La., or Johnson City, Tenn.

Without any disrespect to the Finance Committee, of which I am a member, I insist that the Senate ought to take up this question and consider it in connection with the proposed appropriation, for the purpose of adjusting the appropriation so far as it possibly can, and for the purpose of accomplishing to the very fullest possible degree the purpose of the measure in extending work relief to the people of the United States who so badly need it.

Mr. SHIPSTEAD. Mr. President, I care not whether the provision suspending the operation of the antitrust laws shall be repealed under a bill affecting the N. R. A. or under the pending joint resolution, but I think there is no reason for postponing until tomorrow what we might as well do today.

In this joint resolution we are trying to accomplish a definite purpose—to give employment and to give relief to the 23,000,000 persons who are unemployed. The Secretary of Commerce last year published a statement showing that 200 corporations had made great profits during 1934. No one can deny that the Government furnished a great deal of the money out of which those profits were made. In this recovery program profits of corporations should be an incident, and an incident only. They are not the main objective. We cannot be expected to take the taxpayers' money in order that a corporation may make dividends; but we may take money out of the taxpayers' pockets to feed the hungry and to build permanent useful works in order to give employment.

There is only so much money to divide—so much for labor, so much for material. The higher the price we pay for

material, the less employment we can give, and the more people we shall have on relief and unemployed.

After the war the British Government proposed and initiated a program of building houses, which later was discontinued. They inaugurated it for the purpose of giving employment to labor, to relieve the unemployment situation. They discontinued the program because they were unable to keep down costs. They found that so much money went into higher costs for material that it nullified the great object of the program, and so they discontinued it.

I cannot find any excuse for voting for this joint resolution at all except on the ground of providing food for people who are on relief—23,000,000 of them—and to furnish work to those now unemployed who can be afforded work. I do not believe there is a spark of recovery in a measure of this character. I never did so believe. The only reason why I voted for the $3,300,000,000 appropriation was because we were facing an emergency. We had to feed people. If there has been any recovery, why do we now have 23,000,000 persons on relief? I do not believe we can borrow ourselves out of debt, and I do not think we can buy ourselves prosperous.

Now the question is, How can this money be divided so as to afford work and spread employment as much as possible? The higher prices are raised, the less can employment be spread.

If we make the objective of the joint resolution simply the possibility of corporations collecting high prices and distributing large dividends, then, in my opinion, we make the joint resolution worse than anything that has been said about it up to this time. It should not be considered anything but an emergency measure, designed to give employment wherever it can be given and to buy food for people who are hungry. If business men make any profit as an incident, well and good, but, in my opinion, the business interests of the United States are very short-sighted if, out of these public funds, they shall continue, and shall be permitted to continue, to do in the future as they have done in the last 2 years, to raise prices, to gouge a public that has not any money except what it gets from the Government. They should not continue the policy they pursued up to the depression, and bring on a worse collapse than we had in 1929.

I think the amendment is very germane to the joint resolution, not only from the standpoint of providing that the money shall go as far as possible to relieve hunger and to relieve unemployment, but also to aid recovery. I do not believe we can bring about recovery under a suspension of the antitrust laws. That would mean higher costs, higher prices. As prices go up production goes down, because the purchasing power is not there, and a vicious circle is created which will continue to destroy our economic life.

I venture to say, without fear of possible successful contradiction, that the economic situation in the country today is worse than it was 2 years ago, worse than it was a year ago. Until we can take more constructive action we are only postponing the inevitable day of settlement, which may be a worse settlement than we had in 1930.

Mr. WALSH. Mr. President, we have all been very much impressed with the able presentation by the Senator from Idaho [Mr. BORAH] in favor of his amendment. I think if I were to vote at this moment solely on the merits of his amendment I should be inclined to vote for it. But that is not a fair picture. We have pending before this body a message from the President of the United States asking us to reenact the National Recovery Act. That message is being considered and deliberated upon by a committee of this body.

Not only that, but we have a mandate from this body to the Finance Committee to investigate all the problems, what is to be said for and what is to be said against the National Recovery Administration. In the midst of these deliberations on the part of the committee it is proposed, through an amendment which has much merit, that we end those deliberations and that we make our decision now on the National Recovery Act and dispose of the whole question.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Utah?

Mr. WALSH. I yield.

Mr. KING. I hope the Senator does not mean to convey the idea that the National Recovery Act is bound up in the antitrust-law provision and that the only real part of it is that provision which suspends operation of the antitrust laws? If that is the only thing there is in the National Recovery Act, the sooner we repeal it the better it will be.

Mr. WALSH. I will ask the Chairman of the Finance Committee if it is not his judgment—it certainly is mine—that a majority vote in favor of the pending amendment is tantamount to a vote to discharge the Finance Committee from the further consideration of the matter before it relating to the N. R. A.?

Mr. HARRISON. Mr. President, I am very sure that is true, and certainly the country would accept it as the first blow to the movement to extend the N. R. A. in a modified form.

Mr. BARKLEY. Mr. President, may I ask the Senator from Massachusetts if the committee has gone far enough in its consideration of the matter to know what the effect of the adoption of the amendment would be on existing codes?

Mr. WALSH. I certainly do not know, and I do not believe the committee has gone far enough to have a true picture of the operations of the National Recovery Administration. I have a very open mind in the matter. I do not know whether I shall vote for its reenactment or not. I have serious doubts about the whole problem. I do know that there are very powerful forces in the country in favor of it. It may be those which are benefiting through the monopolistic policies which it is alleged have been developed as a result of the administration of the law. I think most of the members of the committee have open minds on it. I think we want to hear all that is to be said for and against it. One thing is certain, that before we turn from N. R. A. we want to know what will be the consequences—whether for benefit or injury to the public interest.

I do not hesitate to say, notwithstanding all the criticism and all the objections to N. R. A., that no man dares predict the depths to which the business of the country would have gone under the destructive and cutthroat practices that existed in business before we enacted the N. R. A. Regardless of how it is operating it did lift up business, it stopped and ended sweatshops, it stopped and ended cutthroat monopoly, it stopped and ended the cutting down of wages and the increasing of hours of labor by taking advantage of the flooded market of unemployed. In the doing of all those things other evils may have arisen.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. WAGNER. We all acknowledge the disadvantages which the Senator has mentioned, but we also know that those who are interested in the welfare of labor are favorable to a continuation of N. R. A., while removing some of the abuses and weaknesses which exist under it.

Mr. WALSH. In my judgment, drastic changes may have to be made.

Mr. WAGNER. I agree with the Senator.

Mr. WALSH. In my judgment, limitations will have to be adopted. In my judgment, some amendment such as this may have to be adopted when we bring to the floor of the Senate for consideration the bill proposing to extend the N. R. A. But is this the time to act? Shall we close the issue now? Is it fair to all Senators who want to read the whole record to say tonight that we are going to cut the heart out of N. R. A.; we are going to cut the one thing out of N. R. A. that some allege is the most evil and obnoxious part of that law, and let the rest remain to be worked out as time and circumstances indicate?

Mr. WAGNER. Mr. President, will the Senator yield further?

Mr. WALSH. Certainly.

Mr. WAGNER. The Senator thought I was better informed than I really am when he asked me whether the

effect of the adoption of the Borah amendment might be to abolish the codes which are now in existence. I am unable to answer. I think a great many of them might be abolished tonight if we should adopt the Borah amendment. I want to wait until the facts are presented to the Senate after a thorough investigation by the Finance Committee.

Mr. WALSH. The Senator has given expression to one of the doubts in my own mind.

What will be the effect of this amendment upon the general code-making policy of the N. R. A.? Will it completely destroy all code making? Do we want to do that tonight? Do not Senators think we want to hear the report of the investigating committee first?

Perhaps we ought to end N. R. A. I do not know. I shall know better after I sit for 2 or 3 weeks more in the committee and hear the evidence pro and con. We have heard only three or four witnesses so far out of innumerable witnesses. We have not read the letters and communications and information that have come to us pro and con. Only today a subcommittee of the Finance Committee met to employ counsel and to employ experts to read the briefs and to read the letters and the documents which have been sent to us pro and con relating to the subject.

All this is for the purpose of asking the Senate to be patient, not to act too hastily, not to put us in a position of voting against a meritorious amendment because some of us think the proceedings undertaken by the Finance Committee ought to proceed and continue.

Therefore, Mr. President, for the reasons named, I feel constrained to vote against the amendment of the Senator from Idaho, reserving the right later to approve of the principle involved therein, and solely and alone on the ground that this investigation ought to go on. We ought to find out what is to be said for and against the N. R. A. We ought to hear all the witnesses who desire to be heard, representing industry and labor. We ought to find out how much monopoly is going to benefit, how much the little man has been crushed, and we ought then to have the manhood and the courage to debate the matter here upon the floor of the Senate, and to end once for all N. R. A., or perfect it and develop it and send it forth for new and better objectives.

Mr. DICKINSON. Mr. President, I desire to make only a brief observation.

The Senator from Mississippi [Mr. HARRISON] says this amendment means a death knell to the N. R. A. To some of us that would be the best argument that could possibly be made for voting in favor of the amendment. I shall vote for the amendment on its merits, because I believe it should have been included in the N. R. A. Act when the N. R. A. Act was passed.

I desire to cite only one or two illustrations. The Federal Trade Commission has always allowed business, industry, and labor to make rules and regulations as to unfair practices. That has been a part of the practice of the Federal Trade Commission for many years. Those rules and regulations might cover competition, conditions of labor, and practically every phase of development in the business of those framing the rules and regulations. The Federal Trade Commission allowed all of this—when? When it did not in any way violate antitrust laws. That was the only requirement. Whenever any combinations or agreements or regulations violated the antitrust laws, the Federal Trade Commission said, "Halt!" It has always followed that practice.

What did we do in the N. R. A. Act? We said that the power of the Federal Trade Commission should not be altered. That was written into the law; but what has the N. R. A. done? Out of 600 codes, three-hundred-and-odd of them allow definite price fixing, which is one of the fundamentals of monopoly all along the line.

Senators may say, however, "If that is the case, why are not these concerns prosecuted through the Department of Justice, or why are they not investigated through the Federal Trade Commission?" Because there would be no chance of conviction if the Department of Justice should take them into court when they had a code agreed upon by the code committee and approved by the President as a defense against the complaint of price fixing.

In other words, I think an injustice has been done all along the line in the codes; and if this amendment will prevent the code authorities from permitting the things which under the Federal Trade Commission Act they are not permitted to do, it will be worth writing into the joint resolution.

Why should we write the amendment into the joint resolution at this time? Because we are beginning on a program of building 50,000 homes in this country under the Public Works Administration. We are going to give that organization more money with which to construct other buildings. The codes of fair practice enter into that program. The time to stop an evil is when we have the opportunity to stop it, before it goes further. Otherwise, these objectionable provisions will be written into the various contracts which the Government is now contemplating making, covering the various industries.

Of course, we desire the Finance Committee to go ahead with its investigation; but if we can stop the evil as it now exists, we shall go a long way toward removing some of the suspicion and some of the criticism that is being rightfully directed at the N. R. A.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Missouri?

Mr. DICKINSON. I yield.

Mr. CLARK. Did the Senator ever hear of the Federal Trade Commission or the Department of Justice or any lawyer of respectable standing taking the position that an agreement to establish maximum hours of labor, or to eliminate child labor, or to establish minimum wages was an illegal agreement in restraint of trade under the Sherman Antitrust Law?

Mr. DICKINSON. I never did.

Mr. CLARK. So the purpose of suspending the Sherman Antitrust Act in the N. R. A. Act was not to authorize codes of fair practice, to eliminate child labor, or to establish minimum wages or maximum hours. It was in truth and in fact a move for the purpose of authorizing and legalizing violations of the Sherman antitrust law which have been outlawed for 40 years.

Mr. DICKINSON. I think the Senator from Missouri is correct in that conclusion.

It is said that if we pass upon this amendment now we shall be doing something which we should not do. I do not believe it is ever too early to correct a wrong. We have the opportunity at this time. I know no reason why we should not assume the responsibility and make the proper decision.

I shall vote for the amendment.

Mr. BARKLEY. Mr. President, I wish to make only a very brief observation as to this picture as I understand it.

I shall not debate with my good friend from Missouri, Mr. CLARK, the question whether an agreement entered into by corporations to limit hours of labor, which might inferentially limit production and restrain trade in quantity, at least, was a violation of the antitrust law prior to the enactment of the N. R. A. Act, nor as to increases or decreases in the wages of employees; but at that time, certain steps were taken in order to induce business men and industries to come into a sort of national cooperation, not only to increase wages, not only to reduce hours of work, but also to prevent certain unfair practices which, in spite of the antitrust laws, had been engaged in by large corporations which desired to put out of business smaller corporations.

Ever since I have been a Member of Congress, in both the House and the Senate, we have been besought to enact legislation making it impossible for certain institutions to go into certain sections of our country and undersell local merchants in order that they might drive out of business small competitors. We were never able to enact any such statute as that, and no enforcement of the antitrust law ever prevented such practices; and yet it was unlawful, at least theoretically, under the antitrust law, for any two or more corporations to enter into an agreement by which

they would promise each other not to undersell in any community throughout the United States.

In order that business men might feel free to cooperate and to join and propose codes under the N. R. A., Congress almost unanimously in this body and in the other body, as I recall, wrote into section 5 the provision which is now sought to be repealed, that the codes and licenses issued by the President under the N. R. A. should not be regarded as violations of the antitrust laws, subject to the provision and limitation that they should not contribute to any monopolistic control of the markets of the United States.

Mr. CLARK. Mr. President, the Senator certainly is in error in saying that that provision was written in almost unanimously. There was a very sharp contest over the matter in the Senate, and I think it was carried by a majority of only 10 or 12. That is my recollection.

Mr. BARKLEY. There was a majority.

Mr. CLARK. Certainly it was not almost unanimously carried, because there was a very bitter contest.

Mr. BARKLEY. There was a majority, even if it was a majority of only one. It was held out to every business in the United States, and they have entered into more than 600 codes with the understanding that that provision would protect them against anything which might otherwise be a violation of the antitrust law.

Mr. GLASS. Mr. President, will the Senator yield?

Mr. BARKLEY. In just a moment. The question is whether or not in this hasty manner, with an investigation in progress, we are going to adopt an amendment which may break faith with every business institution in the United States which entered into the codes in good faith, believing that we meant what we said, that while the codes were in existence we would protect them from what might otherwise be regarded as a violation of the antitrust laws.

Mr. GLASS. Mr. President——

Mr. BARKLEY. I yield to the Senator from Virginia.

Mr. GLASS. We should not get the impression that all businesses in the United States voluntarily entered into these codes. They entered into the codes under the textual threat that if they did not do it the President could establish the codes himself.

Mr. BARKLEY. Of course, Congress is responsible for that. Congress passed the act. It is in the act. We may not assume that every man who observes the laws of the United States comes in voluntarily under them. Every criminal statute on the books, even the autitrust laws, which we passed without the cooperation of business, included all business. Whether business and industry wanted to come in under the antitrust laws or not, they were included in them and they were supposed to abide by them. It is, of course, true that many corporations and business men did not voluntarily come into the codes. They were not here seeking, demanding, or asking for the legislation, but it was manifestly impossible to make it effective if only those here demanding it should be subject to it. We had to make it apply to everybody in the United States; otherwise it would have been of no avail at all.

Mr. WAGNER. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I yield.

Mr. WAGNER. I want to remind the Senator that at the time when we had the N. R. A. bill under consideration a great majority of the business people in the country were demanding this kind of legislation, including the United States Chamber of Commerce. Other large as well as small employers of labor actually appeared before the committee to tell us that industry was disintegrating and facing absolute collapse, and pleading for legislation of this type to integrate it.

Mr. BARKLEY. We knew that without the information of the United States Chamber of Commerce. It is true they did recommend the enactment of legislation along these lines, because there was disorganization and chaos, and everybody felt, even the small business man, that unless the Government should step into the picture perhaps all business would collapse.

Mr. GLASS. Mr. President, I think it is an inexcusable exaggeration to say that the majority of the business people of this country came here and demanded the N. R. A. They did not do anything of the kind.

Mr. BARKLEY. I do not know what proportion of them were represented here by trade associations or business organizations. I suppose it would be an inexcusable exaggeration to say that a majority of any group of people in the United States ever came here to demand legislation. Yet we do enact legislation which affects all of them, because in a great Nation such as this, with a population of 130,000,000, it is impossible to hold a town meeting in Washington where all of them may assemble and ask for the enactment of legislation.

Mr. GLASS. We enacted the legislation under the persuasive influence of the Senator from New York. That is what we did. He is entitled to all the credit, and—well, I will not say anything more. [Laughter.]

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WAGNER. I wish to say a further word. So far as business was represented here in Washington, it favored the N. R. A. legislation. As I recall, there was no business man who came to the hearings and voiced opposition to it.

Mr. GLASS. Then why was it found necessary——

The PRESIDING OFFICER. Does the Senator from Kentucky yield?

Mr. BARKLEY. I yield to the Senator.

Mr. GLASS. If all business was in favor of it, why was it found necessary to put in the law a provision that if they did not come in, the President could compel them to come in?

Mr. WAGNER. Because everybody was conscious of the necessity at that time of preventing absolute industrial collapse in this country, and to do this there had to be some agency of integration. I do not want to intrude too much on the time of the Senator from Kentucky, but may I add that, with one exception, every code that is in existence today is the result of meetings of business men and associations, who drafted the codes themselves for the approval of the President?

Mr. BORAH. Mr. President, nobody will deny that the codes were the result of meetings of business men. That is true.

Mr. WAGNER. It has been denied.

Mr. BORAH. It has been?

Mr. WAGNER. It has been stated here that the codes were forced upon business. I know that the Senator is going to say that there are some provisions in the codes of which he disapproves. There are some provisions in the codes of which I disapprove. But it was asserted here a moment ago that the codes were all forced upon industry——

Mr. BORAH. No; not all of them.

Mr. GLASS. Nobody has said they were all forced on industry. What I said was that they were not all voluntarily made, and that scores and scores of businesses of different types were brought into the codes under the threat that if they did not come in—and the threat was written right into the bill—the President of the United States would put them in.

Mr. WAGNER. Mr. President, I am sure the Senator would agree with those intimate with business conditions that everything possible should be done for the business of the country.

Mr. GLASS. I am as intimate with the business of the country as is the Senator and vastly more with the business that has almost been destroyed.

Mr. BARKLEY. I do not want to enter into any controversy about who is more responsible for the enactment of the law than anybody else, or who is more interested in business. I am sure that any industry that interests the Senator from New York or the Senator from Virginia is a legitimate industry, and it would have my respect, because there are no two Members of this body for whom we have greater regard for their integrity, honor, and intelligence than the Senator from Virginia and the Senator from New York, all of which I am sure will contribute materially to

that happy diplomatic disposition to which the Senator referred a while ago as astonishing and amazing even to himself. But we cannot deny the fact that Congress wrote into the law a provision that trade associations and business organizations might join the codes with the approval of the President.

It was unfortunately true that some parts of the business world were not organized; they did not belong to trade associations. But those that did belong to trade associations proceeded at once to formulate codes, and, in that way, no doubt, a large section of the business world has been represented. Perhaps the disorganized part was not represented—and some of them were not represented in the writing of codes. I have complained as much as has any Member of this body, I dare say, to the N. R. A., for what at first seemed to be a lack of appreciation of the fact on the part of the agencies of the Government that, while selfishness might have existed, and human nature in one group is what it is in other groups, it was the business of the Government of the United States not to allow any group that was organized to do anything in the forming of codes that would be unfair to the unorganized portions of any business. Nevertheless, it was written into the law that the trade associations might form the codes and that the President himself might form agreements with industries and issue licenses. The point is that all 600 of these codes were entered into with the provisions of the law as they now are. If we repeal section 5, which suspends the operation of the antitrust law, every firm, every industry, every group from now until the 16th day of June will have hanging over it the threat that although it entered into a code in good faith, it may be subject to prosecution tomorrow by the Department of Justice because of carrying out the provisions of the code into which it entered in good faith and at the invitation of the Congress.

The point is, as I said a little while ago, that the codes expire in less than 3 months. Certainly no harm can come in the next 2½ months. We are in the very midst of the investigation ordered by the Senate of the United States. Like the Senator from Massachusetts [Mr. WALSH], I am open-minded on the subject. As the result of the investigation, in whatever bill we may report from the committee, whether to extend the N. R. A. for 2 years or for 1 year, I may be willing with all the vigor I possess to stand and vote against the inclusion of any provision for a suspension of the antitrust law. But I do appeal to the fairness of this body, and to its fairness to the Committee on Finance, which in good faith is undertaking this investigation and ascertaining the truth—let the chips fall where they may—not to nullify the authority the Senate has already conferred upon us by adopting amendments here which may strike at the very life of the codes themselves, and not only that, but may strike at the very existence of men and groups of men who in good faith have tried to go along with the Government in its program of recovery.

Mr. FLETCHER. Mr. President, does the Senator believe that contracts which have been entered into and which are now in existence can be interfered with? I do not see how anyone can be prosecuted for violating the law if in making a contract he has followed the codes.

Mr. BARKLEY. Such contracts are continuing instruments. Up to this time it is possible to imagine a situation with respect to agreements which may have been in operation prior to the enactment of the N. R. A. law and the antitrust laws. Should the pending amendment be adopted, business organizations may be guilty of violation of the antitrust laws between now and the 16th day of June, when the codes expire. We ought not to take advantage of business, which has been urged and invited by the Government to enter into cooperative arrangements; we ought not to slip behind it when it is not looking, to strike it a blow which may subject it to prosecution next week for doing what it was urged to do at the invitation of the Government of the United States.

Mr. President, I hope this amendment will not be adopted. I hope we may go on with the investigation in the Finance Committee; and I can assure the Senate that the make-up of the Committee on Finance is not such as would withhold from the Senate and the House the fullest opportunity to pass upon this question on its merits.

Mr. HASTINGS. Mr. President, I desire to ask the Senator from Kentucky whether his recollection is the same as mine, that both Mr. Richberg and Mr. Williams insisted that there was not anything in any of the codes which prevented the operation of the antitrust laws and the prosecution of anybody for violating them. Is that the Senator's recollection?

Mr. BARKLEY. My recollection is that they both stated that there was nothing in any of the codes or in the N. R. A. which would prevent the prosecution of anyone guilty of such a violation as would tend to bring about monopoly. My recollection of the act itself is that while in section 5 it does suspend the operation of the antitrust laws with respect to certain codes and licenses issued by the President, it specifically states that it shall not be held to legalize any combination which would be regarded as monopolistic.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Idaho [Mr. BORAH].

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	La Follette	Schall
Ashurst	Cutting	Logan	Schwellenbach
Austin	Dickinson	Lonergan	Sheppard
Bachman	Dieterich	McCarran	Shipstead
Bankhead	Donahey	McGill	Smith
Barbour	Duffy	McKellar	Steiwer
Barkley	Fletcher	McNary	Thomas, Okla.
Bilbo	Frazier	Maloney	Thomas, Utah
Black	George	Metcalf	Townsend
Borah	Gerry	Minton	Truman
Brown	Gibson	Murphy	Tydings
Bulkley	Glass	Murray	Vandenberg
Bulow	Gore	Neely	Van Nuys
Burke	Hale	Norbeck	Wagner
Byrd	Harrison	Nye	Walsh
Byrnes	Hastings	O'Mahoney	Wheeler
Capper	Hatch	Pittman	White
Clark	Hayden	Pope	
Connally	Keyes	Radcliffe	
Copeland	King	Reynolds	

The PRESIDING OFFICER. Seventy-seven Senators having answered to their names, a quorum is present. The question is upon agreeing to the amendment offered by the Senator from Idaho [Mr. BORAH].

Mr. BORAH. On that question I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. LOGAN (when his name was called). I have a general pair with the senior Senator from Pennsylvania [Mr. DAVIS], who is absent. I transfer that pair to the junior Senator from Massachusetts [Mr. COOLIDGE] and vote "nay."

Mr. McNARY (when his name was called). On this vote I have a pair with the senior Senator from Arkansas [Mr. ROBINSON]. I am advised that if he were present he would vote as I shall vote, and I am therefore at liberty to vote. I vote "nay."

The roll call was concluded.

Mr. BULKLEY. I have a general pair with the senior Senator from Wyoming [Mr. CAREY], who is absent. Not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. BYRNES. I wish to announce that the junior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON] are detained by illness.

I also wish to announce that the following Senators are necessarily detained:

The Senator from North Carolina [Mr. BAILEY], the Senator from Washington [Mr. BONE], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Colorado [Mr. COSTIGAN], the Senator from California [Mr. McADOO], the Senator from Illinois [Mr. LEWIS], the Senator from New Jersey [Mr. MOORE], the Senator from Arkansas [Mr. ROBINSON], the Senator from Georgia [Mr. RUSSELL], the Senator from

Louisiana [Mr. LONG], and the Senator from Florida [Mr. TRAMMELL].

The result was announced—yeas 33, nays 43, as follows:

YEAS—33

Adams	Dickinson	McCarran	Shipstead
Ashurst	Fletcher	McGill	Smith
Barbour	Frazier	McKellar	Thomas, Okla.
Black	Gibson	Maloney	Townsend
Borah	Glass	Metcalf	Tydings
Byrd	Gore	Norbeck	Vandenberg
Capper	Hastings	Nye	Wheeler
Clark	King	Schall	White
Copeland			

NAYS—43

Austin	Cutting	La Follette	Radcliffe
Bachman	Dieterich	Logan	Reynolds
Bankhead	Donahey	Lonergan	Schwellenbach
Barkley	Duffy	McNary	Sheppard
Bilbo	George	Minton	Steiwer
Brown	Gerry	Murphy	Thomas, Utah
Bulow	Hale	Murray	Truman
Burke	Harrison	Neely	Van Nuys
Byrnes	Hatch	O'Mahoney	Wagner
Connally	Hayden	Pittman	Walsh
Couzens	Keyes	Pope	

NOT VOTING—19

Bailey	Coolidge	Lewis	Overton
Bone	Costigan	Long	Robinson
Bulkley	Davis	McAdoo	Russell
Caraway	Guffey	Moore	Trammell
Carey	Johnson	Norris	

So Mr. BORAH's amendment was rejected.

EXECUTIVE SESSION

Mr. GLASS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. TRAMMELL, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters in the State of Florida.

He also, from the Committee on Naval Affairs, reported favorably the nomination of Rear Admiral Adolphus Andrews, United States Navy, to be Chief of the Bureau of Navigation, with the rank of rear admiral, for a term of 4 years, from the 30th day of June 1935; and also the nominations of sundry other officers in the Navy.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER (Mr. DUFFY in the chair). The reports will be placed on the Executive Calendar.

NOMINATION OF OREN G. HUNTER—RECOMMITTED

Mr. McKELLAR. Mr. President, yesterday Oren G. Hunter was confirmed to be postmaster at Parish, N. Y. I ask unanimous consent that the vote by which the nomination was confirmed may be reconsidered, and that the nomination be recommitted to the Committee on Post Offices and Post Roads.

The PRESIDING OFFICER. Without objection, it is so ordered. The calendar is in order.

JESSALEE NASH

The legislative clerk read the nomination of Jessalee Nash to be postmaster at Hollister, Mo., previously passed over.

Mr. CLARK. Mr. President, I ask that the nomination be passed over again.

The PRESIDING OFFICER. The nomination will be passed over at the request of the Senator from Missouri.

THE JUDICIARY

The legislative clerk read the nomination of Stanley Reed, of Kentucky, to be Solicitor General.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Frank P. Lockhart, of Texas, to be secretary in the Diplomatic Service.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of George A. Makinson, of California, to be consul general.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection the nominations of postmasters are confirmed en bloc.

That completes the calendar.

RECESS

Mr. GLASS. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 30 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Friday, March 22, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 21 (legislative day of Mar. 13), 1935

SOLICITOR GENERAL

Stanley Reed to be Solicitor General.

DIPLOMATIC AND FOREIGN SERVICE

Frank P. Lockhart to be a secretary in the Diplomatic Service.

George A. Makinson to be a consul general.

POSTMASTERS

CALIFORNIA

Birda E. Paddock, Lomita.
William S. Williams, Loomis.
Kelley C. Osgood, Riverbank.

IDAHO

Willis M. Sears, Albion.
Willard Adams, Rigby.

OHIO

C. Woodrow Wilson, Lyons.

TEXAS

George R. Kocurek, Caldwell.
R. Lawrence Brucks, Hondo.
Roger H. Henderson, Longview.
Gus W. Kunath, Jr., Smithville.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 21, 1935

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Father of all mercies and Lord of all creation, the word of Thy servant is with us: "I will lift mine eyes unto the hills, from whence cometh my help." As we wait in prayer, do Thou empower us with the deep desire of wanting a better humanity. Lift us out of a circumscribed world into the open spaces of God's hill country. Enlarge our spiritual latitudes that we may catch the glory of the wider horizon of the soul. Almighty God, our land is burdened with sin, with people who seek alienation from the best, and with many who curtain themselves from the heartaches of human experience. Heavenly Father, as we deliberate preserve us from feebleness of faculty and failure of force. We thank Thee for the Holy Bible, which is perfumed with the breath of prayer. We pray that the sanctuaries of holy faith may tower above the pinnacles of mammon and our country be brought to its knees in the citadel of God. O open the fountain of inspiration, of cleansing, of righteousness, and let its reviving waters flood our land. May its power and

influence breathe through the masses, and thus shall be removed the impediments of fate and failure. With smiling lips, with laughing hearts, yet with resolute wills, may we not falter in the path of duty. In our Savior's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

COMMITTEE ON MILITARY AFFAIRS—PERMISSION TO SIT DURING SESSION OF HOUSE

Mr. KVALE. Mr. Speaker, by direction of the Committee on Military Affairs, I ask unanimous consent that that committee may sit briefly today during the session of the House in order to conclude a hearing now in progress.

Mr. SPEAKER. Is there objection?

There was no objection.

DUST STORM IN THE WEST

Mr. FERGUSON. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. FERGUSON. Mr. Speaker, I call the attention of the House to an article that appears in the Washington Post today describing the death and destruction caused by the dust storms now enveloping the West. I ask unanimous consent to extend my remarks in the RECORD and to include therein the account of this dust storm to which I have referred.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to extend his remarks in the RECORD by including the account to which he has just referred. Is there objection?

There was no objection.

Mr. FERGUSON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article from the Washington Post of today:

[From the Washington Post, Mar. 21, 1935]

DUST STORMS MENACE MIDWEST WHEAT CROP—KANSAS CITY PARALYZED; DEATHS IN SCOURGE MOUNT TO SIX

(Copyright, 1935, by United Press)

KANSAS CITY, Mo., March 20.—Swirling prairie dust turned day into night and choked this city of 500,000 today in the worst dust storm in history.

The scourge of the drought-stricken Plains States has swept farms and towns of Kansas, Nebraska, Oklahoma, and parts of Texas, New Mexico, and Colorado for 7 consecutive days. Today it fogged eastward, blanketing Kansas City and fertile Missouri.

Two deaths were reported today. At Palco, Kans., Bernito Ann Frazier, 13, and her 2-month-old sister, Shirley Ann, died of pneumonia caused by breathing dust a few days ago. Four other deaths were the result of a lesser dust storm last week.

CHILD IS SUFFOCATED

A 7-year-old child Saturday wandered from home, became lost, and suffocated. A farmer attempted to follow a fence row to his home. His heart was overtaxed and he died. Two men were killed in automobile accidents blamed on blinding dust.

Another farmer wandered in circles, lost in his 10-acre field, until he dropped exhausted. Friends found him.

Damage to soil and crops was tremendous. Thousands of tons of powdered silt were snatched up by a 40-mile wind from the Southwest and hurried toward the Great Lakes. Wheat fields were ruined.

Transportation was paralyzed. All airplanes were grounded. For the first time in history train schedules were canceled on one division of the Santa Fe Railroad because of dust storms. Traffic hazard was so great Kansas highways were closed by State patrolmen.

Street lights and automobile lights made a dim glow in the murk. The Kansas City skyline was blotted out. Skyscrapers were invisible a block distant.

Breathing was difficult. Hundreds of hospital patients gulped in air through wet cloths. Mail clerks went their routes with masks of wet handkerchiefs over their faces.

The few women on down-town streets doffed spring coats to wrap them about their heads as they buffeted the grit-laden wind.

Most Kansas schools closed before noon. At Hutchinson it was impossible for children to study because lights in schoolrooms would not pierce the dust which filtered through closed windows.

Merchants stripped display windows of merchandise, shut their doors, and swathed their counters with protective sheets. Housewives tried to pack doors and window crevices with wet rags, then gave up in disgust and packed pictures, linens, and household furnishings as if to move.

The sun, before it faded altogether from sight, appeared blue through the dust. Skies, while still visible, had an orange cast.

STORM MOVES EASTWARD

Weather forecasters said the tremendous dust cloud was moving eastward at 25 miles an hour. It was expected to reach Chicago tomorrow unless checked by rain or snow.

Forecasters said that if the dirt-laden air encountered rain, a mud storm would result. Contact with snow would result in the queer brown mixture of snow and dust, which Kansans have dubbed "snust."

It was impossible to ascertain how high the dust extended. No planes could fly to take observations. Captive balloons were invisible almost as soon as they left the ground.

Surface soil was blown so badly that many sections despair of a 1935 crop. Repetition of the calamitous drought of last summer also was feared.

"The dust storm will cut out the wheat remaining in the western part of the State", said R. I. Throckmorton, head of the department of agronomy of Kansas State College.

"Prospects are worse than last year. It is the worst dust storm in the history of the State. It was this bad in some sections before, but not generally.

GOVERNOR ASKS UNITED STATES AID

Gov. Alf M. Landon, of Kansas, has appealed for Federal aid to save the State's farm land.

Static electricity carried by the dust interfered with telephone and telegraph lines and radio. Intercity telephone conversations in Kansas City came faintly over the wires.

Freight trains were sidetracked by railroads still attempting to maintain passenger schedules.

The dust-clogged air brought dull headaches to many, red, smarting eyes to all. Kansas towns, which have endured the extreme discomfort for a week, reported illness caused by the dust.

Sleep was difficult. Hundreds wrapped their bodies in wet sheets and arose to find themselves like mummies in shrouds of mud.

CALL OF THE HOUSE

Mr. SEARS. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Florida makes the point of order that there is no quorum present. The Chair will count. Evidently there is no quorum present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 30]

Ashbrook	DeRouen	Johnson, W. Va.	Russell
Bacon	Dietrich	Kahn	Sabath
Bankhead	Eagle	Kennedy, Md.	Sadowski
Berlin	Farley	Meeks	Schneider
Biermann	Fish	Moran	Smith, Conn
Brennan	Gambrill	Norton	Sutphin
Buckler, Minn.	Gasque	O'Malley	Thom
Claiborne	Gehrmann	Owen	Thurston
Clark, N. C.	Gingery	Parks	Wadsworth
Crowther	Goldsborough	Peyser	Wilson, Pa.
Culkin	Hancock, N. C.	Rayburn	Wood
Darden	Harter		

The SPEAKER. Three hundred and eighty-five Members have answered to their names, a quorum.

Mr. TAYLOR of Colorado. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

THE WAR DANGER

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial from the Washington Daily News of March 19.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, every right-minded American citizen should view the European war-danger clearly and realize its significance. Members of Congress should especially be on the alert.

The possibility of another ghastly spectacle of international slaughter again looms vividly on the horizon. This possibility is as definite and close as was the likelihood of war in 1914 before the nations of Europe plunged into carnage. With the fearful experiences of two decades ago still fresh in the minds of many of us, there is no question as to the attitude of most of our people. They want peace. They want no more needless sacrifices of life and limb, blood and tears, ideals and aspirations, to satisfy unscrupulous

interests that profit from warfare and ambition-crazed rulers and fanatical superpatriots.

I have sufficient confidence in our President to trust that he will follow a rational international policy and refuse to let the Nation be swept into the maelstrom of another war if conflict arises. Yet the President must and should know the mind of the people. He should be informed as to what they want. He should not be left in the dark as to whether a policy of peace, reason, and common sense is approved or disapproved.

I quote from an exceptionally lucid and commendable editorial in the Washington Daily News of March 18:

War is nearer. That is the clear meaning of Germany's overthrow of the Versailles Treaty and her order conscripting half a million soldiers. For many months Great Britain, France, Italy, Russia, and other powers have been preparing for war. Today, as a result of Germany's action, they are preparing more frantically.

Germany is not alone to blame. The provocations of 16 years outlined by Herr Hitler's proclamation are not imaginary. It is true that the Versailles Treaty unjustly condemned Germany to an inferior status. It is true that Germany was disarmed with the solemn pledge that this was done to make possible self-disarmament by the victors. It is true that this pledge has not been kept. It is true that armaments have been increased instead. Therefore it is true that Germany, from the standpoint of her self-respect, her independence, and her safety as a nation has a right to break through hypocrisy and avow openly the rearmament to which she hitherto has been driven secretly.

But it is the world's misfortune that this largely inevitable development should have occurred with Hitler and his firebrands in dictatorial power over Germany. * * *

* * * the recent Franco-Russian understanding—perhaps alliance is not too strong a word—is the most important single peace force in the world today. It has restrained Hitler so far. If Great Britain buries her hatred of Russia because of a greater fear of Hitler's menace, and stands with France and Russia for European peace, the combination may be able to hold Hitler back. * * *

One exceedingly unfortunate aspect of this world danger is that the United States Government, unwittingly and indirectly, may have encouraged the related war forces in Germany and Japan by an apparent coolness toward Russia following the brief friendliness of recognition.

It is the duty of Washington to refrain from meddling in the war brew. But in our judgment it is equally the duty of the United States Government, reflecting the clear will of the American people, to prevent any misunderstanding abroad that we would welcome a war by others against Russia. Americans want no war.

If editors, statesmen, clergymen, educators, labor organizations, and citizens in every walk of life will take a stand such as that typified by the editorial from which I have quoted, the danger that the United States will be drawn into another world-wide debauch of butchery will be slight.

It is an irony of history that, just at the time when the American Congress is disputing over whether to pay $2,000,000,000 to soldiers of the last war that occurred nearly 20 years ago and if so, how to pay the money, there should develop this crucial European situation that is pregnant with the germs of a new catastrophe.

In the name of the toiling masses who fight, suffer, and die in wars supervised by others; in the name of the Nation's mothers; in the name of true Americanism that despises the false; and in the name of humanity itself, let us insist upon peace.

FARM-MORTGAGE LOANS IN MISSISSIPPI

Mr. DUNN of Mississippi. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD upon the farm-mortgage loan in Mississippi and to include therein a recent press release by the Farm Credit Administration.

The SPEAKER. The gentleman from Mississippi asks unanimous consent to extend his remarks in the RECORD and to include therein a press release from the Farm Credit Administration. Is there objection?

There was no objection.

Mr. DUNN of Mississippi. Mr. Speaker, I received this morning from the Farm Credit Administration here in Washington the following press release:

Farm mortgage financing by individuals and private concerns increased 33 percent during the last quarter of 1934 compared with the preceding 3 months, according to figures released here today (Mar. 22) by the Farm Credit Administration based on reports from over 1,400 county clerks and mortgage-recording officials.

Individuals and private concerns recorded farm mortgages aggregating $127,200,000 during the last quarter of 1934 compared to $96,000,000 in the preceding 3 months and $113,500,000 in the last quarter of 1933, according to the survey.

Commenting on the figures, Gov. W. I. Myers pointed out that they showed an increase in the financing by individuals, banks, life-insurance companies, and practically every other class of private lenders, and said the reports gave further evidence of increasing confidence in farm-investment values.

"Two years ago falling prices and the stoppage in farm-mortgage loans virtually paralyzed farm financing, undermined confidence in farm values and started wholesale foreclosures", the Farm Credit Administration Governor stated. "Since that time the lending of over $1,600,000,000 through the Federal land banks on the basis of normal values has refinanced the debts of half a million farmers on a basis which they can pay out; and put new confidence into farm-investment values. The pressure of farm-mortgage debts has eased greatly since last summer as reflected by the diminishing number of requests for emergency refinancing. Loans by the land banks declined from a peak of $153,000,000 in June 1934 to slightly over $50,000,000 in February just passed. Although the Federal land banks and the Land Bank Commissioner continue as the main sources of long-term agricultural credit, in view of the improvement in agricultural conditions, private lenders have begun to reenter the farm-mortgage field and are doing an increasing percentage of the total financing."

According to the survey, total farm-mortgage financing in July, August, and September last year amounted to $409,000,000, of which the land banks and the Commissioner loaned about 76 percent of the total and other lenders 24 percent, but during the last 3 months of 1934, out of a total financing of $354,000,000, the amount loaned by the land banks and the Commissioner dropped to 64 percent of the total and the amount by private creditors increased to 36 percent.

"Although the largest amount of farm-mortgage loans by private lenders are being made in the preferred sections, some concerns are gradually reentering sections which they almost entirely abandoned during the depression", Mr. Myers stated. "The figures show that private creditors avoided lending in some of the Middle and Western States last year because of the drought, but apparently this did not extend to the unaffected areas, especially in the East Central and Southern States. Judging from the rates of increase, individuals and small concerns are lagging behind banks and insurance companies, and only in the Middle Atlantic and Pacific States have all classes of creditors increased their loan making. Taking the country as a whole, however, the leading classes of creditors substantially increased their rate of lending during the last 3 months of 1934."

Of the total amount of farm-mortgage loans by private creditors during October, November, and December 1934, individuals advanced $57,600,000, or an increase of about 25 percent, compared to the preceding quarter; banks $33,400,000, or an increase of 38 percent; insurance companies $16,000,000, or an increase of 77 percent; and all other private creditors $20,200,000, or an increase of 23 percent.

The largest increases in farm-mortgage financing by life-insurance companies, which, prior to the depression, were the second largest class of farm-mortgage investors, were in some of the South Atlantic and Central States, including Nebraska and Iowa.

Governor Myers said the Farm Credit Administration survey confirmed figures published recently showing substantial increases in the number of farm-mortgage loans made by a group of 37 life-insurance companies. In 1932 these companies held about 75 percent of the total farm mortgages owned by all life-insurance companies in the country. These companies were lending at the rate of over a million dollars a week during November and December 1934, a rate over twice as high as the average during the previous 2 years. So far in 1935 the 37 companies have continued above the million-a-week rate.

The observations made in this release are apparently based upon surmise, and while it is probable that individuals and private concerns recorded farm mortgages aggregating $127,000,000 or more during the last quarter of 1934, as compared to $96,000,000 in the preceding 3 months, and as further compared to $113,500,000 in the last quarter of 1935, I wish to call attention to the fact that no such percent gain in farm-loan mortgage financing can be shown in my State. I will say that considerable refinancing has been going on, and this because of the inability of the mortgagee to obtain any sort of reasonable figure for his equity in foreclosures. The truth of the matter is, Mr. Speaker, our farm situation in the State of Mississippi, as far as private capital is concerned in the matter of financing and refinancing prior loans, is on the verge of collapse, and this is due, in my humble judgment, to the fact that private capital, especially the banks, are not interested in putting money out on farm lands since the Federal land bank has taken such an active part in the scheme of the farmers' affairs.

For 5 years constantly falling prices and complete stoppage in farm-mortgage loans in my State have actually paralyzed farm financing, and has more than undermined the confi-

dence in farm values, and the only reason today that wholesale foreclosures are not under way is simply because there is no market to be found by the trustee. Farm financing or refinancing in my State, and more especially in my district, is not on the upgrade, despite any general statement to the contrary, and this even in the face of the fact that thousands are returning from the cities and towns to the farms to make their living and to gather back from the bosom of the earth the God-given fruits embodied therein. Our banks are swollen with money, but a farmer has just as much chance getting his farm financed or refinanced on a basis of mortgage loan through a bank as a jaybird has of growing sideburns. The Federal land bank, of course, has done a great deal of good, yet at the same time it has been so enshrouded in the fabric of red tape until a farmer is compelled to make almost as much sacrifice in getting the loan from this bank as he would in getting it from other sources.

Mr. Speaker, the National Farm Loan Association, an acting agency created to aid and further the operations of the Federal land bank, has been a source of considerable hurt to our farmers. They are required to purchase stock in this association before a loan can be consummated, and on top of this are required to pay the inspector or appraisal fee of $11, plus other charges, which actually shows, when and if the loan is made, that they pay at least 10-percent interest in the end on the money they get, and, as far as valuations are concerned, the Federal land bank, through this association, loans less than 15 percent of the actual or potential value of the land on which the loan is made.

I am of the opinion that farm-mortgage financing, whether aided by life-insurance companies, the Federal land bank, or private banks, will never get on the upgrade in my country until interest rates are seasoned with justice, red tape eliminated, and an extension of time given to pay back commensurate with the earning power of the farmers.

Our farmers have been the most pitifully neglected people on the face of the earth as far as our economic system is concerned. They have been overlooked from time to time, more especially during the past 20 years, when this Nation has undergone a revolution in the matter of economic organization.

I was always told that the business of farming was once regarded as a profession easily to be understood and requiring but little preparation for its success, but since I have attained my age of discretion I have come to view it in a very different and much wiser light. It requires an intimate and practical knowledge of all the arts of cultivation and management, as well as the nature and value of every kind of livestock, and still further, a brief acquaintance with the different modes of buying and selling, and the constant varying states of the general market. And it has come to be recognized recently by those who have given the matter study that no business requires more talent, perseverance, and careful observations than the cultivation of the soil. In all ages a great honor has been paid to agriculture, but during the past 25 years this honor has gradually been ebbing away, and we have lessened considerably our acknowledgment of the value of these people to the economic destiny of our Nation. Nearly all our statesmen, orators, ministers, historians, poets, and really almost every man of great renown or wealth springs from a childhood of country life. As children they dropped corn in planting time, they drove cattle to the fields, they rode the horses to the brook, they hunted the mow for the nest, and they toiled hard at the harvest time. And not one of them but remembers these early years with pride. Not so now. They have become the elastic football of mighty financiers and their products are now juggled on the market at the command of those who had rather smell the gold than the balmy aroma penetrating the woodlands surrounding farm life.

Grand as the mighty workshops of the Nation are, the stupendous manufacturers of machinery, the vast warehouses teeming with the triumphs of mechanical labor, the great railways bearing their gigantic burdens across the land—grand as are all these, they are really of trivial importance compared with the grand life of the Nation, which lies in the warming bosom of its soil. From the latter the means of existence must come; for if the soil were rendered barren, the Nation itself would crumble to decay, its workshops tumble to the ground, and its great highways grow up in weeds.

And may I say further that unless we recognize definitely and immediately that the farmer—standing under the broad sky, breathing the pure air, listening to the songs of the birds, watching the progress of the great miracle that still goes on, watching the transformation of brown seeds which are dropped into the soil into fields of green and gold—is the middle link, holding all our other economic destinies together, we are doomed.

Our farms must be financed. They must not be foreclosed. They must not be raped by redtape and so-called "high-powered financing." They must be recognized as a most integral part of our national life.

A majority of the farmers in Mississippi have been compelled to borrow. Borrowing was the natural sequence to the high-powered salesmanship, artificial in its very nature, that has stolen from them the right to obtain a fair market price for their products. If money is released from the swollen coffers of the banks, if the world will look more generously upon them, if time will be given and succor granted, they can work out their own salvation, as they have done in the past, but they cannot do it as long as false propaganda is gathered from unauthentic sources, falsifying a condition which does not exist, and in turn making the banks, insurance companies, and other lending agencies more stingy with their money, because they are led to believe that the farmers are already too well off.

One report states that 83 percent of the total amount of matured installments on land-bank loans were collected up to the end of February. This would show, of course, an improvement of about 1 percent over the same period of time prior to December 1934. There has been no such gain in my State, and if there has I have certainly not received this information. But irrespective of a gain in the payment of loans or a loss, I still believe that the farmer must be recognized as an absolute entity of government and must have the right to borrow during these depressed times at low rates of interest and over long periods of time. The only safe report concerning farm-mortgage loans is a report that he is at the bottom rung of the ladder and, loan or no loan, he should not be the victim of propaganda which in the end deceives the true situation.

RELIEF ADMINISTRATION IN OHIO

Mr. TRUAX. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. TRUAX. Mr. Speaker, for some days there has been raging a conflict in Ohio between the Federal Relief Director, Mr. Harry L. Hopkins, and the Governor of Ohio, Hon. Martin L. Davey. Last night the Democratic members of the Ohio General Assembly met and adopted unanimously a resolution condemning—

> The gratuitous insult directed at our chief executive by Federal Relief Administrator Hopkins and pledged Davey "our allegiance * * * in his courageous fight against waste and inefficiency in the administration of relief."

I ask unanimous consent to extend my remarks in the RECORD and to insert therein the full article appearing in this morning's Washington Post, which explains thoroughly the controversy.

The SPEAKER. The gentleman from Ohio asks unanimous consent to extend his remarks in the RECORD and to include therein the article to which he referred. Is there objection?

Mr. COOPER of Ohio. Mr. Speaker, I reserve the right to object to ask the gentleman if Mr. Hopkins was not acting under the President's orders.

Mr. TRUAX. I am not prepared to answer for Mr. Hopkins.

Mr. COOPER of Ohio. The gentleman knows the President told Mr. Hopkins to investigate the charges that had been made in Ohio, and if there was anything wrong to have those responsible prosecuted to the fullest extent.

Mr. TRUAX. I might say to the gentleman that, as he also knows, Mr. Hopkins is a Republican, and this resolution was adopted by Democrats.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. TABER. Mr. Speaker, I reserve the right to object.

Mr. SWEENEY. Mr. Speaker, I reserve the right to object to ask the gentleman a question. There is a controversy with respect to the administration of relief in Ohio. Charges of graft have been made against the Governor and his supporters.

I would like to ask, if the gentleman's request is granted, that he include in his remarks the specific charges and affidavits which Mr. Hopkins has sent into Ohio, upon which he predicates the charge of graft.

Mr. TRUAX. Those are not in my possession.

Mr. SWEENEY. Can the gentleman not get them?

Mr. TRUAX. I do not know.

Mr. SWEENEY. I do not object.

Mr. TABER. Reserving the right to object, Mr. Speaker, in view of the gentleman's statement that Mr. Hopkins is a Republican, I wish to state that he is the kind of Republican who votes the Democratic ticket. I do not know what kind of Republican the gentleman would call that.

Mr. TRUAX. That is one redeeming quality for him, then, I would say.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. TRUAX]?

There was no objection.

Mr. TRUAX. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article from the Washington Post of today:

DEMOCRATS ASK ROOSEVELT'S AID TO CLEAR DAVEY—"RIGHT THE WRONG DONE OUR GOVERNOR BY HOPKINS", OHIOANS' PLEA

COLUMBUS, OHIO, March 20.—Alining themselves solidly behind Gov. Martin L. Davey in his relief controversy with Harry L. Hopkins, Democratic members of the Ohio Legislature appealed to President Roosevelt late today "to right the wrong which has been done our Governor."

They adopted unanimously in joint caucus a resolution condemning the "gratuitous insult directed at our chief executive" by Federal Relief Administrator Hopkins, and pledged Davey "our allegiance * * * in his courageous fight against waste and inefficiency in the administration of relief."

The Democrats acted after Francis W. Poulson, their State committee chairman, plunged into the Davey-Hopkins conflict and charged Republicans in high Government offices "have betrayed the President."

URGE INVESTIGATION

"As loyal Democrats," the resolution said, "and as supporters of President Roosevelt, we do hereby call upon the President of the United States to make full and complete investigation, to right the wrong which has been done our Governor, and to forthwith do the things that are so urgently necessary to eliminate waste and inefficiency, and to terminate the inhuman practices of mistaken agents of the relief commission."

The "wrongs" alleged include Hopkins' charge that business firms seeking contracts with the State relief administration were "shaken down" for $8,000 by the Governor's campaign committee. Davey retaliated with a suit for criminal libel against the relief chief and dared him to come to Ohio to stand trial. The resolution came after the senate, for the second time in 48 hours, voted a sweeping inquiry into all charges concerning relief by both the Governor and Hopkins.

BIRTH-CONTROL CHARGES

Governor Davey made public today what he terms an "interesting and significant" affidavit from a woman relief client asserting, on the advice of relief-case workers, she submitted to an illegal operation for birth control. Davey in a statement said case workers had "admitted that it was the regular practice of professional case workers to advise birth control."

C. C. Stillman, Hopkins-appointed administrator of Federal relief, later announced in a "statement of policy" that birth-control information will not be provided by case workers while relief in Ohio is under Federal control.

Stillman said he sent a copy of the statement to the Governor.

Poulson is under subpena to appear tomorrow before the Franklin County (Columbus) grand jury by County Prosecutor Donald J. Hoskins, who has affidavits from Hopkins alleging Ohio relief workers "shook down" concerns with which the relief department did business to obtain funds for Davey's $10,000 campaign and inaugural deficit.

"Administrator Hopkins", Poulson said, "in my mind personifies beautifully the fallacy of Democrats appointing Republicans to high office. Every Democrat in Ohio is a staunch supporter of President Roosevelt. Most of us feel, however, that his greatest mistakes have been the appointment of Republicans to high positions, especially Republicans of the uplift type—the long-haired men and short-haired women. They have betrayed the President."

DAVEY'S CHARGES

Poulson asserted "Dr. Hopkins' main motive in this entire affair is to muddy the waters so as to divert public attention from Governor Davey's unanswered charges against the administration of relief in Ohio."

Davey has charged the Ohio relief administration was overloaded with workers and was wasteful, inefficient, inhumane, and extravagant.

Poulson charged Administrator Hopkins with "persecution of Governor Davey."

"If the firms doing business with the Ohio relief commission have been 'shaken down', as Dr. Hopkins says, the shake-down was done by employees appointed by General Henderson, while serving under General Henderson, and owing their jobs to General Henderson."

DISMISSED RELIEF DIRECTOR

Frank D. Henderson, former adjutant general, was dismissed as State relief director by Davey.

Poulson, who is Davey's chief of patronage, turned scathing words on Administrator Hopkins' charge of "political corruption" in the solicitation of funds for Davey's campaign.

"Thanks to Dr. Hopkins, we now know that it has become sinful for party organization to accept contributions", Poulson said. "We know that it is especially sinful to accept contributions when the parties who give them do, or hope to do, business with the administration

"Perhaps I am old-fashioned, but I do know that since the time of George Washington, party campaigns have been carried on through donations, and those donations have been made by people who have done or hope to do business of some kind or description with the Government."

GROVER CLEVELAND—"A PUBLIC OFFICE IS A PUBLIC TRUST"

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks on the subject of Grover Cleveland and include an address I am to deliver over the Columbia Broadcasting System tonight on the same subject.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address delivered by myself Thursday, March 21, 1935:

It is with a sense of deep reverence that I speak to you tonight in celebration of the ninety-eighth anniversary of the birth of Grover Cleveland, who ranks amongst the greatest of the Presidents. On March 18, 1837, a fifth child was born to Mr. and Mrs. Richard Falley Cleveland, and they called him Stephen Grover. As the twig is bent, so the tree grows; as the child, so the man. In his childhood he was taught that truth and honesty and courage should govern one's actions; and thus we find that his life is one of stubborn integrity and of unflinching fortitude.

The years sped by and young Cleveland was chosen sheriff, then district attorney of Erie County, N. Y.; and thus began a public career that is as fascinating as an Horatio Alger hero. In 1881 he was offered the Democratic nomination for mayor of Buffalo. Within 4 short years he was to be, in quick succession, mayor of Buffalo, Governor of New York, and President of the United States.

Only a man of remarkable talents and impeccable character could have ascended so quickly. He never shirked an obligation; no matter how irksome the task, he was ready and willing to perform. It was the duty of the sheriff, for example, to hang his prisoner if guilty of a capital offense. This was a disagreeable job. But Cleveland refused to place on the shoulders of another a responsibility which belonged to his office as sheriff. He personally applied the hangman's noose and sprung the trap. As mayor of Buffalo he fought a winning battle against entrenched crime and crookedness; and so successful was he that, at the end of his strenuous term, he was in the minds of the reform leaders of the State the logical candidate for Governor of New York. He was soon nominated and elected to that office. He continued to keep intact his political integrity and did not fall a prey to the spoils system. He bore the yoke of no man. His only loyalty was to the people that elected him. Public office to him was a public trust. His was an achievement of political skill of which Thomas Jefferson might have been justly proud. He deserved and received the support of the intelligent reform electorate who understood how profoundly reform movements need political brains in leadership and political skill in management. Cleveland supplied the brains and skill.

As Governor of the State of New York, he transferred to his larger sphere of activity the habits of plain living, incessant labor, and courageous action. As soon as the ceremony of inauguration was over, he withdrew to his office and settled down to work, leaving with the astounded attendants an order to "admit at once anyone who asks to see the Governor." This, in itself, was a revolution. It was the opening of the "forbidden city"; for the Governors of New York had long been accustomed to surround themselves with formalities which rendered them difficult of access.

Life in a country store at Fayettsville, and later amid the intimate surroundings of Buffalo, had done for him what the intimacies

of the country store did for Patrick Henry, Henry Clay, and Abraham Lincoln. It taught him to understand humanity. It made him humble. In the Buffalo hotel, bar, or restaurant, he had met upon terms of intimacy farmers, cattlemen, mechanics, commercial travellers, laborers, and the rest of "America" there. He had learned how they think, scheme, and plan, and dealt with them accordingly.

Not many years passed, and Cleveland was nominated and elected to the high office of President.

Through the years of his Presidency, he adhered strictly to his belief that a "public office is a public trust", and no one and nothing could swerve him even the slightest from that which he believed to be his chosen path of duty.

Let us not forget, however, that that man, great and true, nevertheless possessed his measure of faults. He was human, endowed with human frailties. We must remember that even the sun has its spots and the diamond its flaws. He was, indeed, no goody-goody. He had a considerable capacity for strong drink. He was by no means certain that he was not the father of a bastard child. Yet, typical of the man, he refused to cringe even in the face of such a scorching charge. "Whatever you do", ran his famous wire of 1884 to his Buffalo associates who were stunned by the scandal suddenly published there, "tell the truth!"

Cleveland was at times a bit restrictive in his vision. Witness his ultraconservative attitude in the Pullman strike, where his sympathies seemed to be with the railroad operators as against the employees. I, for one, believe that he was woefully in error in that regard. He should have been impervious to the demands for Federal intervention made by his hot-tempered and impetuous Attorney General, Richard Olney, who had been closely identified with railroad interests. Cleveland stubbornly clung to the advice of Olney. This was a case where his stubbornness got him into difficulties. He failed to heed the better advice of Governor Altgeld, of Illinois, who deplored the use of Federal troops, which finally acted as an irritant that set Illinois aflame with righteous indignation. It might be well to speculate the attitude of Cleveland toward labor had he been living today. I doubt very much whether he would be as liberal toward labor as is Franklin Delano Roosevelt.

He loathed and hated sham. Witness his letter to a newspaper publisher who asked Cleveland's permission to add his name to the list of prominent men who had endorsed a well-known publisher's popular subscription for a memorial to the sailors lost in the Maine disaster. From Princeton, on February 28, 1898, President Cleveland wrote as follows: "I decline to allow my sorrow for those who died on the Maine to be perverted to an advertising scheme for (your) Journal."

We love him for enemies he made.

He had a tender and sympathetic nature. Witness his sympathy for the Indians and his insistence upon a square deal for them.

His methods were usually direct, practical, and simple. When he wanted to prevent the renomination of a hostile Senator in New York, he did not go to the pretense of appealing to the electorate. He well knew that under the conditions then prevailing in New York that would have been unavailing. Instead, he wrote a frank letter to Boss Kelly, of Tammany Hall, asking him not to return Senator Grady to the Senate. The letter in part is as follows:

"Hon. JOHN KELLY.

"MY DEAR SIR: I am anxious that Mr. Grady should not be returned to the next Senate. I do not wish to conceal the fact that my personal comfort and satisfaction are involved in the matter. But I know that good legislation, based upon a pure desire to promote the interests of the people and the improvement of legislative methods, are also deeply involved.

"Yours very truly,

"GROVER CLEVELAND."

To my mind, it took "guts" to write that letter. He knew the letter would cause him great embarrassment when published. It had that effect subsequently. But Cleveland felt he was doing his duty, and that to him was all that mattered. To him it was, as in the words of Admiral Farragut at Mobile Bay, "Damn the torpedoes—full speed ahead!"

His whole life is synonymous with courage. He was an inveterate foe of the free coinage of silver. A free-coinage bill passed the Senate in June 1890 and again in January 1891, the Democrats furnishing the principal voting strength behind these bills. In the summer of 1890 Democratic conventions in 21 States voted in favor of free and unlimited silver coinage. If Cleveland wished to be renominated for the Presidency by his party, it seemed expedient for him to keep "mum." But he determined to speak out. On February 10, 1891, he published his famous "silver letter." He threw caution to the winds. Honesty and principle meant more to him than the Presidency. He warned the Nation that disaster would soon follow any reckless experiment of free-silver coinage.

Sometimes he got in water quite beyond his depth. It may have been only luck that saved him in the Venezuelan affair. Secretary of State Olney, who had succeeded Secretary of State Gresham, sought to press the British Government to reconsider its refusal to arbitrate the disputed boundary between Venezuela and British Guiana. After delays that were irritating, Great Britain refused. Cleveland then sent a rather unprecedented message to Congress, in which he asked authority to appoint a commission to determine the true boundary. In rather jingoistic terms he added that the United States would maintain that line when fixed. For a time the newspapers carried war scare headlines. Thanks, however, to British moderation, the flurry caused by Cleveland's warlike note soon died down. Great Britain consented to arbitration and Cleveland's reputation as a diplomat was, happily, saved.

In the face of Hitler's persecution of Jews and Mexican intolerance of Catholics, how refreshing it is to read today of Cleveland's fierce desire to maintain at all costs religious freedom. In 1885, Emperor Franz Joseph, of the Austro-Hungarian Government, refused to accept the Honorable Anthony M. Kelley as our American minister solely on the score that he was married to a Jewess. I can see Cleveland pounding the table fiercely, dictating a note stating that the Emperor would take Kelley with his Jewish wife, or he (Cleveland) would send no other. Well might our present Secretary of State, aye, even our President, take a leaf out of the Cleveland book of tolerance and courage, and send similar messages to the President of Mexico and the Dictator of Germany in furtherance of religious freedom.

Surely a man so unfailing in courage, so forthright, so effective, must needs be signally honored by a grateful nation. It is not enough that we memorialize him on his anniversary. I have offered House Joint Resolution 147, authorizing the erection of a monument to Grover Cleveland in Washington, D. C. As Newton D. Baker, formerly Secretary of War under Woodrow Wilson, states, "The time has certainly come to recognize the greatness of the character and services of Grover Cleveland, and a suitable monument somewhere on Constitution Avenue would be a fitting thing." A very distinguished committee, under the able guidance of George P. LeBrun, of New York, as secretary, has been formed to sponsor this project. The resolution I have offered grants authority to an association organized within 2 years from the date of the approval of the act to erect a Cleveland monument, the cost to be defrayed by this association, the Government to donate the pedestal.

The resolution has been approved by the Committee on the Library and now awaits action of the House. A similar bill has been, at my request, sponsored in the Senate.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks and to insert a radio address delivered by my colleague, Mr. MCFARLANE, of Texas.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address delivered by my colleague, Mr. MCFARLANE of Texas, March 20, 1935:

Friends of the radio audience, let me first express my appreciation to the National Broadcasting Co. for their courtesy in tendering to me the use of this great Nation-wide facility for 15 minutes to speak to you upon the question of paying the soldier's bonus.

Before discussing the present situation of this controversial question I wish to make this clear: That my position on this issue is the position I try to conscientiously maintain on every issue before the American Congress—that is, of supporting the side of this question which rings closer to the welfare of the average American man. My belief in the Patman bill is predicated upon my desire to continue to serve the average American man and woman.

The House Rules Committee reported a very liberal rule for the consideration of this legislation, which will permit 11 hours' debate and will make all amendments germane that have for their purpose the payment of the balance due on the adjusted-service certificates. I wish it were possible for all of you to hear all of the debate on both sides of this question.

BACKGROUND OF BONUS LEGISLATION

In the brief time I have to speak I want to try to give you the legislative background of this bonus legislation. The records show that the World War veteran never asked for the adjusted-service certificate. It was Congress who recognized the justness of the obligation and originated this legislation, back soon after the war. The railroads, the war contractors, and the Federal employees, immediately after the war asked and received a cash bonus, amounting to more than $5,000,000,000. The friends of the soldiers in Congress asked the same consideration for them, but instead of receiving a cash adjustment for their services, were given the present adjusted-service certificate or "tombstone" bonus, payable in 1945.

This certificate was not what the soldier wanted or what his friends in Congress had asked for, but was what a rock-ribbed reactionary Republican stand-pat Congress said they could have. The soldiers' friends in Congress recognizing that they had been given a raw deal, have tried ever since the enactment of this "tombstone" bonus to do the right thing and pay off same in cash, as was done all others connected with the war soon after the war ended.

PATMAN'S RECORD ON DIFFERENT MEASURES

Congressman PATMAN has been the leader in Congress in offering legislation to pay the soldier this indebtedness. He has offered almost every kind of a bill calling for payment, and out of the different measures has introduced and presented to the country has made perfecting amendment suggested by the leading economic authorities of the country and by friends of the legislation. It is well recognized that Congressman PATMAN more than

anyone else has been responsible for educating the country as to the justness of the payment of this indebtedness to the soldier. Up until this session of Congress the friends of bonus legislation have been directed largely by Congressman PATMAN and his friends in Congress.

THE "WALL STREET" OPPOSITION TO PATMAN BILL

The opposition to this legislation has always been the "Wall Streeters" working through such organizations as the National Economy League, Sentinels of the Republic, American Liberty League, and the American Veterans' Association. The American Legion did not come into this picture until January 14, 1935, when they had Congressman VINSON offer their bill, H. R. 3896. The legislative committee of the American Legion are the only ones advocating their bill now pending before the House. It is strange that they come in at the eleventh hour and ask for the enactment of legislation they must admit would require payment through a bond issue which would cost the taxpayers more than $2,000,000,000 in interest plus the $2,000,000,000 to pay the debt, and at the same time they must admit that they are now coming before Congress asking for the enactment of legislation that is contrary to their instructions of their last two national conventions. In one breath the "king makers" of the Legion say vote against the Patman bill because it is inflationary and in the next breath they say vote for our bill which they know requires a bond issue for payment.

TAX-EXEMPT RESOLUTION

The Chicago convention passed the following resolution on tax-exempt bonds: "*Resolved*, That we recommend an earnest consideration be directed to an elimination of the injustice brought about by issuance of tax-exempt securities."

IMMEDIATE PAYMENT OF BONUS

Further, the Legion at Miami last year in their resolution demanding payment of the bonus said:

"Whereas the payment of said certificates *will not create any additional debt but will discharge and retire an acknowledged contract obligation of the Government* (italics mine): Now, therefore, be it

"*Resolved*, That since the Government of the United States is now definitely committed to the policy of spending additional sums of money for the purpose of hastening recovery from the present economic crisis, the American Legion recommends the immediate cash payment at face value of the adjusted-service certificates, with cancelation of interest accrued and refund of interest paid, as a most effective means to that end."

Those two resolutions are the rank and file's instructions to the legislative committee of the Legion. When read together, can there be any doubt in your mind what the rank and file of the Legion wanted?

They argue the Patman bill calls for "printing press", or "fiat", or "unsound" money. Now, my comrades of the World War, who are members of veterans' organizations, by what stretch of imagination can anyone conceive that these two resolutions would direct the "king makers" of the American Legion to ask for the issuance of more tax-exempt bonds? I can come to only one conclusion; someone is demanding that the big bankers get their "pound of flesh." They argue that money issued under the Patman bill is "unsound."

Governor Eccles, Chairman of the Federal Reserve Board, in testifying Thursday before the House Banking and Currency Committee said that the United States notes issued under the Patman bill are equally sound with the Federal Reserve notes issued against the United States Government bonds; therefore, that argument fails.

WHO KNOWS WHAT THE SENATE WILL DO

The big argument before the Ways and Means Committee as well as their argument presented on the floor of the House the past 2 days in general debate on this question has been to the effect that the Legion bill should be enacted because it has a better chance of passage in the Senate. No one has made an accurate poll of the Senate as to how the different Senators will vote on the different measures now pending before Congress calling for payment of the balance due on these certificates. Very certainly it seems that if the "four horsemen" of the Legion had any confidence in their ability to pass this legislation in the Senate it seems they would have at least had their measure introduced in the Senate, which has not been done. If the Legion measure could pass the Senate, it seems that they would have offered it early this session and have secured its passage and they would have had this prestige for their measure in presenting their claim before the House.

MORGENTHAU SAYS VINSON BILL REQUIRES BOND ISSUE

Hon. Henry Morgenthau, Secretary of the Treasury, in response to a question regarding section 5 of the Legion bill, as to whether or not this section would render unnecessary additional legislation authorizing the issuance of bonds to carry out this legislation replied: Section 5 of the bill in question is an authorization of an appropriation, and would of course need to be followed by an appropriation. If such an appropriation were made, the money would come out of the general fund of the Treasury which is added from time to time, as expenditures require, by the sale of Government securities under the general statutory authority for such sale.

Of course, this committee has known their program all along would require a bond issue. They have known all along that they have in the past and all along have disregarded the resolution on this subject enacted at the Miami national convention but what does that mean to them when a bonus to the bankers of more than $2,000,000,000 is involved?

CONGRESSMEN'S MOTIVES QUESTIONED

On March 9 the Legion leaders issued their third bulletin and in it questioned the motives causing Members of Congress to support the Patman bill. This bulletin states: "Many of these friendly Congressman even endorsed and defended the Patman bill inflationary provisions. But solicitude for the veterans' cause has only been a partial cause of the momentum behind the Patman bill. Inflationists who have no special interest in the veterans, have seized upon it as a means to accomplish a change in our monetary system. They have done this because they know that their monetary theories will not receive Senate approval."

WHAT CAUSED THE "KING MAKERS" OF THE LEGION TO DISREGARD THEIR INSTRUCTIONS?

Since when have the motives of the legislative committee of the American Legion been considered "lily white"? They come before Congress at this time asking for legislation that is contrary to the generally understood interpretation placed on the Miami resolution requesting payment of the certificates through a method which "will not create any additional debt, but will discharge and retire an accepted contract obligation of the Government", and contrary to their tax-exempt resolution passed at Chicago, calling for "elimination of the injustices brought about by issuance of tax-exempt securities."

HE WHO COMES INTO A COURT OF EQUITY SHOULD COME WITH CLEAN HANDS

This committee questions the motive back of the Members of Congress for supporting the Patman bill. There is a rule of equity that "he who comes into court of equity must come with clean hands." The Chicago convention also passed a "sound dollar" resolution, as follows: Be it resolved by the American Legion in national convention assembled, That we favor a careful study by our Government of the dangers of inflation and that we favor a sound American dollar.

Mr. Vinson Carroll, a Philadelphian, Mr. Henry Stephens, of Warsaw, N. C., and Mr. Joseph Edgar, of New Jersey, all spoke earnestly advocating this resolution. It may be of interest to Members of Congress and the Nation generally and I am sure will be of interest to the rank and file of the Legion to understand the motives prompting the offering of the sound-dollar resolution.

SWORN TESTIMONY BEFORE UN-AMERICAN COMMITTEE

Then we turn to the sworn testimony before the special House Committee Investigating Un-American Activities, and what do we find? We find that Mr. Christmas, Mr. McGuire, Gen. Smedley Butler, and others testified under oath as to how the "Wall Streeters" had their paid lobbyists making transcontinental trips, beginning early in 1933, advocating this sound-dollar resolution. That Mr. Gerald C. McGuire, of New York, testified under oath that Mr. Henry Stephens, of Warsaw, N. C., past national commander, and Mr. Frank Belgrano, present national commander, of San Francisco, and many other prominent legionnaires were members of this sound-dollar committee. These lobbyists for the sound dollar spent $153,665.83, of which about $66,000 was spent before and during the Chicago convention in 1933 for traveling and entertaining and no accounting ever requested by its donors.

Now, my friends, do you believe that these leaders of the Legion who have been thus hooked up with the affairs mentioned are coming here opposing H. R. 1 in good faith, when we all know it is the only bill on the subject before Congress which will pay the debt without "creating any additional" debt, in keeping with the Miami resolution, without additional taxes, without any interest, without bonds, without unbalancing the Budget, and will save the overburdened taxpayers over $1,500,000,000, the amount required, if not paid now, to be set aside by borrowing from the bankers to pay the debt in 1945? When we know further that if H. R. 3896 passes and becomes a law it will cost the Government over two billion in interest, to say nothing of the interest we will continue to be paying on outstanding bank currency, which could and should be retired under the provisions of H. R. 1.

THE DEADLY PARALLEL

The question is asked, What difference does it make which bill we pass, just so we pass the bonus? It makes this fundamental difference to the already overburdened taxpayer. Payment under the Vinson bill means a bond issue and a bonus of $2,000,000,000 in interest for the big bankers to pay this debt of about $2,000,000,000. This would require double payment of this indebtedness. We are all interested in making right the master of might.

LEGIONNAIRES IN MY DISTRICT FAVOR PATMAN BILL

Throughout all of this controversy which was waged in and about the Capitol, the payment of this long overdue debt, no one thing has ever given me a greater thrill of satisfaction than the information I received recently when I was notified that the American Legion, of which I am glad to be a member in my own district in the great State of Texas, in convention assembled at Quanah on March 10 endorsed the Patman bill, as follows:

"Congressman W. D. MCFARLANE, House of Representatives, Washington, D. C. The thirteenth district convention of the American Legion, Department of Texas, held in Quanah, Tex., today, March 10, passed resolution endorsing H. R. 1 and ask that you give your support to the bill; this district includes 21 posts and authorized this wire. Milton Gaines, H. R. Hayes, Victor Nobles."

I want the legionnaires who, in my district, by their vote accepted the true responsibility of the American Legion to the people of this country, to know that I shall always have the warmest regards for their loyalty to principle and their desire to serve that part of our people from which they themselves come.

In conclusion, my friends, let me urge all of you who want to see the bonus paid at this session, to wire your Congressmen and Senators urging passage of the Patman bill. It is complete in itself, will not require a bond issue or new taxes for payment; it provides for the issuance of new currency and will not unbalance the Budget.

The Vinson bill calls for a bond issue which would give the big bankers a $2,000,000,000 bonus, the principal and interest amounting to about $4,000,000,000, which must be paid by the future generations through the levy of additional taxes. The Vinson bill would require a separate appropriation in separate legislation, and the President has already said he will veto any measure that does not provide means for payment.

Let's enact legislation that will serve best all the people at the lowest cost.

Good night.

WORLD WAR ADJUSTED-SERVICE CERTIFICATES

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Commitee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 3396) to provide for the immediate payment of World War adjusted-service certificates, to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 3896, with Mr. CANNON of Missouri in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The gentleman from North Carolina [Mr. DOUGHTON] has remaining 1 hour and 22 minutes; the gentleman from Massachusetts [Mr. TREADWAY] has remaining 1 hour and 23 minutes.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. MCREYNOLDS].

Mr. MCREYNOLDS. Mr. Chairman, I have asked for this time to explain a bill that I have introduced relative to the bonus situation.

I realize and know that a great majority of the Members of this House are either pledged or intend to vote for either the Vinson bill or the Patman bill. The purpose of offering my bill was to try in some way to reach a compromise by which we can do something for the soldiers of this country. I believe that every thinking man who has made investigation knows that neither the Vinson bill nor the Patman bill will become law during this session of Congress. So the purpose is to try to reach some ground by which we will not be delayed, but when we go home we can report something we have done for the soldiers of this country. I am as much interested in the welfare of the soldiers, and have performed as much personal service as any man in this House. I have voted for their measures. At one time I voted for the Patman bill, but I voted a year ago against the bonus. When I went home I told my soldier boys I knew there was no chance of getting one of those bills passed, but that I could have voted for it and come back and patted you on the shoulder and said, "I voted for your bill; but do you want a vote or do you want some money?" So when I say that I offered this bill, I merely do it trying to start something by which a compromise can be reached and by which we can do something before this bonus is eaten up with interest.

I was in this House in 1924 when the bonus bill was passed. The Members on the Democratic side wanted a cash bonus. I was one among that number. The idea of the bonus was to give the boys in the Army the difference in their per diem so as to equalize them to some extent with those in civilian life. It was agreed that it should be $1 a day while serving in this country and $1.25 while serving abroad, not to exceed $500 or $625. That is what we wanted on the Democratic side of this House—a cash bonus; and that is what I stand for today, or something that will get that money. But when that bill was brought before this House it was brought up under suspension of the rules, and instead of giving us a cash bonus they gave us a life-insurance policy that was due in 20 years. Being called up under suspension of the rules, we had to vote for the bill as it was.

My bill provides that you go back to November 11, 1918, armistice day, and take that basis of $1 or $1.25, as these boys have been out of their money, and give them 4 percent compound interest up to the present time, or whenever the settlement is made, and then issue bonds in multiples of $50, any amount over that to be paid in cash, these bonds to draw 3-percent interest payable semiannually with coupons attached. I know you want to know what will be the difference, so I have the figures for you. First let me define to you how those certificates were arrived at. They took a basis and then added $100 for the deferred payments, and then they had a certain multiple number for different ages, in order to determine the face of the certificate. In other words, if you were 32 years old and you had the same service with me and had the same adjusted-service credit coming to you, and I was much older, then my certificate was not as large as yours, because it did not buy as much insurance. That is what was done. On this basis, taking a $1,000 certificate as a general average—and this is furnished me by the Veterans' Bureau—the basis being $400, 4-percent compound interest on this amount from November 11, 1918, to July 1, 1935, under that calculation, amounts to $768.24 out of your $1,000 certificate. Issue bonds to the extent of $750 and pay the balance in cash. These bonds are negotiable. If a man holds that bond for 10 years, he will have received $993, not counting interest on the interest which he has received.

The letter referred to is as follows:

VETERANS' ADMINISTRATION,
Washington, March 19, 1935.

Hon. SAM D. MCREYNOLDS,
House of Representatives, Washington, D. C.

MY DEAR MR. MCREYNOLDS: Agreeable to your telephonic request of this morning there are transmitted herewith data indicating the annual value of an adjusted-service credit of $400, with interest at 4 percent per annum compounded annually from November 11, 1918, to November 11, 1934. There is shown also the value of the service credit of $400 on July 1, 1935, and January 1, 1936:

Date	*Amount*
Nov. 11, 1918	$400.00
Nov. 11, 1919	416.00
Nov. 11, 1920	432.64
Nov. 11, 1921	449.94
Nov. 11, 1922	467.93
Nov. 11, 1923	486 64
Nov. 11, 1924	506.10
Nov. 11, 1925	526.34
Nov. 11, 1926	547.39
Nov. 11, 1927	569.28
Nov. 11, 1928	592.05
Nov. 11, 1929	615.73
Nov. 11, 1930	640.35
Nov. 11, 1931	665.96
Nov. 11, 1932	692 59
Nov. 11, 1933	720 29
Nov. 11, 1934	749.10
July 1, 1935	768 24
Jan. 1, 1936	783.52

Respectfully,

HAROLD W. BREINING.
Assistant Administrator.

Mr. MCFARLANE. Will the gentleman yield for a question?

Mr. MCREYNOLDS. If the gentleman will wait until I finish, then I will be glad to yield.

Let us now take the case of the man with a $1,000 certificate who has borrowed on it and see what it amounts to—and I fancy this is the information the gentleman from Texas wants. One thousand dollars was the approximate average of all the certificates. If that veteran at the time of the enactment of the so-called "50-percent loan law" of February 27, 1931, borrowed the maximum amount available under the law, namely, $500, there has already accrued an additional indebtedness in the form of interest secured by the certificate in the amount of approximately $85; so the veteran, in reality, now has an equity to the extent of $415. This, of course, would be the amount payable when his certificate was due if he paid the interest.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. McREYNOLDS. He would get at the present time through this bill $178.47. If, however, he allows his borrowing to go on and does not pay interest, he will have in 1945 only $173.80.

It has been said that my bill is similar to the Tydings bill, and it has been said that the Tydings bill, which was introduced here on Monday, was drawn by the Veterans' Bureau. They have nothing on me in that; I would have presumed so, because if you will read the bill that was introduced on Monday, excepting the plan, even the penalty that I had put in that bill, you will see the similarity. But here is the difference: He goes to the top; he figures 3-percent compound interest from the $1,000 certificate from 1945 to the present time and deducts the same. The injustice lies in its effect on the older man who has not received a certificate the same amount as the younger man for the same period and character of service that the younger man received.

Let me present this for your consideration: When you go back home and you say you recognized that this man had a $1,000 certificate and you voted for a bonus, how will you feel when they say: "Yes; he voted to cut my certificate down from 25 to 30 percent." So I think we are consistent when we start at the bottom and offer to give them the basis with compound interest at 4 percent. I shall point out to you how the computation is made. At age 20, with the same basis I have, to arrive at this certificate they merely multiply the basis by 2.545; if the age was 30 they would arrive at it by multiplying by 2.524—you see it gets smaller each time—and if the age were 40 they multiply by 2.470. So whenever you commence at the top and undertake to cut it down that way, to a certain extent you are penalizing the older men in the Army with the same service.

Let me illustrate this further. All these certificates are not due in 1945. They are due in 20 years from the date of their issuance. I secured a certificate for one of the boys in my district on the 1st day of January, and it will not be due until 1955. We can, of course, legislate them as due in 1945. The difference is this: A man who applied at age 33, 10 years ago, would under this plan receive $590, but if this same man applied 10 years later he would receive but $574, on account of his increased age. There is little difference in the result reached, it is true, but the method of reaching the result is different.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 5 minutes.

Mr. SISSON. Mr. Chairman, will the gentleman yield?

Mr. McREYNOLDS. I yield.

Mr. SISSON. I take it the gentleman has some reasonable ground for believing that in the event the bill introduced by the gentleman should pass this House and should pass the Senate, that it would become a law.

Mr. McREYNOLDS. If I did not have reasonable grounds to expect it I would not have introduced the bill.

Mr. SISSON. And it is the gentleman's position, as I understand it, and his earnest belief, that this plan or some plan substantially like it, is the only plan that has any chance of becoming a law at this session.

Mr. McREYNOLDS. That is just exactly what I think about it.

Mr. SISSON. And it is the gentleman's position that a vote for either of the measures before the House, so far as benefiting the veterans is concerned, would be a vote thrown away.

Mr. McREYNOLDS. This would be a vote, but you will not get the veteran the money he wants.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. McREYNOLDS. I yield.

Mr. McFARLANE. The gentleman was here when the tombstone bonus bill was passed. I wonder why it was that all of these arguments we hear now about discounting what is due the soldier were not raised against the war contractors, the railroads, the Federal employees, and all the others who received their cash bonus in 1917 to 1921, inclusive.

Mr. McREYNOLDS. I was not in Congress at that time. I was here in 1924, when we passed this adjusted-service compensation bill.

Mr. McFARLANE. I am just asking why it was. Those arguments were not heard then. Why is it that whenever the rights of the soldier are involved we sandbag the soldier all the time and we never hear these arguments whenever the rights of big business are involved?

Mr. McREYNOLDS. I stand for equality in the treatment of the soldier. I want to get for him the maximum money that we are trying to provide for him; but the gentleman is going to vote for a bill that he knows cannot become a law.

Mr. McFARLANE. Since when has the gentleman carried the conscience of the Senate in his pocket? [Laughter.]

Mr. McREYNOLDS. I say this; however, I do think, on any information to any thinking man, any man who has made an investigation knows that the President will veto that bill and that it cannot be passed over his veto in the Senate.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield further?

Mr. McREYNOLDS. Mr. Chairman, I decline to yield further.

Under my bill the bonds to be issued amount to $937,994,934. The cash payments to veterans under this would be $80,214,784. The value of the bonds going out to the veterans would be $849,708,150. The $112,000,000 is supposed to be set aside to take care of these matters and pay the interest and take care of the bonds at the time of maturity. These bonds are 3-percent bonds and today they are selling above par. But for the purpose of protecting the soldier, fearing if the bonds were turned over to them that they might be robbed of their value, I have placed in my bill a provision that they could not sell for less than par for 6 months in order to protect the soldier.

Mr. Chairman, I have made this presentation because I think it is right and because I stand on the same platform that I stood in 1924 when we wanted the cash bonus, and further, because I want these boys not to have just a vote. I want them to have some money so that it will not be eaten up by the interest charges in the case of those soldiers who have borrowed money. That is my reason, Mr. Chairman, hoping that this might lead in some way to a compromise by which a bill may be passed.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. REILLY].

Mr. REILLY. Mr. Chairman, I am fully aware of the fact that the House—by a large majority—is in favor of the immediate payment of our adjusted-service certificates, and that a bill carrying out its wishes will soon be passed. I desire, however, to state my reasons for opposing such payment at this time, so that my views will be understood by those who think that I should vote otherwise.

I am not unmindful of the hardships and privations which our depression has brought to a large number of ex-service men and also to millions of our citizens who were not privileged to wear Uncle Sam's uniform in the great World War. There can be no doubt at all but that the ex-service men are entitled to all they received under the Adjusted Compensation Act of 1924, and it is to be regretted that these obligations were not paid at that time, when the United States Treasury had plenty of money.

I am not disposed to quibble over the question as to whether or not the pending bills, by providing for the immediate payment of such obligations 9 years before they are due, would pay the ex-service men more than it was intended they should receive at the time that the law was passed. I do not believe that Congress can overpay men who were willing to offer their lives as a sacrifice on the altar of war, at the call of their country. If our country and the Treasury of the United States were in a position to make these payments at this time, I should be for such a bill, and that bill would provide for wiping out all interest due or paid on loan certificates.

At the November election in 1932, after experiencing 3 years of a devastating panic, the people of this country voted overwhelmingly for a new deal in Washington. The idea that our present industrial depression was an ordinary economic break-down, such as our country had experienced on many former occasions, and that because of our great wealth and economic development, the laws which had worked in former panics without any legislative assistance would get us back on the highway of prosperity, if only we had the patience to wait, had lost out with the great majority of the voters of this country. As they viewed the situation in 1932, the panic was an extraordinary industrial depression, the likes of which our country had never experienced before, and that unless something was done by the National Government to aid recovery, we were in for an economic tail-spin which might have resulted in financial and economic chaos, and probably a revolution.

When Franklin D. Roosevelt took office as President on March 4, 1933, he launched a panic-killing program which contemplated national legislative and executive leadership in a fight against the depression on all fronts. Mr. Roosevelt's program has been on trial for about 18 months. At the election held last November, the people of the United States, by an overwhelming vote, approved his program and gave him what might be termed another commission to lead in the great anti-depression battle which he had been directing for the past 2 years.

I think that it is quite generally agreed that, while the results of Mr. Roosevelt's recovery program have not been as marked as was expected, that his program has brought about a substantial improvement in our industrial and economic life over the conditions existing when he assumed office. Anyway, it is an undeniable fact that in the recent election, in the face of a strenuous and subtle campaign of opposition, the people, through the voice of the ballot box, decided that his program had resulted in substantial industrial improvements, and that it should be continued.

During Mr. Hoover's term, when it was my privilege to serve as a Member of three sessions of Congress, I supported all of his efforts to bring about better times in this country. Mr. Hoover at that time, by the vote of the people, was the economic doctor in charge of our sick industrial world just as Mr. Roosevelt is our economic doctor today.

During both sessions of the Seventy-third Congress, I supported Mr. Roosevelt's recovery program from the beginning to the end, and I have no apologies to make for any vote which I gave in support of his plan to kill the depression. In the recent campaign, I asked my constituents to return me to Washington, largely because of my support of Mr. Roosevelt's efforts to save our industrial democracy, and I promised them, on every platform from which I spoke during the campaign, that should it be their will that I be returned to Washington, as their representative, that I would continue to support Mr. Roosevelt's recovery program.

In that campaign my Democratic opponent in the primary and my Progressive and Republican opponents in the election criticized my 100-percent support of Mr. Roosevelt's recovery program, and they announced that if elected they would support his program just as long as Mr. Roosevelt's views agreed with theirs as to what should be done in this dark hour of our country's industrial depression, and no longer. It was urged at the primary and at the election that I should be defeated because I had supported the President's entire recovery program and because I had backed the President's program particularly as to veterans' legislation.

My stand on the payment of adjusted-service certificates was well known in my district prior to the recent election. On many occasions, in response to inquiries as to whether or not I would vote for the immediate payment of these certificates I stated definitely that Mr. Roosevelt was our leader in this crisis, and that if the immediate payment of such obligations was not a part of his recovery program I would oppose such payment.

A few days before the election I received a telegram from the State head of the American Legion inquiring as to whether or not the action of the Legion convention at Miami asking for the immediate cash payment of the adjusted-service certificates had changed my views. I wired the commander that while I should be pleased if some plan could be worked out, whereby these obligations could be paid at this time which would be consistent with Mr. Roosevelt's program. However, if such payment were not part of his recovery program, I would have to oppose any bill for the immediate payment.

Personally, I should be pleased if the President could see his way clear to make a part of his program the payment of these certificates, at least to our ex-service men who are members today of that large army of jobless Americans. Such a payment would lessen the burden of local relief and could be taken care of out of the $4,880,000,000 relief fund.

The Vinson bill, favorably reported by the committee, and now before the House for consideration, provides for the payment of these certificates through the issuing of $2,000,000,000 of new Government bonds, while the Patman bill provides for the liquidating of these obligations through the issuing of $2,000,000,000 of new money. The payment of these obligations, according to the terms of the Vinson bill or the Patman bill, or any other bill now before the House for consideration, is not a part of Mr. Roosevelt's recovery program. His latest public declarations have been to the effect that the enactment into law of any of these bills will seriously interfere with his plans for bringing about better times in this country.

While I think highly of our colleagues who have seen fit to introduce bills for the immediate payment of these obligations, I cannot see that they have any commission from the people of this country to force upon the President, our leader in these dark hours, a financial program which is not in keeping with his plans for helping our country by providing ways and means whereby millions of our unemployed can be put back to work and our country brought up out of the valley of depression.

The Vinson bill means that our mounting bonded debt shall be increased $2,000,000,000 more, and the Patman bill simply means that the United States is to start the printing presses as a panic cure, a program not easy to control and one which might result in wrecking our whole economic and industrial life. The President is unalterably opposed to the printing-press program to save our country, and also to the issuing of $2,000,000,000 in bonds for the benefit of any group of our citizens, all of whom are not in economic distress.

A few weeks ago the House passed a relief bill designed to help all of our unemployed, which called for $4,880,000,000 to be secured by a new bond issue. For the past 2 weeks the United States Senate has had prolonged discussions as to whether or not the country could stand this tremendous bond issue at this time without inviting national financial ruin.

The task of feeding and caring for our unemployed millions has become a herculean job, which at the present time, it appears, must be largely borne by the United States Government because of the financial inability of the cities and states to carry this tremendous burden alone.

Mr. Chairman, from the best information that I can secure, at least half, if not more than that number, of our ex-service men have jobs. While there is no definite information as to the number of jobless ex-service men, the fact is that while at one time there were 1,000,000 of them registered with the Labor Department as jobless, on December 1, 1934, there were less than 500,000 thus registered. It is quite easy to understand how the President of the United States, having in view the relief of all of our unemployed, ex-service men and others, would hesitate to increase our bonded indebtedness a billion or more for the purpose of paying obligations to ex-service men who are on public or private pay rolls and who are not in economic distress.

Our country has today a bonded indebtedness of $28,525,000,000; outstanding obligations in the amount of about $3,389,000,000; and then Congress has recently authorized a relief appropriation of $4,880,000,000; and in addition to this

we have something like $5,000,000,000 of Government obligations in the shape of real-estate mortgages upon which the Government has guaranteed payment. If you add $2,000,000,000 more to this huge bonded debt, you have reached figures which may provoke the inquiry, "Is the National Government's credit safe any longer?"

Nobody knows how long this depression may last. The next Congress may have to pass another large relief bill which will require another bond issue. If the pending relief bill were the only one which might be required to feed our hungry people, the situation in this House today might be different.

Our country, as our leader, President Roosevelt, views the situation, simply cannot afford to pay the adjusted-service certificates at this time, and I doubt very much that if our ex-service men really understood the true economic and financial condition of the country today that they would ask for payment at this time. The men who made such great sacrifices in the World War, I believe, would not ask for legislation that might interfere with the economic rehabilitation of the country for which they were willing to die.

This is no time for divided leadership, when our country is waging the greatest fight in its history to save its economic life. Mr. Roosevelt is dealing with unprecedented conditions with unprecedented remedies, and any attempt to interfere with his financial and economic program cannot result otherwise than in deferring the time when our country will be back again on the highway of industrial prosperity. He is vitally opposed to the Patman bill, the Vinson bill, and every other bill now before the House which would require the Government, with a bankrupt Treasury and a towering bonded debt, to pay these obligations at this time.

If I voted for any of the pending bills, I should vote contrary to my best judgment, and I should also betray my promises to my constituents. I should aid in writing legislation which might seriously interfere with the successful working out of the only program—Mr. Roosevelt's program—before the people today for putting back to work a large part of our army of unemployed.

Mr. Chairman, I have received a great many letters from my constituents asking me to support the Patman or Vinson bill. In not all but many of these letters I am informed that in case I fail to vote as urged I shall be defeated at the polls at the next election. In other words, I am told that if I do not aid in forcing on the President a radical change in his financial program, I shall be elected to stay at home in 1936. Of course, it is possible that these letters may be telling me the truth, and perhaps such a result of my vote on these bills would not be of any great moment to governmental Washington, but it is of much concern to the country today whether or not Mr. Roosevelt's program and Mr. Roosevelt's leadership in his drive to bring about better times in this country are going to be interfered with by legislation that may wreck his whole recovery program.

Between being sent back involuntarily to private life and keeping my promise to the voters of my district that I would give Mr. Roosevelt's recovery program my complete support, I can have no choice. I must keep my promise to my constituents and also vote my honest convictions on the pending bills, even if by so doing I am exiled from Washington.

If I go into political retirement because of my vote in this hour and in this crisis, in support of the only program for saving what is best in our economic and political system, I shall go there with the consciousness that I have done my duty as a representative of my constituents, and I shall have the consolation of knowing that in my political exile from Washington I shall have the company of my self-respect. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Chairman, we can vote on this bill for the country, and we can vote for the soldiers, too. If, after consideration, you pass over the Andrews and Cochran bills and the McReynolds bill and decide that they do not go far enough for the soldiers, you can consider the Patman plan; and if you do consider that and decide upon it, you will still have the proposition that there can be no certainty of actual payment to the veterans, in view of expressed opposition elsewhere.

On the other hand, if you decide you are going to pass the Vinson bill, you will have the same problem, in view of the doubt entertained in some quarters of the advisability of resorting to further taxation. In any case, the great concern is how the money is to be paid.

I have heard many, many Members say that you cannot go to the taxpayer; that we have to seek some other way of paying if we are going to pass this bill.

How do other countries bolster their treasuries? What do they do? Take Soviet Russia. There in the country of the Communists you find the lottery as a revenue-raising measure in operation. Fascist Italy and Nazist Germany have lotteries for revenue. The Republic of France derives large income from the lottery. So do the Kingdoms of Denmark and Belgium. Under practically every form of government we see it in vogue and in practice. The reason is, the lottery affords the opportunity to the people to contribute to the government small contributions for the public good without burdening any class or classes; and given the opportunity, the people respond enthusiastically to provide needed funds for government expenditures.

I propose to offer an amendment authorizing payment of the bonus to be made from any money in the Treasury not otherwise appropriated and/or out of the proceeds of national lotteries to be conducted under regulations prescribed by the President.

With the most revenue to be derived from federally operated lotteries you will have such security behind whatever manner of payment you decide upon that there can be no danger of impairing confidence anywhere.

After I had addressed the House here some time ago on the subject of a national lottery the man who sat on the dais, whom we all revered, came down to the floor and said to me in earnest tones, "You are making out a strong case. I do not know but what I will be for that."

On another occasion, in the cloakroom, when some of the Members were talking to me, one of the leading Members of the House, and since elevated to higher ranks, pointed his finger at the group saying with respect to a national lottery, "KENNEY is only talking the way many of us are thinking."

Still another member from one of our straight-thinking States recently said to me that if a secret vote could be taken on my bill for a national lottery it would sweep through the House. If all that is true, why should we not vote for a governmental lottery openly?

Patrick Henry, in the little church in Virginia years ago, did not say, "I will vote for independence if a secret vote is taken." He had the courage and stamina to get up and declare himself so that nations might hear.

The veterans are not concerned with the means we adopt to pay the adjusted-service certificates. The Veterans of Foreign Wars have not insisted upon any particular manner or way. The American Legion does not undertake to say how you shall get the money for payment. The Vinson bill is silent on the method and does not appropriate the money, but leaves the plan of payment to other legislation which will be necessary for that purpose. Whichever plan you vote for, whether the Patman or the Vinson plans, you will still have to look for funds. Besides, with other legislation coming along, there will be a large increase in the national debt, already huge. This debt must be paid. So, I say, let us look to the lottery. If we do so, we can go ahead with our program without hesitancy. Let us adopt the lottery and be certain to pay off the soldiers and reduce our great national debt. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. UTTERBACK].

Mr. UTTERBACK. Mr. Chairman, the Members of this body have received thousands of letters appealing to them to vote for immediate payment of the veterans' adjusted-compensation certificates.

It is not easy to say "no" to such entreaties, yet a number of us are going to say "no" when it would be much easier to say "yes."

Few in this Congress realize better than I do the fine spirit and unselfish devotion to patriotic ideals that marked the service for their country of the veterans of the World War.

For many years before I became a Member of the House I was the chairman of the Iowa State Council of Red Cross Chapters. Last year, before election, I resigned as State chairman. From 1916, before the war, until 1926, I was chairman of the Des Moines and Polk County Chapter of the American Red Cross. For many years, during the entire war period and until last fall, I was in close touch with the men who constituted our Army and Navy during the war. I knew them when they were in training in huge Army cantonments. I knew them as soldiers, sailors, and marines. I have known them since the armistice as ex-service men.

I know something of the sorrows and burdens and grief endured by the parents, wives, children, relatives, and friends of the 50,664 service men who gave their lives in that war. I know something of the disabilities and handicaps of the 193,064 service men who were wholly or partially incapacitated, either physically or mentally, as a result of their service during the war period.

No government in all history has ever cared for the veterans of any war in a better or finer way than our Government has cared for our veterans of the World War. Those who served and their dependents have, with few exceptions, been generously provided for by Congress and the people of the United States functioning through the Veterans' Administration, the American Red Cross, their respective States, and other agencies.

Our Federal Government has already expended a total of over $6,500,000,000 and has obligated itself in several ways, including life insurance, hospital service, pensions, bonus, and other statutes to pay billions of dollars more. In addition to this the States have paid several hundred millions of dollars in State bonuses and other benefits and have granted still other privileges that will continue through the next generation.

In addition to all other provisions made for veterans of the World War, the Congress in 1924 enacted the World War Adjusted Compensation Act, part of which reads as follows:

> The amount of adjusted-service credit shall be computed by allowing the following sums for each day of active service in excess of 60 days in the military or naval force of the United States after April 5, 1917, and before July 1, 1919, as shown by the service or other record of the veteran: $1.25 for each day of overseas service and $1 for each day of home service; but the amount of the credit of a veteran who performed no overseas service shall not exceed $500 and the amount of the credit of a veteran who performed any overseas service shall not exceed $625.

This language defines the bonus. Any soldier can easily figure the exact amount of adjusted compensation that is due him by the act of 1924.

At that time there was much debate in Congress as to how and when this adjusted compensation should be paid. Those here who were Members of Congress then and those of us who have read the debate in the CONGRESSIONAL RECORD and the testimony at the hearings before the Ways and Means Committee know that both the supporters of the bonus in Congress and the leaders of veterans' organizations agreed that the equivalent of a paid-up endowment insurance policy maturing 20 years after each certificate was issued would be better and more advantageous to the veterans than cash payment of the amount of agreed adjusted compensation at that time.

It was finally determined that the equivalent of paid-up 20-year endowment insurance should be issued to each veteran. The Congress voted to add 25 percent to the amount of adjusted compensation to cover interest thereon from the date of discharge to that date, amounting to approximately 4 percent thereon. The Director of the Veterans' Bureau was ordered to issue, without cost, to each veteran a paid-up, nonparticipating 20-year endowment insurance policy, called an "adjusted-compensation certificate", for the amount that the veteran's adjusted compensation, plus this 25-percent interest, would buy at the veteran's attained age in accordance with accepted actuarial principles and based upon the American Experience Table of Mortality, with interest at 4 percent, compounded annually.

These adjusted-compensation certificates are not bonds bearing interest on their face values to be bought and sold or to be converted into cash at the option of the owner. They are single-payment insurance policies on which the premium has been paid, but which do not mature for the face value until the interest accumulation, plus the original cash credit, and less a small insurance cost for 20 years, equals the face value. This will be accomplished 20 years after the date of issuance of each certificate and not before.

It is regrettable that the true status of these adjusted-compensation certificates has not been fully understood by the veterans. Many veterans honestly believe that the face value of their certificates and the cash value are one and the same thing. They have not known that the amount stated on the face of each certificate includes 4 percent interest compounded annually up to the date of maturity of each certificate. The insurance feature has not been universally understood. It has not been made clear to the veteran and his dependents that the face value of his certificate is payable immediately in case of his death and that even though he has already borrowed in excess of the full amount of his adjusted compensation, plus 25-percent interest for the period from 1918 to 1924, or a sum considerably more than he would have received if the bonus had been paid in cash in 1924, there still remains a substantial insurance policy for the protection of his family and a substantial cash equity for him at maturity of the endowment period, provided he maintains the interest payments on his loans.

It is now proposed that the insurance portion of these certificates be converted into cash. This will not only deprive the dependents of these ex-service men of the protection of this insurance but it will almost double the amount that the Government agreed to pay and the veterans agreed to accept as provided by the Adjusted Compensation Act of 1924.

Under the provisions of either the Vinson bill or the Patman bill it will require, I am advised, over $2,100,000,000 to pay the full face maturity value of the adjusted-compensation certificates, the same as if they were paid 20 years after date of issuance of each certificate when it was agreed by all parties that the certificates would be paid in full.

The amount now actually and justly due is the present worth of the certificates, or the amount of agreed adjusted compensation figured at $1 per day for home service and $1.25 per day for foreign service, together with 4-percent interest, compounded annually, to this date. This difference between the amount proposed to be paid by the Vinson and Patman bills and the present worth of all the certificates amounts to approximately $1,000,000,000, or one thousand million dollars. In other words, both the Vinson and Patman bills propose to give the holders of these certificates one thousand million dollars over and above the amount now due.

The total outstanding loans to veterans now amount to over $1,700,000,000. Interest charges on these loans have reached a total of more than $206,000,000. Of this interest only $1,330,000 has been paid. This situation has given rise in the minds of many veterans to the thought that they are being charged interest on their loans and are not receiving interest on their adjusted compensation. This is not true. The facts are that each veteran's certificate includes full interest at 4 percent, compounded annually from date of issuance to date of maturity. The veterans are now being charged only 3½-percent interest on their loans.

The veteran can easily determine the amount of his adjusted compensation as fixed by the Adjusted Compensation Act of 1924 and the amount of interest allowed in each certificate. To determine the amount of adjusted compensation multiply the number of days served in the United States by $1, and the number of days served overseas by $1.25, and add 25 percent of that sum for interest to 1925. The difference between this sum, less $60, which was paid to the veteran when he was discharged, and the face value of the veteran's

certificate, will give the amount of interest allowed each veteran. In addition thereto his estate has the benefit of an insurance clause, which provides for the full payment of the face of the certificate in case of death before maturity.

The amount of the bonus was determined by the Adjusted Compensation Act of 1924. Over 3,500,000 certificates were issued to veterans in accordance with that law. By the issuance and the acceptance of certificates the veterans agreed to accept and the Government agreed to pay the sum so determined upon.

It is not for us to say here whether or not the bonus was large enough. Perhaps it was not. Certainly no one can measure in dollars nor could a grateful nation ever pay in dollars for the service these veterans gave during the World War. But the fact remains that an agreement was reached on what measure of adjusted compensation the veterans would accept and what the Nation should pay and how it would be paid.

Up to this moment the Government of the United States has discharged every penny of that obligation. It has gone further than it agreed, by loaning up to 50 percent of the face value of the certificates. It has also reduced the interest rates on these loans from 4½ percent to 3½ percent, which is less than the 4 percent allowed each certificate holder on his actual adjusted compensation.

It should be clear to every Member of this body that if one owes a debt due 10 years from now and he pays that debt today, he is actually paying more than the face of the debt.

Let us take a concrete example of an average veteran's certificate and see how it works out. Suppose, for example, a veteran had 210 days of home service and 200 days of foreign service. His adjusted compensation would be $460. Subtract $60 for the bonus paid him in cash when he was discharged from the Army or Navy or Marine Corps. This leaves $400. Now add 25 percent for interest on account of delayed settlement from 1918 to 1925, to wit, $100. This makes a total of $500 due as of 1925 under the act of 1924.

To this $500 add 4-percent interest compounded annually for the 20 years from 1925 to 1945, then subtract a small insurance charge, and you will have the face value of the certificate, to wit, the sum of $1,009 due in 1945, which is the amount stated in the certificate. This computation assumes that the veteran was 30 years of age in 1925 and that the certificate was issued at that time. To determine the present worth of this certificate in 1935, you deduct the unearned interest from 1935 to 1945. The amount payable in 1935 would be $697, or $312 less than the face of the certificate due in 1945. The Vinson and Patman bills propose to pay the extra $312 on each such certificate.

On the 3,500,000 certificates now issued the total difference between the face value and the amount actually due at this time is more than one thousand million dollars. In addition thereto, it is proposed that the interest on all loans heretofore made be remitted in making settlements. That will further increase the cost of the Government in the sum of more than $200,000,000 over the amount agreed upon in 1924.

The thought has been cultivated in the minds of many veterans by some leaders in veterans' organizations and some Members of Congress, who are advocating immediate payment of these adjusted-compensation certificates, that the Government is doing everything for others and nothing for the veterans; that other groups are getting theirs and now is the time for the veteran to get his.

The Members of this House and the leaders of veterans' organizations know better than that. Any citizen who has considered the facts must realize that the people of the United States, through their Federal Government and through the governments of the States, have given generously to the veterans.

I realize that there have been injustices. I know some veterans have not had all they should have had. There have been hardships here and there. I know that to the disabled and crippled veteran, to the blind veteran, to the veteran whose mind is gone, or to the veteran who lies awaiting death on a hospital bed, no amount of money can compensate for his injury. Nothing we can do can restore to him a sound mind and body.

The cruelest harvest of war is the harvest of disabled men. There is nothing within reason that I would not have our Government do to relieve their suffering and make life easier for those unfortunates. These bills are not designed to do that.

We have done much and we will continue to do much. Since the armistice was signed the Federal Government has expended more than six and one-half billion dollars for veterans' compensation, for relief to disabled veterans, for hospital service to all veterans, and for aid to dependents of veterans and for other services. Annual appropriations for veterans have exceeded $900,000,000 in a year. In 1932 the Administrator of Veterans' Affairs told the Ways and Means Committee of the House of Representatives that if veterans' expenditures continued at the rate then in effect, with no additional benefits authorized, the United States would expend for that purpose by 1945 a total of $21,500,000,000, an amount just about equaling the original cost of this country's participation in the World War.

The record of veterans' legislation in the United States was one of successive liberalization for 15 years after the war ended. The depression and a badly unbalanced Budget in 1932 brought about a demand that expenditures of every department of the Government be curtailed until revenue might be increased. In the independent offices bill already passed by this House at this session more than $700,000,000 were appropriated for veterans' work through the Veterans' Administration.

Many separate laws have been enacted by the Congress for the benefit of World War veterans. Soldiers' preferences, vocational training, disability benefits, compensation to widows and dependents, land-settlement aid, free hospitalization, life insurance at net cost without any loading for expense, education for orphans, and the bonus itself are but a part of those laws.

In addition to all that, the State Governments have been liberal. In the report of the national legislative committee of the American Legion to the Miami convention, 64 pages were devoted to setting forth the legislation favorable to the veterans that has been enacted by the various States. That report shows that every State in the Union has granted special benefits to veterans. These include poll-tax exemption, partial exemption from property tax, education for orphans, burial allowances, free transportation to and from State conventions, land-settlement aid, exemption from taxation of property owned by veterans' organizations, educational assistance, farm- and home-purchase aid, free vending licenses, scholarships for war orphans, admission to soldiers' and sailors' homes, care of graves, and a large number of others, including State bonus payments.

My own State of Iowa issued $22,000,000 in bonds to pay a bonus at the rate of 50 cents a day for active service. It paid 102,798 claims for a total of $20,172,176.47 and placed the balance of $1,827,823.26 in a disability fund to be paid out under the direction of the bonus board to disabled ex-service men. Property not to exceed $500 in actual value owned by a veteran is exempt from taxation, and the same benefit is conferred upon the widow remaining unmarried or upon a minor child or children. Preference is given honorably discharged veterans in appointments for employment and promotion in every public department and upon all public works in the State and of the counties, cities, towns, and school districts. Boards of supervisors are authorized to levy special taxes for the relief of indigent soldiers, members of their families, widows, or children.

In addition thereto, veterans have had the benefit of all the emergency legislation passed by the Seventy-third and Seventy-fourth Congresses, including home-owner loans, farm loans, agriculture adjustment benefits, Federal insurance of bank deposits, employment on public works, unemployment relief, and many others. In fact, veterans have had the same privileges that other citizens have had under the emergency legislation plus special consideration given to

veterans for employment on public works and extra rating for civil-service appointment.

How can anyone say that veterans have not had their share, when in addition to all Federal and State veterans' legislation they have had the same benefits and privileges as other citizens under all emergency legislation? In the light of these facts and of existing conditions, how can we, as Members of Congress, or those who are veterans, justify the payment of one thousand million dollars more than the amount now due on these certificates? Should we not consider now that 14 percent of our population are without income and are saved from hunger and want only by public aid? Should not all available resources be conserved to meet the emergency needs of the days ahead?

With the obligations and responsibilities resting on me as a Member of this Congress, I do not feel that I can conscientiously vote for passage of either the Vinson or the Patman bill. Our greatest responsibility is to help our President in his almost superhuman efforts to get our country out of the terrible chaos in which he found the economic, industrial, and governmental affairs of this Nation on March 4, 1933.

What the veterans and all other citizens need more than anything else is work. They must have jobs. If we have an additional one thousand million dollars in resources or credit that we can use or spend, they ought to be used to give employment to the unemployed as long as there is unemployment in America.

I have given a great deal of study and consideration to this subject. I want to do the thing that is right and just. I believe our Government should recognize in every respect its contract with the veterans.

I am willing to vote to fulfill the adjusted-compensation certificate contract to the letter, down to the last penny. I do not believe our Government is in a position to wisely and justly pay one thousand million dollars more than it agreed to pay.

I am willing to vote to pay the full present worth of these adjusted-compensation certificates—that is, the face value less credit to the Government for 10 or more years' interest not earned on account of this proposed settlement with the veterans 10 or more years before these certificates are due.

Or I am willing to go back to the date of discharge of each veteran, take the full amount of the adjusted-service credit on the basis of $1 per day for home service and $1.25 per day for oversea service, add 4-percent compound interest to this date from the date of the veteran's discharge, and pay that amount on surrender of his adjusted-compensation certificate. Beyond that I think this Congress ought not to go.

Two years ago the people of the United States chose a leader. Only a few months ago most of the Members of this House were elected or reelected because they pledged themselves to support that leader. I am one of those who made that pledge. I made it very clear in my campaign that I intended to stand stanchly behind Franklin D. Roosevelt, our great leader, and I shall do so.

A year ago our leader told the Congress that the bonus should not be paid. He has told us the same thing again this year. I propose to follow his leadership in this matter.

If the Congress is to consider a grant of an additional one thousand million dollars to the holders of these adjusted-compensation certificates, it seems to me that legislation to that effect should be presented to this House and voted upon as a separate proposal, distinct from the present proposal to pay the bonus of 1924 ten or more years before it is due. The question of granting one thousand million dollars extra to the veterans of the World War should stand alone for what it really is and should be either approved or rejected on its own merits. However, let me say this: Whatever the sum is that the Congress determines to pay at this time, it should be paid in cash. That is what the veteran out of work needs.

Mr. Chairman, I cannot support the Vinson, Patman, or Tydings bill as drawn. I only ask that each Member advise himself as to all the facts respecting this matter, determine what he believes to be right and just to the veterans, to his countrymen, and to our Government, and then cast his vote in accordance with his considered and honest judgment. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. BIERMANN].

Mr. BIERMANN. Mr. Chairman, underlying most of the talk in favor of the Vinson bill and the Patman bill has been the suggestion that the Federal Government has been niggardly and mean to the veterans of the World War. There is not a shred of fact to support that belief. There never was an army in the history of the world whose members were so well clothed, well fed and well housed and so highly paid as the American veterans of the World War. In France the lowest-paid American soldier drew a base pay of $33 a month, and that was 22 times what a French private in the same grade drew. The payment that the American veterans received in France was so high compared with the French payment that General Pershing sent word here that he wanted it arranged so that no American enlisted man would draw more than $10 a month in France, to preserve the morale of our Allies.

Since the close of the World War we have paid in various benefits to the veterans of the World War and their dependents more than six and a half billion dollars. In 1900 we were supposed to be a rich and said to be a spendthrift country. We then had a large bill for Civil War pensions and Spanish War pensions to meet. Get these figures. From the year 1900 to 1910, inclusive, 11 years, the total expenses of running this Government in all of its departments—the Army, the Navy, Civil War pensions, and all other pensions, interest on the public debt and amortization of the public debt, were about $200,000,000 less than the six and one-half billion dollars we have paid to the veterans of the World War and their dependents from the day it closed up to the last day of the year 1934. In this very session of Congress, the independent offices appropriation bill carried in this House $705,000,000 to the Veterans' Administration, and that is more than it cost to run the entire Government in any peace year before 1913. Yet we are said to have been niggardly and mean to the veterans of the World War. Today we are paying to World War veterans more than twice as much as any other country on earth pays to its World War veterans. Bear in mind, this bill is not for the disabled veterans, or for the dependents of those who died of service-connected disabilities.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I yield although my time is short.

Mr. PATMAN. I have never made any such statement as that to which the gentleman refers, and I do not know any one who has. For the gentleman's information, the United States has not made the expenditures that the gentleman has just quoted out of the public funds. Much of that money was paid for by the veterans themselves, into an insurance fund to be dispensed to them.

Mr. BIERMANN. The gentleman from Texas has had a lot of time on this bill. I want to correct him in that statement. I wish I had the time to correct him in some of the other statements that he has made. My information comes from the Veterans' Bureau yesterday morning, and they said that six and a half billion dollars excluded all payments on insurance that the veterans had made into the war-risk insurance fund.

Mr. PATMAN. Does the gentleman mean since the war?

Mr. BIERMANN. I mean our expenditures for veterans' relief since the war.

Mr. McMILLAN. I have the figures sent up from the Veterans' Administration if the gentleman desires them.

Mr. BIERMANN. Mr. Chairman, this bill is not to settle a debt that we owe the veterans of the World War. It is to give an additional bonus of $1,600,000,000 above what was agreed upon in 1924. When we vote on these bills let us bear that in mind. Let us not give to the country a false impression of what this is. Let the country know this is not for the disabled veterans. The disabled veterans have been overlooked in this legislation right along. It is not for the poor, starving veteran any more than it is for the millionaire vet-

eran, the rich banker veteran, the utility-holding veteran. It is for veterans of all classes, rich and poor, deserving and undeserving, those who served in the mud of the trenches in France and those who had swivel-chair jobs here in Washington. It is for the good soldier and for the one who was no good and a drag on his outfit. It is for 4,000,000 men, whether they need it or not, whether they want it or not. The war disabled have been referred to in this debate. There is not one in 20 who will be beneficiaries of this legislation. We owe a solemn duty to the war disabled and to the dependents of those who have died of service-connected causes. They should be more generously cared for than now. [Applause.]

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Chairman, I shall vote for this bill. I have heretofore voted against paying these certificates in cash before maturity. I should do so again if the question of balancing the Budget were involved. No serious effort is being made to balance the Budget. In fact, the Budget today is a myth and a delusion. The Appropriations Committee works long hours, and the House gives careful consideration to the provisions of the Budget. On the other hand, the administration asks for and receives large lump-sum appropriations, and the practical result is that the Congress has no control over the expenditures in the several departments. If the Congress, in its judgment, denies a department or a bureau any part of a requested appropriation, that agency has but to appeal to the power allocating the lump-sum appropriation; and as a result the money appropriated by Congress is not always being expended where Congress has directed. True, the amount appropriated for any given activity is spent for that activity, but the lump-sum appropriations prevent limitations by Congress.

It seems to me that we are pursuing the false hope of spending ourselves into prosperity. We are told the idea is to get purchasing power into the hands of the people, and that these billions of dollars are being appropriated for the ostensible purpose of getting the economic and industrial machine of the country off dead center. In this endeavor we are spending money for things not needed, for things which, in my judgment, are retarding rather than helping. The more money going into the regular channels of established business and industry the better. It is not so much the volume of the money required as it is the activity and velocity of the amount in the hands of the people. We have had 2 years of experimentation. We have spent billions. Yet we have more unemployed and more on the relief roll. The machine is not off dead center. The pump still needs priming. If Government money injected into the veins of commerce is to help, its distribution must be general. It must not be confined to any particular locality or section. The more general the distribution, the greater the benefit.

Whether or not this bonus was justified in the first instance is beside the question. That is water gone over the wheel. Three million five hundred and thirty-one thousand eight hundred veterans today hold certificates wherein the Government has promised to pay them $2,013,162,456.76 in 1945. Right or wrong, the Government has agreed to pay this amount of money to these beneficiaries. The question before us is whether or not it is advisable to advance the pay day. It seems to me that if we want to get money into circulation, and thereby establish purchasing power, that this is a splendid method, because it will be distributed equitably according to population throughout the country. Because it will go into the hands of those who will spend the money at once. Because it will be spent in the payment of debts or the purchasing of goods. There will be no hoarding by those who receive the bonus. The Government will not be spending money for unnecessary and useless things. It will be paying a debt and taking up an obligation, so that when the depression is over and we take an account of what future generations must pay, we will owe $2,000,000,000 less than we would owe if we used some other method of getting this amount of money into the channels of trade.

There are 134,009 certificate holders in Michigan, and if this bill becomes a law $77,476,794.12 will be distributed in Michigan. The four counties representing the Second Congressional District will receive the following amounts: Jackson County, $1,465,418.31; Lenawee County, $791,402.73; Monroe County, $833,251.81; and Washtenaw County, $1,040,354.28.

It seems to me that the immediate expenditure of this amount will be most beneficial. It will not be a question of waiting months and possibly years before red tape is unwound, projects selected, and business stagnated in the meantime. Again we will not be putting the Government in business in competition with private business. This will give private business a push rather than Government operation of industry and business a boom.

The bonus has become a football in politics. It is magnified out of all proportion to its true value as a factor in our present economic set-up. The payment of the bonus in cash at this time is not going to make or break the country, but it will settle a controversial political question which should be taken out of politics. In fact, this issue is assuming proportions in legislative matters akin to the "wet and dry" issue before the repeal of the eighteenth amendment. We all realize that the "wet and dry" issue influenced much other unrelated legislation. And so today the bonus question is having its effect on legislation in general, and I believe should be gotten behind us. I believe this to be for the best interests of all of our people and especially the taxpayer. The time has arrived when the country must again become tax conscious. For the last few months we have been spending recklessly without regard to the pay day. We must get back to a balanced Budget, but this cannot be done under the present method of spending. While the payment of the bonus in cash at this time will necessitate raising of the money by the Government before it is due, yet I am convinced that the benefits to be derived from such payment far outweigh the slight additional cost. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. GEARHART].

Mr. GEARHART. Mr. Chairman, I have been sitting here these last 3 days listening to the various arguments made both for and against on this issue, each hour and each day with increasing interest. Although I have listened intently, I have failed to hear one new argument advanced. I have heard the old ones presented in different ways, clothed in different oratorical style, but not an argument advanced here is a new argument. That is, not one that we have heard is a new argument to those of us who have been, down through the years, battling for the immediate payment of the adjusted-service certificates, to those of us who have been meeting the issue in the field these last several years. Although there have been no new arguments advanced I have listened with interest because I believe this is the greatest issue before the present Congress, and the casting of our votes on this issue, as presented here in this legislative hall, will have a decisive effect upon public opinion. Therefore it behooves us to be very careful lest we cast our vote in a way that will incur the disapproval of those who sent us here with a mandate to represent their views.

Those who have opposed the payment under any plan have relied upon the ancient argument that the adjusted pay is not yet due, and they have pointed out time and time again that the interest, which figures in the principal sum, has not yet been earned. Also, the charge has been hurled time and time again that there is some sort of ingratitude, some breaking of faith on the part of the veteran, necessarily involved in his mere asking for payment prior to 1945. To those of us who know the Legion history, to those of us who have worked from the beginning among the veterans in an endeavor to obtain for them simple justice, nothing could be more absurd. The American Legion in its first

national gathering on American soil, at the meeting known as the St. Louis caucus, passed no resolution asking for any particular relief from the Congress of the United States.

The simple resolution that was there passed merely expressed the confidence that the Congress would deal justly with the former defenders of our country in future veterans' legislation. After that resolution was presented to the Members of the then Congress, the question immediately arose in the minds of the national legislators as to just what the veterans desired in the way of relief legislation. Word reached the official American Legion organization, now already a lusty child, already the spokesman of the organized veterans of the country, that the Congress was looking to them for guidance. So they formulated a Legion program and presented it to the Congress. That Legion program became the work sheet upon which congressional committees began their task of working out an answer to the problem. That resolution contained quite a different idea from the one which was ultimately enacted into law. It did not even resemble the adjusted-service certificate law which the Congress enacted in 1924. The Legion program was a program that became known as the "four-point program." That was the only official expression from the Legion up until the adjusted-service certificate law became the law of the land. Those of you who say that the veterans have exercised bad faith, that they have come here repudiating that which they agreed to, are speaking that which does not coincide with the facts. No veteran ever asked for the adjusted-service certificate law. It was at the very beginning an unpopular law among the former service men. Every veteran who came forward to receive from the Government of the United States his adjusted-service certificate felt that he had been slipped a gold brick. He accepted it with misgivings and with the intention, if you please, of appealing to the Congress to undo that which had been foisted upon those who had served their country in time of their country's distress.

Mr. CANNON of Wisconsin. Will the gentleman yield for a question?

Mr. GEARHART. I yield.

Mr. CANNON of Wisconsin. The gentleman is a legionnaire, I take it?

Mr. GEARHART. Quite so, from the beginning. I am a former commander of the California Department and I, last June, resigned as national executive committeeman to become a candidate for Congress. I consider myself an active legionnaire.

Mr. CANNON of Wisconsin. Is it not a fact that the American Legion is not interested in the manner in which this bonus is paid, so long as it is paid?

Mr. GEARHART. Every veteran in the country is interested in receiving his money. It is the duty and obligation of the leaders of the various veteran organizations to see that they get that money in the best way, both for the veteran and for the country.

Mr. CANNON of Wisconsin. Did not the commander of the American Legion appear before the Ways and Means Committee and state there that he was not interested in the manner in which this money was paid; whether it was paid under the Patman bill or the Vinson bill?

Mr. GEARHART. I am told that is true. It is no function of any veteran organization to tell Congress how it should be done. The Vinson bill does not intrude upon the congressional prerogative to determine the method.

Mr. PATMAN. Will the gentleman yield?

Mr. GEARHART. I yield.

Mr. PATMAN. The gentleman stated that no veterans' organization approved the present method of payment, the adjusted-compensation law. Is it not a fact that Col. John Thomas Taylor, legislative representative of the Legion, in 1924 and at this time not only approved the present plan that the veterans have but that he actually opposed cash payment at that time, as is shown in CONGRESSIONAL RECORD for April 19, 1924?

Mr. GEARHART. If that were done, that would represent the personal expression of Colonel Taylor, because it was not backed by any resolution of any convention of the American Legion.

Mr. PATMAN. Will the gentleman yield further?

Mr. GEARHART. I do not yield further, because my time will not permit. I am sorry.

I have been endeavoring to point out in my argument thus far that the adjusted-service certificate idea was first conceived in the Halls and committees of Congress, and it was given to the veterans without even knowing whether the veterans approved of the legislation or not. The veteran, therefore, is free to this date, to object to that which had been imposed upon him, and to continue his plea for the correction of a wrong which was perpetrated upon him way back in 1924. I resent more than anything else the suggestion that the veteran has broken faith with the people of the United States or the Members of Congress, who imposed that fantastical legislation upon him.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. GEARHART. I prefer not to yield at this time. My time is too short. Today we are called upon to make a choice between three major bills; one, the so-called "Patman bill"; the other the so-called "Vinson measure"; and the third the so-called "Tydings proposal", which in the House is known by the name of the "Cochran-Andrews Act." I am not going to discuss the so-called "Tydings bill", because I think that is the most perfect proposal for depriving the veteran of that which is due him that has ever been offered in this House. It would brazenly take from him all but a small part of the face value of his certificate. It is so plain that the subject need not be further discussed.

I do not want to hear any more of that argument about the interest not yet being earned. Do you think the veteran out in the country understood the fantastic manipulation of figures which was resorted to by the committees of Congress when they were working out that grand total? Not at all. Do you think he thoroughly understood about the $1 a day for domestic service and the $1.25 a day for foreign service? Do you think he knew about the deduction of the $60? Do you think he knew about the 25-percent grant or of all those calculations based upon what a given figure, as a single premium, would buy in a 20-year endowment policy? Do you think he knew of the 4-percent compound interest being added? Not at all. That was a secret that was kept from the veteran until they slipped him the certificate, the certificate which he has ever since regarded as a glittering brick of gold.

The CHAIRMAN. The time of the gentleman from California [Mr. GEARHART] has expired.

Mr. TREADWAY. Mr. Chairman, I yield to the gentleman from California 5 additional minutes.

Mr. GEARHART. So I pass from that to the Patman bill. I oppose the Patman bill, not because it brings about the immediate payment of the adjusted-service certificates, but because of the method which it imposes upon the Government as the means of accomplishing that payment. I want the veteran to get a dollar that will buy a dollar's worth, not a piece of paper labeled a dollar that will buy only a dime's worth; I want a dollar with which you can purchase that which you are accustomed to purchase with a dollar, the kind of a dollar that all of us want our dollar to continue to be.

I am for the Vinson bill because it conforms to the orthodox method of financing this expenditure. I know that because it is orthodox in its method it will receive less opposition than any other bill and, therefore, has a better chance of becoming a law; and the veteran will have a better chance of realizing on his certificate its full purchasing power, measured by present-day standards of value.

There is one other thing I want to say. Those who propose and stand behind the Vinson measure have in a dignified and parliamentary way discussed the issue of inflation and in calm debate pointed out the reason for their rejection of the inflationary provisions of the Patman bill. Now, my friends, those gentlemen who have spoken for the Patman bill have not debated this great issue in the same scholarly way. On the contrary, they have resorted to

methods that have carried them quite beyond the field of fair debate. They charge that the American Legion leadership no longer responds to the will of the rank and file of that mighty patriotic organization. They have gone so far as to cast reflection upon the so-called "Vinson bill" by referring to the leader of the Legion as "the Banker Belgrano", and the Vinson proposal as the "Belgrano's bankers' bonus bill", using the alliteration only for the purpose of arousing prejudice against the measure, which is the only measure that has any opportunity of becoming a law.

I want to tell you as one who knows Frank Belgrano, who has known him longer than has any other Member in this room, longer than anyone within hearing of my voice, that there is no more loyal, patriotic, thorough-going legionnaire in all the world than he. He is a banker and successful financier, quite true; men of every profession and business have in their turn been called to leadership in this organization. Eminent lawyers, great physicians, leading business men and humble buddies have been commanders within the structure of this great fraternity. It just happens that the leader this year is a member of the banking profession, and the fact, without regard to his disinterested devotion to the organization that has honored him, is seized upon by those who prefer expansion of the currency to the more orthodox method of finance as a juicy morsel, food for those that thrive on prejudice for prejudice' sake! I know, however, that he went to the common schools of California in a district where boys had to fight their way along; and I know that he bears scars of honor from those scuffles of his schoolboy days. He battled right on until he was compelled to leave school to seek employment as an errand boy in a great financial institution in San Francisco, there to begin his struggle toward the success he was later to achieve. In the Legion, too, he has built himself up, and up, and up, always through the support and because of the confidence of the average buddy in his devotion to the patriotic cause. He served several years in the ranks of the Legion within his own post, then he was made adjutant, then commander, then district commander, then county commander, and finally he was elected as the candidate of the common buddy against the candidate of the so-called "king-makers", commander of the department of California. The value of his service to the California department is too well known to all to justify comment here.

He led the Legion back to the common man, the common buddy, the comrade at the bottom of the heap. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, I have not asked for much time today to talk on this proposition because I can put in a very few words the ideas I have to convey to the members of the Committee.

In the first instance, I want to say to you that I believe those people who suggest that the Members of Congress are being forced into a vote for the payment of these certificates by fear of votes back home are absolutely wrong. Boys in my district write me, saying: "If you can give us a vote on this bonus, all right; but if you cannot honestly do it, we are for you anyway"; and I think you will find this to be the attitude of most of them. [Applause.]

It has been argued in the course of this debate that the deficit of the Federal Government is mounting to such a point that we should not authorize this expenditure. There was a time in the history of this land when such an argument was a good one, when such an argument could be used by conservative men within the Legion or without the Legion in saying to those who wanted the bonus paid, "Wait a minute; the Government cannot stand it."

But those conservatives have been robbed of that argument by the policy of this Government, to which it seems definitely committed, namely, we will spend billions for all manner of questionable enterprises and governmental activities. The time has now arrived when you cannot go to these soldiers and say, "Oh, no; do not ask for the bonus; the Government cannot afford to pay it."

Mr. Chairman, in the final analysis the only distinction between the claims of those who want to pay the bonus now and those who do not is that the date of payment will be in a measure accelerated. I do not think that is such a terrible thing. This debt has been created and it exists now against the Government of the United States. Its payment now is not at all the creation of a new debt, except as it might be said that the acceleration of the date of payment creates a new debt. In view of what has been done in the last few years in the expenditure of money, I do not think that is a matter of terrific importance.

We come next to the real question, as I view it, that is presented here, and that is the question of the Patman bill on the one side and the Vinson bill on the other side.

I have listened with a lot of interest to the arguments of the proponents of the Patman bill. They say that we are going to pass a bankers' bill for a lot of coupon clippers. Why, then, did you vote for the $4,000,000,000 issue if you did not want to issue bonds? Why did you vote for the Public Works bonds? How do you expect the Government is going to get its money except by the sale of bonds to somebody who has the money to buy them? If we did not have bankers with the money of the people to buy these bonds to finance these governmental enterprises, the administration would be in a terrible situation. The argument is made that passage of the Vinson bill will necessitate the levying of taxes. It seems strange to me that the only time we hear anything about the taxpayer, taxes, or the deficit any more is when we begin to talk about paying something to the soldier. The only answer to governmental expenditures or deficits for any purpose is taxation. But you vote billions of dollars for all manner of questionable enterprises and not one single solitary voice is raised in behalf of the taxpayer. He is a subdued person. His voice is not heard until all at once we get ready to pay something to the soldier. Then some Members rise and say: "Oh, no; you cannot do that. That means increased taxes." May I ask, Do you believe there is any way to pay governmental deficits or governmental expenditures except by taxation?

Mr. Chairman, I have heard the very novel and interesting arguments and statements here that to pay these soldiers under the Patman bill would not cost anybody anything. Now, I do not subscribe to that view. As a matter of fact, it seems to me that this important measure, having to do with the payment to our soldiers of these certificates, should be brought before this Congress for consideration on that proposition alone.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. HALLECK. Mr. Chairman, the bill for the payment of the bonus should not have tied around its neck a proposition as different and distinct therefrom as is this matter of expansion of the currency. The majority of the Members here want the soldiers paid. They should vote for a bill which seeks to do that alone. If the majority of this Congress believes that an expansion of the currency is a good thing and that the expansion of the currency tomorrow would lift this country out of its present economic situation, they should bring in a bill providing for that thing alone. We owe at the present time about $32,000,000,000, represented by bonds. There are plenty of places to expand the currency by taking up some of these bonds, if that is deemed advisable. But let us concentrate now on the payment of the bonus and not get it entangled in a double-barreled proposition. If the payment of the bonus and the expansion of the currency should come up together with only one vote to be cast, you will find Members on the floor of this House voting against that bill because they do not believe in expansion of the currency, or because they believe in seeing that issue presented on its own merits and standing on its own bottom. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 8 minutes to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Chairman and members of the Committee, I am whole-heartedly and unqualifiedly in favor of

the full and immediate cash payment of the veterans' adjusted-service certificates, remitting all interest there might be on loans that already have been advanced on these certificates. I would also welcome the opportunity to vote for the immediate repeal of the infernal and infamous so-called "economy bill", in order to restore to the disabled veterans of this country, who have engaged in different wars we have fought, the benefits which wrongfully have been taken from them.

Mr. Chairman, it is amazing to me and altogether incomprehensible that the President of the United States at the present time gives us to understand that he will veto either the Vinson or the Patman bill, which would pay the soldiers their so-called "bonus", because the condition of the Treasury will not stand it. Heaven knows the condition of the United States Treasury is deplorable, as always under a Democratic administration, and unless the present excessive expenditures are curbed we are headed inevitably toward more radical inflation, financial bankruptcy, and economic ruin. However, only a few weeks ago in this Chamber, under very limited debate, and under the lash of bitter partisanship, this House voted the so-called "Public Works relief bill", calling for an appropriation of $4,880,000,000. Although the President in the White House cannot find ways and means whereby to raise $2,300,000,000 to pay the ex-service men an honest debt and a just obligation which eventually must be met, he seems to find it easy to discover ways and means whereby he can raise more than twice this amount of money, which the Congress will sign over to him in a blank check to spend on any kind of project, at any and in any such manner as he may see fit. Apparently we do not have money to pay debts, but have unlimited funds to dish out in doles and as gratuities in order to win an election.

I am surprised that some Members of this body who have spoken this afternoon have offered as a reason for their opposition to the payment of the bonus that they are here to support the President in his program of relief and recovery. They say that he is the only leader and the only hope in this country; blindly they carry out his commands, gullibly they follow where he leads, and cowardly they obey his orders. I never knew until this session of Congress that Members of this body should immediately forget and forsake their constituents to carry out the wishes and will of the President. I want to say that I rode into Congress not on the coat tails of Franklin D. Roosevelt or anyone else. I was sent here not to carry out the whims and fancies of any man who might happen to be in the White House. I was sent here only to perform my constitutional duty, to represent the interests and look after the welfare of the 300,000 native-born Americans in the Seventh Missouri District who elected me as their Representative in this body, and to whom I am solely responsible.

I think that I demonstrated this fact in the Seventy-first Congress, when I voted to lend the ex-service men 50 percent of the face value of their adjusted-service certificates. I voted at that time to override the veto of my own President, a Republican who sat in the White House; and when we are called to vote upon this measure, I shall gladly support any of these bills which would discharge this honest and just obligation to men who defended our Nation and who are now suffering and in need.

It is most unfortunate and very regrettable that the soldiers and their friends are divided among themselves as to the best method of payment of the bonus. Just why we have this division in our own ranks, I cannot understand, unless it was manipulated and promoted by the administration itself or other enemies of the veterans who oppose the full and immediate payment of their bonus. I am not particularly interested in the Vinson bill or the Patman bill, though both of these distinguished gentlemen, the former from Kentucky and the latter from Texas, are good friends of mine. Both of these men are friends of the veteran, and I have the highest regard and greatest admiration for each. I must pause here long enough to say that no man in this House has fought more persistently and consistently for the payment of the so-called "soldiers' bonus" than has the distinguished, able gentleman from Texas, WRIGHT PATMAN. [Applause.]

I feel that an overwhelming majority of the Members of this House who want the bonus paid will gladly vote for either one of these bills on final passage. The Members of this House are not interested in Mr. VINSON or Mr. PATMAN; and when it comes to a choice between the two measures, I am going to think first and foremost of the ex-service man back home who wants his money, who needs it, and who deserves it. I do not care particularly which one of these bills is passed, although my choice or preference is the Vinson bill, because it provides for payment in the natural, normal, usual, and constitutional way, without introducing a new policy in Government or injecting extraneous matter. I believe it stands a better chance of becoming law. Perhaps we could expand the currency to the extent that the Patman bill provides, but this measure establishes a dangerous precedent, which I fear would be exceedingly difficult to control. I am sorry that certain Members have charged that the Vinson bill is a "bankers' bill"; it is no different from any other bill which has ever been passed by the United States Congress. If it be a bankers' bill, then the men who make the charge are guilty of having voted for innumerable similar measures. I concur heartily in the opinion of my colleague from Indiana [Mr. HALLECK], who just preceded me, that if we want inflation, or even controlled expansion of the currency, such a bill should be considered in the Committee on Banking and Currency and brought into this House as a separate issue, and should not be tied up with the payment of the so-called "soldiers' bonus."

It is unnecessary and useless for me to take any time trying to paint the physical suffering and mental torture through which these ex-service men passed in the defense of their country. I do not want to talk glittering generalities or deal in pious platitudes this afternoon, but I have in mind the specific cases of men whom I have known all my life—Alfred Peters, Harold Craig, Hardy Keeny, and a host of other boys who went through hell itself in France, from Chateau Thierry, through Belleau Wood, San Mihiel to the Meuse-Argonne, living with rats and like rats in blood-soaked trenches, bravely facing flaming fire and shrapnel, to "end war" and "make the world safe for democracy." Before they went to France they were perfect specimens of manhood; today they are broken in body and spirit, mere shadows of the men they once were, incapacitated, and unable to take care of themselves, let alone their little families, and bitterly disillusioned because democracy has been destroyed and the world made safe and sure for another war.

In spite of the pledge made by the Democratic Party in its platform adopted in Chicago in 1932 when it advocated "full and exact justice and generosity" for the ex-service men, the honeymoon Congress, in its special session of 100 days immediately following the inauguration of the new deal, broke that pledge by passing the so-called "Economy Act", which cut the compensation of veterans in two or took their measly little pensions of $12 or $18 a month entirely away from them. The new deal has been a raw deal for the ex-service men. At the same time that it has been parsimonious with soldiers, it has been profligate with political parasites.

Notwithstanding this sad state of affairs, certain Members of this House come in here today and say they cannot pay a just and honest debt, though many of these very men who will vote against the payment of the soldiers' bonus are the very ones who voted, as they shut their eyes and held their noses, for that vile and vicious, abominable and atrocious measure, branded as the public-works relief bill, but really to be used as a campaign fund, which was crammed down our throats under unprecedented gag rule on the 23d day of January of this year. [Applause.]

If the opponents of these bonus measures are sincere and really want to help those in distress, they will vote to pay this honest debt which will be widely distributed throughout the length and breadth of our land. Not only will we discharge a recognized obligation to the defenders of our country but we will distribute approximately $2,000,000,000,

which will go into every city, town, and rural community in the remotest corner of our Republic. The money will go to those of every political and religious faith and will not be disbursed in a partisan or selfish manner. It will more equitably distribute the wealth of this country, increase the purchasing power of the general public, and will reach the people who need it most.

One hundred and eleven thousand seven hundred and six veterans of Missouri will receive $60,820,922.70, if the bonus is paid. The ex-service men in the 15 counties of the Seventh Missouri District, which I have the honor to represent, will receive nearly $5,000,000. The table below will show the amount which the veterans in each county will receive:

Barry County	$382,132.68
Christian County	220,686.11
Dade County	197,141.12
Dallas County	176,646.08
Douglas County	233,924.93
Howell County	329,663.38
Jasper County	1,236,907.98
Lawrence County	398,404.70
McDonald County	233,539.49
Newton County	451,778.93
Ozark County	159,821.05
Stone County	194,627.42
Taney County	148,593.19
Webster County	270,608.19
Wright County	280,545.68

The veterans in every other congressional district in the United States will receive similar benefits.

Let us stop quibbling and arguing among ourselves and present a united front against a common enemy and in defense of the veteran. Let each Member of this House vote his own conscience; but whichever bill is reported out of the Committee should receive the unanimous support of all Members. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. BUCK].

Mr. BUCK. Mr. Chairman, I have desired to take this opportunity to explain to the Committee, and through the RECORD to my constitutents, the position I am about to take when these bills come to a vote, and the position which I have taken as a member of the Ways and Means Committee.

I am particularly led to do this because, with all due respect to my good friends of the press, and I am on very kindly terms with all of them, there have been two erroneous reports sent out since the beginning of this session as to what Representative BUCK might be expected to do in connection with the vote on the bonus bill. So I desire, once and for all, to make my position plain.

My position on the payment of the adjusted-service certificates has been consistent and unchanging. I have always been desirous of putting an end to this question, which has agitated politically and economically the minds and souls of millions of our citizens, and to do so at the earliest possible opportunity, but I have also repeatedly stated that I would only vote to do so at some time and in some manner which would not interfere with the Nation's fiscal policy, its resources, or disturb its currency. For that reason, I voted against H. R. 1 in 1933, and because I feel that it presents again an attempt, under the guise and through the medium of paying these certificates, to bring about what it terms a "controlled" inflation of our currency, I shall vote against it again.

I have read and considered the so-called "control" provisions of H. R. 1 with considerable care, and I do not believe, in all sincerity, that they authorize any more control over the currency than the Secretary of the Treasury already has. The net result will be an increase of our paper money by the amount needed to pay off these certificates now. Having once established this precedent, it will be hard to resist the appeal of those in Congress and elsewhere who stand for further inflation for the purpose of buying up farm mortgages, or for any other plan. Once given a taste of the issuance of paper money, I fear that not even the Almighty, can thereafter exercise control of our currency. On the other hand, as a member of the committee, I voted to report out the Vinson bill, which is the only bill which presents the single clear-cut issue of whether or not these certificates shall be presently paid at their face value without bringing in extraneous questions, and I expect to vote for its passage on the floor of the House. If time permits, I shall return to this subject, which I intended to discuss today at length, and discuss in detail the considerations that move me to object to embarking on a policy of issuing printing-press money; but in view of some of the remarks yesterday of the gentleman from Texas [Mr. MCFARLANE], which may readily be interpreted as imputing unworthy motives to one of California's foremost citizens, I feel constrained to advise the House that those of us who are from California and who know Frank Belgrano at home, feel that such imputations are unwarranted. I feel that at a later date the gentleman from Texas will regret having given utterance to them, but in the meantime, I want to assure you that at home we honor and respect Frank Belgrano.

Mr. MCFARLANE. Mr. Chairman, since the gentleman has mentioned my name, will the gentleman yield?

Mr. BUCK. I would prefer to finish this statement, but I yield.

Mr. MCFARLANE. What the gentleman refers to is the testimony I have put in the RECORD, which is the sworn testimony before the Un-American Activities Committee of the House of men who had testified that not only Mr. Belgrano, national commander of the American Legion, was a member of the Committee on the Sound Dollar & Currency, Inc., as was sworn to by Mr. Gerald C. McGuire, but Henry Stevens and many other prominent legionnaires were members of the committee. Many of these legionnaires, as set forth in this testimony, did go to Chicago in 1933, and while at this Chicago meeting secured the passage of the so-called "sound-dollar resolution", as set forth in my remarks. I have not heard a denial of this from Mr. Belgrano, or any of the other men mentioned.

Mr. BUCK. I yielded for a question.

Mr. MCFARLANE. I should be glad for you to straighten that out and let us have the complete facts in regard to this matter.

Mr. BUCK. If the gentleman will permit me to finish the statement I have prepared, I shall be pleased to cover the entire matter for him.

In calling to your attention the feeling we have for Frank Belgrano, I am moved only by fairness. In making this statement I am in an absolutely independent position. I am not a veteran. I am not interested in any quarrel that may exist between veterans or between one and another veterans' organization. I am not a banker and do not own a share of stock in any bank, nor do I maintain an account or borrow any money through the bank with which Mr. Belgrano is associated. I may say, however, that whatever odium has attached to the word "banker" elsewhere, the officers and the employees of Mr. Belgrano's bank, on down from A. P. Giannini, its president, who established the Giannini Agricultural Foundation at the University of California, which has been of so much value to California agriculture, and continues to be so, have dealt consistently in a fair manner with the public. They have been liberals, and today Frank Belgrano is only following in the footsteps of those who have educated him in the banking business, trying to achieve the greatest and most practicable good for his associates and followers, the war veterans.

From reading yesterday's RECORD the impression could easily be gained by one who did not know the facts that Mr. Belgrano and his associates were engaged in un-American activities.

Mr. MCFARLANE. The point I am making is this, and I should like, if you can and will, to have the gentleman explain it. These gentlemen come here now asking us to pass a bankers' bonus bill, which would give the big bankers $2,000,000,000 in interest on these Government bonds under the Vinson bill.

Mr. BUCK. Just a moment.

Mr. MCFARLANE. And they are coming here contrary to the Legion tax-exempt resolution adopted at Chicago.

Mr. BUCK. I did not yield for anything but a question, and I decline to yield further.

May I repeat, the impression could be gained from yesterday's RECORD that Mr. Belgrano and his associates were on a par with Communists engaged in un-American activities.

It is not necessary for me to deny any such association on the part of my fellow Californian. The record of his life, of his service in the war, and of his civil life thereafter has been such as to refute by itself any such imputation. It was also intimated that Mr. Belgrano and his associates exerted some unholy power over the Committee on Ways and Means. It was their right and privilege to appear before the committee, just as it was the right and privilege of the gentleman from Texas [Mr. PATMAN] and his associates. The printed hearings consist of 206 pages of testimony and tables submitted for the consideration of the committee and the House. Of those 206 pages of testimony, the testimony of the gentleman from Texas [Mr. PATMAN] and his associates, favoring H. R. 1, occupy 85 pages. The testimony of the gentleman from Kentucky and his associates, favoring H. R. 3896, occupy 68 pages, the remainder of the testimony having been received from Representatives in Congress who had other bills of their own before the committee. It seems to me there should be no question in the minds of anyone that the proponents of H. R. 1 were given most liberal treatment, but in case there remains any such question let me read you the following from page 199 of the hearings, the concluding session:

Mr. BUCK. Let me ask you this: Do you not feel that the committee have given you a fair hearing, and as quickly as we could?

Mr. PATMAN. Absolutely. There was only 1 week when we could have had it before, on January 14, I think, but I am not disputing that.

And a little further down on the page:

Mr. BUCK. Are you satisfied, Mr. PATMAN?

Mr. PATMAN. We are absolutely satisfied.

Mr. BUCK. Do you think I and every other member of this committee are giving you a fair hearing?

Mr. PATMAN. You just let me answer KELLY and JACK TAYLOR, and I will be perfectly satisfied.

Mr. PATMAN then proceeded with his testimony.

Now I submit, ladies and gentlemen of the Committee, that the record shows that the proponents of H. R. 1 have had more than a fair hearing before the committee, and I have only cited these figures to you to show what they have had. But it is beside the question that it is now before this Committee to bring into discussion the question of who argued most convincingly to the Ways and Means Committee or any other question of this kind, personalities, disputes, and quarrels which do not concern the House itself. The question that we have to consider is only which one of the several plans that are before us is the best plan, which one is the safest plan for the country's credit, which one has the most likely chance of being enacted into law, and a careful review of all the testimony and of all the circumstances surrounding the case have led me to the conclusion, to which Frank Belgrano, with his liberal mind, was led, that in the Vinson bill lies the only hope of success. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. HILL].

Mr. HILL of Alabama. Mr. Chairman, much has been said in this debate as to the action of the Miami national convention of the Legion, and as to the resolution passed by that convention calling for the payment of the bonus.

It so happens that the present commander of the Alabama Department of the American Legion, Colonel Pritchard, of Birmingham, Ala., was on the committee that brought the resolution to the floor at the Miami convention.

Colonel Pritchard made a strong speech for the passage of the resolution, and the press gave him great credit for the adoption of the resolution. Colonel Pritchard is standing four-square today for the passage of the Vinson bill, because Colonel Pritchard knows just as I know, and just as you gentlemen know, that when this resolution was passed by the Miami convention the paramount, dominating thought in the minds of the delegates who supported it was not of any particular bill, but was to secure the payment of these adjusted-service certificates in the quickest, most feasible, and surest way; and there can be no doubt in my mind that the quickest, surest, and most feasible way to secure the payment of the bonus is by the passage by this House of the Vinson bill. [Applause.]

It has been reiterated so much on the floor that I hesitate to again call attention to the fact, but after all the gravamen of the proposition before us is that the Vinson bill carries but one proposition, and that is the payment of the bonus; whereas the Patman bill carries two propositions, the payment of the bonus and a fundamental change in our monetary policy.

Whenever the Patman bill has gone from here to the Senate—and we have sent it over there several times—it has always gone down to defeat, being able to marshal at the last session of Congress only 31 votes, and this was the largest number it ever marshaled in that body. If this House passes the Patman bill again, it will run into the same difficulty that it did last session, and the result in the end will be the same.

The bill will have to carry the burden not only of the payment of the certificates, but it will have to carry the additional burden of providing a fundamental change in our monetary policy. If we have to go upstream, and all of the cargo we want is in one boat, why assume the burden of rowing two boats up the stream, and yet that is what we do if we pass the Patman bill. On the floor of the Senate it will be said, as has been said here, that if we are to change the monetary policy of our Government, that change should come only after careful and due deliberation by the proper committees of the two Houses of Congress, and should not be tied in with one of the most highly political and controversial matters possible; namely, the payment of the bonus. If we pass the Patman bill, it will be said by every other group knocking here at the doors of Congress asking for money, "You paid the soldiers by inflation; why not go a little further and pay us in the self-same way", and these arguments will so weight down the Patman bill that it will go down to defeat just as it has always gone down to defeat every time in the past. Let us pass the Vinson bill, as it is the quickest, the surest, and the most feasible way to secure the payment of the bonus. [Applause.]

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. DOUGHTON. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN of Pennsylvania. Mr. Chairman, Congressman VINSON and Congressman PATMAN and Congressman ANDREW, and every other Congressman here who has sponsored and supported legislation which would benefit our ex-service men, are to be commended for the valuable services they have rendered in behalf of our soldiers. I am for the Patman bill, because I believe that bill, if enacted into law, will not saddle any more taxes on the unfortunate taxpayers. There is not any doubt that one or the other of these bills is going to pass. The thing we ought to do is to go over to the White House and convince our very progressive and humanitarian President that it is necessary to give our ex-service men what rightly belongs to them. If time would permit, I could paint a mental picture and prove to many Congressmen who are opposed to the bonus, that it is the duty of the Federal Government to pay those men who made the supreme sacrifice in behalf of their country. Many hundreds of men came back from France blinded, and there are many others who are now losing their sight. I know that those men who stood on the floor the day before yesterday, yesterday, and today, who have said they are opposed to any bonus are not speaking from the heart. I believe they mean well, but I know if they knew as much about the unfortunate ex-service men as I do, they would not hesitate for one moment to support a bill which would give to the unfortunate veterans what rightly belongs to them. I wish I had the opportunity to increase the amount to $1,000 for every veteran. That would not be too much to give those men who saved our Nation. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may care to use to the gentleman from Arkansas [Mr. MILLER].

Mr. MILLER. Mr. Chairman, I regret very much that discussion has arisen among the friends of veterans and veterans' legislation as to the particular bill that should be enacted to accomplish the payment of the balance due on the adjusted-service certificates. There does not seem to be any real justification for this quarrel, and in my opinion the cause has been materially injured as a result of the strife between the veterans' organizations. I am not a veteran and am not concerned with the fight between the officials of the various veterans' organizations, but I am concerned about the payment of this debt. I have, since becoming a Member of Congress and in my campaigns for election, consistently advocated this immediate payment. In all these years the rank and file of the veterans have advocated the passage of the Patman bill. No other bill has received any special consideration, and public sentiment has been crystallized in favor of the Patman bill. No one thought prior to the convening of this Congress that any serious consideration would be given any other bill; but something has happened which has produced this strife, and it is not for the best interest of the veteran, who is seeking and expecting the payment of this long-delayed debt.

Many arguments have been made in reference to and in support of the various bills. I feel sure of the sincerity of all who have engaged in this debate, and I entertain a high regard for all of them. Some have said that the Patman bill will be vetoed if passed. Others have said the Vinson bill will meet the same fate. The truth is—and we may proceed upon this assumption—either of the bills will be vetoed. We all know this, and it seems that it is not fair for anyone to argue for or against either bill on this ground. Neither should we aline ourselves in this fight with either side for purely personal reasons or in an effort to obtain any credit for ourselves in the adoption of any one of the bills, because before this balance is paid we will of necessity have to submerge personal opinions and efforts for personal advancement and join in a fight for the accomplishment of the desired end—the payment of this balance due on the certificates.

It seems to me that the economic conditions are such as to require this payment now. No one can deny that if this debt were paid now it would do much to relieve distress in the Nation. It would materially lighten the relief burden of the Government and place in circulation the much-needed additional money to revive business. With all deference to the learned arguments against the payment of this obligation now, no one has been able to show why it cannot safely be paid as contemplated in the Patman bill. It is a sufficient answer to the argument that the Government should not issue additional money to say the money to be issued under the Patman bill merely replaces an outstanding obligation of the Government and will not in any respect increase its obligations. Whereas, if we adopt the Vinson plan, the obligation of the Government will be increased, and a non-interest-bearing obligation will be substituted for an interest-bearing bond which will be tax exempt.

In the consideration of this question and in the determination of it I shall adopt the course that seems most certain to result in the immediate payment of this obligation, and one that will least injure the financial structure of the Government and compel it to use some of its resources now hoarded in the Treasury for the benefit of the rank and file of the veterans, and by so doing will aid the whole people by adding new life to our economic structure. The question cannot be solved upon any other basis.

Mr. DOUGHTON. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. Mr. Chairman, it so happens that I am a member of the American Legion in North Carolina, and in that great State it is no discredit. It also happens that I am in favor of the Vinson bill. I believe that this Congress is overwhelmingly in favor of passing a so-called "bonus bill", or a bill to pay the certificates now held by veterans. I believe in a majority of this Congress. The Ways and Means Committee, so ably presided over by my distinguished friend and fellow North Carolinian, Mr. DOUGHTON, has reported out the Vinson bill. I have great confidence in the Ways and Means Committee. That is a strong reason for my supporting the Vinson bill.

Then there is another reason why I am in favor of the Vinson bill. That is because it provides for the payment of these certificates in an orderly, normal, lawful way, the way the Government has always paid its obligations. That, to my mind, is a very strong reason why we should support the Vinson bill.

I shall not attempt to go into the details or attempt to present the arguments that have been presented here over and over again. I believe that almost every field has been covered. I think this House wants to pass this bill. I believe this House is ready now to vote on this bill as far as that is concerned. I know that the average service man who has proven his loyalty to this Government, who has proven his patriotism to this Government as no other class or group has done more nobly or at a greater sacrifice, is not deserving of the type of criticism that has been thrust at him here. They have been tested in the fire. They speak the will of the majority of the people when they say this obligation should be taken care of.

Then there is another piece of legislation that every service man in the United States and every good citizen in the United States would like to see passed. I would like to see it come to this floor immediately after this bill, if possible. That is the bill that would take the profit out of war and stop those cold-blooded monsters from planning to sell the blood of American manhood by the gallon for profit. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. BROWN].

Mr. BROWN of Michigan. Mr. Chairman, I have long felt that payment of the adjusted-service certificates in cash with reasonable interest from the end of the war to the date of payment is essentially just. I will not attempt to repeat the many arguments to that effect made here. But I have objected and still object to payment by printing-press money, to payment by inflation. My purpose here is to refer to past conditions to demonstrate the futility of the arguments of the inflationists.

At many times during the consideration of this bill, statements have been made upon the floor of the House that there is a definite relationship between the amount of money in circulation and the prosperity of the country. I want to give you a visual demonstration of just what has occurred in the past.

On this chart the figures on the left show the amount of millions of dollars in circulation, that means the amount of paper money, and the amount of silver and gold, when we had any gold. It will be noticed that in 1929 when the country experienced perhaps its most prosperous year we had approximately $5,000,000,000 in circulation. Today we have about $5,600,000,000. Roughly speaking, $3,500,000,000 of that is pocket money. The rest of the money is in the banks of the United States. It will be noticed in 1930 and 1931 the condition remained fairly static. In the late part of 1931 when we began to experience bank failures, in Chicago, particularly, the amount of money in circulation increased to $5,600,000,000. It remained at that same figure through 1932, but in 1933, when we experienced perhaps the darkest hour in our economic history, the amount of money in circulation increased until it reached the sum of $7,600,000,000, the highest the past 6 years, and probably the highest in our history.

Mr. PATMAN. Will the gentleman yield?

Mr. BROWN of Michigan. I yield.

Mr. PATMAN. Is it not a fact that demand deposits are just as essential as money, and demand deposits were going down all the time and have decreased over $7,000,000,000 in the last few years?

Mr. BROWN of Michigan. The amount of money in circulation is what I understand the gentleman claims to be the basis of prosperity?

Mr. PATMAN. Oh, no.

Mr. BROWN of Michigan. And the gentleman wants more money printed, so that we will have greater prosperity.

Mr. PATMAN. Oh, no; not necessarily. We want money put into circulation to take the place of canceled deposits.

Mr. BROWN of Michigan. I decline to yield further.

Look through the RECORD of the past few days and it will be apparent that the advocates of the Patman bill claim that the cause of the depression is lack of money. I am mindful of the functions of credit money and cash money. Credit money exists today in plentiful condition. Interest rates are low. It is not a lack of money, either credit or cash, that disturbs us today. But to return to the argument. The amount of money in circulation in January and February of 1933 increased to $7,600,000,000. This was the close of the Hoover administration.

What was the purpose of this great increase? The purpose was to take care of the demands of the public for money; yet people say that we do not now have an elastic currency system, although when we needed money we were able to get it under the present system. Just as soon as President Roosevelt, in March of 1933, assured the people upon the reopening of the banks that they could get their money at the banks when they needed it, money in circulation went steadily down until in July of 1933 it reached what might be called a normal condition. In 1935, at the present time, the amount of money in circulation is only $600,000,000 greater than it was at the end of 1929, before we felt the effect of the depression.

What does this demonstrate? It demonstrates, first, that there is no relationship between the amount of money in circulation and the prosperity of the country. It demonstrates further that the bankers of this country have not engaged in the pyramiding of paper money. The increase in the amount of outstanding bonds from 1929 to the present time is, roughly speaking, $10,000,000,000, but the amount of money in circulation is only $600,000,000 greater. This does not show, Mr. Chairman, as has been repeatedly contended on this floor, that the bankers have engaged in the policy of purchasing the bonds of the Government and immediately taking them back to the Treasury and getting more paper money printed, thus pyramiding profits; it demonstrates that they have loaned this money to the Government out of the credit of the people of the United States in the banks of the country. What we now need is not an expansion of the currency but a loosening of credit, a restoration of confidence. Bank loans are at a low ebb. Rediscounts in the Federal Reserve banks are at a low ebb. There is plenty of money and credit for the needs of business and ample means are provided for both currency and credit when needed. People with money are not loaning it for industry and commerce. What is needed is a removal of fear that money now loaned will be or may be repaid with a depreciated currency. In my humble judgment, when that fear is removed by the defeat of inflationary bills and plans industry will be restored to its normal condition. So, Mr. Chairman, I am for the Vinson bill, which will pay the just debt we owe the soldiers without a dangerous venture into the field of inflation, which history demonstrates has been fatal in the past.

Mr. TREADWAY. Mr. Chairman, I yield 8 minutes to the gentleman from Iowa [Mr. GILCHRIST].

Mr. GILCHRIST. Much has been said here during this debate about promises that are outstanding, promises, perhaps, to support the administration, promises made to the country about this thing or that thing. Mr. Chairman, I remember promises that we made way back in 1917, when bands were playing and when troopships were upon the tide; and how you Members of Congress went about promising by all that was holy that you would see that the boys were taken care of when they came back, if, perchance, they came back at all. I made those promises; nothing was too good for them then; and, Mr. Chairman, I expect to redeem those pledges here this afternoon in this vote—promises that were as sacred as any I ever made or as you ever made. [Applause.] Many of those boys did not come back, and those promises are now inviolable and consecrated in a realm where it is beyond the power of mortal man to retract or modify or amend them.

What would have happened to those who are now fearful of the expenditure of this money, or of the cost in money or property it will require to pay this adjusted compensation if the war had failed? What would have happened to the owners of all this money, of all this property if, indeed, Germany had been successful and if she had sailed her war vessels into New York Harbor? Where, then, would these friends be with their property? What would they be doing this afternoon? It is said here this afternoon that the American soldier has received more than any other soldier. I do not regard it as so. I have facts, figures, and statistics at hand which will show that insofar as pensions are concerned, those of our soldiers who are permanently and totally disabled are not getting as much as are the soldiers of other countries who were totally and permanently disabled, when we take into consideration the wages that are being paid in other countries as compared with the wages that are paid in the highly skilled crafts in this country, and when we take into consideration the conditions that surround us here as compared with England or Europe. The theory of this bill is to recompense the soldier for what he has lost. In some respects, foreign countries do more than we do for disabled veterans.

I ask unanimous consent, Mr. Chairman, to insert these figures in the RECORD as part of the extension of my remarks, and also to extend my remarks by incorporating in the RECORD the amount of money which will go into every county in my district if this bill is passed.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GILCHRIST. Something has been said about patriotism. Why, the rich and the poor alike went over to France together. I glory in that. I say that the poor and the rich alike ought to be treated the same with respect to this bill. Property interests have no right to say that there is no obligation to soldiers. Those who cry about patriotism have duties to perform and obligations to pay. No man is patriotic if he refuses fair treatment to his protectors. It is the part of patriotism today to see that those who defended us in time of stress are recompensed for baring their breasts, for the loss of their time, and for the loss of health which came to them because of their patriotic impulses.

I do not agree to any argument here which seeks to array the rich against the poor. When we are talking about patriotic impulses let us be honest and fair about it.

A few moments ago the gentleman from Michigan [Mr. BROWN], who preceded me, presented charts and said something about the amount of money that was outstanding at certain times in order to try to prove that there is nothing in the argument that when there is a lot of money in the country times are good. All he did was to show that this money was outside of the Treasury. Where was it? Why, it was hiding in the safety-deposit boxes of the country. The money was not in circulation. But, Mr. Chairman, the money which goes to pay the bonus under this bill will go immediately into circulation. [Applause.] It will go exactly where it belongs, into the hands of the American people; it will go into the kitchens and parlors of the little and the lowly; it will be spread throughout the entire land, and it will add to the comfort and prosperity of the whole country.

Another thought, Mr. Chairman. I have heard something about the convention of the veterans at Miami. Why, do not you know that at that time the Patman bill was synonymous with bonus legislation? There was no other bonus bill before the country. When we heard any talk about adjusted compensation we instinctively and automatically believed that we were listening to talk about the Patman bill. So then it must be true that any resolutions passed at Miami must have referred to and could alone have referred to the thing that was then before the country, namely, the Patman bill. And the Patman bill is a better bill today than it was

in the previous Congress. It does not allow unsafe or uncontrolled expansion. The machinery is present so that the Treasury can control the currency that may be outside of the Treasury, and we may feel reasonably assured that no abuses will be allowed on that score.

But why should we issue any more tax-free interest-bearing bonds? I am against all further immunities, exemptions, and privileges of this sort. There is no reason why we should pay out $75,000,000 more in interest every year. Let us stop it! Isn't it true that taxation is already high enough? There are about 8 tons of gold laying in the basement of the Treasury Building at the west end of the Avenue out here. It is not being used. For practical purposes it might as well be 8 tons of pig iron. Surely it would be safe to issue currency against this gold up to one-twentieth of its value, and that is about all this bill requires. The usual banking rule would allow us to issue three times its value. One-twentieth of its value ought to be safe enough, don't you think? And $75,000,000 a year would build a lot of farm-to-market roads, wouldn't it? Let us save some of these coupons for ourselves.

I am going to keep the promise I made to those boys; I am not going to forget that when the time comes to vote on this measure. Do you ladies and gentlemen remember what Rudyard Kipling said in his poem called "Tommy"?

O, it's Tommy this, an' Tommy that, an' "Tommy, go away";
But it's "Thank you, Mister Atkins", when the band begins to play,
The band begins to play, my boys, the band begins to play,
O it's "Thank you, Mister Atkins", when the band begins to play.

And the time may come—God forbid—when the band may play again in this country; the time may come when again the troopship will be upon the tide.

For it's Tommy this, an' Tommy that, an' "Tommy, wait outside";
But it's "Special train for Atkins" when the trooper's on the tide,
The troopship's on the tide, my boys, the troopship's on the tide,
O it's "Special train for Atkins" when the trooper's on the tide.

For it's Tommy this, an' Tommy that, an "Chuck him out, the brute!"
But it's "savior of his country" when the guns begin to shoot;
Yes, it's Tommy this, an' Tommy that, an' anything you please;
But Tommy ain't a bloomin' fool—you can bet that Tommy sees!

In our duty to these soldiers, the time has come to vote. Call it an adjusted compensation or what not. It is not for me to say what will become of the bill after it leaves this hall; it is not for me to discover what is in the future. I will do my duty now. I may never have another chance to do it with respect to the bonus bill. If the Senate amends it, or if the President in his wisdom decides it is not the proper bill, then that responsibility is not on me. But I am going to keep my promises here and now. [Applause.]

The following is a statement of the amounts that will be paid into the counties of the Eighth Congressional District of Iowa. These payments will go into the hands of the common people and increase their buying power and tend toward the redemption of the whole country.

Boone	$496,582.52
Calhoun	298,668.83
Carroll	378,760.59
Crawford	356,740.02
Emmet	218,102.04
Greene	280,397.52
Hamilton	355,891.77
Hancock	251,115.93
Humboldt	223,971.93
Kossuth	431,793.18
Palo Alto	261,227.07
Pocahontas	266,129.96
Webster	685,810.13
Winnebago	222,971.00
	4,728,162.49

Under leave to extend I call attention to an article written by Mr. Frank Miles and appearing in the Iowa Legionnaire last May, from which it appears that the totally disabled American war veteran receives less consideration from his Government than does the veteran of many European countries, provided that comparisons are made against the backgrounds of those countries, the cost of living in each country, and the average wage paid both skilled and unskilled workers.

Belgium: In Belgium the 100-percent disabled single veteran gets 176 percent as much compensation from his government as an unskilled worker draws wages

In the United States a similar veteran (the $100 a month total and permanent service-connected disabled man, single) receives only 78 percent of an average unskilled worker's wage. The Belgian, therefore, is twice as well off as his American comrade, and the proportion increases if the Belgian is married and has two children.

Compared with the wages paid to skilled workers, the Belgian veteran is three times better off than the American if both of them are single, and the Belgian is a fraction less than three times better off if both of them are heads of families.

Bulgaria: In Bulgaria the single 100-percent disabled veteran is 42 percent better off than the American veteran of the same category. If the Bulgarian is married, he is still 26 percent ahead of the American as compared with the average wage of the unskilled worker. Compared with the average skilled worker, he is 18 percent better off than the American, if single, and 10 percent better off if the head of a family.

Great Britain: Great Britain pays its 100-percent disabled single veteran 70 percent of the average wage of an unskilled worker, or 8 percent less than does the United States Government; but if the man is married, he gets 18 percent more than the American. Compared with the wage of the average skilled worker, he is 11 percent better off than the American if single and 33 percent if the head of a family.

France: In France the single disabled veteran gets 82 percent of the average worker's wage, and consequently is 4 percent better off than his American comrade. If he is the head of a family, the proportion, as compared with the unskilled worker, is 11 percent in favor of the Frenchman Comparisons with the skilled worker's wage show that the Frenchman is 11 percent better off than the American if he is single and 18 percent better off if he is the head of a family.

Germany: In Germany the veteran receives 65 percent as much as an unskilled worker, or 13 percent less than the American veteran; but if the German veteran is married and has two children, he receives 2 percent more than the American in the same category. The German single veteran receives 63 percent of the skilled worker's wage, while the American of the same category receives only 42 percent. If the German is married and has two children, he gets 94 percent of the skilled worker's wage, while the American gets 50 percent of the American skilled worker's wage Only in one instance does the American veteran actually receive more than does the war-pensioned German, and this is when he might have been an unskilled single worker.

Poland: Poland pays its single disabled veteran 74 percent of an average unskilled worker's wage, which is 4 percent less than does the United States Government. If that veteran is married, however, he gets 14 percent more than does his American comrade. Compared with the wage of the skilled worker, the single American veteran is 5 percent better off than his Polish comrade but in case of marriage the Pole is 4 percent better off than the American.

Italy: In Italy the single disabled veteran receives 64 percent of the average unskilled worker's wage and if he is married, 71 percent. This is 14 percent less if single, and 23 percent if married, better off than the American. However, when we compare the Italian pensions with the wage of the skilled worker, we find that the Italian veteran is 4 percent better off than the single American veteran and is on an equal basis if he is married.

Austria: In Austria a single disabled veteran gets 59 percent of the average wage of an unskilled worker. This is 19 percent less than the single American disabled veteran. If the Austrian is married and has two children, the American veteran in the same category is better off. However, if we compare these with the wage of the skilled workers in each country, we find that the Austrian is 1 percent better off if he is either single or married.

Summary: The American totally disabled service-connected veteran has a clear advantage only over the Czechoslovak veteran, who receives 28, 24, 9, and 10 percent in four different categories respectively less than his American brothers, when the average wage paid in the two countries to skilled and unskilled workers is considered.

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. COOPER].

Mr. COOPER of Ohio. Mr. Chairman, it is not my purpose at this time to discuss the merits or the demerits of the Vinson or Patman bills, which are now before the House for consideration. I want to reminisce for a few moments.

I am one of the few Members of this House at the present time who was a Member of the war Congress in 1917. How well do I remember, I believe it was on the 2d day of April 1917 when the President of the United States, escorted by a troop of cavalry from Fort Myer, came to this House and addressed a joint session of the Congress, requesting that we declare war against the Imperial Government of Germany. Then on the 5th day of April, if my memory serves me right, the House met at 10 o'clock in the morning to dis-

cuss the war resolution, which was passed around 2:30 a. m. the next day.

Mr. Chairman, that was the most momentous day of my life. I saw big, strong men, Members of this House, stand here in the well with tears running down their cheeks and with hearts full of emotion. We knew what war meant. We knew that this declaration of war meant the shedding of blood, the breaking up of homes. We knew it meant misery and suffering to millions of American people, and I know what the Members of the House at that time had to say about the boys who would be called for service following the passage of the draft law, which came a few days later. We passed the draft law which inducted our young men into the service.

Ah, there was nothing too good for America's sons at that time. I remember that summer during the hot August days, when the temperature was away over 100 in the shade, our sons came up from the training camps of the South. They were unloaded from the trains down here in the freight yard. We saw thousands of them march across the Plaza in front of this Capitol, loaded with their full war material and equipment, with the sweat running down their faces, carrying that terrific load to take the train for embarkation to a foreign land. And, oh, how the people stood out there on the sidewalks by the thousands with flags and said, "God bless you; boys, we will remember you when you come back."

All of them did not come back. All that remains of some of them is now sleeping in Flanders field, where the poppies grow and the larks sing high in the heavens. Then again there were many thousands of them who did come back, not as they went away but wounded, crippled, blind, and maimed. I do not believe that there is any service that our great Government can render which will compensate these boys for the losses they suffered and for the sacrifices they made. [Applause.]

It came home to some of us. It came very forcibly to some of us who had sons who went over to the other side. But I am not standing up here demagoging today.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. COOPER of Ohio. Mr. Chairman, there is some sentiment connected to this question as far as I am concerned. I voted against the adoption of the adjusted-service compensation bill a year ago; but I was following the President of the United States at that time, because there was a fear sweeping from one end of this country to the other that the passage of that bonus bill would lead to inflation. However, within the last 2 years, if we take into consideration the $4,880,000,000 bill now before the Senate and which will become a law in a few days, and the $6,000,000,000 bill passed previously, we have appropriated over $10,000,000,000, and I do not believe that paying the veterans their adjusted-service compensation is going to hasten inflation in our country. I think we might as well pay it to them now as a little later. It creates no new obligation. If any, it is only a small new obligation. And today when thousands—in fact, tens of thousands of veterans of the World War are suffering, have no employment, and their families are in want of food and clothing, let us pay them the adjusted-service compensation, even if we have to do it 10 years before it is actually due. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I was not one of those who was blessed with the opportunity of going to the front or of carrying a gun, knapsack, and the other equipment of war. It fell to my lot to work in the fields and the factories while the great conflict was on. As the members of the committee know, I am a new Member, but I did not reach my conclusions with reference to the payment of this bonus after I entered politics.

For years, while engaged in business, I advocated the payment in cash of the compensation certificates. Before entering the race for the Congress I stated emphatically that I was in favor of the payment of the certificates under such a plan as the Legion, with a united front, might present. I stated publicly I believed the good common sense and judgment of the Legion was such that whatever the condition of the country might be the plan as they presented it or as modified to meet changed conditions occurring before final passage of an act, would be entirely acceptable to me.

This is the only position I have ever taken. As one who did not engage in war activities, I have always been willing, and I am willing today, to be assessed for whatever taxes may be my share to meet such payments as this House may vote for the veterans of the World War, in the form of cash payment, to cover their service certificates.

I am in favor of voting taxes on individuals, business corporations, partnerships, or other business transactions for the purpose of meeting this obligation now. I consider it a debt which we owe the soldiers as much as I would salary or wages owed to me at any time. If this is a debt and we intend to pay it now or later, how can we be in favor of making the payment and at the same time opposed to raising the money through taxation necessary to meet the payment?

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. McFARLANE. Is the gentleman now advocating any particular kind of new taxes to be levied to pay this indebtedness to the soldier?

Mr. CRAWFORD. I think that if the benefits are to come to this country from the payment of this bonus, as have been indicated might come to us, that while these benefits are flowing, the country should assume the taxation responsibility and meet the issue at the time the benefits flow.

I am also in favor at this time of letting the sting of taxation touch the shoulders of our people to the end that we now begin to economize, to the end that we now begin to meet this indebtedness that we are building up, rather than pass this staggering financial burden on to the children that are now born and to the unborn children of our country that are to come hereafter. Why should we shackle our children in order to pay the debts we are willing to create but unwilling to pay ourselves? What do we gain by following such a policy and building up our estates to leave to them and then to be taken away from them in the payment of such debts?

Mr. McFARLANE. Mr. Chairman, will the gentleman again yield?

Mr. CRAWFORD. I yield.

Mr. McFARLANE. What particular tax measure does the gentleman have in mind that he would advocate and vote for at this time to pay this indebtedness?

Mr. CRAWFORD. I am in favor of assessing income and excess-profits taxes, excise and luxury taxes, at this time, in this session of Congress, for the purpose of starting to pay the indebtedness which this country owes, and to begin paying some of the new debts we are creating.

Mr. McFARLANE. The gentleman during this session of Congress has not heard of any such plan from the Ways and Means Committee or anyone else here, advocating raising more taxes for payment of this indebtedness, except a bond issue under the Vinson bill.

Mr. CRAWFORD. I have no idea what the Ways and Means Committee may recommend. I am simply stating my own personal opinion.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. SHORT. There is no provision in the Vinson bill which would prohibit the President from paying the so-called "bonus" in the manner that the Patman bill provides.

Mr. CRAWFORD. I do not know of any such provision.

Mr. McFARLANE. There is no authorization of law by which the Vinson bill under existing law could be paid through the issuance of new currency, and there is no existing law under which it could be paid now, and I challenge the gentleman to cite such a law.

Mr. SHORT. Senator ADAMS, of Colorado, thinks that the appropriation of $4,880,000,000 in the present public-works-relief bill should be reduced by $2,000,000,000, while Senator

BYRD would reduce it to $1,880,000,000. If the President gets this $4,880,000,000 he could use some of that appropriation to pay this bonus.

[Here the gavel fell.]

Mr. TREADWAY. A new and possibly appealing argument can be made in connection with the bonus question which could not have been used previously. It is this:

Billions are being expended so recklessly, foolishly, and wastefully, why not distribute two or three more among the veterans?

Having been a member of the Ways and Means Committee since the period of the World War, it may not be out of place for me to give a brief and impartial résumé of the movement for additional compensation for the service men.

No one has ever argued that satisfactory compensation could be made to veterans in dollars and cents. Whatever the scale of wages or compensation may have been, the actual payment to those men was in the appreciation of a grateful Nation, not to be measured by the dollar sign.

In the minority views opposing the adoption of the Adjusted Compensation Act in 1924, in which three of my colleagues on the committee concurred, I said:

If it be argued that the veterans are entitled, as a matter of right, to some form of pecuniary recognition for having defended their country in time of national danger, we believe that we are voicing the sentiment of a majority, and certainly a very strong minority of the service men themselves, in stating such a principle to be unsound. We are in complete accord with our colleagues in favoring every proper measure which will be beneficial to the needy, the sick, the wounded veterans, and their families or widows; and experience has already shown how great a financial obligation their proper care will entail—an obligation which, however, we know will be gladly borne by all of our people. But we cannot agree to the justice or wisdom of increasing this burden for the benefit of those who are in the prime of their manhood, the physical pick of the Nation, by the payment of a reward which must necessarily be hopelessly inadequate for the services rendered. Indeed, the only adequate reward is one which is theirs already—the consciousness of duty gloriously performed and the knowledge of the gratitude and respect universally accorded them by their fellow countrymen.

But let me proceed with the résumé.

The agitation for adjusted pay for veterans of the World War began shortly after the armistice. Many different plans were offered, and, finally, on May 21, 1920, the Ways and Means Committee reported out a bill providing for optional compensation under one of five alternative plans. These were:

First. To receive adjusted-service pay on the basis of $1 a day for home service and $1.25 a day for overseas service, with a maximum limit of $500 and $625, respectively.

Second. To receive an adjusted-service certificate payable in 20 years in an amount equal to the adjusted-service credit, increased by 40 percent, with interest compounded at the rate of 4½ percent.

Third. To receive a course in vocational training based on the amount of the adjusted-service credit increased by 40 percent.

Fourth. To receive farm or home aid in an amount equal to the adjusted-service credit increased by 40 percent.

Fifth. To receive land-settlement aid, using the adjusted-service credit as an initial payment.

This measure followed the general plan of a bill sponsored by the American Legion, which was introduced by Chairman Fordney at their request. It passed the House on May 29, 1920, and although it was reported to the Senate, it was not acted upon by that body prior to the final adjournment of the Sixty-sixth Congress.

In the Sixty-seventh Congress, a similar bill was reported to the House, but the cash payment of adjusted-service compensation was limited to amounts of $50 or less, in view of the representations of the Treasury Department opposing further bond issues or increased taxation to meet the large cash outlay involved. A change also was made in the method of computing the face value of the adjusted-service certificates. Instead of increasing the basic credit by 40 percent, it was increased by 25 percent.

This measure passed both Houses of Congress but was vetoed by President Harding. The House then passed the bill over the veto, but the Senate sustained it, and the measure was killed.

In the Sixty-eighth Congress the Committee on Ways and Means reported out a bill which discarded the optional plans of the previous bills and provided for a single method of adjustment, namely, the issuance of an adjusted-service certificate on virtually the same basis as had been proposed in the previous Congress. This measure passed both the House and Senate, was vetoed by President Coolidge, and was then repassed in both bodies over the veto. It became a law on May 19, 1924.

At this point I wish to quote a brief extract from President Coolidge's veto message, as it was one of the strongest veto messages in the history of our Government. President Coolidge said in concluding:

America entered the World War with a higher purpose than to secure material gain. Not greed but duty was the impelling motive. Our veterans as a whole responded to that motive. They are not asking as a whole, they do not want as a whole, any money recompense. Those who do seek a money recompense for the most part, of course, prefer an immediate cash payment. We must either abandon our theory of patriotism or abandon this bill. Patriotism which is bought and paid for is not patriotism.

[Applause.]

Our country has maintained the principle that our Government is established for something higher and finer than to permit those who are charged with the responsibility of office, or any class whose favor they might seek, to get what they can out of it. Service to our country in time of war means sacrifice. It is for that reason alone that we honor and revere it. To attempt to make a money payment out of the earnings of the people to those who are physically well and financially able is to abandon one of our most cherished American ideals. The property of the people belongs to the people. To take it from them by taxation cannot be justified except by urgent public necessity. Unless this principle be recognized, our country is no longer secure, our people no longer free. This bill would condemn those who are weak to turn over a part of their earnings to those who are strong. Our country cannot afford it. The veterans as a whole do not want it. All our American principles are opposed to it. There is no moral justification for it.

As finally enacted, the adjusted-compensation act provided for adjusted pay for veterans of the World War in an amount equal to $1 a day for home service and $1.25 a day for foreign service, with maximum limits of $500 and $625, respectively. However, it did not provide for the payment of the amount in cash. Instead, there was to be issued to the veteran an adjusted-service certificate, payable in 20 years, based on the amount of the adjusted-service credit, increased by 25 percent on account of the deferred payment, plus 4-percent compound interest. By this process the maturity value of the certificate was increased to approximately two and one-half times the amount of the basic adjusted pay.

It was provided that each certificate should have a loan value approximately equal to the reserve accumulated for its payment at maturity. In cases where the veteran died before the certificate matured, provision was made for the payment of its full face value to his estate.

In effect, therefore, Congress gave the veteran a paid-up 20-year-endowment policy, based upon the amount of insurance which the adjusted-service credit, increased by 25 percent, would buy at his age. An annual sinking fund of $112,000,000 was set up in order to provide reserves for the payment of the certificates at maturity and any intervening death losses. At the present time there is $1,354,000,000 in this fund.

The underlying reason for the certificate plan, rather than cash payment, was that the Treasury Department did not see how it could raise the necessary money in view of the tremendous public debt at that time and the already burdensome taxes. At the present time conditions are even worse, since the public debt is several billions greater than it was then and taxes equally as high.

Ever since the original legislation was enacted in 1924 a concerted effort has been made to force the immediate cash payment of these certificates, which are by their own terms not due until 1945. In 1931 the Committee on Ways and Means held extensive hearings on some 44 bills proposing cash payment in one form or another. The various plans included immediate payment of the maturity value of the

certificates, immediate payment of the cash surrender value, immediate payment of the basic credit plus compound interest from 1918, and so on.

As a result of this agitation during the Seventy-first Congress, the Ways and Means Committee reported out a bill increasing the loan value of the certificates to 50 percent of their face value. At that time the actual loan value of the average certificate was 22½ percent. The bill also reduced the interest rate on loans to 4½ percent. It was passed by both Houses, and, although vetoed by President Hoover, was repassed over the veto and became a law.

In the Seventy-second Congress further extensive hearings were held on bills proposing immediate payment of the adjusted-service certificates. At that time the country was in the midst of the depression, and a majority of the Ways and Means Committee voted to make adverse reports on all such bills. Not to be outdone, the bonus advocates brought the Patman bill (H. R. 7726) before the House for a vote by means of a discharge petition directed to a resolution then pending in the Rules Committee making consideration of the bill in order. The House passed the Patman bill providing for immediate cash payment, but it failed of enactment in the Senate by a vote of 18 ayes to 62 noes.

Although a cash-payment bill was not enacted, Congress did pass a measure reducing the interest on loans to 3½ percent.

In the Seventy-third Congress the Committee on Ways and Means was so busily engaged in the consideration of measures sponsored by the President that it had no opportunity to consider the many bills before it providing for cash payment of the bonus. Nevertheless the bonus advocates succeeded in bringing the issue before the House again by means of a discharge petition, discharging the Ways and Means Committee from the further consideration of H. R. 1, introduced by Mr. PATMAN. I have always strongly opposed this method of legislating, particularly when a committee has its hands full with other matters. It not only is a slap at the committee but it is not orderly procedure, since it brings legislation before the House without benefit of committee consideration.

The House passed the Patman bill for immediate cash payment of the bonus, only to have it die in the Senate where it was adversely reported by the Committee on Finance.

The issue is now before the House again, this time as the result of the action of the Ways and Means Committee in reporting out the Vinson bill providing for the immediate cash payment of the maturity value of the certificates, leaving the method of financing the necessary expenditure up to the Treasury.

The bill is being considered under a special rule making in order the substitution of other plans for payment, including the Patman bill, which ties up with the bonus the issue of currency inflation, and the Andrews-Tydings plan, which in effect would allow the veteran the option of exchanging his certificate for a negotiable bond, which could be discounted for an amount slightly in excess of the present value of the certificates.

It will be recalled that the original Adjusted Compensation Act was passed at a time when the country was just recovering from the effects of the war. Relief was being sought from the tremendous burden of taxation; efforts were being made to reduce the public debt, which had risen to the then unprecedented figure of $26,000,000,000; and the strictest economy was being practiced under the leadership of President Coolidge.

I have always been a consistent advocate of economy, and I am strongly opposed to the extravagances of the present Democratic administration. The argument that the bonus should be paid now since billions of dollars are being squandered in other directions does not particularly appeal to me. Many extravagances do not justify an additional one. In fact, they bolster the argument for better supervision of expenditures.

The Vinson and Patman bills provide for the immediate payment of the 1945 value of the certificates, which includes 10 years' unearned interest. The payment of anything more than the cash surrender value of these certificates can no more be justified than the immediate payment of the maturity value of the baby bonds now being sold at a discount by the Treasury. The face value of these bonds, just like the face value of the adjusted-service certificates, includes unearned interest over a period of years.

In addition, the Patman bill is open to the objection that it provides for currency inflation, to which I am unalterably opposed for any purpose.

This much may be said in favor of the present adjustment of the bonus question along the lines of the Tydings-Andrews plan:

The subject has been before Congress for nearly 15 years in one form or another. It has consumed hours of debate, hundreds of pages of the RECORD, and thousands of pages of stenographers' notes. It has been used as an argument in every political campaign. There has been wide disagreement as to the merits of the claim.

I therefore feel that if a fair method of settlement of this matter can be found—and when I say "fair" I mean fair to the veterans and taxpayers alike—I am disposed to favor it. The Tydings bill is the nearest approximation to my views.

I think the House is fairly familiar with the details of this method of payment. Veterans would be permitted to surrender their certificates to the Administrator of Veterans' Affairs and receive in exchange therefor a negotiable coupon bond, which could be sold on the market for cash. The amount of the bond would be determined by discounting the face value of the adjusted-service certificate at the rate of 3-percent interest, compounded semiannually, from January 1, 1945, back to the present time. From this amount there would be deducted any unpaid loans and interest. A bond would then be issued to the veteran in the amount thus determined, less the amount paid to the veteran in cash, to bring the face amount of the bond down to the highest multiple of $50. This bond would have attached to it interest coupons bearing interest at the rate of 3 percent per annum, to be detached and cashed by the holder when due.

Upon receipt of the bond the veteran could turn it into cash at once by selling it on the open market just like any other bond. He would receive the face value of the bond, which is substantially the present value of his adjusted-service certificate.

In this way the obligation of the Government would mature in 1945, just as it would under the original bonus certificates. The only difference in the contract is that the veteran's nonnegotiable certificate is changed into a negotiable bond, and he is enabled to cash it for its present value if he so desires.

At the proper time I shall offer a motion to recommit the pending bill to the Committee on Ways and Means with instructions to report the same back to the House forthwith with an amendment striking out all after the enacting clause and inserting in lieu thereof the provisions of the Tydings bill, which is known as "S. 2277." [Applause.]

Mr. Chairman, I yield to the gentleman from North Carolina [Mr. DOUGHTON] the balance of my time, to be used as he may see fit.

Mr. DOUGHTON. Mr. Chairman, I yield 3 minutes to the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Chairman, I should like to contribute some views on the money question which, if they are not novel, I think at least are not worn threadbare; but it is very obvious that no thorough presentation can be undertaken at this time.

There is no real question before the Committee about the payment of the bonus. I think it is overwhelmingly the will of the House that it shall be paid. The real issue is how it shall be paid and that issue, in my judgment, presents a question which far transcends in importance the payment of even such a stupendous sum as $2,000,000,000.

This question is money versus bonds. So far as I am concerned, my vote on this question was predetermined many years before the occasion of the vote ever arose, and that vote, in accordance with my life views on this issue, must be for more money instead of more bonds. [Applause.]

I wish I had time to say something here about the berated greenbacks, the rag baby of the Civil War. Just two things won the Civil War in this country—men and greenbacks. During the Civil War this country had no gold. It had no credit. It received no foreign loans. Some gentleman yesterday pointed out as one of the horrible examples of inflation the greenback of the Civil War, but he did not tell you that the Government wrote an exception clause on the back of that greenback, repudiating its own money and declaring that "This shall be legal tender for all debts, public and private, except interest on the public debt and duties on imports." It also took away from the greenback the bond exchange privileges, and yet notwithstanding this repudiation, notwithstanding this discrimination, at the time of the Battle of Gettysburg, in that great crisis of the Civil War, the greenback was worth 70 cents on the dollar in gold.

It is claimed for the Vinson bill that it permits of payment in the customary way, the orthodox way. This was the consideration which determined its recommendation by a majority of the committee.

No explanation was required, none was necessary, to define payment in the customary way, the orthodox way. Everybody understood that it meant a shorter and uglier term, everybody understood that it meant bonds.

Everybody also understood that these bonds must be serviced, and that serviced means something like $75,000,000 of annual new taxes; so when we reduce a financing transaction in the orthodox way, which must be serviced, to common English, we get tax-exempt, interest-bearing bonds, paid by taxes.

The objection to the Patman bill is that it is inflationary. Inflation is the most fearsome term in the lexicon of finance. A term so formidable, so devastating, and so commonly used, ought to have an exact definition. A leading proponent of the Vinson bill before the Committee on Ways and Means, said he did not know what inflation meant. It is all very simple. Inflation is defined by the school of sound money as any addition to the volume of money in circulation at its lowest ebb.

Money has the peculiar and distinguishing quality of being the only factor in the entire economic structure which must be fixed and static in quantity. Population may increase, production may vary, supply and demand may fluctuate, prices may slide up and down like mercury in the glass, wars may come, and the seasons may play hob with the plans of men, but the volume of money must be as changeless as the laws of the Medes and Persians.

This law of sound money is subject to only one exception. If there is to be any change in the volume of money, it must be by way of contraction. Contraction, it is true, brings on the liquidation and the fall in prices which spell panic and depression. But this only makes the money all the sounder. In a panic, money is always at its soundest. So long as the same disastrous result of panic and poverty is not arrived at by an expansion of the currency, by a vitiation of its quality, we still have beneath the wreckage of the economic structure the sure and safe foundation of sound money upon which to build again.

I am referring now to what I may term "money which is more or less real." This kind of money is repeatedly estimated to approximate five and one-half billion dollars, including all the currency which has disappeared in any way since the Civil War. It is now made up of Federal Reserve notes backed to 35 or 40 percent by irredeemable gold certificates, by national-bank notes backed by bonds, by greenbacks backed in part by gold, and by silver certificates backed by silver dollars. I will assume that this is sound money. This is the money to expand which, to add to which constitutes inflation; and inflation, in the recent language of a financial writer, is a "terrible horror" to the sound-money mind. At all cost and at all hazards, by the eternal, sound money must and shall be preserved.

I come now, however, to a field of finance which bears the same proportional relation to sound money in the matter of volume that the 10-story holding-company structure bears to the operating-company foundation upon which it rests, except that this new financial structure does not rest upon any such firm foundation. I refer to "synthetic money", I refer to bank-check money, I refer to money which is created merely by entries on bank books, representing debt.

When the bubble burst in 1929 there is said to have been about twenty-two billion of this synthetic money in existence. It was demand deposits in banks. All told there was about sixty billion of demand and time deposits in banks when the bubble burst. And in the banks there was less than $1,000,000,000 of what we think of as real money, or less than 2 cents on the dollar. A bank could issue $10 upon a deposit of $1 without having the dollar. It did not have the dollar in 1929. Instead of 10 cents behind the synthetic dollar, it had less than 2 cents. This kind of money to the amount of twenty-two billion was the basis of the synthetic money system, and the real circulating medium. So-called "real money" did less than 10 percent of business.

There was no gold in either the banks or the Treasury, no lawful money in the realm, with which to sustain this vast volume of synthetic money. It was built on confidence, and as confidence flew out the window synthetic money ran out the door, leaving a ruin in its wake nearly as great as that which overtook Germany and vastly worse than the consequences to France of an 80-percent reduction of the gold content of the franc, whereby she paid her domestic debts in 20-cent dollars. This 20-cent dollar is now the technical standard unit of value and money of theoretical redemption in that country.

A shrinkage of $8,000,000,000 in the volume of this synthetic money, due to the losses of the depression, is claimed by many students of finance to be at the bottom of the persistence of the depression. The velocity, they say, is still there, but the volume is gone.

It is a fixed characteristic of the sound-money mind that it can look sixty billion of unsecured bank deposits, thirty billion of bonded indebtedness, and twenty-two billion of synthetic money in the face and never bat an eye; but propose any increase, any expansion, in the volume of what the lay mind considers real money, and the sound-money mind is seized with panic.

And it matters not what in the way of values there may be behind an expansion of the currency. We boast that there is $1.50 worth of gold and silver in the Treasury for every dollar of currency of all kinds in existence. I have heard this boast made in the highest quarters. But a proposal to issue any additional currency is nevertheless inflationary. If there were $2 behind it, it would be the same. If it were proposed to put this eight-billion-and-odd of gold now in the Treasury out as dollars, the sound-money mind would see the temple of finance crashing in ruins. To the men of finance, then, it is not merely a question of the kind or the intrinsic value of the proposed expansion; it is the question of expansion per se. They would be just as much opposed to a billion of new gold money as to a billion of new paper. They are opposed not merely to new money, but to any money. They deal in credit.

Some of us recall the speculation that sprang up in financial circles regarding the possible need of demonetizing gold ensuing the great gold discoveries in the Klondike, in South Africa, and in the United States in the last nineties. They feared it would become too plentiful and too cheap, and God save us from cheap money, even gold.

The same thing applies to silver. It is not a question of the intrinsic value of silver. I want to drive this home. If I could get over but a single thought on the age-long controversy over the remonetization of silver, it would be that the sound-money school would be just as much opposed to the remonetization of silver if its market value was $1.29 an ounce as it is at 50 cents an ounce, and they would be opposed to it if it was $2.29 an ounce. It is not at all a question what silver is worth or what it would be worth if given its rightful place as primary money in the monetary system of the world. If any man thinks that the primary obstacle to the remonetization of silver is its alleged cheapness or its alleged quantity, that man has failed to fathom the mind that controls the monetary and banking world. That world is opposed to silver regardless of its cost or its value. They would oppose a bill to issue silver certificates redeemable only in silver

bullion at its market value. They are opposed to silver because it would create additional money. They are dealers in credit. They are the masters of credit.

The Constitution empowered and thereby directed Congress to coin money and regulate the value thereof. Such a power, exercised by the Government, would be highly dangerous, but in the hands of the big bankers, who know and understand money, it is perfectly safe, until it blows up. So this great power in the Congress has been allowed to atrophy, and the men of finance coin and control credit, that is, they control it subject to the panics and depressions caused by the system.

Real money has lost the field to synthetic money, except in the smaller transactions of life. I suggested half in jest and half in earnest to the Ways and Means Committee that the present limited and fixed quantity of real money was merely a choke on business, and that perhaps it ought to be discarded altogether, except for small change, and replaced wholly by a monetary system of bank checks based on debts. The volume of our circulating medium is so small compared with the needs of commerce, as evidenced by the huge volume of synthetic money, that perhaps real money ought to be demonetized. I have no doubt such a bill would find favor with many anti-inflationists, particularly those anti-inflationists whose business is the issue and control of synthetic money.

It is generally agreed by the anti-inflationists that the payment of the bonus by the issue of currency, even though there would be a dollar of money metal behind every dollar of it in the Treasury, would start the American dollar on the pathway of the German mark. Germany is another horrible example held up to us—the war-exhausted, debt-crushed, moneyless, bankrupt Germany of that period. It may be noted that Germany appears to have revived. So to avoid Germany's experience, payment must be financed in the only safe way, the customary and orthodox way.

This is the issue presented by these two bills. It is the most momentous issue which will come before the Seventy-fourth Congress. It is the most fundamental issue in this country, the most far-reaching in its consequences. In this country are two great schools of monetary thought. In this House now they have come face to face as never before. When Members vote on either of these bills, the payment of the bonus will be only secondary in their thoughts. Their votes will reflect their views on money. My views are such as to leave me no choice.

I believe that money should bear some proportioned and balanced ratio to credit. I believe that we should have more cash and less credit; more real money and less synthetic money; that we should have a wider money base to sustain such a monumental structure of debt and credit. We have tried everything but money to bring about recovery and restore prosperity.

It may be replied, I have heard it argued, that if additional new currency were to be issued, it would soon find its way back into the bank valuts and go out of circulation, leaving us just where we were before. Well, if it does, the question is, Where is your inflation? And if it does, perhaps a small dilution of real money will help to stabilize the synthetic brew and contribute something toward the avoidance of runs on banks which carry on deposit 10 times more money than there is in existence.

Sometimes in a sardonic mood I feel that we are on the eve of a great monetary discovery, the discovery that what has heretofore throughout the history of the world been regarded and used as money is only a hindrance and a restraint in the affairs of men and that it is about to be replaced by a much more flexible system, a system based on taxes, bonds, and bank checks. That is what we really have now. We are, in fact, on a synthetic money basis.

In many things I am of the new school, but on money I am of the old school. I am for the money of the Constitution, not the money of bonds and bank checks. While the body politic is still sick and languishing, let us put some blood in its veins. That is why I am going to vote first, at any rate, for money instead of bonds to pay the bonus.

Mr. Chairman, under leave to extend my remarks in the RECORD by including a statement made by me before the Committee on Ways and Means on March 4 in support of my bill, H. R. 39, Seventy-fourth Congress, which bill was presented to the Ways and Means Committee only by way of amendments to the Patman bill, of which it is an adaptation, I insert the following:

STATEMENT OF HON. JOHN A. MARTIN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO

The CHAIRMAN. What is the number of your bill?

Mr. MARTIN. H. R. 39.

Mr. Chairman and gentlemen, I may say by way of introduction that I was a charter member of and an organizer of the first American Legion post in the State of Colorado. I wrote its constitution and bylaws. I have been post commander of that post and have served as a member of the national Americanism commission of the American Legion.

I may say further that in recognition of my services to the ex-service men from the day war was declared against Germany, and without any politics being mixed up in it, I was given honorary membership in the Veterans of Foreign Wars, the Disabled American Veterans, and the Spanish-American War Veterans. I just mention that by way of background.

I have been interested very much and given a great deal of time to veterans' affairs ever since war was declared.

My bill is identical with the Patman bill, based on it, with the exception of certain differences that I will point out to you, and I will point them out to you very briefly.

The first section of my bill and the second section of my bill are the Patman bill in haec verba. There is no difference whatever. When we get down to section 3 of the Patman bill I drop that section out. That is the section that provides when the price level of 1925 is reached, or the Secretary thinks there is danger of inflation, he may retire Federal Reserve and national-bank notes. I thought that involved a proposition that was somewhat extraneous to the bonus bill.

I favor Mr. PATMAN'S views on money and banking generally, the views which he has just expressed about the retirement of the national debt, and so forth; but it occurs to me that that is a matter that ought to be dealt with in separate legislation embracing the whole subject matter of money and banking.

In place of section 3 I have a couple of very simple propositions that were parts of a bill I introduced in the Seventy-third Congress. I am frank to confess that I offered both of these amendments in Committee of the Whole as amendments to the Patman bill when it passed the House in the Seventy-third Congress, and both of them were voted down—which, however, has not lessened my opinion as to the practical value or benefit of these provisions. There are just two short paragraphs in section 3 of my bill. The first provides for payment of the adjusted compensation to veterans in monthly installments at the rate of $50 a month until the full amount shall have been paid.

Briefly, the benefits of that provision may be summed up as follows:

Keeping in mind that my bill provides for the financing of the retirement of the bonus certificates in the same manner that Mr. Patman's bill does, by the issuance of United States notes, my bill will provide a gradual expansion of the currency; instead of just dumping out the whole thing in a lump sum and giving one grand splash, it will spread it out over a considerable period of time. Just what that period is I am not in a position to say. Some of these certificates can be paid off in a month or two. It might take 2 years to pay off others. I should say it might reasonably take a year to 18 months, perhaps 18 months to retire the entire amount at the rate of $50 a month. It will be a gradual method of expanding the currency during that period of time.

The second benefit is that it will provide a sustained flow of money to business. Instead of having 30 days of prosperity followed by the usual drought, there will be a sustained flow to business throughout the country in every section of the country, every precinct of the country, during the period of liquidation. I think that is an extremely valuable consideration.

A third consideration is that it will protect hundreds of thousands of veterans from a lump-sum loss of their bonus. I have had experience with that thing, and others of you have. I could tell you pathetic and tragic things that happened through handing some poor devil seven or eight hundred dollars in a lump sum, and having it all gone in a few days or a month. There will be flocks of vultures waiting for these boys with open arms when they get their lump-sum payment of the bonus.

We have protected them in the matter of their certificates. Nobody can make a loan on a certificate but a member bank of the Federal Reserve System, and all the terms and conditions are fixed, and they are printed on the certificate. Nobody else but the lawfully recognized bank can acquire any interest in an adjusted-service certificate in any way other than through the method laid down by the Government. If he should be protected in the ownership of his certificate in that way, why should he not be protected to some extent when he is paid off? His credit will be just as good with a payment of $50 a month coming on as if he had received the whole thing at one time, and he will not run the risk of losing it all, as will be the case in many thousands of instances.

That suggestion dovetails into another benefit. Mr. Patman says, and I agree with him, that hundreds of thousands of these veterans are on relief. They will be taken off relief if the bonus is paid. But if it is paid in a lump sum, for how long a time will a lot of them be taken off? A lot of them will just be taken off relief for 2 or 3 weeks or a month. Under this plan they will certainly be taken off the entire time during which they are receiving these $50 a month payments. So that I consider that a decided advantage.

Those four considerations I consider important. The only one that could kick on this thing should not be the Government, it should not be Congress, but it should be the veteran who would figure out that he is now getting $25 or $30 a month relief, that he may get it for the next 2 or 3 years, and that he would be getting short-changed, so to speak, if he were cut off of his $25 or $30 a month in exchange for the $50 of his bonus, and have to use that instead. If anybody can kick, he is the man that can kick. I may say, however, that I have gotten but one adverse reaction from a veteran. I have talked this thing out in my district. It has been published in the papers. It was all published last year. It has been discussed considerably, just in that local situation. I know it has not been national. It takes considerable of a Congressman to attract any national attention.

The next section ought to be adopted without any argument, although it was voted down in the last House. The next provision in my bill is that no payment shall be made to a man who has a taxable income. I do not apprehend that that would save a vast amount, but it would save something. That exemption applies now to Spanish War veterans. A Spanish War veteran cannot get a pension of over $6 a month if he has a taxable income. It applies to all Government employees drawing salaries that are equivalent to a taxable income; they get only $6 a month out of their pensions. There is no reason why this rule should not apply to World War veterans as well as to Spanish War veterans and Government employees, and I do not think there would be any objection on the part of any man getting a taxable income that he could not collect his bonus while he was getting it.

Now, I want to go to the next difference. The first difference was that I dropped out section 3 of the Patman bill and put those two little provisions in as a section in place of it. The next difference is in section 4. I incorporated in my section 4 as its opening paragraph all of section 4 of the Patman bill. I made a little transposition of phrases that I will not point out now, as it does not change the bill a particle. It is identically the same thing.

Mr. VINSON. To what Patman bill are you referring?

Mr. MARTIN. I am talking about H. R. 1.

Mr. VINSON. Introduced in this Congress?

Mr. MARTIN. Yes, sir.

My section 4 provides for retirement of the Treasury notes. It virtually converts the present sinking fund into a retirement fund for the retirement of the Treasury notes that would be issued to pay off the bonus. I might say that I consulted an expert in the Veterans' Administration on the mechanics of this thing, to see if I could have a provision to close the sinking fund, that we have now, which ought to amount to about fourteen hundred million dollars, anyway, the majority of which is out on loans, and so forth, and then continue that appropriation, to be used to retire annually the new issue with a discretion in the President to suspend the retirement but continue the appropriation if the state of the national monetary conditions made it seem wise or justifiable.

Mr. VINSON. Are you referring to section 4 of your bill?

Mr. MARTIN. Yes.

Mr. VINSON. As I understood you, you said you took section 4 of Mr. Patman's bill in its entirety?

Mr. MARTIN. Yes.

Mr. VINSON. Section 4 of the Patman bill, H. R. 1, introduced in this Congress, is entirely different from your section 4.

Mr. MARTIN. No.

Mr. VINSON. In other words, you have almost two pages.

Mr. MARTIN. That section 4 of the Patman bill is not the one that deals with the financing of the act, as I understand it. H. R. No. 1—yes; that is right. I have incorporated all that section as it reads.

Mr. VINSON. But in addition to that at much greater length.

Mr. MARTIN. Yes. In addition to that, my bill appropriates for each calendar year an amount sufficient to provide for the retirement of the United States notes to be issued under this act, to be known as "the compensation obligations fund." The amount to be appropriated shall be determined by the method provided in section 505 of the act of 1924 creating the adjusted-service certificate fund. Under that section of that act, as I understand it, although I am not an authority on this thing to the extent that Mr. Patman and other gentlemen are, there was provided an appropriation of $112,000,000 a year—I thought it was $125,000,000 to start with—to be used as a sinking fund. I did not know until the other day that we had cut that down to $50,000,000 in 1933 and $50,000,000 in 1934. We are short $100,000,000 on that fund right there. I believe that the last independent offices bill put it up to $100,000,000.

Here is the way I view that: We are already levying the tax to raise that sinking fund. We just close that account, but we keep the taxes and appropriations going without levying any new taxes, and there can be an annual retirement. If, say, we raise $125,000,000 a year, there can be an annual retirement of this new currency, but with power in the President to suspend the retirement but keep the fund going. My bill provides that the appropriation shall continue even though in some 1 or more years the administration might think that it was beneficial to continue the currency in circulation.

There has been one objection raised to this bill, and a method of meeting that objection has occurred to me. I have thought about it a lot, but I did not find an answer until this morning. I had my bill analyzed by people that are opposed to any payment of the bonus in any manner at this time. I find this in their criticism:

The certificates on which no loans are outstanding now number 496,500. These have an average matured value of $987.12. That is, nearly a thousand dollars apiece. That would be nearly a half billion dollars that are now outstanding in the hands of veterans who have never borrowed on them, and therefore are presumably in condition to get along without that help. The prepayment of the bonus would deprive those who have not borrowed on their certificates of the insurance feature of the bonus certificates. If the bonus certificates are allowed to run to maturity, the holders will still have a 10-year period of insurance. Many of the holders would probably prefer to keep their insurance in force rather than to have the cash in hand now.

I had thought, of course, that if there were some way in which these veterans who did not need the payment could hold off, it would soften the blow and spread the burden. This has been my whole thought about this bill. It looks as if it is a debt we have to meet. We ought to get it off the calendar. If, without doing any harm to the class of veterans who need it most, we could spread out the burden and soften the blow, it ought to be done. This would be my remedy for that. This would be the inducement of a holdout to these owners of this half billion dollars' worth of certificates.

I would pay them 3½-percent interest from some certain date, say, beginning July 1. I would pay them 3½-percent interest on their certificates from that date until the date of payment, whether they held them a year or held them to maturity.

With the permission of the committee, I want to hand to the clerk an amendment to my bill. It is hastily drafted, because I wrote it just before running over here to the committee. It will be the addition of a subparagraph (h):

"The surrender of adjusted-service certificates for payment shall be at the option of the holders thereof, and all certificates presented for payment on and after July 1, 1935, shall bear interest from said date to date of payment, but not later than January 1, 1945, at the rate of 3½ percent per annum."

I just put some figures down here right now to indicate something as to what that would cost.

Assuming it would be $500,000,000 in that class—and if the economy figures are right that would be about right; when it comes to figuring against the veterans I think the Economy League is pretty accurate—it would cost about fifteen million a year to pay the interest on that half billion. Now, you would cut down your immediate payment a half billion. You would cut down by excluding the income-tax receivers. You would make a certain saving in taking hundreds of thousands of veterans off of relief and paying them at the rate of $50 a month. Perhaps an expert statistician might get at a figure by which we could pay off the adjusted-service certificates and carry the load.

I want to make one more statement, and that is this: Gentlemen, I am not expecting this bill to be reported at all, but I am submitting these propositions, these suggestions, for the consideration of the committee for the purposes of amendment. I offered them in the House before, and I have not changed my mind about their soundness since then, and would like to have the privilege of offering them again. I am merely submitting my bill as containing amendatory matter for the consideration of the committee in connection with whatever bill you may report out, which may help it to go clear through.

Mr. HILL. Would you have that 3-percent interest of which you speak cumulative and compounded?

Mr. MARTIN. I had not thought of that, and did not put it in, but I do not know that I would. It seems to me that 3 percent ought to be sufficient inducement. A man who has gone through all this depression and has been able to get along without borrowing anything on his certificate could probably get along the rest of the way. When I suggested 3 percent I simply had in mind what was about the average the Government pays on bonds, and it does not compound its interest.

Mr. LEWIS. Mr. Martin, you have adopted in a general way the Patman method of providing money?

Mr. MARTIN. It is identically the Patman bill, except in these exceptions that I have pointed out to you.

Mr. LEWIS. The amount that would be payable is about $2,100,000,000, I think.

Mr. MARTIN. Yes.

Mr. LEWIS. The outstanding currency of the country a couple or months ago was about $5,000,000,000?

Mr. MARTIN. Yes.

Mr. LEWIS. To add $2,100,000,000 of this printing-press money would be to increase the outstanding currency by 40 percent. This is in order to pay a debt to the soldiers, in your opinion?

Mr. MARTIN. It is.

Mr. LEWIS. A public debt?

Mr. MARTIN. Yes, sir; it certainly is.

Mr. LEWIS. You may be more familiar than I with the history of financing among the nations of the world, but I want to say, Mr. Martin, to see what your reaction is, that I do not know an instance in history where a country has taken a first step equal to

40 percent in inflating its currency with printing-press money that has ever been able to stop on the toboggan until it reached the bottom. Do you think that public debt should be paid with printing-press money?

Mr. MARTIN. I will say this, Mr. Lewis: First, I think that my bill would cut this several hundred millions under the two-billion figure. As I pointed out to you, it would spread out the rest for perhaps from 1 to 2 years.

Another answer is this, though, Mr. Lewis: Just a short time since I heard a man so high in the Government that I will not say who he is, speaking of the soundness of the American dollar. And, speaking pridefully and almost boastfully, he said: "Down in the Treasury of the United States we have $1.35 in gold behind every dollar in existence." I said to myself, "Too much." We ought to have some more dollars.

I want to say this, Mr. Lewis, that there is no nation in the world but ours that could put out $2,000,000,000 more and still have a dollar in gold behind every dollar of it, or 50 cents in gold behind what they have.

Mr. LEWIS. Are not your apprehensions aroused by the experience of Austria? They did not take as big a first step as 40 percent in debasing their currency to pay their debts, but Austria ended up with the crown worth nothing. It took nearly a billion marks to buy a breakfast in Germany during their inflation. They started to pay public debts with printing-press money. In Italy the lire went down to about one-fourth of its value. Seventy-five percent went off. In France the devaluation was 80 percent.

I want to say that in no instance in history with which I am acquainted has a step as great as a 40-percent inflation to pay public debts with printing-press money been taken that the country has not become utterly unable to control the subsequent train of events down the toboggan to utter repudiation. Are not your apprehensions excited in times like these by a proposal to do what has proven so disastrous to the other countries?

Mr. MARTIN. Here is a consideration which somewhat allays my excitement. We have a system now whereby the currency through the Federal Reserve System could within the period of a year or much less time be either expanded or contracted a billion dollars. It has been done. It has been contracted during the life of this administration. I do not have the figures, but I am going to dig them up now and put them in my revised remarks, of what contraction of the currency occurred here in 1934 through the retirement of the Federal Reserve notes; something like $300,000,000 in just a few weeks.

I think this would be so gradual, it would be such a reasonable amount, it would be so soundly backed by gold that it could not result in a dangerous or undue inflation.

It is coming to look, gentlemen, and I will admit this, as if all we need is a system of taxes and bonds and bank checks. I am getting around somewhat to the view, when I am in a sardonic frame of mind, that this $5,000,000,000 of currency which is such a choke on business and finance should be abolished, and we should go purely on a bonds and bank-checks monetary basis. That is what we are on, anyway.

Mr. VINSON. For the purpose of the record, on January 31 there was currency outstanding in the amount of $6,333,853,655.

Mr. MARTIN. This statement has been made repeatedly, and I have heard it from different sources in the last month, though I have not taken time to check up on it, that we have in existence about five and one-half billion dollars of currency of all kinds in this country, but that includes all that has ever been issued since the Civil War, it includes all that has been lost in fires, that has been sent to foreign countries and is still there, and that has drifted out of circulation in every way. It is not known how much that amounts to but probably to several hundred million dollars.

Mr. HILL. France depreciated its franc 80 percent?

Mr. MARTIN. Yes.

Mr. HILL. Unless the currency of France had been controlled in volume, what inflation would have resulted? What percentage of inflation would have resulted from that depreciation? It would have been about 400 percent would it not?

Mr. MARTIN. It might have approximated the experience of Germany if it had not been controlled.

I want to say this, gentlemen, that I am not here to argue the merits or demerits of the various systems of money and banking or anything else. I am taking it for granted that you gentlemen know what the Patman bill is. You have it before you. I am telling you that my bill is identical with it, with the exception of these specific things that I have pointed out in the way of amendments and I am submitting them to the consideration of the committee for that purpose only. I thank you, gentlemen, for your attention.

The CHAIRMAN. We thank you, Mr. Martin, for your appearance and the information you have given the committee.

Mr. MARTIN of Colorado. Mr. Chairman, I ask unanimous consent to extend my remarks and to insert a brief statement I made before the Committee on Ways and Means on the question of the payment of the bonus.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. DOUGHTON. Mr. Chairman, I yield 3 minutes to the gentleman from Alabama [Mr. STARNES].

Mr. STARNES. Mr. Chairman, I favor the immediate cash payment of the adjusted-service certificates and the cancelation of the interest charges on these certificates. I favor this because of the fact that it will settle a Government obligation and will distribute some of the wealth of this country where it is needed.

There is a definite need among the veterans of this country, and this will supply that need. The payment of these certificates, in my judgment, will stimulate trade and commerce in the country, because the veterans of the country will put the money into immediate circulation in the legitimate channels of trade throughout the country.

I believe the business men of this country and the vast majority of the people want to see the certificates paid and paid now.

As between the two measures before us, I favor the Vinson measure, because it will do adequate justice to the veterans and have the support of the country.

Something was said a moment ago about the question of patriotism—that patriotism was an article that could not be bought or sold. I subscribe to that statement, but I want to call attention to this fact, that the men who made the most tremendous sacrifices during the World War, from a monetary standpoint, wore the uniform; the men who made the greatest sacrifice of life were the men who wore the uniform, and the men who really exhibited loyal devotion to the country in 1917 and 1918—4,000,000 of them—wore the uniform of this country here and on the battlefields of France.

I resent the imputation that the settlement of a just obligation of the Government to the ex-service men is putting a premium on patriotism. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield to the gentlewoman from Arizona [Mrs. GREENWAY].

Mrs. GREENWAY. Mr. Chairman, exaltation becomes a memory on the day of reckoning. You and I would not be talking about taxation, currency, compensation, and bonus if war were at hand.

We would not be reading charts about the trend of monetary affairs if our boys—yours and mine—were getting into uniforms. We would be praying, praying with all our might, that such waste might be forgiven. We would be praying that their lives would be spared, and that to us would befall the privilege of their compensation—nothing would have seemed too much in the face of their sacrifice.

It was said today that were one of these bills to pass God alone could control our currency. Maybe what we most need is a just Providence to better distribute the ability to live. Here we are face to face with a just debt, the payment of which would bring the relief of money earned—at a time of need—and it is our responsibility that this Congress meet their obligation. And our confusion and embarrassment as to a means of payment should not be visited upon the veterans. This is another illuminating proof that until there is more universal understanding of our resources and obligations we cannot insure justice and economic peace. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, of course I favor the passage of the Patman bill. [Applause.] Some of you say that the Patman bill is inflationary. If it is inflationary, then the Vinson bill is deflationary.

In the first place, as I pointed out before, we are never going to get out of this serious economic depression unless we have a reasonably controlled expansion of the currency. [Applause.] And the Patman bill will do that very thing. I am surprised to hear men talk about this being fiat money. We have enough gold behind it to support $20,000,000,000 of American currency. They seem to overlook the fact that every dollar of this money is interchangeable under the Gold Standard Act of 1900 and that it has all of the gold and all of the silver and all of the credit of America behind every dollar.

Why did you give the President the right to issue $3,000,000,000 of currency if you thought it was to be fiat money?

We are in a money panic and have been for years. In 1914 we had $34 per capita in circulation. We expanded the currency. Listen to this, you gentlemen who are afraid of flat money: You do not seem to be afraid of it as long as the banks issue it and get interest on it. Through the Federal Reserve bank we expanded the currency so that in 1920 we had $53 per capita in circulation. Prices advanced in cotton, wheat, hogs, corn, lumber, and that is exactly what will happen if this Patman bill is passed and becomes a law and this money put into circulation.

Price levels are measured by the volume of currency in the country multiplied by its velocity of circulation. Where you have a slow circulation you need a large volume of the circulating medium, and where the volume is low you need a high velocity. In 1920 we had a high velocity and a large volume, but today commerce is stagnant and the velocity of money is slow. We are not going to relieve this situation until we expand this currency, increase the volume in some way, and put more money into circulation. I hear men say that there is " danger " in inflation. What danger could you face that is worse than putting 23,000,000 Americans on the dole? [Applause.]

If we had expanded the currency in 1929, we would have been better off. You pass this Vinson bill, and you will not relieve anybody except the soldier. You will not relieve the distressed farmer or the distressed business man or the man who is about to have his home or farm or property sold from under him. He will be no better off, except that you will have that much more money circulating in that immediate vicinity. You should remember that if the Vinson bill passes you will be asked to pass taxes such as you have never yet known. There will probably be a message outlining the taxes that you will have to levy. The American people are in no condition to have their burdens of taxation increased. We should pass the Patman bill, expand the currency, and pay this debt off. That will help everybody in the United States and start us on the road to permanent prosperity. You say that it will be uncontrolled inflation. If you know no more than that about the money question, you ought not to discuss it. It will not be uncontrolled. We have a provision in the bill providing that if inflation begins to run too far all we have to do is to sell bonds which are now owned by the Federal Reserve and call that money in. What we propose to do is to raise commodity prices back to the 1926 level and stabilize them there, so that we may know what to depend on in the future and that we may have prosperity for all.

I know some of you are talking about the various bills. Let me call your attention to the fact that you would not have had any bill here if it had not been for WRIGHT PATMAN. [Applause.] I do not have to go to the commander of any veterans' organization and ask him how to vote or for my standing with the veterans, nor does Mr. PATMAN. We have been fighting the veterans' battles in this House for years, and they know it. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. DOUGHTON. Mr. Chairman, I now yield to the gentleman from Arkansas [Mr. MCCLELLAN].

Mr. MCCLELLAN. Mr. Chairman, the measures pending and now under consideration by this committee present again to the Congress an issue with which it has dealt and attempted to settle in previous sessions, and let it be said now to the everlasting credit of this branch of the legislative body that it has heretofore faced this issue squarely and passed bills that would have already disposed of this problem and settled it properly had its action been concurred in by the Senate and approved by the Chief Executive. It is regrettable, indeed, that the defenders of our Nation in that great world conflict have found it so difficult to collect from the Government they so gallantly defended and preserved the adjustment in pay and compensation it has reluctantly acknowledged is due.

My colleagues, the adjusted-service certificates issued to and held by these veterans are a debt. No part of the face value of those certificates is a pension, a gift, or gratuity in any sense. They represent an adjustment in pay due for services rendered, a character of service the highest, most dangerous, and sacrificial any government can command or exact from its patriotic citizens. That that service was performed heroically and profitably from a patriotic and military viewpoint no one will dare question.

Some few have made a feeble pretense that this debt to the soldier is not yet due and will not be until 1945. Mr. Chairman, I assert in answer to this that whatever adjustment in pay the services rendered merited, taking into consideration practices that prevailed and conditions that obtained during the prosecution of the war and at its close, the full pay of every veteran became both morally and legally due and payable at the time the Government handed to each veteran his honorable discharge from the military service.

Shall we heed those who now plead for the veterans to wait, to be patient? Is that the answer we shall give to those who offered to make the supreme sacrifice for the flag we profess to love? We must not be guilty of such ingratitude. Was that the answer of the youth of America when she called them to arms? Did they hesitate or delay or ask their Government to wait when their very lives were needed by it? Did they say wait, be patient, give us a more convenient time as the zero hour approached and they were ordered to advance across No Man's Land and face and endure a veritable hell on earth? They did not. If they had answered their country's call to the slightest degree on that fashion, there would be no American Congress assembled here today.

The war contractors have long since been paid in cash the pound of flesh they exacted. The billions paid by this Government to them in settlement of unearned profits is a part of our enormous national debt we struggle with today. The soldier sacrificed and suffered while those who manufactured munitions and war materials profiteered and plundered. Truly it was a " poor man's fight and a rich man's war." For every drop of blood shed on foreign soil by American soldiers there was $5 in greedy and excessive profits paid by our Government unjustly to those who, by reason of their wealth and power, were in a position to take advantage and demand it.

The greatest investment this Government can make at this time in the future security of the Republic is to pay its debt to the World War veterans without further delay, equivocation, or evasion.

In this connection, Mr. Chairman and my colleagues, let me remind you war clouds again appear on the eastern horizon. The war we won did not make the world safe for democracy. Yes, we won the war, but subsequent developments prove conclusively we did not gain the gratitude and respect of our Allies. They have repudiated their debts to us. Base ingratitude. And should Europe become embroiled in another conflict, I am persuaded we can best serve humanity and promote civilization by staying at home and lending our efforts exclusively to solving our own social and economic problems.

America will not again contribute the lives of her youthful citizens to the cesspools of war on European soil, and more, my friends, the American people are looking to us for the enactment of laws that will take the profit out of war. The American Legion has advocated this legislation for the past 13 years. That organization is composed of those who know the most about the horrors of war. We will perform as Members of this Congress one of the greatest services possible to our country if we will enact at this session a universal draft law taking the profit out of war and destroying the incentive therefor.

It is regrettable and unfortunate, indeed, that a controversy has arisen over the manner of paying the adjusted compensation of the veterans. I have the greatest respect for both the gentleman from Texas [Mr. PATMAN] and the gentleman from Kentucky [Mr. VINSON]. They are sincere and desire to accomplish the same objective. The means to that end is where the disagreement lies. Frankly, my personal preference is the Patman bill, because I oppose the practice of issuing tax-exempt interest-bearing obligations. I am convinced we must soon find another and better

way of financing our governmental expenses. It is charged the Patman bill is a currency-inflation measure. Certainly the Vinson bill is a credit-inflation measure. With the credit-inflation method of financing and discharging our national obligations, we eventually pay $2 for one. The credit structure is becoming strained. Some other safe and wiser course must be adopted soon.

In declaring I favor the immediate cash payment of the adjusted-service certificates, I yield in my sincerity to no man or organization. I may yield in my judgment to those whom I respect as having greater knowledge or information. Therefore, Mr. Chairman, I want this debt paid, and I am willing to support either the Patman or Vinson bills, but I will not support any of these other measures that seek to compromise and discount the claims of these veterans. I want to see them paid 100 cents on every dollar due them.

It has been suggested the Senate will not support the Patman bill. Is there anyone who can speak with authority and say the Senate will pass the Vinson bill? There are a large number of Members who want this obligation discharged and will support either of these bills, but we do not like to compromise on the means to the end unless by doing so the objective can be attained.

In conclusion, may I say to you again that the passage of a bill providing for immediate cash payment of the balance due our soldiers of the last war and the enactment of a universal draft law taking the profit out of war will accomplish more toward the future peace and security of our beloved America than any other action this Congress can take. Let us do both before the Seventy-fourth Congress shall adjourn. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I now yield to the gentleman from Pennsylvania [Mr. MORITZ].

Mr. MORITZ. Mr. Chairman, I wish to go on record as favoring the soldiers' bonus, and I favor particularly the Patman bill for the same reason that its enemies say it is no good, namely, that it is inflation. It is inflation. Suppose it is. It is controlled inflation, and it is what we need now. If more Members of the House could return to their constituents and see how bad conditions are, they would say, let us get the money out to the people right now, because they need it. Just last week a family was found, by chance, in one of the best residential districts of Pittsburgh, starving to death. They had had nothing to eat for 3 days. That is the reason why we must get the money into their hands now. For that reason I am in favor of the soldiers' bonus and in favor of payment now. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield the remainder of my time to the gentleman from Kentucky [Mr. VINSON].

The CHAIRMAN. The gentleman from Kentucky is recognized for 3¾ minutes.

Mr. VINSON of Kentucky. Mr. Chairman, I rise at this time in order to keep the RECORD straight.

Upon yesterday, March 20, under extension of remarks, the gentleman from Texas [Mr. PATMAN] inserted certain quotations from hearings on this bill before the Ways and Means Committee. He failed to insert the complete colloquy, and in order to clarify the matter I will insert it in full now:

Mr. VINSON. This morning reference was made to the refinancing bill that was brought in to the floor of the House from this committee early in this session. The gentleman, as I recall—and if I am in error he may correct me—offered an amendment to that bill that would have prohibited the issue of any Federal governmental securities under that bill that bore an interest rate in excess of one-half of 1 percent a year.

Mr. PATMAN. We were trying to get the subject before the House.

Mr. VINSON. I know; but is that correct?

Mr. PATMAN. That is correct.

Mr. VINSON. Will the gentleman say that that was an inflationary measure?

Mr. PATMAN. I was trying to stop issuance of Government bonds. I am opposed to the further issuance of them, and I wanted to make it just as hard to issue them as possible.

Mr. VINSON. In other words, the gentleman wanted to stop the issue not only of Government bonds but of short-term securities?

Mr. PATMAN. Well, yes.

Mr. VINSON. That bore an interest charge of more than one-half of 1 percent

Mr. PATMAN. Short-term securities come in for about one-eighth of 1 percent.

Mr. VINSON. Some of them have?

Mr. PATMAN. The present rate.

Mr. VINSON. Not one-eighth of 1 percent?

Mr. PATMAN. Oh, yes; I beg the gentleman's pardon.

Mr. VINSON. On January 1, 1935, the smallest interest rate was sixty-seven one-hundredths of 1 percent.

Mr. PATMAN. And the length of time? Two years?

Mr. VINSON. I forget just the time, but that is the smallest interest rate at that date. But that amendment of yours would have prohibited the issue of any Federal security that bore an interest rate in excess of one-half of 1 percent?

Mr. PATMAN. Yes. I would be in favor of stopping it entirely.

Mr. VINSON. And for the purpose of financing, issuing Treasury notes?

Mr. PATMAN. Yes; within limited bounds and reasonable limitations, and in no way impair or destroy a sound monetary system.

Mr. VINSON. The gentleman will agree with me that we have now outstanding $28,000,000,000 in securities?

Mr. PATMAN. I do.

Mr. VINSON. Long-term and short-term obligations?

Mr. PATMAN. Yes.

Mr. VINSON. If I understand the gentleman, it will be his purpose to retire entirely those bonds, Treasury notes, Treasury bills, and certificates of indebtedness, and replace them with currency.

Mr. PATMAN. Gradually and eventually, yes; and change the reserve requirements of banks at the same time so that they cannot lend $10 to everyone, so they get 100-percent reserve, and there would be no inflation at all.

The point in issue is the attitude of the gentleman from Texas with reference to the issue of currency to replace all outstanding governmental obligations. Heretofore I have stated that he desired to do that very thing. In the extension of his remarks the gentleman relies upon his statement before the committee that he favored the retirement of all governmental securities and their replacement with currency "within limited bounds and reasonable limitations and in no way impair or destroy a sound monetary system"; that he desired the change should not be made quickly but gradually and eventually.

If one takes the testimony before the committee and the statement of the gentleman from Texas during the consideration of this bill, there would be much to be said that such was his position.

However, on January 25, less than 2 months ago, the gentleman's attitude toward replacing governmental obligations with currency was not "within limited bounds and reasonable limitations, and in no way impair or destroy a sound monetary system." At that time it was not his purpose to replace the governmental obligations with currency gradually. The facts are that while the refinancing bill, strongly urged by the administration, was pending upon the floor of the House, the gentleman from Texas offered an amendment to that bill that would have limited the interest rate on all governmental securities to one-half of 1 percent. That meant all governmental securities, because at that time no interest rate was lower than one-half of 1 percent.

The gentleman from Texas frankly stated his purpose at that time, and before our committee, that the amendment was offered to stop the issue of Federal securities that bear an interest rate in excess of one-half of 1 percent and to issue Treasury notes for the purpose of Federal financing. His amendment received 38 votes; but if his money philosophy had obtained, there would have been no recent refinancing program which saves annually several millions of dollars, and which will continue to save several millions of dollars annually, by exchanging bonds bearing higher interest rates for new bonds paying lower interest rate. It would have required the issuance of currency for all short-term securities when their maturity dates arrived. There are more than $28,000,000,000 of securities. Any securities maturing within 60 or 90 days could only be retired by the issue of this new currency. Whenever there was a governmental obligation to pay, and we did not have the money in the Treasury, all that would be necessary would be to print new currency with which to pay it. Whenever we had any expenditure in excess of actual moneys on hand at the time, such as the $4,880,000,000 public-works and relief bill, new currency would pay for it. In other words, under the philosophy of my friend PATMAN, as expressed in his attempt to

amend the refinancing bill on January 25, there would be billions and billions of dollars, in addition to the $2,000,000,000 for the soldiers, in new currency issued. I submit that such a condition is not within limited bounds and reasonable limitations. If such a proposal is not uncontrolled inflation, I cannot visualize what could be.

In order that there may be no mistake about the nature of the gentleman's amendment, which he offered on January 25, I insert it herein:

Amendment offered by Mr. PATMAN: Page 2, line 9, after the word "time" and the period, insert "*Provided further*, That the annual rate of interest shall not exceed one-half of 1 percent on all issues of bonds, the proceeds of which are to be used to pay due indebtedness or to meet public expenditures authorized by law of the Government."

It was my friend's idea that the language he used did not apply to refunding operations, but I submit that the words "due indebtedness" certainly would include governmental obligations maturing. In fact, there would be very little else that it would include under our system of financing.

I insert colloquy between my friend PATMAN and Hon. SAMUEL B. HILL, of Washington, which occurred on the floor of the House while this was under consideration:

Mr. SAMUEL B. HILL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Texas is endeavoring to change the system that we are operating under now, and the system that is now in existence, to that of issuing currency in lieu of bonds.

As stated in my previous remarks with reference to the amendment offered by the gentleman from Texas [Mr. DIES], we are not now quarreling with him upon that proposition. We have here at the present time a bill to authorize the Secretary of the Treasury to carry out certain refunding and refinancing operations, together with the refinancing of certain other obligations which this Congress is imposing upon the Government. It is evident that we must continue under the system we now have until it is changed. We must, through the issuance of bonds, finance this program that is now being projected. You cannot finance it through bonds bearing interest not to exceed one-half of 1 percent. If you place that limitation upon these bonds, the only possible way in which you could market the bonds would be at a discount below the par or face value of the bonds.

Mr. PATMAN. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield to the gentleman from Texas for a question.

Mr. PATMAN. Is it not a fact we have this morning $8,300,000,000 of gold in the Treasury, which would authorize the issuance of more than $20,000,000,000 in money and still have more than a 40-percent gold coverage?

Mr. SAMUEL B. HILL. I am not quarreling with the gentleman on that question, but that is not in this bill, and the gentleman from Texas [Mr. PATMAN] knows that we cannot have that in this bill.

Mr. PATMAN. The gentleman knows very well that we will never have a better opportunity than this to make a long, positive, and definite step in that direction.

Mr. SAMUEL B. HILL. The gentleman from Texas knows that to put his amendment in this bill simply kills the legislation and will absolutely prevent the Secretary of the Treasury from carrying out these financial operations.

So I respectfully submit that the statements I made in the debate on this bill with reference to the attitude of the gentleman from Texas, together with the results that would flow therefrom are justified by the RECORD.

PHANTOM BRAKES

My friend PATMAN takes issue with me relative to the treatment of section 3 of his bill under this heading in my speech. The real issue is completely ignored. I not only referred to the taking out of circulation the national-bank currency under the new Treasury regulation, which was in section 3 (a) 2, but I also referred directly to the treatment of the Federal Reserve notes in section 3 (a) 1–3–4 of the Patman bill. All brakes connected with the national-bank notes are withdrawn by August 1, 1935. What I said in my speech on this floor was, that the language remaining in section 3 (a) 1, 3, and 4 gave no added power to the Federal Reserve Board in regard to the control of the currency—that there was no added brake in this bill. I quoted from the Secretary of the Treasury in support of this statement. In order that Members of the House may know exactly what I said upon that occasion, I quote my entire statement made upon the floor of the House upon this subject:

PHANTOM BRAKES

Mr. VINSON of Kentucky. No, just to show you about that—I did not want to bring this up—but in a letter from the Secretary of the Treasury which I received yesterday certain language was quoted from section 16 of the Federal Reserve Act. That is my authority, and I quote from the last two paragraphs of this letter, because it is pertinent, proving conclusively there is no added brake at all in section 3 of your bill. When you take out the national-bank notes, and the gold order does that, subsections 1, 3, and 4 give no added power to the Federal Reserve Board in regard to the control of currency. I read from this letter:

"I will say, however, that my understanding is that the authority to issue Federal reserve notes against the security of direct obligations of the United States is an emergency power, subject to termination by the Federal Reserve Board at any time, and expiring in any event March 3, 1937, unless extended by Congress."

And further—

"Again, the Federal Reserve Board is given the right in section 16 of the Federal Reserve Act 'to grant in whole or in part, or to reject entirely, the application of any Federal Reserve bank for Federal Reserve notes.'"

Can you say now that the language in section 3 means anything?

I again ask the question that, in view of the language in existing law, does the words in section 3 (a) 1, 3, and 4 mean anything?

GOLD RESERVE BEHIND UNITED STATES NOTES

I do not know that there is any need to respond to this statement because it in no way contains an answer to the statement that I made that no specific gold reserve was behind the money provided for in H. R. 1. I quickly admit that the credit of the Nation would be behind any money that would be issued under any plan, inflationary or otherwise. The point I was making, which cannot be refuted, was that this bill, H. R. 1, did not place behind the currency to be issued thereunder any specific gold reserve. All the free gold profit has been moved over and will be used as a reserve for Federal Reserve notes supplementing the national-bank note issued under Treasury order of March 11. The $2,000,000,000 gold profit allocated to the stabilization fund could not be so used without specific legislative or administrative action. They could use this gold just as easily to pay off the adjusted-service certificates under my plan, if it were so desired, as to place it as a reserve behind the currency under H. R. 1, but, if either action was taken, there would be no stabilization fund which has been, is, and will be performing a wonderful service in our recovery program in the protection of the dollar.

AMOUNT OWING TO THE VETERANS

My friend Mr. PATMAN takes issue with the statement that there is due and unpaid the veterans the sum of $1,800,000,000. He says that the amount is more than $2,100,000,000, and that thereby there is an error of some $300,000,000 in the amount I use in my calculation. If I have committed error, I lay it at the feet of my friend PATMAN. He always claimed that there was a $200,000,000 difference in the figures with the Veterans' Administration. Back in 1932, when the Veterans' Administration claimed that there was $2,400,000,000 to be paid, my friend PATMAN stated that the true amount was $2,200,000,000. Since those hearings, including the fiscal year in which the hearings were held in the Seventy-second Congress, we have seen 4 fiscal years. In each of these years there was, or there should have been, paid $112,000,000 into the adjusted-service certificates sinking fund. The amount of $448,000,000 was due and payable into this fund in these 4 years. In addition to such principal sum there would be the interest which these annual payments would earn. Consequently, I maintain that the real sum necessary to be raised for full payment is $1,800,000,000. There is an item of some $235,000,000 accrued interest on loans which some might add which would bring the amount to two billions, but all practical legislators will admit that this sum, or larger sums, must be canceled. It is not fair to do otherwise. In my statement before the Ways and Means Committee, I mentioned that there was a difference in opinion as to whether it was $2,000,000,000 or $1,800,000,000, but the best information that I could get was that the $1,800,000,000 was the correct figure.

However, I would state to the House that my friend PATMAN has used the term "two billions" in evidencing the amount necessary to pay the soldier at this time in his speech before our committee and here on the floor of the House, up to this time, 23 times. So far as I can recall, the first time I have seen him use $2,100,000,000 was in this extension of remarks.

I have made this statement solely for the purpose of informing the House with reference to the issues raised by my friend PATMAN herein referred to.

One further thought I would leave with you, and that is that in mentioning the attitude of Senator THOMAS of Oklahoma heretofore in this debate, when I quoted from his statement in the New York Times that we should have caution, with reference to our monetary system, this statement was made after Senator THOMAS had been specifically interviewed by a gentleman for the purpose of ascertaining whether the newspaper comment was correct, and I was informed that the Senator verified the correctness of the interview. I would call the attention of this House to the fact that the Senator from Oklahoma is coauthor with my friend PATMAN of H. R. 1, and that the Senator has introduced a similar bill in the Senate of the United States.

I repeat here that when an inflationist such as he, sincere as he is, says that caution should be observed with reference to any monetary changes, Members of this honorable body should "stop, look, and listen."

IN CONCLUSION

I read a wire addressed to the Ways and Means Committee:

Subject: Bonus. Am 64 now. In 1945 my new address will be Saint Peter's roof garden.

I ask the House to adopt the strongest vehicle in its judgment in order that the soldiers will receive their adjusted pay for personal service rendered in their lifetime. [Applause.]

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. VINSON] has expired. All time has expired. The Chair will briefly recapitulate the parliamentary situation.

This is an unusual rule—but a very adequate one. The Chairman of the Committee on Rules and his committee are to be congratulated on the admirable manner in which they have met a difficult situation.

Under the special order, all amendments pertaining to the payment of the adjusted-service certificates are in order, the rules of the House to the contrary notwithstanding. At a time when it is the vogue to term all special rules "gag rules", here is a special order which liberalizes, instead of restricts, the rules of the House. As Chairman O'CONNOR well says, it is the anthesis of a gag rule.

Under the clause waiving the restrictions of the rules of the House against any proposition to pay adjusted-service certificates, it permits consideration of the Patman bill, the Cochran bill, the McReynolds bill, the Andrew bill, and similar measures which otherwise could not be considered because not germane. Accordingly, after conference with the Speaker, the Chairman of the Committee on Rules, the majority leader, and the authors of the several bills, the Chair will recognize Members who desire to offer major amendments in the following order:

The first section of the pending bill, the Vinson bill, having been read for amendment, the Chair will recognize the gentleman from Texas [Mr. PATMAN] to offer his bill as a substitute for the Vinson bill. While it will be offered as a substitute, it will be, technically speaking, an amendment. Then the gentleman from Missouri [Mr. COCHRAN] will be recognized to offer his bill as a substitute for the Patman bill in the pending amendment to the Vinson bill. If the gentleman from Tennessee [Mr. MCREYNOLDS] desires, he will then be recognized to offer his bill as an amendment to the Cochran bill or, if he prefers to await a vote on the Cochran substitute and the Cochran substitute is disposed of adversely, he may then offer his bill as a substitute for the Patman bill in the amendment to the Vinson bill. We may have pending at the same time an amendment, an amendment to the amendment, a substitute for the amendment, and an amendment to the substitute. All four forms of amendment may be pending simultaneously. That is the limit, as any further proposal would be an amendment in the third degree.

Under the rules of the House, an amendment is perfected before it is voted on. Any substitute is then perfected; and then, both the amendment and the substitute for the amendment having been perfected, the Committee takes its choice of the two. It should also be borne in mind that the Committee, having chosen one of the two, and having adopted either the amendment or the substitute for the amendment, it is then too late to offer further perfecting amendments.

If the various bills are offered in the order indicated, the Vinson bill comprises the text of the bill; the Patman bill is the amendment to the text; the Cochran bill is the substitute for the amendment to the text; and any further bill proposed is an amendment to the substitute.

The question will come first on perfecting amendments to the Patman bill; second, on perfecting amendments to the Cochran bill. The two bills having been perfected, the Committee will then vote on substituting the Cochran bill—or the Cochran bill, as amended—for the Patman bill. The question will then recur on adopting the prevailing bill as an amendment to the Vinson bill.

The Clerk will read.

The Clerk began reading the preamble.

Mr. PATMAN. Mr. Chairman, a point of order. The Clerk is not reading the bill.

The CHAIRMAN. The Clerk will read the first section of the bill.

The Clerk read as follows:

Be it enacted, etc., That notwithstanding the provisions of the World War Adjusted Compensation Act, as amended (U. S. C., title 38, ch. 11; U. S. C., Supp. VII, title 38, ch. 11), the adjusted-service certificates issued under the authority of such act are hereby declared to be immediately payable. Payments on account of such certificates shall be made in the manner hereafter provided in this act upon application therefor to the Administrator of Veterans' Affairs, under such rules and regulations as he may prescribe, and upon surrender of the certificates and all rights thereunder (with or without the consent of the beneficiaries thereof). The payment in each case shall be in an amount equal to the face value of the certificate, except that if, at the time of application for payment under this act, the principal with respect to any loan upon any such certificate has not been paid in full by the veteran (whether or not the loan has matured), then the Administrator shall (1) pay or discharge such unpaid principal in such amount as is necessary to make the certificate available for payment under this act, (2) deduct the same from the amount of the face value of the certificate, and (3) make payment in an amount equal to the difference between the face value of the certificate and the amount so deducted.

Mr. PATMAN. Mr. Chairman, I offer an amendment as a substitute, and pending that I give notice that if this amendment is adopted I shall move that each section as read be stricken from the remainder of the bill.

The CHAIRMAN. The gentleman from Texas offers an amendment and gives notice that if the amendment is adopted he will move that each section as read be stricken from the remainder of the bill.

The Clerk will report the amendment offered by the gentleman from Texas.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Strike out section 1 and insert the following substitute:

"That title V of the World War Adjusted Compensation Act, as amended, is amended by adding at the end thereof three new sections, to read as follows:

"'PAYMENT OF CERTIFICATES BEFORE MATURITY

"'SEC. 509. (a) The Administrator of Veterans' Affairs is authorized and directed to pay to any veteran to whom an adjusted-service certificate has been issued, upon application by him and surrender of the certificate and all rights thereunder (with or without the consent of the beneficiary thereof), the amount of the face value of the certificate as computed in accordance with section 501.

"'(b) No payment shall be made under this section until the certificate is in the possession of the Veterans' Administration, nor until all obligations for which the certificate was held as security have been paid or otherwise discharged.

"'(c) If at the time of application to the Administrator of Veterans' Affairs for payment under this section the principal and interest on or in respect of any loan upon the certificate have not been paid in full by the veterans (whether or not the loan has matured), then, on request of the veteran, the Administrator shall (1) pay or otherwise discharge such unpaid principal and

so much of such unpaid interest (accrued or to accrue) as is necessary to make the certificate available for payment under this section, and (2) deduct from the amount of the face value of the certificate the amount of such principal and so much of such interest, if any, as accrued prior to October 1, 1931.

"'(d) Upon payment under this section the certificate and all rights thereunder shall be canceled.

"'(e) A veteran may receive the benefits of this section by application therefor, filed with the Administrator of Veterans' Affairs. Such application may be made and filed at any time before the maturity of the certificate (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making or filing of a personal application, then by such representative of the veteran and in such manner as may be by regulations prescribed. An application made by a person other than a representative authorized by such regulations, or not filed on or before the maturity of the certificate, shall be held void.

"'(f) If the veteran dies after the application is made and before it is filed, it may be filed by any person. If the veteran dies after the application is made, it shall be valid if the Administrator of Veterans' Affairs finds that it bears the bona fide signature of the applicant, discloses an intention to claim the benefit of this section on behalf of the veteran, and is filed before the maturity of the certificate, whether or not the veteran is alive at the time it is filed. If the death occurs after the application is made or filed but before the receipt of payment under this act, payment shall be made to the beneficiary designated.

"'(g) Where the records of the Veterans' Administration show that an application, disclosing an intention to claim the benefits of this section, has been filed before the maturity of the certificate, and the application cannot be found, such application shall be presumed, in the absence of affirmative evidence to the contrary, to have been valid when originally filed.

"'(h) SEC. 510. If, at the time this section takes effect, a veteran entitled to receive an adjusted-service certificate has not made application therefor, he shall be entitled, upon application made under section 302, to receive at his option either the certificate under section 501 or payment of the amount of the face value thereof under section 509.

"'(i) Subdivisions (b) and (c) of section 302, section 311, subdivision (b) of section 312, section 602, and subdivision (b) of section 604 of the World War Adjusted Compensation Act, as amended (U. S. C., Supp. VII, title 38, secs. 612, 621, 622, 662, and 664), are hereby amended, to take effect as of December 31, 1934, by striking out "January 2, 1935" whenever it appears in such subdivisions and sections and inserting in lieu thereof "January 2, 1940."

"'(j) SEC. 511. The Administrator of Veterans' Affairs, in the exercise of his powers to make regulations for payment under section 509, shall to the fullest extent practicable provide a method by which veterans may present their applications and receive payment in close proximity to the places of their residence.'

"SEC. 2. (a) Payment of the face value of adjusted-service certificates under section 509 or section 510 of the World War Adjusted Compensation Act, as amended, shall be made in United States notes not bearing interest. The Secretary of the Treasury is hereby authorized and directed to issue such notes in such amount as may be required to make such payment, and of the same wording, form, size, and denominations as United States notes issued under existing law, except that the wording thereon shall conform to the provisions of this act. The Administrator of Veterans' Affairs and the Secretary of the Treasury are hereby authorized and directed jointly to prescribe rules and regulations for the delivery of such notes in payment under section 509 or section 510 of the World War Adjusted Compensation Act, as amended; and there is hereby appropriated out of the Treasury such amount of such notes as may be necessary to make such payment.

(b) United States notes issued pursuant to the provisions of this act shall be lawful money of the United States and shall be fixed by law. Such notes shall be legal tender in payment of all debts and dues, public and private, and shall be receivable for customs, taxes, and all public dues, and when so received shall be reissued. Such notes, when held by any national-banking association or Federal Reserve bank, may be counted as a part of its lawful reserve. The provisions of sections 1 and 2 of the act of March 14, 1900, as amended (U. S. C., title 31, secs. 314 and 408), and section 26 of the Federal Reserve Act, as amended (U. S. C., title 31, sec. 409), are hereby made applicable to such notes in the same manner and to the same extent as such provisions shall apply at the time of the enactment of this act or in the future to United States notes.

SEC. 3. (a) Whenever the index number of the wholesale all-commodity prices rise above the index number of such prices for the years 1921 to 1929, as computed by the Bureau of Labor Statistics of the Department of Labor, notwithstanding any provisions of law to the contrary, the following methods for contracting the issues of currency in the United States may be in force and effect, in the manner and to the extent prescribed in subsection (b) of this section:

(1) Termination of the issuance and reissuance of Federal Reserve notes secured by direct obligations of the United States.

(2) Termination of the issuance and reissuance of national-bank circulating notes, and the retirement of such notes from circulation as rapidly as practicable.

(3) Termination of the issuance and reissuance of Federal Reserve notes secured only by gold or gold certificates.

(4) Termination of the issuance and reissuance of Federal Reserve notes secured by notes, drafts, bills of exchange, acceptances, or bankers' acceptances which are not issued in direct benefit of commerce, industry, or agriculture.

(b) Any such method of contracting currency issues may be applicable when the Secretary of the Treasury finds that its application is necessary in order to maintain the index number of wholesale all-commodity prices at the approximate level of the index number of such prices for the years 1921 to 1929, or to prevent undue expansion of the currency, and issues an order setting forth such finding. Each such order shall prescribe such rules and regulations as are necessary and appropriate to carry out the provisions of this section with respect to the method of contraction made applicable in the order. The Secretary may make such methods applicable in the order in which they are set forth in subsection (a) of this section, or in any order he chooses. When any such order is issued with respect to Federal Reserve notes, the Federal Reserve Board shall take such action as may be necessary to facilitate the enforcement of the order.

SEC. 4. Section 505 (authorizing annual appropriations ending with the year 1946 for the payment of adjusted-service certificates of the World War Adjusted Compensation Act, as amended), except the first sentence thereof, is hereby repealed. Amounts in the adjusted-service certificate fund are hereby made available for the expenses of printing and engraving United States notes issued under this act, for paying fractional parts of a dollar which cannot be paid in United States notes issued under the provisions of this act, and for paying the principal and interest on or in respect of loans pursuant to the provisions of subsection (c) of section 509 of the World War Adjusted Compensation Act, as amended.

SEC. 5. This act may be cited as "the Adjusted Compensation Act, 1935."

Mr. PATMAN. Mr. Chairman, this amendment was carefully prepared after consulting with the officials of the Veterans' Administration, the officials of the Treasury Department, and the Legislative Counsel of the House of Representatives. It is exactly like H. R. 1 with these minor exceptions: There was some question as to whether our bill provided for the appropriation, in the minds of some of the Members of the House. In order to make sure that there would be no doubt about it we placed in here an appropriation of the money in accordance with the will of some of the officials of the Treasury Department and some of the Members of the House.

We have also inserted in this amendment an extension of the time within which veterans may file their applications for adjusted-service certificates; and we have also inserted the one committee amendment. So there is no substantial difference between this amendment and the Vinson bill except the method of payment and refunding of interest. My amendment provides for remission since October 1, 1931, and Mr. VINSON's remits interest back to 1927.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. VINSON of Kentucky. Was the provision with regard to the extension of time within which applications could be filed taken from H. R. 3896?

Mr. PATMAN. Yes; two paragraphs were taken from my bill and put in the gentleman's bill, and I felt like I was at liberty to take one paragraph from the gentleman's bill and put in my bill.

Mr. VINSON of Kentucky. Does it contain an appropriation like we have?

Mr. PATMAN. There is a provision appropriating this money.

Mr. VINSON of Kentucky. Will the gentleman put it in the RECORD?

Mr. PATMAN. I will include it in my remarks in the RECORD.

Mr. VINSON of Kentucky. I should like to get it, because we have not been favored with copies of the new bill.

Mr. PATMAN. A page will bring a copy to the gentleman right away.

Mr. Chairman, this is not an inflationary bill. Senator THOMAS has been quoted as saying this was going too far. I have a statement from Senator THOMAS in which he states that it will not be too much money in circulation; and if there should be there is perfect control; that is, as money is put out to pay the veterans, Federal Reserve notes can be withdrawn, and not one dollar of unnecessary money will be placed in circulation.

Mr. Chairman, I ask unanimous consent to insert Senator THOMAS' statement in the RECORD; and I ask unanimous consent also to revise and extend my remarks and to insert excerpts.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. I want to invite the attention of the Members of the House to the testimony of the witnesses who appeared before the Ways and Means Committee. I want them to have the facts; that is all I want. Then if we cannot win after you get all the facts we are not entitled to win and we will not ask to win. Look at the RECORD of this morning on page 4130 where I answered the gentleman from Kentucky [Mr. VINSON], and I expect to answer every statement that is made on the floor of this House against our legislation before the RECORD has been finished tomorrow night after we vote on this bill.

We have a definite proposition asking for the payment of a definite sum based upon a definite theory. We say that these certificates were due October 1, 1931, really due, although payable in 1945. We have something definite to work on. We ask for the payment of interest only since that definite date.

Those supporting the so-called "Vinson bill" do not know where they are going; they do not know when the certificates were due; they do not even claim that they were due at a certain time, but they are talking even of the payment of interest back to 1927. Well, we know they were not due in 1927. There is no way you can figure or contend that these certificates were due before 1931, and certainly you cannot consistently contend that the interest should be remitted back of October 1, 1931.

Not only are we definite as to the time and to the amount, but we have a definite method of payment. On the Vinson bill you do not know how it is to be paid, except to issue more bonds and assess more taxes, and you do not know where you will get the tax money; that is it. You expect it will come from more tax-exempt interest-bearing bonds.

Now, upon the question of good faith, I have never told the American people that we wanted this to be paid that way. We were never able to get consideration of this proposal until we went before them with a definite proposition.

[Here the gavel fell.]

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. We did not get consideration until we were able to show them that, although these certificates are really payable in 1945, they are past due now and were due October 1, 1931, if the veterans are treated the same way as other people with regard to payment of money due on World War contracts. We did not get consideration then; we were passed off with the wave of a hand. But when we came back with a definite method of payment, a method of payment that would not involve a bond issue, that would not involve an increase of taxation, that would not interfere with the National Budget, that would not in any way destroy or impair a sound monetary system, then we got consideration from the American people, and not before then.

A bill has been introduced on the theory that the Senate prefers another bill. Senator THOMAS says:

> I favor the Patman bill. I am of the opinion that it will secure more support and votes in the United States Senate than either of the other pending measures.

[Applause.]

[Here the gavel fell.]

IMPORTANT STATEMENT—REFUNDING OF INTEREST

Mr. PATMAN. In a letter to the Honorable Willis C. Hawley, Chairman of the Committee on Ways and Means, House of Representatives, in 1931, the Secretary of the Treasury stated:

> As far as those sections of the bill are concerned, referring to the payment by the Administrator of Veterans' Affairs of the principal and interest of loans secured by veterans on their certificates or the repayment of interest paid in excess of 4 percent compounded annually, the Administrator of Veterans' Affairs informs me that the administrative difficulties involved are so great as to make this task almost impossible of performance. The total number of transactions involving interest on loans made on certificates up to date, it is estimated, exceeds 6,000,000. To make a recomputation of interest in each one of these cases would in itself constitute an extremely difficult problem. But the difficulties are further enhanced, owing to the fact that numerous loans to veterans were made by banks, and many of these loans have been repaid and the notes destroyed. Even if it were determined administratively feasible to undertake this mass of recomputations, its practical effect would not be in the interests of the veterans seeking cash on their certificates, as the time it would take to accumulate the necessary data upon which to base action would constitute a major delay in the distribution of any funds to be paid. Moreover, it would seem as if this proposal involves discrimination as between the veteran who borrowed with his certificate as collateral and the veteran who borrowed on some other form of security.

Our bill, H. R. 1, provides for remission of interest subsequent to October 1, 1931, and will not involve the millions of transactions mentioned in this statement.

The Vinson bill, H. R. 3896, remits interest back to 1927 and will involve the millions of transactions mentioned in this statement.

Mr. CONNERY. Mr. Chairman, I move to strike out the last period.

Mr. Chairman, it was not my intention to speak at all on this proposition. Twelve years ago the first speech I made on the floor of this House was a speech in favor of the passage of the soldiers' bonus act [applause] before the bill came up at all, and I had the privilege of voting for the passage of the bonus bill.

I rise to speak today merely because different colleagues have asked me how I stood and if I would make a statement on these conflicting bills.

I am going to take the time of the House to say that I am in favor of the Patman bill and I intend to vote for the Patman bill. [Applause.]

Mr. Chairman, I think the strongest argument in favor of an adjusted-compensation payment to the veterans I have ever heard was put up by Mr. Grace before the Senate committee the other day when he stated and admitted that he had received about $12,000,000 worth of bonuses during the war on munitions which went to destroy other human beings. When asked if he favored a veterans' bonus he said, "No." He did not believe that a veteran who had been getting $1 a day in the trenches in France, the veteran who had experienced all manner of indescribable hardship and suffering, should be given any compensation whatever for the time he lost away from private life. I think that is clearly the best argument for payment of a bonus.

Mr. Chairman, I hate to take issue with my dear friend, the gentleman from Kentucky [Mr. VINSON]. He has always been an advocate of the veterans' bonus and veterans' legislation. I dislike very much to differ with him today, but I have stood shoulder to shoulder with WRIGHT PATMAN ever since he came to Congress, fighting for a real bonus for the veterans of the United States, and today I am with him again. I know the Patman bill is going to pass the House and the Senate. I do not know what is going to happen at the White House, but whatever happens it is going to become a law at this session of Congress. [Applause.]

Mr. KVALE. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Minnesota.

Mr. KVALE. Does the gentleman recall that when the veterans' organizations sent their representatives to a previous hearing in a previous Congress to advocate the enactment of the Patman plan, one of the witnesses was that lovable old character, now deceased, the national head of the Farmers' Union, John Simpson.

Mr. CONNERY. That is true.

[Here the gavel fell.]

Mr. COCHRAN. Mr. Chairman, I offer a substitute for the Patman amendment.

Mr. TABER. Mr. Chairman, why does not the Chairman of the Ways and Means Committee ask unanimous consent that the amendment offered by the gentleman be considered

as read and printed in the RECORD, without taking the time to read it.

Mr. DOUGHTON. Mr. Chairman, we want all the information we can get concerning all of these bills. They are important enough to be read in full, and we want them all read.

The Clerk read as follows:

Mr. COCHRAN offers the following substitute for the Patman amendment:

"That section 507 of the World War Adjusted Compensation Act, as amended, is hereby further amended to read as follows:

"'All amounts in the fund shall be available for payment by the Administrator of Veterans' Affairs of adjusted-service certificates upon their maturity or the prior death of the veteran; for payment under section 502 to banks on account of loans to veterans; for the repayment of loans made by the Administrator of Veterans' Affairs out of the United States Government life insurance fund on security of adjusted-service certificates, in which case the Administrator of Veterans' Affairs shall pay interest to such fund to date of maturity of the loan at the rate such fund is authorized to receive under the provisions of subdivision (m) of section 502, as amended; and for payment by the Secretary of the Treasury to veterans of the amount of the cash payment authorized to be paid by this act upon the surrender of their adjusted-service certificates.'

"SEC. 2. That title V of the World War Adjusted Compensation Act, as amended, is further amended by adding to the end thereof a new section to read as follows:

"'SEC. 509. (a) At the option and upon the application of any veteran to whom there has been lawfully issued an adjusted-service certificate under the provisions of this act and upon the complete surrender of such adjusted-service certificate, together with all rights and privileges thereunder (with or without the consent of the beneficiary thereof), the Administrator of Veterans' Affairs shall certify to the Secretary of the Treasury the amount of the maturity value, shown on the face of the adjusted-service certificate surrendered, discounted (at true discount) to January 1, 1945, at the rate of interest of 3 percent per annum, compounded semiannually, from the 1st day of the January or July (whichever is the earlier date) next succeeding the date of the filing with the Administrator of Veterans' Affairs of the application, less any indebtedness on account of any loan or loans made thereon under the provisions of this act and interest if any accrued to the date of the filing of the application with the Veterans' Administration: *Provided*, That for the purposes of this section, on and after January 1, 1932, the rate of interest charged on loans shall be 3 percent per annum, compounded annually, and any interest charged in excess of this date shall be accordingly adjusted and taken into consideration in the amount certified.

"'(b) No payment shall be made or bonds issued under this section until the certificate is in the possession of the Administrator of Veterans' Affairs, nor until all obligations for which the certificate was held as security have been paid or otherwise discharged.

"'(c) If at the time of application to the Administrator of Veterans' Affairs for settlement under this section the principal and interest on or in respect of any loan upon the certificate have not been paid in full (whether or not the loan has matured), then the Administrator of Veterans' Affairs shall (1) pay or otherwise discharge such unpaid principal and so much of the unpaid interest (accrued or to accrue) as is necessary to make the certificate available for payment under this section, and (2) deduct from the amount of any settlement the amount of such principal and so much of such interest, if any, as accrued prior to the date of filing of application with the Veterans' Administration to surrender such certificate: *Provided*, That as to loans on adjusted-service certificates, properly made, unpaid and held by a bank upon application for benefits in accordance with provisions of this section the bank holding the note and certificate shall, upon notice from the Administrator of Veterans' Affairs, present them to the Administrator of Veterans' Affairs for payment to the bank in full satisfaction of its claim of the amount of unpaid principal and unpaid interest, except that if the bank, after notice of application under this section, fails to present the certificate and note to the Administrator of Veterans' Affairs within 15 days after the mailing of the notice so to do, such interest shall be only up to the fifteenth day after the mailing of such notice.

"'(d) Upon the filing of an application for benefits under this section the certificate and all rights and privileges thereunder shall be canceled.

"'(e) A veteran may receive the benefits of this section by application therefor filed with the Administrator of Veterans' Affairs during the lifetime of the veteran. Such application may be made and filed at any time before the maturity of the certificate (1) personally by the veteran or (2) in case physical and mental incapacity prevents the filing of a personal application then by such representative of the veteran and in such manner as may be by regulations prescribed by the Administrator of Veterans' Affairs. Application made by a person other than a representative authorized by such regulations shall be held void.

"'(f) If the veteran dies after application has been filed, the settlement authorized under provisions of section 509 of this act shall be made to the estate of the veteran.

"'(g) Settlements under the provisions of this section shall not be made until 3 months subsequent to the date of its enactment.

"'(h) The Secretary of the Treasury is authorized and directed, upon receipt from the Administrator of Veterans' Affairs of a statement in a form to be prescribed by the Secretary of the Treasury, to issue, in settlement of the amount certified to be due, negotiable bonds, with coupons attached bearing interest at the rate of 3 percent per annum payable semiannually, up to the highest multiple of $50 represented in the amount certified. Such bonds shall be dated from the 1st day of the January or July (whichever is the earlier date) next succeeding the date of the filing with the Administrator of Veterans' Affairs of the application and shall be redeemable in lawful money of the United States on January 1, 1945. The difference between the net amount certified as due and the amount represented by the bonds issued shall be paid by the Secretary of the Treasury by check drawn on the Treasurer of the United States: *Provided*, That for a period of 6 months from the date of issuance no bond issued under the authority of this act shall be negotiable or assignable, or used as collateral security for a loan, by the person to whom the bond is issued, for any consideration less than the amount shown on the face of the bond as the redemption value; and any person or persons entering into any agreement either on behalf of themselves or others to procure by purchase, trade, or otherwise any bond in violation of this provision shall be guilty of a fraud and shall be punished by a fine of not more than $10,000 or by imprisonment for not more than 2 years, or both.

"'(i) The Secretary of the Treasury is authorized and directed to redeem from the United States Government Life Insurance Fund all adjusted-service certificates held by that fund on account of loans made thereon and shall pay to the United States Government Life Insurance Fund the amount of the outstanding liens against such certificates, including all interest due or accrued, together with such amounts as may be due under subdivision (m) of section 502 as amended. The Secretary of the Treasury in making redemption of adjusted-service certificates from the United States Government Life Insurance Fund is authorized and directed to make payment therefor by issuing to the United States Government Life Insurance Fund bonds of the United States which shall bear interest at the rate of 4½ percent per annum, and such bonds shall not be callable until the expiration of a period of 10 years from date of issue.'"

Mr. ARNOLD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ARNOLD. Mr. Chairman, should the Cochran substitute amendment be adopted, what provision is there for a vote on the Patman bill without the Cochran amendment?

The CHAIRMAN. If the Cochran bill should be substituted for the Patman bill, the Committee would then vote on the Patman amendment as amended by the Cochran substitute.

Mr. ARNOLD. Then, do I understand there would be no opportunity to vote on the Patman bill as is?

The CHAIRMAN. When the Patman amendment has been perfected and the Cochran substitute has been perfected, the Committee votes on both bills by voting to determine whether it will substitute the Cochran bill for the Patman bill. The vote then recurs on the Patman amendment, or on the Patman amendment as amended by the Cochran substitute.

Mr. ARNOLD. As I understand it, if the Cochran substitute is adopted, there is no way whereby we can vote directly on the Patman bill without the Cochran amendment.

The CHAIRMAN. In voting on the Cochran substitute, the Members are thereby voting on the Patman amendment. If the Committee adopts the Cochran substitute, it has voted against the Patman bill; and if it rejects the Cochran substitute, it has voted for the Patman bill.

Mr. CONNERY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his inquiry.

Mr. CONNERY. If the Committee should adopt the Cochran amendment, that would substitute the Cochran amendment for the Patman bill?

The CHAIRMAN. The gentleman has correctly analyzed the situation.

Mr. McFARLANE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McFARLANE. If we are for the Patman bill, we want to vote against the Cochran amendment?

The CHAIRMAN. That is not a parliamentary inquiry. The gentleman from Missouri [Mr. COCHRAN] is recognized for 5 minutes.

Mr. COCHRAN. Mr. Chairman, the amendment just read may be commonly called the "Tydings-Andrews-Cochran

bill", introduced in the Senate by Mr. TYDINGS and in the House by the gentleman from New York [Mr. ANDREWS] and myself.

The gentleman from Massachusetts [Mr. TREADWAY], ranking member of the Ways and Means Committee, who is entitled to first recognition when the time comes to recommit this bill, has stated to the House today that he proposes to offer as a motion to recommit the Senator Tydings' bill, which means that his motion to recommit is the identical bill introduced by the gentleman from New York [Mr. ANDREWS] and myself, or the substitute I have just offered.

Mr. Chairman, what was the purpose of introducing this substitute? The gentleman from Massachusetts [Mr. CONNERY] just answered the question in his speech when he stated: "I do not know what is going to happen at the White House." Some of us feel, in view of what has happened in the past, we know what is going to happen at the White House if the Patman bill ever reaches the White House. It is going to be vetoed. We also feel the Vinson bill is going to be vetoed if it ever reaches the White House. Then what have you? Nothing but disappointment for the veterans.

When you are in the position of seeking legislation, and it requires the signature of the President to the bill in order for that legislation to become a law, and it is generally known the President will not sign the bill, what is the best thing to do? The only thing to do is to compromise. Here is the opportunity for a compromise. If this bill goes to the Senate, there will be some conferences with the President. The President has been compromising for the last 2 years, and I may say he has been compromising on some mighty important legislation. It is reasonable to assume that he will compromise on this legislation, and when we do compromise the veterans will get more than is actually in the bill that I am asking you to vote for, because the President will be required to yield to the Senate in order to effect the compromise.

I stated yesterday this bill is not as liberal as I would make it. I favor canceling the interest, because if you do not the veteran is going to get little to speak of. I promised Senator TYDINGS I would introduce his bill as he introduced it, but I am sure the Senate, if that body passes the Tydings bill, will eliminate payment of interest on the outstanding loans. This must be done, because some banks charged the veterans as high as 8 percent.

Men have stood here for 2 days and assailed the Patman bill because of its inflationary features. Every man who has so expressed himself should support my substitute. If you do not you are going to find yourself in the end voting for a bill that you have spoken against.

The President has enough burdens without this House increasing them. Why send him legislation we know in advance he will not sign? I am unwilling to do that.

The gentleman from Tennessee [Mr. MCREYNOLDS] very well stated the issue this morning when he said he had been working for years for the veterans, and the veterans are his friends. I place myself in the same position. The gentleman from Tennessee told you this morning what the veteran wants is money, not your vote. If you cannot get the veterans the money, what is the use of sending the bill to the White House? Is it to extend your life as a public official and help you in the next campaign? I am not willing to do that. That is why I offered the substitute. I want to get the veterans some dollars.

My position upon this legislation is clear. I have never voted for a bonus bill because I knew the President would veto it in the form it was presented, and I will not vote for the Patman bill or the Vinson bill on final roll call, because I know that I would be deceiving the veterans, or at least I feel that I would be deceiving them in voting for a bill that I feel has no opportunity to become a law.

[Here the gavel fell.]

Mr. COCHRAN. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. Now, Mr. Chairman, I am considering this question from the standpoint of trying to do something to get some money for the needy veterans who want it, and the only way you can do that is to pass a bill that by way of a compromise might become a law. I am not telling you the President will sign this bill; but give us an opportunity to try to work out some compromise with him. You have had your chance on a previous occasion, and lost. Give us a chance.

Now, remember, when the gentleman from Massachusetts [Mr. TREADWAY] offers his motion to recommit and presents Senator TYDINGS' bill, it is going to be identically the same as this bill, which is the bill Mr. ANDREWS of New York and myself introduced in the House. Mr. TREADWAY is simply offering Senator TYDINGS' bill, which is similar.

I hope you will weigh the situation carefully, and I feel if you do you will be doing more for the veterans by voting for a bill that has an opportunity to be signed by the President than by voting for bills that have no chance whatsoever to secure his signature. [Applause.]

Mr. PATMAN. Mr. Chairman, I ask for recognition in opposition to the substitute amendment.

We expect a direct vote between H. R. 1, the amendment which I have just offered, and H. R. 3896 in this way. We expect to vote down this amendment, and we expect to vote down the other amendments, and after these amendments are defeated, then we will have a direct vote between our amendment and the Vinson bill.

In regard to this particular amendment, I do not believe it has much support in this House. It is based upon the theory that a veteran who holds an average certificate amounting to about $1,000 will receive, under the Cochran amendment, about $154. This presumes he has borrowed the limit allowed by law every time he was allowed to borrow, and 6 out of 7 have done this. So 6 out of every 7 veterans under the Cochran amendment would receive on this basis $154 for every $1,000 certificate. I do not believe this is sound. This includes a loan of $500 and accrued interest of about $98. It also includes smaller loans before 1931.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. COCHRAN. That statement is just about as accurate as lots of other statements the gentleman has made on the floor in this debate.

Mr. PATMAN. Well, I have the gentleman's own remarks.

Mr. COCHRAN. No; the gentleman has not any remarks of mine that contain such a statement. I have never made any such statement. The gentleman is reading somebody else's remarks.

Mr. PATMAN. Senator TYDINGS is the author of the bill. He is the one who got up this bill, and I understand he is the one who prepared these figures.

Mr. COCHRAN. The gentleman cannot find any place anywhere any such remarks made by me.

Mr. PATMAN. The gentleman probably has not read these figures.

Mr. COCHRAN. I made the statement yesterday that under the bill as it is worded now the veteran would receive approximately 80 percent of the value of his certificate. When the interest is canceled it will be a much larger percentage.

Mr. PATMAN. I do not yield further. Anyone can make the computation for himself. The gentleman does not propose to cancel the interest. Charge up against the veteran the principal of each loan and the accrued interest and there will be remaining on a $1,000 certificate about $154 under the gentleman's bill.

I say you should not deduct this interest after October 1, 1931, for the reason that we are asking that the $1 a day and the $1.25 a day not be changed. We are staying with that. We are not asking for any revision of it. We are merely asking that it be paid as of the time they rendered the service and that a fair adjustment of the interest rate be made.

This being true, each veteran who holds an adjusted-service certificate was entitled to an amount equivalent to the face value thereof on October 1, 1931, and it is cer-

tainly not fair to charge interest after that time. There is no argument that I can make that will justify you in voting to deduct the interest before that time, because I am asking that it be declared due as of that date.

Now, the Senate has its duty to perform, and we have our duty to perform. The Chief Executive of this Nation has his duty to perform.

I feel it is my duty to vote for the bill that is in the interest of the veterans and in the interest of the country. The bill that I propose has veteran support; the farmers, the laborers, the small business men, and people all over the country generally are supporting it because they believe it will place additional money in circulation and into the hands of people who use this money to buy goods.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BLANTON. We must vote down all amendments offered to the Patman bill. And if we pass the Patman bill, H. R. 1, which we are going to do, and the Senate passes it, then with the added strength we will get from present supporters of the Vinson bill we will have enough votes in both Houses to override a veto and pass the Patman bill into law.

Mr. PATMAN. I feel sure that the bill will pass this House and the Senate by a two-thirds vote, and I believe that the Members will stay with that vote, because this gold will be used sometime for some purpose. Who knows but what it will be used for a purpose that will not be as worthy as the purpose that we propose?

So we are merely exercising our legislative privilege of voting for a bill that we believe is in the interest of the veterans and in the interest of the country.

In conclusion, my friends, I ask you to vote down this amendment that will only give the veterans that hold a thousand-dollar certificate $154. [Applause.]

Mr. PIERCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall vote for the Patman bill to pay the adjusted-service certificates. I promised my constituents to vote for this Patman bill before the Vinson bill was known. I now set forth as some of my reasons for supporting this bill.

First. It is the payment of an honest debt, due for services long since rendered. The Government cannot longer defer the payment of this debt, in justice to the men who defended the country in its hour of need, and are now facing their own hour of most desperate need.

Second. The Patman bill provides a method of payment that is consistent with governmental practice and will not add to this Government's bonded debt. This method of payment will result beneficially for the country as a whole because the effect of two thousand millions of new currency will be to increase business activity through the flow of money.

Third. I am attracted to the support of this bill because it provides for controlled expansion of the currency.

The newspapers and bondholders have created such a sentiment throughout the country that people are afraid to use the word "inflation." What does "inflation" mean? To read the scare headlines in newspapers you might think that inflation would produce the most dreadful catastrophe that could possibly happen to this Nation. Pages and pages in the press, from magazine articles to newspaper advertising, as well as editorials, hold up in holy horror the word "inflation", until people only use it in a half whisper. According to newspapers, it is evidently a greater crime to favor inflation than to commit any act against the people or the Government, almost equivalent to treason.

Inflation is the opposite of deflation. We know what deflation meant when the bankers of the Atlantic border decided, in 1920, that prices were too high and the country was going at too rapid a pace. They decided on deflation. Millions in currency were called in and canceled. Thousands and thousands of promissory notes were not renewed when they became due and the unfortunate signers of those notes were ordered to pay. Wheat came down with a bang. I remember when it went down 40 cents a bushel in 24 hours on the Pacific coast. That was deflation with a vengeance. We had another real, genuine period of deflation, commencing in October 1929, when the stock market broke. Bank deposits were frozen by the millions of dollars. In fact, we have had almost a solid line of deflation since that famous day in 1929.

It is true that we have higher prices for commodities now than either 1 year ago or 2 years ago, owing to the activities of the Government in its spending of money on public works, the operation of the domestic-allotment plan, and the disastrous drought. Everyone must realize that these prices for farm products cannot be maintained, if we have a good crop this year. Our prosperity prior to the World War came because we had an outlet for our surplus, especially for agricultural products, in the world's markets. We know those markets for our wheat are now gone, and the foreign market for our excess cotton is fast disappearing.

What is the harm of reversing the downward trend and giving us higher prices for commodities and higher wages? Why not make money less valuable when measured in products and products more valuable when measured in money? What is the harm of putting people to work, instead of compelling them to accept a dole from the hands of a charitable Government? Shall I call this inflation? Yes; in a certain sense it is. I am not ashamed to use the word. Nobody wants to bring on the inflation that Germany had when she deliberately deflated her celebrated mark and, as a result of that inflation, canceled millions of her private debts as well as her great war debt. If she had not done so she would not now be able to prepare for another great war, as she is doing today. Nobody advocates taking the entire value out of our currency, but we are all anxious to see every dollar buy more of the commodities which the industrial and agricultural world is producing.

What governs prices? I wish I knew. Several factors enter in, among them supply and demand, if that natural law is allowed to work. The amount of money, base money as well as credit money, has much influence on prices. I am willing to admit, also, that credit has its part and influence in fixing prices. Unquestionably, if gold could come today out of the mountains and streams as it came in '49 or as it came out of South Africa 40 years ago, and that gold could be channelled into the hands of the people, we would have better times at once. The day of metal money has passed. Nowhere in the civilized world will gold again circulate as it did on the Pacific coast prior to the World War. In the good old days it was the ordinary thing for a man going through our coast country buying cattle, horses, hogs, and sheep to bring forth from the saddlebag his buckskin pouch and count out $20 gold pieces in payment for property purchased. In those good old days nobody ever thought of paying his hired help with checks; it was always gold and silver. Those days are gone forever.

The gold ounce is today, and it has ever been in modern times, that which balances foreign trade, and our hoarding of gold in the sub-Treasury is valuable for that purpose, and that purpose only. If we are ever able to determine the kind of money really best for our economic welfare, probably metal money will not be considered at all.

The law now provides that there must be a metal backing of at least 40 percent for all outstanding currency. The daily statement of the United States Treasury on March 18, 1935, shows currency assets in gold of $8,552,893,448; in silver, $743,010,006; a total of $9,295,903,454. Calculated on the 40-percent accepted rate of one dollar in metal to sustain two dollars and one-half in currency, our gold and silver reserve will sustain a currency issue of $23,239,758,635. The same daily statement shows outstanding Federal Reserve notes of $3,407,134,290; Federal Reserve bank notes to the amount of $95,572,982; national-bank notes, $842,884,313. This makes a grand total of $4,345,591,585 outstanding notes. Recently I heard a very high authority say that for every hundred dollars in currency afloat we have actually $130 in metal, in reserve.

With such a showing, why, in the name of common sense and in the name of suffering humanity, is it necessary to

continue to issue interest-bearing tax-exempt bonds to meet the expenses of government? Why provide for more borrowing when we have such a tremendous quantity of precious metal in the Treasury of the United States? Why buy more gold and silver if we fail to use what we have in the vaults?

Who governs this country? Is it the legislative authority, the courts, the executive power, or the newspaper headlines? Two thousand millions of currency will liquidate this long overdue, just, and honest debt. Why not pay it? Why not accept the responsibility of deciding how the money shall be supplied.

The author of the Patman bill has said that the metal, gold and silver, in the Treasury could redeem every dollar of outstanding currency, pay the veterans their adjusted service certificates, and still leave two thousand million dollars worth of gold and silver in the Treasury; 4,000 tons of gold. Why, then, talk about the Tydings bill, introduced here by Congressman ANDREWS, or the Vinson bill, which seems, truly, to be a bankers' bonus bill?

The Tydings bill simply transferred into interest-bearing bonds due in 1945, this debt now due the veterans. This does not materially help the situation, though it will, it is true, enable the veteran to sell his claim, at a discount, to some banker or broker.

I cannot see how anyone can justify his vote for the Vinson bill. There is no question but it will be vetoed and cannot be passed over the President's veto. If it could be enacted and were put into effect as a law, it would simply mean the sale of two thousand millions more of bonds, tax exempt. This can be safely predicted, because the bill makes no provision for payment, and the Treasury could not do otherwise without congressional sanction. Why create two thousand millions more of these tax-exempt bonds for the benefit of the money interests, the privileged classes too long favored by Government? It has been said that the Vinson bill is not a veterans' bill but a money lenders' bill. I agree with this, and that is one reason why I am supporting the Patman bill, really a veterans' relief measure from every point of view.

The fear of inflation seems to me to be the most senseless argument advanced against this legislation. Go back 5 years—prior to October of 1929—and we find almost sixty billions of deposits in our banks, with check money moving with tremendous velocity, great activity everywhere. Look at the situation now fairly and honestly. The money in the banks is 25 percent less than it was in October 1929 and check money is moving very slowly. The banks are ready to lend if the loan is secured beyond the possibility of a question and beyond the capacity of the average borrower. In fact, banks almost demand Government bonds as security for short-time loans. Of course, under such conditions there is very little business doing. The country has been thoroughly deflated. Why not lift the smothering blanket of deflation and let us breathe?

Repeatedly it has been said in the well of this House that if we started inflation there would be no stopping place, that one issue of paper money will demand another and another and another. This is not a legitimate argument and there is no force in it. We could ruin the value of our dollar as did Germany the value of her mark, but who wants to do that? Did France ruin the value of her franc when she inflated? It is true that it takes five francs today to buy the same quantity of gold that one franc would buy before the World War, but the franc was stabilized, and has been held firmly ever since stabilization.

I will admit that the science of money is not capable of demonstration like a mathematical problem. In the face of the deflation of checking money by fifteen billions, which has occurred since October 1929, I do not think there should be any fear of issuing two billions—call it inflation if you wish—to pay this just debt to those who were called upon to defend our country in the hour of need. You Representatives who are so deeply worried by the word "inflation" should remember that debts cannot be paid on the present commodity price levels. We must have higher prices and higher wages or repudiation will follow. As you make your choice, I do not see why you do not choose reasonable inflation or controlled expansion, if you prefer the term, rather than repudiation of debts.

I have been in Congress for 25 months, and this is the first time I have had the opportunity to vote for an increase in basic money, which, I think, really means something. We did give the President the power to issue three billions of currency, but he has not used that power. Perhaps we helped the expansion of currency a little when we passed the silver legislation a year ago, but this is our opportunity to be of real benefit. Under the Patman bill the Secretary may retire reserve notes if he believes there is too much inflation, but I do not believe he will find it necessary to exercise any such power. The two thousand million dollars of currency that will be necessary to liquidate this debt will be less than 20 percent of the shrinkage of bank deposits since October 1929. I do not believe this to be sufficient expansion, but think it will help materially. I am not claiming for a minute that this will raise world prices, as those prices are governed by many different forces. Balances between nations must, in the future, as they have in the past, be settled by the weight of gold. An issue of two thousand millions of currency will certainly increase prices in this country, as it did in France, and as it has done wherever it has been accomplished. When Germany decided to take the value out of her mark it did not materially affect prices outside that country. Probably never again during this session shall we have a better chance to vote for a controlled expansion of the currency.

Much has been said about the difference between wages received during the war by the soldiers and the men at home. During that period I was actively farming. From my ranch 21 men went into the service in the Army and Navy. Twenty volunteered and one went under the selective draft, and he was the only one lost. All of those young men left wages of from four to eight dollars a day to endure the hardships and dangers of war. They were paid in service a dollar or a dollar and a quarter a day. They went as a patriotic duty. They are now in middle life. Why wait 10 years to pay them? Why give them bonds and force them to discount those bonds to the banker or broker? Why pass a bill which will compel the Treasurer to sell two thousand millions more of tax-exempt bonds? We owe a real debt, an honest debt, and it should be paid now. Should we wait 10 years, a full third of those now living will have passed over the Great Divide. Pay the debt now when the money is so much needed, and when it will help to restore morale and encourage men who have been fighting a depression almost as hideous as war. We must not desert these men nor disappoint them.

Across the ocean again may be heard the stir of preparation for war. Legions are again marching and remarching, and out of the air may come at any time the hostile bomb that will set fire to the world. Do we say now, as we said in 1916, that we will never again get into any European conflict? We then elected a President because "he kept us out of war"; but in April 1917 heard the bugle call, and this great peaceful Nation rushed into the terrible conflict, making heroic sacrifice.

A vote for the Patman bill is a vote for the veterans of the World War and it is a vote for a greater degree of prosperity for all. It will be a vote which will bring cheer into thousands upon thousands of homes. It will be a vote to show our appreciation for services of incalculable value. It will be a vote to clothe many a ragged back and feed many a hungry mouth. It will be a vote of confidence in America and our institutions. It will be a vote that we shall ever be proud to recall. It will be a vote not for the banker nor broker but for the common man. The money will be scattered in every State, in every county of this broad land, from ocean to shining ocean and from the Gulf to Canada. No act of this Congress will so widely distribute money. No act will affect so many homes, men, women, and children and bring joy to so many hearts. Let us pay the adjusted-service certificates by the method provided in the Patman bill.

Mr. GRAY of Indiana. Mr. Chairman, the controversy here today is not over the payment or the postponement of the payment of the soldiers' adjusted-service certificates. It is recognized here an obligation under the acts of a former Congress, and all agree that it must be paid now or later and under some form provided the most advantageous to the Government. As Members of Congress, we are acting as agents and servants of the Government, the people of the country, in providing means and money for the payment of the debt to the soldiers.

But let us for a brief time here assume that we are the agents and servants of a private individual business man or men entrusted with their money and funds for the payment of their debts and obligations. What would these men think of us if we would proceed to check out their money, turn it over to some individual bank or corporation for the paltry sum of three-tenths of 1 percent, and then borrow back the same identical money at 3 and 4 percent with which to pay their debts?

Such a course of agents and servants would not only raise the question of our ability, not only a question of our honesty and integrity, but a question of our sanity—a conclusive presumption of our lunacy. And our betrayed employers would dismiss and renounce us and would call an inquest to commit us to the madhouse for safe keeping.

Yet this is what the Vinson bill calls upon the membership of the House to do. The Government would print the money, would guarantee the money, and stand behind to make the money good. And then the Vinson bill would have us turn this money over to private banking corporations for three-tenths of 1 percent. Then further proceeding, we would borrow back this same identical money at 3 and 4 percent with which to meet and pay the Government's debt to soldiers.

Each of the 12 Federal Reserve banks receiving this money for seven-tenths of 1 percent have been making as high as $10,000 a day. And the whole Federal Reserve Bank System has been making as high as 200-percent dividends in controlling and using the people's money. How do these banks make all this money? How do they make $10,000 per day? How do they make 200-percent dividends? It is embarrassing to tell you how, because the explanation reflects upon the ability, honesty, and sanity of the whole membership of Congress. They make these great earnings and income in loaning the people's money to the people, in collecting from the people of the country billions for the use of their own money. This is the system which the Vinson bill requires continued and now used for the payment of the bonus.

But we are warned against the obligation upon the Government created by the issuance of money direct instead of borrowing our own money at interest. This is only another false defense claim. Whether the money is issued and used for payment direct, or whether bonds are issued providing interest to the financiers, a like obligation will be created. If the money is issued and used direct for the payment of the soldiers' bonus, the obligation will be to redeem the money and will only be for the face value of the money, and $2,000,000,000 only will be required to pay, no matter when the money is redeemed.

But if bonds instead of money are used providing for the payment of interest, the obligation to pay the bonds will not only be for the face value, the $2,000,000,000 for which issued, the obligation will be for the payment of interest accruing semiannually for a great number of years. And if the payment of these bonds are issued for a like term to run as other bonds have been issued, and then again to be refunded, the interest will more than equal the principal.

The obligation created by the bonds upon the Government to pay will call for the Government to collect off the taxpayers not only the face of the bonds, two billions, but the face of the bonds and accruing interest, and may amount to $4,000,000,000 or more. In other words, if we pass the Vinson bill, calling for bonds instead of using our money, the bankers will get two billions more money, and the people, as the taxpayers, will be called upon to pay two billions more, all to satisfy the whim and pretext made to lead the people to pay interest on their own money.

But when we protest against the criminal folly and imposition of allowing the private bankers to collect a tribute amounting to billions from the people as interest for the use of their own money, we are met with the delusive hue and cry of "inflation", "flat money", and "printing-press money", forgetting that all bonds, as well as money, are flat bonds and printing-press bonds—that is, bonds by the decree of the Government and bonds printed by printing presses.

We have only to recur to recent history to recall this strategic charge and to show the fallacy of this evasive claim.

During the great Civil War, Lincoln, to meet the expenses of the war, ordered printed and paid out $350,000,000 in legal-tender notes, the same obligations upon the Government to redeem as the obligation to pay bonds, but without the obligation of added interest. The bankers then, as now, protested against the money outstanding which called for no interest from the people and demanded that the money be recalled and interest-bearing bonds be issued calling for interest as well as principal. But the experience with the money was so satisfactory to the people and the savings of millions in interest so appealed to their judgment and reason that all attempts to recall the money and convert them into interest-bearing bonds that the money was left to remain in circulation and is the greenback money today.

Today we are greatly indebted to our colleague from Mississippi, the Honorable JOHN E. RANKIN, who has made a computation of the amount of interest which would have been collected from the people if the money had been recalled as demanded and interest-bearing bonds issued instead. The computation shows that up to this time the bankers would have collected at compound semiannual interest the vast sum of $11,000,000,000 on less than one-half a million dollar debt, and for which the bankers artfully plead, warning against "flat" and "printing press" money. But here we are today considering money and bonds in the sum of $2,000,000,000 and where the interest collected, if the bonds were to run the usual term, would amount to more than $11,000,000,000 or many times that vast amount.

The Patman bill provides for using the same money to pay the bonus that Lincoln used to pay the soldiers and which has remained in circulation as good as gold for 70 years without the payment of $11,000,000,000 interest or the payment of any interest.

Taking advantage of religious beliefs and the mysteries and phenomena of nature, many frauds have been perpetrated upon the confiding, unsuspecting people to burden and take from them their property, earnings, and income. But the money illusion, taking advantage of the power of money, operating, hidden, covered, and concealed, to transfer wealth and property from one class to another, is the most gigantic and colossal fraud which men have ever invented to take from their fellow men.

Some day the people will learn of the truth and the facts of this gigantic and colossal fraud perpetrated and imposed upon them, how the manipulating financiers have been and still are collecting billions from them as interest for the use of their own money. And then they will rise up in righteous wrath and indignation and dismiss and repudiate their agents and servants condoning this fraud and for refusing and failing to inform them and protect them from this monstrous outrage and injustice. And when the bankers' tribute shall have become more galling and intolerable and the people have nothing left to lose and everything before them to gain, they will throw off the forms of government and ignore the orders of peace and civil life. And they will drive the money changers from the temple by force and fire, and if the misers and Shylocks still stubbornly stand out and resist hiding behind the puppet rulers, as they have been sheltered in the past, they will storm the temples of government and one stone will not lie upon another.

These evils should be corrected by Congress now and before this calamity, threatening peace and order and the institutions of civil life, breaks upon us.

Mr. TRUAX. Mr. Chairman, I move to strike out the last three words.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. TRUAX. Yes.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate upon this substitute and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. TRUAX. Mr. Chairman, the demonstration that just occurred no doubt is quite interesting to the bankers in the gallery. [Applause and cries of "Louder!"] We have what is known as the "bankers' delight bill", which is the Vinson bill. [Cries of "Louder!"] We have what is known as the "chiselers' bonus bill", and that is the Cochran-Tydings bill. [Cries of "Louder!"] Some of you fellows will be calling "Louder" when going down to the hot depths of hell. [Laughter and applause.] I want to say that I am not fighting the American Legion under the leadership of Commander Belgrano. I am fighting the American bankers under the leadership of Frank Belgrano. I intend to vote for, and you fellows who are scoffing will see the Patman bill passed by the House of Representatives. I fear not what the self-appointed official spokesman(?) for the President, Mr. COCHRAN, of Missouri, tells you. He says that the President will veto the Patman bill and that he will veto the Vinson bill. He has given you no assurance that the President will sign the Cochran-Tydings bill. If it were in my power, I would veto it, because it is a chiseling bill, designed to chisel the American war veteran out of what is justly due him. You fear inflation. I am not surprised at that from the Republican side, but I am surprised at that from the Democratic side. Why do you fear inflation? Whom will inflation hurt? Will it hurt the farmer? Did money inflation bankrupt the American farmer? No; it was bank-credit inflation that ruined him. Did money inflation ruin the American bankers? No; the American bankers collapsed because of credit inflation. They had $44,000,000,000 of credit dollars in their vaults, and there were only five and one-half billion dollars in actual circulation.

People lost confidence in their banks. They demanded their money. The banks had not the money. They had credit dollars, the cheapest kind of dollars that any nation can have. When you sign a note to place $10,000 to your credit, you are signing the cheapest kind of money that can be used. That is what your bankers have done. I say to you that you ought to seize this opportunity to stop once and for all the racketeering, chiseling bankers of this country, and you have that opportunity by voting for the Patman bill. [Applause.]

I say not one word against those who support the Vinson or other bills. They are entitled to their viewpoints and privileges. I am no more responsible to them than they are to me. I am responsible to only those who believed in me in Ohio, and I give it to you that the majority of those people in Ohio whom I represent, the farmers, wage workers, small business men, and war veterans, the large majority of those people want the bonus paid in full now, and they want that bonus paid by the Patman method—the only bill presented for consideration by the House of Representatives that provides a vehicle of its own for financing without help from the burdened taxpayers and without assistance from the bankers and money lenders.

On the afternoon of August 20, 1932, our beloved President Franklin Roosevelt made his first speech in that historic general election campaign of 1932. He made that historic speech in the capital city of my State, Columbus, Ohio, before a tremendous audience. In the evening of that same day in the Democratic Convention held in the Auditorium, Columbus, Ohio, I was the only candidate on the State ticket to openly and publicly declare for the immediate payment of the soldiers' bonus. In the campaign that followed in the fall, I was the only candidate on the State ticket who in every utterance, in every piece of publicity used, ardently advocated the immediate payment of the soldiers' bonus. Again in the primary and general election campaign of the 1934 campaign, I urged the passage of this humanitarian legislation. I spoke of the mechanics which should be employed, the vehicle in which it should ride into the homes of distressed war veterans, and that vehicle should be the Patman bill. I stated that the enactment of the Patman bonus bill would be for the benefit of a most patient, tolerant, and long-suffering group of heroic and patriotic American citizens, the World War veterans. What I stated in 1932, in 1934, I reiterate today.

No; money inflation did not bankrupt the farmer. The farmer had a surplus of food, wage workers had a surplus of labor, the merchants had goods to sell, the factory wheels were ready to turn, but instead of prosperity the Nation was plunged into stark poverty, bleak desolation, too much credit inflation, and too little money; and so people starved because there was too much food, they went naked because there were too many clothes to wear, they were homeless because there were too many homes.

The gaping wounds of a credit-inflation panic have become the festering sores of a chronic, killing depression, and, instead of cutting out the cancerous growth and curing the ill, you propose to imbibe more of the poison that has prostrated you. Instead of reducing credit inflation, you propose to increase it. Instead of giving a blood transfusion of more money into the sorely depleted veins of our national circulatory system, you propose to help the patient by injecting more of the watery, salty solution of more and more credit inflation. You quake in mortal terror at the thought of expanding the currency, but never a fear have you of another dose of bankers' credit inflation. Do you not know that every time you increase credit inflation to the bursting point final collapse is certain, and by the same token when you expand the currency you are reducing by that amount, in this case $2,000,000,000, the back-breaking load of the taxpayers. Can you not see that when you pay a $2,000,000,000 debt with your own money you are lightening the load that amount? The country is in the grip of a money famine.

How, then, can this money famine be dissolved except by the Government issuing more currency or the bankers issuing more currency? If we should give the national bankers the special privilege of issuing two billions in new currency, instead of permitting Congress to go back to the Constitution and issue it in the name of the Federal Government, we would have no hue and cry against currency expansion.

We have to expand the currency. We must call in some of those tax-exempt bonds and pay them off before they are repudiated. Instead of financing relief work with bond issues, which only relieves the bankers, in the long run, we must do that with non-interest-bearing Treasury certificates.

With the supply of gold and silver bullion now in the vaults of the Treasury Department we could justify an additional issue of $20,000,000,000 in currency and put it in circulation.

Let us judge the merits of inflation by the process of elimination. Who will it hurt? Will it hurt the farmer, who is down and out and has lost nearly $40,000,000,000 in the diminished value of his properties?

Will new currency hurt the soldier, who now, in most cases, is without property, without income, and without a job?

It cannot hurt him, but, on the other hand, if we pass the Patman adjusted-compensation measure, its benefits will be observed not only in the ex-soldiers' own homes but in every avenue of trade and in every line of commerce that comes in contact with the World War veteran—the butcher, the baker, the candlestick maker.

The third distressed class is the wage earners who are receiving barely enough to eke out existences. Inflation cannot hurt them. They have everything to gain and nothing to lose by it.

The small-business man and the independent producer constitute the fourth class of people who are in distress.

Will inflation hurt them? No. On the other hand, it will assist them in every way possible.

It will mean that the independent factories which are now "flat on their backs" because of the lack of financing can open up once more and put millions of our idle to work. These industries cannot now borrow money from the bankers. They cannot borrow money from the Government agencies, as was so amply demonstrated when we reauthorized the Reconstruction Finance Corporation to continue in existence. The R. F. C. reported that it had allotted something like $36,000,000 in loans to industry, when, as a matter of fact, they actually only loaned about $6,000,000 and they will not do much better in the future.

In the Corporation's report, recently submitted to Congress, it showed that a net profit of little better than $65,000,000 had been made by this Federal agency on a capitalization of $500,000,000. In addition to that they have to their credit more than $5,000,000 of accrued dividends on stocks and bonds of banks and trust companies.

That is a total net profit of 16 percent on their capitalization of $500,000,000. That should be a lesson to every citizen of the United States as to the absolute need for national control of the banks of this country. Let the Government issue the money instead of letting the banks do it.

I plead with you to vote for the passage of H. R. 1, the Patman adjusted-service compensation bill, commonly known as the "Patman bonus bill". I plead with you in the name of that Atlas upon whose broad shoulders the burden of our country rests, in the name of 40,000,000 wage workers who create all of the wealth and pay all the taxes, in the name of the small business men, in the name of World War veterans who crossed the tossing billows of the Atlantic, who went down into the blood-soaked trenches of No Man's Land, who fought arm to arm and shoulder to shoulder, who heard the roar and shriek of the bursting shell, the yells and cries of the dying and wounded, who closed the eyes of their comrades in that eternal sleep that knows no awakening 3,000 miles away from home, mother, father, wife, and sweetheart. [Applause.]

Providing the face or maturity value of these certificates is paid in full now, there will be a remainder due the veterans in cash in Ohio approximately as follows, as of December 1, 1934 (this information compiled from information obtained from Hon. WRIGHT PATMAN and from the Veterans' Administration, Statistical Division of the Bureau of Internal Revenue, and from other Government sources):

OHIO

(182,692 certificate holders)

Adams, $325,219.62; Allen, $1,107,719.99; Ashland, $428,716.72; Ashtabula, $1,090,836.48; Athens, $704,900.48; Auglaize, $447,338.54; Belmont, $1,511,431.09; Brown, $321,501.64; Butler, $1,820,438.39; Carroll, $256,221.55; Champaign, $384,611.58; Clark, $1,451,065.76; Clermont, $475,295.21; Clinton, $343,825.48; Columbiana, $1,380,025.19; Coshocton, $462,370.04; Crawford, $564,500.17; Cuyahoga, $19,171,617.44; Darke, $606,509.62; Defiance, $362,447.30; Delaware, $415,137.32; Erie, $672,316.29; Fairfield, $702,267.57; Fayette, $331,187.54; Franklin, $5,761,354.02; Fulton, $374,622.49; Gallia, $362,808.85; Geauga, $245,961.20; Greene, $530,513.87; Guernsey, $661,992.11; Hamilton, $9,404,353.70; Hancock, $644,726.63; Hardin, $440,171.70; Harrison, $300,693.71; Henry, $359,415.47 Highland, $405,563.12; Hocking, $325,634.50; Holmes, $266,896.79; Huron, $537,750.90; Jackson, $399,563.28; Jefferson, $1,409,114.80; Knox, $468,046.47; Lake, $664,992.02; Lawrence, $710,740.74; Licking, $956,813.64; Logan, $462,449.82; Lorain, $1,742,600.15; Lucas, $5,548,392.52; Madison, $323,177.13; Mahoning, $3,768,117.90; Marion, $724,766.94; Medina, $473,555.89; Meigs, $382,345.68; Mercer, $400,456.88; Miami, $818,610.06; Monroe, $294,823.69; Montgomery, $4,363,936 32; Morgan, $216,734.94; Morrow, $231,200.98; Muskingum, $1,075,469.89; Noble, $238,732.68; Ottawa, $384,707.32; Paulding, $244,158.06; Perry, $501,767.87; Pickaway, $434,636.77; Pike, $221,419.34; Portage, $681,076.68; Preble, $358,314.44; Putnam, $400,096.82; Richland, $1,051,598.22; Ross, $720,953.22; Sandusky, $633,987.57; Scioto, $1,296,043.50; Seneca, $764,994.54; Shelby, $397,712.27; Stark, $3,539,007.29; Summit, $5,491,298.37; Trumbull, $1,963,716.30; Tuscarawas, $1,088,155.71; Union, $306,246.75; Van Wert, $419,238.27; Vinton, $164,149.66; Warren, $436,392.04; Washington, $677,167.21; Wayne, $750,361.97; Williams, $388,010.42; Wood, $802,956.24; Wyandot, $303,757.46; total, $106,061,344.03.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. TRUAX] has expired.

Mr. CONNERY. Mr. Chairman, I rise in opposition to the amendment.

I would like to use this time merely to make some parliamentary inquiries of the Chair. If we vote down the Cochran substitute to the Patman amendment to the Vinson bill, then the Andrew or McReynolds substitutes follow in order; and if they are voted down, then we have a vote on the Patman bill? If we vote it up instead of down, that gives us the Vinson bill as amended by the Patman bill. Is that correct?

The CHAIRMAN. That is correct.

Mr. CONNERY. I wanted to get that clear in my mind, and I am sure many of my colleagues wanted to know that situation also. In other words, if we vote down the Cochran substitute, and vote down the Andrew substitute, and vote down the McReynolds substitute, and any other substitute which may be offered, and then vote for the Patman bill, we will get the Patman bill. [Applause.]

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired. The question is on the Cochran substitute for the Patman amendment.

The question was taken; and on a division (demanded by Mr. COCHRAN) there were ayes 73 and noes 196.

So the substitute was rejected.

Mr. McREYNOLDS. Mr. Chairman, I offer an amendment as a substitute, and I ask unanimous consent that it be printed in the RECORD and that the reading of it be dispensed with.

The CHAIRMAN. The gentleman from Tennessee offers a substitute for the Patman amendment and asks unanimous consent that it be inserted in the RECORD without reading. Is there objection?

There was no objection.

The amendment is as follows:

Amendment offered by Mr. McREYNOLDS as a substitute for the Patman amendment: Strike out all of the Patman amendment and insert the following: "That section 507 of the World War Adjusted Compensation Act is hereby amended to read as follows:

"'PAYMENT OF ADJUSTED-SERVICE CREDIT OF CERTIFICATES WITH INTEREST

"'All amounts in the fund shall be available for payment by the Administrator of adjusted-service certificates upon their maturity or the prior death of the veteran for payment under section 502 to banks on account of notes of veterans, for repayment of loans made by the Administrator out of the United States Government Life Insurance Fund on the security of adjusted-service certificates in which case the Administrator shall pay interest to such fund to the date of maturity of the loan at the rate such fund is entitled to receive under the provisions of subdivision (m) of section 502, as amended, and for payment to veterans of the amount of cash payment authorized to be paid by this act upon the surrender of their adjusted-service certificates.'

"SEC. 2. That title V of the World War Adjusted Compensation Act, as amended, is amended by adding to the end thereof the following section to read as follows:

"'SEC. 509. (a) At the option and upon the application of any veteran to whom there has been lawfully issued an adjusted-service certificate under the provisions of the World War Adjusted Compensation Act of May 19, 1924, as amended, and upon the complete surrender of such adjusted-service certificate, together with all rights and privileges thereunder (with or without the consent of the beneficiary thereof), the Administrator of Veterans' Affairs shall certify to the Secretary of the Treasury the amount of the adjusted-service credit and interest at 4 percent per annum compounded annually from November 11, 1918, to the 11th day of the month during which payment is made of any amount due under the provisions of this act, but in no event shall the amount due exceed the maturity value of the certificate, less any indebtedness of the veteran on account of any loan or loans made under the provisions of this act and interest, if any, accrued to the 11th day of the month during which payment is made.

"'(b) No payment shall be made or bonds issued under this section until the certificate is in the possession of the Administrator of Veterans' Affairs nor until all obligations for which the certificate was held as security have been paid or otherwise discharged.

"'(c) If at the time of application to the Administrator of Veterans' Affairs for payment under this section the principal and interest on or in respect of any loan upon the certificate have not been paid in full by the veteran (whether or not the loan has matured), then the Administrator shall (1) pay or otherwise discharge such unpaid principal and so much of such unpaid interest (accrued or to accrue) as is necessary to make the certificate available for payment under this section and (2) deduct from the amount otherwise payable the amount of such principal and so much of such interest, if any, as accrued prior to the 11th day of the month during which payment is made: *Provided*, That as to loans on adjusted-service certificates properly made, unpaid and held by a bank, upon application for benefits in accordance with the provisions of this section, the bank holding the note and certificate shall, upon notice from the Administrator, present them

to the Administrator for payment to the bank, in full satisfaction of its claim, of the amount of the unpaid principal and unpaid interest except that if the bank after notice of application under this section fails to present the certificate and note to the Administrator within 15 days after the notice such interest shall be only up to the 15th day after such notice.

"'(d) Upon the filing of an application for benefits under this section, the certificate and all rights and privileges thereunder shall be canceled.

"'(e) A veteran may receive the benefits of this section by application therefor, filed with the Administrator of Veterans' Affairs. Such application may be made and filed at any time before the maturity of the certificate, (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making or filing of a personal application, then by such representative of the veteran and in such manner as may be by regulations prescribed by the Administrator of Veterans' Affairs. Any application made by a person other than a representative authorized by such regulations, or not filed on or before the maturity of the certificate, shall be held void.

"'(f) If the veteran dies after application is filed with the Administrator of Veterans' Affairs the settlement authorized under the provisions of section 509 of this act, less any indebtedness on account of any loan or loans made with interest to the 11th day of the month during which settlement is made, shall be to the estate of the veteran.

"'(g) Settlements under the provisions of this act shall not be made until 3 months subsequent to the date of enactment.

"'(h) The Secretary of the Treasury is authorized and directed upon receipt from the Administrator of Veterans' Affairs of a statement in a form to be prescribed by the Secretary of the Treasury to issue to the veteran bonds with coupons attached bearing interest at the rate of 3 per centum per annum payable semiannually up to the highest multiple of $50 represented in the amount certified as being due. Such bonds shall be redeemable in lawful money of the United States at a date to be determined by the Secretary of the Treasury. The difference between the amount certified by the Administrator of Veterans' Affairs as being due and the amount represented by bonds issued shall be paid to the veteran by the Secretary of the Treasury by a check drawn on the Treasurer of the United States.

"'(i) The Secretary of the Treasury is authorized and directed to redeem from the United States Government Life Insurance Fund all adjusted-compensation certificates held by that fund on account of loans made thereon and shall pay to the United States Government Life Insurance Fund the amount of the outstanding liens against such certificates including all interest due or accrued together with such amounts as may be due under section 3, subdivision (m) of Public Law No. 303, Seventy-second Congress, approved July 21, 1932: *Provided*, That bonds issued under the authority of this act shall not be negotiable, assignable, or used as collateral security for a loan for a period of 6 months from the date of issuance by the person to whom the bond is issued for any consideration less than the amount shown on the face of the bond as the redemption value; and any person or persons entering into any agreement either on behalf of themselves or others to procure by purchase, trade, or otherwise any bond in violation of this provision of law shall be guilty of a fraud and shall be punished by a fine of not more than $10,000 or by imprisonment for not more than 2 years, or both.

"' The Secretary of the Treasury in making redemption of adjusted-service certificates from the United States Government Life Insurance Fund is authorized and directed to make payment therefor by issuing to the United States Government Life Insurance Fund bonds of the United States which shall bear interest at the rate of 4½ per centum per annum and such bonds shall not be callable until the expiration of a period of 10 years from date of issue.'"

Mr. McREYNOLDS. Mr. Chairman, I am not going to take up the time of the Committee. I know how the Members feel. I offered this bill because I felt that neither one of the other bills could become a law, and I wanted to do something for the soldier. I wanted an opportunity to have this compromise considered. This bill provides for the cash payment of a bonus, and the issuing of bonds therefor. It goes back to the date of the armistice, gives a man the basis with 4-percent compound interest up to the present time.

That is all I have to say.

Mr. COCHRAN. Mr. Chairman, I rise in favor of the amendment.

I simply rise to comment on what is transpiring. I have listened for 3 days to Members get up and assail the Patman bill. I offer a substitute that does not contain the same provisions as the Patman bill and I see dozens of Members who spoke against the Patman bill rise in their places and vote in favor of the Patman bill. [Applause.] The gentleman from Tennessee [Mr. McREYNOLDS] likewise offers an amendment and those who spoke against the Patman bill vote to protect that bill. I am going along the same as I have always intended to go. If I am against a bill, I am against it. When the time comes that I must choose between the Patman bill and the Vinson bill, I am going to vote for the Vinson bill, regardless of how the sponsors of the Vinson bill who spoke against the Patman bill voted on my amendment or the amendment offered by the gentleman from Tennessee Mr. [McREYNOLDS]. [Applause.]

Mr. KENNEY. Mr. Chairman, I offer an amendment to the substitute amendment offered by the gentleman from Tennessee [Mr. McREYNOLDS].

The Clerk read as follows:

Amendment offered by Mr. KENNEY to the substitute amendment offered by Mr. McREYNOLDS: Page 7, line 24, after section 4, insert a new section, as follows:

"SEC. 4a. Such amounts as may be necessary to carry out the provisions of this act are also hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated or out of the proceeds of national lotteries to be conducted under regulations prescribed by the President."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey to the McReynolds substitute.

The amendment was rejected.

The CHAIRMAN. The question recurs on the McReynolds substitute for the Patman amendment.

The McReynolds substitute for the Patman amendment was rejected.

Mr. ANDREW of Massachusetts. Mr. Chairman, I offer a substitute for the Patman amendment, and I ask unanimous consent that the amendment be printed in the RECORD without reading.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The amendment is as follows:

Amendment offered by Mr. ANDREW of Massachusetts: Strike out all after the enacting clause and insert the following:

"That the World War Adjusted Compensation Act, as amended, is hereby further amended by adding the following sections:

"'SEC. 509. At the option of the person to whom an adjusted-service certificate has been lawfully issued and upon the filing of an application and the surrender of all rights and titles to the adjusted-service certificate, payment shall be made to such person of a cash surrender value which shall be the amount of the adjusted-service credit (as defined in title II of the World War Adjusted Compensation Act and at the rates prescribed, $1 for each day of home service and $1.25 for each day of overseas service, and computed according to the provisions of said title II) together with interest at the rate of 4 percent per annum, compounded annually, from November 11, 1918, to the eleventh day of the month in which payment is made less the amount of any loan lawfully made on the certificate and any interest due and accrued: *Provided*, That the gross amount payable without considering deductions shall not exceed the maturity value shown on the face of the certificate.

"'SEC. 510. The Administrator of Veterans' Affairs is authorized and directed to promulgate regulations for carrying into effect the purposes of this act, including regulations providing for the redemption of adjusted-service certificates held outside of the adjusted-service certificate fund. All regulations so made shall have the force and effect of law, and all decisions, as to law and as to fact thereunder, made by the Administrator of Veterans' Affairs, shall be final and conclusive for all purposes and shall not be reviewable by any other officers of the United States nor by any court of the United States or any political subdivision thereof.

"'SEC. 511. The adjusted-service certificate fund, in addition to the other purposes for which it now may be used, is hereby made available for any payments to be made under the provisions of this act.

"'SEC. 512. There is hereby authorized to be appropriated out of the general funds of the Treasury such amounts as may be necessary to carry out the provisions of this act.

"'SEC. 513. The period during which applications may be filed for the benefits provided in the World War Adjusted Compensation Act, as amended, is hereby extended from January 2, 1935, to January 2, 1940.'"

Mr. ANDREW of Massachusetts. Mr. Chairman, I asked that this amendment be not read for two reasons: In the first place nobody hears the bills as read, and in the second place the substitute which I have offered is so simple and understandable that I can put it in two or three sentences so that everybody can understand it.

I think it is a very important thing in any such bill which we hope to pass not only that everyone should be able to understand it, but also that everyone should be able to explain it to the veterans and to the public.

This is one of the compromise measures, a substitute for the Patman bill, and, I may add, for the Vinson bill, intended to give to the veterans all that is actually owing them today but not to give them any additional gifts. In the interests of the taxpayers, in the interest of the credit of our Government, the time has come when we ought to begin to curtail additional gifts to any group in the country.

This bill—if I may have your attention—provides just this: Congress agreed in 1924 that it would be appropriate and just and fair for the payment given to the enlisted men in the war to be doubled; that those men who served in this country during the war at $1 a day should be given an additional $1 a day, and that those who served overseas and who received $1.10 a day should be given an additional $1.25 a day.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. ANDREW of Massachusetts. I cannot yield; I have only 5 minutes.

This bill provides that we shall give to the soldiers, sailors, and marines of the war this additional $1 a day for home service and $1.25 a day for oversea service, plus compound interest at 4 percent, from the time they served in the war. I have taken as an average date November 11, 1918. The proposal simply provides this and nothing more: It doubles the pay which the enlisted men received during the war and gives this to them in cash as little more than 16 years of compound interest at 4 percent.

I think this bill has an advantage over the other bills which have been introduced of a compromise nature in this respect—that it is understandable and easily explainable. The bills of my good friend the gentleman from Missouri [Mr. COCHRAN] and my good friend the gentleman from Tennessee [Mr. MCREYNOLDS] are complicated bills. The so-called "Tydings bill" one could read 4, 5, or 6 times without being able to understand just what is meant and, I am sure, without being able to explain to any soldier or citizen of the United States what it means or why it was so constructed. So I offer you this bill today, which I think does full justice to the veterans, which I think is sound in that it does not extend the obligations of the Government of the United States while giving the veterans the opportunity to obtain cash at once for the full amount of their certificates that is now due. The arguments which have been advanced by others that the bill stands a chance of passage without incurring a Presidential veto applies equally to this bill.

[Here the gavel fell.]

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I shall say very little; I have no desire to detain the Committee. I believe it unwise and against the best interests of the country and the veterans to anticipate the payment of the adjusted-service certificates by the passage either of the Patman or the Vinson bill; but in the universal distress that obtains I appreciate the attitude of the veterans. I rise, Mr. Chairman, for the purpose of saying that if our Government is justified in borrowing additional billions of dollars to give, I cannot find it in my heart to say that the Government is not justified in borrowing additional billions to pay. We are borrowing to refinance Liberty Loan bonds and other obligations, and this amendment provides for borrowing to pay the so-called "bonus."

At this time, Mr. Chairman, I ask unanimous consent that a brief amendment consisting of some five lines, which I propose to offer to the Vinson bill at the proper time, unless the Patman bill is substituted for the Vinson bill, be read for the information of the committee. The purport of this amendment is that section 5 of the Vinson bill be stricken and my amendment inserted so as to provide that the amounts necessary to pay the adjusted-service certificates shall be paid out of the appropriation in section 1 of the $4,800,000,000 works relief bill known as the Emergency Relief Appropriation Act of 1935. Unless enormous appropriations for relief and other purposes are stopped, it will be difficult to deny the plea for the payment of the bonus. [Applause.]

Mr. Chairman, I ask unanimous consent that the Clerk read the proposed amendment for the information of the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read as follows:

Amendment by Mr. WHITTINGTON to the Vinson bill: Strike out section 5 and insert in lieu thereof the following:

"Such amounts as may be necessary to carry out the provisions of this act shall be made immediately available for the foregoing purposes from the appropriation in section 1 of the Emergency Relief Appropriation Act of 1935, and shall continue available until expended."

Mr. KVALE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KVALE. Is it necessary to reserve a point of order against the amendment at this time?

The CHAIRMAN. A point of order can be made at the time the amendment is offered. The amendment has merely been read now for the information of the House.

Mr. KVALE. I thank the Chair.

The CHAIRMAN. All debate has closed. The question is on the Andrew substitute for the Patman amendment.

The Andrew substitute was rejected.

Mr. HOLLISTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLLISTER to the amendment offered by Mr. PATMAN: On page 5, line 23, strike out all of section 3.

Mr. HOLLISTER. Mr. Chairman, this is a perfecting amendment to the Patman amendment to the Vinson bill.

I have no intention of discussing the bonus. I do not believe there is a Member here who has not already made up his mind as to whether he is for or against the bonus. We have before us, however, in the Patman bill, a bill which, while denied to be inflationary by some, certainly increases the outstanding currency to the extent of some $2,000,000,000. It contains a provision for what is known as "controlled inflation." There is not a Member on the floor today who can tell me what controlled inflation is.

Mr. KELLER. I challenge that.

Mr. HOLLISTER. The gentleman will please take his seat. The gentleman can get his own time in opposition to my amendment and explain to this House what controlled inflation is.

Mr. KELLER. The House knows already.

Mr. HOLLISTER. Inflation is a thing which cannot be controlled.

The history of the world has proven that. In my opinion, it is a very silly thing to adopt a bill which has in it a provision which does not make sense, which no one understands and which is entirely unworkable. Section 3 in this bill is of no use whatsoever and has nothing to do with the particular issues which are before the House at the present time. It has not been studied by a committee. We have no report of any committee as to how it would work. The Secretary of the Treasury and the Federal Reserve Board have not appeared before any committee to say whether or not these various steps which are placed in this bill will be of the slightest advantage whatever in controlling commodity prices, and that is the theory behind section 3.

Mr. Chairman, we have here several alternatives. Why include in any one of these alternatives a provision which has not been studied and which, I will venture to say, notwithstanding the kind offer of the gentleman from Illinois, cannot be explained by anyone in this House to the satisfaction of anyone to whom the explanation will be made, so that that person will understand what it is. I challenge the gentleman to take the floor when I have finished and explain to the satisfaction of those here what he means by controlled inflation and how the various steps set out in this bill are going to work in order to bring about what this bill is supposed to bring about.

Mr. Chairman, if we remove section 3 from the bill we in no way change the issue before the House. The issue is still before this body, first, whether any bonus bill shall be

passed, and, second, which one of the various alternatives we care to adopt. Let us not stultify ourselves by adopting something we do not at all understand, something which is unworkable and which does not make sense and which will not make sense even after it is explained to the members of the Committee.

Mr. MAY. Will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from Kentucky.

Mr. MAY. Is it not a fact that while we are talking about the question of inflation it really means the controlled expansion of the currency rather than inflation?

Mr. HOLLISTER. Whatever that may mean, it may be that. If the gentleman can explain it to me, I will be delighted to have him do so.

Mr. MAY. Then the gentleman means to admit that, although he is on the Banking and Currency Committee of the House of Representatives, he does not know what either term means?

Mr. HOLLISTER. I have listened to Mr. Eccles and others talk about it, and I am frank to say that I do not believe there is anyone who is able to explain exactly how inflation may be controlled.

Mr. MAY. In view of their lack of knowledge of the matter, does the gentleman suggest that the House of Representatives, made up of the Representatives of the people, wait until they consult the Secretary of the Treasury or somebody else down town before they bring in a bill?

Mr. HOLLISTER. That is simple to answer. I do not believe the Members of the House of Representatives have the faintest idea how they can control inflation. I know I have not. I do not believe the gentleman from Kentucky has any idea about it, and I do not believe anybody here can explain to the House how it can be done. I again challenge the gentleman from Illinois to explain to the Members exactly how section 3 is going to operate.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to answer the gentleman in regard to controlled inflation. I will not say that you can control inflation, but you can control expansion of the currecy. We are not asking for inflation. In fact, I am opposed to inflation; but I am in favor of expansion of the currency within limited bounds, reasonable limitations, and under proper control.

The amendment offered by the gentleman will strike out the control part of the bill. Section 2, which provides for the issuance of the money, will remain in the bill, and the money will be paid. He merely strikes out the section in regard to the control feature; therefore, he must be in favor of uncontrolled expansion, or he would not have introduced this amendment.

Mr. HOLLISTER. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Ohio.

Mr. HOLLISTER. When this money is paid out what will happen to it?

Mr. PATMAN. The money will go to the veterans all over the country, in every nook and corner of the Nation.

Mr. HOLLISTER. Will they hold it in their pockets?

Mr. PATMAN. No. They will put the money in the banks, or it will eventually reach the banks.

Mr. HOLLISTER. The money will go to the banks?

Mr. PATMAN. Yes; finally. This money will not be retired. It will simply go back into circulation.

Mr. HOLLISTER. What will put it back into circulation?

Mr. PATMAN. It will be paid over the counter.

Mr. HOLLISTER. It will have to be requested by somebody before it can be paid over the counter.

Mr. PATMAN. Of course, it will have to be paid out first.

Mr. HOLLISTER. The only way it will get back into circulation is to have enough people who want currency go get it and put it in their pockets.

Mr. PATMAN. The people have five and a half billion dollars in circulation now. This bill provides if there is $1 too much in circulation the Secretary of the Treasury may cause to be withdrawn $1 in Federal Reserve notes.

Mr. HOLLISTER. Does the gentleman know of any way in which anybody can find out whether there is $1 too much in circulation or not?

Mr. PATMAN. No; and of course I do not intend to cut it down that fine. I do say, however, that the bill provides that if in the judgment of the Secretary of the Treasury, leaving it in his judgment, there is even the danger of undue expansion of the currency, he has the right to cause the withdrawal of Federal Reserve notes to prevent undue expansion. You may not necessarily have one extra dollar in circulation after this money is paid to the veterans.

Mr. HANCOCK of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from North Carolina.

Mr. HANCOCK of North Carolina. The gentleman from Ohio [Mr. HOLLISTER], whose judgment this House respects, just stated that he has been listening to the Governor of the Federal Reserve Board for a number of days on the question of monetary control, inflation, and deflation. I think the gentleman from Ohio should also tell you that the Governor of the Federal Reserve Board testified before us that there was no possible chance of any inflation in this country at this time, and that we were further away from it than we had ever been, and that before the banks in this country would have to resort to the Federal Reserve banks for discount privileges they could increase their deposit liabilities around $25,000,000,000, based on the present amount of excess reserves.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. VINSON of Kentucky. Did not the Governor have in mind that there would not be inflation under existing law, and that the country was further away from changing the law to bring about inflation than it had been in several months last past?

Mr. HANCOCK of North Carolina. I do not think that was the impression he tried to create. Of course, we understand statements differently. I think he was discussing the question of the chances of inflation based on certain measures now or which may come before the Congress. The gist of what he said was that there can be no inflation except through spending regardless of artificial means to bring it about.

Mr. PATMAN. Every Member of this body who is opposed to undue expansion of the currency should vote against the gentleman's amendment, because the amendment takes all control away. He just puts the money out and turns it loose and takes off the safety valve.

Mr. HOLLISTER. The gentleman mixes the words "expansion" and "inflation."

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. KVALE. Why not consider both sides of the equation? Why should it not be fairly admitted, as it is admitted, that controlled deflation is not only possible but has been deliberately accomplished in the past, and why then say that controlled expansion is impossible?

Mr. PATMAN. Governor Eccles said you cannot control deflation so well, but you can control expansion. So let us leave this control in the bill and vote down the gentleman's amendment.

[Here the gavel fell.]

The CHAIRMAN. The question is on the Hollister amendment to the Patman amendment.

The amendment to the amendment was rejected.

Mr. BEITER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BEITER: On page 4, at the end of the paragraph, insert the following:

"SEC. 512. No veteran receiving payment under this act shall, by reason of such payment or any use made thereof, be denied any relief, work relief, work, or employment the funds for which are advanced in whole or in part, directly or indirectly, under authority of any act of Congress."

Mr. BEITER. Mr. Chairman, this amendment concisely and clearly discloses its purpose. But there are unusual reasons why this purpose should be promptly effectuated which do not speak for themselves. These reasons are to be found in the department of social welfare operating in every State in the Union, who are refusing to extend relief to veterans holding adjusted-compensation certificates who do not want to turn them over to the department. In many cases the veteran applicants have been holding these certificates to provide funds for the education of their children, to make the final payment on the mortgage on his little home, or to provide a decent and proper burial for himself or his family, and I am sure you can understand how difficult it is for them to give up this form of security.

In a number of instances it was brought to my attention that relief is being extended to the veteran by other persons, sometimes a married daughter or son or his aged parents, and so forth. In these cases it certainly seems very unfair that the veteran is denied relief unless the cash value of the certificates is turned over to the department first.

As for the odor of philanthropy which pervades 8 out of 10 charitable organizations, Heaven help the average veteran at the average charity organization if he is at all susceptible—and the average is—to manner of treatment.

Red tape is doubtless, up to a point, essential to the working of institutions of this sort, but there are ways and ways of winding it, and all too often acute strangulation of the hopes, self-respect, and dignity of the veteran is the result.

Even making allowances for the amount of misrepresentation, dishonesty, lack of gratitude, and lying that must doubtless come daily before them, there seems little excuse for the general attitude of callousness and patronage which deserving alike must face before so many of these so-called "charity workers."

What is the mysterious chemistry which creates in the mind and heart of the average dispenser of organization mercy, the glazed exterior, the air of machine-stitched tolerance, the "case" manner?

Sensitive veterans, cruelly subjected to this wholesale manner of treatment, this impersonal machine-like routine, are crucified in spirit far more than they are helped in body by the professional case manner of the organized charity worker.

Why need the veteran applying for help be treated in the herd manner? Even as you and I, he is susceptible to trifles.

The position of the veteran applying for charity is at best a cruel one. Such a veteran is apt to bring along with his initial sense of humiliation, frayed nerves, gnawing hunger, overwhelming worries, and fears.

He is entitled to consideration, courtesy, and something besides case treatment. Manner and toleration on the part of its employees costs the charity organization nothing.

The well-dressed, obviously unseeking individual who enters the outer office of a charity organization is shown a special brand of courtesy which is not apt to be accorded the veteran waiting in the corner.

Dreadful, debasing, inhuman that it should be so. Dreadful, debasing, inhuman that so many tried and suffering individuals should be shrinking these perilous times, and suffering in secret rather than subject themselves to the grinding machinery of charity.

Of course, I realize that the practice of the Department is based on the principle in social work to use the adjusted-compensation certificates as a means of guaranteeing security but it seems to me that relief and other benefits should not be denied to needy veterans for any reason whatsoever.

Recognizing that many veterans are now employed on P. W. A., F. E. R. A., or other work-relief projects, who have been subjected to the ordeals of which I have just enumerated, and sensing the contemplated actions of the relief organizations, if and when the certificates are paid, in dismissing the veterans who are now employed on work-relief projects, I consider it of vital importance to adopt the amendment which I have offered. [Applause.]

Mr. PATMAN. Mr. Chairman, possibly the gentleman's amendment contains merit. I do not question this, but we have not considered the amendment. It was not presented to a member of our steering committee or to the Ways and Means Committee. We do not know anything about the amendment. We do not know the form it is in, and if it is necessary later to have something like this, we can provide for it in a subsequent act or when the bill goes to the Senate and then goes to a conference committee we can consider it. Without knowing all about it and without having had any hearings on it, without knowing how it might be construed, I think the amendment at this time should be defeated. The amendment has never been printed and we had no notice that it was coming, and therefore no opportunity to consider it.

The CHAIRMAN. The question is on the Beiter amendment to the Patman amendment.

The amendment to the amendment was rejected.

Mr. YOUNG. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 2, line 8 of the Patman amendment, after the word "discharged", strike out the period and insert: "and no payment shall be made under this section to veterans or holders thereof who have not, prior to March 1, 1935, borrowed thereon and/or to holders of said certificates who are income-tax payers for 1934."

Mr. YOUNG. Mr. Chairman, this is a meritorious amendment. Knowing as I do the temper of the House, I do not rise before you with any expectation that it will prevail.

Let me explain briefly the purpose and purport of the amendment. I find on making thorough inquiry that in this country at the present time there are 509,896 veterans, holders of adjusted-compensation certificates, who have not even borrowed one cent against those certificates; and in addition to that there are many thousands of ex-service men who are income-tax payers for the year 1934.

It is my privilege, my friends, to represent the State of Ohio as Congressman at large. In my State at the present time there are 1,100,000 of the finest people living anywhere under the bending sky of God, who are on the relief rolls. I say that Congress cannot at the present time, in good conscience, vote $510,000,000 to the ex-service men who obviously are not in need.

And in addition to these 510,000 veterans who are obviously not in need at the present time, there are thousands and thousands of other veterans who occupy public positions in the States and in the Nation, who occupy lucrative positions in private industry, and those ex-service men are not in need at the present time. Men who are income-tax payers can and should wait.

The average age of the ex-service man of the World War is 4 or 5 years younger than I. I say that ex-service men like myself, ex-service men who pay income taxes, and ex-service men who have not borrowed on those certificates, should not in this time of depression be paid approximately $1,000,000,000 from the Treasury of the United States either by a bond issue or by the issue of new money.

Of course I do favor the remission of the interest charges against these veterans who have borrowed on their certificates. I feel that our Government should release veterans from the payment of interest on loans they made. This Congress during the present session should pass a bill to remit the entire interest charge against all service men who have been compelled to borrow on their certificates. I do feel, my friends, that in this country there cannot be any serious objection to the payment at this time of the adjusted certificates in full to all veterans who are unemployed and who obviously are in need and have demonstrated their need by borrowing against the certificates.

Mr. TERRY. Will the gentleman yield?

Mr. YOUNG. I yield.

Mr. TERRY. There are about 119 Members of Congress here who are veterans of the World War.

Mr. YOUNG. Yes; and in addition to the 119 ex-service men in Congress there are countless thousands of ex-service men occupying prominent positions in public life and in the various States and municipalities. In addition there are 20,-

000,000 of our fellow citizens on the relief rolls through no fault of their own. We owe them a duty.

It is indefensible and unconscionable to vote for a cash payment of the bonus to wealthy veterans and those occupying lucrative positions in this period of unemployment, distress, and suffering. The President has said that he would veto this bill providing cash payment regardless of need. He, in no uncertain terms, has indicated to the country and to the Congress that cash payment of adjusted-compensation certificates to all veterans at this time is an interference with his recovery program.

I cannot, in good conscience, and I will not, join any mutiny against the President who is our Commander in Chief in the war for industrial and economic recovery.

It is quite probable that if this amendment is adopted and cash payment for adjusted-compensation certificates permitted to only such veterans as are unemployed and in need and whose need is demonstrated by the fact that they have borrowed upon their certificates and that their incomes are below the minimum for the payment of income taxes, our President might approve of such payment as justifiable at the present time.

It was in a most prosperous era that the adjusted-service compensation measure was enacted over President Coolidge's veto. Had the ex-service men at that time been paid in cash, instead of being handed a 20-year insurance policy payable in 1945, it would have been far better. The country was able at that time to pay them off in cash. The adjusted-service certificates payable in 1945 was all they could get.

I stand firmly on the principle that our Government show special consideration and give most generous treatment to those who have been disabled in war. Indiscriminate payment of adjusted-compensation certificates in cash at this time of depression and distress to veterans, without regard to need, is a selfish proposal insisted upon without regard to the financial condition of the country or the welfare of its citizens. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio to the Patman amendment.

The amendment was rejected.

Mr. KOPPLEMANN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment to H. R. 1 proposed by Mr. KOPPLEMANN: Page 1, line 9, insert after the comma the following: "who the Administrator of Veterans' Affairs from an affidavit of the veteran and such investigation as may be deemed advisable, determines (1) is not regularly employed; (2) if regularly employed, is not earning enough to provide the necessaries of life for himself and his family; or (3) is physically disabled in such manner as to constitute a substantial handicap in securing or continuing in regular gainful employment."

Mr. THOMPSON. Mr. Chairman, I make the point of order against the amendment that it is not in order under the rule. The amendment and the several previous amendments attempt to perfect the Patman amendment which has not yet been adopted by the House. This amendment will be in order provided the House accepted the Patman amendment to the Vinson bill.

The CHAIRMAN. The point of order is overruled.

Mr. KOPPLEMANN. Mr. Chairman, immediately following the World War the cry was raised that men who left jobs and economic security to fight for their country had lost those jobs and economic security while the war was on. That was undoubtedly true. Many of them are still suffering from that handicap. To compensate for this handicap legislation was enacted directing the payment of adjusted-service certificates in 1945. That payment is an obligation of the United States that we all recognize. But there is not a Member of this House who can face his constituency and honestly justify himself if he votes to give this money at this time before it is due unless it is given to those in need. We can use the Treasury of the United States in these days for purposes of relief only where the expenditure of the people's money is justified. The last Congress and this Congress have adopted, or are acting upon, legislation which has in every case been prompted by an effort to relieve those in distress. While I do not argue that the principle underlying the payment of the bonus is for relief, you must agree with me that if we are to be able to justify a decision to pay these certificates in advance, such a decision can only be based upon the question of need at this time.

Since the law says that we owe this money in 1945, there can enter into this question no argument as to it being a legal obligation. The proponents of immediate payment base everything on immediate need. Every Member of Congress desires to legislate conscientiously. There can be no valid argument for paying in advance to those veterans who do not need this money. While I have no authority to speak for the administration, I am firmly of the belief that my proposal is so definitely in line with legislation that has had the approval of the President that, if we include this amendment in the bill, there will be no veto from the White House. My amendment is in line with the policy of the administration in its efforts to assist those out of employment.

For us, as Members of Congress and representatives of the people, to vote money out of the Treasury needlessly would be indefensible. I want to help those veterans who are out of work or incapacitated, but I cannot support a measure which will vote money where it is not needed.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. KOPPLEMANN. Yes.

Mr. CONNERY. The gentleman says that this debt is not due. In every contract which the Government entered into with war contractors and everyone else, except the veterans, they paid from the time the war was ended, and this debt of the soldiers is long overdue.

Mr. KOPPLEMANN. My friend is in error.

The CHAIRMAN. The question is on the Kopplemann amendment to the Patman amendment.

The Kopplemann amendment was rejected.

Mr. WOLCOTT. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT to the Patman substitute: Page 4, in line 20, strike out the word "shall" and substitute therefor the word "may"; in line 22, strike out the words "and directed"; and on page 5, line 4, strike out the words "and directed."

Mr. WOLCOTT. Mr. Chairman, the criticism which we have all heard against the Patman amendment is that it establishes a new policy which the Treasury and the administration are directed to follow in the issuance of currency. So far as I am concerned I do not contribute to that criticism, but I would prefer to remove that criticism and at the same time show our faith in the President of the United States and in the Secretary of the Treasury by giving them some voice in the manner by which the certificates shall be paid. Therefore, my amendment authorizes them, if they see fit, to issue Treasury notes. It does not direct them to issue Treasury notes. The administration spokesman, in the person of Mr. Eccles, Governor of the Federal Reserve Board, has told us that it is the policy of the administration to establish a single currency, and if the banking bill of 1935, which we have before us, is a criterion, then the administration is committed to the principle that on and after the passage of that bill there will be but one currency, namely, the Federal Reserve notes. I do not agree with them in this respect, but why antagonize the administration, why antagonize its policy by voting for something you know is not in line with its policy? If those who are in favor of the payment of the bonus, and also in favor of the payment by means of the Patman bill, are honest and sincere, they will put the payment of the bonus above the method by which it is to be paid, and they will give to the Treasury of the United States permission to pay in accordance with the policy of this administration.

Is not that fair? Is it not fair to the service men? I defy any one to tell this House that the rank and file of the veterans of the Nation care how the bonus is paid, so long as it is paid. I am offering this as a common-sense method

of getting the bonus paid and at the same time keeping faith with the administration and keeping responsibility for the manner of payment where it has been placed, in the Treasury of the United States. I think it is sound, I think it is in keeping with the attitude you gentlemen have taken on this side to support your President, to support your administration. Surely, if I, a Republican, am willing to go this far, you should go this far in protecting the prerogatives which we have given to the administration in the issuance of currency; and so, although I know you are not in frame of mind to accept it, I say you should accept it in all honesty and to keep faith with your own administration and give them permission to issue these notes, but if they think it is detrimental to do so, if they think it should be paid in some other manner, allow them to pay it in another manner. It does not tie their hands to any particular method of payment, and at the same time it assures that the bonus shall be paid, which, after all, is the principal question involved.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the amendment.

I intend to take but half a minute. I think that every friend of the Patman bill ought to stay here on this floor and vote down every amendment, for the Patman bill is complete and does not need amending.

I also think that every friend of the Patman bill ought to make up his mind, and I am sure they will, to stay here and hold this House together until we get a vote on this Patman substitute tonight. We want this question settled before we adjourn. [Applause.]

We can pass this Patman substitute this evening if we will all just stay here and work together. [Applause.]

The CHAIRMAN. The question is on the Wolcott amendment to the Patman amendment.

The Wolcott amendment was rejected.

The CHAIRMAN. The question recurs on the Patman amendment to the Vinson bill.

The question was taken; and on a division (demanded by Mr. VINSON of Kentucky) there were—ayes 183, noes 142.

Mr. VINSON of Kentucky. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. VINSON of Kentucky and Mr. PATMAN to act as tellers.

The committee again divided, and the tellers reported there were—ayes 180, noes 157.

So the amendment was agreed to.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the remaining sections of the bill be stricken out and printed in the RECORD.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

The remaining sections of the bill are as follows:

SEC. 2. In the case of each and every loan heretofore made pursuant to law by the Administrator of Veterans' Affairs and or by any national bank, or any bank or trust company incorporated under the laws of any State, Territory, possession, or the District of Columbia, upon the security of an adjusted-service certificate, any interest that has been or, in consequence of existing law, would be charged against the face value of such certificate either shall be canceled or not so charged, as the case may be, notwithstanding any provision of law to the contrary. Any interest on any such loan payable to any such bank or trust company shall be paid by the Administrator of Veterans' Affairs.

SEC. 3. (a) An application for payment under this act may be made and filed at any time before the maturity of the certificate (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making or filing of a personal application, then by such representative of the veteran and in such manner as may be by regulations prescribed. An application made by a person other than a representative authorized by such regulations shall be held void.

(b) If the veteran dies after the application is made and before it is filed it may be filed by any person. If the veteran dies after the application is made it shall be valid if the Administrator of Veterans' Affairs finds that it bears the bona fide signature of the applicant, discloses an intention to claim the benefit of this act on behalf of the veteran, and is filed before the maturity of the certificate, whether or not the veteran is alive at the time it is filed. If the death occurs after the application is made or filed but before the receipt of the payment under this act, payment shall be made to the beneficiary designated.

(c) Where the records of the Veterans' Administration show that an application, disclosing an intention to claim the benefits of this act, has been filed before the maturity of the certificate, and the application cannot be found, such application shall be presumed, in the absence of affirmative evidence to the contrary, to have been valid when originally filed.

(d) If at the time this act takes effect a veteran entitled to receive an adjusted-service certificate has not made application therefor he shall be entitled, upon application made under section 302 of the World War Adjusted Compensation Act, as amended, to receive, at his option, either the certificate under section 501 of this act, as amended, or payment under this act

SEC. 4. Subdivisions (b) and (c) of section 302, section 311, subdivision (b) of section 312, section 602, and subdivision (b) of section 604 of the World War Adjusted Compensation Act, as amended (U. S. C., Supp. VII, title 38, secs. 612, 621, 622, 662, and 604), are hereby amended, to take effect as of December 31, 1934, by striking out "January 2, 1935" wherever it appears in such subdivisions and sections and inserting in lieu thereof "January 2, 1940."

SEC. 5. There is hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this act.

SEC. 6. This act may be cited as the "Emergency Adjusted Compensation Act, 1935."

The CHAIRMAN. Consideration of the bill having been concluded, the Committee will now automatically rise and report to the House.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CANNON of Missouri, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (H. R. 3896) to provide for the immediate payment of World War adjusted-service certificates, to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes; and, pursuant to House Resolution 165, he reported the bill back to the House with sundry amendments.

The SPEAKER. Under the rule the previous question is considered ordered.

Is a separate vote demanded on any amendment?

Mr. VINSON of Kentucky. Mr. Speaker, I demand a separate vote on the Patman amendment.

The SPEAKER. Without objection, the other amendments will be considered en bloc.

There was no objection.

The other amendments were agreed to.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. BLANTON. Mr. Speaker, the previous question is ordered by the rule. I object.

The SPEAKER. The question now recurs upon the Patman amendment.

Mr. VINSON of Kentucky. Upon that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The Clerk proceeded to call the roll.

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. BLANTON. Mr. Speaker, I regret that I must object.

Mr. PATMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. PATMAN. Is this a direct vote on the Patman amendment?

The SPEAKER. This is a direct vote on the Patman amendment.

Mr. CULLEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CULLEN. There was a gentlemen's agreement——

Mr. McFARLANE. Mr. Speaker, I make the point of order that the gentleman is not stating a parliamentary inquiry.

The SPEAKER. The Chair cannot pass upon the nature of the gentleman's statement until he has completed it.

Mr. McFARLANE. The gentleman's remarks do not indicate a parliamentary question.

The SPEAKER. The gentleman from New York will state his parliamentary inquiry.

Mr. CULLEN. Mr. Speaker, my parliamentary inquiry is that an agreement was entered into whereby the House was not to vote on the final passage of this bill until tomorrow.

The SPEAKER. That is not a parliamentary inquiry.

The question was taken; and there were—yeas 202, nays 191, answering "present" 6, not voting 33, as follows:

[Roll No. 31]

YEAS—202

Adair	Edmiston	Kvale	Rankin
Amlie	Eicher	Lambertson	Rayburn
Arnold	Ellenbogen	Larrabee	Richards
Ayers	Evans	Lea, Calif.	Robinson, Utah
Bell	Faddis	Lee, Okla.	Rogers, N. H.
Berlin	Ferguson	Lemke	Rogers, Okla.
Binderup	Fernandez	Lesinski	Rudd
Blanton	Fitzpatrick	Lloyd	Ryan
Bolleau	Fletcher	Luckey	Sadowski
Brown, Ga.	Frey	Lundeen	Sanders, Tex.
Brunner	Fulmer	McClellan	Sandlin
Buchanan	Gasque	McCormack	Sauthoff
Buckler, Minn.	Gassaway	McFarlane	Schneider
Burdick	Gehrmann	McGehee	Schuetz
Caldwell	Gilchrist	McGrath	Schulte
Cannon, Mo.	Gildea	McKeough	Scott
Cannon, Wis.	Gillette	Maas	Scrugham
Carlson	Gingery	Mahon	Sears
Carpenter	Goldsborough	Maloney	Secrest
Castellow	Granfield	Mansfield	Seger
Celler	Gray, Ind.	Marcantonio	Shannon
Citron	Gray, Pa.	Martin, Colo.	Sirovich
Coffee	Green	Massingale	Smith, Wash.
Colden	Greenway	Maverick	Somers, N. Y.
Colmer	Greenwood	May	South
Connery	Griswold	Miller	Stack
Costello	Guyer	Mitchell, Ill.	Stefan
Crawford	Haines	Monaghan	Stubbs
Crosby	Hancock, N. C.	Montet	Sweeney
Cross, Tex.	Healey	Moran	Taylor, Colo.
Crosser, Ohio	Higgins, Mass.	Moritz	Taylor, S. C.
Cullen	Hildebrandt	Murdock	Thomason
Cummings	Hill, Knute	Nelson	Thompson
Deen	Hill, Samuel B.	Nichols	Thurston
Delaney	Hoeppel	Owen	Tolan
DeRouen	Hook	Palmisano	Truax
Dickstein	Hope	Parsons	Turner
Dies	Houston	Patman	Turpin
Dingell	Hull	Patterson	Underwood
Dockweiler	Jacobsen	Patton	Wallgren
Dondero	Johnson, Okla.	Peterson, Ga.	Walter
Dorsey	Johnson, Tex.	Pfeifer	Wearin
Doutrich	Jones	Pierce	Weaver
Doxey	Keller	Pittenger	Werner
Driscoll	Kennedy, Md.	Powers	White
Duffey, Ohio	Kennedy, N. Y.	Quinn	Wilson, La.
Duncan	Kerr	Rabaut	Withrow
Dunn, Miss.	Kleberg	Ramsay	Wolcott
Dunn, Pa.	Kniffin	Ramspeck	Wolverton
Eagle	Knutson	Randolph	Zimmerman
Eckert	Kramer		

NAYS—191

Allen	Collins	Harlan	Mason
Andresen	Cooley	Hart	Mead
Andrew, Mass.	Cooper, Ohio	Harter	Merritt, Conn.
Andrews, N. Y.	Cooper, Tenn.	Hennings	Merritt, N. Y.
Arends	Corning	Hess	Michener
Bacharach	Cravens	Higgins, Conn.	Millard
Barden	Crowe	Hill, Ala.	Mitchell, Tenn.
Beam	Culkin	Hobbs	Montague
Belter	Darden	Hoffman	Mott
Biermann	Darrow	Hollister	O'Brien
Blackney	Dear	Holmes	O'Connell
Bland	Dempsey	Huddleston	O'Connor
Bloom	Dirksen	Igoe	O'Leary
Boehne	Disney	Imhoff	Oliver
Boland	Ditter	Jenckes, Ind.	O'Neal
Bolton	Dobbins	Jenkins, Ohio	Parks
Boylan	Doughton	Kee	Pearson
Brewster	Drewry	Kelly	Peterson, Fla.
Brooks	Driver	Kenney	Pettengill
Brown, Mich.	Duffy, N. Y.	Kimball	Plumley
Buck	Ekwall	Kinzer	Polk
Buckbee	Engle	Kloeb	Ransley
Buckley, N. Y.	Englebright	Kopplemann	Reece
Bulwinkle	Farley	Lambeth	Reed, Ill.
Burch	Fenerty	Lehlbach	Reed, N. Y.
Burnham	Fiesinger	Lewis, Colo.	Reilly
Carden	Flannagan	Lewis, Md.	Rich
Carmichael	Focht	Lord	Richardson
Carter	Ford, Miss.	Lucas	Robertson
Cary	Fuller	Ludlow	Robsion, Ky.
Casey	Gearhart	McAndrews	Rogers, Mass.
Chandler	Gifford	McLaughlin	Romjue
Chapman	Goodwin	McLeod	Russell
Christianson	Greever	McMillan	Sanders, La.
Church	Gregory	McReynolds	Schaefer
Clark, N. C.	Gwynne	McSwain	Shanley
Cochran	Halleck	Mapes	Short
Cole, Md.	Hamlin	Marshall	Sisson
Cole, N. Y.	Hancock, N. Y.	Martin, Mass.	Smith, Conn.
Smith, Va.	Taber	Treadway	Whittington
Smith, W. Va.	Tarver	Umstead	Wigglesworth
Snell	Taylor, Tenn.	Utterback	Wilcox
Snyder	Terry	Vinson, Ga.	Williams
Spence	Thom	Vinson, Ky.	Wolfenden
Starnes	Thomas	Warren	Woodruff
Steagall	Tinkham	Welch	Young
Sullivan	Tobey	West	The Speaker
Sutphin	Tonry	Whelchel	

ANSWERING "PRESENT"—6

Cox	Ford, Calif.	Lanham	Sumners, Tex.
Daly	Kocialkowski		

NOT VOTING—33

Ashbrook	Dietrich	McGroarty	Stewart
Bacon	Eaton	McLean	Wadsworth
Bankhead	Fish	Meeks	Wilson, Pa.
Brennan	Gambrill	Norton	Wood
Cartwright	Gavagan	O'Day	Woodrum
Cavicchia	Hartley	O'Malley	Zioncheck
Claiborne	Johnson, W. Va.	Perkins	
Clark, Idaho	Kahn	Peyser	
Crowther	Lamneck	Sabath	

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. BYRNS, and he voted "nay."

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Stewart (for) with Mr. Wadsworth (against).
Mr. Lamneck (for) with Mr. Wilson of Pennsylvania (against).
Mr. Sabath (for) with Mr. Fish (against).
Mr. Cartwright (for) with Mr. Crowther (against).
Mr. Zioncheck (for) with Mr. Bacon (against).
Mr. O'Malley (for) with Mrs. O'Day (against).

Until further notice:

Mr. Bankhead with Mr. McLean.
Mr. Ashbrook with Mrs. Kahn.
Mrs. Norton with Mr. Perkins.
Mr. Woodrum with Mr. Cavicchia.
Mr. Claiborne with Mr. Eaton.
Mr. Meeks with Mr. Hartley.
Mr. Brennan with Mr. Clark of Idaho.
Mr. Johnson of West Virginia with Mr. Wood.
Mr. Gambrill with Mr. Dietrich.
Mr. Gavagan with Mr. McGroarty.

The result of the vote was announced as above recorded.

Mr. PATMAN. Mr. Speaker, I move to reconsider the vote whereby the amendment was adopted and lay that motion on the table.

The motion was agreed to.

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, much as we would like to finish this legislation tonight, the leaders have assured me they have an understanding with certain Members of this House who could not be here that the main vote would be tomorrow. I feel, of course, that this record vote was unnecessary, but there has been a record vote. The same result can be obtained on a motion to recommit.

In view of the understanding of the leaders, which I think should be carried out, they having given the understanding in good faith, I ask those who are supporting our proposal to vote to adjourn and let the leaders carry out their promises.

EXTENSION OF REMARKS—BONUS BILL

Mr. GRISWOLD. Mr. Speaker and my colleagues, I have read the hearings very carefully. I have given close attention to the statement of my friend, the gentleman from Kentucky [Mr. VINSON], and all the officers of the Legion who appeared. From the testimony it may be gleaned that the idea is to issue bonds. Interest-bearing tax-exempt bonds under the authority of the Secretary of the Treasury to pay a debt that Congress by its vote creates. Gentlemen, if that is the intent then you are being exceedingly unfair to the American people. You are being unfair to the membership of that great organization, the American Legion, for you are concealing something from them. Why dodge the issue? Why not say that you have two bills before you,

under the terms of one of which, the Patman bill, the debt that we owe the soldiers may be paid with $2,000,000,000, and that under the other, the Vinson bill, it will require four billion to pay it. Why all the subterfuge? Let us be honest. Let us quit trying to act the part of European diplomats and say one thing while meaning another. We have had our trouble from our experience with those diplomats in the settlement of the war debts. Let us not emulate them in their practices. Let us take the American way, old fashioned as that way may be. Let us take it and say to the people we represent that the Vinson bill means paying a $2,000,000,000 debt with $4,000,000,000. That the Vinson bill means a dollar to the banker for every dollar to the veteran.

Under the Vinson bill we place a tax on the veteran to pay himself so that the bondholders may get their bonus. Last session I introduced a resolution to investigate the guardianship racket in the Veterans' Administration. That investigation developed the fact that one of the wholesale guardians of incompetent veterans had given Christmas presents from the guardian to the ward and charged the "Merry Christmas" given in the name of the guardian to the ward's account. The members of the committee condemned the practice. You do the same thing here to all veterans, whether competent or incompetent, when you saddle on them this burden of interest for the benefit of the nontaxpaying bondholders.

When the original bill was reported out under the terms of which these certificates were issued in the Sixty-seventh Congress the Democratic members of the committee in the minority views unanimously condemned the method of making the veteran pay himself the debt that the Nation owed him. They insisted that it be paid by the "money changers." If you of the Democratic side pass this Vinson bill you do the very thing to which those men were then opposed. Under the Vinson bill you pay to the money changers a premium. You fill the coffers of the bondholders so that they will smile while you pay the obligation of the Nation to the men who gave their lives, their health, and well-being to their country. By the Vinson bill you will plunder the whole taxpaying public and do it in the name of those who sleep in foreign battlefields and toss on the beds of American hospitals.

Such action is a shame and a disgrace. If you must do this thing let us state facts. Let Congress itself take the blame. Let us not do it in the name of the American veteran. In the Vinson bill Congress offers a bribe to the "money changers." Some here say that they do it at the behest of the American Legion. You are deceiving yourself. You are doing it at the behest of Mr. Belgrano and his friends. Some day you will discover that the membership of the American Legion is no different from the private in the ranks of other organizations. That the private in the ranks of the Legion is the counterpart of you and your son who served. He does not like for someone who has been elected to office in his organization—elected to serve him and carry out his mandates, to stretch those mandates until they cannot be recognized. He does not like to be represented with half truths.

Read the hearings on the Vinson bill. Read the testimony of the gentlemen who testified on behalf of the Legion. They all state that they are interested only in the payment of the bonus. Each and everyone stated that the Legion is interested in the payment but not in how the money is supplied. Each of them says that he will offer no suggestion as to how the money is to be raised. Each of them says that the soldier is not interested in the raising of the money to be paid. Yet, all of them state that they favor the Vinson bill. All of them join the well-timed chorus of the bankers: "God save us from inflation." If these gentlemen speak the truth when they say they have no authority to bind the Legion on the method of payment what right have they appearing for the Legion to object to inflation if Congress sees fit to do it that way? Everyone of them says he favors the Vinson bill. When they say that they are contradicting their former statements for they are placing the Legion on record in favor of paying with bonds.

They are fixing the method of payment. My colleagues, these gentlemen extend to you the hand of Esau but the voice is the voice of Jacob. Why are they opposed to the Patman bill? It pays the bonus, does it not? Why do they single out a single particular bill to favor and use the money wrung from the hard-earned dollars of the Legion membership to propagandize the Vinson bill, I presume it is Legion money they use for this purpose. I hope that they are not using a slush fund such as McGuire used to reimburse prominent officers of the Legion for their influence in prostituting the high principles of the American Legion at the Chicago convention.

I heard the gentleman from Kentucky [Mr. VINSON] bring out with force on this floor that there are those who say Mr. PATMAN is interested in inflation first and the veteran second. He was careful to say after making the statement that he did not believe it. I do not think the gentleman from Kentucky does believe it. I know he does not. Therefore, I regret that he gave the statement such a forceful place in his address. I would not suggest that certain dignitaries of the Legion sitting in the gallery were acting as his mentors and prompted that statement. I do not believe that they did. Some might, however, believe it.

But by the same token that Mr. VINSON claims conclusions are drawn about Mr. PATMAN's interest in the soldier I draw conclusions. From the testimony of the officers of the Legion who appeared before the committee, I draw the conclusion that those officers are interested, first, in the provision of the Vinson bill that will permit payment by issuing tax-exempt interest-bearing bonds for the benefit of the bankers, and interested, second, in the payment of the bonus. That they are advocates of payment of tribute to the "money changers" first and bonus advocates second. And this in violation of a resolution of their own convention against the issuance of tax-exempt securities. That resolution, passed at the Chicago convention and now a law of the Legion, reads:

TAX EXEMPTION

Whereas the issuance of tax-exempt securities by municipalities, counties, States, and the Federal Government has reached an enormous total, thus removing much of our otherwise taxable property from the tax rolls; and

Whereas we of the American Legion are interested in the equitable distribution of the tax burden: Therefore be it

Resolved, That we recommend that an earnest consideration be directed to an elimination of the injustices brought about by issuance of tax-exempt securities.

On page 116 of the hearings you will find the statement that the veteran wants this bonus to buy ham and eggs. This same officer of the Legion is very emphatic, however, that if the veteran eats the ham and eggs he must eat them with a set of teeth made by Mr. Belgrano in a banker's dentist's chair. Unless he is willing to use the Belgrano-Vinson teeth, they are not willing for him to eat.

I do not think there is any inflation in the Patman bill. I wish there were. I would like to see some money floating around in my district. I would like, with prices rising, for the people in my district to have some money to buy. I would like for them to have some money that did not come from relief. I have signed every petition for the payment of the bonus since I came to Congress. I have voted for it every time. I did so not only in the interest of the veteran but in the interest of all the people. I spoke for it on this floor on June 15, 1932. I believed then that we needed more money on the Main Streets of the Nation and less on Wall Street. I am still of that opinion. The Patman bill will put money in circulation in every township—in every precinct. It will permit men to buy—to pay their debts. It will stimulate business. It will mean $5,000,000 in my district for these purposes. The Patman bill means that all of that $5,000,000 will go to my district and that my district will not have to pay back to the bankers five million for the privilege of placing it there. If by inflation is meant that the debt is to be paid with $2,000,000,000 and no more and since the Patman bill is that kind of bill then I am for the Patman bill no matter what you call this method of raising money. If the Vinson bill means that we pay $2,000,000,000 to the veterans and $2,000,000,000 to the banker, then I am

against the Vinson bill, no matter what you call this method of providing graft for the bankers.

In the testimony in the hearings on this bill on page after page I found the evasive, shifty, contradictory answers of the three high national officers of the American Legion when they were brought up short with a real pertinent question. What a contrast they were to some of the illustrious national officers of the Legion in the past. As an Indiana member of the Legion I feel a sense of pride and gratification that when Paul V. McNutt, an Indianian, occupied the high place of national commander the membership of the Legion did not need to feel the sense of nauseating disgust that is produced by the chameleon testimony of Mr. Belgrano, Mr. Whaley, and Mr. Kelly, the three artful dodgers of the American Legion.

Last week the rotogravure section of a Washington newspaper contained pictures of the American cemeteries in France and England. Twenty thousand in one at this place—14,000 in one at that place—10,000 in another place. Cemetery after cemetery pictured. I looked at the pictures. I thought of the dead. I thought of the boys who still lived. Those in hospitals. The boys with dead minds in living bodies. The destitute, desperate, shivering, hungry men who were once a line of heroes. The men who are now wearing "the straw hats in the rain." I took from my pocket and read again the preamble to the constitution of the American Legion. That preamble which begins: "To uphold and defend the Constitution" and ends: "To consecrate and sanctify our comradeship by our devotion to mutual helpfulness."

In contrast I read the testimony of these men who sit in the high places in the Legion. I think of the thousands of members who look to them for aid in obtaining the bonus. I think of the testimony of these three that the veteran should not receive it by the method that Congress by its powers granted in the Constitution may select but only by Mr. Belgrano's Vinson bill. They may hunger for ham and eggs, but these officials of the Legion insist they must continue to hunger unless they are fed in the one way selected by Mr. Belgrano. Is this "devotion to mutual helpfulness"? Does this "sanctify our comradeship", Mr. Belgrano?

Under laws already passed we have helped the bankers to the extent of $3,000,000,000, and the taxpayer footed the bill. There is a chance under the Patman bill to pay the veteran $2,000,000,000 without also paying the banker an equal amount. I, for one, am willing to allow the banker to root for himself for a while. The veteran has been doing it for 18 years.

THE FARM CREDIT ADMINISTRATION

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BURDICK. Mr. Speaker, the Farm Credit Administration seems to have the following subordinate set-ups in the Twin Cities:

First. The Federal Land Bank and the Federal Land Bank Commissioner.

Second. The Intermediate Credit Bank of St. Paul.

Third. Regional Agricultural Credit Corporation.

Fourth. The Production Credit Corporation of St. Paul.

Fifth. Bank for Cooperatives, St. Paul.

Sixth. The Emergency Crop and Seed Loan Office, Minneapolis.

On March 18 I presented full information regarding the Federal Land Bank.

The Intermediate Credit Bank of St. Paul was established in 1924. The present officers are:

Fred H. Klawon, president, formerly connected with the Wheaton National Bank, a member of the chain under the First Bank Stock Corporation. A Republican and former president of the Federal Land Bank of St. Paul.

Harry Olmstad, vice president, Lansing, Mich., operator of chain banks; member Federal Reserve Bank, Chicago.

P. L. Klyver, secretary-treasurer, former North Dakota banker.

Frank G. Wanek, secretary from 1928 to 1933. This officer's name appeared before as a chain banker and vice president of the Federal Land Bank, St. Paul.

G. S. Gordhammer, treasurer from 1928 to 1933; a banker and Republican; chain banker and connected with the Federal Land Bank, St. Paul, as vice president.

From the above information it will be readily seen that the same gang have had and still have control of the Intermediate Credit Bank.

The next institution to present is the Regional Agricultural Credit Corporation, organized in Minneapolis in 1932. Here are some of the officers:

George Susens, president, and also president of the Production Credit Corporation; Republican; former secretary of the Minnesota Banker's Association, and friendly to the two bank-holding corporations.

D. J. Murphy, executive vice president and manager. Former Minneapolis banker. Appointed by the Coolidge or Hoover administrations, and an exponent of the Twin City Bank-Holding Corporations.

R. E. McGregor, connected with the Northwestern National Bank of Minneapolis and the Northwest Bank Corporation. It should be remembered that this is the same R. E. McGregor who assisted in organizing the Northwest Bank Corporation and received one of the original shares of stock at the subscription price of $50. He and his associates invested $1,000 in the Northwest Bank Corporation, from which they sold $50,000,000 in stock.

E. A. Purdy, another officer who was a former employee of the Northwestern National Bank of Minneapolis.

John W. Barton was an officer up until September 26, 1932. Republican and former employee of the Northwest National Bank of Minneapolis and former director of the Northwest Bank Corporation. His name appears again as secretary of the deposit liquidating committee, of which C. T. Jaffray was manager, and also his name will appear again as a member of the advisory committee of the Federal Reserve bank of the ninth district.

Paul J. Leeman, former director, vice president, First National Bank of Minneapolis, and one of the organizers of the First Bank Stock Corporation, and formerly connected with the War Finance Corporation, and class A director of the Federal Reserve bank.

The Production Loan Corporation was established in Minneapolis February 23, 1932.

George Susans, president. This name appears also as president of the Regional Agricultural Credit Corporation, and his full connections are there tabulated.

L. J. Paulson, manager. Republican; formerly connected with the Freeborn County National Bank, Albert Lea, Minn., now a member of the First Bank Stock Corporation. His name will appear again as director of Emergency Feed and Loan Office, Minneapolis, Minn.

G. W. Banning, chief, Division of Operation. Former official of the First National Bank of Minneapolis; a member of the First Bank Stock Corporation.

Fred E. Hodgson, chief of Collection Division. Former Fergus Falls banker. Republican; and his bank is now a member of the Northwest Bank Corporation.

The only change that apparently has been made in this set-up was the selection by the Roosevelt administration of John J. Farrell, St. Paul, Democrat, as Assistant Secretary.

The Emergency Crop and Feed Loan Division, Minneapolis.

L. J. Paulson, manager, mentioned above as manager of the Production Loan Corporation.

Keeping in mind now the various set-ups under the jurisdiction of the Farm Credit Administration, let us see how the men in charge have handled the matter of distribution of Government aid.

Early in January it was reported to Hon. WILLIAM LEMKE, Congressman from North Dakota, and myself that the Emergency Crop and Feed Loan Division at Minneapolis was demanding from the farmers of the Northwest a crop mortgage on the 1935 crop for all prior advances of seed and feed. Protests poured in from business men and commercial clubs from all of the States from Wisconsin to North Dakota. It

was apparent to them and everyone else that if this plan was persisted in by the Government there would be nothing left from the 1935 crop, even if a crop were raised.

We immediately took the matter up with Governor Myers, of the Farm Credit Administration, and were advised on January 21, 1935, that no such demand had been made by the Administration. Governor Myers informed Congressman LEMKE that he had telephoned Paulson to stop the practice. In spite of that notice, Paulson went ahead demanding mortgages, and as late as January 29 and in February we find his division still asking mortgages, and the practice has not stopped yet. They do not come out now and demand a mortgage on the 1935 crop for all prior advances, but they say this:

The best thing you can do is to put your old loans in "good standing", because you will probably need seed for 1935.

This has the same effect of asking for a mortgage, and in one county alone, after Paulson had been instructed to "lay off", 300 mortgages went on record covering the 1935 crop and securing all prior advances of seed and feed. These mortgages are illegal, but if the Farm Credit Administration will not voluntarily set them aside, the farmers will have to bring action to do that themselves, and they are without money. If the mortgages are not set aside, and a crop is raised this year, there will be nine Government men under each grain spout watching to clean up on the farmer to his last bushel.

In the matter of giving the farmers relief in feed, where the amount asked is over $25, Paulson is the final dictator—Paulson, the Twin City Bank gang director, retained by the Democratic administration. Here is a sample of how the farmers are used.

On February 26, 1935, the Minneapolis office writes through the Field Supervisor Dana McEnroe the following letter to Hans Haugen, La Moure, N. Dak.:

I wrote you on October 31, 1934, to please refrain from bothering this office with your unwanted presence. You must have thought I was fooling, because I find that you have made out a new application and have put us to the expense of making an inspection. I have instructed the Minneapolis office that under no circumstances are you to get a loan from this office. I have also instructed the local office at La Moure to not bother with you. If you insist on making life miserable for them, I have instructed them to call the sheriff from the basement and have you evicted from the office. It is of little worth to point a moral to a person of your character, but let this incident be a reminder that Lincoln once said, "You can fool some of the people part of the time, but you cannot fool all of the people all of the time." Perhaps in the future, when someone is half-witted enough to lend you any money that you will pay it back.

Hans Haugen's letter to me illustrates the attitude of practically all of the farmers of North Dakota. He says:

We have not beat the Government out of any money; we only owe them for one seed loan, and we intend to pay that if we can only get a crop. If I do not get seed, I will have to quit farming and live on the county. We don't like to do that because we have never had any help from the county, and we have always worked hard for our living and hope we can get help during this emergency, and if we can we will take care of ourselves as soon as we can raise a crop. I was refused this loan because the busted banker of my town told the agent that I was a crook. I met this agent of the Government in a candy store in LaMoure, where he was drinking beer, and I asked him how it was that I could not get a loan when all the rest were getting theirs, and it was then that he said I was a crook and wouldn't get anything from the Government.

I have not full data on the field men representing Dictator Paulson, but I have a collection of data on hand indicating that many of the field men are "busted bankers", who evidently know how to get mortgages when they have no right to do so.

The whole set-up is against the best interests of every farmer in the Northwest, and through the delays, carelessness, and indifference of Paulson and his field men, thousands of livestock have perished in North Dakota during the past winter. What has the Government to show for this? Nothing but huge piles of hay and straw still stacked up in towns ready to be hauled to the dump if wet weather develops in this drought area.

There is one thing the public may be sure of and that is if any of the bank gang of the Twin Cities have held any mortgages against livestock in the Northwest, and it was to their interest to keep livestock from starving, the loans were promptly made. The bank gang run the Government institutions for their own protection, and they do not give a damn about the people.

I have publicly asked for the removal of Paulson, but the Farm Credit Administration is satisfied with his work and he remains on the job. The administration must take the full responsibility; and, if this practice is continued, the farmers of these Northwest States will be so sick of Democrats that to mention the name Democrat will result in being chased off the premises. This situation was not what I hoped for. I hoped the administration would make good with the farmers, because I had advised all of them to turn Hoover out and put Roosevelt in. It seems to me these bureaus and alphabetical administrations are a law unto themselves. They are bigger than the Government, and no doubt President Roosevelt feels about as Lincoln did when Stanton, Secretary of the Treasury, turned the Government over to the bankers. It is recorded that Lincoln on this occasion said, "I don't seem to have much influence with this administration."

I would like to break loose and oppose the $4,000,000,000 relief program, as I know it will be administrated by a band of bureau chiefs and know that the Northwest will remain under the heel of the Twin City Bank gang; but with over 200,000 people in North Dakota asking for relief, I am actually forced by the necessities of the situation to support the bill. If I knew the people of North Dakota could survive without this help, I would vote against this measure, if it were the last thing I ever did on this earth. When the rains come again and we raise enough so we can live, we will put on a demonstration against bureau chiefs that will jar the country all the way to Washington.

ARE THE BOYS IN BLUE "REDS", OR HAVE THE ADMIRALS GOT THE RUSSIAN SNAKES

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MAVERICK. Mr. Speaker, I rise today to speak on the state of the Nation. I understand the Nation is about to go to pieces and that the state of the Nation is very bad.

I understand from various persons that the Army and the Navy are about to go to pieces and our schools are about to be destroyed; that the R. O. T. C. is about to be broken up; the National Guard is imperiled; the Reserves are about to be tainted; that the Government is to be overthrown—all because a few leaflets are published by some crack-brained Communists. Hence the subject of my address today is as follows: Are the Boys in Blue "Reds", or Have the Admirals Got the Russian Snakes?

Personally I believe that the patriotism of the soldiers and sailors is beyond question. I know the patriotism of both of them is beyond question, and, speaking of the Army, I say this with perfect knowledge of facts. As for the admirals, the admirals of old got the snakes, but in the British Navy, which ruled the seas in days of old, they got the snakes from drinking good brandy, not from phantoms of Russia or from foreign nations. I am sure none of our admirals ever had the snakes, for they are impeccable.

But to get down to the subject seriously, there are a great many bills before Congress which violate every right of freedom of speech, every liberty guaranteed in our Constitution, and they would be downright silly if enacted, except that their effect would be serious indeed. There seems to be some hysteria in this country—a little here and there. But, as a matter of fact, I do not believe that there are any admirals in the Navy who are excited—at least, I hope so. I believe that they consider themselves able to command their troops, or sailors, or whatever they call them in the Navy, and I do not think that they wish to violate the Constitution and take over the civilian population in doing so. I have talked to numerous high-ranking Army officers and they look with a great deal of disdain and some humor upon the reflection on the enlisted personnel of the Army. Although I do not know any admirals, I am sure that they must feel the same way

about it, for surely they do not suspect the loyalty of their sailors.

I believe that a great deal of misinformation has been given on this subject. Some officials have the honest belief that the Army and the Navy need some protection. But they have all the protection in the world now.

I will give you some of the protections that they have:

Both the Navy and the Army, and every other military or naval unit, have the court-martial manual they can do about anything they please. Any man who has had military or naval service knows that. It is proper that they should have the court-martial manuals, because this provides the machinery of trials and the enforcement of discipline. The percentage of soldiers who have to be disciplined is exceedingly small, and the court-martial manuals meet every demand.

Concerning the Navy, in title 18, section 96 of the Criminal Code, the President is given the right to establish regulations and rules for defensive areas which he may establish. We have all the old statutes of inciting to treason, sedition, and the like—laws which are on the statute books and which have proven sufficient over nearly 150 years of military and naval experience. In the Military Laws of the United States, page 652, paragraph 816, which is an act of March 4, 1909 (35 Stat. 10:97), such penalties are given for long penitentiary terms and large fines for anyone—I mean civilians—who shall go on a military reservation in violation of regulations—and "military reservation", of course, includes naval reservations. There are statutes against aiding desertion, both in war and peace, and, according to the laws, one cannot even make "provoking speech or gestures" on military posts. The digest of the opinions of the Judge Advocate General, page 566, paragraph 1159, shows that commanding officers have absolute control of their posts.

Concerning the mails: If we will look at provisions contained in sections 343, 344, and 345, title 18, United States Code, we will see any matter that advocates treason, or forcible resistance to any law of the United States, is defined as nonmailable matter and material and gives severe penalties. All of this gives the Postmaster General the right to keep out of the mail anything being sent to soldiers in violation of rules and regulations written in pursuance of law. There are also general laws on the conspiracy to commit a felony, which only takes two persons to commit.

There is also the Sedition Act, which automatically goes into effect on the outbreak of war.

I say to you, gentlemen, that there is absolutely no necessity for any more laws in reference to the Army or the Navy. Their patriotism is unquestioned—and I mean the patriotism of the enlisted men, which is of quite as high an order as that of the officers.

The menace in these bills, and particularly the military bill, lies in the powers of search and seizure which is given over the civilian population. The bill, in fact, being entirely unnecessary for the military population, becomes a menace to the civilian population. Using the interpretations of the Supreme Court, it can be found that if anyone even remotely criticizes the Army—if such laws are enacted—the citizen is subjected to all kinds of search and seizure. Simple statements by civilians, advocating lower Army appropriations, improvement of conditions, suggesting the food is not good, improvement of airplanes, or anything else, would be punishable by the heavy fines and imprisonment.

I think there is no danger of a military dictatorship, but if these laws were actually put into effect, this Nation would become a military dictatorship. Our forefathers did not intend that we become a military dictatorship, and our people do not favor it now.

I do not think that any honorable American, or any intelligent American at least, wants this country to be a military dictatorship. We do not want another set of "red hunts"; we do not want to have our Nation in a hysterical frame of mind, all excited over nothing. I dislike to speak and even use the word "Communist", because it merely gives the Communists advertising. Most of this is propaganda to give a few hired lobbyists in Washington a chance to spout on the subject of patriotism and to justify the money they get from the various organizations "preserving the Nation." I have heard the peace lobby criticized in Washington—no doubt they deserve it—but also the rest of the lobbies should be criticized in the same manner. Some General Fleas, or some General Nuisance comes up and takes all the time of the Military Affairs Committee, and other committees; brings in a large group of people to sit and cheer while he speaks, creating an atmosphere which is supposed to make the Congressmen believe that there is a great demand for such legislation, when there is no demand for such legislation, and certainly no necessity, if we are to look at this matter from a calm and intelligent viewpoint.

To suspect the loyalty of the enlisted men of the Army is itself to create bad discipline. The people who are breaking up the Army and the Navy are the ones who are suspecting the soldiers and sailors of lack of loyalty.

I recently received a letter from a magazine printed in New York known as "Our Navy." This magazine has been printed successfully for 38 years, and is popular among the Navy people. I believe that the letter is worth including in the RECORD, and is as follows:

OUR NAVY,
Brooklyn, N. Y., March 18, 1935.

Representative MAURY MAVERICK,
House Office Building, Washington, D. C.

DEAR MR. MAVERICK: Enclosed is a copy of the April 1 issue of Our Navy. May I call your attention to the editorial entitled "Putting Down the Reds" on page 16 of this issue?

As publishers of the Navy's leading publication it is our conviction that the enlisted men of the United States Navy have not yet reached the point where they need any more protection from communism than do civilians of the country. Whenever such a situation arises, then we might as well feel far more seriously concerned over the state of our naval service. On the whole Navy men are well treated, fairly well paid, and just at present morale is extremely high. I believe you will realize this from a casual glance through the pages of Our Navy from which you can sense the spirit that permeates the personnel of the United States Navy.

There is one particular thing which needs looking after just at present and that is restriction of enlistment allowances for Navy men. We believe Congress could serve the interests of the Navy and Navy men far better by restoring these reenlistment allowances than by making a mountain out of a molehill as far as the Communist threat of the personnel of the naval service is concerned.

Very sincerely yours,

CARL GARDNER, *Editor Our Navy.*

The editorial is as follows:

PUTTING DOWN THE "REDS"

Various Army and Navy officials continue to appear before a congressional committee urging quick enactment of the bill which makes it a felony for any person or organization to incite or attempt to influence military or naval personnel to disaffection or into a violation of their oath to the Government.

Undoubtedly both the War and Navy Departments have had numerous reports of red activity in and about military and naval stations. Undoubtedly also Communists and their sympathizers have distributed their seditious literature as widely as they dared and where soldiers and sailors could see it. It is only natural for these inciters to sedition to seek to weaken or corrupt the forces set for the protection of society. Yet isn't it quite likely that we have a tendency to overexaggerate the danger of such activities? Is there any indication that Communist efforts to break down discipline and encourage insubordination have had or can have any influence on our service men? Our Navy is always close to the real feelings of Navy men and enjoys their confidence to a very high degree. But for the life of us we haven't been able to lay our finger upon any single Communist activity in connection with the Navy that amounts to a hill of beans. It is most difficult to locate a Navy man who has actually been handed a piece of red literature, although many will say that they heard some was passed out on another ship.

After all, we're supposed to have intelligent men in the naval service, and what intelligent man can be influenced by such doctrines as the Communists preach? Do they need additional laws for their protection? Are they like the British sailor who was described by a member of Parliament recently during debate on a British disaffection law as "the simple sailor who needs protection"?

On the contrary, overdoing Communist activity in the news here in America and before our congressional committees has led Moscow to believe the United States is about to fall before a red revolution. The truth of the matter is that the peril of communism in this country is actually almost nonexistent and that if it did become forward and offensive it and all connected with it would be crushed out of existence once and for all by the American people.

The proposed law to prohibit incitement to disaffection has interesting possibilities. While it is ostensibly aimed at the reds, who is to decide what is incitement and what is not? Could it be used against a sailor's sweetheart who begs him to stay a while longer, thus causing him to miss the midnight liberty boat and therefore return overleave? Could it be used against the blue jacket who emits a healthy growl in his compartment after being assigned to a particular bit of unpleasant duty? To those who don't know the Navy such a growl sounds like rank insubordination and an invitation of all within earshot to join in. Could this law be invoked against a hard-boiled boatswain's mate who slaps the bottom of a man's hammock leaving a blister (not on the hammock), when a fellow doesn't turn out before the last note of reveille? If this isn't sufficient to constitute incitement to disaffection it's mighty close to it. Could it be used against the ship's cook who sets before you hundred-year-old eggs instead of eggs a year or so old? Who will swear in court that this isn't sufficient cause for disaffection?

Could it be invoked against the captain who takes his ship to San Diego when most of the crew's wives and sweeties are in San Pedro? Or against HUEY LONG and Father Coughlin who, according to General Johnson and many in the administration at Washington, are inciting the people of this country to rebellion by their talks over the radio to which service men may listen? Or against the ship's doctor who says your health is O. K. on the day heavy stores are to be loaded? Could it be used against those responsible for the Economy Act that cut the soldiers' and sailors' pay and thus in principle, at least, broke the Government's contract with service men?

We heartily favor putting the quietus definitely and thoroughly on anyone—whether he be red, pink, or labeled with all of the colors of the rainbow—who advocates overthrow of our Government and our economic system. But let's not become panic stricken. Let's go about it in a cool manner and let's not give foreign countries the impression that we are on the verge of revolution when such is far from the case. Throwing a few soapbox orators or pamphlet distributors into the hoosegow is not going to solve the problem. They're only the dirty fringe of the real trouble makers. Search must be made into the seat of the difficulty and the fundamental reasons for dissatisfaction removed.

Service men of today suffer from no particular grievances that cannot be easily removed by thoughtful action on the part of the Government. There is no cause for disaffection or insubordination. Any individual who might be foolish enough to fall for the seditious blandishments of agitators can readily be handled by his shipmates and by means at the hands of every commanding officer.

Now, Mr. Speaker, I think I have shown you very plainly that none of this legislation is at all necessary. If our officers are efficient, able—and as loyal as the troops—no such legislation can possibly be at all necessary.

Personally, I do not believe that one one-hundredth of 1 percent of the officers of the Army or Navy have any desire for the passage of this legislation. I have talked to numerous officers, captains, majors, colonels, generals—men who are real soldiers; men who have seen service in foreign fields, in Cuba, the Philippines, in Alaska, Hawaii, and on the battlefields of France—and I have yet to see one of them who really wants this. It is true that an officer has told me that we must have this legislation. It seems that he is a sort of "Communist expert" who spends all his time hunting "Reds." Why the Navy should detail him to waste his time on this, I do not know—it may be necessary, so I shall not object. But this one officer is the only one of the whole group who desires this legislation, as far as I know.

Let us be calm and collected and not waste our time on these uncalled-for reflections on the Army and Navy; and let us insist that the officers of the Army and Navy maintain discipline under the present laws (which I think they are able and willing to do)—and which laws are more than plenty.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 6644. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes.

ADJOURNMENT

The SPEAKER. The question is on the motion to adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 21 minutes p. m.) the House adjourned until tomorrow, Friday, March 22, 1935, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DUFFY of New York: Committee on the Judiciary. H. R. 157. A bill to amend section 5296 of the Revised Statutes of the United States; without amendment (Rept. No. 460). Referred to the House Calendar.

Mr. KELLER: Committee on the Library. House Joint Resolution 195. Joint resolution to provide for the reappointment of Frederic A. Delano as a member of the Board of Regents of the Smithsonian Institution; without amendment (Rept. No. 461). Referred to the House Calendar.

Mr. KELLER: Committee on the Library. House Joint Resolution 204. Joint resolution authorizing the erection of a memorial to the late Jean Jules Jusserand; without amendment (Rept. No. 462). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 6858) granting an increase of pension to Phoebe S. Decker, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ELLENBOGEN: A bill (H. R. 6905) to give the Federal courts jurisdiction to supervise elections, to appoint deputy marshals, to assist in preventing fraud in elections and disorders at the polls, and for other purposes; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. MEAD: A bill (H. R. 6906) to revise and amend the Food and Drugs Act of June 30, 1906, as amended August 23, 1912, March 3, 1913, March 4, 1913, July 24, 1919, January 18, 1927, July 8, 1930, and June 22, 1934, to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drugs, and cosmetics; to prevent the false advertising of food, drugs, and cosmetics; and to regulate traffic therein; to the Committee on Interstate and Foreign Commerce.

By Mr. HOEPPEL: A bill (H. R. 6907) to provide the benefits of existing veterans' laws and regulations to officers and enlisted men of the Army, Navy, Marine Corps, and Coast Guard who suffer injury, disease, or death while on authorized leave of absence or furlough, and to the dependents of such officers and enlisted men; to the Committee on Military Affairs.

By Mr. DOCKWEILER: A bill (H. R. 6908) authorizing the Postmaster General of the United States to issue a special postage stamp in commemoration of the completion of Boulder Dam; to the Committee on the Post Office and Post Roads.

By Mr. MOTT: A bill (H. R. 6909) to amend the Agricultural Adjustment Act so as to include hops as a basic agricultural commodity; to the Committee on Agriculture.

By Mr. ROGERS of Oklahoma (by departmental request): A bill (H. R. 6910) to amend section 4 of the act of May 31, 1933, enacted to safeguard the interests and welfare of Indians of the Taos Pueblo, N. Mex., in certain lands within the Carson National Forest; to the Committee on Indian Affairs.

By Mr. LEHLBACH: A bill (H. R. 6911) for the retirement of employees in the classified civil service, and for other purposes; to the Committee on the Civil Service.

By Mrs. NORTON: A bill (H. R. 6912) to extend certain benefits of the Public Health Service to certain seamen, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. QUINN: A bill (H. R. 6913) to require financial responsibility of owners and operators of vehicles for hire in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. FULMER: A bill (H. R. 6914) to authorize cooperation with the several States for the purpose of stimulating the acquisition, development, and proper administration and management of State forests and coordinating Federal and State activities in carrying out a national program of forest-land management, and for other purposes; to the Committee on Agriculture.

MEMORIAL

Under clause 3 of rule XXII, a memorial was presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Tennessee, supporting old-age-pension legislation; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BACHARACH (by request): A bill (H. R. 6915) for the relief of Harry Seaman; to the Committee on Military Affairs.

By Mr. CITRON: A bill (H. R. 6916) for the relief of Daniel McIntyre; to the Committee on Claims.

By Mr. COLDEN: A bill (H. R. 6917) authorizing the President of the United States to appoint Sgt. Louis Van Iersel as a major in the United States Army and then place him on the retired list; to the Committee on Military Affairs.

By Mr. CROSS of Texas: A bill (H. R. 6918) for the payment of the claims of citizens of the United States against the Republic of Mexico; to the Committee on Claims.

By Mr. CROWE: A bill (H. R. 6919) granting a pension to Cora D. McCart; to the Committee on Pensions.

Also, a bill (H. R. 6920) for the relief of Ella Goodwin; to the Committee on Claims.

By Mr. EDMISTON: A bill (H. R. 6921) granting compensation to Joseph M. Burr; to the Committee on Claims.

Also, a bill (H. R. 6922) for the relief of Luther D. Hanna; to the Committee on Military Affairs.

Also, a bill (H. R. 6923) granting a pension to Mathias O. Myer; to the Committee on Pensions.

By Mr. GAMBRILL: A bill (H. R. 6924) to extend the benefits of the United States Employees' Compensation Act of September 7, 1916, to William Ashton; to the Committee on Claims.

By Mr. LAMNECK: A bill (H. R. 6925) for the relief of Walter Cleo Gibeaut; to the Committee on Military Affairs.

By Mr. LEWIS of Maryland: A bill (H. R. 6926) granting a pension to Mazie Layman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6927) granting a pension to Elizabeth Jane Barnhart; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6928) granting a pension to Georgana Layman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6929) granting a pension to Walter Clice; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6930) granting an increase of pension to Annie E. Santman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6931) granting an increase of pension to Tracy Huffman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6932) granting an increase of pension to Margaret A. Hannon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6933) granting an increase of pension to Sarah M. Flowers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6934) granting an increase of pension to Elizabeth A. Richenberg; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6935) granting an increase of pension to Mary E. Summers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6936) granting a pension to Almira Yost; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6937) granting a pension to Sarah E. Stephens; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6938) granting an increase of pension to Barbara Wiley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6939) granting an increase of pension to Mary A. Taylor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6940) granting an increase of pension to Anna R. Mongan; to the Committee on Invalid Pensions.

By Mr. LUDLOW: A bill (H. R. 6941) granting a pension to Clarence N. Garrett; to the Committee on Invalid Pensions.

By Mr. McANDREWS: A bill (H. R. 6942) for the relief of the heirs of the late Capt. N. C. Brooks; to the Committee on Claims.

By Mr. McCORMACK: A bill (H. R. 6943) for the relief of Helen Dwyer; to the Committee on Claims.

By Mr. MARSHALL: A bill (H. R. 6944) for the relief of Maj. Thomas J. Berry; to the Committee on Claims.

By Mr. MARTIN of Massachusetts: A bill (H. R. 6945) for the relief of Oliver Martin Silvia, alias Alvarino C. Sebasta; to the Committee on Military Affairs.

Also, a bill (H. R. 6946) for the relief of Jacinthe Cabral; to the Committee on Military Affairs.

Also, a bill (H. R. 6947) for the relief of John Patrick Dean; to the Committee on Naval Affairs.

By Mr. POWERS: A bill (H. R. 6948) granting a pension to Mary Merrill Scott; to the Committee on Pensions.

By Mr. ROGERS of Oklahoma (by departmental request): A bill (H. R. 6949) for the relief of John W. Dady; to the Committee on Indian Affairs.

By Mr. SMITH of Connecticut: A bill (H. R. 6950) for the relief of Elizabeth Kurau; to the Committee on Claims.

By Mr. STACK: A bill (H. R. 6951) for the relief of Thomas J. English; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4827. By Mr. ROGERS of Oklahoma: Petition of J. L. McFarland and numerous other citizens of Flora, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4828. Also, petition of E. M. Ellington and numerous other citizens of the county of Mecklenburg in the State of North Carolina, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4829. Also, petition of W. S. Vails and numerous other citizens of Charlotte, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4830. Also, petition of William Strickling and numerous other citizens of the county of Hamilton in the State of Tennessee, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4831. Also, petition of Thomas Elder and numerous other citizens of Chattanooga, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4832. Also, petition of Andrew Boatz and numerous other citizens of Tower Hill, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4833. Also, petition of William Cable and numerous other citizens of Brownstown, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4834. Also, petition of Grant Ekard and numerous other citizens of Pana, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4835. Also, petition of Homer Hilton and numerous other citizens of Oconee, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-

age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4836. Also, petition of J. R. Sweeney and numerous other citizens of the county of Bowie in the State of Texas, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4837. Also, petition of E. F. Templeton and numerous other citizens of Texarkana, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4838. Also, petition headed by J. W. Johnson of Section, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4839. Also, petition headed by C. Dunham, of Chicago, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4840. Also, petition headed by N. Almond, of Stanfield, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4841. Also, petition headed by M. L. Peterson, of Greenwood, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4842. Also, petition headed by N. O. Farmer, of Bethany, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4843. Also, petition headed by Henry E. Muender, of Oregon City, Oreg., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4844. Also, petition headed by M. Forehand, of Craggie Hope, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4845. Also, petition headed by M. McLaughlin, of Paterson, N. J., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pension of $30 to $50 a month; to the Committee on Ways and Means.

4846. Also, petition headed by C. Kirk, of Hartford, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4847. Also, petition headed by R. Martin, of Knoxville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4848. Also, petition headed by J. H. Terry, of Trinity, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4849. Also, petition headed by A. Smith, of Indianola, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4850. Also, petition headed by Jack Roth, of Honey Island, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4851. Also, petition headed by Louis Feldwisch, of Boonville, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4852. Also, petition headed by S. W. Levings, of Marland, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4853. Also, petition headed by M. K. Lachance, of Potosi, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4854. Also, petition headed by G. Blizzard, of Kelly, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4855. Also, petition headed by Joseph Sicola, of Chicago Heights, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4856. Also, petition headed by Christian Olesen, of Badger, S. Dak., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4857. Also, petition headed by Henry Green, of Fortson, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4858. Also, petition headed by A. Valdez, of Lumberton, N. Mex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4859. Also, petition headed by C. Chabez, of Park View, N. Mex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4860. Also, petition headed by George W. Crisp, of Memphis, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4861. Also, petition headed by Ed Finley, of Sherrill, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4862. Also, petition headed by L. Roberts, of Des Moines, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4863. Also, petition headed by R. Cordova, of Gallina, N. Mex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4864. Also, petition headed by S. T. McElroy, of Pineland, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4865. Also, petition headed by William Griffin, of Grafton, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4866. Also, petition headed by F. Mercier, of Hahnville, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4867. Also, petition headed by John Kirsch, of Dahlgren, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4868. Also, petition headed by M. Holden, of Pearson, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4869. Also, petition headed by J. A. Ropes, of Danville, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4870. Also, petition headed by L. Campbell, of Gary, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4871. Also, petition headed by G. Browning, of Covington, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4872. Also, petition headed by E. Nichols, of Candler, N. C., favoring House bill 2856, by Congressman WILL ROG-

ERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4873. Also, petition headed by L. Keenum, of Russellville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4874. Also, petition headed by B. E. Williams, of Cameronsville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4875. Also, petition headed by D. Willis, of Hampton, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4876. Also, petition headed by William D. Carson, of Melcher, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4877. Also, petition headed by J. R. Wathen, of Louisville, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4878. Also, petition headed by Henry Harrison, of New Hill, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4879. Also, petition headed by W. J. Pettus, of Lawrenceburg, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4880. Also, petition headed by S. Boinster, of Earl, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4881. Also, petition headed by Lee Haneyes, of Little Rock, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4882. Also, petition headed by Julius Johnson, of Haynesville, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4883. Also, petition headed by S. G. Maudling, of Clanton, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4884. Also, petition headed by L. Leakes, of State Line, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4885. Also, petition headed by M. B. Thornton, of Halifax, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4886. Also, petition headed by N. Micken, of Sunshine, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4887. Also, petition headed by John Roberts, of New Boston, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4888. Also, petition headed by H. A. Martin, of Wellington, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4889. Also, petition headed by W. R. Owens, of Prattville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4890. Also, petition headed by F. A. Jenkins, of Provencal, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4891. Also, petition headed by John H. Robinson, of Salvisa, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4892. Also, petition headed by A. B. Belford, of Robeline, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4893. Also, petition headed by Lenard Morris, of Fairdale, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4894. Also, petition headed by S. J. Potrick, of Bristol, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4895. Also, petition headed by Alfred Tucker, of Ramer, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4896. Also, petition headed by Richard Arthur, of Victoria, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4897. Also, petition headed by S. Conlin, of Decatur, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4898. Also, petition headed by H. Harper, of Belle Mina, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4899. Also, petition headed by I. Dunning, of Herrin, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4900. Also, petition headed by M. Curry, of Bolivar, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4901. Also, petition headed by Columbus Johnson, of Four Oaks, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4902. Also, petition headed by D. Vanslette, of Kankakee, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4903. Also, petition headed by James Alen V. Veasley, of Kosciusko, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4904. Also, petition headed by Newton Pitts, of Williston, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4905. Also, petition headed by A. D. Stoddard, of Cumberland, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4906. Also, petition headed by Will Brown, of Marianna, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4907. Also, petition headed by R. Jack, of Erwinville, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4908. Also, petition headed by E. Miller, of Ledbetter, Tex., favoring House bill 2856, by Congressman WILL ROGERS,

the Pope plan for direct Federal old-age pensions of $30 and $50 a month; to the Committee on Ways and Means.

4909. Also, petition headed by C. Chavez, of Saguache, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4910. Also, petition headed by B. Fields, of Clarksdale, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4911. Also, petition headed by Austine Green, of Cruger, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4912. Also, petition headed by L. Vaughn, of Hayti, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4913. Also, petition headed by Levi P. Miles, of Zenoria, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4914. Also, petition headed by R. Collin, of England, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4915. Also, petition headed by Sam Watson, of Chicago City, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4916. Also, petition headed by Walter Hickerson, of Murfreesboro, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4917. Also, petition headed by George Catlett, of Hopkinsville, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4918. Also, petition headed by Sam Collier, of Florence, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4919. Also, petition headed by N. C. Williams, of Hickman, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4920. Also, petition headed by Henry Floyd, of Carmona, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4921. Also, petition headed by D. Parker, of Culloden, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4922. Also, petition headed by Joe Butler, of Conroe, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4923. Also, petition headed by T. J. Suber, of Shelton, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4924. Also, petition headed by M. W. Hayman, of Princess Anne, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4925. Also, petition headed by Robbert W. Stanford, of Haverstraw, N. Y., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4926. Also, petition headed by L. B. Watson, of Potts Camp, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4927. Also, petition headed by S. E. Bulis, of Big Island, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4928. Also, petition headed by O. A. Grantland, of Bells, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4929. Also, petition headed by Francis Love, of Love, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4930. Also, petition headed by T. N. Farlaines, of Gladys, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4931. Also, petition headed by N. E. Hall, of Mount Hope, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4932. Also, petition headed by S. Scott, of Queen City, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4933. Also, petition headed by S. Townsend, of Ruleville, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4934. Also, petition headed by S. Bivens, of Mobile, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4935. Also, petition headed by Mr. Widford, of Marvell, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4936. Also, petition headed by M. Causey, of Jones, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4937. Also, petition headed by I. Ferrell, of Dadeville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4938. Also, petition headed by N. Lard, of Bienville, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4939. Also, petition headed by I. A. Gumm, of Jefferson, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4940. Also, petition headed by I. Williams, of Iowa Falls, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4941. Also, petition headed by Morris G. Metcalf, of Hornick, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4942. Also, petition headed by W. H. Killian, of Harlan, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4943. Also, petition headed by R. Jenzen, of Hampton, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4944. Also, petition headed by Henry Werner, of Grinnell, Iowa, favoring House bill 2856, by Congressman WILL ROGERS,

the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4945. Also, petition headed by Charles C. Davis, of Fort Dodge, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4946. Also, petition headed by A. Reid, of Eldora, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4947. Also, petition headed by P. W. Taylor, of Waveland, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4948. Also, petition headed by John S. Hayden, of Walkerton, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4949. Also, petition headed by E. Johnson, of Terre Haute, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4950. Also, petition headed by Fred Kieser, of Tell City, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4951. Also, petition headed by M. M. Fairchild, of State Line, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4952. Also, petition headed by R. K. Lang, of Rockport, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4953. Also, petition headed by John Prickett, of Perrysville, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4954. Also, petition headed by R. Horath, of Owensville, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4955. Also, petition headed by Jacob H. Morgan, of Noblesville, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4956. Also, petition headed by K. Imel, of New Castle, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4957. Also, petition headed by C. Cooper, of Mount Vernon, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4958. Also, petition headed by Lon Spurlock, of Morocco, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4959. Also, petition headed by R. Morris, of Marion, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4960. Also, petition headed by P. Murrell, of Lawrenceburg, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4961. Also, petition headed by M. Cisners, of Montrose, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4962. Also, petition headed by Vidal Gonzalez, of Monte Vista, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4963. Also, petition headed by Pableta Sanchez, of Mineral Hot Springs, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4964. Also, petition headed by A. W. Spewer, of Mancos, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4965. Also, petition headed by P. Montona, of Manassa, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4966. Also, petition headed by Joe D. Medina, of Loma, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4967. Also, petition headed by Encarnacion Romero, of La Jara, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4968. Also, petition headed by Ramon Baca, of La Garita, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4969. Also, petition headed by Nasario Aragon, of La Boca, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4970. Also, petition headed by Manuel Velasquez, of Johnstown, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4971. Also, petition headed by Frank B. Bachert, of Hotchkiss, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4972. Also, petition headed by E. D. Hamilton, of Grand Junction, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4973. Also, petition headed by A. Woods, of Oroville, Wash., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4974. Also, petition headed by G. A. Stolts, of Omak, Wash., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4975. Also, petition headed by E. N. Stilley, of Okanogan, Wash., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4976. Also, petition headed by Z. R. Downen, of Nespelem, Wash., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4977. Also, petition headed by Jesse Moore, of Mason City, Wash., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4978. Also, petition headed by William P. Owens, of Loomis, Wash., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

4979. Also, petition headed by L. Hunley, of Hoquiam, Wash., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5090. Also, petition headed by W. E. Romjue, of Everett, Wash., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5091. Also, petition headed by George B. Woodward, of Disautel, Wash., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pen-

sions of $30 to $50 a month; to the Committee on Ways and Means.

5092. Also, petition headed by W. R. Jones, of Conconully, Wash., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5093. Also, petition headed by D. Connor, of Chesaw, Wash., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5094. Also, petition headed by N. Lawless, of Brewster, Wash., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5095. Also, petition headed by George D. Baker, of Frostburg, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5096. Also, petition headed by A. B. Riley, of Friendsville, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5097. Also, petition headed by R. A. Trimble, of Cumberland, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5098. Also, petition headed by H. Lish, of Crellin, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5099. Also, petition headed by H. B. Petenbrink, of Corrigansville, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5100. Also, petition headed by Charles A. Dommel, of Cavetown, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5101. Also, petition headed by Albert Campbell, of Brunswick, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5102. Also, petition headed by Lewis Martz, of Boonslow, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5103. Also, petition headed by Orvin I. Harbaugh, of Boonsboro, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5104. Also, petition headed by M. S. Duckworth, of Bloomington, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5105. Also, petition headed by Henry Barthlow, of Barton, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5106. Also, petition headed by A. S. Allison, of Baltimore, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5107. Also, petition of M. Gallion and numerous other citizens of Melrose, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5108. Also, petition of Alfred Flowers and numerous other citizens of Montgomery, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5109. Also, petition of Philbert Monett and numerous other citizens of Cloutierville, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5110. Also, petition of Raymond Christopher and numerous other citizens of Plaquemine, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5111. Also, petition of J. C. Reaves and numerous other citizens of the county of New Hanover in the State of North Carolina, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5112. Also, petition of James E. Roderick and numerous other citizens of Wilmington, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5113. Also, petition of J. L. Moss and numerous other citizens of the county of Shelby in the State of Tennessee, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5114. Also, petition of G. Y. Sigman and numerous other citizens of Memphis, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5115. Also, petition of Norman Hankerson and numerous other citizens of the county of Barnwell in the State of South Carolina, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5116. Also, petition of H. T. Myers and numerous other citizens of Elko, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5117. Also, petition of Alex Patterson and numerous other citizens of the county of Macoupin in the State of Illinois, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5118. Also, petition of Fred W. Horn and numerous other citizens of Virden, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5119. Also, petition of A. D. Henderson and numerous other citizens of Greenwood, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5120. Also, petition of E. Moore and numerous other citizens of Yazoo City, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5121. Also, petition of Albert Williams and numerous other citizens of Benton, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5122. Also, petition of W. M. Ganey and numerous other citizens of Nauvoo, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5123. Also, petition of Joseph H. Beard and numerous other citizens of Carbon Hill, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5124. Also, petition of William Matheney and numerous other citizens of McGehee, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5125. Also, petition of M. Warmley and numerous other citizens of Winchester, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5126. Also, petition of Robert C. Lee and numerous other citizens of Tillar, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5127. Also, petition of James Randolph and numerous other citizens of the county of Fulton, in the State of Georgia, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5128. Also, petition of Rev. J. Lloyd Garrison and numerous other citizens of Atlanta, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5129. Also, petition of A. McMath and numerous other citizens of Boyle, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5130. Also, petition of Robert Casey and numerous other citizens of Shaw, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5131. Also, petition of E. Wright and numerous other citizens of Truman, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5132. Also, petition of Harvey Beach and numerous other citizens of Pepanto, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5133. Also, petition headed by R. Taylor, of Shreveport, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5134. Also, petition headed by O. Sandoval, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5135. Also, petition headed by M. C. Goyer, of Oakfield, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5136. Also, petition headed by Turner Daniel, of Tunica, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5137. Also, petition headed by A. Miranda, of Stockville, Colo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5138. Also, petition headed by A. M. Mullinax, of Corona, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5139. Also, petition headed by P. Wilford, of Evansville, Ind., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5140. Also, petition headed by L. Beason, of Lenapah, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5141. Also, petition headed by Petter Brent, of Indianola, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5142. Also, petition headed by J. Odams, of Heflin, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Fedcral old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5143. Also, petition headed by John Cunningham, Sr., of Lyon, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pension of $30 to $50 a month; to the Committee on Ways and Means.

5144. Also, petition headed by A. Johnson, of Eagle Lake, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5145. Also, petition headed by E. Dancy, of Greensboro, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5146. Also, petition headed by William E. Johnson, of Wytheville, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5147. Also, petition headed by L. Jones, of Welch, W. Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5148. Also, petition headed by Richard Reynolds, of Davy, W. Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5149. Also, petition headed by M. Garden, of Anguilla, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5150. Also, petition headed by C. L. Poe, of Bluefield, W. Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5151. Also, petition headed by Sam Johnson, of Fries, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5152. Also, petition headed by Robert Cornnor, of Cope, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5153. Also, petition headed by Robert E. Lee, of San Saba, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5154. Also, petition headed by J. M. Hargrove, of Roanoke Rapids, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5155. Also, petition headed by M. M. Smith, of Syosset, N. Y., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5156. Also, petition headed by J. C. Isenham, of Cramerton, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5157. Also, petition headed by A. Daigle, of New Orleans, La., favoring House bill 2856, by Congressman WILL ROGERS,

the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5158. Also, petition headed by Gus Henderson, of Lakeland, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5159. Also, petition headed by A. Jones, of Mound Bayou, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5160. Also, petition headed by Jose I. Romero, of Dixon, N. Mex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5161. Also, petition of I. M. Crews and numerous other citizens of Rector, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5162. Also, petition headed by E. Walker, of Jackson, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5163. Also, petition headed by O. L. Giles, of Atlanta, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5164. Also, petition headed by E. Oakley, of Milan, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5165. Also, petition headed by Henry West, of Lake City, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5166. Also, petition headed by Pat O'Neal, of Watertown, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5167. Also, petition headed by Henry George, of Litchfield, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5168. Also, petition headed by F. Smith, of Lake Charles, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5169. Also, petition headed by N. Pafe, of Chipley, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5170. Also, petition headed by C. Hastel, of Beech Grove, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5171. Also, petition headed by R. Potter, of Delhi, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5172. Also, petition headed by Dan Nowell, of Fearns Springs, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5173. Also, petition headed by John T. Thomas, of Montezuma, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5174. Also, petition headed by E. Smith, of Sulligent, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5175. Also, petition headed by E. L. Frady, of Piedmont, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5176. Also, petition headed by John Colbert, of Friar Point, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5177. Also, petition headed by John L. Shirah, of Ariton, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5178. Also, petition headed by M. H. Griggs, of Kimball, W. Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5179. Also, petition headed by M. Thomas, of Gradyville, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5180. Also, petition headed by G. N. Soloman, of Cuthbert, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5181. Also, petition headed by Mack Allen, of Owensboro, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5182. Also, petition headed by S. W. Green, of Ellenboro, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5183. Also, petition headed by Shermon Dent, of Library, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5184. Also, petition headed by A. V. Clark, of Lemont Furnace, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5185. Also, petition headed by A. Custer, of Layton, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5186. Also, petition headed by J. D'Ambre, of Joffre, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5187. Also, petition headed by W. E. Rodger, of Hooversville, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5188. Also, petition headed by Jacob J. Schweitzer, of Hawley, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5189. Also, petition headed by L. Yutzy, of Garrett, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5190. Also, petition headed by A. W. Sutton, of Fairchance, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5191. Also, petition headed by M. B. Gochnour, of Everett, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5192. Also, petition headed by H. Watson, of Edenborn, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5193. Also, petition headed by M. Haney, of Dunbar, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5194. Also, petition headed by M. E. Bishoff, of Duquesne, Pa., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5195. Also, petition headed by W. H. Fischer, of Zanesville, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5196. Also, petition headed by L. Brown, of Youngstown, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5197. Also, petition headed by C. Long, of Yellow Springs, Ohio, favoring House bill 2856 by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5198. Also, petition headed by William John Becker, of Westwood, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5199. Also, petition headed by John Weatherly, of Urbana, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5200. Also, petition headed by E. Hardy, of Toronto, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5201. Also, petition headed by Martin H. Hawkins, of Toledo, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5202. Also, petition headed by T. Jones, of Steubenville, Ohio, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5203. Also, petition headed by E. Gribble, of Wiffin, Wis., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5204. Also, petition headed by R. M. Pearson, of Warrens, Wis., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5205. Also, petition headed by J. Weltzin, of Union, Wis., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5206. Also, petition headed by M. Dean, of Soldiers Grove, Wis., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and means.

5207. Also, petition headed by R. Ray, of Richland Center, Wis., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5208. Also, petition headed by Peter H. Garvey, of Prairie du Chien, Wis., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5209 Also, petition headed by C. Peters, of Platteville, Wis., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5210. Also, petition headed by Andrew Fish, of Pardeeville, Wis., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5211. Also, petition headed by William E. Harris, Jr., of Palmyra, Wis., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5212. Also, petition headed by F. Payne, of Oshkosh, Wis., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5213. Also, petition headed by A. R. Gentry, of Hallowell, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5214. Also, petition headed by S. J. Whitmire, of Grenola, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5215. Also, petition headed by Charles E. Shock, of Garnett, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5216. Also, petition headed by J. Majors, of Galena, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5217. Also, petition headed by John C. Bell, of Fredonia, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5218. Also, petition headed by John W. Johnson, of Fort Scott, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5219. Also, petition headed by Albert Stoutts, of Englevale, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pension of $30 to $50 a month; to the Committee on Ways and Means.

5220. Also, petition headed by M. Heston, of Emporia, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5221. Also, petition headed by John Hayes, of Elwood, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5222. Also, petition headed by M. Lambert, of Edgerton, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5223. Also, petition headed by M. E. Edelman, of Douglass, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5224. Also, petition headed by J. C. Dalton, of Dodge City, Kans., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5225. Also, petition headed by John Jiminez, Sr., of Mason City, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5226. Also, petition headed by T. Fortune, of Lehigh, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5227. Also, petition headed by J. W. Glover, of Lawton, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5228. Also, petition headed by C. Benway, of Kellerton, Iowa, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5229. By Mr. BUCKLER of Minnesota: R. R. Barry, commander Department of Minnesota, of the Veterans of Foreign Wars, all citizens of Minnesota, urging the immediate cash payment of the soldiers' adjusted-service certificates in Treasury notes according to the Patman bill (H. R. 1); to the Committee on Ways and Means.

5230. Also, petition of Mrs. M. E. Withrow, of Minneapolis, Minn., State president of the Ladies' Auxiliary Units of the American Legion, Department of Minnesota, praying for the passage of the Vinson bill (H. R. 3896) to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

5231. Also, petition of B. M. Thompson, commander, of Henning, Minn., in behalf of the members of the American Legion Posts of Otter Tail County, Department of Minnesota, praying for the passage of the Vinson bill (H. R. 3896) to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

5232. Also, petition of S. P. Orwoll, commander, and members of the American Legion, Department of Minnesota, of Thief River Falls, and vicinity in Minnesota, asking for passage of the Vinson bill (H. R. 3896) to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

5233. Also, petition of A. N. Moen, of Mahnomen, Minn., commander of Post No. 31, of the American Legion, of Mahnomen, Minn., in behalf of members of the post, praying for the passage of the Vinson bill (H. R. 3896) to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

5234. By Mr. CROWE: Letter from Kankakee Valley Chapter, Izaak Walton League of Valparaiso, Ind., by Frank Shumake, president, urging the passage of the Crowe joint resolution (H. J. Res. 157); to the Committee on the Judiciary.

5235. Also, letter from the Izaak Walton League of Lake City, Ind., by Elmer B. Funk, urging the passage of the Crowe joint resolution (H. J. Res. 157); to the Committee on the Judiciary.

5236. Also, letter from the Somerville Gun Club, Somerville, Ind., by Chas. F. Yeager, secretary, urging the passage of the Crowe joint resolution (H. J. Res. 157); to the Committee on the Judiciary.

5237. Also, letter from the Wawasee Conservation Club, Syracuse, Ind., by Warren T. Colwell, secretary, urging the passage of the Crowe joint resolution (H. J. Res. 157); to the Committee on the Judiciary.

5238. Also, letter from the Randolph County Fish and Game Association, Winchester, Ind., by O. C. Bradford, president, urging the passage of the Crowe joint resolution (H. J. Res. 157); to the Committee on the Judiciary.

5239. Also, letter from the Knox Conservation Club, Knox, Ind., by Ralph Moreland, secretary, urging the passage of the Crowe joint resolution (H. J. Res. 157); to the Committee on the Judiciary.

5240. Also, letter from the Hillsboro Fish, Game, and Forest Association, Hillsboro, Ind., by Frank Rusk, secretary, urging the passage of the Crowe joint resolution (H. J. Res. 157); to the Committee on the Judiciary.

5241. Also, letter from the Putnam County Sporting Club, Greencastle, Ind., by C. H. Stewart, secretary, urging the passage of the Crowe joint resolution (H. J. Res. 157); to the Committee on the Judiciary.

5242. Also, letter from the Winona Lake Conservation Club, Winona Lake, Ind., by A. G. Breaks, secretary, urging the passage of the Crowe Joint resolution (H. J. Res. 157); to the Committee on the Judiciary.

5243. Also, letter from Elwood Williams, Washington, Ind., urging the passage of the Crowe joint resolution (H. J. Res. 157); to the Committee on the Judiciary.

5244. Also, letter from the Foot's Lake Pleasure Club, Evansville, Ind., by Charles Jurgens, secretary, urging the passage of the Crowe joint resolution (H. J. Res. 157); to the Committee on the Judiciary.

5245. Also, petition of the Wabash Gun Club and eight other conservation clubs of Wabash County, Ind., urging the passage of the Crowe joint resolution (H. J. Res. 157); to the Committee on the Judiciary.

5246. Also, letter from the Daviess County Fish, Game, and Forest Protective Association, Washington, Ind., by John Lents, secretary, urging the passage of the Crowe joint resolution (H. J. Res. 157); to the Committee on the Judiciary.

5247. Also, letter from the West Side Sportsmen's Club, Evansville, Ind., by Elmer H. Stratman, secretary, urging the passage of the Crowe joint resolution (H. J. Res. 157); to the Committee on the Judiciary.

5248. Also, letter from the Harrison County Conservation Club, Corydon, Ind., by Armen N. Best, secretary, urging the passage of the Crowe joint resolution (H. J. Res. 157); to the Committee on the Judiciary.

5249. By Mr. DORSEY: Petition signed by 48 members of Local 2053, United Textile Workers of America, Philadelphia, Pa., opposing the Wagner-Lewis bill and registering their uncompromising support of House bill 2827, the workers' unemployment, old-age, and social-insurance act; to the Committee on Labor.

5250. By Mr. GILDEA: Resolution of State Camp of Pennsylvania, Patriotic Order Sons of America, memorializing Congress to enact legislation to deport communistic agents; to the Committee on Immigration and Naturalization.

5251. Also, petition of James Devlin, Milton, Pa., and 55 others, petitioning Congress to enact the McGroarty bill (H. R. 3977), Townsend old-age-pension plan, with amendments to reduce pensions proposed therein to $75 per month for men over 60 years of age and $50 per month for women over 60 years of ago; to the Committee on Labor.

5252. Also, petition of Augusta Medlar, Pottsville, Pa., and six others, memorializing Congress to prevent the enactment of Senate bill 1725 and House bill 5423; to the Committee on Interstate and Foreign Commerce.

5253. Also, petition of Edith W. Hoy, Schuylkill Haven, Pa., memorializing Congress to prevent the enactment of Senate bill 1725 and House bill 5423; to the Committee on Interstate and Foreign Commerce.

5254. Also, petition of Mrs. F. J. Freiler, Pottsville, Pa., and nine others, memorializing Congress to prevent the enactment of Senate bill 1725 and House bill 5423; to the Committee on Interstate and Foreign Commerce.

5255. Also, petition of Albert Davis, Pottsville, Pa., and nine others, memorializing Congress to prevent the enactment of Senate bill 1725 and House bill 5423; to the Committee on Interstate and Foreign Commerce.

5256. Also, petition of Dorothy MacElwer, Pottsville, Pa., and nine others, memorializing Congress to prevent the enactment of Senate bill 1725 and House bill 5423; to the Committee on Interstate and Foreign Commerce.

5257. Also, petition of William H. Warmkessel, Pottsville, Pa., and nine others, memorializing Congress to prevent the enactment of Senate bill 1725 and House bill 5423; to the Committee on Interstate and Foreign Commerce.

5258. Also, petition of World Trade League of the United States, requesting Congress to support the efforts of our Government under direction of Secretary of State Hull to accord in reciprocal trade agreements, most favored treatment to other nations generally, in order that conditions may improve throughout the world; to the Committee on Foreign Affairs.

5259. Also, petition of the Pennsylvania Bakers Association requesting Congress to call upon the Secretary of Agriculture and the Bureau of Home Economics to discontinue the distribution of literature recommending a decrease in the consumption of flour and other cereal products in the American diet; to the Committee on Agriculture.

5260. Also, resolution of the Pennsylvania Dairymen's Association, memorializing Congress to place a fair and equitable import duty on registered dairy cattle from other countries in order to protect and encourage our farmers to

improve their dairy cattle; to the Committee on Interstate and Foreign Commerce.

5261. Also, petition of Schuylkill County Pomona Grange No. 55, Patrons of Husbandry, memorializing Congress to pay lower than prevailing wage rates to workers on public-relief projects; and further memorializing Congress to oppose the spending of $4,000,000,000 for relief purposes; to the Committee on Labor.

5262. Also, petition of Lodge "Italia" No. 30, Italian Sons and Daughters of America, Frankfort, Philadelphia, Pa., memorializing Congress to enact the workers' unemployment, old-age, and social-insurance bill (H. R. 2827); to the Committee on Labor.

5263. Also, resolution of Sunbury Unemployment Council, Sunbury, Pa., memorializing Congress to enact the Patman bill (H. R. 1); to the Committee on Ways and Means.

5264. Also, resolution of the National Association of Tobacco Distributors, urging Congress to renew or extend the National Industrial Recovery Act; to the Committee on Ways and Means.

5265. By Mr. GOODWIN: Petition of New York State Legislature, urging the appropriation of funds for slum clearance and better housing in the city of New York; to the Committee on Ways and Means.

5266. By Mr. HALLECK: Petitions numerously signed by citizens of the Second Congressional District of Indiana, advocating national legislation relating to chain stores, mail-order houses, etc.; to the Committee on Interstate and Foreign Commerce.

5267. Also, petition of Woman's Christian Temperance Union of Lafayette, Ind., favoring pending legislation relating to the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

5268. By Mr. HOOK: Resolution passed by the Calumet (Mich.) Business Men's Association, urging that legislation be enacted to protect the copper industry of the United States; to the Committee on Ways and Means.

5269. Also, resolution passed by the Calumet Aerie, No. 352, Fraternal Order of Eagles, urging the enactment of legislation as may be necessary to protect by the passage of an adequate tariff on foreign copper or effectively prohibit the importation of any foreign produced raw or refined copper; to the Committee on Ways and Means.

5270. Also, resolution passed by American-Jugoslav Educational League, urging that the Congress of the United States not only sustain the present excise tax on copper but to increase same to 8 cents per pound or to put an embargo on all foreign copper; to the Committee on Ways and Means.

5271. Also, resolution passed by the Slovenic-Croation Union of Calumet, Mich., urging that legislation be passed in Congress to prohibit the importation of low-cost foreign copper into the United States; to the Committee on Ways and Means.

5272. Also, resolution passed by the Marquette (Mich.) Post, No. 2439, Veterans of Foreign Wars, requesting a Veterans' Administration general hospital to be erected in the State of Michigan; to the Committee on World War Veterans' Legislation.

5273. Also, resolution passed at meeting of residents of northern part of Dickinson County, Mich., urging that the Interstate Commerce Commission deny petition of Chicago & North Western Railway Co. and Chicago, Milwaukee, St. Paul & Pacific Railway Co. to pool the transportation of iron ore from the Menominee Range to Chicago & North Western Railway Co. docks at Escanaba, Mich., via Chicago & North Western Railway Co.; to the Committee on Interstate and Foreign Commerce.

5274. Also, resolution passed by the Franklin D. Roosevelt Club of Calumet, Mich., asking that legislation be passed to place an embargo on copper; to the Committee on Ways and Means.

5275. By Mr. LAMBERTSON: Concurrent Resolution 14 of the Kansas State Senate, protesting against the announced policy of the United States Department of Agriculture to lower the consumption of products made from wheat; to the Committee on Agriculture.

5276. By Mr. LAMNECK: Petition of M. J. Edwards of 269 Tulane Road, and other citizens of Columbus, Ohio, urging the continuation of the Nye munitions investigation; to the Committee on the Judiciary.

5277. Also, petition of Amy Barnebey, of 215 East Lane Avenue, and other members of Mothers' Council, Indianola Methodist Episcopal Church, Columbus, Ohio, protesting against an increase in the military budget; to the Committee on Appropriations.

5278. By Mr. LESINSKI: Resolution of the Slovene National Benefit Society, Lodge No. 121, of Detroit, Mich., urging the enactment of the Lundeen bill (H. R. 2827); to the Committee on Labor.

5279. Also, resolution of the Roosevelt Post, No. 130, American Legion, of Detroit, Mich., petitioning the President of the United States and Congress to authorize and appropriate sufficient moneys to build a Veterans' Administration hospital of 500-bed capacity in the Detroit area; to the Committee on World War Veterans' Legislation.

5280. Also, resolution of the Detroit Federation of Post Office Clerks, Local 295, Detroit, Mich., urging the enactment of House bill 4340, alien commuting bill; to the Committee on Immigration and Naturalization.

5281. Also, resolution of Czechoslovak Baptist Church, of Detroit, Mich., urging the enactment of workers' unemployment, old-age, and social-insurance act (H. R. 2827); to the Committee on Labor.

5282. By Mr. MEAD: Petition of the Senate of the State of New York, requesting that the Secretary of the Interior Department be memorialized to appropriate funds for slum clearance and better housing in such sections of New York as third and fifth assembly districts within the thirteenth senate district in the Borough of Manhattan, extending from Tenth Street to Sixty-third Street, west of Seventh and Eighth Avenues, and sections commonly known as "Greenwich Village" and "Chelsea" on the west side of Manhattan Borough; to the Committee on Appropriations.

5283. By Mr. MERRITT of New York: Petition of James F. Galloway, 176 Clarkson Avenue, Brooklyn, and numerous other residents of Brooklyn and Richmond Hill, appealing to Congress to defeat the passage of the public-utility bills (H. R. 5423 and S. 1725); to the Committee on Interstate and Foreign Commerce.

5284. Also, petition of H. E. Murphy, of 5613 Kings Highway, Brooklyn, and sundry other residents of that vicinity, appealing to Congress to defeat the public-utility (Wheeler-Rayburn) bills; to the Committee on Interstate and Foreign Commerce.

5285. Also, petition of J. E. B. Stuart, 233 Park Avenue, Manhassett, N. Y., and 182 voters of New York State, protesting against the passage of the Rayburn-Wheeler public-utility bills; to the Committee on Interstate and Foreign Commerce.

5286. By Mr. RUDD: Petition of the Long Island Chamber of Commerce, Long Island, N. Y., concerning the Rayburn-Wheeler public-utility holding companies bill; to the Committee on Interstate and Foreign Commerce.

5287. By Mr. SHANLEY: Petition from Father General Paul James Francis, Franciscan Friars of the Atonement, Graymoor, Garrison, N. Y.; to the Committee on Foreign Affairs.

5288. By Mr. TRUAX: Petition of Anne Russell and other citizens of Columbus, Ohio, stating that they will be seriously harmed if either Senate bill 1725 or House bill 5423 becomes a law, as these bills are unfair, unwise, unnecessary, and discriminatory; to the Committee on Interstate and Foreign Commerce.

5289. Also, petition of A. Bradberry and other citizens of Columbus, Ohio, opposing the public-utility bills (S. 1725 and H. R. 5423) as they believe them to be unfair, unwise, unnecessary, and discriminatory; to the Committee on Interstate and Foreign Commerce.

5290. Also, petition of Charles E. Bowman and other citizens of Columbus, Ohio, stating that they will be seriously harmed if either of the public-utility bills (S. 1725 and H. R. 5423) introduced in Congress February 6, 1935, be-

comes a law, as the bills are unfair, unwise, unnecessary, and discriminatory; to the Committee on Interstate and Foreign Commerce.

5291. Also, petiton of City Council of Parma, Ohio, urging Congress to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in the United States Congress; to the Committee on the Judiciary.

5292. Also, petition of E. W. Sipp and 90 other citizens of Milan, Ohio, urging support of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

5293. By Mr. WOLCOTT: Petition of George N. Lakie, of Romeo, and 48 other voters of Macomb County, Mich., urging the prompt enactment of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

5294. Also, petitions of Denel Taylor, of Reese, and 42 others of Tuscola County, Mich., urging the prompt enactment of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

5295. Also, petitions of James Toppin, of Harbor Beach, and 106 other residents of Huron County, Mich., urging the prompt enactment of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

5296. By the SPEAKER: Petition of the city of Richmond Heights, Mo.; to the Committee on the Judiciary.

SENATE

FRIDAY, MARCH 22, 1935

(Legislative day of Wednesday, Mar. 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, March 21, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	King	Robinson
Ashurst	Couzens	La Follette	Russell
Austin	Cutting	Logan	Schall
Bachman	Dickinson	Lonergan	Schwellenbach
Bailey	Dieterich	McAdoo	Sheppard
Bankhead	Donahey	McCarran	Shipstead
Barbour	Duffy	McGill	Smith
Barkley	Fletcher	McKellar	Steiwer
Bilbo	Frazier	McNary	Thomas, Okla.
Black	George	Maloney	Thomas, Utah
Bone	Gerry	Minton	Townsend
Borah	Gibson	Murphy	Trammell
Brown	Glass	Murray	Truman
Bulkley	Gore	Neely	Tydings
Bulow	Guffey	Norbeck	Vandenberg
Burke	Hale	Norris	Van Nuys
Byrd	Harrison	Nye	Wagner
Capper	Hastings	O'Mahoney	Walsh
Clark	Hatch	Pittman	Wheeler
Connally	Hayden	Pope	White
Coolidge	Johnson	Radcliffe	
Copeland	Keyes	Reynolds	

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness, that the Senator from Wyoming [Mr. CAREY] is absent on official business, and that the Senator from Rhode Island [Mr. METCALF] is necessarily detained from the Senate.

Mr. ROBINSON. I announce that my colleague the junior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the Senator from South Carolina [Mr. BYRNES], the senior Senator from Louisiana [Mr. LONG], the Senator from Illinois [Mr. LEWIS], and the Senator from New Jersey [Mr. MOORE] are necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate petitions of sundry citizens of the States of Arkansas, Mississippi, North Carolina, South Carolina, Virginia, and West Virginia, praying for the enactment of old-age-pension legislation, which were referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by the Starlight Youth Branch, A. W. F., of New York City; the American League Against War and Fascism, of Bath Beach, Brooklyn, and Branch 12 of the United Council of Working Women, all in the State of New York, protesting against the enactment of alien and sedition legislation tending to suppress civil rights, which were referred to the Committee on Immigration.

He also laid before the Senate petitions of sundry citizens of the State of California, Maine, Massachusetts, New Jersey, and Oklahoma, praying for an investigation of charges filed by the Women's Committee on Louisiana relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

He also laid before the Senate a resolution adopted by Commune No. 174 of the Polish National Alliance of the United States of North America, of Kalamazoo, Mich., favoring the enactment of pending legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which was ordered to lie on the table.

Mr. BARBOUR presented resolutions adopted by the Vineland and South Jersey Cooperative Egg Auction and Poultry Association and the Vineland-Landis Township Chamber of Commerce, both of Vineland and vicinity, in the State of New Jersey, favoring the enactment of the so-called "Frazier-Lemke farm-mortgage refinancing bill" and the "Thomas-Massingale cost-of-production bill", which were referred to the Committee on Agriculture and Forestry.

Mr. COPELAND presented a resolution adopted by the Farmers and Gardeners' Association, Wantagh, Long Island, N. Y., protesting against the enactment of the so-called "Warner bill", proposing to make potatoes a basic commodity, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by Ira Lou Spring Post, No. 149, the American Legion, of Jamestown, N. Y., favoring the taking of active deportation and other measures against the activities of alien Communists in the vicinity of Jamestown, N. Y., which was referred to the Committee on Immigration.

He also presented a resolution adopted by the Finnish Workers' Club of New Rochelle, N. Y., protesting against the enactment of alien and sedition laws tending to suppress civil rights, which was referred to the Committee on Immigration.

He also presented a resolution adopted by the Parent-Teacher Association of Creek Locks, N. Y., favoring the establishment of a national film institute to encourage the production, distribution, and exhibition of motion pictures for visual education and suitable entertainment, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by Chautauqua County (N. Y.) Pomona Grange, protesting against the enactment of the so-called "Black-Connery 30-hour work week bill", which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the National Supreme Body of the Fralman, representing Baldwin Unit, No. 1 and Freeport Unit, No. 2, of Long Island, N. Y., favoring the prompt enactment of legislation empowering and requiring the President, in the event of war, to take immediate control and operation of all business establishments in the country, and to "freeze" prices and wages at the inception of such war to the average annual level for any previous 10-year period, etc., which was referred to the Committee on Military Affairs.

He also presented resolutions adopted by representatives of parent-teacher and civic associations and American Legion

posts, in the eastern section of Queens County, N. Y., favoring the prompt allocation by Federal Public Works Administrator Ickes of sufficient funds to erect and equip the Andrew Jackson High School, which were ordered to lie on the table.

He also presented a letter from William J. Russell, executive vice president of the Chamber of Commerce of the Borough of Queens, N. Y., relative to order no. 129, issued by the Federal Public Works Administrator, in regard to positions held in connection with the expenditure of P. W. A. funds, which was ordered to lie on the table.

He also presented a resolution adopted by the National Council on Schoolhouse Construction, favoring the making of increased appropriations for the Public Works Administration so as to permit more extensive schoolhouse construction, which was ordered to lie on the table.

Mr. NEELY presented the following concurrent resolution of the Legislature of the State of West Virginia, which was referred to the Committee on the Library:

IN THE LEGISLATURE OF THE STATE OF WEST VIRGINIA.

Senate Concurrent Resolution 13

Approving an official colonial inaugural celebration annually by the State of West Virginia for the purpose of financing the proposed George Washington foundation as a national shrine in West Virginia at the historic town of Bath, Berkeley Springs, for the benefit of mankind

Whereas on March 16, 1934, the Senate of West Virginia and the house of delegates concurring therein unanimously approved the organization of the George Washington Foundation Association for the purpose of carrying on the great humanitarian project begun by the founder of our Nation nearly two centuries ago; and

Whereas on March 18, 1934, the George Washington Foundation Association was organized in the senate chamber of the capitol of West Virginia on the anniversary of Washington's pioneer visit to "Y. Fam'd Warm Springs"; and

Whereas on April 30, 1934, in the Women's Clubhouse, Charleston, the first election of officers of the association was held on the anniversary of the first inauguration of the first President of the United States (this day being known as "President's Day"); and

Whereas in observance of the founder's birthday, February 22, 1935, a charter was granted to the George Washington Foundation Association for the perpetuation of the medicinal springs as a health center; and

Whereas the proposed Washington Foundation shrine, for the perpetuation of the historic springs made famous by the prestige of the Father of his Country throughout his lifetime will be Nation-wide in interest; and

Whereas the plan proposed in the Washington bicentennial year 1932 to finance the foundation by the continuance of the national celebration of the founder's birthday annually, to aid in the national health program, was not unlike the recent celebrations of the President's birthdays which have proved the merit of such a plan; and

Whereas historic Bath is the first and only health resort in America that was sponsored and promoted by the great Washington, who took his family there for many weeks at a time "to try y. effects and y. water": Therefore be it

Resolved by the senate (the house of delegates concurring therein), That colonial celebrations to finance the George Washington Foundation, as a national shrine within our sovereign State for the welfare of suffering humanity be officially opened in the capitol of West Virginia on the anniversary of the first inauguration of the first President of the United States, April 30, 1935; and similar celebrations be held throughout West Virginia at this time; and that a copy of this resolution be sent to the Congress of the United States for the approval of a national colonial celebration, annually, in observance of the founder's birthday or of the anniversary of the first inauguration, so that each State in the Union may have a permanent active interest in the foundation and thus establish a friendly and humanitarian relationship that cannot otherwise be achieved, and the same is hereby approved.

We hereby certify that the foregoing Senate Concurrent Resolution No. 13 was regularly adopted by the legislature March 7, 1935.

PHINEAS LINDSEY,
Clerk of the Senate.
JNO. S. HALL,
Clerk of the House of Delegates.

REPORTS OF COMMITTEES

Mr. WAGNER, from the Committee on Public Lands and Surveys, to which was referred the concurrent resolution (S. Con. Res. 3) favoring the designation and appropriate observance of American Conservation Week, reported it without amendment and submitted a report (No. 362) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (S. 1988) to revive and reenact section 5 of the act entitled "An act to authorize the construction of certain bridges and to extend the times for commencing and for completing the construction of other bridges over the navigable waters of the United States", approved March 4, 1933, reported it with amendments and submitted a report (No. 363) thereon.

He also, from the same committee, to which was referred the bill (S. 2156) to extend the times for commencing and completing the construction of a bridge across the Chesapeake Bay between Baltimore and Kent Counties, Md., reported it without amendment and submitted a report (No. 364) thereon.

(Senate bill No. 5, known as the "pure food and drug bill", was reported by Mr. COPELAND from the Committee on Commerce, with amendments, and appears under a separate heading.)

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BORAH:

A bill (S. 2335) authorizing the Bureau of Indian Affairs to erect a monument and construct a replica of old Fort Hall on the Fort Hall Indian Agency Reserve, Idaho; to the Committee on Indian Affairs.

By Mr. MALONEY:

A bill (S. 2336) granting compensation to Mary Weller; to the Committee on Claims.

By Mr. HALE:

A bill (S. 2337) granting a pension to Jessamine L. Benson (with accompanying papers); to the Committee on Pensions.

By Mr. VAN NUYS:

A bill (S. 2338) granting a pension to Frederick L. Long (with accompanying papers); and

A bill (S. 2339) granting a pension to Lottie Whetstone (with accompanying papers); to the Committee on Pensions.

By Mr. ASHURST (by request):

A bill (S. 2340) to authorize the Attorney General to determine the fees to be paid in connection with the taking of depositions on behalf of the United States; to the Committee on the Judiciary.

By Mr. SHIPSTEAD:

A bill (S. 2341) to amend the Agricultural Adjustment Act with respect to flaxseed, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. McKELLAR:

A bill (S. 2342) to remove the charge of desertion from the record of Albert T. Lipford; to the Committee on Military Affairs.

By Mr. SHEPPARD:

A bill (S. 2343) for the relief of Maj. Edwin F. Ely, Finance Department; Capt. Reyburn Engles, Quartermaster Corps; and others (with accompanying papers); to the Committee on Claims.

By Mr. NORBECK:

A bill (S. 2344) to amend the act entitled "An act relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes", approved June 19, 1934, as amended; to the Committee on Banking and Currency.

A bill (S. 2345) to provide for a survey of the manganese ore resources of the United States, and for other purposes; to the Committee on Mines and Mining.

By Mr. COPELAND:

A bill (S. 2346) for the retirement of employees in the classified civil service, and for other purposes; to the Committee on Civil Service.

A bill (S. 2347) for the relief of Rose M. Callaghan; to the Committee on Claims.

A bill (S. 2348) to amend section 6 of the Naval Appropriation Act approved March 3, 1931, to regulate the distribution and promotion of commissioned officers of the line of the Navy, and for other purposes; to the Committee on Naval Affairs.

A bill (S. 2349) to provide for the promotion of janitors, cleaners, elevator operators, watchmen, and firemen helpers in the Post Office Department of the United States; to the Committee on Post Offices and Post Roads.

CHANGE OF REFERENCE

On motion of Mr. BYRD, the Committee on the Library was discharged from the further consideration of the bill (S. 2073) to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes, and it was referred to the Committee on Public Lands and Surveys.

AMENDMENT TO AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. NORBECK submitted an amendment intended to be proposed by him to House bill 6718, the Agricultural Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 62, line 14, to strike out the figures "$453,692" and insert in lieu thereof the figures "$1,000,000."

On page 63, line 15, strike out the figures "$167,978" and insert in lieu thereof the figures "$277,978."

On page 64, line 7, strike out the figures "$71,596" and insert in lieu thereof the figures "$164,486."

On page 65, line 22, strike out the figures "$1,195,184" and insert in lieu thereof the figures "$1,944,382."

On page 65, line 23, strike out the figures "$294,409" and insert in lieu thereof the figures "$339,869."

On page 66, line 2, strike out the period at the end of the sentence and insert in lieu thereof a comma and add the following: "and not to exceed the sum of $15,000 shall be available for the purchase and operation of airplanes in Alaska."

ARMY DAY

Mr. SHEPPARD submitted the following concurrent resolution (S. Con. Res. 13), which was referred to the Committee on Military Affairs:

Resolved by the Senate (the House of Representatives concurring), That Saturday, April 6, 1935, be recognized by the Senate and House of Representatives of the United States of America as Army Day, and that the President of the United States be requested, as Commander in Chief, to order military units throughout the United States to assist civic bodies in appropriate celebration to such extent as he may deem advisable.

REMEDY FOR BANG'S DISEASE OF CATTLE

Mr. SCHALL. Mr. President, my attention has been called to the attitude of the Department of Agriculture toward the Bowman Remedy Co., of Owatonna, in my State, which for years has been engaged in marketing a remedy for Bang's disease of cattle.

The remedy was discovered by Erick Bowman on his farm in Winnebago County, Iowa, in 1914, when his own herd of cattle was infected with contagious abortion; and over 6,000 stockmen testify to the value of it. However, the Department of Agriculture seems to be opposed to endorsing it or putting it into use in areas infected, and is, instead, expending $25,000,000 in eradicating cows that have abortion according to the agglutination test. Any farmer who requests the Bureau of Animal Husbandry to have his herd tested for Bang's disease may have it tested and be paid not to exceed $20 per head for grade cows and $50 per head for purebred cows. In addition, he will be allowed whatever the reactors bring when sold on the market.

Speaking of the Bowman remedy, John Thompson, editor of Wallace's Farmer and Iowa's Homestead, of Des Moines, Iowa, says in a letter to the Secretary of Agriculture that a test costing $10,000 could be put on that would convince any scientific man of the value and merit of this remedy, yet this has not been done, although the Department is busily engaged in eradicating the disease by the expensive method of tests and killing herds. This is all the more pitiful with meat prices mounting and the country and the consumer facing a shortage of meat and high cost of living.

I ask leave to place in the RECORD a letter addressed to the Secretary of Agriculture and a letter addressed to me from Milo Reno, of Des Moines, on this matter, urging an investigation of the Agricultural Department to determine whether it has deliberately opposed and suppressed this remedy without regard to the interests of the farmer and the consumer.

We are already importing meat from foreign countries because of an alleged shortage; and it behooves Congress to be on guard to protect the cattle in our country by every possible means, and not sit idly by and let the bureaucrats impose some theory they have devised that in their imaginations seems the best thing to carry out.

Six thousand stockmen testify to the value of the Bowman remedy. Such testimonials warrant an investigation of why the Department of Agriculture does not make use of the knowledge already gained about remedies for Bang's disease instead of ignoring it because some Dr. Mohler, in one of the downtown bureaus, thinks it is better to spend $25,000,000 to eradicate the disease instead of spending $10,000 to convince any scientific man that this is entirely unnecessary.

I ask that the letters referred to be printed in the RECORD and referred to the Committee on Agriculture and Forestry.

There being no objection, the letters were ordered to be printed in the RECORD and referred to the Committee on Agriculture and Forestry, as follows:

NATIONAL FARMERS' HOLIDAY ASSOCIATION,
Des Moines, Iowa, March 16, 1935.

Senator THOMAS D. SCHALL,
Washington, D. C.

DEAR SENATOR: I am interested in obtaining a fair, unprejudiced test of the Bowman remedy for contagious abortion, or Bang's disease.

The Department of Agriculture and the Federal veterinarians have viciously attacked this remedy, and I feel that inasmuch as we have already destroyed by drought, crop restrictions, and the Department's racket in eliminating tuberculosis approximately one-half of our herds that it is nothing short of criminal to continue the Department's method of destroying animals if there is a remedy that will control the disease.

You will notice in the information that is sent to you that this treatment has been almost universally successful, and the endorsement of the remedy by dairymen and herd owners of years of experience, whose qualifications to determine and integrity is unquestioned, certainly entitles this remedy to a fair, impartial test. The unthinkable thing is that Secretary Wallace undoubtedly is aware of the success of the Bowman treatment, yet refuses to throw his influence to an impartial test of the remedy.

I wish to say to you, Senator, that when the situation was brought to my attention in the early fall of 1934 I personally interviewed owners and herdsmen, who assurred me of the remedial qualities and of the splendid success of this treatment. Not satisfied, I selected a herd at Pleasantville, Iowa, 30 or 40 miles from Des Moines, that was badly infected. Two brothers had been misled by the county agents and veterinarians into believing that there was no remedy but to slaughter the afflicted animals. This test has been made and completed yesterday, where all the animals treated, except one, were reactors before the treatment was administered, became negative or free from the disease.

I cannot possibly have any doubt but that this remedy will save the farmers and taxpayers millions of dollars, and protect society from a shortage of beef that must be supplied by other countries, if our people are to consume beef.

I was delighted when Mr. Peet informed me that you would take this up in the Senate. I feel that your position, in demanding a congressional investigation of the Agriculture Department as to whether they have deliberately opposed and suppressed this remedy without regard to the interests of the farmers and the general public is unassailable. I assure you I am ready to give you any assistance in my power, and I await any suggestions that you have to make. I am very sure that with the support you will undoubtedly have, in demanding an investigation of the Department, that you will, at least, divert their minds from their program of regimentation, of agricultural dictatorship, and the un-American program that so far in this administration has dominated its action.

Assuring you of my sincere regard, I am

Sincerely yours,

MILO RENO, *President.*

AUGUST 10, 1934.

Mr. HENRY WALLACE,
Wardman Park Hotel, Washington, D. C.

DEAR HENRY: I am not writing this letter to you as Secretary of Agriculture, but as my personal friend, so I trust that you will overlook the fact that I am addressing it to your residence. If I sent it to you as Secretary of Agriculture, I fear that you would never see it.

As you know, I have been interested in the so-called "Bowman contagious abortion remedy" for 12 years or more. I have absolute confidence in it ever since I made my first investigation of some 50 herds in Minnesota. Every user of the remedy spoke highly of it and backed his statement with healthy cows and plenty of calves.

Since the Department has now set aside $25,000,000 to be spent for eradicating cows that have abortion, according to the agglutination test, my interest in the Bowman remedy has been intensified.

In the first place, this Department scheme of testing cows for Bang's disease, which here in Iowa, as Dr. Barger has told me, will be conducted all over the State; in other words, any farmer who requests the Bureau of Animal Husbandry to have his herd tested for Bang's disease may have it tested and be paid not to exceed $20 per head for grade cows and $50 per head for purebred. In addition, he will be allowed whatever the reactors bring when sold on the market.

Supposing that the Bang's test is reliable, these herds that will be tested will be improved and, if retested a year or two later on, it is conceivable that these particular herds might be cleaned up, but the chances are that herds on farms adjoining those that are cleaned up in this campaign would remain infected and the clean herds would not likely remain clean very long. In other words, so far as eliminating contagious abortion by this method, it will prove futile unless millions upon millions are spent and every Bang's disease reactor is slaughtered. In States like Iowa, Wisconsin, Illinois, and Minnesota there is no doubt in my mind but that at least 25 percent of the cows are infected with contagious abortion germs, and if we are going to eradicate the disease on that basis it will be extremely expensive—far more expensive than it has been to rid our cattle of tuberculosis. Besides it is acknowledged by all veterinarians that the agglutination test is not nearly as reliable as the tuberculosis test.

I know, of course, the attitude of Dr. Mohler and all experiment-station vets and probably 97 percent of the practicing veterinarians in the United States in this abortion matter. They all say that it cannot be cured. That I know to be a mistake for the reason that I have seen hundreds of herds cured of the disease and turned into profitable producers after being very severely infected.

Several days ago I stopped at Owatonna to visit Mr. Bowman and asked him to take me out to see a herd which he treated in 1932 to give me a chance to talk with the owner of that herd. This herd is owned by S. L. Bennett & Son, route 5, Owatonna, Minn. Briefly here is what I found:

For 6 years these men had contagious abortion in a herd of Holstein cattle and every year lost a very large percentage of their calves. Scarcely any of the cows that calved at the normal period cleaned in a natural way. They had to call a veterinarian to clean them. They finally became so disgusted with the cattle that they sold the entire herd. Then they cleaned up the farm as thoroughly as they could, using various disinfectants, left the farm without cattle for about 9 months, and then the elder of these men, S. L. Bennett, decided that he would buy a Guernsey herd of 30 cows.

In about 6 months the Guernsey herd began to abort and before the first year was over a large number had aborted. They called upon the State veterinarian of Minnesota and asked him to help them clean up the herd. The Bennetts signed a contract with the veterinarian, as is usual in that State, agreeing that they would handle the herd as recommended by the veterinarian, and that contract provided that they must use no commercial remedy of any kind while the herd was under the jurisdiction of the State veterinarian. They worked along with him for a couple of years or so without any results. In spite of segregating reacting cows and placing them in a separate barn abortion did not cease.

One day Bowman visited this herd and told Mr. Bennett that he could stop the disease and make his herd a producing unit in a very short time. Mr. Bennett finally decided to let Mr. Bowman do what he could. At that time, September 8, 1932, there were about 30 cows in the herd; 15 of them, according to the Minnesota State veterinarian test, were positive, 1 suspicious, the others negative. The day after Bowman administered his treatment to this herd one cow aborted. That is the only one that has aborted since his treatment was begun. Today that herd has only two positive reactors and one suspicious. The others are all negative. Each cow in the herd has produced two calves since treatment was given and they are producing in a normal manner. They have not had to call the veterinarian to clean a single cow since that time and, of course, are extremely well satisfied.

The two cows that are positive and the suspicious one have been given another Bowman treatment and I have not the slightest doubt but that in the course of a few months from now these reactors also will be negative. Whether they are or are not is not a very important matter when a herd of cows gives birth to 100-percent calf crop 2 years in succession after treatment when half the herd has been positive and at least one-half the calves have died for several years before. Where is the man that can say that the Bowman treatment is no good?

Now, Henry, this is only one herd. If I knew of no other herds that reacted to the Bowman treatment like this one, the story would not mean much, but I have visited hundreds of similar herds. In every case I have found results corresponding to these.

The Bureau of Animal Industry and the experiment stations in the United States as well are to be severely censured for not giving this remedy a real test. I do not ask Mr. Mohler or anyone else to take my statements for scientific facts, but I do claim that the evidence in favor of this remedy is so overwhelming that no institution that has the interest of the livestock breeder at heart can afford for a single day to let that remedy go untested by competent authorities; especially now, when the Government is spending $25,000,000 in an attempt to clean up Bang's disease but will not appropriate a red cent to test out a remedy like the Bowman treatment. There is something radically wrong somewhere.

A test that will convince any scientific man can be put on here in Iowa or anywhere else for the small sum of $10,000; and if it cost a million dollars it would pay to put it in, because, as you well know, the cost of abortion in this country amounts to millions every year. I am convinced that contagious abortion can be done away with completely in a course of 4 or 5 years, and with very little expense to the farmers, and instructions given them as to how it is administered.

Writing letters about these things is a very unsatisfactory thing to do. I am so intensely interested in this thing that I wish you would ask me to come to Washington to explain it to you more thoroughly, or to anyone else. I know that Dr. Mohler will oppose any real experiment; but who is the boss of the Department of Agriculture when it comes to a question of this kind? Hasn't the Secretary of Agriculture the power to direct Dr. Mohler to investigate? He certainly must have. I am appealing to you, Henry, to start something along this line. If a commission is appointed, men should be appointed who are absolutely unbiased—not a commission of veterinarians, but a commission of real scientists, for there is plenty of science back of this remedy, I assure you. I wish we could get such a man as Dr. Steenbock to work on it and supply him with the necessary funds. I have every confidence in the man and believe that he would get to the bottom of it.

What the active principle of the remedy is, I do not know, but I suspect that it is a vitamin. At any rate, the results are sufficient to point in that direction.

Pardon me for saying this, Henry, but if you will institute a real test on this matter and it turns out as I believe it will, and the Government will have to say to the farmers that they can now tell them how to cure contagious abortion, you will have done a thing which American stockmen will remember you for forever.

If my suggestion of visiting you personally in Washington does not appeal to you, or if you think that it would be useless, what do you think about my presenting the case to Dr. Tugwell when he comes to speak at the Iowa State fair? I trust you will let me hear from you at your earliest convenience.

Thanking you in advance for any decision you may make in this matter, I am,

Very sincerely,

JOHN THOMPSON,
Editor Wallaces Farmer and Iowa Homestead,
Des Moines, Iowa.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the joint resolution (S. J. Res. 24) to authorize the acceptance on behalf of the United States of the bequest of the late Charlotte Taylor, of the city of St. Petersburg, State of Florida, for the benefit of Walter Reed General Hospital.

CONTROL OF NARCOTICS—ADDRESS BY ATTORNEY GENERAL, ETC.

Mr. ROBINSON. Mr. President, I ask unanimous consent to print in the RECORD the address of the Attorney General of the United States, Hon. Homer Cummings, delivered over the Columbia Broadcasting System last night as the closing event of the series of Nation-wide broadcasts by the World Narcotic Defense Association in the interest of the enactment of the Uniform State Narcotic Act now pending before the legislatures of most of the States.

The Attorney General's address contains a message from President Roosevelt; and I should like to include authority to print a message received by the World Narcotic Defense Association from the President of the Turkish Republic, Gazi Mustafa Kemal. Senators are aware that under the guidance of President Kemal the Republic of Turkey has taken leadership in the world-wide warfare of humanity against the illicit narcotic-drug traffic. His message transmitted by the Turkish Ambassador, together with the message of our President, and the address of the Attorney General, make a notable contribution to important state papers in the history of the narcotic-drug problem.

There being no objection, the address of the Attorney General and the message from the President of Turkey were ordered to be printed in the RECORD, as follows:

(Report of the fifth and last of the series of broadcasts put on by the World Narcotic Defense Association in the interest of the enactment of the uniform State narcotic act by the legislatures of the States, Thursday, Mar. 21, 1935, 11:30 p. m., Columbia Broadcasting System.)

The announcer said:

"This is the last of a series of Nation-wide broadcasts put on by the National and Columbia Broadcasting Cos. under the auspices of the World Narcotic Defense Association, of which Admiral Richmond P. Hobson is president. This association has its headquarters at 578 Madison Avenue, New York City, and devotes itself to protecting the people in every way possible against the narcotic-drug evil. Admiral Hobson will conduct this broadcast. Admiral Hobson."

Admiral Hobson said:

"Mr. Attorney General, ladies, and gentlemen, authorities in the field of the narcotic-drug peril all attach the highest importance to the enactment by the legislatures now in session in most States of the pending uniform State narcotic act. This series of broadcasts is conducted by the World Narcotic Defense

Association especially in the interest of this action by State legislatures. The following authorities have taken part: First broadcast by Hon. Charles Curtis, former Vice President of the United States, and Senator Key Pittman, Chairman of the Foreign Relations Committee of the Senate; second and third broadcasts by Mrs. Grace Morrison Poole, president of the General Federation of Women's Club, and Mrs. Ida B. Wise Smith, national president of the Woman's Christian Temperance Union; the fourth by Hon. Scott M. Loftin, president of the American Bar Association, and Hon. Clarence E. Martin, former president of the American Bar Association when the uniform law was approved by that association, and Hon. Harry J. Anslinger, United States Commissioner of Narcotics. The fifth and last is now at hand over the Columbia Broadcasting Co. in an address by the Attorney General, bearing a message from President Roosevelt.

"As president of the World Narcotic Defense Association, I am happy to report the following gratifying results to date, enactment of the uniform law by the following States in the order in which they are mentioned: Nevada, New York, Florida, New Jersey, Virginia, Rhode Island, South Carolina, Kentucky, Louisiana, Georgia, Nebraska, Arizona, New Mexico, Oregon, Colorado, Maryland, West Virginia, and Utah. In the following States the act has passed one house of the legislature: Arkansas, Idaho, and South Dakota.

"We now reach the last of the series of broadcasts.

"Ladies and gentlemen, the Attorney General of the United States, Hon. Homer Cummings."

The Attorney General said:

"Admiral Hobson, ladies, and gentlemen, for more than a hundred years the illicit use of narcotic drugs has been spreading over the earth like a malignant malady until, today, no land is free from this menace to the well-being of mankind.

"In the underworld of our large cities there are innumerable drug addicts of both sexes, some of pitifully tender years, recruited from all walks of life, undergoing moral disintegration, neglecting their personal hygiene, and with vitality and resistance lowered, becoming active incubators and carriers of communicable diseases. They constitute an ever present peril to public health, public morals, and public safety. In this environment adolescent victims rub shoulders with confirmed addicts and the criminal classes. They come forth from their apprenticeship equipped with the technique of crime and, as gunmen and killers, are the ready instruments of racketeers and gangsters. Drug exploitation is a recognized factor in robberies and other crimes of violence and an integral part of the problem of lawlessness.

"Both personally and as Attorney General, I am deeply interested in the enactment of the uniform narcotic-drug law. At present the narcotic laws of the various States are in a chaotic condition, preventing efficient use of the police power and thwarting cooperation with the efforts of the Federal Government. The Federal Government alone cannot reach this menace. Uniform legislation is vitally necessary.

"The measure now pending before various legislatures can be accepted with the utmost confidence. It was carefully prepared by a special committee of the Conference of Commissioners on Uniform State Laws and presented for revision at five successive annual meetings of the conference. The final draft was approved in 1932, and in October of that year it was unanimously endorsed by the American Bar Association.

"This event occurred at a most opportune time, following, as it did, 6 months after the United States had ratified the Geneva Narcotic Limitation Convention of 1931 and preceding by 9 months the time when that treaty went into operation in the United States. This important treaty limits the total manufacture of narcotic drugs to the amounts required for medical and scientific purposes, strikes at illicit sources of supply, and constitutes the very bulwark for the international warfare upon this common and hideous enemy of society. Moreover, the final draft of the uniform State law includes the provisions recommended by the responsible officials of our Federal Government as necessary for the fulfillment by our country of its obligations to the world under this convention.

"It will be recalled that President Roosevelt was among the first of our high public officials to recognize the seriousness of the narcotic-drug evil and its international character. Three years ago, while serving as Governor of the State of New York, he sent an urgent telegram to the World Narcotic Defense Association on the occasion of the observance of narcotic education week, in which he emphasized the importance of ratifying the Geneva Limitation Convention and the imperative need of enacting the uniform State narcotic law. I now have the pleasure of reading to you a personal message from him:

THE WHITE HOUSE,
Washington, March 21, 1935.

MY DEAR ADMIRAL HOBSON: When the present administration took office 10 countries had ratified the Geneva Narcotic Limitation Convention. The United States was one of these 10. Between March 4 and April 10, 1933, 20 other countries deposited their ratifications, and the treaty went into operation on July 9, 1933. It was my privilege, as President, to proclaim, on that day, that this treaty had become effective throughout the jurisdiction of the United States. Since then 19 additional ratifications have been deposited at Geneva, and the treaty has now become the basis of international accord on narcotics. Already its influence has produced a profound effect upon the supply and the distribution of illicit narcotic drugs.

An imperatitve duty rests upon us as a people. Full effect can be given to the terms of the drug conventions only by supporting legislation enacted by the ratifying nations. In this country Federal laws have already been passed. Under our dual form of government, the power to enact an essential part of this legislation is possessed by the States and by them alone. The provisions necessary for the fulfillment of the duties thus vested in our several States are incorporated in the draft of the uniform State narcotic law now pending before the legislatures of many of our States. This draft was prepared with great care and has received the endorsement and approval of a large number of responsible organizations of the country, including the American Bar Association and the American Medical Association.

While it was my privilege to proclaim that the treaty of 1931 became operative in our country on July 9, 1933, it is now the high privilege of the legislatures of the several States to give full effect to the beneficent terms of this treaty by the enactment of suitable and uniform narcotic legislation. By so doing the legislatures will give to their own people far better protection than they now have against the ravages of the narcotic-drug evil and at the same time they will strengthen the hands of the United States in its efforts to aid them and to further combat this evil abroad through full cooperation between our country and other nations.

On January 1, 1933, only 9 nations had registered their ratification of the Limitation Treaty. On January 9, 1935, only 9 States had adopted the uniform State statute. As 1933 witnessed ratification of the treaty by 31 additional nations, so may 1935 witness the adoption of the Uniform Drug Act by at least 31 more States, thereby placing interstate accord abreast of international accord, to the honor of the legislative bodies of our States and for the promotion of the welfare of our people and the peoples of other lands.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Admiral RICHMOND P. HOBSON,
President World Narcotic Defense Association,
The Army and Navy Club, Washington, D. C.

"In the conference on crime which I recently called to meet at Washington, action was taken to encourage the creation of centralized agencies for better police administration in the several States and for more efficient cooperation with the Department of Justice. It is highly important that when these agencies are organized the uniform State law should be upon the statute books of the States, so that the States and the Federal Government may more effectively function in the matter of law enforcement in the constantly widening field of crime caused by the use of narcotics.

"Now is the time for the adoption of this wholesome statute. I appeal to all good citizens and to all constructive agencies and organizations- Federal, State and local, public and private—to give their unqualified support to those who are laboring for this essential-measure reform. It is the least they can do to enable us to fulfill our obligations abroad and to free our country of the unspeakable consequences which inevitably follow the illicit use of narcotic drugs."

Admiral Hobson then said: "This is the concluding broadcast of our series and I know the millions listening join me in extending hearty congratulations to the patriotic legislators and public-spirited constituencies of the 18 States on the honor roll cited earlier, and will all join in wishing Godspeed to the equally patriotic legislators and public-spirited constituencies of the remaining States to hasten their States joining the honor roll.

"It will surprise many and will interest all to learn that America's chief contender for the leadership in the group of civilized nations making war upon the world illicit narcotic-drug traffic is none other than the Republic of Turkey, whose President, Mustafa Kemal, not long since sent a message to the World Narcotic Defense Association delivered in an address by the Turkish Ambassador.

"The four documents of the two rivals for noble honors in the service of mankind, messages from two great heads of state and two outstanding statesmen, constitute a notable addition to the documentation of the historic struggle of mankind against its most universal and inveterate enemy. These documents and the reports of the other parts of the series of broadcasts and additional literature upon the subject of the narcotic-drug problem can be secured without cost upon application to the World Narcotic Defense Association, 578 Madison Avenue, New York City

"In closing, it only remains for me to express appreciation on behalf of the World Narcotic Defense Association and, I am free to add, on behalf of the unnumbered millions of listeners, and to thank the great broadcasting companies for extending their generous and patriotic services in the use of the facilities of their great systems.

"Thank you and good night."

The message of the President of the Turkish Republic and the address of the Turkish Ambassador transmitting same follow.

The Ambassador said:

"Mr. President, ladies, and gentlemen, it is a real satisfaction for me as a guest of your honorable association, to have the privilege of presenting some remarks on the very soil of the United States of America, which assumed the honorable part of pioneering in the movement against narcotic drugs in 1909, at the Shanghai conference.

"Mr. President, you invited the Turkish Republic, to make a full explanation of its program in this concerted movement of mankind against the narcotic evil. I avail myself of this opportunity to do so, all the more gladly because the president of the Turkish Republic has instructed me to deliver to you for this occasion, his own statement of the Turkish narcotic program, in the following words:

THE PRESIDENCY OF THE TURKISH REPUBLIC,
ANKARA, *June 20, 1934.*

Capt. RICHMOND P. HOBSON,
President World Narcotic Defense Association,
New York City.

DEAR SIR: I have received with satisfaction your letter sent through the care of the Turkish Embassy in Washington, in which you invite me to participate in the publication to be made on the occasion of the first anniversary of the coming into operation of the 1931 Geneva convention, limiting the manufacture and distribution of narcotic drugs. I sincerely thank you for this invitation.

After having examined the measures to be taken to combat the narcotic-drug evil, this greatest social scourge, and having taken into consideration the fact that success in this matter depends on the cooperation of all nations, I recommended to the Government, to adhere to all the existing international conventions, as has been stated by my honorable friend, Gen. Charles H. Sherrill, in his address broadcasted on the 24th of February 1934, given during the narcotic education week. As a result the Turkish Grand National Assembly approved The Hague Convention of 1912 as well as the 1925 and 1931 Geneva Opium Convention all at once. Today each and every one of these conventions are being enforced with the greatest care and scruple.

The accession to and the putting into operation of these conventions have not been easy nor without trouble. Although the use of opium has never been the custom in Turkey, its cultivation, since centuries, had acquired a great importance in the agricultural life of the country. Hundreds of thousands of Turkish peasants were earning their livelihood by opium cultivation. The measures in question, which coincided with the most critical period of the world economic crisis, have not failed to make their detrimental effects felt by this class of people. The Turkish Government, however, have attempted to take measures to alleviate the sufferings of the opium-growing peasants, and the sugar industry has been found, as stated by our good friend, General Sherrill, the best means to overcome this difficulty. Despite these critical circumstances the Turkish Nation and Republic derived great pleasure and happiness in contributing to the international measures tending to deliver mankind from the narcotic-drug evil, which is worse than the plagues of the olden days.

Ever since 1928 drastic steps had been taken in Turkey toward combating the narcotic drugs. But in order to meet the new conditions resulting from international agreements the grand national assembly have prepared new laws, which are in operation. One of these is the law relating to the monopolization of the narcotic drugs. The Turkish Government, knowing through experience, that the narcotic-drug trade when left in private hands was likely to go into illicit channels, has been the first to make a law monopolizing the manufacture, import, export, and sale of narcotic drugs, and submitted it to the assembly.

Thus the cultivation of raw opium has been restricted to a limited quantity under the control of the Government. It has also been deemed useful to establish a single State factory for the manufacture in the country of all narcotic drugs derived from opium. Finally the importation of other kinds of drugs to meet the medical and scientific needs, and the exportation, in accordance with international principles, of raw opium and of narcotic drugs manufactured in the country, have been given to the Monopoly Administration. The adoption of the same system in other countries would be desirable on account of its efficiency in the fight against narcotics. Furthermore, a law adopted on the 12th of June 1933, subjects to a strict control the importation, exportation and sale of all narcotics, and definitely prohibits the cultivation of Indian hemp and production of hashish. The penalties prescribed for persons engaged in the illicit traffic have been rendered more stringent in penal code. The Government of the Turkish Republic has, therefore, enacted more drastic measures for the control of narcotics in its territory and has definitely eliminated the possibility of Turkey becoming the center of world-illicit narcotic trade. Turkey will not fail to work faithfully and carefully to secure this end.

When conveying through you to the public opinion of the United States of America, the work done in accordance with the international conventions by the Government of the Turkish Republic, to eliminate the illicit traffic in drugs, I cannot help stating that the end in this good and humanitarian undertaking is not yet attained. There is still much to be done before humanity is completely delivered from the plague of narcotics. By these words I do not mean to deny the greatness of success achieved, thanks to the solidarity of all nations and especially to the memorable and inestimable services rendered by the United States of America. My aim is to emphasize the necessity of further struggle and especially of close cooperation between all nations to rid mankind of this scourge.

I avail myself of this opportunity to convey my sincere congratulations, together with my wishes for its success, to your association, which has duly earned the great respect and affection of all lovers of good works, through her long-standing humanitarian efforts.

Yours sincerely,

GAZI MUSTAFA KEMAL,
President of the Turkish Republic.

The Ambassador continued as follows:

"Here, then, you have the Turkish narcotic program from the one who is most responsible for its adoption, first, by the council of ministers, then by the people's party, and, finally, by the Grand National Assembly, which corresponds in Turkey to the Congress of the United States here in America.

"It would be presumptuous on my part to make any attempt to explain more perfectly the narcotic program of my Government, because you have heard it stated by the President himself, who has taken care to cover the entire ground.

"There are some observations, however, which, as his Ambassador accredited to the Government of the United States, I may appropriately make. It is customary with us in Turkey for the Prime Minister instead of the President of the Republic to preside at meetings of the council of ministers, which correspond to meetings of your Cabinet.

"When President Kemal became fully informed regarding all the phases of the narcotic-drug evil and of the way in which Turkey was being used by the exploiters of narcotics to the injury of the rest of the world, he took so deep an interest in finding the remedy for this evil that he presided personally at the several councils of the ministers which formulated the Turkish narcotic program, and which he, himself, has explained to you.

"He concerned himself personally with the presentation of this program to the people's party and to the Grand National Assembly, and, after the hearty approval of this program by those agencies of the Turkish Republic, a vote of thanks to the President was adopted for the great interest shown by him in this matter of vital public concern.

"The legal measures now in operation in our country are in perfect accord with the treaty obligations assumed by my Government, and, in providing against the production of raw materials in Turkey in excess of the needs for manufacture of the drugs for scientific and medicinal purposes, Turkey has spontaneously adopted complementary measures, with a view to greater efficiency and in anticipation of future treaty provisions along that line.

"The new Turkey—

"That has superseded the autocratic and theocratic regime of the sultans, by full recognition of the sovereignty of the people—

"That has abandoned the state religion, guaranteeing at the same time entire freedom of conscience to every citizen—

"That has raised the standard of women by granting them very important rights—

"That has recognized solemnly the sovereignty of the legislative assembly to make laws, irrespective of any consideration alien to the requirement of the social conditions of the nation—

"That has made fast friends of her former adversaries, and that is trying to be a faithful servant of the cause of universal peace and order among nations—

will appreciate to its real value the manifestation of friendship of the American Nation and of one of her most distinguished associations which devotes all her abilities to such a high humanitarian aim.

"Mr. President, you have asked for a full statement of the Turkish point of view with regard to the convention we celebrate today. My statement would certainly not be complete if I do not express my sincere wishes to see celebrated, on the next anniversary of this day, the accession to the common cause of all nonadherent states.

"And in conclusion, permit me to give to you, and to the American people, the assurance that the Turkish Republic, which is accomplishing her evolution under the leadership of her best endowed son—Mustafa Kemal—will be found always ready to participate in every great enterprise requiring the cooperation of mankind." [Applause.]

GILDED GATEWAYS TO ECONOMIC PARADISE—ADDRESS BY SENATOR ROBINSON

Mr. PITTMAN. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the senior Senator from Arkansas [Mr. ROBINSON] at the annual banquet of the Drug, Chemical, and Allied Trades on March 21, 1935, at the Waldorf-Astoria Hotel, New York City, entitled "Gilded Gateways to Economic Paradise."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

GILDED GATEWAYS TO ECONOMIC PARADISE

Mr. Chairman and gentlemen, a southern Congressman who had been notably successful in winning elections, when asked for the secret of his victories, replied, "I vote for all appropriations and against all taxes."

Such a policy cannot be justified on any theory associated with public responsibility and official duty.

Except in times of emergency, when, as during the present period, extraordinary and unusual measures are required, every governmental expenditure should be covered by revenues. There is no inexhaustible source from which funds may be procured. More appropriations mean more taxes.

Who among my hearers can recall a Nation-wide money panic or business depression that did not elicit numerous plans for monetary inflation—suggestions that the only adequate remedy is the issuance of large amounts of additional currency. Such inflation has seldom, if ever, proved advantageous. Almost in every instance it has been harmful and in many cases disastrous. Nevertheless it is the remedy universally prescribed by quacks for all economic ills.

TWO NOTABLE SCHEMES

During recent months two gilded gateways to economic paradise have been projected. The first is known as the "Townsend old-age pension bill." The second is called the "Long share-the-wealth plan." Neither is consistent with reason, experience, or sound argument. Both are violative of fundamental and generally accepted laws. Yet because of the distress in which so many of our people find themselves, they are both looked upon with favor by many for the magic which they promise the improvident and the unfortunate.

THE TOWNSEND PLAN

The Townsend plan provides for payment of a pension of $200 per month to all residents of the United States who are 60 years of age, who are not habitual criminals, and who will covenant to spend the entire amount of the pension during the month in which it is received. The pensioner must withdraw from all productive or gainful labor and live in complete idleness and ease.

To defray the cost of the pensions it is contemplated that the Federal Government shall levy and collect a tax of 2 percent on every business, commercial, or financial transaction carried on within the limits of the United States.

BENEFICIARIES

The Federal Census of 1930 discloses that there were 10,350,000 persons in this country 60 years of age and over. Taking the figure employed by Dr. Townsend, there would be at least 8,000,000 citizens entitled to the pension. This number constitutes less than 7 percent of the population of the United States. Manifestly the number may be expected to increase so that the pension rolls would grow larger every year, and the annual cost would thereby be rapidly augmented.

ANNUAL COST TO THE GOVERNMENT

Accepting Dr. Townsend's figure of 8,000,000 pensioners at the initiation of the program drawing each $200, $1,600,000,000 would be required each month to pay the bill. Multiply this sum by 12, and we have the yearly amount of $19,200,000,000, almost 5 times the cost to the Nation of the Civil War. Supporters of the Townsend bill dismiss these staggering figures as of no consequence. To pay the pensions of those now 60 years of age or more, estimating the average expectancy of life at 15 years, the astounding aggregate of more than $245,000,000,000, almost the entire present taxable wealth of the United States, would be required for those now 60. Every year the number of pensioners would increase.

TAXES

To provide pensions for less than 7 percent of our population, those who work and produce must bear a burden of taxation which beyond doubt would prove unbearable and crushing to a people already heavily loaded with Federal, State, municipal, and improvement taxes.

Two percent on all transactions of a business nature. Testifying before the House Ways and Means Committee the author of the plan recently stated that in 1929 the dollar was turned over 132 times, and that if his plan becomes effective the dollar will turn over 528 times. Each dollar transaction, bear in mind, would carry 2-percent tax, or because of the turn-over approximately $10.56. Tax authorities and other economists agree that a 2-percent tax on the money value of all business, commercial, and financial transactions would paralyze all business, or reduce it to such mean proportions that the revenues derived would diminish to the vanishing point.

What would be the effect on the consumers? The imposition of a manufacturers, wholesalers, and retailers sales tax for nearly all commodities would represent such a duplication and augmentation of taxes as inevitably would add greatly to the cost of living.

WHY THE TOWNSEND PLAN IS IMPOSSIBLE

These are some of the reasons why the Townsend plan is impracticable, not to say impossible. Moreover, the scheme is manifestly unfair. It proposes to take from those who produce the rewards of their labor and give it outright to those who, according to Dr. Townsend's statement, "shall discontinue and refrain from all gainful competitive pursuits or salaried positions of any kind." Mark you! This gift is not merely for the purpose of providing security and comfort to the aged. It is designed primarily to increase the purchasing power of less than 7 percent of the population as a means of promoting prosperity. From the incomes of all other citizens the Townsendites propose to subtract about $20,000,000,000 each year for the benefit of a group who are not permitted to earn incomes, but who, on the contrary, are to be denied the opportunity to either earn or save.

The average income of the workers in the United States is far less than $2,400. Many workers, particularly in rural communities, receive less than $800. Yet all these, impoverished and hard driven as they are, must contribute to the $2,400 incomes of the pensioners.

It will thus take more than one worker to support a single drone. What would be the result? Instead of increasing purchasing power and consequently increasing production, the purchasing power of those required to provide the pensions would be reduced and production would decline.

Let no one be deceived by the subtle manner in which the Townsend proposition has been presented. The money required to finance this wild scheme must either come from the taxpayers or from the sale of Government bonds or by resort to the printing presses for currency inflation.

In illustration of the mental processes and the economic theories of the author of the plan, when pressed for an opinion as to the cost of administering it, Dr. Townsend replied: "I say, we are not interested in the least in the cost of it." He would have us understand that the bankers could enforce the measure and that the neighbors of a pensioner could spy upon and complain of the latter should he fail to spend the entire $200 each month. That every citizen would be on honor to report every transaction within his knowledge. With innumerable millions of transactions taking place throughout the country, with pensioners going to and from places of temporary residence, millions of trained investigators and accountants would be needed to enforce the expenditure of the full pension before the expiration of the 30-day limit.

It is estimated that an enormous sum would have to be expended every year for the collection of the tax and for the enforcement of the statute. Deceit, fear, turmoil, hatred, and jealousy would become general, and respect for law would break down at a time when it is most needed.

No doubt some of you are thinking the Townsend scheme is so ill-considered, extravagant, and unreasonable that no likelihood exists of its adoption. May I remind you that millions have signed petitions for its passage; that in many localities public sentiment is so overwhelmingly in favor of it that Representatives in Congress think they are faced with the certainty of defeat if they oppose the Townsend plan. A Nation-wide organization has been formed to work for the passage of the bill, and hundreds of thousands of letters pour in weekly to Members of the Senate and of the House urging enactment of the measure.

Certainly if the gilt which covers the framework of this gateway to a paradise of fools should be removed, the decaying timbers would be exposed. It is unforgivable to hold out the hope to the aged that for no effort on their part they will receive from the Government $200 per month.

THE LONG SHARE-THE-WEALTH PLAN

Consider now the other gilded gateway to economic paradise referred to in the beginning of these remarks.

Senator LONG, of Louisiana, has launched an intensive campaign for the Presidential nomination on an independent ticket. His platform has become known as the "share-the-wealth plan."

From time to time methods for the distribution of wealth and for the abolishment of poverty have been suggested. No plan which pledges something for no consideration can ever prove permanently advantageous.

If we would repeal those provisions of law under which special privileges are enjoyed, income, estate, inheritance, and other taxes could be relied upon to undo the evil that has been done through excessive tariffs and through private monopolies and other forms of favoritism which have contributed to the building up of many great fortunes.

SHARE-THE-WEALTH PLAN

To one who is impoverished and who finds difficulty in earning a livelihood, the suggestion that he be made comfortable by gift from the Government of wealth owned by others is seductive and oftentimes pleasing. But the suggestion is dishonest!

What has caused the growth of communism in many lands during recent years?

The Long plan fundamentally is communistic. It has the approval of many who would not recognize and regard themselves as Communists. Nevertheless, it is closely akin to sovietism, in that it proposes that the Government shall confiscate a large part of the private property owned in the United States. It differs from sovietism in the particular that the property is not to be permanently owned by the National Government, as in Russia, but is to be given away in the form of homes, automobiles, radios, and incomes to those who have not sufficient resources to acquire these comforts for themselves.

CONFISCATION

Senator LONG has not reduced his proposition to legislative form. He prefers to keep it in embryo, probably because the difficulties which inhere in efforts to reduce the plan to a legislative draft are so great as to appear insurmountable. The essential features of the share-the-wealth program are as follows:

First, that the Government, through what Senator LONG terms a "capital levy", shall immediately seize and become the owner of $165,000,000,000 worth of property now in private ownership. Understand that the property is not to be actually levied upon, for this would mean, in case of nonpayment, the sale at auction or otherwise of the major portion of all the lands, factories, goods, and chattels in the United States. Since it is not expected that purchasers could be found who would take ownership out of present holdings, the theory seems to be that all wealthy individuals would be required to submit an inventory of what they have, and from that inventory they would be permitted to select three or four million dollars' worth to be retained, the remainder to be taken over by the Government and devoted to uses hereinafter described.

Henry Ford, for instance, would be permitted to keep three or four million dollars' worth of the stock in his companies, and the Government would take the balance. As no distinction is made between industrial and insurance corporations in Senator LONG's so-called "analysis" of his plan, recently delivered over the radio and subsequently printed in the CONGRESSIONAL RECORD, the same rule would apply to individuals owning large interest in the insurance corporations. It becomes apparent that the first result would be the breaking up of the major industries and their management, the destruction of going concerns, the discontinuance of

operations, and the increase in unemployment beyond the power of anyone to anticipate or overcome.

It is said by the author that seizure and distribution of all this property could be accomplished without confusion or disturbance; that the task is really very simple and easy; that those who now own great wealth would still be left ample amount for livelihood. A practicable difficulty lies in the fact that the value of the wealth so treated would be so reduced that it would become wholly inadequate for the purposes which the proponent of the plan has in mind.

Second, of the $165,000,000,000 worth of property confiscated, $100,000,000,000 is to be used in providing all in need of them with "the comforts of home and living." How this is to be accomplished is explained by Senator LONG as follows: "The Government might have to issue warrants for claim and location, or even currency to be retired from such property as was claimed; but all that is a detail not impracticable to get these homes into the hands of the people." Surely one may with propriety add that the foregoing explanation does not clear the difficulties and absurdities which underlie the scheme.

How are the victims and beneficiaries to be chosen? Here is the Senator's answer: "All those who showed (by the inventory) properties and money clear of debts that were above $5,000 and up to the limit of a few millions would not be touched; but those showing less than $5,000 to the family free of debt would be added to so that every family would start life again, with homestead possessions of at least a home and the comforts needed for a home, including such things as a radio and an automobile."

It would be interesting to know what other things are deemed essential. Surely food and clothing are more necessary than radios and automobiles.

What is to happen when the automobiles break down and other comforts initially supplied wear out and become useless?

The only answer which the Senator gives is included in the following words which it is respectfully submitted are vague and unsatisfying.

"These things would go to every family as a homestead, not to be sold either for debts or taxes or even by consent of the owner except by the consent of the court or Government, and then only on condition that the court hold it to be spent for the purpose of buying another home and comforts thereof." Thus a hundred billion dollars worth of property would be frozen so that it could not be used in any way in general business. The alleged beneficiaries would have no freedom of action, and would be converted into a class or caste relationship from which they could not escape. No change of residence for purposes of improvement in living conditions could take place except by consent of a court or the Government.

An annual income of $2,500 is to be guaranteed to the home owners, so that they need not toil diligently, economize, or look out for themselves. In contrast with the Townsend old-age pension plan affecting citizens 60 years of age and over, these annual incomes are to be continued and maintained by what to Senator LONG seems a very simple process, his language is quoted: "Now a minimum earning would be established for any person with a family to support. It would be such a living which one, already owning a home, could maintain a family in comfort, of not less than $2,500 per year to every family."

How is this minimum earning to be established? On this essential point the Senator from Louisiana is silent.

We all know that some succeed in their endeavor while others fail. How is success on a level and uniform scale to be insured to all? Does the proposition mean that if one's enterprises encounter misfortune or if they prove improvident or foolish, the Government will continue throughout his life to make up the difference from the Treasury in the amount which the share-the-wealth beneficiary actually earns and the minimum earning amount established at $2,500? If not, how is it to be done? Who is to pay for it?

Here, again, it would be interesting to see the draft of a bill designed to carry out the utopian program on which Senator LONG proposes to run for President of the United States.

Self-respecting citizens cannot approve of any policy that denies or stifles their independence. The incentive to provide for themselves and their families four walls and a roof above is itself the very foundation of our present civilization. Take from our people this worthy influence and the economic and social system which we have builded and which far surpasses that of any other civilization, past or present, will totter and eventually disintegrate, and the only equality we will have will be the equality of misery. The nearest thing to Mr. LONG's plan from which we may draw comparisons is that of the Russian Soviet Government. Authoritative reports show that millions of people in that country are perishing from starvation and oppression, while the few who administer the plan are enjoying what little fruits are produced by the workers. There they share the wealth, but the trouble is that the few who produce the wealth are living in a state that no citizen of this country would long endure.

It is doubtful that even those who have suffered the loss of their properties during the depression would, on second thought, approve of the share-the-wealth program. They would prefer to depend upon their own efforts to acquire new homes, businesses, and farms, and most of all, they prize that supreme satisfaction that comes as a reward for labors well spent. In order to accomplish this purpose the Roosevelt administration has formulated and developed means compatible with sound economics whereby assistance has been placed within the reach of those who need and desire it.

The Long plan would undoubtedly appeal to some who have never evinced any wish to accumulate property or who have cast about for some scheme whereby they could gain something without working for it. They would not object to the proposal that they take the property of another and convert it to their own use and pleasure, conditioned, of course, that no labor would be required on their part.

Third, a large part of the remainder of the $165,000,000,000 confiscated by the Government is to be used in providing opportunities for students for higher education in colleges and universities. From page 3438, CONGRESSIONAL RECORD, March 12, the following quotation is taken from Senator LONG's speech: "Remember, we have $65,000,000,000 to account for that would lie in the hands of the United States, even after providing home comforts for all families. We will use a large part of it immediately to expand particularly the colleges and universities of this country. * * * College enrollments would multiply 1,000 percent. We would immediately call in the architects and engineers, the idle professors and scholars of learning. We would send out a hurry up call because the problem of providing college education for all the youth would start a fusillade of employment which might suddenly and immediately make it impossible for us to shorten the hours of labor, even as we contemplate in the balance of our program."

No more working their way through school for ambitious and hard-working students! No more sacrifice on the part of fond parents to provide for their children better opportunities than they themselves enjoyed! No more anxiety as to where the money shall come from! The Government is to provide it in the case of every deserving boy and girl who demonstrates mental capacity to take a college education.

The Senator further states on page 3439: "And how happy the youth of this land would be tomorrow morning if they knew instantly their right to a home and the comforts of a home and to complete college and professional training and education were assured. I know how happy they would be, because I know how I would have felt had such a message been delivered to my door."

No suggestion is made as to how the scheme is to be carried on as to providing home, incomes, or college education for those who are to come into the picture when the remainder of the funds has been exhausted.

The Senator exclaims how happy the youth would be if they knew their rights to a home and comforts and to college and professional training were assured.

One may well ask how great will be their disappointment when they realize that the Senator is sending them on a chase after a bag of gold at the rainbow's end!

Should such a plan appear in prospect of being carried into effect, capital would immediately take flight or go into hiding. Not only the capital of the wealthy but also the resources of those whose holdings would at first be exempt from confiscation. There would at once arise a fear that still further seizure and distribution would be attempted, since there is no economic basis for the limit the Senator proposes. Is not equality in wealth of all citizens the logical end to be sought by such a plan of wealth distribution as the Senator advances?

Utopia was an Englishman's dream of a commonwealth in which all were given to useful toil and none was permitted to enjoy luxuries. New Atlantis was Sir Francis Bacon's phantasy of an ideal commonwealth on an island in the Atlantic Ocean. Campanelli, a priest, dreamed of the "city of the sun", whose inhabitants were principally engaged in the study of astronomy and astrology.

Utopia has become synonymous with the visionary and the impracticable. Sir Francis Bacon's "New Atlantic" remains an imaginary, undiscoverable, and unexplored island. Campanelli, weary of his imaginings and of the inhabitants of his dream city, exclaimed, "Ah, well, they astrologize too much!"

The share-the-wealth plan has been approved by many, to whose attention its vagueness and impracticability have not been called. One renders no service by misleading credulous people to believe things that are fanciful, far-fetched, and untrue. In the end they will realize his duplicity and will recognize the deceit that has been practiced upon them when the fragments of their shattered hopes have been enveloped in despair. These remarks may be appropriately concluded in the words of Shakespeare:

"And be these juggling fiends no more believ'd,
That palter with us in a double sense;
That keep the word of promise to our ear,
And break it to our hope."

ST. PATRICK'S DAY ADDRESS BY POSTMASTER GENERAL FARLEY

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD a very able address delivered by Postmaster General James A. Farley before the Friendly Sons of St. Patrick in Albany, N. Y., on Saturday evening, March 16.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am aware that on this, the day we celebrate, it is an almost hallowed custom for a speaker to dilate on the glories of being an Irishman. It is particularly incumbent on those who address you on St. Patrick's Day to dwell on the great service men and women of our race have rendered our Nation; how much you have done for it and how thickly its history is studded with the

stars of the achievement by the men of Erin. Now, let me, just for a change, vary that topic a little and consider what this country has done for us, and instead of dwelling on the obligation America owes to the Emerald Isle, permit me to devote a few minutes to what we owe to America.

Like every other race that makes up our population our ancestors came here in search of liberty—religious liberty, political liberty and freedom, to work out our own destinies and gain the natural rewards for what we have of brains, industry, and ambition. Those of our blood who have attained eminence and success in the United States did so because they were not hampered or trammeled in their efforts. So, it seems to me that the obligation is rather for us to be grateful for what this land has given us, than to consider what we have given in return for that priceless boon.

Never has America called to the patriotism of our people in vain to do its part in a time of national stress. No blood has been shed more generously than Irish blood on the battlefields where America has fought. There is glory in that thought, but what I wish to impress on you now is that the war front is not the only place where duty calls and honor beckons. We are today in the midst of a crisis, as grave or graver than any in America's history. The crisis is no less acute because it is not accompanied by the shock of armed troops, the throbbing of the drums, and the waving of the flags. And it is up to us to carry on the tradition of those who rallied to our country's cause when the Nation struggled to be born, when it fought to be preserved, and when it resisted foreign aggression.

Some of you may be confused by the volume of words that have come from both in and out of Congress. I will admit myself that the smoke is pretty thick at times. We hear the reckless discussion of intricate problems that have plagued humanity ever since civilization began, and we have the bragging of those who affect to be able to provide a remedy for all our ills by waving a magic wand. Many of our present-day orators have the support—either openly or covertly—of the political opponents of the administration for every proposition, however harebrained it may be, that seems to promise difficulties for our President. I would like to blow away some of that smoke and show you just what is going on, why it is being done, and where it is getting us.

I need not tell you that when this administration was given a mandate to rescue the Nation from the swamp of depression, the whole fabric of government seemed to be on the verge of collapse. Banks were toppling, credit was gone, business was at a standstill, factories were either completely shut down or were limping along on part time, millions of unemployed were walking the streets, with nobody taking thought of them. Farmers in their desperation were threatening the cities with starvation in their efforts to force a living price for their products, and bootlegger gangs generated by national prohibition were terrifying the country with their private wars. In any other country but this the situation would have meant revolution. Then came to the White House Franklin D. Roosevelt with an orderly constitutional plan. He straightened out the banking situation almost overnight, and the country caught its breath with the restoration of confidence and credit. Congress gave him the necessary power to set up machinery for the restoration of business, and the gradual elimination of wholesale unemployment, as well as a system to make it possible for the farmer to live, and therefore insure the national food supply. Under his leadership the eighteenth amendment was repealed, and the Department of Justice, through laws he caused to be enacted, is wiping out criminal gangs one after another. Then patiently he undertook the rest of his great task.

Perhaps the program was not perfect; it could not be where the emergency was so great, and haste so necessary, but it worked. I need not go further than to ask you to compare your own state of mind today with what it was in the early months of 1933, to decide whether the President's program has not been successful.

Now the whole question before the country is whether this plan that has advanced us so far on the road back to prosperity is to be continued or to be interrupted, if not abandoned. No alternate plan that bears the faintest shadow of being practical has been advanced by those engaged in the enterprise of trouble making. Of course, I know, and you know, that there are all sorts of harum-scarum ideas of dividing up the wealth of the country, or providing allowances for elderly people in amounts that would bankrupt the Treasury and other schemes that would totally wreck the whole theory of our Government. They vary only in degree from what has been preached by anarchists and Communists all through history. I won't attempt here to deliver a lecture on the economics of wealth, but I will leave it to your own good, Irish common sense to realize that money cannot be money if it is not worth anything and that wealth in property form becomes valueless if it cannot be used. The finest skyscraper in the whole United States would be worth just nothing in the midst of an uninhabited desert. The most profitable factory in the world would be just a white elephant unless people had the means to buy its products. The most productive farm in all our fertile area would be just so much waste land unless it were part of an orderly system of production and distribution.

In a period like that from which we are now slowly emerging such schemes as I have hinted at are bound to have an appeal to the desperate, the hungry, and the reckless. But this does not make them any more practical.

On the other hand, no civilization is worth while that ignores the right of any citizen to an opportunity to make a decent living. Some system must be acted on that will give every man and woman capable to work a place in the social structure where he can get the full value of that work. Where there is no work to be had, inevitably the burden of supporting the unfortunate individual falls on the community at large. Franklin D. Roosevelt, casting a prophetic eye ahead, said during the 1932 campaign, "as to immediate relief, the first principle is that this Nation has a positive duty that no one shall be permitted to starve." He has never lost sight of that thing. When State, local, and private action failed to meet the terrific problem of destitution during 1933 and 1934, the President courageously launched a tremendous program—tremendous for peace time, though insignificant for war time—a program which will help men and women to preserve their self-respect and earn bread for their children.

The bill now before Congress, about which so much commotion is being raised, means simply a carrying on of the President's program. The measure may not be a hundred percent perfect. Indeed, some of its provisions were conceived especially to correct faults and errors that actual experience have revealed. Undoubtedly in the multitude of people that are now on the relief rolls there are some who have no business there, some who could get along without a Government dole, and some shiftless ones who would rather take what is handed them than to hustle for their living. It is to correct this state of affairs, if it exists, that the President devised the measure now before the National Legislature. He wants a large amount of money for public works, and he proposes in these enterprises to establish a wage schedule which, while sufficient to provide the actual cost of human maintenance, shall be so small that no workman or working woman who can get a job in private industry will be tempted to remain in a Government job. That sounds like good sense to me, and I hope it does to you. There is no thought of cutting down the regular wage scales. What is frankly contemplated is emergency work that will keep some millions of people out of the bread line until such time as private industry is able to absorb them. It must be largely work of a character that would not be done at this particular time if we were not confronted with the problem of a vast army of unemployed.

The next question on this subject about which there is controversy is who shall allot the projects and the jobs? The charge has been made that the President could use the relief-work fund for his own political advantage—a strange charge to emanate from those who would reserve to Congress the allotment of these projects. Even if Franklin D. Roosevelt were the kind of man who would traffic in the misery of millions of people for his own personal advantage—a charge so monstrous that even his opponents have said that he could, and not that he would, be guilty of such treason—it could not be done. For if the Democratic administration pampered one section of the country and let another section starve, it would sink itself so deep that there would not be another Democratic administration as long as the memory of that hideous injustice remained.

And what is the alternative to the administration of the relief funds by the President? That it should be left for Congress to determine. In other words, that instead of a prompt beginning of the work where the relief was most needed, every project would be the subject of debate among 96 Senators and 435 Congressmen. Can you visualize what this would mean in the way of logrolling and the "pork barrel"? The Congressman from Maine could not get a harbor improvement started unless he agreed with the Congressman from Arizona that that State should have a bridge, or a dam, or whatever it wanted. And so on the country over. It would mean that those on the dole would stay on the dole until each delegation in the National Legislature got what it wanted for its own particular constituency. I recognize that it is a Congressman's duty to look keenly after the interests of his own people, but the national welfare must come first. And it would not come first if the relief was cut into a thousand political footballs to be kicked around from one coast to the other. We have many fine, high-standing, conscientious men in both the Senate and House of Representatives; men incapable of such a procedure as I have outlined.

But even these would be powerless to stop the whirlwind of logrolling that would be the inevitable consequence of the defeat of the President's relief program.

Perhaps you may feel that I am painting an overgloomy picture of our national situation. If so, let me assure you that I have been taking only the high spots in conditions of today. I know that my audience has faith in the President of the United States. I hope you will make that faith known, so that it might be impressed on the officials you have elected, and so make them also militant in the support of the President in the stupendous job he has on hand.

Actually we are getting along pretty well compared with the rest of the world. If you read the papers, you must know that business is picking up and that industry is moving as it did not move for years. I noticed the other day that a great packing corporation thought the time propitious to refund its obligations with an issue of $43,000,000 of 3-percent bonds. I noticed that a day or two later Henry Ford had enlarged his plant and was going to build a million cars this year. I noticed by the Commerce Reports that retail trade everywhere is showing a fine improvement.

Now, the depression is still with us; we have not put two cars in every garage. In fact, we have been very happy to have chickens kept in the garage so that men may not go hungry. Two weeks ago the Secretary of Labor reported that 2,500,000 men had been put to work since March 1933, and the weekly pay roll increased by $80,700,000. That is no inconsiderable achievement, but we might as well forget about it and put our shoulders to the task of putting the millions of those still unemployed back to work. Our farm

income has gone up from $4,371,000,000 in 1932 to $6,163,000,000 in 1934. And as wages increase, farm income will increase.

Now, I am not here to bore you with a list of figures this evening. What I wish to assure you is that President Roosevelt and those associated with him are going down the line with all the power they have, and they will continue to do so until the unemployed not only have jobs but feel secure in those jobs, and in that feeling of security can look about them to enjoy the benefits of living in our magnificent country.

We are not chasing prosperity around the corner all the time, because we have been too busy in the task of keeping millions of people from going over the border line of poverty. Nor are we listening to defeatists who prattle of revolution.

Of course, if you have read the editorial comments of some of the publications politically adverse to the administration you might get a different picture. But turn to the news columns and see how greatly at variance they are with the editorial views. This is still the greatest and best country in the world. Let me be specific. Last year I traveled through Europe. Every few hundred miles I had to haul out a passport and submit to an inspection. And then I thought of traveling in an airplane from Boston to New Jersey, or to San Francisco, without redtape, without learning a new tongue every few hours or getting my money changed into a different coin. Here we have in these United States 48 sovereign States working together in a federation that is the greatest achievement in political science known to history. It is so fine, and we are so used to it, that we take it as a matter of course.

What makes America, with all its distress and poverty at the present time, still the greatest nation under the sun? There is something in the minds and hearts of all Americans that is bigger than loyalty to any party, something that has in the past, and will in the future, stir Democrat and Republican, Catholic and non-Catholic, learned and unlearned, to work side by side as soon as the war cry is sounded—"America needs you!" That quality of soul is a genuine love of the land and the people among whom Providence has placed us. We can assume that it is a part of the divine strategy that a man should love above all creatures his own country and his own people. The sorrows of recent days should merely challenge the romantic and virile qualities in the soul of the American.

There are many angles of that genuine love of country which I might discuss tonight. One distinctive aspect, as I see it, is the love of fair play for all. Another is courage in the face of adversity. Terence McSweeney, the Irish patriot, once wrote, "We must get men to realize that to live is as daring as to die." Possibly that is one lesson that the sufferings of the past 5 years should teach us—to live is really as daring as to die—if that life be devoted to justice and a square deal for all men.

The man who is today the symbol of the ideal of fair play for all is Franklin D. Roosevelt. Four months ago the people of this Nation gave the President a vote of confidence such as was never before received. I envy Franklin Roosevelt one thing: That when he emerges from the White House he will have the recollection of whole-souled, unselfish cooperation and support from the American people such as no other President ever had. Yes, we live in a great country. And those who have helped in standing by the President in the hour of urgent need, Republicans, Progressives, as well as Democrats, men and women of all parties, and patriotic, independent Americans regardless of party, will share that splendid recollection. That, I think, is a good thought for Saint Patrick's Day—or any other day.

EXTENSION OF N. R. A. ACT

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD an open letter published in the New York Times of today, addressed by a number of small-business men to the Congress of the United States, asking the renewal of the National Industrial Recovery Act.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the New York Times, Friday, Mar. 22, 1935]

To the Congress of the United States of America:

We are some of the small-business men of the country who address you in person and ask you to renew the National Industrial Recovery Act.

We have not authorized the Curlees on the one hand nor the Darrows on the other to speak for us and do not consider them qualified to do so at any time.

The Industrial Recovery Association is composed of large clothing manufacturers. It will be interesting to note that three names—that is, Curlee, Schoeneman, and Grief—that appear on their letterhead under column entitled "Officers" employ more workers than the first 300 names appearing below. This association, of which S. H. Curlee is president and F. M. Curlee is general counsel, at public hearings in Washington in July 1933 demanded in a printed brief the complete extinction of the "owners of small scattered shops" who "operated * * * on a minimum of invested capital." They have "created a competitive condition grossly unfair to those established manufacturers" who "assume the burden of stable investments."

This very same association and their very same mouthpiece, assisted by paid lobbyists, now raise pious voices in behalf of the small-business man.

We have an abiding faith in our Government and its institutions. We have an abiding faith in the judgment and integrity of our lawmakers. We earnestly pray to you in behalf of our families, in behalf of the preservation of our institutions, which we cherish, that you renew the National Industrial Recovery Act, so that we and our families, and the workers in our shops and their families, may not again be thrown on the bread lines, from which many were rescued by the enactment of the National Industrial Recovery Act.

Most respectfully,

Baltimore, Md.: 73 establishments, employing from 20 to 175 workers; average per establishment, 50 workers. Names of employers: P. J. Adams, T. Arcilese, J. Benesch, H. Berlin, Berman & Sapperstein, A. Bradunas, Buschoff & Gordon, B. Cohen, V. Coruzze, J. Dragonis, Dvorak Bros., G. Gabriel, A. Janis, F. Mercaldo, H. Oscheroff, S. Levin, Perry Talvacchia, C. Piccinine, K. Pikis, A. Rakowsky, V. Razauskas, Sapperstein & Nasura, A. Shapiro, Sisco Abelson Smuckler, Uginsky & Adams, United Tlg. Co., A. Uzmed, J. Yoncha, Youch & Youch, Albert & Lesser, H. Berman, H. Baddock, M. Baer, L. M. Bressler, A. Contract, M. Dembroski, H. Engel, E. Epstein, H. Gold, Hyman & Cohn, M. A. Katzen, L. Leiderman, T. Magowski, M. Mandel, J. Morawski, H. Millman, J. Molofsky & Sons, E. Paul, A. Press, P. Rosenberg, S. Rubin, W. Samett, H. Sherr, H. Skolnick, P. Sojka, J. Taylor, L. Weber, W. Altschul, Astrin Bros., Blum & Pomerants, H. Bass, M. DeGiorlamo, M. Friedman, S. Gorn, L. Klavens, S. Leavey, Leon & Skulnick, J. Messick, A. Mossovitz, M. Rosinsky, M. J. Scheurich, Smith & Valis, N. Tenainow.

Boston, Mass.: 23 establishments, employing from 18 to 100 workers; average per establishment, 48 workers. Names of employers: Allen J. Broide, F. Cohen Bros., S. Cohen, Covitz Bros., E. Dantovitz, I. Fein, M. Finkelstein, D. Glazer, H. Kaufman & Marcus, Lourino Bros., Leone G. Lipson, A. Newman, M. Plotinsky, R. Lucas, P. Rich, F. Richman, L. Risman, M. Shinis, J. Schiller & Brown, Skertson B. Soloway, Haizel Tarantino, A. Weiner, N. Wyman.

Cincinnati, Ohio: 18 establishments, employing from 6 to 125 workers; average per establishment, 45 workers. Names of employers: Peter Blum, L. Gerriz, F. McGrath, Nick Carravillans, Hessler Tir. Co., Dave Soal, E. Dieckmann, A. Hochscheid, Trotto & Dellecave, Leo Dirr, Kreis Bros., George Wirth, Jos. Esselman, A. Korelitz, Dave Ostand, George Friesz, John Lauerman, Anton Link.

Chicago, Ill.: 93 establishments, employing from 10 to 120 workers; avcrage per establishment, 41 workers. Names of employers: E. Abruzzi, A & B Pants Co., P. Allevato, Anderle Bros., Armatos Pants Shop, Vito Bagnuolo, Bell Pants Co., J. Bennett, I. Berger, Berger & Ragofsky, Berkowitz & Goldman, B. Biegel, C. Bohatec, Frank Boucek, L. Bruno, Andrew Bulka, Bulka & Co., Buonamici & Delbello, Romeo Calvares, Chicago Pants Co., City Coat Makers, Coat Makers Corporation, Cooperman & Shifress, J. Cosentino, Sam Cosenza, Czuba Bros., N. A. Davis, Deverne & Fumo, M. Diamond, Economical Pants Co., J. Ehrensaft, Elmwood Tailors, H. Eminger, Excel Coat Makers, Friedman & Becker, I. Goldberg, J. Gooder, Guaranteed Coat Makers, Henry & Janovity, Henry Trouser Shop, Herbstman & Haltzer, Herman & Rosenthal, Independent Pants Tailors, Frank Jacobson, M. Johnson, W. Kahn, Isaac Kelpak, Kosky & Karon, J. Koss, Ben Levy, Ike Lewis, J. Lobello, W. Lomnicki, Sam Lopschitz, Mandelson Bros., Mansowitz & Carman, M. Markin, Mitelli & Sacks, Modern Clothing Manufacturing Co., Modern Coat Makers, G. Montinelli, Joseph Morozoff, O. Opletal, Peterson, Carlsten & Halquist, J. T. Peterson, A. Piemonte, Roosevelt Vest Shop, Rosen Bros., Rosen & Kosover, Schatz & Lewis, Schwartz & Marro, Service Coat Maker, Shafer & Swesnik, George Shapiro, Shepherd Tailors, Siegel & Siegel, S. Silverman, John Sima, Frank Spevak, State Vest Shop, Fred Strauss, Turman Pants Co., J. Tiapa, U. S. Comtoms Pants, Vesecky Bros., A. T. Vikander, Louis Vondreck, Vyleta & Ruzha, Frank Wilcek, Yagodnik Pants Manufacturers, K. Zalewski, H. Zuckert, Zipperstein & Leavitt.

New York City, N. Y.: 458 establishments, employing from 8 to 240 workers; average per establishment, 59 workers. Names of employers: A & G Clothing Co., Abbatte Coat Contg. Co., Abraham Bros., Sol Adamo, Admirable Contrs., Inc., S. Advocat, Ajax Cont'g Co., Alabama Clothing Co., Aleprondo & Pagano, Alvaro, R., Amsel & Frand, D. Andreana, Ankuta, Zwariko & Zuewsky, Appleman & Scopinsky, Augunas & Co., B. & B. Pants Co., B. & G. Clothing Contrs., B. & Z. Clothing Co., Barbano & Co., Bastchuck & Dobzetski, M. Becker, Belluck & Fisher, Berger & Kaminsky, Bergman & Hyman, Berland & Feit, Bezman, Zalts & Suskowitz, P. Bloise, Blum, Orlich & Stevenson, Bridge Tlg. Co., Broadway Clothing Corporation, N. Brodin (Jefferson Coat), C. Brodsky, Brooklyn Vest Co., Brown & Markowitz, E. Bonnelli & Co., M. Brust, V. Bucarro Bros., Burstein & Gumer, Buscemi & Scimonelli, Buskwick & Co., C. B. C. Coat Contrs., Cacciatore, V., Calabria & Son, Caress Vest Shop, Carroll Coat & Vest Contrs., Casale & Bro., C. Celnick, Central Pants Corporation, Ciporin Bros. & Chopkowitz, B. Cohen & Son, Cohen Bros., Nathan Cohen, Reuben Cohen, Cohen & Rubenstein, Cohen & Eisenberg, Cohen & Schneider, Colosanto & De Maio,

Inc., Commercial Tig. Co., Congelosi & Alongi, Constantino, J., Cusati, D., D. & D. Coat Makers, Philip Dann, Davis & Fishman, Dekwill Clothing Co., De Leo & Sons, U. D'Elletto, Albert Del Viscovo, C. DeStasio, DeVincenza & Yula, Dewey Clothing Co., Di Geralomo & Co., DiGiovanni Bros., DiMera, A., DiPleco, Pernetti, & DeCesare, Dirzis & Armak, A. Duboff, Dubofsky & Novick, Dunay & Pollack, J. Durst, Eagle Pants Co., A. Eckhouse, H. Elstein, Sol Ettinger, M. Evangelist, Inc., F. S. & W., M. & S. Federico, P. Federico & Co., Feigert & Landesman, Feinman-Frand Co., Louis Ferber, Ferraro Bros., S. Finkelstein, F. Fisher, Fogel & Silver, Fortgang & Sank, Fourwheel Coat Contrs., Inc., Frazzitta & Freilich, I. Fried, S. Friedfartig, M. Friedman, L. From, A. Fromberg, Frommer & Weisgrau, G. & D. Manufacturing Co., G. & M. Pants Co., J. Gaimari, H. Ganz, Gelberg Bros. & Hirsch, General Tig. Co., S. Giordano, L. Giovinco, A. Goldberg, S. Goldberg, Goldberg & Horowitz, Golden & Son, Goldman & Son, Goldstein & Amedio, Gordon Coat, Inc., Greenblatt & Diamond, Greene Tailors, Greenhut & Radwin, Greenspan & Lasher, Joseph Gross, H. Grossfeld, Grusha Bros., Gulant & Maslin, Gusotzkis & Sivontovaitis, H. & S. Vest Co., Harlem Pants Co., Harrison Clothing Corporation, Henner & Meyers, Hornig & Blei, Hy-Grade Coat Shop, Inc., Ibla Pants Co., Irwin & Lazarowitz, J. & J., M. Jacobs, Jacobs & Feldman, Jaffee & Uhrlang, Jasphy & Schoenfeld, Jefferson Vest Co., Jonas & Satofsky, D. Josslow, Joseph, Klotz & Resnick, Julian Clothing Co., Junius Clothing Contg. Co, K. A. W. Clothing Co., K. M. R. Clothing Co., J. Kaiser, Kanner, Karp & Gisser, S. Karvelis & Co., Kasper & Karol, Sam Katz, Kaufman & Hoffman, Kaupas & Budraitis, Keeve & Solomon, J. Kevitz, Kimmel & Hertling, Max Kirmayer, B. Kotkofsky, Kotler & Wolf, Kott & Dubianowicz, Krause Bros., Morris Kreseloff, Kronenberg & Weiss, Kulick Bros., L. & A. Clothing Co., L. B. Trouser Co., L. & F. Pants Co., Marco La Barbera, L. Labiento, Ph. Lamb, J. Lampner, J. Landau, Lapash & Co., D. Lapayower, Lauterstein & Markman, Leder, Walofsky & Hollander, S. Leicher, Lerner & Greene, D. Levine, Harris Levine, Morris Levine & Son, Levnat Clothing Contrs., Inc., S. J. Levy, Levy & Munder, Levy & Rosenfeld, J. Lipman, Litzsky & Itzler, Lozousky & Karonik, A. Ludwinsky, Lukevich & Selewonchik, Luna Clothing Co., Madewell Pants Co., Maduri & Co., Maltz & Maltz, Ben Sobel Co., Inc., Sokol, Ruck & Cohen, Solomon, Goldstein & Portnoy, Solomon & Kosak, Spector Bros., Spilton Bros., A. Spring, R. Sprung, Star Coat Makers, Stauber & Schweitzer, Stillerman, L. Strassberg, Sucher & Lerner, Sullivan & August, Supreme Clothing Corporation, Supreme Coat Makers, Suydam Pants Co., Taravella Bros., Teitelcr & Auster, Thirfeld & Hirsch, Inc., Three Mark Coat, Inc., N. Traviglia, E. & L. Trotner, Turkeltaub, Meyer & Yadofsky, Two G's Coat Shop, Varet Pants Co., Varnis & Brusak, Vicale & Federico, Victory Tig. Co., H. Vogel, Waigin & Matulis, Waldman & Kellner, Wasserman & Gimbel, Wasserman & Kotak, M. Weschler, Weinberger & Riger, Weiner & Feldman, Weinman & Klein, H. Weinstein, D. Welser, S. H. Welser & Son, Welsinger & Weitzenbluth, J. Weiss, Well Tailored Clothes, Inc., Werfel Corporation, J. Winter, Wolf & Manelis, Woodbine Borough Clo. Co., Yohalem & Shapiro, S. Wolinsky, Uskevich, Yasus & Patap, Zagare & Caminiti Co., Inc., Zalewski & Ribas, F. P. Ziegler, Zimmerman & Wolf (Ridgewood Vest), Zillinsky, Stankewitzsky & Wyshruff, Zwariko & Samenko, Atlantic K. P. Co., S. Alexrod, M. Bernstein, J. R. Blandi, Bleecker Manufacturing Co., N. Bonies, Bernstein & Chibnik, Chatham K. P. Co., Inc., Cohn's Clo. Co., Inc., Cortlandt K. P. Co., East Broadway K. P. Co., Mercer K. P. Co., Middletown Knicker Co., National Knee Pants Co., New Brighton K. P. Co., Osborn Pants Co., Pacific Knee Pants Co., R. & S. Mfg. Co., Richmond Knee Pants Co., Rim, Isidore, Rosebank Pants Co., Rosenblat, I., Rosenthal, Abe, Royal Knee Pants Co., Scadell & Fusco, Schmookler Mfg. Co., S. & B. Pants Co., Seltzer, Lazar, Simon & Finkel, Singer & Levine, Smart Set Mfg. Corp., Spina, Frank L., Stanton Knee Pants Co., Elizabeth K. P. Co., Ettinger & Seltzer, Farro, Ch., Inc., Finkel, Nathan, Geller, Morris, G. & H. K. P. Co., Giarratano, Ch., Gramer, Joseph, Greenberg, Harry, Handelsman, M., Hudson Pants Mfg. Co., Sternlieb, Louis, Teitlebaum, I., Treiber, H., & Son, Umansky, Sam, Uniform Made Trouser Co., Washington Knee Pants Co., Weisman, D., Weiss & Curatola Pants Corp., Weiss Clo. Co., Inc., Williamsburg Knee Pants Co., Woodbine Borough Clo. Co., Inc., Woodbine Clo. Co., Inc., Zamore Bros., Fenichel, David, G. & W. Pants Co., Inc., Gottesfeld, P. H., Pants Mfg. Co., Gottsegen & Kaufman, New Haven Pants Co., Independent K. P. Co., Kassner Bros., Kaufman Bros., Klar & Schiller, Kramer, Broky & Co., Krasner, M., La Fata, G., Lafayette K. P. Co., Levy & Feinman, Levy, Max, Levy, Morris, Bangor Clo. Mfg. Co., Bangor Pants Co., Beidler, G. R., Coopersburg Clo. Co., R. M. Crouthamel, Drissel, Allen S., Easton Trouser Co., Eyre, Frank, Felman Pants Co., Fishman & Marion, Kasover, N., Lutz, C. L., Maurer, H. D., Modern Pants Co., Northampton Pants Co., Inc., Oritsky, Herman, Pennsburg Vest Mfg. Co., Specht, P A, Strongwear Pants Co., Strouse, E. Webster, Supreme Pants Corp., Mandelbaum & Konner, Manhattan Pants Co., Mann & Greif, Marco & DeLuca, F. Marino, Melville Coats, Inc., Messina Bros., H. Myerson, Mezlis & Shimaitis, Miller & Kaplan, Max Mirsky, Mitchell & Karis, Moda Coat Co., Modern Clo. Co., G. Mondshine, Montelbano & Son, Monteleone & Adama, Morrissano, Frank, A. Moskowitz, Myrtle Vest Co., G. Naclerio, S. Newman, New York Coat Tlrs., Nunziante, Mike, M. Oberlander, Harry Ost, Oriofsky, P. J. & S. Coat Makers, P. & S Tig. Co., Pacific Clo. Co., Pack, Schneider & Teitler, Frank Palma, Angelo Pascale, D. Passarello, Pastore & Son, J. Pastor, Pensack Bros. & Krishenbaum, Perlman & Levine, A. Perlovitz, Persico Bros., Petrone & Gaudiano, Pipitone & Gutstein, Pivar & Feldman, Plotzker & Stellar, Polito & Menta, G. Ponti, Popular Clo. Co., F. Shikler, M. Shott, H. Siegel, M. Siegel, Siegel, Block & Balofsky, Siegel & Krantz, Silberstein & Yanofsky, Silverstein & Fishman, R. P. Clo. Co., Radel & Lasio, Randozza & Atria, R. Rea, Frank Reggio, J. Reiss, G. Restivo, Wm. Rini, B. Rodkewich, S. Rodman, M. Rosenberg, Rosenberg-Sweet Co., H. Rosenkrantz, Roshkind & Karpeschuck, Rossi Bros., Roth Bros., Roth & Fisher, Rothman Pants Co., Morris Rozin, Rubin Bros., Rubin & Wolinitz, S. R. S. Coat Makers, S. Z. & F. Co., Sabel & Schapps, C. Sabione & Co., Sadowsky & Zarnowitz, Saft & Brog, Sakowitz & Adler, B. Saltz, Vincent Santoro, S. Savitsky, Sazeler & Smith, J. Scala, Schaikowitz & Scherr, Schifter & Skonik, Schindlinger & Cohen, Schoenberg & Lenoble, A. Schoenfeld, Schreier Bros., Schreck & Blumenreich, B. Schwartz, I. Schwartz, Schwartz & Gaucher, Scientific Coat Contrs., Scuirba & Domandi, C. Seidenfrau, Louis Shaftel, J. Simen, Simenitzsky, Klannis & Krilowich, Simon & Fisher, Simon & Palefsky, Skillman Pants Co., Max Slonimsky, Julius Smith, S. Smith.

Newark, N. J.: Fifty-six establishments, employing from 25 to 110 workers; average per establishment, 44 workers. Names of employers: Academy Tig. Co., Addonizio & Colarusso, Bibona & Pilone, Bozza Bros., F. Cainello, Caprio Bros., Central Tig. Co., Contaldi & Biondi (Well Built), D'Alessandro Bros., Orazio D'Alessandro, E. Deangelis & Co., DeFronzo Bros., Delton Tig. Co., A. DiFerdinando, DiPoala & Co., Eaton Hall Coat Mfg. Co., Essex Coat Mfrs., Inc., Fashion Shop (Scoppetuolo), Fleisher & Notkin, Joseph Genovese, Gesten, Goldberg & Yanowitz, Giacobbe Bros., Giorgio Bros., S. Goodman, Greenberg & Goldstein, Guarantee Coat Co., Inc., N. Guritzsky & Son, Hoboken Coat Mfg. Co, Hochberg & Gabel, Hudson Clothing Co., Ianelli & Giorgio, Inc., J. & S. Pants Co., Jean Coat Co., Kleinwachs Bros., Kovitz & Gottesman, Angelo Lauro (Royal Coat), S. Lenzo Tig. Co, Levy-Fiorito, Livingston Coat Mfg. Corp., Ralph Longo, Marinaro Bros., Nick Mercuro & Co., Milton Tig. Co, Inc., Modern Coat Co., Inc., Morris Vest Co., Newark Clothing Co., Peerless Pants Co., Polo Clothing Co., A. Poselia, Peter Prestera, Santoro-Solomine-Santoro, Skoloff & Epstein, Spiotta & Co., Surdi & Sons, Varsity Clothing Co., D. Warshawsky & Sons.

Passaic, N. J.: Thirty-five establishments, employing from 32 to 230 workers; average per establishment, 100 workers. Names of employers: American Clothing Co, American Trouser Co., Arrow Clothing Co., Arrow Pants Co., Bayview Pants Co., Bernstein Bros., Best Make Clothing Co., Capital City Clothing Co., Clifton Clothing Co., DeGraci Vest Co., Fashion Vests, Morris Feldman (Lakeview), G. M. G. Clothing Co., Garfield Pants Co., Frank Garruto, Ledgin, Dickerman & Ledgin, Lodi Pants Co., London Vest Co., Malcolm Trouser Co., Mausner Trouser, New Fashion Clothing Co., Perfect Vest Co., Pestcoe Mfg. Co., Rahway Vest Co., Reliable Clothing Co., S. & E. Clothing Co,. John Savage, Standard Trouser Co., State Trouser Co., Stein-Roy, Inc., Supreme Pants Co., Tri-County Pants Co., A. Tuminella, U. S. Clothing Co., Universal Vest Co.

Philadelphia, Pa.: Ninety-seven establishments, employing from 21 to 210 workers; average per establishment, 45 workers. Names of employers: Brand & Lemonick, Ephraim Brownstein, Cancelli & Desiderio, Nicholas D'Alonzo, Mich D'Onofrio, Israel Farbman, Nathan Feldman, Morris Finkel, Anthony Gattone, John Irvin, Jaffee & Marcus, P. Keiser, A. Marino, J. Machalovsky, A. Orlando, John Paladino, Paramount Coats, Cherubino Petti, Vincent Pusinkas, Quality Coats, Guilio Ranieri, Mario Ranieri, Nich. Ranieri, Harry Rosenfeld, Weiner & Brodkin, Sigman & Horowitz, Simon & Mellitz, Surefit Manufacturing Co., Samuel Tobias, Watman & Cohen, M. Wesotsky, Independent Coat Shop, Berkay Clothes, Inc., Stanley Skukoski, A. Menkus, Charles Waselewski, Michael Mathictus, William Muraskus, A. Jacobs, Louis Feingold, M. Apfelschnitt, Bergelson-Sterin, A. Eisenberg, Fine Pants, Forman-Shulik, Joseph Giachino, H. Gold, Kahn Bro., Katz & Goldman, Oritsky-Magerman, Riverside Pants, Philadelphia Pants, M. Rothberg, David L. Wilder, Willig-Eisenberg, Zitomer Bros., Michael Corso, Shore-Lichten, H. Bafsky, Baron Bros., Barris-Pincus, Feigelman & Flashner, Isadore Pincus, I. Greenberg, Eskin-Hoffstein, William Kaslow, Samuel Kress, Kress-

Gross-Bellak Bros., I. Laskin, A. Lerner, Martel-Goldberg, Posner & Savitz, Miller & Jacobs, Shore-Cutler-Katz, Shapiro-Frank, Superior Quality Vest, Samuel Weiss, Rosenfeld-Goldstein, A. Bischioitt, D. D'Cristophara, Emedia D'Gaetano, Tito D'Giacomo, Joe DeRitas, Vincent DeRitas, Joe Giordano, Andrea Guarachina, Lewis Moccia, John Monetto, Novelty Buttonhole, Novelty Guido Carideo, Rochester Buttonhole Co., South Philadelphia Buttonhole Co., Stile Co., Chas. Travaglini, Alex Yanni, Philadelphia Buttonhole Co., Felix D'Arenzia.

Vineland, N. J.: Fourteen establishments, employing from 40 to 132 workers; average per establishment, 70 workers. Names of employers: B. & G. Pants Co., J. Barse & Co., A. DeRossi & Sons, DiDonati & Beitch, Enterprise Clothing Co., Landis Clothing Co., Model Coat Co., Royal Pants Co., Shapiro Clothing Co., Henry Sorg, Stan-Lou Corporation, United Pants Co., Inc., Vineland Vest Shop, M. Waldman.

WASHINGTON AIRPORT

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the RECORD two short editorials with respect to the Washington airport.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[Editorial in the Washington Post, Mar. 16, 1935]

SURPRISES MAY BE UNPLEASANT

Congressman RANDOLPH'S promise of a report on the local airport bill early next week, after several years of delay, is gratifying to a city which keenly realizes the makeshift condition of its present facilities in this field. Members of the subcommittee headed by Mr. RANDOLPH are said to have agreed unanimously that the District should have a municipal airport. Satisfactory arrangements to finance such an enterprise appear to have been worked out. Only on the question of selecting a site does the attitude of the committee seem to be dubious.

In this connection the statement of Chairman RANDOLPH that his committee may bring forth a "surprise report" carries ominous implications. Active study of sites available for a municipal airport has been under way here for at least 10 years. During that time virtually every plot of open ground large enough to serve as a landing field within reasonable distance of Washington has been investigated. By a process of elimination all of these proposed sites have been discarded, except Gravelly Point and the existing Washington airport.

If the subcommittee should be inclined to throw overboard all of this preparatory work and recommend the improvement of an entirely new site that would be less suitable as a permanent airport, its report had better be withheld. The amended Smith bill, calling for the development of Gravelly Point, has the approval of the District Commissioners, the National Park and Planning Commission, the Board of Trade, and various civic and aviation groups. As an alternative to Gravelly Point, an improved Washington airport has numerous advocates. To sponsor a third proposition would solve nothing, but only protract the controversy.

Large projects of this kind simply cannot spring full-fledged from a congressional committee meeting. It would be a waste of time even to consider a plan that would not elicit active cooperation from District authorities and the Park and Planning Commission. As a matter of general principle, therefore, the committee ought to steer clear of surprises and concentrate upon the relative merits of plans already worked out, unless there is some unrevealed and highly compelling reason for beginning the study of airport sites all over again.

[Editorial in the Washington Evening Star, Mar. 19, 1935]

THE AIRPORT MENACE

Somewhere a group of innocent American citizens may be awaiting a horrible death to prove that Washington needs an adequate airport.

This group may number from 5 to 15 men and women. Today they are engaged in the pursuit of their affairs. They have their joys and their sorrows, their daily grind, and their moments of relaxation. They live.

But aviation people feel that if Washington does not do something about its airport there is going to be a terrible accident. They regard it as inevitable; marvel that it has not happened ere now. They feel that some day, any day, perhaps today, a loaded passenger plane, coming in across Military Road, with no room to spare, may plow into a truck or possibly a bus full of passengers.

So this group of people one day will be gathered together in an airplane, called there by business, pleasure—any of the reasons that bid people travel. They will climb aboard with their burdens of cares, plans for the future. They will be waving farewells to relatives and friends who came to see them off, or they will be looking out of the airplane window in eager anticipation for faces they know as they arrive from some other place.

Then it will happen. These innocent people, full of life, will go to a crashing, fiery death because Washington has not been provided with an airport which meets the requirements of safety and common decency.

For 9 years local civic and aviation bodies have realized the need for an adequate airport. They have asked time and again that something be done about providing a model airport, or, failing that, just an ordinary, adequate, safe airport which will meet the minimum requirements of today. They want to abate a nuisance and a death trap.

For 9 years the Capital's airport deficiencies have been realized. For 9 years nothing has been done to correct them. For 9 years lives have been hazarded and are being endangered every day.

The days, weeks, months, years go by and the danger continues and grows. With every increase in airplane size and speed, with every added schedule, the risk mounts.

ST. PATRICK'S DAY ADDRESS OF HON. F. RYAN DUFFY

Mr. RUSSELL. Mr. President, I ask to have printed in the RECORD a very interesting address delivered by the able junior Senator from Wisconsin [Mr. DUFFY] before the Friendly Sons of St. Patrick at Minneapolis, Minn., on March 17, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I have been informed that it has long been customary at these St. Patrick Day affairs to select a speaker who, by birth or inheritance, is an Irishman. I do not know how the committee happened to select me as a speaker for this evening, unless, perchance, there is something about my name that sort of indicates my nationality.

My subject, Some Inspirations from Ireland, brings to my mind for quick review the glorious, yet sad, history of that Emerald Isle.

The location of that island—some 32,000 square miles in area, only slightly more than one-third the size of Minnesota, its isolation and separation from the mainland of Europe, was an exceptionally fortunate circumstance. The Roman invasions of western Europe did not touch it, and when the Barbarians swept nearby countries, Ireland was too difficult of access to be affected.

The very appearance of this island must have been extremely inviting, all down through the ages—as the poet, Drennan, wrote:

> "When Erin first rose from the dark swelling flood,
> God blessed the green island, and saw it was good,
> The Em'rald of Europe, it sparkled and shone,
> In the ring of the World, the most precious stone."

In pre-Christian times, as the Irish people did not come into contact with Roman institutions and Roman culture, they created a civilization of their own. They were far advanced in shipbuilding and metal work; they were engaged in commerce; they had a system of courts. It was the only civilization where liberty was recognized by having a general election of their kings, and where even the king had to bow to the decision of the judge of the court.

This remarkable, advanced civilization, undoubtedly, accounts for the acceptance by Ireland of Christianity without bloodshed. They readily and happily took St. Patrick to their hearts, and the children of Erin have never forgotten the story of the Nazarene, as told them by Patrick. And so, on through the centuries, they have taken up their crosses, singing as they went along.

There can be no question that the Irish life was modified to a considerable degree by Christianity. It stimulated learning, and the Irish have persevered in this quest of learning under unparalleled hardships and difficulties.

In the sixth century the famous monastic schools arose and the early Irish monks were not only apostles of souls, but also the masters of intellectual life.

During the dark ages in Europe when foreign invaders had almost swept away the last vestige of civilization as it was then known, during that dark period Ireland kept burning brightly the fires of Christianity and of learning, and for this alone the whole Christian world is greatly indebted to her.

And so * * * it is not strange that Saint Patrick's Day is the only purely national festival that antedates all modern nations of the world. It really is the only national festival of Christendom. And that is why St. Patrick is adopted on this date of each year by so many thousands of other nationalities; that is why we of Irish descent are willing to share this day with those of all nationalities who are anxious to do honor with us to the memory of that great man and saint.

The scattered children of the Gael, wherever they are, turn tonight in fancy to the old cradleland of the race.

> "Oh, Isle of Mine, where the sunset lingers
> With soft, sweet kisses on leaf and sod,
> As though 'twas fearing to loose its fingers
> From things so dear to the heart of God
> Oh, tender Isle, where the dawn comes breaking
> The mists before her with slow footfall,
> Sure, the inmost core of my soul is aching
> To sit beside you and know it all."

With the possible exception of Christmas, there is no day celebrated in so many places in the civilized world as St. Patrick's Day. That is because there is no section of this great globe where man and women of the Irish race have not penetrated. In many places in this country the Friendly Sons of St. Patrick are having gatherings similar to this one. For instance, in Philadelphia they are holding the one hundred and sixty-fourth annual banquet of the Friendly Sons Society of that city. You recall perhaps that George Washington was a member of that society and attended at least three of its banquets.

The Friendly Sons was founded as an American society and for over a century and a half of its existence, it has in every way

been American. It has been loyal always to the finest ideals of this land and this Nation. It goes without saying that I greatly appreciate the honor that you do me when you extended your invitation asking me to be with you upon this occasion.

While the earlier history of Ireland was glorious and we like to recall her great contribution to civilization and learning, yet the succeeding centuries were very sad. It was indeed an unusual race that was able to preserve its identity and civilization during century after century of invasion and oppression. They were ever defeated, yet undefeated. The Irish spirit would not die! Greater strength and resources made determined efforts to wipe out, or at least to subjugate, the Irish completely. The battle and struggle were between manhood and might, and the Irish manhood never surrendered. The Irish people proved they could "take it." No one has ever questioned Irish courage.

It is not surprising that good people of various nationalities are happy to pay tribute to the characteristics of an unconquerable race. Ireland struggled through the centuries, and excited the interest and admiration of the citizens of many lands. That is why many countries have welcomed the Irish immigrant. The conditions in Ireland became so unhappy and almost unbearable that sons and daughters of Ireland, with the love of liberty planted deep in their souls, looked to other lands as places for greater opportunity, for more freedom, and for more happiness.

On a soil constantly wet with the blood and tears of its children, it could hardly be expected that learning and scholarship could flourish. It was natural that a large number of these liberty-loving people would look out across the mighty sea to that new land, that stood there with arms outstretched to the oppressed and persecuted in a spirit of understanding and friendship.

The early history of this country shows the presence of a large number of Irish names in various lines of activity. For instance, it was of personal interest to me to learn that in 1633, just 13 years after the landing of the Pilgrim Fathers, one Richard Duffy came to the place that afterwards became Ipswitch, Mass.

And so it was up and down the entire eastern seaboard. Irish men and women, after severing their home ties, threw themselves energetically into the task of conquering the wilderness and hewing out for the foundation of a great Nation. These men became active in their communities and in their local governments and later on, they took an extremely important part in the controversy with England. That deeply implanted love for freedom, coupled with the bitter recollection of British oppression in Ireland, put them in the front ranks of those who were actively and enthusiastically engaged in the movement to throw off the English yoke.

Of the signers of the Declaration of Independence, Thornton, Taylor, and Smith were natives of Ireland; McKean, Read, and Rutledge were of Irish parentage; Lynch and Carroll were grandsons of Irishmen; while Whipple and John Hancock were of Irish descent on the maternal side.

I need not recount in detail the glorious part that the Irish played in behalf of this country during the Revolutionary War. They were with the Minute Men at Lexington; Col. Barrett, an Irishman, was in command at Concord. George Washington showed his great confidence in the men of this race, and surrounded himself with sturdy men of Irish blood. He appointed General Hand to lead his rifles, and he placed Gen. Henry Knox and Colonel Proctor at the head of his artillery; he put Stephen Moylan at the head of his dragoons, and made Blaine his quartermaster.

We recall with pride that Commodore John Barry, the founder of the American Navy, received his captain's certificate, which was no. 1, from George Washington himself. Those who have made an impartial study of the subject have estimated that the Irish furnished not less than one-fourth, and possibly one-third, of the whole American forces during that war, and since the time when independence was achieved, down to the present day, the sons of Ireland have gladly fought and died for America. If they were enthusiastic Irishmen, it is even more important to note that they were loyal Americans.

But not only in wars, but in the constructive work in times of peace, have men and women of Irish blood contributed much to the success and upbuilding of this Nation. I do not mean in any way to deprecate or overlook the splendid contribution that men and women of other nationalities have contributed to the upbuilding and the success of this Nation. You in Minnesota and we in Wisconsin are well aware of the contributions made by sons and daughters of the Scandinavian countries and those of the Germans and Poles, and likewise the descendants of many other nationalities. We are proud of this country and that we have been a great melting pot, but I did want to use this opportunity to call attention to the unusual and very desirable traits and characteristics which the sons and daughters of Ireland have contributed to our general make-up. Men and women of Irish blood have been prominent in the history of your State. The great chief justice of your supreme court, who is so genially presiding here this evening as your toastmaster, is a fine example of this statement.

Many could be mentioned that would qualify in this category. I might mention Gen. James Shields who was one of the first Senators from your State elected to Congress, and who was also elected Senator from two other States. I could not omit mention of that great churchman, Archbishop John Ireland, who contributed so much to the building up of the Northwest. Then there was that author and former Lt. Gov. Ignatius Donnelly, and Brig. Gen. Willis Arnold Gorman, Gov. Andrew Ryan McGill, and many others whom I have not the time to mention in this short address.

Ireland's loss was this country's gain. In the terrifying 10 years from 1841 to 1851 Ireland's population decreased from 8,800,000 to 6,550,000. Many of this two and one-quarter million loss had starved and the rest had migrated, mostly to America. Queenstown, the port from which most of them left for America, has been described as being "drenched in tears, a torn artery from which the country's best blood drains away year by year."

Think of the sorrow and heartaches—families separated, never to look again upon each other! Oh, how true were the words of Moore: "Erin, the tear and the smile in thine eye."

We in America have inherited much from Ireland. Many a dark hour has been brightened and many a heavy soul has been encouraged by Irish wit and Irish humor. Oh, the smile through the tears has been a wonderful characteristic to have brought into the life of any nation, because when one can smile through tears, it denotes a spirit of resolute courage.

All of you here know the love of the Irish for music. It has truthfully been said that music is the language of the human heart, an expression of the soul, and it would only naturally follow that in Irish music you can usually detect the strain of pathos and sadness. Many Irish melodies were composed in the very shadow of ruins and misery, and yet Irish men and women could sing through their tears as well as they could smile!

Another very fine trait that the Irish brought to this country was the "love of home." In these restless days, when there is so much of discontent, when divorce seems to be fashionable (at least in some quarters) it is well that we have in our citizenship an element that has such a high regard for the home. The Irish have had that characteristic through the ages. Over in Ireland, it probably was only a humble hovel on the hillside, but it was a place where one man loved one woman, and one woman loved one man.

Some years ago I heard a criticism that we of Irish descent paid too much attention to Ireland, implying, of course, that we should give more of our thought and attention to our own country; but as I have already pointed out, all during our history men of Irish blood have been willing to make any sacrifice for this country. Their loyalty to its aims and ideals cannot seriously be questioned. To criticize our love for Ireland would be like saying that after a man has married, he no longer should have the feeling of love in his heart for his good old mother.

I believe that such occasions as this are well worth while, because when we consider the sacrifices and sorrows, and the hardships that have beset the path of Ireland for centuries, and then recall the courage and good cheer with which these people have met that challenge, indeed they can be an inspiration for us.

In this beloved country of ours we have been recently going through one of the most trying periods in our entire history. There has been much of sorrow, of sadness, and of hardship in our land. Our people have had heavy burdens. The cold, clammy hand of a great economic depression has had a tight grip upon this Nation. The morale of our good citizens has been at a low ebb; hundreds of thousands of our people in the cities and on the farms had been losing their homes through mortgage foreclosures, brought about by circumstances not under their control. These homes often represented a life-time of effort and savings. There were 14,000,000 of unemployed. Hundreds of thousands lost heavily due to failures of banks. The little sum that had been set aside for a rainy day was suddenly tied up and no longer available. For a short time a hysteria of fear swept the country.

But conditions have considerably improved. The tidal wave of mortgage foreclosures has stopped. These hard-pressed debtors, assisted by such agencies as the Home Owners' Loan Corporation and the Farm Credit Administration, have been given a breathing spell. At least 4,000,000 of the unemployed have found jobs in industry. Bank accounts have been made secure and with the credit of the Government behind them there is no occasion now for runs on banks.

But * * * we are not yet out of the woods. We still have a rough and stony road to travel. However, we can succeed and will succeed if we all cooperate and work together. This is the time for courage and patience. Those two fine characteristics of the Irish race are greatly needed now.

Our forefathers made many sacrifices to build up this great Nation for us. Most of them did not have many of the bare comforts that we now regard as indispensable and necessary, but those brave pioneers did not bitterly complain and give up because they ran into periods of adversity. They took up their belts another inch or so and kept struggling on. As a result of that kind of courage and patience the citizens of this great Nation who came after them have (on the average) enjoyed more of freedom, more of comfort, and more of happiness than those of any other nation on the face of the globe.

Oh, let us be inspired by those great Irish traits of courage and patience. Let us, too, learn to smile through our tears. We, of course, must courageously face the task of completing recovery. We must not hesitate to take heroic steps and, if necessary, to adopt unprecedented measures in order to attain those ends. But, let us not act like a bull in a china shop. I have in mind the statement of a great American when he said, "Let us not forget that the fortune created by a lifetime of labor can be dissipated in an hour; that a temple erected by the efforts of thousands can be burned to ashes by a fool."

The Irish are often accused of being emotional; it is said that it is quite easy to sweep us off our feet by an emotional appeal.

In a sense that charge may be partially true. But if there ever was a time when it was absolutely essential that we keep our feet firmly planted on the ground it is right now. Those who really love this Nation of ours will determine to keep their minds clear. We should not act rashly without due consideration. Let's not take a poison potion because it is sugar-coated. Modern science has developed the radio. There are millions of receiving sets in the homes of this country. This enables our people to know more of government and economic problems than ever before. As a general proposition this would be an advantage, but there is likewise an attendant danger. All kinds of destructive, fantastic panaceas can and are being cleverly and adroitly propounded, mostly by men seeking public office, and preached by the firesides of millions of our people. One would think that complicated, difficult problems can be solved instanter by a passing of the hands and the incantation of some mysterious hocus pocus. Clever purveyors of hatred are tearing down that spirit of cooperation which would be so great a help in our struggle back to better times. We are sometimes told how much better off the people of other nations are compared to our own lot. Well, my friends, there are excellent travel facilities between America and these various other countries. The rates of passage are quite reasonable. But I haven't noted any great demand on the part of our citizens to go to some other country to live. Oh, the heritage of our American citizenship is priceless.

Mistake me not, I am not for the so-called "old order." I am strongly for some substantial, fundamental changes, but I say to you, let them be orderly. Let not hatred be the motivating force. Let us not be driven to either the extreme of fascism on the one hand, or the Russian type of dictatorship on the other. Let us once more be inspired by that fine Irish spirit of sacrifice and loyalty.

REGULATION OF TRAFFIC IN FOOD AND DRUGS (H. DOC. NO. 142)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, referred to the Committee on Commerce, and ordered to be printed, as follows:

To the Congress of the United States:

Every enterprise in the United States should be able to adhere to the simple principle of honesty without fear of penalty on that account. Honesty ought to be the best policy, not only for one individual or one enterprise but for every individual and every enterprise in the Nation. In one field of endeavor there is an obvious means to this end which has been too long neglected: the setting up and careful enforcement of standards of identity and quality for the foods we eat and the drugs we use, together with the strict exclusion from our markets of harmful or adulterated products.

The honor of the producers in a country ought to be the invariable ingredient of the products produced in it. The various qualities of goods require a kind of discrimination which is not at the command of consumers. They are likely to confuse outward appearance with inward integrity. In such a situation as has grown up through our rising level of living and our multiplication of goods, consumers are prevented from choosing intelligently, and producers are handicapped in any attempt to maintain higher standards. Only the scientific and disinterested activity of government can protect this honor of our producers and provide the possibility of discriminating choice to our consumers.

These principles have long been those on which we have founded public policy. But we have fallen behind in their practical application. No comprehensive attempt at reform in the regulation of commerce in food and drugs has been made since 1906. I need not point out to you how much has happened since that time in the invention of new things and their general adoption, as well as in the increase of advertising appeals. Because of these changes loopholes have appeared in the old law which have made abuses easy.

It is time to make practical improvements. A measure is needed which will extend the controls formerly applicable only to labels to advertising also; which will extend protection to the trade in cosmetics; which will provide for a cooperative method of setting standards and for a system of inspection and enforcement to reassure consumers grown hesitant and doubtful; and which will provide for a necessary flexibility in administration as products and conditions change.

I understand this subject has been studied and discussed for the last 2 years and that full information is in the possession of the Congress.

No honest enterpriser need fear that because of the passage of such a measure he will be unfairly treated. He would be asked to do no more than he now holds himself out to do. It would merely make certain that those who are less scrupulous than I know most of our producers to be cannot force their more honest competitors into dishonorable ways.

The great majority of those engaged in the trade in food and drugs do not need regulation. They observe the spirit as well as the letter of existing law. Present legislation ought to be directed primarily toward a small minority of evaders and chiselers. At the same time even-handed regulation will not only outlaw the bad practices of the few but will also protect the many from unscrupulous competition. It will, besides, provide a bulwark of consumer confidence throughout the business world.

It is my hope that such legislation may be enacted at this session of the Congress.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 22, 1935.*

REPORT OF THE COMMITTEE ON COMMERCE

Mr. COPELAND. From the Committee on Commerce I report back favorably with amendments the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics; and for other purposes. I desire to state that within the next 2 or 3 days I shall file a written report to accompany the bill.

The VICE PRESIDENT. Without objection, the bill will be received and placed on the calendar.

FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read and referred to the Committee on Foreign Relations, as follows:

To the Congress of the United States:

I transmit herewith a report by the Secretary of State showing all receipts and disbursements on account of refunds, allowances, and annuities for the fiscal year ended June 30, 1934, in connection with the Foreign Service retirement and disability system as required by section 26 (a) of an act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor, approved February 23, 1931.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 22, 1935.*

(Enclosure: Report concerning retirement and disability fund, Foreign Service.)

WORK-RELIEF PROGRAM

The Senate resumed the consideration of the joint resolution (H. J. Res. 117) making appropriations for relief purposes.

UNEMPLOYMENT RELIEF AND SOCIAL SECURITY

Mr. COSTIGAN. Mr. President, during the discussion yesterday by the Senator from Wisconsin [Mr. LA FOLLETTE] of one of the amendments to the pending joint resolution, I made reference to inquiries addressed by me early in the present session to the Governors of the different States for information which, when assembled, might be of use to Congress with respect to pending legislation. It is noteworthy that no authoritative line is being drawn between employables and unemployables—partly because we have had no genuine unemployment census in this country; also because that line is in fact largely imaginary. In any event those whose duty it is to legislate should know, in passing on the pending joint resolution and on the rest of the social-security program, that the Governors of many States are convinced that those States will not be able, without Federal aid, to care for all unemployables within their borders. At this time, in compliance with the rule, I ask for the inclusion in the RECORD of the substance of the message sent to

the Governors and the responses received from the Governors of different States, preceded by what is believed to be an accurate summary of those responses.

The message of inquiry addressed by me on January 21, 1935, to the respective Governors was, in abbreviated form, substantially as follows:

WASHINGTON, D. C., *January 21, 1935.*

It will be helpful if you will advise as follows: First, the estimated number of persons over 65 years of age in your State; second, the approximate number of unemployables of all kinds in the State, excluding unemployables 65 or more years of age; also, whether and to what extent, if at all, the State, as a whole and with aid of its subdivisions, will not be prepared, and if not why not, to give adequate assistance to the unemployed satisfactorily, as compared with previous combined State assistance and Federal grants in aid, if and when Federal aid to the unemployables is withdrawn, leaving the State responsible for the care of such unemployables; third, how far and soon by legislative enactment or otherwise the State will be prepared to join a Federal program for pensions for persons now 65 or more years of age under which the Federal Government would contribute not exceeding half of State pension allowances of not more than $30 per month?

I ask that the summary of replies received from the Governors of States may be printed in the RECORD at this point.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

Summary of Governors' replies with reference to cooperation with Federal security program

	(1) Estimated number of persons over 65	(2) Approximate number of unemployables excluding those 65 or more	(3) Is State able to give adequate relief if Federal aid withdrawn?	(4) Is State prepared to join Federal old-age-pension program, States supplying half of pensions up to $30 per month?
Arizona, Gov. B. B. Moeur	16,200	4,000	If unemployables cared for State can give little help to destitute employables.	Definite statement not available.
Colorado, Gov. Ed. C. Johnson.	65,000 with 12,000 destitute	40,000	Can care for unemployables if Washington will assume all responsibility for unemployed employables.	Yes; when advised of requirements.
Connecticut, Elinor H. Little, relief administrator replies for Governor Cross.	101,800	31,000	State now caring for unemployables on relief; $1,200,000 monthly grant from Federal Government needed to care for employables	Old-age pension legislation now pending.
Delaware, Gov. C. D. Buck	3,200		State able to care for unemployed and aged	State pension since 1931
Florida, Gov. David Scholtz	80,000; 12,133 on relief	Figures not available	Impossible to say at this time	Cannot make commitment Legislature does not meet until April.
Idaho, Gov. C. Ben Ross	22,310	4,250	State cannot raise sufficient funds to care for unemployed.	40 days before required legislation could be passed
Illinois	470,000		No indication	Financial problems of State make it difficult to add new burden. Depends upon ability of legislature to find new sources of revenue
Indiana, Gov. Paul V. McNutt.	232,787	15,000	Yes. Prepared to cooperate fully	Governor will propose legislation immediately when Congress has acted.
Iowa, Gov. Clyde L. H. Herring.	184,239 in 1930, at least 200,000 now	30,000	State will require $2,000,000 Federal aid monthly to care for unemployed.	Yes, with few minor changes in existing State law
Kansas, Gov. Alf M. Landon	131,000	14,500	Kansas caring for unemployables and will continue to do so.	Yes, three bills pending awaiting Federal action
Maine, Gov. Louis J. Brann	69,000	No information	No statement	Estimated 10,000 should receive pensions on basis of need
Maryland, Harry Greenstein, relief administrator, replied for Governor Nice.	Approximately 14,000 persons 65 and eligible for pension.	No definite information	Difficult to determine	Bill just introduced providing mandatory old-age pensions.
Massachusetts Gov. James M Curley.	287,704	100,000	Not now receiving Federal aid	Now has old-age assistance law to persons 70 or more More than 15 percent receive $10 per month.
Michigan, Gov. Frank D. Fitzgerald.	250,000	130,000	State prepared to contribute $10,000,000, of required $20,000,000, to care for pensioners 65 or more and unemployables under 65	Could meet requirements in approximately 90 days
Minnesota, Gov. Floyd B. Olson.	189,000	110,000	Can care for unemployables if Federal Government assumes entire responsibility for employables	Yes
Mississippi, Gov. Sennett Conner.	77,443	48,467	State can care for unemployables only	Could not stand additional taxes required by program. Suggests national responsibility for old-age pensions
Missouri, Gov. Guy B. Park	165,000; 145,000 over 70	No information	Yes	Placing age at 70 State could care for half of those above that age
Montana, Gov. F. H. Cooney	27,614	5,000 unemployable heads of families.	No	No legislative provision made for care of aged.
Nebraska, Gov. R. R. Cochran.	86,000	12,000	Unable to say. Can give some aid	Unable to say but hope and expect to cooperate
Nevada, Gov. Richard Kirman.	10,000	600	Yes; but will place heavy burden on several counties.	Several bills under consideration None under $40
New Hampshire, Gov. H. Styles Bridges.	44,469	3,931	No, would be unable to meet relief load	Urge pension program based on need Constitutional provisions prevent and except where need established
New Jersey, Gov. Harold G. Hoffman.	186,000	No information	New Jersey cannot continue present rate of participation and care for unemployables also	Yes
New Mexico, Gov. Clyde Tingley.	Making survey and hope to have information available sometime in February.	Making survey and hope to have information available sometime in February.	Making survey and hope to have information available sometime in February.	Making survey and hope to have information available sometime in February
New York, Gov. Herbert H. Lehman.	743,000	No data available	No reply	State old-age security law since 1931 Definite reservations regarding Wagner bill
North Carolina, Gov. J. C. B. Ehringhaus.	3,000 unemployables in county homes of which approximately one-third are 65 or more No information available outside of poor lists		No reply	No reply.
Ohio, Gov. Martin L. Davey	430,000	145,000	Cannot be accurately forecast	Little delay in amending existing law to meet Federal requirements.
Oklahoma, Gov. E. W. Marland.	100,000 plus	No reply	No reply	Suggest old-age program with Federal Government carrying 75 or 80 percent of the load Perhaps then, Oklahoma might be able to cooperate

Summary of Governors' replies with reference to cooperation with Federal security program—Continued

	(1) Estimated number of persons over 65	(2) Approximate number of unemployables excluding those 65 or more	(3) Is State able to give adequate relief if Federal aid withdrawn?	(4) Is State prepared to join Federal old-age-pension program, States supplying half of pensions up to $30 per month?
Oregon, Gov. Charles H. Martin.	68,000	40,000	Will do all that it can but not prepared to meet situation adequately if Federal aid withdrawn.	Present law to cost $976,120 this year. Impractical to raise larger sum to match Federal funds under existing conditions.
Pennsylvania, Gov. George H. Earle.	530,000 to 550,000	900,000 to 1,000,000	No response	No response.
Rhode Island, Edward J. Higgins, executive secretary	2,507 persons over 65 on relief.	No data	No reply	No reply.
South Dakota, Gov. Tom Berry.	40,000	27,510	No	Not at this time.
Tennessee, Gov. Hill McAlister.	Not given	No figures available in Tennessee. Refer us to Harry Hopkins.	No	No.
Texas, State administrator of relief, Adam R. Johnson, replied.	232,459	Number of unemployables on relief rolls December 1934, 55,270, including 21,682 persons 65 or more	Unable to say	Unable to say.
Vermont, Gov. Charles M. Smith.	46,361 over 60	12,502 unemployed under 65 (*not* necessarily unemployable).	Difficult to go ahead without Federal aid	Many legislators interested, but no definite statement.
Virginia, Gov. George C. Peery.	116,000	89,000 from 16 to 65	No	Would impose difficult tax burden. Legislature does not meet until January 1936.
Washington, Gov. Clarence D Martin	110,000	20,000 families and singles	Could maintain existing relief standards to present unemployables only.	Yes; insofar as possible.
Wisconsin, Thomas M. Duncan, secretary to Governor.	215,000	60,000	No indication	Doubtful if adequate legislation could be enacted before June.
Wyoming, Gov. Leslie A Miller.	8,700	1,500	After April 1, can care for unemployables	Yes; after April 1.

Mr. COSTIGAN. I ask that the separate replies may be printed in the RECORD at this point.

There being no objection, the replies were ordered to be printed in the RECORD, as follows:

PHOENIX, ARIZONA, *January 24, 1935.*

Senator EDWARD P. COSTIGAN,
United States Senate, Washington, D. C.:

Your wire 21st estimated total population of Arizona 65 or over, 16,200 Total number unemployables under 65 estimated 4,000. Under present financial conditions, if Arizona is compelled to assume entire burden of care of unemployables, it will be possible for her to do very little toward caring for destitue employables. Impossible to give definite statement relative cooperation Arizona through legislative action to cooperate with Federal program for pensions for persons 65 or over until more definite information had relative details proposed Federal plan. Arizona, through its citizens and legislature, will cooperate in this matter to fullest extent of its financial ability. Am mailing you copy Arizona's present old-age-pension law. Kind regards.

B. B. MOEUR, *Governor.*

DENVER, COLO., *January 23, 1935.*

Hon. EDWARD P. COSTIGAN,
United States Senate, Washington, D. C.:

Probably 65,000 persons in Colorado 65 years of age and over, with 12,000 of this number destitute; number of destitute unemployables, including dependents and excluding men and women over 65 years of age, estimated 40,000. Colorado can care for unemployables if Washington will assume all responsibility as to the unemployed employables. Colorado ready to enact legislation providing her share of pensions for persons 65 years or over as soon as we are advised as to the cooperative requirements of the Federal Government; we have not included in any of these estimates transient persons, which we consider the responsibility of the Federal Government.

ED. C. JOHNSON, *of Colorado.*

DENVER, COLO., *January 25, 1935.*

Hon. EDWARD P. COSTIGAN,
United States Senate:

Local Federal relief bureau here classifying persons over 50 unemployables; such an arbitrary ruling will increase unemployables Colorado 20 percent; kindly adjust information my telegram accordingly.

ED. C. JOHNSON, *Governor.*

STATE OF CONNECTICUT,
EMERGENCY RELIEF COMMISSION,
Hartford, Conn., January 25, 1935.

Senator EDWARD P. COSTIGAN,
Member Finance Committee, Washington, D. C.

MY DEAR SENATOR COSTIGAN: Governor Cross has asked me to reply to your night letter of January 21, regarding proposed social-security legislation.

1. As of January 1, 1935, there are approximately 104,800 persons in Connecticut who are 65 years of age or older.

2. It is estimated that there are 31,000 unemployables of all kinds, excluding those over 65 years of age.

3. Unemployables on relief are being taken care of now practically 100 percent by State and local funds. On the present basis of unemployment, $2,200,000 per month is needed to provide adequate work relief for employable cases. Of this, a monthly Federal grant of $1,200,000 is required to furnish adequate relief.

4. During the present session of the general assembly, there have been introduced three bills in the senate providing old-age assistance. These bills are now pending before the committees on the judiciary of the house and senate, respectively,

Very truly yours,

E. H. LITTLE, *Relief Administrator.*

DOVER, DEL., *January 23, 1935.*

EDWARD P. COSTIGAN,
Member Finance Committee, United States Senate, Washington, D. C.:

Re telegram 21st. Over 65 years estimated to be thirty-two hundred. Approximately 5,000 families on relief rolls now. Delaware has been providing pensions for old people since 1931. The State and her subdivisions fully expect to be able to adequately care for their aged and unemployed citizens.

C. D. BUCK, *Governor.*

STATE OF FLORIDA,
EXECUTIVE DEPARTMENT,
Tallahassee, January 29, 1935.

Hon. EDWARD P. COSTIGAN,
United States Senate, Washington, D. C.

MY DEAR SENATOR COSTIGAN: Upon receipt of your telegram of January 22 I took the matter up with the statistician of the F. E. R. A., from whom I have today received a letter as per enclosed copy.

It is impossible at this time to give any reliable information as to what assistance the State of Florida may be able to render unemployment. Also, we cannot make any definite commitment regarding old-age pensions, as our legislature does not meet until April.

Unquestionably these matters will come before the legislature. You may be sure that they will be given every consideration. It is possible that in the meantime Federal legislation may simplify matters so far as our State legislature is concerned.

With all good wishes,

Sincerely yours,

DAVID SHOLTZ, *Governor.*

FLORIDA EMERGENCY RELIEF ADMINISTRATION,
STATISTICAL DEPARTMENT,
Jacksonville, January 25, 1935.

Mr. J. P. NEWELL,
Secretary to the Governor,
State of Florida, Tallahassee, Fla.

DEAR MR. NEWELL: I have your letter of January 23, in which you enclosed telegram from Senator COSTIGAN to Governor Sholtz, requesting information.

The 1930 census reports that in Florida there were 71,197 persons 65 years of age and over. We have estimated that at present this number is approximately 80,000. The census of relief of October 1933 showed 12,133, or 3.32 percent of persons dependent upon relief were 65 years of age and over.

We do not have any exact data on the number of unemployables in Florida, nor can we confine it to those under 65 years of age; however, we present the following information regarding the reasons why relief clients have been forced to apply for relief. This information is taken from an analysis of our case load in November 1934. It may be helpful in indicating a solution of the problem:

Old age	3,212
Unemployment	77,481
Sickness	3,535
Widows with dependent children	3,074
Insufficient income	22,180
Crime	447
Desertion	2,085

The unemployment bulletin for the 1930 census in Florida lists the following information:

Unemployables in Florida:	
Persons out of a job and unable to work	2,651
Persons having jobs but idle on account of sickness or disability	3,609

These census figures for the number of unemployables in the State appears to us to be extremely low, especially in view of the fact that many unemployable persons who had available reserves or were dependent on relatives and friends for support have lost these resources as a result of the economic conditions of the past 4 years.

We regret that we do not have available the exact information requested.

Yours very truly,

R. C. UNKRICH, *Statistician.*

BOISE, IDAHO, *January 26, 1935.*

Senator EDWARD P. COSTIGAN,
Senate Office Building, Washington, D. C.:

Re telegram 22d. Estimated number of persons over 65 years of age, according to 1930 Government census, 22,310. Approximate number of unemployables in Idaho, excluding unemployables 65 years of age or more, 4,250. Idaho, together with its subdivisions, cannot raise necessary money to take care of the unemployed. We have approximately 30,000 unemployed now, and the necessary money would have to be raised from some method of taxation. Forty percent of our real and property taxes in this State are delinquent and an additional burden cannot be borne by the property owners. It would probably be 40 days or more before proper legislation could be enacted matching Government funds for an old-age pension.

C. BEN ROSS, *Governor.*

SPRINGFIELD, ILL., *February 16, 1935.*

Hon. EDWARD P. COSTIGAN,
Senate Office Building, Washington, D. C.:

Answering your telegram of recent date relative to proposed security legislation, the data you request as follows:

First, the estimated number of persons over 65 years of age in Illinois approximate 470,000 in 1933, and number at present time should be substantially the same. Second, no accurate data exists as to exact number of unemployables over 65 years of age, but estimates indicate that number approximates 250,000, which figure includes 65,000 unemployables on public relief, the balance being on private charity, in State and private institutions and supported by friends and relatitves or from their own resources. Third, ability of Illinois to grant relief to aged can be determined only by balancing of relative claims upon State for funds. Legislature now faces task of raising $36,000,000 in additional taxes to meet relief requirements in addition to funds from Federal Emergency Relief Administration. The State already has appropriated for unemployment relief this year $9,000,000, which by the strictest economics has been accumulated over the past 18 months, for necessities of our State welfare institutions. The State since 1932 has appropriated approximately $75,000,000 for unemployment relief in addition to appropriations by local governments.

In addition Illinois schools are demanding additional State assistance. Many schools in the State are now in difficulty due to failure of many local political subdivisions to collect local taxes. In addition 28 State welfare institutions now badly overcrowded must have increased budgets for operation and outlays for capital improvements. All of these imperative needs require additional taxes, which can be imposed only with extreme difficulty because of the narrow limits of the present State constitution, the amendment of which in practice has been heretofore disapproved on referendum. Whether after meeting above needs further taxes can be imposed for old-age pensions to match Federal subvention presents great difficulties and can only be answered by the ability of the legislature to find new sources of taxation under our constitution. Our legislature is now in session, and these matters will have its earnest consideration. Personally, I strongly favor old-age pensions. Its principles are sound, and when we are financially able as a State it must become a part of our general economic plan. The financial burdens of State government at the present time are heavy, and, frankly, I cannot say at this time that the financial condition of the State, including prospective revenues from new taxes when devised, can meet the opportunities offered by partial Federal aid on old-age pensions. That we will make the effort you may take for granted.

HENRY HORNER, *Governor.*

DES MOINES, IOWA, *January 23, 1935.*

Hon. EDWARD P. COSTIGAN,
United States Senate:

Because questions in telegram are not all clear I am mailing today full and complete information, and if after receipt you will make additional direct inquiry, I shall be glad to supply you with answers we have on old-age assistance law and are prepared at any time to join Federal program for pensions.

CLYDE L. HERRING,
Governor of Iowa.

INDIANAPOLIS, IND., *January 23, 1935.*

Hon. EDWARD P. COSTIGAN,
United States Senate Office Building:

1930 census shows 232,787 people over 65 years of age in Indiana. Approximately 15,000 unemployables who are heads of families, exclusive of unemployables over 65 years of age. Indiana is prepared to cooperate fully with the President's work program replacing the Federal Emergency Relief Administration. Indiana has adequate funds for the care of unemployables now on public relief rolls. Indiana Legislature now in session. I am prepared to propose legislation conforming to social-security program of the administration just as soon as final action is taken by Congress and the bill approved by the President. Indiana will continue to do her part.

PAUL V. MCNUTT,
Governor of Indiana.

STATE OF IOWA,
EXECUTIVE OFFICE,
Des Moines, January 23, 1935.

Hon. EDWARD P. COSTIGAN,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Enclosed are two memoranda in connection with inquiry acknowledged by wire today.

Please call upon us for any additional information you may require.

Yours very truly,

CLYDE HERRING.

STATE OF IOWA,
OLD AGE ASSISTANCE COMMISSION,
Des Moines, Iowa, January 22, 1935.

GOV. CLYDE L. HERRING,
Statehouse.

DEAR GOVERNOR HERRING: In reply to your letter of January 22 relative to information you desire for immediate transmittal to Washington, I wish to submit the following information:

According to the 1930 census there were 184,239 persons residing in Iowa who were 65 years of age or older, and therefore eligible as to age to receive old-age assistance under the existing law and the Lewis bill (H. R. 4142) now pending in the Congress of the United States.

This number has surely increased since 1930 to near 200,000 persons.

Of our aged Iowans some 55,000 have applied for relief to the various county boards of old-age assistance. The county boards inform this department that they consider over 54 percent of these applicants in serious need, and many more eligible under the provisions of the Iowa law. Of the applications for assistance made to the various county boards of this State, the reports of 23,992 investigations have been accepted to the files in the State office.

With but few minor changes, the Iowa old-age assistance law will, in my opinion, meet the requirements for compliance in joining the Federal program as laid down in the Lewis bill now pending in the Congress.

Furthermore, unless Federal administrative rulings and orders, as directed in the Lewis bill, force drastic administrative changes in Iowa, this State will be in a position to take immediate advantage of the allotment of Federal funds and those recommended by yourself to be allocated from the profits of the State liquor-control system.

As the old-age assistance superintendent in this State, I wish to call your attention to the fact that the full intent of the Iowa law and the proposed Lewis bill, now pending in the Congress, cannot be completely complied with on the State and Federal funds which are proposed to be furnished between July 1, 1935, and June 30, 1936, and no doubt for some years thereafter.

Not from a spirit of malice toward the needy aged but rather from the desire to have a statute in this State which can be carried out in the completeness of its spirit and intent, I suggest that you urge the Congress to appropriate as large an amount for 1935–36 as is outlined for subsequent fiscal years.

Furthermore, I suggest amending the Iowa eligibility requirements and a progressive liberalization of eligibility requirements beginning July 1, 1936, and July 1, 1937.

I shall be pleased to have an opportunity to further discuss the problem with you at an early date and at your convenience.

Respectfully submitted.

BYRON G. ALLEN, *Superintendent.*

IOWA EMERGENCY RELIEF ADMINISTRATION,
Des Moines, January 23, 1935.

Hon. CLYDE L. HERRING,
Governor of Iowa,
Statehouse, Des Moines, Iowa.

DEAR GOVERNOR HERRING: Replying to your request of January 22 for information to be submitted to United States Senator Edward P. Costigan:

First: The approximate number of unemployables of all kinds in Iowa, excluding unemployables 65 or more years of age.

Answer: The question does not specify whether or not the answer is to include only such unemployables as are receiving relief.

We know of no official records from which this information can be secured. We have asked the State department of health and the State bureau of labor, and they report that they do not have this information. We have discussed this question with Miss Ina T. Tyler, State director of relief, and with members of her staff, and we estimate that there are approximately 30,000 unemployable persons in Iowa who are under 65 years of age.

The term "unemployable" is very general and is extremely difficult to define accurately. For this reason estimates of unemployables might show a wide variation. This estimate is based on the following premises: There are, according to unofficial reports, approximately 13,000 unemployable families who are receiving relief. It is believed that approximately one-third of these are more than 65 years of age, leaving approximately 8,000 unemployable families receiving relief. Miss Tyler and those members of her staff who were consulted believe that not more than one-fourth of the unemployable persons are receiving relief through county overseers of the poor, as many such persons have sufficient resources of their own or are cared for by friends or relatives.

Second: To what extent, if at all, Iowa as a whole and with aid of subdivisions, will not be prepared, and if not, why not, to give adequate assistance to unemployed in Iowa, satisfactorily as compared with previous combined State assistance and Federal grants in aid, if and when Federal aid to unemployables is withdrawn, leaving Iowa responsible for care of such employees.

Answer: The second question is not entirely clear to us. It is assumed that the question means in substance, "How much Federal money will be needed to provide adequate unemployment relief (up to the present time standard) in Iowa."

The question does not state for what period the estimate is to be made. Therefore, it is assumed that the calendar year of 1935 is meant.

The answer can be made only after several assumptions are conceded. It appears impossible to make an accurate estimate of the number of families who will need unemployment relief during the current year. Previous estimates are being exceeded each month. The answer given below will be based on the assumption that there will be no considerable increase in the number of families needing relief because of unemployment.

The amount needed for such unemployment relief will also depend largely upon the number and type of special programs, which are authorized or required during the year, and the standards and requirements under which such programs are conducted. The reply can be based only on the assumption that the general relief program will be somewhat similar to that in operation at the present time.

Concerning State and local funds, which will be available: The amount of State funds available depends, of course, upon the action which may be taken by the forty-sixth general assembly now in session. The answer will be based on the assumption that approximately $350,000 will be available from State funds for each month during 1935.

It is anticipated that no increased amount can be provided from county funds. The financial condition of the counties is growing more serious each month. Although all counties have made the maximum levy for poor relief, and also have made the emergency levy in most cases where it was possible to do so, the need for larger amounts of money for relief purposes will exhaust these funds early in the year in nearly all counties. Thirty-one counties in this State have issued bonds up to, or in excess of, their constitutional limitation, and 10 more counties have bonds outstanding almost to their constitutional limit. Nearly all of the remaining counties are issuing bonds each month to meet relief needs, and will approach their constitutional limit within a short time.

It is feared that receipts from general tax levies will be seriously reduced during 1935 in many counties. Thirty-two counties are in the emergency drought area, and agricultural conditions are unfavorable in 12 additional counties bordering the emergency area.

The necessity of providing local funds for supervision, materials, transportation, and nonrelief labor to operate work-relief projects has reduced the money available in other local funds, such as the road-maintenance and road-construction funds, in all counties.

For the reasons set forth above it appears that it will be necessary to provide funds to assist the counties if the work program is to be continued or extended.

Based on all of the facts and assumptions set forth above, it is believed that not less than $2,000,000 will be needed in Iowa each month from Federal funds to supplement State and local funds, which may be available during 1935. More than this amount will be required if the unemployment-relief case load continues to increase.

Yours very sincerely,

E. H. MULOCK,
Administrator Iowa Emergency Relief Administration.

STATE OF KANSAS,
OFFICE OF THE GOVERNOR,
Topeka, January 26, 1935.

Senator EDWARD P. COSTIGAN,
Senate Office Building, Washington, D. C.

DEAR SENATOR COSTIGAN: Replying to your wire of January 21:

First. Estimate of 131,000 persons in Kansas over 65 years of age. Estimated number of pensioners, 15,000. Actual number of this age on relief November 1, 14,033.

Second. Approximate number of unemployables under 65 years of age, 14,500. Also Kansas is at present taking care of all of its unemployables and can continue to do so.

Third. Three bills for old-age pensions are now pending before the legislature. Comprehensive study of problems prepared in November by legislative council. Hence all necessary information for Kansas program is now ready awaiting decision on Federal program.

Sincerely yours,

ALF M. LANDON, *Governor.*

AUGUSTA, MAINE, *February 1, 1935.*

Hon. EDWARD P. COSTIGAN,
Senate Office Building:

Approximately 69,000 people in Maine over 65. No figures available to show probable proportion entitled to old-age pension on basis of need. It is estimated very roughly that approximately 10,000 should receive pension on basis of need.

Gov. LOUIS J. BRANN.

BALTIMORE, MD., *January 30, 1935.*

Hon. EDWARD P. COSTIGAN,
United States Senate Office Building, Washington, D. C.:

Governor Nice just referred to me for reply your telegram of January 21. There were approximately 48,000 cases under case of State relief administration in January 1935, and of this number approximately 3,754 were old-age cases. Exclusive of old-age cases there were approximately 6,134 cases on relief because of factors other than unemployment. In addition to above there are 140 persons in Baltimore City now receiving old-age pensions, with 2,654 uninvestigated applications. A bill has just been introduced in present session of legislature providing for mandatory old-age pensions in Maryland. Governor's old-age pension committee estimates there are approximately 14,000 persons over 65 and eligible for pensions in Maryland. Difficult to determine whether Maryland can care for unemployables until we know to what extent Federal program will be able to absorb all employables now on relief.

HARRY GREENSTEIN,
State Relief Administrator.

THE COMMONWEALTH OF MASSACHUSETTS,
EXECUTIVE DEPARTMENT, STATEHOUSE,
Boston, January 29, 1935.

Hon. EDWARD P. COSTIGAN,
House of Senate, Washington, D. C.

MY DEAR SENATOR: In answer to your wire of January 21, I submit the following information:

(1) There are 287,764 persons in Massachusetts over 65 years of age.

(2) There are under 100,000 persons unemployable excluding those 65 years or over.

Massachusetts will not be affected by the Federal policy of withdrawing aid to the unemployed because such Federal aid is not now being given in Massachusetts.

(3) We now have old-age assistance for persons 70 years or over with payments averaging $25 per month to 20,517 persons; more than 15 percent receive an average of $40 per month.

As a further suggestion I would state that in setting up forms of social insurance, confusion is apt to arise unless the field in which the form of insurance is to operate is carefully defined. It is suggested, therefore, that in order to avoid overlapping unemployment insurance and old-age insurance (in Massachusetts designated as "old-age assistance") eligibility for unemployment insurance cease at the age the person becomes eligible for old-age assistance.

For example: If a person 70 years of age or over is eligible to receive old-age insurance benefits no such person shall be eligible to receive unemployment insurance.

Sincerely,

JAMES M. CURLEY.

LANSING, MICH., *February 1, 1935.*

EDWARD P. COSTIGAN:

Answering your wire of the 22d, from estimates by State relief administration for Michigan 250,000 residents over 65, of whom 32,000 are receiving emergency relief and 17,000 additional are receiving local poor relief or inadequate old-age pensions. One hundred and thirty thousand persons, consisting of 12,000 unemployable singles and 30,000 families containing no employable per-

son are receiving emergency relief. Old-age pensions to persons over 65 would still leave 100,000 persons dependent on State and local funds if Federal aid to unemployables and their dependents is withdrawn. Estimated annual requirement for 50,000 pensioners approximately $7,000,000 at $12 per month, age 65. Estimated cost of care of 100,000 other unemployables at present F. E. R. A. estimates, 12 to 15 million dollars. State government can contribute $10,000,000 if not required to share cost of proposed Federal Works program. If local government is required to provide remaining amount it will result in severely difficult new taxation which is not recommended. With adequate advance notice State and local governments could join Federal pension program in approximately 90 days. Question the ability State and local government to contribute one-half of $30 per month age 65 pension unless Federal Works program relieves Michigan of support of all employable people. Employables defined as all who can perform useful work of some kind in private or public employment.

FRANK D. FITZGERALD,
Governor of Michigan.

ST. PAUL, MINN., *January 27, 1935.*

Hon. EDWARD P. COSTIGAN,
Senate Office Building, Washington, D. C.:

Re telegram, social-security legislation: Estimated population of Minnesota 65 years of age and above is 103,000 men and 86,000 women. Estimated number of unemployed in Minnesota below 65 years of age, not including unemployables, is 92,000 men, 18,000 women, excluding farm workers. No reliable figures available as to number of unemployed farm workers. In addition to 110,000 families now receiving direct or work relief from moneys furnished by Federal and/or local Governments there are 23,000 farm families receiving livestock feed in drought areas through Federal grants. About 20 percent of unemployed now on relief rolls are unemployable. Most Minnesota counties and municipalities could care for unemployables if Federal Government assumes entire responsibility for relief or employment of employables. Other communities unable to care for unemployed because of tax delinquency produced by economic and climatic conditions could carry on through State aid. Minnesota has compulsory old-age pension law with age requirement of 70 years and maximum allowance of $30 per month. In my opinion, law will be amended to reduce age limit to 65 or 60 years, and maximum allowance will be increased. Local tax conditions in many counties make it imperative, in my opinion, that State assume entire pension load instead of having present system whereunder counties pay pensions. Allowance of maximum of $30 per month is mere subsistence allowance. Maximum should be increased substantially above $30 and Federal contribution increased substantially above $15. An American citizen must shudder when he compares an appropriation of $1,000,000,000 for armaments and only one hundred million for assistance and old-age pensions. Knowing your fine progressive record, I am sure you will work for increased allowances, and old-age pensions, and for legislation on health insurance. If any further information relative Minnesota is required, I will be glad to furnish it.

FLOYD B. OLSON, *Governor.*

STATE OF MISSISSIPPI,
EXECUTIVE DEPARTMENT,
Jackson, January 26, 1935.

Hon. EDWARD P. COSTIGAN,
United States Senate, Washington, D. C.

MY DEAR SENATOR COSTIGAN: In reply to your telegram, I submit the following information:

The 1930 census gives Mississippi 77,443 persons over 65 years of age, and we assume there has been little, if any, variation in this figure since 1930. The State relief administration estimates that 12,683 of these persons are on relief.

We have 14,221 unemployable cases on relief, and using the usual figure of 4.3 persons per family, this indicates 61,150 unemployable persons on relief, or about 48,467 unemployable persons below the age of 65 years on relief.

I quote from a report of the State relief administrator: "A census made in 1933 indicated that 11.3 percent of the total population of Mississippi were on relief. If the figure 48,467 constituted 11.3 percent of the total of unemployables, we would have about 172,000 of unemployables in Mississippi. However, I believe that the total number on relief would constitute from 50 to 75 percent of the unemployables. However, this is absolutely a guess, and I have no means of proving or disproving the matter."

The State government of Mississippi does not have the funds, and cannot make them available, required to give adequate or even necessary assistance to the unemployed in our State. By instructions from the F. E. R. A., all unemployables are to be removed from relief rolls on February 1; that is to say, no funds granted by the F. E. R. A. may be used for assistance to unemployables after that date. This amounts to about 24 percent of the relief load, and, in my judgment, is about as much as the State can carry under present conditions.

If the States are required to match Federal funds on the proposed basis of $30 per month to each person over the age of 65 years, Mississippi's annual contribution to old-age pensioners would be approximately $12,000,000. The total of general-fund receipts of the Mississippi State government last year was only $14,000,000, and any increase in taxes under present conditions would be unwise and in many instances unbearable. Mississippi is chiefly an agricultural State, and under normal conditions affords a profitable market for the products of wealthy industrial States. To require the States to contribute one-half of the cost of old-age pensions will impose a burden on Mississippi and other States of small wealth that cannot be carried by them, and in my opinion virtually will nullify the old-age pension proposal in such States.

Permit me to express it as my view that old-age pensions should be recognized to be a national problem, irrespective of imaginary State lines, and should be paid wholly from Federal funds provided by taxes on wealth without regard to the geographical location of such wealth or residence of the pensioner

With expression of personal esteem, I am,

Very sincerely,

SENNETT CONNER.

JEFFERSON CITY, MO., *January 24, 1935.*

Hon. EDWARD P. COSTIGAN:

Estimated 160,000 Missourians over 65. Hundred forty-five thousand over 70. About 12,000 over 70, the age fixed by our constitution, entitled to pension. Legislative action on old-age pensions awaiting congressional action. Missouri should be able to take care of 50 percent of those over 70 and all our relief needs.

GUY B. PARK, *Governor.*

HELENA, MONT., *January 25, 1935.*

Hon. EDWARD P. COSTIGAN,
Senate Office Building:

Re telegram there are 27,614 persons over 65 years in Montana. Excluding those 65 or more years of age, there are approximately 5,000 unemployable heads of families now on relief Montana is prepared to furnish approximately $1,900,000, leaving deficit of $10,825,000 for care of all unemployables, including aged. Seven thousand six hundred and fourteen persons 65 and over now on relief. If these allowed pensions $30 monthly and relief given other 5,000 unemployable families, total of $5,525,000 needed. No legislative provision made for care of aged in Montana other than through county poor fund, which is hopelessly inadequate under present conditions if Federal aid withdrawn.

F. H. COONEY, *Governor.*

LINCOLN, NEBR., *January 25, 1935.*

Senator EDWARD P. COSTIGAN,
Washington, D. C.:

Replying telegram of recent date regarding proposed social security legislation Estimated number of persons in Nebraska over 65 years of age, 86,000; estimated number of unemployables of all kinds in number, excluding unemployables 65 or more years of age, 12,000. Replying further, Nebraska will, in my judgment, be prepared to give some assistance to unemployed in Nebraska if and when Federal aid to unemployables is withdrawn; cannot state at this time extent to which this will be adequate due to drought condition which prevailed during 1934. Replying further, am unable to predict with any degree of certainty whether Nebraska will be prepared to join Federal program for pensions for persons now 65 or more years of age under which Federal Government would contribute not exceeding half or half of State pension allowance of not more than $30 per month. We are very much interested, however, in this security legislation and expect to cooperate.

R. L. COCHRAN, *Governor of Nebraska.*

CARSON CITY, NEV., *January 30, 1935.*

Senator EDWARD P. COSTIGAN,
Washington, D. C.:

Reference your night letter January 21 asking for data on social-security legislation, estimated number of persons over 65 years of age in Nevada approximately 5,000 white and 500 Indians. Unemployables under 65, approximately 600. Believe Nevada, through its counties, will be able to take care of unemployables if and when Federal aid for such class is withdrawn. However, this will be a very heavy burden on the several counties of Nevada, in addition to existing loads. Legislature now have under consideration several proposals for old-age pensions in varying amounts, but none under $30.

RICHARD KIRKMAN, *Governor.*

CONCORD, N. H., *January 30, 1935.*

Hon. EDWARD P. COSTIGAN,
United States Senate, Washington, D. C.:

Replying to your telegram of inquiry, estimated number of persons over 65 years of age in New Hampshire January 1, 44,469. Estimated number of unemployables of all kinds in New Hampshire, excluding unemployables 65 years or more, 3,931. New Hampshire Legislature, now in session, is working by special committee appointed at my request to frame law for State aid to local subdivisions that are unable to meet relief needs without excessive tax burden. Withdrawal of Federal aid would leave New Hampshire and local subdivisions without sufficient resources to meet relief load. Legislature, now in session, will for some time be ready to give prompt consideration to participation in Federal program for pensions of persons 65 years or more. We urgently request pension program be framed to provide aid only for need. Constitutional provisions would prevent New Hampshire from ap-

propriating money for pensions unless persons assisted needed relief. Outright pension program, regardless of need, should not be framed to operate unjustly with respect to States with similar constitutional restrictions.

H. STYLES BRIDGES,
Governor of New Hampshire.

TRENTON, N. J., *January 22, 1935.*

Hon. EDWARD P. COSTIGAN,
Senate Office Building:

Replying to your night letter, estimate 186,000 persons in New Jersey over 65 years of age; estimate 38,000 now on emergency relief rolls unable to work. Funds now furnished by New Jersey and its political subdivisions all that can be made available for relief purposes. Impossible to continue present rate of participation and care for unemployables in addition. New Jersey can join immediately in program to assist those over 65 by amending existing old-age relief legislation. New Jersey has for years past provided for most unemployables who are physically or mentally handicapped.

HAROLD G. HOFFMAN, *Governor.*

STATE OF NEW MEXICO,
OFFICE OF THE GOVERNOR,
Santa Fe, January 29, 1935.

Hon. EDWARD P. COSTIGAN,
United States Senator, United States Senate Building, Washington, D. C.

DEAR SENATOR COSTIGAN: This will acknowledge receipt of your telegram of January 21 in which you ask for certain information with reference to the national administration's proposed social-security legislation. The information you seek is not available at this time. A survey is now being conducted in this State, and I am informed the information you desire will be available by approximately February 15.

Yours very truly,

CLYDE TINGLEY, *Governor.*

STATE OF NEW YORK,
EXECUTIVE CHAMBER,
Albany, February 4, 1935.

Hon. EDWARD P. COSTIGAN,
United States Senate, Washington, D. C.

MY DEAR SENATOR COSTIGAN: Unfortunately I cannot answer as specifically as I would like the questions which you present.

The first relates to the number of persons 65 years of age in New York. We estimate that there are 743,000 such persons. You may be interested to know that we have had an old-age-security law in New York State since 1931. As a result we find that out of a population of 416,000, 70 years of age in the State, 1 in every 8 has been in receipt of an old-age allowance. We estimate that by dropping the age limitation to 65 and adopting the other provisions of the Wagner bill, the proportionate number will remain at 1 in every 8 and the number of recipients will have increased at least 78 percent.

The second question, relating to "unemployables", I find impossible to answer. I am unable to do so because I cannot obtain a definition as to what is meant by an "unemployable." I have had the commissioner of social welfare attempt to make an analysis of the situation, but there is no data upon which he can form a judgment or estimate.

Your last question relates to the New York State program in relation to granting of old-age allowances to persons 65 years of age in line with the Federal plans as proposed in Mr. WAGNER'S economic-security bill.

Very sincerely yours,

HERBERT H. LEHMAN.

RALEIGH, N. C., *January 26, 1935.*

Hon. EDWARD P. COSTIGAN,
United States Senate Finance Committee:

Replying your telegram 21st, there are now in county homes North Carolina approximately 3,000 unemployable, of which approximately one-third are near 65 years or over. No data as to outside poor. Refer you to relief department for most accurate information obtainable as to unemployables returned to State or local support, these outside county homes and on so-called "county poor list. Information as to unemployable receiving county aid obtainable only from county commissioners; no central data. Above information furnished by labor department.

J. C. B. EHRINGHAUS.

COLUMBUS, OHIO, *January 28, 1935.*

Senator EDWARD P. COSTIGAN,
United States Senate, Washington, D. C.:

Re telegram January 22d, estimate 430,000 persons in Ohio over 65 years of age, of whom an estimated 80,000 can qualify under present Ohio law. Proposed Federal law would permit estimated 110,000 to qualify, due to more liberal provisions. Twenty-eight thousand eight hundred families on Ohio relief rolls, representing 145,000 persons, excluding those over 65 but including those under 16 have no employable member. This estimate does not include institutional cases or those taken care of by normal State, county, city, or other public agencies, such as insane, weak-minded, physically incapacitated like tubercular, inmates county homes, children's homes, etc. Ohio has been able with aid of Federal grants, State-raised funds, and subdivisions to meet relief situation in past. Ohio's ability to care for unemployables present year cannot be accurately forecast until means to provide sufficient funds is determined upon. Ohio old-age-pensions law will require few changes and little delay in conforming to Federal Government program, in which Federal Government will supply half of State pension based on maximum $30 per month.

MARTIN L. DAVEY, *Governor.*

OKLAHOMA CITY, OKLA., *February 6, 1935.*

Senator EDWARD P. COSTIGAN,
Senate Office Building:

There are slightly in excess of 100,000 persons in the State of Oklahoma above the age of 65. I believe that approximately two-thirds of these are indigent unemployables. Replying to your question by telegram to me dated January 22, I give it as my opinion that it is quite impossible for the State of Oklahoma under present conditions to carry one-half of the load of a $30 monthly pension. And in reply to your question why the State is not able to carry that share of the load, I must remind you that the Federal Government through Federal income tax and excise taxes is now tapping the main source of revenue available to the State and collecting such a great percentage of the net income of our industries and individuals that it is quite impossible for us to burden them much further with taxation. In my judgment, it is impracticable for the State to impose an income tax in an amount more than 20 percent of the amount now collected by the Federal Government. Because of this fact I believe it would be only fair and equitable for the Federal Government to carry a corresponding share of the load. If the Federal Government will carry 80 percent, the State of Oklahoma can, and I believe will, carry 20 percent. We might even be able to carry 25 percent if the Federal Government carries 75 percent. An amendment to the constitution of Oklahoma will be necessary before we can even do this. I believe that such an amendment can be passed on a 75-25 percent basis, but I do not believe the people of Oklahoma will vote an amendment to the constitution where it was contemplated that they would be required to carry 50 percent of the load. I am mailing you figures of our aged and unemployable people.

E. W. MARLAND, *Governor.*

STATE OF OREGON,
EXECUTIVE DEPARTMENT,
Salem, January 25, 1935.

Hon. EDWARD P. COSTIGAN,
Washington, D. C.

MY DEAR SENATOR: Your wire of January 21 is before me. I have consulted with various State departments and find that accurate data in answer to your inquiries are not available. The figures supplied below are, therefore, of necessity, only approximate. Your inquiries are answered in order.

1. The number of persons in Oregon over 65 years of age is estimated at 68,000. This figure includes all persons over 65 years of age, irrespective of their relief needs.

2a. The approximate number of unemployables of all kinds in Oregon, excluding unemployables of 65 years of ago or over, is estimated at 10,000 cases. This number of cases includes an estimated 14,000 unemployable adults and their indigent dependents, an estimated number of 40,000 persons. It is impossible to estimate with any degree of accuracy the number of unemployable persons in the State less than 65 years of age until such time as the word "unemployable" is more clearly defined.

2b. Oregon with the aid of its political subdivisions will do everything within its power to take care of its unemployed, but it is not prepared to handle the situation adequately if Federal assistance to unemployables is entirely withdrawn.

Our revenue-raising facilities are curtailed, first of all by constitutional tax-limitation provisions, and, second, by the inability of real property to carry any heavier tax load. This applies to the local subdivisions as well as to the State. Tax delinquencies have mounted to an alarming degree, and a further increase in the load on present sources of revenue is not possible.

All tax measures in this State are subject to popular referendum. The sales tax has been repeatedly and decisively rejected by the people so that it is useless to revive this proposal. We are devoting every cent of our revenues from State-controlled sale of liquor to unemployment relief, but these are inadequate to meet the demand.

Naturally, the burden of unemployable dependents increases as those on whom they have hitherto depended for support are forced onto the relief rolls.

3. Oregon at the present time has an old-age pension for persons 70 or more years of age, to which the sum of $976,120 was budgeted this year by the counties of the State. To raise this sum has taxed the resources of the counties to the utmost of their ability and the raising of any larger sum to match Federal funds for old-age pension purposes would, in my opinion, not be practical under existing conditions.

Cordially and sincerely yours,

CHARLES H. MARTIN, *Governor.*

HARRISBURG, PA., *January 25, 1935.*

Hon. EDWARD P. COSTIGAN,
United States Senate, Washington, D. C.:

Estimates of number of persons over 65 years of age in Pennsylvania range from five hundred thirty to five hundred fifty thou-

sand. Approximate number of unemployables of all kinds in Pennsylvania, excluding unemployables over 65 years of age, range from 900,000 to 1,000,000. Only 100,000 of these are now being cared for by the Relief Administration, the balance by agencies reporting to the State department of welfare. Additional data sought will be furnished you as soon as available.

GEORGE H. EARLE,
Governor Commonwealth of Pennsylvania.

STATE EMERGENCY RELIEF BOARD OF PENNSYLVANIA,
Harrisburg, Pa., January 23, 1935.

INTERDEPARTMENTAL MEMORANDUM

To: Mr. Harry E. Kalodner, secretary to the Governor.
From: Emmett H. Welch, director research and statistics.

Mr. Johnson has asked me to write you a memorandum relative to the telegram to Governor Earle from Senator COSTIGAN. I shall discuss the questions asked in the telegram in the order in which they were asked.

1. "Estimated number of persons over 65 years of age in Pennsylvania."

In April 1930 there were 508,278 persons in Pennsylvania 65 years of age and over. There were at that time 299,881 persons between the ages of 60 and 64 years, inclusive. All of these persons would now be over 65 if they have not died or left the State. Many of those who were over 65 in April 1930 have since died. I have three estimates of the number who were over 65 on January 1, 1935.

Miss Hardy, of the department of health, bureau of vital statistics, estimates that on January 1, 1935, there were 530,000 persons in Pennsylvania over 65 years of age. This estimate is based on deaths since April 1930 and the number of persons of different ages in April 1930. Miss Hardy stated that her estimate is conservative and is possibly lower than the actual number.

The State planning board made an estimate of 564,000 based on school census figures for various sections of the State.

The Scripps-Howard Foundation for population research estimates 573,000.

The variation between these figures is not large, considering the fact that all three are estimates. My personal opinion is to use Miss Hardy's estimate as a minimum and use a range for the estimate to be sent to Senator COSTIGAN. I would say the estimated number of persons in Pennsylvania 65 years of age or over is 530,000 to 550,000 as of January 1, 1935.

2. "Approximate number of unemployables of all kinds in Pennsylvania, excluding unemployables 65 or more years of age."

The following tabulation shows the most complete figures I could get together rapidly relative to the number of persons in Pennsylvania dependent upon public support.

	Date	Families	Persons
Poor relief	1933	139,256	653,750
Almshouses	1933		27,265
Mothers' assistance	May 31, 1934	7,827	30,338
Unemployed veterans	1933	2,619	9,139
Blind pension	Jan 11, 1935		4,142
Children in institutions	May 31, 1934[1]		72,190
Mental hospitals and institutions			36,610
Total			833,434

[1] Year ending.

In addition, there are approximately 25,000 cases containing 100,000 persons receiving unemployment relief in which there are no employable members This latter figure is an estimate and should be interpreted in the light of the accompanying memorandum which I wrote to Mr. Johnson.

In summary, there are probably 900,000 to 1,000,000 persons in Pennsylvania under 65 years of age who are dependent upon public support. Only 100,000 of these are now being cared for by the relief administration. The balance are cared for by agencies reporting to the State department of welfare.

The remaining questions in the telegram refer to State finances and tax policy, also to old-age assistance.

JANUARY 21, 1935.

Estimates of unemployables on relief.
Mr. JOHNSON.
E. H. WELCH.

Estimates of the proportion of unemployables on relief ranging from 5 to 50 percent have been made. This large variation is primarily due to a lack of any clear-cut definition of "unemployable." In very few relief cases are all persons employable. Children, housewives, and those ordinarily not employed are unemployable at all times. These persons, therefore, should be considered as "normal dependents" and not "unemployables." The reason that "normal dependents" need relief is because of the unemployment of the worker who normally supports them. "Unemployables on relief" should, therefore, be limited to those persons who are in need of relief because of some reason other than the unemployment of the worker who normally supports them.

I would estimate that between 90 and 95 percent of the relief cases in Pennsylvania have one or more persons who could support the family if employment at a living wage could be obtained. Ninety-five percent is probably nearer the actual figure than 90 percent. This leaves from 5 to 10 percent of these cases that are probably "poor relief", "old age", and "widow and children" cases. Thus, there are probably 20,000 to 40,000 cases containing from 80,000 to 160,000 persons who are not, strictly speaking, unemployment relief cases.

It should be borne in mind, however, that many of the remaining 360,000 to 380,000 cases could not be given employment on a work program. Thousands of factory and store workers cannot be given employment on any type of work program unless the Government takes over factories and stores in competition with private employment. Thus, there are many additional persons on relief who are "unemployable" as far as a work program is concerned, but who are not "unemployable" if private employment were to increase sufficiently.

Another point needs to be considered. Many of the persons now on relief who have been employed in the past and who still have the desire and ability to render useful service will likely never be self-supporting again. With limited employment opportunities and a large labor supply available, the degree of fitness necessary to obtain and keep a job becomes greater than when the reverse is true. Thus, at the present time, many persons past 40 years of age, who are physically and mentally able to render several years of useful service will have difficulty in obtaining employment in the future because of the available younger men and women for the job. While these persons may thus become unemployable in the present and future, they are not truly unemployable in fact. They would not be unemployable if we had an economic system capable of making use of the available labor and material resources of the Nation.

Similarly, there are persons whose trades and vocations have become obsolete because of technological change. These persons could be retrained into other pursuits, but we are not likely to do so as long as there already exists a surplus of workers in practically every occupation.

To summarize, there are probably not more than 20,000 to 40,000 cases receiving relief in Pennsylvania that could not be self-supporting if adequate employment at a living wage were available. Many more are, however, likely to be "unemployable" for some time to come because of the high degree of "employability" required under conditions of limited employment opportunity. We are consigning workers to the industrial scrapheap because of the failure of our economic system to make use of our human and material resources.

EXECUTIVE DEPARTMENT,
STATE OF SOUTH DAKOTA,
Pierre, January 23, 1935.

Hon. EDWARD P. COSTIGAN,
Senate Finance Committee, Washington, D. C.

DEAR MR. COSTIGAN: In reply to the inquiries contained in your telegram of January 21, I wish to advise as follows:

(1) South Dakota has 40,000 persons over 65 years of age.

(2) The approximate number of unemployables in South Dakota under 65 years of age is 27,510.

(3) Direct relief is now being given to 400 unemployables by the State emergency relief administration in unorganized counties and in other counties which are financially unable to take care of the needs of such unemployables.

(4) The present estimated population of South Dakota is 650,000.

(5) The present case relief load of the State emergency relief administration is 64,000, an average of 4.2 individuals per family, or approximately 40 percent of the entire population of our State.

(6) The counties of the State are expending $1,200,000 annually for mothers' pensions and poor relief.

(7) The Federal grant of $106,000 covering operations for 60 days of distressed schools in counties financially unable to operate such schools, expires January 31, 1935. Unless additional grants are obtained from the Federal Government many schools will be closed at the end of this month.

(8) Provided the Federal Government contributed half of the pension allowance, and using $30 per month as a basis of computation, the annual expenditure for Federal and State Governments combined would total $14,400,000 to take care of the 40,000 persons in our State who are over 65 years of age. The expenditure for South Dakota alone would require $7,200,000 annually.

In order that you may better understand the present financial condition of our State, I will outline briefly the problems with which we are confronted.

As of December 31, 1934, the bonded indebtedness of our State was $45,969,000. In addition to $3,800,000 already borrowed from the Reconstruction Finance Corporation, we are now asking for another loan to enable us to meet maturing bond issues.

Previous administrations attempted on three different occasions to sell South Dakota rural credit bonds, but were unable to secure a single bid from bonding houses. In January of 1932 the State faced default on an entire bond issue, but through special legislation, applying one-half of the gasoline tax, we were able to secure a Reconstruction Finance Corporation loan.

Due to crop failures caused by grasshopper devastation and drought and low prices, the commercial, individual, and State enterprises of South Dakota are now operating on Federal relief funds circulating through the regular channels of business. The State receives a portion of these funds in taxes, and if it were not for relief funds very little taxes would be collectible.

Of our ad valorem tax levy, 18 percent of the 1931 tax levy is yet uncollected, as is 27 percent of the 1932 levy.

In view of existing conditions, the property tax could not be collected, and the 1933 legislature enacted a gross income-tax

law which provided funds to take care of a certain portion of our operating expenses. Nearly one-half of the amount collected was made possible through Federal relief funds.

Although the cost of State government has been reduced one-third during the past 2 years, our tax collections lack $78,000 of the amount needed for the expenses of maintaining State government for the past biennium. The overdraft in the Treasury as of December 31, 1934, was $655,000.

Under no circumstances would South Dakota be able to provide for the unemployed without Federal assistance because of the financial condition of the State as above outlined.

In conclusion, I wish to advise that we are doing our utmost to share the responsibility for the care of our needy, but in view of the present financial condition of the State and our inability to impose additional collectible taxes, we are unable at this time to meet the requirements of an old-age pension law. At such time as the financial condition of our State at large permits us to impose additional collectible taxes, I assure you that we will do our share in making old-age pension legislation effective.

Yours very truly,

TOM BERRY, *Governor.*

TENNESSEE EXECUTIVE CHAMBER,
Nashville, January 28, 1935.

Senator EDWARD P. COSTIGAN,
Washington, D. C.

DEAR SENATOR COSTIGAN: I have delayed answering your letter of January 21 in the hope that I could obtain from some source the information that you ask. I have been unable to do so, though you have doubtless ascertained from the 1930 census the number of persons living in our State over the age of 65. The number of unemployables of all kinds in our State should be available from the office of the Federal Emergency Relief Administrator, who is Col. W. L. Simpson, Stahlman Building, Nashville. It is possible that Mr. Hopkins has it in his office.

The financial condition of Tennessee is, to speak plainly, in a very disordered state, and there is in sight no revenue available for the purpose that you mention, nor is there any law on our statute books that will enable us to join the Federal program that you speak of.

Yours truly,

HILL MCALISTER, *Governor.*

AUSTIN, TEX., *February 7, 1935.*

Hon. EDWARD P. COSTIGAN,
United States Senate:

January 26 Gov. James V. Allred had 41,969 persons 65 years up on relief rolls in Texas. Texas Almanac 1930 reports 232,459 persons 65 years up. Total number unemployables on relief rolls December 1934 was 55,270, including 21,682 persons 65 years up not regularly employed who cannot secure physician's certificate good health. No figures available on unemployables not on relief. Cannot forecast what legislation will be passed covering your other questions.

ADAM R. JOHNSON.

STATE OF VERMONT,
EXECUTIVE DEPARTMENT,
Montpelier, January 30, 1935.

Hon. EDWARD P. COSTIGAN,
United States Senate, Washington, D. C.

DEAR MR. COSTIGAN: We have checked over in an effort to get the latest reliable figures to answer your telegram of January 22.

We find that according to the latest figures there are: 46,361 over 60, or 12.88 percent of total; 19,873 over 70, or 5.52 percent of total; 4,725 over 80, or 1.31 percent of total; 1,747 over 85, or .49 percent of total; total population of 1930—359,611.

In regard to the unemployed, at the present time, according to the best figures available we have the following: 10,824 men and 1,678 women. These are all less than 65. We have no figures available at the present time of those who may be definitely classified as unemployables.

The State of Vermont has been operating on a pay-as-you-go plan without bonding or anything of that sort so at the present time it is rather difficult to find available source of revenue which would give adequate assistance to our unemployed here in Vermont. The State has made considerable use of the Federal grants and Federal aid during the past 2 or 3 years and it would be difficult at this time for the State to go ahead with the same expense.

Many of our legislators are very much interested in the Federal program and wonder just how they may know more about the program so that the State legislature may take advantage of whatever Congress may enact. We have several copies of the Wagner bill and wonder if you have some suggested act which would conform with the provisions of the Federal bill so that each would dovetail with the other.

If there is any further information that we could supply we would be very glad to do so.

Very truly yours,

LEON D. LATHAM, JR.,
Executive Clerk.

RICHMOND, VA., *January 25, 1935.*

Hon. E. P. COSTIGAN,
United States Senator:

Answering your wire of 22d, we have approximately 116,000 persons over 65. Unemployables from 16 to 65, 89,000. Virginia not prepared to give adequate assistance to unemployed if all Federal aid immediately discontinued. We think proposed pension plan would impose tax burden that would be exceedingly difficult to meet. Our legislature does not meet in regular session until next January.

GEORGE C. PEERY, *Governor of Virginia.*

STATE OF WASHINGTON,
EXECUTIVE DEPARTMENT,
Olympia, January 22, 1935.

Hon. EDWARD P. COSTIGAN,
Senate Office Building, Washington, D. C.

DEAR SENATOR COSTIGAN: I am pleased to enclose herewith detailed information as requested in your telegram received today. This information has been compiled by the Washington Emergency Relief Commission, and I am sure you will find it accurate and dependable.

I shall be happy to cooperate so far as possible to promote the President's social-security program, which seemingly has the approval of the people in the State of Washington.

Cordially yours,

CLARENCE D. MARTIN,
Governor of Washington.

STATE OF WASHINGTON.

Question 1. Estimated number of persons over 65 years of age in Washington.

Answer. One hundred and ten thousand, of which approximately 11,000 are eligible for pensions under provisions of present State law.

Question 2. Approximate number of unemployables of all kinds in Washington, excluding unemployables 65 years or more?

Answer. Twenty thousand unemployable families and singles now receiving public relief.

Question 3. Whether, and to what extent, if at all, Washington as a whole and with aid of subdivisions will not be prepared, and if not why not, to give adequate assistance to unemployed in Washington satisfactorily, as compared with previous combined State assistance and Federal grants in aid, if and when Federal aid to unemployables is withdrawn, leaving Washington responsible for care of such unemployables?

Answer. Our State program calls for new annual provision of $5,000,000, which, together with aid of subdivisions, might only be expected to maintain present standards of relief to our 20,000 unemployables. This means that adequate assistance to employable unemployed persons in the State of Washington would depend entirely on Federal assistance. Our State laws deny right of legislature to bond, and recent initiative of people limits tax levies.

Question 4. How far and how soon, by legislative enactment or otherwise, Washington will be prepared to join Federal program for pensions for persons now 65 or more years of age under which Federal Government would contribute not exceeding half of State pension allowances of not more than $30 per month?

Answer. Eleven thousand possible eligible for our matching at $15 per month equals $165,000 or $2,000,000 for year.

STATE OF WISCONSIN,
EXECUTIVE OFFICE,
Madison, January 26, 1935.

Hon. EDWARD P. COSTIGAN,
Senate Office Building, Washington, D. C.

DEAR SENATOR COSTIGAN: At the direction of Governor La Follette, I am submitting the following information in reply to your telegram:

(a) Your first request is for an estimate of the number of persons over 65 years of age in Wisconsin. The best estimate which this office can make and have corroborated is that at the present time there are 215,000 persons 65 years of age or over in Wisconsin.

(b) The second request is for an estimate of the approximate number of unemployables in Wisconsin, excluding unemployables 65 years of age or over. Careful search of preliminary reports issued by the President's Committee on Economic Security reveals that what are to be considered as unemployables are those persons in families where there is no person employed or seeking employment, or only a woman who is needed to take care of minor children. These are mainly fatherless or deserted families or aged single persons. The President recently announced that approximately 20 percent of those party or wholly on Federal relief are to be returned to the States to be cared for, since this number of people are unemployable.

After some research into the matter, it appears that the ratio for Wisconsin is materially lower. A survey conducted last May indicated that of those from 16 to 64 who were on relief in three large Wisconsin cities from 8 to 11 percent were neither employed nor looking for work. For the State as a whole 10 percent seems a reasonable percentage for use as an estimate.

In the month of December 1934 approximately 429,000 residents of Wisconsin were recipients of relief. If 10 percent of these be assumed to be unemployable, there are about 40,000 unemployables on relief rolls. Of these, part are minor children in families eligible to receive the aid to dependent children (mothers' pension) and part are elderly persons over 65 years of age. The fact that the mothers' pension is being paid for aid to some 20,000 children in over 8,000 families accounts for one reason why Wisconsin may be expected to show a lower ratio of unemployables on relief than is true for many States. Several counties have discontinued payment

of the aid to dependent children and some have transferred eligible families to outdoor relief. It appears probable that there are some 5,000 children in about 2,000 such families now on relief. The mothers' pension will have to be restored to them in order that Wisconsin may qualify to receive the grants in aid for mothers' pension that will be made available if the economic security act, bill S. 1130, now before Congress, is adopted. This means that mothers' pensions will have to be paid in adequate amount for 25,000 children in 10,000 families (assuming present standards of eligibility). With one mother per family there will be at least 35,000 persons to be cared for by this aid.

The studies made last May indicated that approximately 4 percent of persons on relief are 65 years of age or more. The three Wisconsin cities surveyed showed an average of 2½ percent of those on relief who were over 65. Since these cities were in counties paying old-age assistance, that average may be too low for use for the State as a whole. Probably between 3 and 4 percent represents a more acceptable estimate. This would account for about 15,000 more of the unemployables on relief.

In 1933 the eight counties paying old-age assistance gave the aid to 1,971 old persons. During 1934 it is estimated in the absence of final tabulations for that year, that 2,100 persons received the pension from those eight counties. One percent approximately of the old people in the State receive the pension. Another 7 percent were on relief. A considerable number in addition may be assumed to be eligible for an old-age pension. In other words, 10 percent at least of the old people in Wisconsin may be considered eligible to receive the old-age pension under the proposed legislation. In the State of New York old-age pensions are being paid to approximately 14 percent of the old people qualified by age. A liberalization of age and other eligibility requirements can be expected to increase greatly the number of eligibles. The counties now paying old-age assistance are giving it to about 6 percent of the persons over 70 years of age in those counties.

In summary, Wisconsin's unemployables may be grouped as follows:

1. Thirty-five thousand persons made up of children and mothers, as well as occasional cases of completely disabled fathers in families eligible for mother's pension.

2. Two hundred and fifteen thousand old persons over 65, of whom at least 10 percent, or 20,000, can qualify immediately for old-age pensions.

3. Approximately 25,000 persons in families where there is no one able to work but where for age or family-membership reasons there is no eligibility for either the mother's or old-age pensions. The provision of aid to this group will be a local and State problem of a quite distinct sort.

The following appears to be a reasonably conservative estimate of the cost of the two pensions:

1. Aid to 25,000 children at an average of not less than $15 per month, or $180 per year (in 1933 the rate was $10.92 per month, which was admittedly inadequate in many counties), which will amount to $4,500,000, as compared with slightly over $2,000,000 in 1933.

2. Old-age pensions to 20,000 persons at $25 per month, or $300 per year (1933 average for eight counties was $19.60 per month), $6,000,000 for 1935.

(c) It is doubtful if adequate legislation can be enacted before June 1 which would qualify Wisconsin for receipt of Federal grants and aid, provided the Federal legislation is enacted before April 1.

Yours very truly,

THOMAS M. DUNCAN,
Secretary to the Governor.

CHEYENNE, WYO., *January 22, 1935.*

Hon. EDWARD P. COSTIGAN,
United States Senate:

Answering, approximately 8,700 persons in Wyoming over 65 years of age. Approximately 1,500 unemployables under 65. Approximately 1,200 unemployables over 65, of which 700 now receive old-age pensions averaging $12 per month. Above figures do not apply to persons in State institutions. Wyoming will be prepared after April 1 to give adequate assistance to unemployables in State, but not able to contribute any considerable amount toward work-relief program. Also after April 1 Wyoming will be prepared to join Federal program for pensions for persons now 65 or more under which Federal Government would contribute one-half of pension allowance not exceeding $30 per month.

LESLIE A. MILLER,
Governor of Wyoming.

Mr. COSTIGAN. Similarly, I ask for the insertion in the RECORD of a summary of statements in an article in Today of January 12, 1935, carrying conclusions based on like inquiries of Mr. Joseph N. Clark.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From article entitled "Relief: The Nation's Step-Child", by Joseph M. Clark, in Today, Jan. 12, 1935]

In answer to the query, Do you favor returning the relief problems to States and cities, replies from the Governors were to the following effect:

NEW ENGLAND

Maine: Relief activities must for present be carried on jointly * * * by private welfare organizations, municipalities, State, and Federal Government.

Vermont: No.

New Hampshire: Opposed to Federal Government returning to States and local political subdivisions the entire burden of caring for emergency relief.

Rhode Island: Believe time has not yet come for Federal Government to abandon all share in relief.

ATLANTIC STATES

New York: Discontinuance of Federal aid is unthinkable. Essential that full cooperation between Federal, State, and municipal Governments be continued.

Pennsylvania: Few cities and States can bear the whole cost of relief.

New Jersey: Willing to do all it can to help in matter, but cannot carry on unassisted.

Delaware: Governor Buck: "I am of the opinion that Federal Government should never have taken any part in State relief problem unless it had been to loan to States such moneys as they needed. * * * Desirable that some new policies be inaugurated, as Federal Government cannot continue indefinitely to support one-tenth of population."

SOUTH

Maryland: Maryland not only desires but needs all help it can possibly receive from Federal Government.

Virginia: Not as long as present emergency continues.

West Virginia: Governor sees the problem as a complex matter.

North Carolina: Might be able to assume larger share of its relief burden, if State and Federal tax revenues were adjusted differently.

Georgia: Yes—presumably meaning that that State is ready to assume the relief burdens within its boundaries.

Florida: Continued Federal aid is imperative.

Missouri: Not yet in condition to carry entire relief load.

Texas: Does not favor recent proposal that relief work be returned to States.

EAST CENTRAL

Wisconsin: Unless there is prompt and marked improvement in employment, necessity will compel an increase rather than a decrease in Federal aid to localities.

Michigan: Wants more information regarding nature of proposal of business groups before answering.

Illinois: Cannot consider shouldering the whole of her relief burden at this time.

Indiana: Both State and Federal Governments have definite obligations. Does not favor return of relief problems to States and cities.

Ohio: Desirable as it may be to return relief problems to States and cities, it is utterly impossible for them to bear the enormous present cost.

WEST CENTRAL

Iowa: One of the chief benefits from present Federal relief policy has been, and is, education of States in efficient social welfare administration. * * * This course of education should be continued.

Minnesota: The proposal that Federal Government return relief problems to States and cities represents reactionary viewpoint of men who fear an increase in income-tax rates if Federal Government continues relief grants.

Kansas: It is a waste of time to argue over who ought to pay for relief when the cost is so great it must be borne by all.

South Dakota: Needs help and must continue to receive it.

North Dakota: Does not favor return of relief by Federal Government to States and cities as believes this would ultimately mean the dole.

MOUNTAIN

Wyoming: Is already making plans to assume again its own relief load.

Colorado: Due to drought and depression, Colorado and her municipalities are not in shape to carry whole relief load.

Montana: Emphatically, no.

Nevada: Does not favor Federal Government returning relief problems to States and cities.

Oklahoma: Does not favor Federal Government returning entire relief problem to States.

Utah: Does not favor return of relief problems to States.

New Mexico: Opposed to proposed change.

Arizona: Impossible for this State to provide relief for her unemployed.

Idaho: The States can properly be called upon to take care of indigent poor, as they have in past, but responsibility of taking care of unemployed must rest with Federal Government.

PACIFIC

Oregon: Until conditions improve sufficiently to enable States * * * to assume this responsibility, it is necessary and right that Federal Government assume reasonable proportion of relief load.

Washington: No. Counties and cities there are unable to provide money for relief.

Mr. CUTTING. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter from the

Public Education League concerning the amendment relating to public schools, which was debated the other day, including an excerpt from the testimony from Mr. Harry L. Hopkins before the Committee on Education on March 21.

There being no objection, the letter and excerpt were ordered to be printed in the RECORD, as follows:

PUBLIC EDUCATION LEAGUE,
Washington, D. C., March 21, 1935.

Senator BRONSON CUTTING,
Senate Office Building, Washington, D. C.

DEAR SENATOR CUTTING: Although you are aware of my deep interest in the matter, I feel that I must say an added word in regard to your successful effort on the floor of the Senate yesterday in behalf of making available the sum of $40,000,000 to enable the States to maintain their public schools for the remainder of the current school year. To my deep-felt personal thanks I wish to add the very great appreciation of the Public Education League and its chief sponsor, Hon. Ross A. Collins.

There can be no doubt of the immensely helpful service you have rendered to the cause of public education, the teachers engaged in it, the children dependent upon it, and the communities benefited by it.

In the debate yesterday certain fears were expressed regarding the possible effect of the passage of your proposal on the aid to school teachers now being granted by the Federal Emergency Relief Administration. You will, I am sure, be glad to have further assurance that these fears are unjustified. I attended this morning a hearing before the Education Committee of the House. The only testimony at that hearing was given by Federal Relief Administrator Harry L. Hopkins. His forthright and clear-cut statements, a copy of which I enclose, are convincing proof of the soundness of your position.

Very sincerely yours,

RICHARD W. HOGUE,
Acting Director.

STATEMENT OF HON. HARRY L. HOPKINS BEFORE THE COMMITTEE ON EDUCATION, MARCH 21

F. E. R. A. aid to schools has been given under the power granted in the Federal Relief Act to place school teachers on relief rolls.

We have taken an arbitrary stand against granting aid to schools in cities. They can manage to keep open. We have tried to get States to reorganize their tax systems or impose new taxes to take care of the future.

We have had to deal with the whole question solely on the basis of relief to those in need. The school teacher is dealt with as an individual in need and we have the power and responsibility of determining the merit and extent of the need. We can give no aid for maintenance of buildings equipment, transportation, or other school needs.

I realize that there are very undesirable features in the present arrangement. First of all, the placing of teachers on relief rolls is anything but desirable. They are paid by relief checks. This is not the way to meet the school problem. Secondly, the F. E. R. A. is not set up as an agency competent to deal with school problems. The Office of Education is equipped to do this. We have a man assigned to help us by that Office.

Teachers should not be identified with relief. This was made necessary by the fact that Congress did not wish to provide direct aid. I feel that our office has no business handling this problem. The law, however, forbids us to turn over funds to another department of the Government. We'll do the best we can, if Congress desires us to handle the job.

The VICE PRESIDENT. The joint resolution is still before the Senate and open to amendment.

Mr. THOMAS of Oklahoma obtained the floor.

Mr. STEIWER. Mr. President, I inquire who has the floor?

The VICE PRESIDENT. A day or two ago the Senator from Oklahoma [Mr. THOMAS] gave notice that when all other amendments to the joint resolution had been considered it was his desire to offer an amendment in the nature of a second title to the measure. The Senator from Oklahoma is now recognized for the purpose of offering his amendment.

Mr. THOMAS of Oklahoma. Mr. President, when I gave that notice I made the statement that when the joint resolution had been perfected and before the question was put on its engrossment and third reading I should offer an amendment. I am willing to yield in the event any other Senator desires at this time to submit an amendment to the text of the joint resolution.

The VICE PRESIDENT. Does any other Senator desire to offer an amendment to the text of the joint resolution at this time?

Mr. McNARY. Mr. President, I do not wish to suggest anything contrary to the desires of the Senator from Oklahoma, but I do not believe other Senators may be precluded from offering amendments merely because the Senator from Oklahoma gave notice that he desired to offer a particular amendment at a particular time. The Senator from Nevada [Mr. MCCARRAN] and my colleague [Mr. STEIWER] wish to offer amendments when the Senator from South Carolina [Mr. BYRNES] is present in the Chamber. Certainly those amendments may be offered at any time before the joint resolution is ordered to be engrossed and read a third time.

The VICE PRESIDENT. That is correct. They may be offered at any time before the joint resolution is ordered to be engrossed. The Chair understood the Senator from Oklahoma to state that he preferred that the joint resolution be perfected before he offered his amendment as a second title to the joint resolution.

Mr. THOMAS of Oklahoma. Mr. President, my understanding of the rule is that at any time before the joint resolution is ordered to be engrossed, amendments are in order.

The VICE PRESIDENT. That is correct.

Mr. THOMAS of Oklahoma. And even after the amendment which I propose to introduce shall have been acted upon, if Senators desire still further to suggest or offer amendments, under the rule that may be done.

The VICE PRESIDENT. The joint resolution will be open to amendment until its engrossment shall have been ordered, and even then amendments may be offered by reconsideration of the vote by which the joint resolution was ordered to be engrossed and read a third time.

Mr. McNARY. That is very satisfactory, of course.

Mr. THOMAS of Oklahoma. Mr. President, the time I shall occupy will be devoted to consideration of the provisions of the joint resolution and the effect of those provisions. I have pending upon the table an amendment which at a later moment I shall ask to have read to the Senate, but not now unless, perchance, the Chairman of the Appropriations Committee should see fit to accept my amendment. [Laughter.]

I receive only smiles in reply. In the absence of the acceptance of my amendment, let me say that the distinguished Chairman of the Committee on Appropriations has admitted upon the floor time and time again that he is not a parliamentary expert. I am constrained to believe that he is not experienced in parliamentary strategy.

Mr. GLASS. Mr. President, I may say to the Senator that I am parliamentary expert enough to take advantage of any Senator to accept his amendment with the certainty of having it go out in conference, but I did not want to treat the Senator from Oklahoma in that way.

Mr. THOMAS of Oklahoma. Mr. President, a great general should always know of the weakness of his position. I am constrained to believe the distinguished Chairman of the Appropriations Committee is not aware of the weakness of his position at this moment. In a few moments I shall call up the amendment which is now upon the table. At this time I ask unanimous consent to offer a second amendment to the joint resolution under title II if the first amendment be defeated.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Oklahoma?

Mr. ROBINSON. I object.

The PRESIDENT pro tempore. Objection is heard.

Mr. THOMAS of Oklahoma. Then I shall read the proposed amendment and at a later time I shall call it up when I have the right so to do. I have not as yet offered my first amendment, but I have announced that I shall discuss the provisions of the joint resolution and the effect of those provisions. At a later moment I shall call up my amendment, which is now upon the table.

Mr. KING. Mr. President, has the Senator's second amendment been printed?

Mr. THOMAS of Oklahoma. It is printed in the form of a bill, but not in the form of an amendment.

My amendment is headed:

Amendment intended to be proposed by Mr. THOMAS of Oklahoma to the joint resolution (H. J. Res. 117) making appropriations for relief purposes:

"Part II—Financing—Expansion of currency thereby making it possible for the people to secure funds for payment of taxes necessary to balance the Budget and to meet the interest and principal of the bonds made necessary by the appropriation made in section 1 of this act."

Then follows the text of Senate bill 2, introduced by myself on the first day of the session, when it was in order to introduce bills. Senate bill 2 is, word for word, a copy of House bill 1, known as the "Patman bonus bill." I shall not take the time now, in consideration for the Members who do me the honor to listen to me, to read the amendment; but at the proper time I shall consider it from my standpoint as having been submitted and as lying upon the table. In the event the amendment I already have upon the table, when called up and acted upon, should be defeated I reserve the right to call for consideration of the amendment in the form to which I have just alluded.

Mr. President, our trouble is monetary. Two days ago an amendment was offered by the distinguished Senator from New Mexico [Mr. CUTTING] earmarking a part of this gigantic appropriation to pay the costs of running schools in the United States. In the discussion of that amendment it developed that New Mexico was not the only State involved. Mississippi plead guilty that that great State likewise needed money to maintain the school system of Mississippi. Not only were the States of New Mexico and Mississippi involved; the distinguished senior Senator from Massachusetts [Mr. WALSH] advised the Senate that school teachers in that great State—the State of Webster, the State of Coolidge, and other distinguished men—have not been paid for 6 months.

Why are not the teachers being paid in New Mexico? Why are not the teachers being paid in Mississippi? And why are not the teachers being paid in Massachusetts?

I have just received a telegram from my own State, from the State superintendent of public instruction of Oklahoma, John Vaughan. The telegram reads as follows:

Public-works program in relation to schools is a longer planning program than most other public works. It is urgent that funds be earmarked for public-school buildings. Oklahoma can share profitably in its part of $600,000,000 proposed earmarked funds for school buildings.

I have received a similar request for money with which to pay the teachers in my State.

Mr. President, why are these teachers not being paid? If the school boards had money, the teachers would be paid. The school boards have not the money. They either do not want to or cannot borrow the money, or for some other reason the teachers are not being paid; but that is not all, Mr. President. The teachers are not the only ones who are suffering.

Mr. President, why is it that there is not enough money in the country to pay the teachers to teach the youths of America?

The United States in the past 2 years has announced and followed a policy of making things scarce to make them high. It has killed 6,500,000 pigs to make pigs scarce, to make hogs high, and to make bacon high. It has killed cattle by the thousands to make cattle scarce, to make cattle high, and to make beefsteak high. It has curtailed the production of cotton to make cotton scarce, to make cotton high. It has curtailed the production of wheat to make wheat scarce, to make wheat high. The administration has adopted the economic policy of making products scarce to make them high, and the same policy has been adopted with regard to money.

Money is scarce; and, because money is scarce, money is high. It is so high that the taxpayers in New Mexico cannot get it. They cannot raise enough stuff in New Mexico to get money to pay the teachers in that State. They cannot raise enough cotton in Mississippi to sell it, at the price for which they have to sell it, for enough money to pay the teachers in Mississippi. I am not sure what is raised in Massachusetts, great State that it is; but the good people of Massachusetts evidently cannot produce goods or cannot catch fish and sell them for enough money to pay the teachers in the State of Massachusetts. Yet we are told that the country is full of money, that the banks are full of money, and that our trouble is not monetary.

Mr. President, the present Congress has spent 8 weeks—2 months—in the consideration of the pending joint resolution. The Senate has spent 7 weeks in the consideration of the joint resolution—a joint resolution to appropriate approximately $5,000,000,000—yet in the consideration of this measure, and it is not long, proposing to spend $5,000,000,000, how much time has been given to the consideration of the question whence the money is to come to pay the amount carried by this joint resolution? Aside from the efforts of the distinguished Senator from Colorado [Mr. ADAMS] and, I think, one or two other Senators who have spent some time in the consideration of the problem of financing this gigantic appropriation, no time was given in the committee, no time has been given by the Senate to the consideration of the all-important problem: How will the Nation finance the payment of this $5,000,000,000 appropriation measure?

Mr. President, the Congress is the policy-making branch of this Republic. This great Nation of ours is like unto a corporation. The Constitution is the charter. The laws passed by the Congress are the bylaws of the corporation. The Congress of the United States is the board of directors of this gigantic corporation. Hence the Members of the House and the Members of the Senate are nothing more than members of the board of directors of the United States corporation.

Congress may appoint agents, but agencies may be terminated. Administrations come and go. They do not last forever; but the Congress has been here for 150 years or thereabouts, and I trust the Congress may go on forever. It is the duty, the responsibility of Senators to act in the capacity of members of the board of directors of the United States chamber—I might say—of commerce, because that is all the corporation is, after all; to act as the board of directors of the United States Government.

Under the charter of this corporation the Congress has some specific and definite and important powers. The first one is to appropriate money; the second one, perhaps, is to raise money to meet the appropriations; the third important power is the power to coin money; and perhaps the fourth important power is the power to regulate the value of the money thus coined.

Mr. President, the Congress is responsible for the kind of money we have; the Congress is responsible for the amount of money we have, and the Congress is responsible for the value of the money we have. Again I say, our trouble is monetary. We have not enough money. Does anyone controvert that statement?

Go out and interview the twenty-two or twenty-three million people now upon the dole, and ask them if they have enough money. Interview the ten or eleven or twelve million unemployed in these United States; ask them if they have enough money. Ask the farmers of the Nation if they have enough money. Ask the school boards in New Mexico if they have enough money. Ask the school boards in Mississippi, the school boards in Massachusetts, and the school boards in my State. What will be the answer? But one answer, and one alone; and that answer is, "No!"

Mr. President, if the people have not enough money, who is responsible? The responsibility rests upon the Congress of the United States. It rests upon the Senate of the United States; and I am glad I have the privilege of speaking to so many Senators, because we do have a respectable executive Finance Committee if they will stay and listen to me for a little while.

Mr. President, the pending joint resolution proposes to appropriate $4,880,000,000. How much is $4,880,000,000? This joint resolution proposes to appropriate more money than there is in circulation within the confines of continental United States. As I proceed, if I make a statement that jars the conclusions or opinions of Senators, I shall be very glad to have them challenge my statements, and I will give them the proof if I have it. I welcome suggestions or questions or statements in my time.

Mr. FLETCHER. Mr. President, may I interrupt the Senator there?

Mr. THOMAS of Oklahoma. I gladly yield to the Senator from Florida.

Mr. FLETCHER. With reference to the supply of money, the member banks of the Federal Reserve System now have excess reserves of more than $2,000,000,000. This gives them a basis for expanding their loans and investments some $20,000,000,000 beyond the present level before being deterred by reserve requirements under the law. That is the situation as to the banks.

Mr. THOMAS of Oklahoma. Yes, Mr. President. The Rand mines perhaps are full of gold. Alaska perhaps has untold billions of gold. The State of the distinguished Senator who is now presiding over this body, Nevada, perhaps has untold billions of gold and silver; but who can get it? Can anyone get it? Why, in these United States now, in our strong box, we have more than eight and one-half billions of gold; but who can get that gold?

Here are the figures; but before I read the figures I desire to call attention to an article appearing in the newspapers this morning. It is on the financial page, and it is from the writings of Mr. B. C. Forbes. Mr. Forbes is a distinguished monetary expert. It seems that the distinguished Senator from Massachusetts [Mr. WALSH] received a letter from one of his constituents, and in some way this letter came into the possession of Mr. Forbes, and Mr. Forbes quotes from the letter from the files of the Senator from Massachusetts. The statement is as follows:

Senator WALSH has received from one of his constituents and a reader of this column, George W. Stetson, a letter which asks—

This is what the letter asks:

Do any of us realize what $5,000,000,000 means? A dollar bill is 6 inches long. If we had a small printing press on wheels turning out a continuous uncut strip of $1 bills, it would have to travel around the Equator 19 times in order to leave 19 bands of $1 bills in an unbroken strip behind it, to grind out the total sum.

If private industry is to be destroyed, where are the taxes coming from to pay even the interest on our Federal debt of $30,000,000,000, which alone would equal every year the encircling of the globe with five bands of a continuous strip of $1 bills?

Mr. GORE. The Senator did not mention the name of the newspaper from which he was reading.

Mr. THOMAS of Oklahoma. This is taken from the Washington Herald of this morning, I believe. I have the clipping, which someone handed to me. It is from the column prepared and submitted, perhaps to a number of papers, by Mr. B. C. Forbes.

Mr. President, Mr. Forbes says that this appropriation would make in dollar bills enough money to circle the globe 19 times at the Equator. Then he says that to pay the interest alone it would take another band of $1 bills going around the globe at the Equator five times.

I made the statement a moment ago that there is not enough money in circulation in continental United States to pay this one appropriation. Here are the facts: Yesterday afternoon at 4 o'clock there was in circulation, according to Treasury reports, the sum of $5,453,000,000. That is all the money there is outside of the Treasury.

Where is that money? According to the best estimates, $500,000,000 is abroad. That means in Alaska, Hawaiian Islands, the Philippines, Cuba, and the other nations of the world; $500,000,000 of the amount of money in circulation is not in this country, it is abroad. We cannot get it; it is not possible for us to get it.

Then, according to another estimate, a billion dollars is hoarded. That is here, but we cannot use it.

There is in the banks the sum of $714,000,000. Under the law the banks must keep that money, because it is not possible for them to get more to replenish it, so the money they have in their vaults for exchange purposes must be kept there. It is in the continental United States, it is true; but if we take the amount of United States money abroad, $500,000,000, and the gold certificates, amounting to $127,000,000, which, theoretically, are still in circulation, though not really—the certificates may be lost; they may be destroyed; they may be in foreign countries—and if we take the billion dollars which are hoarded, $714,000,000 in the banks, which cannot be withdrawn, the law requiring it to be kept there, the law keeping it locked in the vaults of the banks, and then take the gold certificates, $127,000,000, we have a total of $2,341,000,000, which we cannot get, which it is impossible to get. Subtract that sum from the total sum in circulation and it leaves $3,102,000,000, which is the amount of money the people have a chance to get somewhere at sometime. That is all the money the people have a chance, even, to get in order to meet this gigantic appropriation.

Mr. President, instead of the Government placing more money in circulation from day to day, money is getting scarcer. There is less money in circulation today than there was on the first of this year. There is almost a billion dollars less money in circulation than there was when we started to make money more plentiful 2 years ago. I well remember when I stood upon this floor and argued for more money, and we started on a program of placing more money in circulation, as I thought and as the country thought; but after 2 years we find there is a billion dollars less today than there was 2 years ago. There is $81,000,000 less in circulation at this hour than there was in circulation on the 1st of January of this year—3 months ago. Yet some people wonder why the dollar is getting dearer in place of getting cheaper. The dollar at this moment is going up in buying power. Two weeks ago the dollar was worth 125.6 cents in buying power. Two days ago the dollar was worth 125.9 cents.

We have heard about inflation; but, Senators, deflation is the thing that is on us. Deflation has been on us for these years. It is on us now. Everything Congress does is deflationary. The whole policy of the United States is one of deflation.

Since we started on the policy of making money more plentiful we have taken all the gold money out of circulation. That is deflationary. We have taken all the gold certificates out of circulation. That is deflationary, because no other money has been placed in circulation to take the place of the gold withdrawn. No other money has been placed in circulation to take the place of the silver and gold certificates which have been withdrawn. That is the reason why the amount of money in circulation today is a billion dollars less than it was 2 years ago. Yet people wonder why it is that they have not any money; they wonder why it is they cannot get money. It is because the money does not exist.

I made the statement a moment ago that there was not enough money in practical circulation to meet the requirements of the pending appropriation measure; and I pause for anyone to challenge that statement.

I will make another statement: There is not enough money in all the banks of the United States at this hour to pay the interest on the national debt for 1 year. Does anyone challenge the statement that at this hour there is not enough money in all the banks of the United States—15,000 of them—to pay the interest on the national debt for 1 year?

When I speak about money, I refer to the kind of instrument with which one could buy a ticket to New York, which means paper money or silver money. Those are the only kinds we have now. There is no gold money in circulation, and no gold certificates in circulation, but if there were gold certificates in circulation they would be paper money nevertheless. That is the reason why I have chosen to spend some little time in discussing the question of the condition of the finances of the United States.

Mr. President, let me call attention to a second fact. Two years ago we passed a bill providing for the devaluation of the gold dollar. That meant reducing the number of grains of gold in the gold dollar, because at that time we were on a gold standard in the United States. The Gold Standard Act was passed in 1900, and by that act it was provided that the gold dollar should contain 25.8 grains of gold 0.9 fine, and that that number of grains of gold should be the

standard of all the money in the United States. So when we passed the bill 2 years ago providing for devaluation that was the size of the dollar we had. Congress authorized the President to reduce the content of the gold dollar as much as 50 percent, to cut the gold dollar in two, and make two dollars out of one.

When I presented the amendment on a former occasion, I used some illustrations in order to make my point clear, and I choose to follow a similar course today. I now exhibit to the Senate a piece of cardboard about the size of a dinner plate. In order that Senators may know what I am talking about I will, for the purposes of my argument, call this piece of cardboard a gold dollar.

This piece of cardboard the size of a dinner plate contains, for the purposes of my argument, 25.8 grains of gold 0.9 fine. We gave the President power to cut this gold dollar in two and make two dollars out of one, and if he had exercised that power, I will show Senators by folding the cardboard what the President would have done with the gold dollar. He would have cut the gold dollar in two, and the new gold dollar would have been one-half of the old gold dollar.

The President did not see fit to cut the dollar exactly in two and make two equal halves. He saw fit to take only 40 percent out of the gold dollar and to leave 60 percent of gold in the gold dollar; and if Senators can see what I am attempting to show them, they will notice that this cardboard is so cut as to indicate the amount of gold the President took from the gold dollar. He took the amount which I now exhibit to the Senate, which represents 40 percent of the old gold dollar. In effect, he took this much out of each gold dollar and put the 40 percent in a separate pile. But before he did that, of course, he called the gold in. He could have taken this much out of the gold dollar [indicating]. Every American dollar one gets abroad is a gold dollar. Every dollar we get at home is not a gold dollar but a commodity dollar, and these two dollars have different values. The dollar abroad does not have the same value today as has the domestic dollar. It has the value of 15.521 grains of gold. But here at home the dollar has no relation to gold. It is not redeemable in gold. One cannot get gold for his dollar. So the dollar we have today has no relation to gold. It is not backed by gold. Possibly we have the gold in the Treasury, but it is not where people can get it.

When the President took this much of the gold dollar out of it he reduced the value of the dollar by 40 cents. At that time we had $40,000,000,000 of money in circulation. It was called "money." It was mostly credit in the banks. We had five billion plus dollars of real money, and about $35,000,000,000 of credit or deposit money, which made a total of $40,000,000,000.

When the President issued his order and reduced the value of each dollar by 40 percent, as he thought, how much buying power did he destroy by that act? Multiply $40,000,000,000 by 40 percent. The product is $16,000,000,000. So, when the President issued his order reducing the value of the American dollar 40 percent, he reduced the value of the bank deposits, as he thought, no doubt, the 40 percent, and that 40 percent amounts to $16,000,000,000 destroyed. If that was not the result, then the President no doubt was mistaken in his policy. But to the extent that he was correct, he by that act destroyed the value of the bank deposits, if not 40 percent, upward toward 40 percent, and if not the total sum of $16,000,000,000, a sum approximating $16,000,000,000.

After devaluation the people owning bank deposits did not have, and do not now have, the buying power they had before the 40-percent reduction. The only way the President could have restored that $16,000,000,000 of value which he took from the dollar was to put the gold money back in circulation or put paper money in circulation to the extent of the value represented by so much gold. He did not do so; he has not done so; and today, after 2 years, deflation is still running. The people who had bank deposits have buying power as represented by those bank deposits in the approximate sum of $16,000,000,000 less than they had when we started our program of making money cheaper. And yet some people wonder why prices have not gone up!

I am not criticizing the policy of the President. If we had not passed that monetary amendment 2 years ago, I doubt whether we would be here in the Senate today. I doubt whether the Senate would be in session if that amendment had not been adopted. Had we not adopted that amendment or some other amendment accomplishing the same thing or approximately the same thing, we would still be on the old gold dollar. It would have contained the same amount of gold as before—25.8 grains of gold, 0.9 fine. What effect would such a dollar have today upon prices?

Take wheat, for example. Wheat is a world commodity. The price of wheat is not fixed in the United States; it is fixed throughout the world; and the price of wheat is based upon gold. The price of wheat on every exchange in the world is fixed upon gold. A bushel of wheat is worth so many grains of gold throughout the world, making allowance for transportation, insurance, and so forth.

I make the statement that had the Congress not ordered the devaluation of gold, and had the President not acted, the farmers of America, instead of receiving today 90 cents a bushel for their wheat, would be receiving less than 50 cents a bushel. Does anyone challenge that statement?

For fear that the RECORD will not show what I mean I will make one or two further statements. If one were in London today he could take 60 cents' worth of gold on the old valuation, the amount illustrated by this card, and buy a paper dollar. With that paper dollar he could buy a bushel of wheat and have 10 cents left. By this simple transaction he would have a bushel of wheat and 10 cents. If he converts his 10 cents back into gold he has 6 cents in gold. Take this 6 cents from 60 cents and it leaves 54 cents in gold. So had we not devalued the gold dollar, wheat today would be selling in the Northwest and in my State for 55 cents on the exchanges, and the farmers in Oklahoma have to pay the transportation, they have to pay the insurance. There would be about 10 cents a bushel deducted to pay those expenses, so that the farmers of the West and the farmers of Oklahoma instead of getting 55 cents would be getting in the neighborhood of 45 cents a bushel for their wheat.

Some Senators representing the cotton States are doing me the honor to listen to me. Had we not devalued the gold dollar, Mr. President, the cotton farmers of the South would not today be receiving 10 cents a pound for their cotton. Cotton is a world commodity. A bale of cotton is worth so many grains of gold throughout the world. Had we not devalued the dollar the cotton farmers of the South this afternoon would be getting less than 7 cents a pound for their cotton. And, Mr. President, suppose those prices had been maintained for the past 2 years, does anyone imagine the farmers' strikes yonder in Iowa and the far Northwest would have abated? I should hope they would have, but I fear they would not have. The farmers of the West cannot live on 45-cent wheat; the cotton producers cannot live on 7-cent cotton; and, because they cannot live on those prices, the strikes would not have abated. They would have become intensified, and I fear they would have reached Washington. Then the results can only be imagined.

I made the statement a moment ago that at this hour there is not enough money in all the banks of the United States—and there are around 15,000 of them—to pay the interest on the national debt for 1 year. By money, of course, I mean the kind of money one can use in dealing with a stranger. I am not talking about what is frozen in the banks; I do not know what is frozen there, but whatever the amount may be, it cannot come out at this time. It is not coming out now, and I am content to let it remain for the time being.

Mr. President, the record shows that the United States is in debt today, as evidenced by outstanding bonds and bills and notes, to the extent of $28,500,000,000. It is estimated that by the end of the present fiscal year, which will be June 30, the national debt of America will be $30,000,000,000. It

is estimated that at the end of the next fiscal year the national debt will be $35,000,000,000.

I have a statement in my hands from one of the financial magazines, which shows that the banks hold half of the United States debt. Then I have another statement which purports to quote the distinguished chairman of our committee, the Senator from Virginia [Mr. GLASS], and I think it correctly quotes him. For the RECORD I will read this statement.

The existing outstanding indebtedness of the United States is approximately $28,000,000,000.

Listen, Senators.

I am still quoting Senator GLASS—

of that amount, $15,364,000,000 is piled up in the banking institutions of the country. Some of the banks have as much as 60 percent of their entire assets invested in Government securities.

So said Senator GLASS. At the end of this year, Mr. President, we will have a debt of $30,000,000,000, and already the banks have more than $15,000,000,000 of that indebtedness piled up in their vaults.

What is the interest upon this indebtedness? I am quoting from the Comptroller's report. On December 31 of the year 1934 the Comptroller estimated the total indebtedness to be $28,478,700,000. Of that sum, the part that was interest-bearing was drawing interest in the sum of $827,000,000. So already the total interest which we are now paying on the national debt is $827,000,000.

How much money have the banks? Here is a statement from the Comptroller in which he said that the total which the banks of the United States have in their vaults as of date June 30, 1934, is the sum of $714,000,000. Seven hundred and fourteen million dollars cash in their vaults! Interest, $827,000,000! In other words, the banks not only do not have enough money with which to pay the interest but they lack over $100,000,000. Yet learned gentlemen and even Senators will make the statement that the banks are full of money, and it is not the lack of money which is the trouble with the United States.

The report of the Comptroller of the Currency shows that all the banks have of deposit money, that is, imaginary money, confidence money, a total of $46,000,000,000. Of this sum, $17,000,000,000 are in demand deposits. So the banks only have $17,000,000,000 which the people can go to the banks and write their checks for and secure. The balance, no doubt, is in time deposits which it takes some time to secure.

Mr. ADAMS. Mr. President——

Mr. THOMAS of Oklahoma. I yield to the Senator from Colorado.

Mr. ADAMS. I call the Senator's attention to the fact that in the $46,000,000,000 are included some $4,000,000,000 of interbank deposits which appear twice; so that the actual amount of deposits which may be drawn by individual depositors is not over $42,000,000,000.

Mr. THOMAS of Oklahoma. I thank the Senator for his suggestion. He is absolutely correct. I did not care to go into the details. Much of this money has been placed in the banks by individuals in the form of deposits. The bank sees fit to carry a balance in a larger town. The money goes to a bank in the larger town and is recorded on its books, and then the bank in the larger town sends it to a still larger city, and it finally gets to New York. All the time these bank deposits are being pyramided, and, instead of being $46,000,000,000, the amount is probably much less than $42,000,000,000, and of that sum there are only $17,000,000,000 of demand deposits, and the banks have over $15,000,000,000 of bonds. In other words, the margin between the amount of bonds the banks hold and the amount of their demand deposits is approximately only $2,000,000,000.

I wonder if that is the reason why the President called to the White House the distinguished Chairman of the Committee on Appropriations, had a conference with him, and told him that it would be dangerous for the Senate to approve the McCarran amendment, on the ground that if the McCarran amendment should be approved it would cost a billion and a half dollars more than would the so-called "Russell amendment." There may be some connection between the two. The margin is getting slight; it is getting narrow.

The banks have $17,000,000,000 on deposit and hold fifteen and a half billion dollars in bonds. There is a margin of only a billion and a half dollars between the amount of bonds they hold and the amount of their demand deposits, and the President, so the Senator from Virginia states, said that the credit of the country would not safely stand the adoption of the McCarran amendment, which would increase the appropriation, from the standpoint of some economists, by the sum of one billion and a half dollars.

Mr. ADAMS. Mr. President, will the Senator yield merely for an inquiry?

Mr. THOMAS of Oklahoma. I yield.

Mr. ADAMS. I should like to inquire whether or not the $15,000,000,000 of bond securities held by the banks include securities held by the Federal Reserve banks, or is the computation limited to the commercial banks?

Mr. THOMAS of Oklahoma. It is my understanding that the $15,000,000,000 in bonds referred to are the bonds held by commercial banks, the 15,000 banks of the country, the national banks, the State and private banks, and, of course, trust companies doing a banking business are either State banks or private banks.

Mr. ADAMS. If that were true, there is a much greater amount of bonds held by all the banks, if the Federal Reserve banks be included, because they hold very large amounts of Government securities.

Mr. THOMAS of Oklahoma. In order that the record may be complete, I will ask at this point to place in the RECORD the portion of the speech of the Senator from Virginia referring to the particular matter to which I have alluded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

Mr. GLASS. Mr. President, I think I should say a word or two that will tend, I hope, to acquit the President of the United States of any suggestion or intimation of inconsistency in his attitude toward the respective opposing amendments to House Joint Resolution 117.

Distinguished lawyers, Members of this body, have failed to discern any material difference between the two amendments. Notably this may be gathered from the speech of the Senator from New York [Mr. WAGNER]; but a layman may discover this very practical difference between the two amendments. The President of the United States authorized me to say to the Senate that he would veto the one, and he authorized the leader on this side of the Chamber to say that he would approve the other. * * * In this connection he said that the additional expenditure of a billion and a half dollars would so tax the credit of the United States in the circumstances that he could not bring himself to approve the amendment.

I need not repeat the statements and accompanying figures which I used week before last in discussing this matter. The credit of the United States today is entirely taken care of by the banks of the United States, and not by the investing public. The Treasury issues are apportioned to the banks of the United States, and their portfolios are overflowing with Treasury securities. It is stated upon reliable and high authority that a depreciation of 10 percent in these securities would render insolvent 90 percent of the banks of the country.

If that should occur, Mr. President, let us see in a word what would happen to the laboring classes of the country. It would mean not only the break-down of the credit of the United States as a government but it would have disastrous effect upon every State, upon every municipality, upon every subdivision of every State. It would have disastrous effect upon every corporation, upon every individual concern that must transact its business by the issue of securities. It would mean a curtailment of employment instead of a cure for unemployment. It would be a vastly greater menace, and is today a vastly greater menace, to the working classes of the country than the 3,500,000 idle people now on the relief rolls, and that is menace enough.

So there has not been one particle of inconsistency on the part of the Chief Executive in signifying his opposition to one of these amendments, and his readiness to approve the other.

That is all I care to say.

Mr. FLETCHER. Mr. President——

Mr. THOMAS of Oklahoma. I yield to the Senator from Florida.

Mr. FLETCHER. In order to be definite and accurate regarding the holdings of Federal Reserve banks, let me

say that I have a statement from the Comptroller to the effect that the Federal Reserve banks, as of December 31 last, held $2,450,000,000 of Government securities. The remainder are held by commercial and other banks.

Mr. THOMAS of Oklahoma. Further answering the inquiry submitted by the distinguished Senator from Colorado and commented on by the distinguished Senator from Florida, the Federal Board's statement of March 14 recounts that United States Government securities owned by the Federal Reserve System amount to $2,430,000,000, and that is in addition to the fifteen and one-half billion dollars owned by the 15,000 National, State, and private banks of the United States.

Mr. President, the pending joint resolution, I may say, carries $5,000,000,000; but that is not the only money this session of Congress is appropriating. When we shall have concluded our labors we will have appropriated at least four and one-half billion dollars more. Then add the four and one-half billion regular appropriations to the five billion special appropriation, and what will be the sum when we shall have concluded our efforts? The total appropriations by this session of Congress will be somewhat in excess of $9,000,000,000. We only have five and one-half billion dollars in circulation. Of that sum only three billion are where people can get the money. The total amount of money in circulation throughout the entire United States, which the people can possibly get, is one-third the amount of money the Congress will appropriate at this session for all the purposes for which money is being demanded.

Mr. KING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Utah?

Mr. THOMAS of Oklahoma. I gladly yield.

Mr. KING. Is it quite accurate to say that there is only that much which the people may get? The reason I propound the question is that a gentleman who is a banker came to me a few weeks ago and said he had been trying to arrange loans. The bank had $9,000,000 to loan and were very anxious to put it out at interest, because they were getting but little interest from much of their deposits, but he could not find anyone who would borrow.

There is, as the Senator has indicated, an abundance of money in the banks. The only question is furnishing the security which the banks require and which they are entitled to have, because the moneys they have are not their own but belong to their depositors. I was wondering if the Senator was quite accurate in stating that the people cannot get money?

Mr. THOMAS of Oklahoma. I realize that some people can get money. The Senator from Utah confuses money. Some people still believe that the banks are full of money. I have heard that statement made upon the floor, that their vaults would not hold the money that is now in the banks. Some people do not know but that the banks having "on deposit" $40,000,000,000 have $40,000,000,000 of money in their vaults. A few years ago when I was a member of another body I appeared before the great Ways and Means Committee of that body in advocacy of the payment of the soldiers' bonus. I wanted the bonus then paid in cash; that was 10 years ago, and I have not changed my attitude. I made the statement that at that time the 30,000 banks of America had on deposit $55,000,000,000 in "money", so called. Then I concluded with the statement that "Tonight when the banks close and their books are balanced the 30,000 banks altogether will not have as much as $1,000,000,000 of real money in their vaults." I was taken to task by an eminent statesman—I will not mention his name, but he is not far away, though not in the Chamber—I was taken to task and asked this question: "Do you mean to tell this committee that the banks have $55,000,000,000 on deposit and that tonight they will not have $55,000,000,000 of real money in their vaults?"

I was fortified; I had the Comptroller's report; and I pointed out that the banks did have at that time $55,000,000,000 on deposit, but they had only a little more than $700,000,000 cash in their vaults less by $300,000,000 than $1,000,000,000.

I imagine that eminent statesman still thinks I was on thin ice and that the banks had $55,000,000,000 in their vaults, and believes that today the banks have $40,000,000,000 in gold or silver or paper or some kind of money which they can draw out. I am afraid he will never know any differently.

Mr. President, I stated a moment ago that our present bonded indebtedness was twenty-eight and a half billion dollars. By the end of the present year it will be $30,000,000,000, and by the end of next year it will be $35,000,000,000.

Then we have another public official of this Government who is now the head of the Federal Reserve Board, and, inasmuch as I have mentioned his position, I will give his name. I refer to Governor Eccles. Governor Eccles says that it is much cheaper to borrow money than it is to print it and pay it out; and, because it is cheaper to borrow money from the banks and use credit money in the financing of our deficits, he proposes, so the inference is, to keep on borrowing indefinitely, $4,000,000,000 or $5,000,000,000 this year, five or six or seven billion dollars next year. Each year the amount is getting greater. If a few years ago one had mentioned the dole in this Chamber, some of the old Senators, I am afraid, would have fallen from their chairs as if stricken with some fatal disease. We did not dare to speak about the dole 4 or 5 years ago, except in a whisper, and then those of us who were in favor of giving the people some food were called "reds" and radicals and inflationists. Now the Governor of the Federal Reserve Board says that it is cheaper to print bonds and sell the bonds and borrow money and use that money to pay our deficit than it is to print some money and put that money in circulation.

Mr. ADAMS. Mr. President——

Mr. THOMAS of Oklahoma. I yield.

Mr. ADAMS. The Senator has given a great deal of time and study to economic questions. Does he think the statement of the Chairman of the Federal Reserve Board is sound or correct?

Mr. THOMAS of Oklahoma. Of course, I do not. I do not mean by that that I am in favor of printing a lot of money. No one can find in anything I have stated at any place the suggestion that I have been favorable to printing vast sums of money and placing that money in circulation. I have always had an objective, the objective being the 1926 price level. I have always said I do not know how much money it will take to bring back the 1926 price level. I am in favor of printing money, if necessary, of putting that money in circulation, of making money plentiful, of making it cheaper, for as money goes down prices go up. Then, when prices go up to the 1926 price level I would stop the issuance of money. It might not take much; it might take some; but that is my goal.

Mr. TYDINGS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Maryland?

Mr. THOMAS of Oklahoma. I yield.

Mr. TYDINGS. I do not want to interrupt the earnest and serious and well-considered remarks of the Senator from Oklahoma, but I hope he will not mind a little humor. It has often occurred to me that one way we could wind up the depression would be to issue to every man a printing press with a money-cutting die on it. That would end the depression in a very little while.

Mr. THOMAS of Oklahoma. If the Senator from Maryland considers that humor, I am glad to have it injected into my speech. Humor is often displayed upon the floor of the Senate. Sometimes people are humorous when they intend to be serious. Sometimes they are serious when they intend to be humorous.

My distinguished colleague [Mr. GORE], who does me the honor to listen, frequently tells timely and appropriate jokes. A few days ago he made the statement that a circus came to town. It was a poor town to which the circus came. There was not much money in the circus. Circus folks like money, but none of the performers or employees had any

money. The animal trainer was broke and went to the snake charmer and borrowed a dollar. The snake charmer had a dollar but he needed the dollar, so he went to the elephant trainer and borrowed a dollar from the elephant trainer. The elephant trainer in turn borrowed a dollar from the trapeze performer. The trapeze performer, money being very scarce, got hard up and borrowed a dollar from the giant. The giant got hard up and borrowed a dollar from the dwarf. The dwarf got hard up and borrowed a dollar from the bearded lady. Finally there was nobody else to borrow from, so the bearded lady had to borrow a dollar from the clown. Nobody had any money, but somehow the clown found a silver dollar, and, being an honest clown, he paid his debt to the bearded lady. The bearded lady paid the performer from whom she had borrowed the dollar, and it went through the hands of the dwarf, the giant, the snake charmer, and finally back to the clown. The inference was that one dollar was enough to settle all those obligations.

Let us consider that joke for a moment. When they had all completed their borrowings, every member of that circus troop was a debtor. Every man owed somebody else a dollar. All of them were debtors; every member of that circus group, save the clown, who was a creditor. The only one having a dollar coming to him was the clown. During all the years I have stood upon the floor of the Senate talking about money I have had that clown in mind. He happened to find a silver dollar and wiped out all of those debts. What would have happened if the clown had not found that silver dollar? The whole circus troop would be on the dole today. [Laughter.] The circus itself would be down at the R. F. C. trying to borrow money with which to pay its expenses.

Mr. President, our troubles are monetary. All the officials of the Government are considering problems having to do with money and the great Congress of the United States is considering just one problem, the spending of money, and giving no consideration whatsoever whence the money is coming.

There is not enough money in actual circulation to pay the amount of the pending appropriation. Let me say, in passing, I am supporting the appropriation. I am going to vote for the appropriation. There is no alternative. I cannot be a party to saying to 22,000,000 people, "So far as I am concerned you can starve, you can go naked. Summer is coming. Go out and establish a nudist colony some place and eat worms." [Laughter.] What chafes me is that this great Congress of the United States for more than 5 years has delayed serious consideration of the money problem. There is no other problem half so important in our domestic economy as the money problem.

Not enough money is in circulation to pay the proposed appropriation carried in the pending joint resolution. Not enough money is in circulation to pay the regular appropriations. Not enough money is in all the banks of the United States to pay the interest on the national debt for 12 months. Yet we are told there is plenty of money.

There is not enough money in circulation even to be used for the purchase of the necessary quantity of seed we ought to have, and spring is coming. I propose, if I can, to plant a few silver dollars in the hope they may germinate. I choose silver because I think we have a little chance in planting silver and not a chance in planting any other kind of money. In the event the Senate shall not see fit to plant silver, I will be in favor of planting some paper money.

With my convictions on this subject, in view of what I know about the condition of the country, from this time henceforth there is going to be little peace in the Senate until the money question is given consideration. Of course I cannot demand that anything be done. I cannot force anything to be done. But perhaps I can continue making myself obnoxious, if that be the proper term, until something shall be done.

The Senator from Virginia [Mr. GLASS] has dominated the financial policy of the United States for a quarter of a century. I pay him a deserved compliment. No man in the world has had as much to do with shaping the policies of the world's finances as has the distinguished Chairman of the Appropriations Committee through his influence upon the monetary system of the United States. The system of money in the United States controls the system of money in all the other nations of the world. If it does not, it can. If it does not, in my judgment it must.

Today there is only about $20,000,000,000 of monetary gold in all the world, and of that sum we have more than $8,500,000,000. We have enough gold to control the price of gold and the operation of gold as money in all the nations of the earth.

There are only 10,000,000,000 ounces of silver in the world which can be used for money—10,000,000,000 ounces! India has 4,500,000,000 of that 10,000,000,000 ounces; China has 2,500,000,000; the United States has 1,000,000,000 ounces. There is not much more. Mexico has some silver, South America has some silver, and other nations of Europe, such as Great Britain, have some silver. Russia and Germany have small amounts. The United States can control the gold of the world, as we are doing today. The United States can control the silver of the world. We are practically doing it today. We have raised the price of silver from 24 cents to 58.75 an ounce, as I believe it was last night; we have more than doubled the value of silver in the silver markets of the world. If we continue our silver policy, as I hope we shall, and my amendment provides for that course, the silver in the dollar will soon be worth a dollar.

Mr. President, as an antique and as an example, I carry a silver dollar, which I now display to the Senate. From its appearance one might think it was the silver dollar the clown found and paid to the bearded lady. I exhibit it to the distinguished Senator from Virginia [Mr. GLASS].

Mr. GLASS. I have one also! [Exhibiting a silver dollar.]

Mr. THOMAS of Oklahoma. The distinguished Senator has turned silverite. I welcome him to the fold.

Mr. WHEELER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Montana?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHEELER. The Senator from Virginia has not turned silverite. He had turned silverite long before the Senator from Oklahoma did, because in 1896 he was in the Chicago convention, and his name appeared as one of those who recommended the remonetization of silver by this country alone.

Mr. THOMAS of Oklahoma. I yield to the Senator from Virginia to offer his defense. [Laughter.]

Mr. GLASS. Mr. President, what is the use of the Senator from Montana referring to my juvenile antics? I am a grown man now. [Laughter.]

Mr. WHEELER. I think the Senator was much wiser then than he is now. That is the reason why I called attention to it.

Mr. THOMAS of Oklahoma. Mr. President, when we started out on our monetary program silver was worth 24 cents an ounce.

Mr. GORE. Mr. President——

Mr. THOMAS of Oklahoma. I yield to my colleague.

Mr. GORE. The silver dollar which I started in circulation the other day seems to have acquired considerable currency. The point to the story as I told it was that one silver dollar liquidated $40 worth of debts; that it did not take $40 to liquidate $40 worth of debts. My colleague inquires, "What if the clown had not found the one silver dollar?" My monetary science has not reached the point where we can pay debts without any dollar at all, and if my colleague has some plan of that sort I am rather disposed to support it.

Mr. THOMAS of Oklahoma. Mr. President, let me answer that suggestion, and I will yield again.

Two years ago, from a seat just to my rear, I made the statement that the amendment I then was proposing had possibilities of transferring $200,000,000,000 from one class to another, not in dollars but in value. Some old Senators who were here then almost collapsed. As I look around

today I find they are not here. The administration then in power, running wild with a high hand, is not now in power and those Senators are not here. No one seemed to know what I was talking about.

This is not an abstruse question. It may not be kindergarten stuff, but it is certainly not Einstein stuff. The amendment was adopted, and let me recount its effects up to date.

The power conferred by the amendment has only been partially exercised by the President; but a few days ago, in the Supreme Court of the United States, a decision was handed down, and the effect of that decision was that the people and the governments and the corporations that owed gold bonds could pay those gold bonds with $69,000,000,000 less money than they could have paid them with had the amendment not been adopted. That is the saving on only $100,000,000,000. There is a total indebtedness of that kind of $250,000,000,000. If the people were saved $69,000,000,000 on the first $100,000,000,000, they will be saved another $69,000,000,000 on the second $100,000,000,000 and a corresponding amount on the $50,000,000,000 more; and that is conservative. Already, according to the Supreme Court decision, the debtor class have been saved the gigantic sum of almost $175,000,000,000. The people in my State of Oklahoma, debtors that they are, would have been penalized had that amendment not been adopted, and they have been helped because it was adopted.

Mr. GLASS. Mr. President——

Mr. THOMAS of Oklahoma. I yield to the Senator from Virginia.

Mr. GLASS. The Supreme Court also decided that Congress was guilty of repudiation—that is, of cheating the creditor class. Of course, if we are going to repudiate, we need not pay anything.

Mr. GORE rose.

Mr. THOMAS of Oklahoma. Does my colleague desire to make a further statement?

Mr. GORE. Yes; I do at this point.

Of course, we are all sometimes serious and sometimes humorous, as my colleague suggests; but there is a serious problem that challenges solution, and what I had in mind was the larger problem.

In 1929 there was a little less than $5,000,000,000 in circulation in the United States. The total payments made through banks in that year aggregated $1,200,000,000,000—payments made with a basis of less than five billions of actual money in circulation. In 1931 the total payments fell down to six hundred billions. They were off 50 percent. The money in circulation had not diminished 50 percent. Here is an acute point in this controversy, and I should like to hear my colleague discuss it, because I am fully aware of his familiarity with it:

In the last week of October 1929, the week of the crash, there was in circulation in the United States a little less than $4,900,000,000. At the peak of the boom and at the point of the crash there was less than $4,900,000,000 in circulation. On the 13th of March 1933, 9 days after Mr. Roosevelt was inaugurated, at the low-water mark of this depression, there was $7,500,000,000 in circulation in the United States. The amount of money in circulation had increased 50 percent, prices had fallen 50 percent, and the volume of business had declined 50 percent.

If increasing the quantity of money automatically increases prices, when the volume of money on March 13, 1933, was 50 percent higher than it was when prices were at their peak in 1929, it would seem that prices would have responded to the increased volume of money in circulation. If prices had behaved as they should, they would have gone up 50 percent instead of going down 50 percent, but prices ignored the fact that the volume of money had increased 50 percent.

That is what I had in mind with reference to a limited number of dollars discharging a large volume of indebtedness.

Mr. THOMAS of Oklahoma. Mr. President, that gives me an opportunity to make a statement which I had not intended to make.

At the time referred to by my distinguished colleague, in 1930, we did have in circulation bank-deposit money to the extent of almost sixty billions, just a few millions less than sixty billions; fifty-nine billion eight hundred and some million dollars. Before the crash came we had unlimited confidence, and we had practically sixty billions of this deposit money that served as money in the banks. With sixty billions of deposit money, which the people considered good—and it was good—there was no occasion for a large amount of actual money. So the larger became the deposits in the banks, the smaller the amount of bank change; and the bank change went down to about four billion two hundred millions, when we had sixty billions in the banks with confidence reigning supreme.

Then when the crash came and the people wanted their money, they began going to the banks and the banks began to pay in real money. They did not have much of it. They soon paid out what they had and all they could get, and from that day to this 5,000 banks have had to fail and close their doors. In good times, with confidence reigning supreme, it is not necessary to have so much real money; but now, when the bank-deposit money is frozen in the vaults and cannot be had, I contend that there is no alternative excepting to supplant that frozen money with real money to the extent that may be necessary to thaw out the $40,000,000,000 now frozen in the vaults of the banks of the Nation. It cannot be done otherwise.

I heard an illustration made at one time, I think on the Senate floor. Suppose up here at the Great Falls of the Potomac, in the winter time, ice breaking up, coming down the Potomac River, gets into an ice jam. The narrow gorge is filled with ice, not moving, immovable. That ice jam could not be jarred out with one stick of dynamite, nor with two. It would take tons and perhaps carloads of dynamite to get that ice jam out of that narrow gorge in the Potomac River. When the ice jam is out, no more dynamite is necessary, but to start the river flowing might necessitate very much dynamite. That is the illustration I desire to make now—that to get these bank deposits liquefied, to get them unfrozen, may take a gigantic sum of money; but, if it does, when they are thawed we can withdraw the money from circulation.

The Federal Reserve System now owns two and a half billions of bonds. If money becomes too plentiful, the Federal Reserve System can commence selling those bonds and requiring the purchasers to pay cash, and draw the money right out of circulation, just as water is taken out of a bucket with a sponge.

Mr. GORE. Mr. President——

Mr. THOMAS of Oklahoma. I yield to my colleague.

Mr. GORE. I desire to say at this point that I think my colleague has put his finger on the vital spot in the situation. I think it is lack of confidence. I think confidence is the breath of the life of credit and of business; and if we could revive confidence we could revive business.

That raises this conundrum—whether business is dull because money and credits are scarce, or whether money and credits are scarce because business is dull. The fact that one trillion two hundred billion of payments were made in 1929 on the basis of less than five billions of cash would indicate that business is not necessarily dull because money and credits are scarce, but that money and credits are scarce because business is dull; and I desire to say in closing that that theory was laid down by Thomas Tooke, I think one of the greatest English authorities on this subject, 100 years ago. His contention, during a depression of that time, was that business was not dull because money and credits were scarce, but that money and credits were scarce because business was dull. The wind does not stand still because the sea is calm. The sea is calm because the wind stands still; the wind does not blow.

Mr. THOMAS of Oklahoma. I thank my colleague for his contribution. I understand his statement to be that if in some way we can get confidence reestablished, we can thaw out the money now in the banks, and create a lot more of the same kind of money. I think that is correct;

but how are we going to thaw out these frozen deposits? How are we going to prime this pump?

That brings me back to another suggestion. In all the discussions about money for the past 4 or 5 years, someone constantly suggests, "Well, we will appropriate some money. We will create the Reconstruction Finance Corporation and give them two or three billion dollars to loan, to prime the pump." We have been doing that now for 5 years, appropriating money to prime the pump, and the pump is still unprimed.

What have we been using with which to prime the pump? Those Senators who have been raised on a farm are familiar with the old-fashioned pump, the handle of which has to be shaken up and down, and after a while, if the pump is operating, water begins to come from the pump; but if the pump is dry, the pump must be primed. You can put some water in the pump to prime it. Then, if you prime the pump with water, and there is water in the well, and the pump is otherwise efficient, you will begin to get some water. If, however, there is no water in the well, what are you going to do? If there is no water in the well you can prime the pump for 5 years, and you will not get any water back. You may have a hard time to get your priming-water back.

That is the condition today. We are priming a pump in a well where there is no water. My distinguished seat mate, the eminent Senator from Maryland [Mr. TYDINGS], suggests, in a whisper, "Everybody is waiting for a spring to break out somewhere."

Mr. President, we have been trying to prime the pump for 5 years. What have we been trying to prime it with? We have tried to prime the pump with air. We have tried to prime the pump with confidence. We have tried to prime the pump with credit. We started out when the national indebtedness was $16,000,000,000, and we borrowed what we termed "money", and increased the national indebtedness from $16,000,000,000 to $30,000,000,000 as it is now or will be soon, and we poured into the pump that $14,000,000,000 of borrowed money, so-called, but, in reality nothing but confidence, nothing but credit, nothing but air; we have poured that air into the pump, and we wonder now why we are not getting any money from the pump. Did it not ever occur to responsible officials that if you want to prime a water pump you put water in the pump, and if you want to prime a money pump you put money in the pump?

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). Does the Senator from Oklahoma yield to the Senator from Florida?

Mr. THOMAS of Oklahoma. I gladly yield.

Mr. FLETCHER. Following up the suggestion of the junior Senator from Oklahoma [Mr. GORE] that we must have a business need for the money, has the Senator any way to suggest to put to use the money to which he refers? Is there any plan whereby it can receive some velocity, some turnover, and by which there can be created some use for the money? There seems to be a question as to whether supplying more money would get us anywhere unless business should increase. The business demand seems to be quite well supplied, so far as we can gather. There are $2,000,000,000 of excess reserves in the banks, and the banks are willing to have them go out if business demands them. But apparently there is need of reviving business and creating a commercial need for credit and currency. That is the problem to which we should address ourselves, it seems to me, rather than create more money. If we cannot find any use for money, why create it? What good would it do? We have apparently enough money now to serve the commercial needs of the country, and what is lacking is more business. Can we get that started?

Mr. THOMAS of Oklahoma. Mr. President, I welcome the suggestion of the distinguished Chairman of the Committee on Banking and Currency, and the statement just made by him is an explanation why the monetary bills which have been acted upon by the Senate, and which have been of any benefit to the country, have not come from his committee. They came from another committee. The distinguished chairman of that committee, the Senator from South Carolina [Mr. SMITH], does me the honor to listen to me. It was the committee over which the distinguished Senator from South Carolina presides that was responsible for the monetary amendment 2 years ago, and I think largely responsible for the silver amendment last year. I will not take time to go into that.

Until Senators acquire a different viewpoint from that which they have now we are going to keep on the present trend. We are better off than we were 2 years ago, better off than we were a year ago. Two years ago Senators across the aisle were numerous, but they were silent; and today there are scarcely enough on the other side, with all present, to make a respectable noise. [Laughter.]

Mr. FLETCHER. Mr. President, will the Senator yield again?

Mr. THOMAS of Oklahoma. I yield.

Mr. FLETCHER. Apparently some reflection has been cast on the Committee on Banking and Currency. I think the pending amendment ought to go, really, to the Committee on Banking and Currency. That committee has jurisdiction over banking and currency and the monetary policy of the country. It has before it a measure entitled "The banking act of 1935", and it has pending before it a number of amendments to that measure and some bills, all of which have been referred to a subcommittee presided over by the distinguished senior Senator from Virginia [Mr. GLASS], to whom the Senator from Oklahoma has just paid the very high compliment of saying he is the great financial expert of the country today.

The bills to which I have referred are before that subcommittee. They are not being neglected. But the chairman of the subcommittee has been somewhat occupied here on the floor of the Senate with the pending joint resolution. As soon as the joint resolution is out of the way he expects to deal with the measures which are now before the subcommittee, and I hope eventually we will have before us a bill which will settle to some extent the monetary policy of this country.

I believe the measures to which I have referred will be handled expeditiously and efficiently by the subcommittee, which is authorized to hold hearings on them. The amendment now under discussion has to do with monetary policy; it relates to a subject matter under the jurisdiction of the Committee on Banking and Currency, and it ought to be considered by that committee. We are willing to give every hearing on it that is desired.

I am of opinion that that committee has done some very good work. We reported and there was passed the National Bank Act of 1933, which has been of great benefit to the country. It includes the deposit-insurance feature, which is very essential. We reported and there were passed the Securities Exchange Act, the R. F. C. legislation, the housing legislation, the Home Owners' Loan Corporation legislation.

The committee deals with such questions as that now before us, and one objection I have to taking up the Senator's amendment and considering it now is that I think it is rather a dangerous procedure to offer from the floor a measure affecting the monetary policy of the country and going to the very fundamentals with which we are trying to deal, without its reference to any committee or having been considered by any committee. I am sure the Committee on Banking and Currency, which has jurisdiction of matters of this kind, would deal with this subject, and that with the chairman of the subcommittee, the Senator from Virginia [Mr. GLASS], we will be able to reach definite conclusions with regard to such questions as that before us.

Mr. THOMAS of Oklahoma. Mr. President, I appreciate the statement just made. I want to absolve the distinguished Chairman of the Committee on Banking and Currency from having had any part in any delay upon any bill which I thought should have been passed. I have every confidence that if he could have had his way we would not be in the predicament in which we find ourselves today. If the distinguished chairman of that great committee could write

some financial legislation, and could have written it at the time he would have willed to write it, we would not now have a $5,000,000,000 appropriation measure pending before the Senate.

The distinguished chairman of the committee states that the distinguished senior Senator from Virginia [Mr. GLASS] is upon his Committee on Banking and Currency. That is the identical reason why I have not seen fit to refer this amendment to that committee. It is because of the presence on that committee and the activities of the senior Senator from Virginia, and his effectiveness, that I did not see fit to refer to the Committee on Banking and Currency this amendment or the bill which I have offered as an amendment. That is no criticism of the senior Senator from Virginia. I know there is no man in the Senate more sincere in the viewpoint he takes than is the distinguished senior Senator from Virginia.

Mr. President, I will make one other statement. I will not name all the Senators, but when the history of the Senate shall have been written the name of the distinguished senior Senator from Virginia will be cataloged along with the few great Senators of the United States. I do not think that with that statement he can take offense at what I have said or may say hereafter.

Mr. GLASS. Mr. President, I have never taken offense at anything the Senator has said, and I rise now merely to remark that the Senator from Virginia has had no opportunity whatsoever to consider any bill now before the subcommittee of which he is chairman. The Senator from Virginia has sat here in his seat for more than 7 weeks endeavoring to expedite the passage of a measure the purpose of which is to feed the hungry and clothe the naked, to furnish relief and work relief to three million and a half people on the relief rolls. I have not had an opportunity to consider any bank bill.

I have scarcely had an opportunity to eat my meals, and the Senator must know that no bill has ever been within my jurisdiction the proponents of which have not had ample opportunity to state their views and where the members of the committee have not had ample time to express and register its own views. I am but one member of a committee of 21 Senators.

Mr. THOMAS of Oklahoma. Mr. President, I appreciate the statement just made, but in monetary affairs the Senator from Virginia is not only the subcommittee but the committee, and the United States Senate, the Congress, and the financial government of the United States. [Laughter.] I wonder whether I can make that broader.

Mr. GLASS. No; but it does not constrain me to buy a hat of any greater dimensions than the one I now wear. [Laughter.]

Mr. THOMAS of Oklahoma. Mr. President, let me advert to the suggestion made by the distinguished Chairman of the Committee on Banking and Currency. He asked this question, what can we do to get the reserves he speaks about circulating? What can the country do, what can the Government do, what can Congress do, to get the deposits now in the banks thawed out and active? I am prepared to tell the Senator. He may not agree with my contention, but I think I have the proof, and I submit it for what it is worth.

The banks have been criticized for 5 years for not making loans. They have had billions of dollars of so-called "money" in their vaults, and they have not made loans and they are not now making loans to any great extent. Because the banks have this money, the banks have been criticized and condemned for the reason that they are not lending other people's money on applications for loans.

I have never blamed the banks for not making loans. I am not a banker. I never was behind a bank counter in my life. I never owned a dollar's worth of stock in any bank in my life. I have never had much money in a bank at any one time in my life. Banks do not loan their own money. As a rule, they loan other people's money. They loan the money of their depositors. Is a bank justified in loaning other people's money on security, on notes, which it is not sure will be paid?

It is stated in the Senate that banks will loan. On what security will they loan? If Senators had a million dollars this afternoon, what would they loan their own money on? Would they loan it on a farm with cotton selling at 10 cents a pound and wheat selling at 90 cents a bushel? Of course, they would not.

If the people had no debts to pay, no interest to pay, no taxes to pay, the value of the dollar would not be so material. But there is an overhead expense—$15,000,000,000 a year for taxes; $10,000,000,000 a year for interest. Then, there is our portion of the debt of $250,000,000,000. It rests upon our shoulders; and so our people must make money, over and above the cost of operation, sufficient to have some profit, because it is out of profit they pay their taxes and pay their interest and pay their debts. Otherwise, if they pay such bills out of their surplus, out of their capital, it will only be a matter of a few years until the capital is absorbed, and that is almost what is happening.

I have made the statement many times, and I am coming to the point, that banks cannot now lend; they are not lending now to any substantial degree. They will not lend until the price level is so raised that the things the people produce will sell for enough above the cost of production to leave some profit which the producer may spend. Any time the price level is raised to the point where producers can sell their products at a profit, banks will see that producers are becoming good risks for loans. I have not condemned the banks. I am not now condemning the banks, for had they followed a different policy they would not be open this afternoon.

Mr. President, a few days ago I saw a criticism of the banks—and, by the way, that criticism came again from the distinguished Governor of the Federal Reserve Board in Washington. He stated—and I have here what purports to be his statement—that unless the banks commenced making loans the Government would step in and take the banks, and, owning the banks, would begin making loans. That was the inference. If that was his inference, it was wrong. Banks should not be blamed for not making loans today. Banks are anxious to make loans and will make loans just the moment they see a reasonable chance—I should say an assured chance—that the borrower will pay back the money.

When this statement was published a few days ago I telegraphed to some banks in my section of the country, starting at Kansas City. I telegraphed a distinguished friend of mine who is head of one of the largest banks in Kansas City, Mr. Kemper, and I telegraphed to the larger banks in my State. Here is the telegram I sent to the banks:

> Banks criticized here for not making loans. Have defended banks for not extending credit and assigned reason that price level is so low that there is no profit in business. Now that value of cattle and hogs is up, please advise if banks are not willing and glad to extend credit on such livestock. Wire answer collect.

Through the policy of the Government, the killing of pigs made pigs scarce. Pigs are now high in price. As the result of the drought and the killing of cattle, cattle became scarce. Cattle today are high in value. In my section of the country, hogs and cattle today sell at a value which shows a profit. Every cattleman in the West is trying to get cattle, stockers, to put upon his ranches to feed, knowing that if he can get the cattle he will have the grass, and he will make some money out of cattle at the present price. The same thing is true of Nebraska, Kansas, Oklahoma, and the corn area. The farmers there know that if they can get some hogs, they can feed those hogs at present prices, and sell the hogs at present prices, and make some money. So they are trying to buy cattle and they are trying to buy hogs.

Here is the reaction of the banks. Mr. Kemper wired me as follows:

> Recent upturn in price favorable and seems to be interesting cattlemen in laying in stockers and feeders. We are figuring on several substantial loans at this time. Made commitment yesterday of $100,000 to Kansas cattlemen who are buying 6,000 head of big steers in Texas. Regards.

Here is the proof of what I have been trying for 5 years to say. Raise the price level! Let the producer have a

profit! The cattlemen cannot be expected to raise cattle and sell them at a loss. They have been doing it for years; and now they have not only lost their cattle ranches, but they have lost everything else.

Mr. GLASS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Virginia.

Mr. GLASS. Does the distinguished Senator think it is the business of the Congress of the United States fictitiously to raise prices?

In other words, to amplify my question, the Government has caused cotton to be plowed under. There are 130,000,000 people in this country who use cotton, from the diaper on the baby to the shroud on the corpse that is let down into the grave. Does the Senator think it is the business of Congress fictitiously to raise the price of cotton goods to 130,000,000 people?

There are 130,000,000 people who have to eat bread and meat. Does the Senator think it is the business of Congress fictitiously to raise the price of bread and meat by reducing the acreage for wheat, and by slaughtering cattle and throwing their carcasses away, and by killing sows in order that they may not raise pigs?

No one here ever speaks for the consuming public; but it is thought to be the business of Congress fictitiously to raise the prices of commodities which 130,000,000 people are bound to consume—fictitiously to raise the price to the consuming public. I do not agree with that theory at all.

Mr. THOMAS of Oklahoma. I knew the Senator would not agree with it.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. Before I yield to the Senator from Nevada I wish to answer the Senator from Virginia. I shall be glad to yield to the Senator from Nevada in a moment.

The Senator from Virginia asked me whether it is the duty of Congress fictitiously to raise the price of commodities. Let me ask the distinguished Senator from Virginia a question. Was it the duty of private parties surreptitiously to reduce the value of those commodities? That is being done.

Mr. GLASS. Oh, no. I do not think it was the business of private parties surreptitiously to reduce anything.

Mr. THOMAS of Oklahoma. That is what is being done.

Mr. GLASS. I do not believe in doing anything surreptitiously. [Laughter.]

Mr. THOMAS of Oklahoma. I know the Senator does not, but that is what is being done.

I now yield to the Senator from Nevada.

Mr. McCARRAN. Mr. President, in keeping with the expression of the able Senator from Virginia and in keeping with the thought of the able Senator from Oklahoma, I am reminded of the lines of Jefferson, when he wrote:

> If we have to apply to Washington as to when we shall sow and when we shall reap, we shall soon go short of bread.

Mr. GLASS. I am glad that one Senator has boldness enough to quote a line from Jefferson here, because we have deserted every principle he ever announced.

Mr. THOMAS of Oklahoma. Mr. President, I hope the Senator will not leave the Chamber for just a moment. I, too, like Jefferson. Let me quote from that distinguished citizen of Virginia. He made this prophecy:

> If the American people ever allow private banks to control the issue of currency, first by inflation and then by deflation, the banks and the corporations which will grow up around them will deprive the people of all property, until their children wake up homeless on the continent which their fathers conquered.

Mr. President, I never voted to kill any pigs. I never voted to kill any cattle. From our committee came the bill providing for the A. A. A.; but at the time the bill was being considered there was no thought that pigs might be killed under that bill. There was no thought, so far as I was concerned, that cattle might be murdered and left on the dry, parched plains of the West. Evidently, however, the authority was there. It has not been challenged. Pigs were killed and their carcasses thrown in the river. Cattle were killed to become a prey of the hungry birds, the carrion of the West. I did not know I was voting for it, but evidently the Congress passed a bill giving authority sufficiently broad to kill the pigs and to kill the cattle. However, that was not my suggestion.

Not a single pig needed to be killed. Not a single cow needed to be killed. If those who control the financial legislation of America had done what I would have done, we should have saved the lives of those defenseless pigs and sows and cattle and allowed them to live.

In my judgment, the only worthwhile increase of prices we have had has come about through our monetary adjustment policy. By using the powers given the President, in my judgment, policies could have been placed before us which would have made it unnecessary to kill a single pig or a single cow in America. Prices could have been raised.

The distinguished Senator from Virginia complains that through fictitious manipulation we cheapened the dollar and raised prices, but through some kind of manipulation the dollar was raised and prices were driven down, and some Senators even as yet do not seem to know how that was done.

Mr. President, the Democratic Party was in power from 1912 to 1920. When the Democratic Party came into power in 1912 we only had about three and a half billion dollars in circulation. Through the financial acumen of the distinguished Senator from Virginia the Federal Reserve System was conceived and brought into being; and having the System, and it being workable, the Government proceeded to increase the amount of money in circulation by three and a half billion dollars, until in 1920 we had almost six and a half billion dollars in circulation. The amount of real money in circulation during the days of Wilson was almost doubled.

When Mr. Wilson became President in 1912 prices were low; money was scarce. When Mr. Wilson left the Presidency money was plentiful; prices were high. Is there not an attachment between those circumstances?

In 1920 the Republican Party met in Chicago in national convention, and being out of power, and desiring to regain power, that great party in its platform adopted at Chicago condemned the Democrats of America for being responsible for the high cost of living. "These terrible Democrats fictitiously have raised the price of foodstuffs, clothing, and everything else in America to a point where we cannot live. These wicked Democrats have fictitiously raised the price of everything the people have to buy to such an extent that there is danger, and they have done it by an overexpansion of the currency and credit." In other words, the Wilson administration put out too much money and had been too liberal with credit, and because we had too much money in circulation and were too liberal with our credit, money was plentiful, money was cheap, and prices were high. Then the Republican Party said, "Turn out those wicked Democrats and elect us angel Republicans, and we will bring down the high prices, and we will bring them down by deflating the currency and credits."

Mr. GLASS. Mr. President——

Mr. THOMAS of Oklahoma. I yield to the Senator from Virginia.

Mr. GLASS. The Senator surely knows that every dollar issued under the Wilson administration, particularly under the Federal Reserve Bank System, was a dollar issued in response to the demand of commerce, industry, and agriculture. There was not anything fictitious about a single dollar which was issued; every dollar was issued automatically and in response to a demand, and it could not be issued for anything other than the requirements of commerce, industry, and agriculture.

Mr. THOMAS of Oklahoma. Mr. President, take the shackles off the legs of the American people and give them a price level that will make possible a profit and the bank deposits will begin to swell from the moment the shackles are removed.

Mr. President, reverting to the statement just made, our Republican friends said, "The Democrats made prices high; Turn out the Democrats; elect Republicans. We will take

money out of circulation; we will curtail credits; we will bring prices down." What happened? The farmers went out and voted for cheaper corn and cheaper hogs and cheaper wheat. That was the effect of their vote. They did not know what they were doing or they would not have done it. The laboring men went out and voted to take away their own jobs. They did not know they were doing that, but that was the effect of what they did, because the panic came on in 1921. The Republicans won that year.

Mr. Harding became President and was inaugurated on the 4th of March 1921. To the credit of the Republican Party, let it be said that when it came into power it did exactly what it had promised to do, and it began to deflate the currency and to restrict the credit of the Nation.

At this point I want to prove my statement. On the 1st of April 1921, which was some 26 days after Mr. Harding became President, there was in circulation the sum of $6,207,000,000 of money—real money, the kind of money for which I am fighting. Eighteen months later on the 1st day of September 1922, there was in circulation the sum of $4,393,000,000. In other words, in 18 months' time the Republican Party in power took out of circulation actual money to the extent of more than a hundred million dollars a month. At the end of 18 months wheat was not selling for $3 a bushel, nor $2.50 a bushel, as it was when the Republicans came into power; wheat was selling for a dollar a bushel. Cotton was not selling for 40 cents a pound, as it was when the Republican Party came into power; cotton was selling for 20 cents a pound. Other prices were in proportion.

In that short simple Republican platform declaration, Mr. President, we find the whole economics of money, recognized everywhere, except in the Senate of the United States. The House of Representatives understands the money question. On several occasions the House of Representatives has gone on record in favor of a little more money. The House of Representatives has passed the bonus bill, I think, on three different occasions, providing for an expansion of our currency. The House of Representatives passed the Goldsborough bill 2 years ago providing for an expansion of our currency. The House of Representatives knows what the trouble is. The House of Representatives has acted; but here in the United States Senate, the body of Webster, Calhoun, and Clay, it seems that nothing can be done.

On my left sits the distinguished junior Senator from Indiana [Mr. MINTON]. Indiana is my native State. It is the State of the late Senator David Turpie, the State of Benjamin Harrison, the State of Daniel W. Voorhees, and other distinguished men, and here we have a discussion on a $75,000,000,000 amendment—and I will show that that is the case before I conclude; 2 years ago I said the amendment was a $200,000,000,000 one; but there has already been effected a transfer of over one hundred and seventy-five billion and we are not nearly through with the transfer, not of dollars but of value; and the amendment which I will propose very shortly is not a $200,000,000,000 amendment; it is only a $75,000,000,000 amendment. It is so small that Senators do not care to deal with trifles. In the Senate when we are spending we never speak any more, not consciously at least, about millions; anything that is not represented by a billion is not worth talking about, but when it comes to raising the money, only a dozen Senators, at 2 o'clock and 10 minutes p. m., this day are in the Senate Chamber, and those who profess to be leaders of this body, following the policy of the former administration, can only lead this country to the same calamity to which the former administration led it.

I am interested in my administration. Born of Democratic parentage in Democratic Putnam County, Ind., I have always been a Democrat and always believed in Democratic policies, which mean "help the masses." Any time the masses are helped we do not have to bother with the upper fellows. Any time labor is employed, any time the farmers of the country can get enough for the commodities they produce to pay the cost of production and have a little profit left the farmers are not on the bread line. Any time labor is employed farmers can raise and produce and sell at a profit, and we do not have to worry about the bankers or the lawyers or the doctors or the corporations or the railroads; but when we have 22,000,000 of our fellow citizens on the dole and 10,000,000 of our people unemployed, what do we see? The Congress of the United States is staying in session day after day planning to spend five thousand million dollars in order to keep the people alive for the next 12 months.

When the people are in that condition, what is the condition of the railroads? They cannot pay their taxes. They have no business. What is the condition of the banks? The banks are not making loans for the reason I have indicated. They are making no money. They are barely existing.

What is the condition of the lawyers? They have business, but they collect no fees. The doctors have a large business, but collect no money.

We had the banks coming to Washington by the thousands to borrow money from the Government in order to keep their front doors open. Five thousand banks have borrowed from the Government a billion dollars in the past 2 or 3 years. The railroads have had to borrow from the Government. Life-insurance companies have had to borrow from the Government. Corporation after corporation has had to borrow from the Government. The cities have had to borrow from the Government. Why? Because they have not any money and they cannot get any money. Why are they unable to get it? It does not exist! Yet Senators representing great agricultural States and great industrial States will not even listen. There may come a time when they will listen. I hope it may be soon.

I was trying to answer the question suggested by the distinguished Chairman of the Committee on Appropriations, the Senator from Virginia [Mr. GLASS]. I read one telegram. The reason why banks are not loaning is because nobody is making any money. Those who have made any money or have had a chance to make money can borrow. The moment the price of hogs had risen to the point where it showed a possible profit hogs became good security for loans of the bank. The largest bank of Kansas City just wired me that they are making a loan of $100,000 to a Kansas cattleman to go down to Texas and buy some steers. That makes money for the Texas sellers of those cattle. They need the money. The men who borrow the money with which to buy the cattle have hope of making money, so the condition of their minds is improved.

My State is a cattle-producing State. I know of one ranch in my State comprising thousands of acres. That ranch has on it at this time several thousand head of cattle. In the past 5 weeks the herd of cattle on that ranch has been sold three times, and every man who sold that herd of cattle made money.

The first man who owned the herd took the money and paid his loan to the bank. That helped the bank and relieved the mind of the man who had the loan with the bank. The second man who bought the cattle later on sold the herd and made some money. My information is that he took his money, having a little ranch adjoining, and improved his fences, painted his house, and bought some more stock. The third man who sold likewise made some money. He bought the cattle at one price and sold them for a higher price. There was a profit. He used that profit. What was done in this instance with reference to cattle can be done in the case of every commodity in America.

Mr. GLASS. Yes; and every man who has to eat a piece of meat has to pay twice as much for it now as he did before the cattle were all killed, does he not?

Mr. THOMAS of Oklahoma. The question suggested by the distinguished Senator from Virginia carries the inference that "I, the Senator from Virginia, want the cattle raisers of the West to raise my beefsteak and sell it to me at less than cost of production." They have been doing that, but they have almost reached the point where they will do it no more.

Mr. GLASS. The Senator from Virginia does not contend that at all. He contends that it is not the business of Congress or of the administration to go out and kill cattle in order to have beefsteak sold the consumer at a fictitious price. It is not the business of Congress or the admin-

istration to go out and plow under cotton in order that the poor people of the country, particularly, have to pay two prices for the cotton goods they buy. It is not the business of the Congress or of the administration to kill a million sows in order that they may not have pigs, in order that my chauffer, for example, shall now have to pay 18 cents for his white meat which he formerly bought for 6 cents.

Mr. THOMAS of Oklahoma. Some of the people I have had the honor to represent have not had much of a chance to eat meat for a long time unless they killed jack rabbits and ate them. Some Senators would not know what a jackrabbit is if one should enter the door of the Senate Chamber, but our people out West know what jack-rabbit meat is.

Mr. GLASS. I know what it is. [Laughter.]

Mr. THOMAS of Oklahoma. Mr. President, what is the theory of the industrial age? No one seems to care about the suffering in the South and West. It is immaterial to those in the eastern industrial sections how much it costs the people of the South and the West to raise wheat with which to make bread and to raise their meat.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER (Mr. MURRAY in the chair). Does the Senator from Oklahoma yield to the Senator from Montana?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHEELER. I agree with what the Senator has said, though I do not agree with the policy of going out and killing hogs and other animals in order to raise the price thereof. I invite the attention of the Senator from Oklahoma that it is the duty of the Congress of the United States under the Constitution to issue money and regulate the value thereof. If by issuing and regulating the value of money we raise or lower the prices of commodities, that is the policy which Congress should pursue as delegated to it by the Constitution.

Mr. GLASS. I was not discussing that particular phase of the question.

Mr. WHEELER. I understand that.

Mr. GLASS. I was talking about the idiocy of raising prices in a fictitious way to the consumers of the country. No one thinks about the consumers. I do not care anything about industrialists except that I want to see them treated fairly. I am no industrialist.

Mr. WHEELER. I denounce that policy the same as the Senator does, because I never have felt it was the right thing to do; but when the farmers of the country advocated it, as they did, or when it was advocated by those who did advocate it, they were taking a leaf out of the book of the industrialists, because that is exactly the policy of the industrialists.

Mr. GLASS. One ought not to take a bad leaf out of anybody's book.

Mr. WHEELER. I agree with that; but if there was any excuse for it, it was because the industrialists of the country have pursued that policy.

Mr. GLASS. Yes; and Congress has sat here and given the industrialists of the country special privileges. The Democratic platform denounced that policy, and promised to remedy it, but it has not been remedied.

Mr. WHEELER. I agree entirely with the Senator with reference to that statement.

Mr. THOMAS of Oklahoma. Mr. President, our trouble is still monetary. [Laughter.] If, single-handed and alone, or with the assistance of my distinguished friend from Montana and my able friend from Virginia, we can get Senators to remain here and listen, I might have hope of getting some place. Otherwise, I must go about my task unassisted and unaided.

Mr. GLASS. I am listening to the Senator.

Mr. THOMAS of Oklahoma. I appreciate the Senator's attention.

Mr. President, I said a while ago that any money we have is the result of congressional enactment; the kind of money we have is the result of congressional enactment; the amount of money we have is the result of congressional enactment, and the value of that money cannot be other than the result of either congressional enactment, or the failure of the Congress to act.

In 1920 we had a dollar worth 64 cents in buying power. In 1933 the dollar had a buying power of 167 cents. In other words, from 1920 to 1933 the American dollar increased in value from 64 cents to 167 cents. I was here in Congress most of that time, in the Senate most of the time, and I heard no one protesting vociferously, save a few, against that high-priced dollar. The men who were being hurt could not be heard. They knew they were being hurt, but they did not know by what instrument.

For 12 or 13 years the American dollar appreciated from 64 cents year after year until in February 1933 it had a buying power of 167 cents, and the wise financial geniuses of America either did not know what was being done or, if they did, they refused to tell the Congress and to tell the people what was being done.

Congress has the power to regulate the value of the dollar. Congress has that power if it will exercise it. It could have fixed the value of the dollar at any point it desired at any time between 1920 and 1933, but Congress did not act until this administration came into power. But observe: The men in power then have now joined the forgotten men, and I prophesy that some of those in power now, if they either refuse to act or refuse to permit that body to act which should act, will join the lonesome trail and soon become likewise forgotten men. This country cannot live without such action. We are better off than we were. It is like a man almost nigh unto death with typhoid fever. That is the condition the country was in on March 4, 1933. The Nation was almost dead. It had only a few breaths of life in it, apparently; and I well remember that cloudy, clammy day when we met at 12 o'clock in this Chamber, marched out here, and saw the inauguration of our present President. It was cloudy in every way on that day, Mr. President.

We have made much progress. The typhoid fever patient is, I think, out of danger. He is much improved, but he cannot walk yet. He cannot work yet. We must continue to nurture this typhoid patient and see that he has no relapse, no set-back. Now, instead of the patient's getting better, in the past few weeks he has stopped improving; and the dollar, while it has been reduced in buying power from 167 cents down to 125.9 cents, is not yet cheap enough. The dollar was as cheap as 125.6 cents, but now the dollar is going back up again. As the dollar goes up, prices come down, and that is what I am complaining of today.

The dollar at this moment has 25.9 cents worth of value in it that it should not have. Of course, the dollar has only 100 cents, but these cents have an excess value, and, of course, we all know how to measure value. We do not measure value by gold, nor by silver, nor by cotton, nor by wheat. Each of the nations of the world has its own system for the measurement of value. In America we have, down in the Department of Labor, what is known as the "Bureau of Labor Statistics." This Bureau keeps track of 784 commodities, and each week the price of each of these commodities is ascertained. Then an average is struck. If the average is up, that means that the dollar is down. If the average is down, that means that the dollar is up, and vice versa. So, by making the average of all these commodities our measurement for value, it is through that system that we measure the value of gold, we measure the value of silver; or it might be said that we measure the value of gold and gold measures the value of silver. It makes no difference, because it is true that in a good many commodities gold is the measuring device, and so far as other commodities are concerned, we compute wheat and cotton and silver in terms of gold, but we compute gold in terms of this measuring yardstick.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. CONNALLY. That is particularly true in the case of export articles. They are all measured in gold, are they not?

Mr. THOMAS of Oklahoma. I made that statement a little while ago, that all commodities in America which are world commodities are measured in terms of gold, and I referred particularly to cotton and to wheat. A bushel of wheat is worth so many grains of gold at this moment throughout the world, making allowance for transportation and insurance. A bale of cotton is worth so many grains of gold throughout the world, making allowance for transportation and expenses. So our price of wheat here in this country is the world price of wheat in gold; the price of cotton is the world price in terms of gold; and before I get through my discussion I shall devote considerable time, at least a few minutes, to cotton, in the hope of saving the cotton South.

Mr. President, to a telegram which I sent a good while ago I have received some more answers. A large bank in Muskogee, Okla., sent me this telegram:

Banks seeking loans such as you describe.

That is to say, loans on livestock—meaning hogs and cattle. The telegram is signed by H. H. Ogden, president.

I have another reply from the president of perhaps the most conservative bank in the West, one of the best banks in the West. Mr. E. A. Walker, president of the Tradesmen's National Bank of Oklahoma City, sends me a telegram in reply to my inquiry. My inquiry, in substance, was:

Banks criticized here for not making loans. Is it not a fact that the reason you are not making loans is that there is no profit in business? Now that livestock and hogs and cattle are going up, showing profit, are you going to make loans on livestock, hogs, and cattle?

A Kansas City bank said they had made $100,000 of loans the day before to Kansas people to go down into Texas and buy steers. The distinguished Senator from Texas [Mr. CONNALLY], who does me the honor to listen, no doubt has had some of his constituents relieved of some of their indebtedness by the sale of $100,000 worth of steers to some folks up in Kansas.

Mr. Walker wired me as follows:

Banks are not only willing but would be glad to extend proper credit secured by mortgages on livestock.

Well, no one would ask a bank to make any improper loan on livestock; but this conservative banker—you can see that he is conservative by the way he hedges—does say that banks are not only willing but they are glad to make loans on livestock.

Then I have a reply from my home county. I do not happen to live in a town. I live in the country. I live in the mountains, 15 miles from a bank; but here is the banker who takes care of my overdrafts, and here is what he says——

Mr. CONNALLY. Mr. President, would the Senator mind giving us his name? [Laughter.]

Mr. TYDINGS. Has the Senator any influence with that banker so that he could recommend a friend? [Laughter.]

Mr. THOMAS of Oklahoma. They are very reasonable in their security requirements. Here is the reply:

Banks in this community—

This is from the county seat of my home county—

are loaning freely to farmers and stockmen.

That is from Lawton, Okla. It is signed by Exall English, vice president of the Security Bank & Trust Co.

That gives the Senators all around me the information they desire.

Then I have this telegram from a prominent bank in the eastern part of Oklahoma, the town of Seminole, signed by W. E. Harber, an official of the bank. He says:

Under present values of livestock we believe loans of this character will be more satisfactory, and believe banks will give these borrowers more consideration.

That proves what I have been saying. All in the world it is necessary to do is to raise the price so that there is a profit in production. We killed hogs and cattle to raise the price level. It could have been done in another way. We could still further have cheapened the dollar and made prices go up just the same. If that had been done, the farmer would have had the same prices and the people could have had the meat to fill their hungry stomachs. Under the policy pursued by the administration the price is up, but the meat is not here, and the people are still hungry.

Mr. Frank P. Johnson, an official of one of the largest banks in the State, located at Oklahoma City, makes this reply:

Answering telegram, beg to state that this bank is willing and glad to make good livestock loans.

He is another good banker when he hedges by saying, "Good livestock loans." Of course nobody expected him to make a bad livestock loan; but the argument is this: Now that cattle are up in price and hogs are up in price, bankers are not only willing but are glad to make loans to cattlemen with which to feed stock and to feed hogs, because they can see a chance to get their money back. One of the banks from another city has agents out scouring the country to find loans on cattle and hogs.

Do I need any further argument to convince the Senate that there is no hope of getting the banks to make loans until the price level is raised? There is no way to raise the price level excepting to kill off the hogs to make them scarce, to kill off the cattle to make them scarce, to curtail the wheat and curtail the cotton to make the product scarce, unless we put money in circulation; but for some reason the administration has not seen fit to put money in circulation. I do not know why. We agreed to do it. The Congress went on record in favor of placing money in circulation. Two years ago we passed a bill in which we gave the President power to put three billions of Federal Reserve notes in circulation through buying Government bonds. No bonds have been bought. No money has been placed in circulation.

The second power given the President was to authorize him to put $3,000,000,000 in circulation through the issuance of United States notes, Treasury notes. Not a dollar has been placed in circulation.

The third power given to the President was the power to devalue the gold dollar. We gave the President the power to cut the gold dollar in half. This plan of monetary adjustment was first suggested to the Senate by the distinguished junior Senator from Texas [Mr. CONNALLY]. I can see him now, standing there at the rear of the Chamber. If you ever see him once, you will see him forever. He is very distinguished looking. If you ever hear him once, you remember forever what he said. I remember seeing him and hearing him arguing to the Senate in favor of permitting the President to cut 33⅓ percent of the gold from the dollar. The Senator, however, was classed along with the other "reds" and "radicals" in this body. I presume, if he made that speech today and the same conditions were in existence, he would be placed along with Dr. Townsend and some others I might mention. But later on the bill was passed, and the President was given the power to reduce the grains of gold in the dollar 50 percent.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER (Mr. MCGILL in the chair). Does the Senator from Oklahoma yield to the Senator from Montana?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHEELER. I hold in my hand a copy of Skillings' Mining Review, published every Saturday at Duluth, Minn. It is one of the conservative mining journals of the Northwest. I find the following statement in this issue:

Probably exerting far greater immediate influence on the continued business recovery of the United States at this particular time than any single domestic political or economic factor of our own, because the sensitive trade balances and business activity of all countries of the Western World must again, through their currencies, as in the past, react to its pressure will be the London price of gold, if its latest upward move continues into a major movement as believed likely in London, with a rise this year to 165 shillings per ounce. The complete move may come rapidly. With sterling exchange at $4.86, such a price would equal $41 an ounce over here and the equivalent of a 50-cent dollar.

Let me say, as is predicted here in this statement, "If the price of gold remains at $35 per ounce in the United States and if no further devaluation is contemplated, sterling exchange would then naturally go down to about $4.10. If

London gold rises to 165 shillings, unless the stabilization fund of the United States buys sterling to support it at a higher level, which would probably cost the stabilization fund a great deal of money, while also possibly placing the fund in the position of necessarily driving sterling still lower when it later sells its paper sterling."

Let me call attention to the fact that one of the things that has prevented a rise in world commodity prices, by reason of the gold content of the dollar being reduced, has been the thought upon the part of a great many people that gold would go very much higher, and because it was felt that gold would go still higher, not only in England but in other places throughout the world, there has been a tremendous hoarding of gold, and gold really has not been redistributed but has been hoarded and sterilized. That is exactly what we are doing with it in the United States of America; we are sterilizing the gold, and the same thing is being done in many parts of Europe, which has prevented the stabilization of currencies and has prevented world commodity prices from going up.

Mr. THOMAS of Oklahoma. I thank the Senator for his statement. I agree with his contention entirely.

Mr. TYDINGS. Mr. President, would it divert the Senator if I were to ask him at this point how he arrives at the maximum value of $1.29?

Mr. THOMAS of Oklahoma. I shall come to that a little later, if the Senator will permit me.

While the distinguished junior Senator from Texas [Mr. CONNALLY] is on the floor, I want to tell him, the Senate, and the country what he has done for this country. He initiated the idea of giving the President the power to reduce the gold content of the dollar. He tells us that he initiated the idea that the President should have the power to cut the gold dollar into three parts, keeping two in the dollar and taking one out. So he initiated the idea of reducing the gold content of the dollar.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. CONNALLY. I thank the Senator. The bill of the Senator from Texas did not give that power to the President. It was done by act of Congress. I voted for the Senator's amendment, however, which did confer the power on the President.

Mr. THOMAS of Oklahoma. The Senator from Texas, so far as I remember, was the first one to propose on the floor of the Senate that one way to solve the problem, or to assist in solving the problem, was to reduce the gold content of the dollar, and that was the basis for the amendment which was finally enacted by Congress.

We gave the President power to cut the dollar in two, but the President saw fit to take only 40 percent of the gold out of the dollar. In effect, he took a pair of shears and clipped 40 percent out of each gold dollar in the United States, and he threw the pieces he cut over into a pile. He first got in all the gold. He was a smart man and knew how to operate, and he operated properly.

Mr. GLASS. He seized all the gold that belonged to other people; he just took it. [Laughter.] I do not see why the Senator from Oklahoma should persist in reproaching the Senator from Texas as he has done.

Mr. THOMAS of Oklahoma. I am going to make a statement after a while which I hope will be verified.

There was a time when gold was considered to be the property of those who owned it, and those who owned it considered the gold to be their private property. But there came a time when there was such a demand for gold throughout the world that there was not enough gold to go around, so here in the United States we came to the conclusion that all the people had a better claim to what little gold there was than a few people. A few people had it all. So, under the theory of eminent domain, confiscation, or condemnation, we said, "This gold is needed as a basis for our money; all the people need this gold; so we will just step out and take all the gold from the few who have it for all the people of the United States." Call it confiscation or what not, that was why it was done. We condemn private property for public use.

Mr. GLASS. But no citizen is now allowed to own a dollar of gold. If anyone has a dollar of gold in his pocket, he is a culprit, and is liable to be put in prison and fined.

Mr. THOMAS of Oklahoma. I am not guilty, Mr. President.

Mr. GLASS. Well, I am. [Laughter.]

Mr. THOMAS of Oklahoma. That shows how public sentiment changes in the United States. To illustrate, 2 years ago a couple of gentlemen were going down Pennsylvania Avenue. One had $100 in gold in his pocket. I am not sure whether it was the distinguished Senator from Virginia. He says he has gold, and is guilty, so it might have been the distinguished Senator from Virginia. But the gentleman with the $100 in gold was walking down the street with another gentleman who had a half pint of liquor in his pocket.

Mr. GLASS. The Government had as much right to take the liquor as it had to take the gold.

Mr. THOMAS of Oklahoma. The Senator is interfering with my story. [Laughter.] The two gentlemen were walking down the street and had possessions as I have indicated. A policeman is reported to have noticed some peculiar actions or conversation, so he chose to stop the two gentlemen and search them. On one he found $100 in gold, and he said, "You must be an eminent and respectable citizen. You go hence." He searched the other gentleman and found half a pint of whisky. He arrested him, took him to jail, and he may be down at the workhouse now, although on second thought I believe he got out the other day. [Laughter.]

Mr. President, the same two gentlemen were going down the same street recently, and the man who had a hundred dollars in gold still had it; he was a miser, a hoarder. The man who had had the liquor 2 years ago had managed to get another half pint of liquor. The same policeman saw the two gentlemen and stopped them and searched them again. He found the hundred dollars of gold in the pocket of one of the gentlemen, and he said, "You are a criminal. Off to jail with you." He searched the other man and found the half pint of liquor, and he said, "You are a respectable citizen. Go hence!"

Economic conditions made it necessary that we take the gold of the Nation.

Mr. GLASS. What are they doing with it? There it is, like so much lumber. What are they doing with it? It has been demonetized.

Mr. THOMAS of Oklahoma. It is nice to think we have it.

Mr. GLASS. The Senator thinks it is nice to have gold?

Mr. THOMAS of Oklahoma. Yes, Mr. President, it is nice to have gold, because only on yesterday we traded a good many ounces of gold for silver, and that silver is going to do us some good; but I will come to that later.

Mr. CONNALLY. Mr. President, will the Senator yield to me?

Mr. THOMAS of Oklahoma. I yield.

Mr. CONNALLY. May I suggest to the Senator my answer to the interrogatory as to what we are doing with gold? We are doing with it just what we always did with it. We kept it in vaults, kept it, not in circulation but in reserve. The only difference is that it is now in the Government's Treasury, in the Government's reserve, instead of being in the banks' reserves, or in somebody's sock somewhere.

Mr. GLASS. What is a reserve for? It is to pay a man who owns a paper promise to pay.

Mr. CONNALLY. Yes.

Mr. GLASS. They will not pay him now. They would pay him formerly. Does the Senator think this piece of paper I hold in my hand is money?

Mr. CONNALLY. I am sure that if the Senator from Virginia did not think it was money he would not be carrying it around.

Mr. GLASS. Oh, yes; I would. [Laughter.] It is not money. If it is money, why does it say that the United

States or the Federal Reserve Bank will pay $20? Does the Senator think that is $20?

Mr. CONNALLY. I do not care to transgress on the time of the Senator from Oklahoma——

Mr. THOMAS of Oklahoma. It is $20.

Mr. GLASS. It is a piece of paper with a lie on its face.

Mr. THOMAS of Oklahoma. It looks more like $20 to me than any paper I have recently seen.

Mr. GLASS. Perhaps so. If I had $20 in gold, I could spend it anywhere. If I should take this paper to Europe, I could not get more than about half price for it; and if the Government keeps on issuing such bills in this country, we will not be able to get anything for them.

Mr. CONNALLY. I do not care to take up the time of the Senator from Oklahoma in an argument with the Senator from Virginia.

Mr. GLASS. The Senator started in on my $20 note. [Laughter.]

Mr. CONNALLY. No; the Senator interrupted me. I beg the pardon of the Senator from Virginia. The Senator from Texas did not start in either on him or his money, because the Senator is not in the class, either in a money way or an intellectual way, with the Senator from Virginia.

Mr. GLASS. The Senator has more money than I have. I am not prepared to say he has more intellect than I have. [Laughter.]

Mr. CONNALLY. I am not as ostentatious with my money as is the Senator from Virginia. He takes pleasure in showing on every occasion how much money he has.

Mr. GLASS. I can easily do that. [Laughter.]

Mr. CONNALLY. I do not want to take up more of the time of the Senator from Oklahoma except to suggest that gold, being a medium of exchange, being an agency of the Government by which all values are measured, takes on a public character; it is vested with a public character; and the fact that one does not go down and get the dollar in gold is no proof that he does not have the value of that dollar, because so long as the Government has in its vaults sufficient gold reserves, and so long as the law provides that 15 and a fraction grains of gold are a dollar, his dollar is secure.

Why anyone should want to go down and get a gold dollar except to hoard I cannot understand. In the old days, when paper was redeemable in gold, it was only at the Christmas season that a man went down and got a $5 gold piece or $10 gold piece to give his family. That was ordinarily the only time we used any gold at all. Everyone knows that with the limited gold reserves which we had in 1933, had there been a run on the gold reserves of the Nation the first people to get to the window would have gotten all the gold; and the rest of the people, who had silver dollars and paper dollars which the act of 1900 said should be redeemable in gold, just as the gold certificate is redeemable, would not have gotten any gold.

Mr. GLASS. Mr. President, what was the limit in 1933 of the reserves of the country?

Mr. CONNALLY. I do not know.

Mr. GLASS. But the Senator spoke of the "limited reserves" we had. We had a reserve of 76 percent. We had one-third of the gold of all the world.

Mr. CONNALLY. We did not have 100 percent.

Mr. GLASS. How absurd it is to say that we did not have 100 percent when the experience of 150 years showed that we required only 5 percent to redeem!

Mr. CONNALLY. Certainly; but was the year 1933, with its critical situation, the average of 140 years? That is the very reason why the Senator from Texas says that in ordinary times no one is going to ask for gold; but in the critical period of 1933, the Senator from Virginia ought to know, and I think he does know, that there was more of a spirit of making a raid on the banks and on the Treasury than there was in normal times.

Mr. GLASS. The Senator from Virginia does not know anything of the kind, and the Senator from Texas does not know anything of the kind. The Senator from Virginia knows that this country held 43 percent of all the gold in the world, and there was not any necessity on the face of the globe for us to go off the gold standard—not one particle of necessity.

Mr. CONNALLY. I will say to the Senator from Oklahoma that I did not invite this exchange with the Senator from Virginia.

Mr. GLASS. Oh, yes; the Senator did. The Senator started it, and the RECORD will so show.

Mr. CONNALLY. Very well. There is no one who can discuss matters with the Senator from Virginia. He is like the Hapsburgs—he never forgets anything, and he never learns anything new.

Mr. GLASS. Well, I have not been exactly dethroned as yet, and I am not in exile, either. I may be next year, but I am not now; and as long as I am not in exile I am going to stand here in my place and express my mind.

Mr. CONNALLY. I hope the Senator will be here next year, and the year after, and the year following that. I have no doubt that if he is here he will do what he says he will do—express himself.

Mr. GLASS. Yes.

Mr. THOMAS of Oklahoma. Mr. President, getting back to the money question again [laughter], our troubles are still monetary. On the 1st of January 1933, at the end of the dynasty which is no more and the beginning of the one which now exists, we had a total monetary gold stock in the sum of $4,549,000,000. At the same time we had money in circulation, of all kinds and character, in the total sum of $5,589,000,000.

Now let me come back to the Senator from Texas. I have just stated that, in my judgment, the Senator was responsible for the policy of reducing the gold value of the dollar. Acting under the authority granted by the Congress, the President took 40 percent of the gold from every gold dollar and added it to a profit fund. When he had completed his activities he added up his profits fund and found that the gold so taken from the dollars made the sum of $2,812,000,000. Two billion eight hundred and twelve million dollars accrued to the Treasury in profit because of the suggestion made by the junior Senator from Texas. That will pay his salary for 28,000 years, and I hope he will stay here to serve out the entire 28,000 years.

Mr. GLASS. Mr. President, the difference is that the Senator calls it profit, and I call it plunder.

Mr. THOMAS of Oklahoma. Mr. President, I think the country understands what it is.

Mr. GLASS. I think so.

Mr. THOMAS of Oklahoma. I am satisfied with that understanding.

Mr. GLASS. So am I.

Mr. THOMAS of Oklahoma. I should like to put the matter to a test, to a referendum of the people of the United States, and I should be glad to agree in advance to abide by the test.

Mr. GLASS. Of course, if everyone were allowed to vote who did not have anything, the Senator would carry the day.

Mr. THOMAS of Oklahoma. Mr. President, that being the test, it would carry by about 95 percent.

The President today has power to take this piece of gold, which I indicate on my chart, from the dollar and put it over in the profit fund. That is the portion of the cardboard which I have indicated to the Senate. That little piece of gold is 10 percent of the former gold dollar. It is approximately 20 percent of the present dollar. That piece of gold, if detached from the dollar and weighed, would weigh 2½ grains. If the President should do what he could do this afternoon, by signing his name to an order he could clip that little piece of gold from every gold dollar in the United States. On yesterday afternoon we had gold dollars to the extent of $8,551,000,000. The President this afternoon could clip this little piece of gold and put it in the profit. When he got it all clipped he could put it in the profit, and that little piece of gold taken from each dollar, in total, would make an added profit in the Treasury of $1,500,000,000.

Mr. GLASS. Mr. President, does not the Senator understand that that is what is the matter with the business of the country? No one knows how soon the other 10 percent is going to be clipped off; and, when that is clipped off, no one knows how much more is going to be clipped off, and that has produced confusion and a state of terror in the business circles of the United States.

Mr. THOMAS of Oklahoma. Exactly so; and the distinguished Senator and I would not disagree on the policy, I am sure. If we could get off by ourselves somewhere, we could solve this problem.

We started out with a dollar of the size I indicate with my chart. Times got bad. We could not operate with that kind of a dollar. We reduced the size of the dollar to the size I now indicate. Now we find that we cannot operate with this sort of a dollar; and the longer we go, the less gold will remain in the dollar.

It is proposed by this joint resolution to appropriate $5,000,000,000. Next year $5,000,000,000 or $7,000,000,000 more may have to be appropriated, unless the monetary question shall be adjusted. Then this gold dollar will gradually dwindle away. It may get to be only the size I now indicate; and if we keep on we may be lucky if the gold dollar of the United States contains the amount of gold I now indicate.

Italy became involved in debt. Italy had the lira. The lira on the old basis contained 19.3 cents of gold. Italy became so heavily involved in debt that she could not pay with that expensive lira, although it was worth only 19.3 cents. So, to meet her indebtedness and her expenses, Italy reduced the gold content of the lira from 19.3 cents to 5½ cents, and Italy is still living. She is having a hard time to get by with her present indebtedness, with the lira now worth only 5½ cents in American money of the value it was before being devalued.

France became involved in debt because of the war. France could not pay her indebtedness. France had the franc. The franc was worth 19.3 cents. The French people could not get francs in sufficient number to pay their indebtedness. What happened? France reduced the value of the franc from 19.3 cents to 3.91 and a fraction cents. Now the gold franc in France is tottering upon the throne. It is still so high that the people cannot get enough francs with which to pay their bills. It would not surprise me to get at any moment the information that France has been forced from the gold standard.

Only three countries are left on the gold standard—France, Switzerland, and the Netherlands. All but those three have gone off the gold standard. The problem is a domestic problem. The money of every nation is that nation's own domestic problem. Other nations should have nothing to say about what we call our money—dollar, peso, milreis, ruble, or mark. We call it what we will. We make money as we desire to make money. Until recently we had more than 5,500 different kinds of paper money in circulation. We had nine groups of money in circulation. We had gold certificates. That was group no. 1. We had two kinds of silver certificates—one kind payable in the dollar and one kind payable in a dollar's worth of silver. That made two groups of silver certificates.

Then we had the Treasury notes of 1890; then we had the Federal Reserve notes; we had the Federal Reserve bank notes; we had the Treasury notes; we had the national-bank currency; we had the national currency, United States Treasury notes—nine different groups.

The national bank notes were issued by 5,500 banks.

Each national bank had its own issue of its own money. That made as many kinds of national-bank currency as there were national banks that had issues outstanding. The Treasury Department is now retiring all this conglomeration of paper money, and I approve that course. They have taken the 5,500 kinds of national-bank notes out of circulation. Such notes are the easiest thing in the world to imitate and counterfeit. Any kind of paper, half green and half yellow, with some pictures and some names on it, looks about like some of the national-bank notes I have seen. That is one reason why national-bank notes, being easy to counterfeit, are being retired, and we will not have them in circulation any more. The Department is recalling the Federal Reserve bank notes, which are comparable to the national-bank notes. They are recalling the national currency; gold certificates have gone out of circulation. The Treasury notes of 1890 will go out of circulation as soon as they show up, and there are only about a million of them in existence and now outstanding.

The sooner the responsible authorities of the Government proceed to regulate and adjust the value of our dollar the better they will serve America's domestic economy. That policy will serve all the people of America.

We are not ready to stabilize the dollar; Great Britain is not ready to stabilize the pound; Germany, perhaps, is not ready to stabilize the mark; Russia is not ready to stabilize the ruble; Switzerland is not ready to stabilize the Swiss franc; Italy is not ready to stabilize the lira. I could go through the list. Mexico is not ready to stabilize the peso. Why? Because they are not sure the present value of their money is the value which they want to continue. They cannot be sure until other countries evidence some desire to fix a stable point for their own currency. We cannot stabilize until Great Britain stabilizes; Great Britain cannot stabilize until America stabilizes. If we should stabilize first, then Great Britain could drop the value of her pound below the dollar and take the world's trade.

We have evidence of that, for while Great Britain has been trying to keep her pound stable, Japan has been reducing the value of the Japanese yen; and to the extent that Japan has reduced the value of the Japanese yen, comparably below the value of the pound, Japan is taking the trade of Great Britain. Within only the last few days Great Britain proceeded to drop the value of the pound so that she could proceed on a better scale, and a better foundation, and a better basis with the rising prosperous country of Japan.

Mr. President, I have taken considerable time to lay the foundation for my amendment. In that particular I have followed the precedent set on yesterday by the distinguished Senator from Idaho [Mr. BORAH]. He had an amendment proposing to repeal a section of the National Recovery Act which had formerly made inoperative the antitrust laws. The distinguished Senator from Idaho made his speech in advance, explaining what his problem was, and then offered his amendment. I have tried to explain what our problem is, and now I come to the point where I will offer my amendment.

Mr. President, I propose this amendment as a solution for some of our problems, though not all of them. The amendment I shall offer will be an amendment in the interest of the producers, not in the interests of the silver miners. I do not live in a silver-mining State. If there is any silver in the ground under the mountains of my State I do not know it. I could not be offering a silver amendment to help my silver-mining constituents, for I have none. I am offering this silver amendment to make silver serve the people of my State; and when I make silver, if I may, serve the people of my State, it will serve the people of every other State. I offer this amendment to help the producers. I offer this amendment to help the unemployed. I offer this amendment to help the 22,000,000 men, women, and children who today are receiving the dole. I offer this amendment to help the taxpayers of America. I offer this amendment to permit the possibility of this great Government of ours balancing its Budget. There is no hope ever to balance the Budget of the Government unless we have some further monetary adjustment.

The distinguished Senator from Virginia [Mr. GLASS] may call that tinkering with the currency, but the currency has been tinkered with during the past 10 or 12 years. The dollar was tinkered up from a value of 64 cents to a value of 167 cents, not by the Congress of the United States but because the Congress of the United States refused to see, or if they saw they refused to act.

I offer this amendment on behalf of the industrial sections of the Nation. This amendment is a banker's amendment; it is a bondholder's amendment. I have a job on my

hands to prove that this amendment is what I say it is, but that will be my task.

If I represented a State of two and a half million people, as I am trying to do, and if every one of my constituents was a millionaire, and every millionaire a constituent of mine had all his money in bonds of the United States, I would make the same speech if I could as I am now making; I would say the same things I have said and the same things I am going to say. Where are my constituents, assuming them all to be millionaires owning bonds, going to get payment for their coupons unless some people somewhere make some money with which to pay those coupons and redeem them? Where are my constituents, loaded up with millions of dollars of United States bonds, to get their money when those bonds become due unless the people somewhere can make some money with which to pay those bonds?

Mr. President, I ask that the Secretary read the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 10, after the amendment heretofore agreed to, it is proposed to insert the following:

PART II—FINANCING—EXPANSION OF CURRENCY THEREBY MAKING IT POSSIBLE FOR THE PEOPLE TO SECURE FUNDS FOR PAYMENT OF TAXES NECESSARY TO BALANCE THE BUDGET AND TO MEET THE INTEREST AND PRINCIPAL OF THE BONDS MADE NECESSARY BY THE APPROPRIATION MADE IN SECTION 1 OF THIS ACT

SEC. 12. The Secretary of the Treasury is hereby authorized and directed—

(1) To issue silver certificates against all silver bullion now held or hereafter acquired at its monetary value, and such silver certificates shall be placed in circulation immediately through the payment of maturing obligations.

(2) All silver certificates issued and outside the Treasury, and all silver certificates which may be hereafter issued, shall, upon receipt by the Secretary of the Treasury, be reissued and paid out again and kept in circulation as provided for legal-tender notes in chapter 146 of the United States Statutes at Large, Forty-fifth Congress, and approved May 31, 1878.

SEC. 13. The Secretary of the Treasury is hereby authorized and directed to purchase silver bullion at the rate of not less than 50,000,000 ounces per month wherever silver shall be procurable at a price to be fixed by him from time to time, and the silver so purchased shall be paid for, held, and deposited as provided by law: *Provided*, That such purchase of silver shall continue until the proportion of silver to gold in the monetary stocks of the United States shall equal one-fourth of the monetary value of such stocks, or until the price of silver in the world markets, based upon international exchange, shall reach the value of $1.29 per fine ounce, whereupon such purchases shall cease: *Provided further*, That (a) at any time the price of silver in such world markets reaches the value of $1.29 per fine ounce, the mint is hereby opened to the free acceptance of silver upon the basis of 371¼ grains of fine silver to the dollar as provided in section 9 of chapter 16 of the First Statutes of 1792; (b) that payment for all silver accepted, as provided herein, shall be made in standard silver dollars or in silver certificates at the option of the person, firm, association, or corporation tending silver for coinage; (c) that to the end that the necessary proportion of silver may be acquired for our metallic monetary stocks, the Secretary of the Treasury may, in his discretion, exchange gold or silver on a fair and equitable basis of price and silver certificates shall be issued immediately against all silver thus acquired by such exchange as provided in paragraph 1 of section 12 hereof; (d) that the Secretary of the Treasury is hereby authorized, in his discretion, to accept silver at an agreed price in settlement and adjustment of any balance due the United States; and (e) that the Secretary of the Treasury shall make all needful rules and regulations for carrying into effect the provisions of this title.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma.

Mr. FRAZIER. Mr. President, I should like to suggest the absence of a quorum, if the Senator will yield for that purpose.

Mr. THOMAS of Oklahoma. I yield.

Mr. FRAZIER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Bankhead	Bone	Burke
Ashurst	Barbour	Borah	Byrd
Austin	Barkley	Brown	Capper
Bachman	Bilbo	Bulkley	Clark
Bailey	Black	Bulow	Connally
Coolidge	Hale	Minton	Shipstead
Copeland	Harrison	Murphy	Smith
Costigan	Hastings	Murray	Steiwer
Couzens	Hatch	Neely	Thomas, Okla.
Cutting	Hayden	Norbeck	Thomas, Utah
Dickinson	Johnson	Norris	Townsend
Dieterich	Keyes	Nye	Trammell
Donahey	King	O'Mahoney	Truman
Duffy	La Follette	Pittman	Tydings
Fletcher	Logan	Pope	Vandenberg
Frazier	Lonergan	Radcliffe	Van Nuys
George	McAdoo	Reynolds	Wagner
Gerry	McCarran	Robinson	Walsh
Gibson	McGill	Russell	Wheeler
Glass	McKellar	Schall	White
Gore	McNary	Schwellenbach	
Guffey	Maloney	Sheppard	

Mr. ROBINSON. I desire to announce that the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Louisiana [Mr. OVERTON] are absent on account of illness.

I also desire to announce that the Senator from South Carolina [Mr. BYRNES], the Senator from Illinois [Mr. LEWIS], the Senator from Louisiana [Mr. LONG], and the Senator from New Jersey [Mr. MOORE], are necessarily detained.

The PRESIDING OFFICER. Eighty-six Senators having answered to their names, a quorum is present.

Mr. THOMAS of Oklahoma. Mr. President, there has just been read at the desk an amendment which I offered and which now is before the Senate.

The amendment proposes to carry out the policy initiated by the last session of Congress. The amendment is so simple and so plain that anyone within or without the Congress can understand it; but if for just a moment I may have the attention of those who may be interested, I will explain the amendment. Then no one need be in doubt as to what the amendment means.

The amendment has several different ideas or plans or proposals. The first one is this:

Last year we authorized the Government to buy silver. In that authorization the Government had the option of issuing certificates against the silver at the value of the silver. That means what the Government paid for it. By way of illustration, I exhibit to the Senate a block of wood. I will call this block of wood 100 ounces of silver. Under the terms of that law the Government bought this silver at 50 cents an ounce. It bought some for less; it bought some for 50 cents and it bought some for more; but, for illustration, I will say it paid 50 cents an ounce. The Treasury Department paid for the 100 ounces of silver represented by this block $50. Under the law the Treasury Department has issued certificates against this silver to the extent of $50—what it cost.

Under the practice heretofore, the Treasury Department issued silver certificates against its silver at the rate of $1.29 an ounce. That was on the theory that the silver in the silver dollar was worth a dollar.

I exhibit to the Senate a silver dollar that contains 371¼ grains of fine silver. If silver is worth $1.29 an ounce, then the silver in this silver dollar is worth a dollar; but because silver is not worth $1.29 an ounce, the silver in this dollar, as quoted, is worth less than 50 cents.

The point is this: The Treasury has bought about 400,000,000 ounces of silver. Against this silver the Treasury has issued $200,000,000 in certificates. The Treasury can issue certificates against the silver to the full extent of the $1.29 an ounce, as it has been doing for years past. This proposal directs the Treasury to issue certificates against the silver that we have at the rate of $1.29 an ounce instead of issuing them for the amount the Treasury paid for it.

If that provision could be enacted into law, we could thereby increase the circulation almost $400,000,000. I am offering this amendment to get some money in circulation.

This provision will provide for the immediate expansion of the currency to the extent of about $400,000,000 by issuing certificates against our silver at the old ratio of $1.29 an ounce. It has been done for an indefinite time in the past. It never stopped until the past 2 or 3 months. I am proposing that that be done instead of just issuing certificates for the amount we paid for the silver.

That is the first provision of my amendment. If anyone is against that, I should be glad to have him say so.

Mr. PITTMAN. Mr. President——

Mr. THOMAS of Oklahoma. I yield to the Senator from Nevada.

Mr. PITTMAN. Section 5 of the Silver Purchase Act of 1934 provides:

The Secretary of the Treasury is authorized and directed to issue silver certificates in such denominations as he may from time to time prescribe in a face amount not less than the cost of all silver purchased under the authority of section 3.

I call attention to the fact that the limitation there of "not less" does not prohibit him from issuing certificates for the full amount.

Mr. THOMAS of Oklahoma. Exactly so, Mr. President; and when we place a limitation that he shall issue certificates of a value not less than the amount the Department paid, that is the program the Treasury Department is following, and that is what I complain of. The Treasury Department is trying to keep from circulation every dollar it can possibly keep from circulation. I ask why, when the people are starving for money?

That is the only trouble with this country. What is the trouble with the 22,000,000 people on the dole? They want money. They have not money, and they cannot get it. What about the 10,000,000 people who are unemployed? They want jobs to earn money. They cannot get either. The money does not exist. Somebody is keeping the money from even getting to the point where the people can possibly get it.

Mr. PITTMAN. Mr. President, will the Senator yield again?

Mr. THOMAS of Oklahoma. I yield.

Mr. PITTMAN. I offered an amendment to the so-called "Gold Reserve Act" of 1934 on the same subject, which reads as follows:

The President is further authorized to issue silver certificates in such denominations as he may prescribe against any silver bullion, silver, or standard silver dollars in the Treasury not then held for redemption of any outstanding silver certificates, and to coin standard silver dollars or subsidiary currency for the redemption of such silver certificates.

That provision, taken in connection with the provision of the Silver Act which says the Secretary of the Treasury shall issue silver certificates to an amount not less than the amount the Government paid for the silver, would seem to me to indicate that it was the plain intention of Congress, by virtue of those two provisions, that silver certificates should be issued against all bullion, silver dollars, and silver currency in the Treasury of the United States.

Mr. THOMAS of Oklahoma. At what rate, may I ask the Senator?

Mr. PITTMAN. At their face value; at par.

Mr. THOMAS of Oklahoma. Does the Senator mean at the rate of $1.29 an ounce?

Mr. PITTMAN. Yes.

Mr. THOMAS of Oklahoma. I agree with the Senator; but the Treasury officials are not doing it. Apparently, they are not going to do it; and I have proposed in this amendment an instruction to the Treasury Department that when they have silver, they shall issue certificates against that silver as they have done for 150 years, for as long as silver certificates have been issued, at the rate of $1.29 an ounce, on the theory that the silver in the dollar is, or should be, worth a dollar.

Mr. NORRIS. Mr. President——

Mr. THOMAS of Oklahoma. I yield.

Mr. NORRIS. As I understand, the effect of the Senator's amendment, so far as he has explained it, is simply to direct the Secretary of the Treasury to do what he already has authority to do under the law. Is that correct?

Mr. THOMAS of Oklahoma. Exactly so. Let me read this section. It is just a line or two.

The Secretary of the Treasury is hereby authorized and directed—
(1) To issue silver certificates against all silver bullion now held or hereafter acquired at its monetary value, and such silver certificates shall be placed in circulation immediately through the payment of maturing obligations.

The monetary value is $1.29 an ounce. The amendment directs the Secretary to do what he could do, but is refusing to do. Does anyone take exception to this direction?

That is provision no. 1.

When the Treasury issues these certificates, and places them in circulation, sometimes they get back into the hands of Federal Reserve banks and Federal Reserve bank agents; and the Federal Reserve banks and Federal Reserve bank agents apparently do not like silver certificates, and they hoard them away and keep them from circulation.

I read from Treasury folder, form 1028, of date January 31, 1935, which means the first of February, just 6 weeks ago. This statement shows that the Federal Reserve banks and the Federal Reserve agents had of these certificates in their vaults the sum of $129,000,000. In other words, the Congress, trying to get money in circulation, places the money in circulation, and then the Federal Reserve banks and the Federal Reserve agents, when they get their hands on it, place it by in a vault and prevent it from being in circulation in the future.

Mr. President, this problem came up once before in the Congress. A long time ago the Congress authorized Mr. Lincoln to issue greenbacks. He issued a lot of greenbacks, $450,000,000 of them; and after the Civil War was over the authorities began to get the loose ends of revenue together and collect money, and they began to retire these greenbacks.

Within 10 years after the war was over they retired over $100,000,000 of greenbacks, and greenbacks began to be scarce. It was the only money they had. They had not redeemed in specie yet. So, as the greenbacks became scarcer and scarcer, greenbacks went up in value and commodity values fell. The Congress in that day would act, and the Congress passed a bill instructing the Treasury not to redeem any more of those greenbacks, to keep the greenbacks then in circulation in constant circulation. Here is the law, chapter 146, second session, Forty-eighth Congress, act approved May 31, 1878. I read the law:

Be it enacted, etc., That from and after the passage of this act it shall not be lawful for the Secretary of the Treasury or other officer under him to cancel or retire any more of the United States legal-tender notes.

By that they stopped the cancelation of these notes, for the reason that notes were being canceled, taken out of circulation, money was getting scarcer, money was going up, and prices were going down. There was deflation in 1878. I read further:

And when any of said notes may be redeemed or be received into the Treasury under any law from any source whatever and shall belong to the United States, they shall not be retired, canceled, or destroyed, but they shall be reissued and paid out again and kept in circulation: *Provided*, That nothing herein shall prohibit the cancelation and destruction of mutilated notes and the issue of other notes of like denomination in their stead, as now provided by law.

This act did two things—first, it stopped the cancelation of greenbacks; and second, commanded the Secretary of the Treasury to keep the greenbacks then in circulation in constant circulation. That was 70 years ago, and during these 70 years the remainder of those old greenbacks—"Lincoln" greenbacks, so called—$346,000,000 of them—have been kept in constant circulation. In 70 years' time no bonds have been required to stand back of $346,000,000 of greenbacks. Because no bonds were back of those greenbacks, the people did not have to pay any interest to keep that money in circulation, and because the people did not have to pay any interest to support bonds in 70 years' time, the people have saved more than $11,000,000,000 in interest alone, because they did not have to pay interest on the bonds.

Mr. GORE. Mr. President——

The PRESIDING OFFICER (Mr. BYRD in the chair). Does the Senator from Oklahoma yield to his colleague?

Mr. THOMAS of Oklahoma. I yield to my colleague.

Mr. GORE. I call the Senator's attention to this fact: Since the greenbacks became redeemable in gold, on January 1, 1879, we have carried a gold reserve for their redemption. It was around $156,000,000 a year ago when the new policy was instituted. The interest on the gold reserves

which have been held in the Treasury for the redemption of those greenbacks exceeds the $346,000,000 of greenbacks, and if they had been retired there would have been a saving, from that point of view, to the Treasury and to the taxpayers of the country.

Mr. THOMAS of Oklahoma. It is too bad the Senator was not in the Senate at that time.

Mr. GORE. That is aside from the point.

Mr. THOMAS of Oklahoma. With $346,000,000 of these greenbacks in circulation, there never has been $346,000,000 of gold back of them. The gold supported not only the greenbacks but supported other paper, and it had no effect on the validity of the greenbacks, but saved about 30 percent of their value.

Does anyone oppose the second provision of the amendment, which requires that the silver certificates, when used and sent back to the Treasury, shall be reissued and paid out again? I am trying to get the $129,000,000 in the 12 Federal Reserve banks out into circulation. That would expand our currency another $129,000,000.

We get about $400,000,000 from the issuance of silver certificates, the full monetary value, and another $129,000,000, and taking this money that is now hoarded and putting that into circulation.

Is anybody opposed to that? That will expand the currency more than half a billion dollars. That is point no. 2.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. NORRIS. I wish the Senator would read, at this point in his address his second point, so that we may know what he is driving at.

Mr. THOMAS of Oklahoma. No. 2 is as follows:

All silver certificates issued and outside the Treasury, and all silver certificates which may be hereafter issued, shall, upon receipt by the Secretary of the Treasury, be reissued and paid out again and kept in circulation as provided for legal-tender notes in chapter 146 of the United States Statutes at Large, Forty-fifth Congress, and approved May 31, 1878.

I intend to make that section, passed in 1878, which has applied to greenbacks for 70 years, apply now to silver certificates, and that is all.

Mr. NORRIS. Then $129,000,000 is kept out of circulation by the Reserve banks. The provision of the Senator's amendment relating to the reissue of this money applies only to the Secretary of the Treasury.

Mr. THOMAS of Oklahoma. That is true; but I think the Senator will take judicial notice of the fact that the Treasury Department now runs the Federal Reserve System. The distinguished Senator from Virginia has been complaining for 2 or 3 years because the Secretary of the Treasury does run the Federal Reserve System. If this provision should go into the law, of course the Treasury Department might not take any step to get the money into circulation, but such a position would be contrary to the spirit of the law, and if the provision should not be complied with, when we came into session again the Secretary of the Treasury would probably hear from us.

I have referred to provision no. 2. Anyone can understand that, and be for it or against it.

Last year we provided that the Treasury Department should go into the open market and commence buying silver in order to increase our silver stocks up to 25 percent of our total monetary stock, which is supposed to be 100 percent—75 percent in gold and 25 percent in silver. At that time we had 700,000,000 ounces of silver. To get our monetary stock up to 25 percent when we passed the bill would have required about 1,300,000,000 ounces of silver.

It was not made mandatory last year that the Treasury Department should buy a single ounce, but the Treasury Department has bought some silver. They bought about 400,000,000 ounces of silver. Nobody really knows how much they bought. Some guesses have been made, but no report has been submitted, so far as I know; and the best estimates have been made by the news gatherers, who have the sharpest noses for getting news. If anything exists, they can get news of it when they want to. They have reported in recent news stories that the United States has acquired about 400,000,000 ounces of silver.

Section 12 requires the Treasury Department, by a mandatory order, to go into the open market and commence buying silver at the rate of 50,000,000 ounces a month. According to the present amount of gold, it will take about 22 months to complete this program, if they buy 50,000,000 each month.

Mr. NORRIS. What does the Senator mean by "section 12"? He has referred to that several times.

Mr. THOMAS of Oklahoma. This is title 2 of the joint resolution, and I carry the sections through. The first section of my amendment is a new section to the joint resolution. We have had section 12, and what I am talking about now is section 13.

Mr. NORRIS. It is the third proposition?

Mr. THOMAS of Oklahoma. It is the third branch of my amendment. The third proposal is that the Treasury Department be directed to enter the open markets of America and the world and begin buying silver, paying what they have to pay for it, and procure 50,000,000 ounces a month.

Silver today is worth 57¾ cents, or something like that. That means that an ounce of silver can be had today for less than 59 cents. I do not know the exact figure.

When we get the silver, we issue certificates against it at what it costs. I am trying to force the issuance of silver to the full amount of $1.29. So, if we get 50,000,000 ounces a month and issue certificates against it, we can make a profit on what we buy, and the profit will be measured by the difference between what we pay for the silver and $1.29 an ounce.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. HAYDEN. I am in quite thorough accord with the Senator in respect to his section 12 of the joint resolution. It makes mandatory that which is already authorized by law, and I think we enacted a statute last year with the clear intention that we should purchase silver. But when the Senator comes to the third proposition, making it mandatory to buy a certain quantity of silver every month, that is something new, something which never has been passed upon by the Congress heretofore.

Mr. THOMAS of Oklahoma. Not in recent years, but it was in the Bland-Allison Act, the Sherman Act, and one or two other acts.

Mr. HAYDEN. But not in recent years.

Mr. THOMAS of Oklahoma. That is correct.

Mr. HAYDEN. Nothing was done for silver for nearly half a century.

Mr. THOMAS of Oklahoma. That is correct.

Mr. HAYDEN. We began within the past 2 years to consider silver again as money. For the first time, at least in recent years, the Senator is proposing that a definite quantity of silver be bought each month. I am just trying to look at the effect of that on the market as a business proposition.

If it is known that our Treasury must buy a certain quantity of silver every month, those who possess silver will know that, and we must protect the purchases, whereas the way it has been we could buy a large quantity one month, if the price was satisfactory, and if the price rose and was not satisfactory, the next month we could drop out of the market and then come back in again. Does the Senator feel that through the adoption of this 50,000,000-ounce-a-month provision the price will be raised to $1.29 immediately?

Mr. THOMAS of Oklahoma. Not immediately; no. I welcome the suggestion made by the distinguished Senator from Arizona. We adopted the silver amendment last year for one purpose, as I believe, namely, in order to get some money into circulation. That was my incentive. I have no interest in silver as silver, but I do have an interest in providing a plan for getting some money into circulation, so that the people can have a chance to get it. We tried last year to pass a mandatory-purchase act, but powers stronger than some of us said, "No; we do not want to pass a man-

datory bill, but if the bill we suggest is passed we will carry out the policy enthusiastically." I heard that from high authority more than once, "Pass this bill." Senators on the floor are smiling. They likewise heard that statement made.

Mr. HAYDEN. On what date did Congress pass the bill?

Mr. THOMAS of Oklahoma. I can find the date and give it to the Senator in a moment.

Mr. HAYDEN. Has more than a year elapsed?

Mr. THOMAS of Oklahoma. No; not a year has elapsed.

Mr. GORE. It was the 12th of May, was it not?

Mr. HAYDEN. The Senator is sure that within a year we have purchased 400,000,000 ounces?

Mr. THOMAS of Oklahoma. Approximately.

Mr. HAYDEN. Fifty million ounces a month would be 600,000,000 ounces a year.

Mr. THOMAS of Oklahoma. That is correct.

Mr. HAYDEN. My information is that we have been doing practically what the Senator seeks to have done.

Mr. THOMAS of Oklahoma. What objection would there be, then, to putting that provision into the law?

Mr. HAYDEN. The difference is that now the Treasury Department is free to buy or not to buy, and we can make a greater profit by buying as, if, and when it is desired to do so than we can if there is a mandatory direction upon the Secretary of the Treasury that every month he must buy so much silver, and if he cannot get it for one price he must pay another. If the Senator's motive is to get the price up to $1.29 an ounce, that is one thing. However, if we look at it from the point of view of the Treasury—that we ought to buy this silver as cheaply as we can get it because we are going to issue money against it—then the lower the price at which we buy it the more profit there is in the transaction.

Mr. THOMAS of Oklahoma. Mr. President, if it is not the purpose of Congress to raise the silver dollar to $1.29, why buy silver? Why not buy pig iron, or buy copper in the great State of Arizona, if we are going to make silver token money worth no more than pig iron or copper?

Mr. HAYDEN. I am merely trying to find out what the Senator is seeking to do.

Mr. THOMAS of Oklahoma. If the Senator will be patient and listen to me, I shall come to it in a moment. I am sorry I am taking so much of the time of the Senate. I am sorry I have to speak all afternoon; but a subject such as this cannot be dealt with in a short time. One cannot take up the subject of medicine and discuss that subject in a few minutes. One cannot talk about the debt situation and the money situation in the United States and expect to devote only 45 minutes to such discussion.

The other day the distinguished leader came to me and pleaded with me to limit my speech to 45 minutes. I could not do that. I apologize for talking longer. However, I am not trying to hold up the Senate. I am trying to make a record in behalf of a class of people who cannot speak. I am trying to get silver to $1.29 an ounce, otherwise I should be against silver. Otherwise I should sell the silver we have and buy cheaper metal—buy copper, for example—because silver today is no more valuable under our monetary system than are paper, copper, and pig iron—second-hand pig iron at that.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. We were told that the silver policy which was inaugurated a year ago would have some effect on our monetary system. I could not understand at that time how it would, and I do not understand now how it has had any effect. If the Senator thinks it has had any effect I wish he would tell us what effect it has had.

Mr. THOMAS of Oklahoma. The bill passed by the last Congress had no effect whatever upon the American monetary policy. The status of silver was not changed one iota. Silver was token money before we passed the bill. Silver is token money now. It is no more valuable in our monetary system than paper. Unless we raise silver value to $1.29 an ounce or some other value and then see that silver is worth that much, and proceed to protect it by establishing some ratio between it and gold, silver is just token money, no more valuable than patent leather, cardboard, or paper.

Mr. SHIPSTEAD. Mr. President, what ratio does the Senator propose?

Mr. THOMAS of Oklahoma. I shall come to that in just a moment. In ancient times the ratio was as low as 10 to 1. One ounce of gold was worth 10 ounces of silver. The ratio fluctuated. When the Nation was first established, back in 1789, the ratio of silver was 15 to 1. The first Continental Congress, which met before the Constitution was adopted, adopted the monetary unit. Did it fix the gold standard for the money at that time, when the Colonies were struggling for independence? No; it fixed the silver dollar as the first standard of money for America, each silver dollar to be of the value of a Spanish milled dollar and to contain 371¼ grains of fine silver. One of the first acts of the American Congress was to make the Spanish milled dollar the standard of value for the dollar of current circulation in America; and it provided that the American silver dollar should contain the same amount of silver, the same number of grains—371¼—but it tied it by name to the Spanish milled dollar. So the first unit, the first dollar which America as an organized nation had was the silver dollar; and it served the American people from colonial days until within a few years ago. Then, suddenly, as I presume the Senator from Virginia would say, silver was demonetized. Whether that was done designedly or fictitiously or surreptitiously I shall not now take time to discuss.

Mr. SHIPSTEAD. I do not desire to interfere with the Senator's argument, but I should like to ask just one question: If the Senator's amendment should be adopted, does the Senator think a ratio would be established?

Mr. THOMAS of Oklahoma. I am coming to that point. I anticipated the Senator's question. I will answer it as I go along.

There is no chance today of fixing the ratio between gold and silver because silver is still cheap. Gold is too high. They are too far apart. At the present time the silver in the silver dollar is worth 50 cents. The ratio would be wide. It would be 75 or 80 to 1. I am not good at mathematics, but the ratio would be 1 ounce of gold to a great number of ounces of silver. It would be one to a great number. If we should raise the price of silver to $1.29 an ounce, the silver in the dollar would be worth a dollar in gold or in anything else. That would bring the ratio between a silver dollar and the present gold dollar down to about 27 to 1, if my figures serve me correctly. So we have to raise the value of silver to $1.29 an ounce before we can even have a ratio of 1 to 27.

It is my policy and my purpose to force the Treasury to commence buying silver and to do a number of other things: First, to place more money in circulation, to make money more plentiful, to make money cheaper, and raise prices. Second, to raise the price of silver so that the silver in the silver dollar will be worth a dollar. When it is, the silver dollar will be good throughout the world. It will then be as good as gold. China will accept it; India will accept it; the English possessions will accept it; it will be accepted everywhere. They will not accept it today. A silver dollar is no better than a paper dollar, except that its owner could melt it up and get forty-odd cents for it. It is that much better than paper.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from North Carolina.

Mr. BAILEY. The Senator proposes, as I understand, that the Treasury shall buy silver at a constantly increasing price until it reaches the price of $1.29. Is that correct?

Mr. THOMAS of Oklahoma. If the Senator will read section 2 of my amendment, he will find that there are two objectives. I will make my purpose plain. I am by law trying to force the Treasury Department to enter the markets of the world and buy silver at whatever price the Treasury has to pay, to the amount of 50,000,000 ounces a month, until one of two objectives shall be attained: First, until we get our 25 percent of monetary stock in the Treasury, when we will quit, or until silver reaches $1.29 an ounce.

Mr. BAILEY. "Until silver reaches $1.29 an ounce"—$1.29 in what? Is it $1.29 in gold?

Mr. THOMAS of Oklahoma. At the present time we are presumed to measure everything in gold. That brings up a great many questions. A great many questions are involved in this money question.

Mr. BAILEY. Is that what the Senator is driving at?

Mr. THOMAS of Oklahoma. Yes. My objective is that the silver in a silver dollar shall be worth a dollar in gold. The reason why we cannot fix any ratio now, or think about fixing a ratio, is, in my opinion, because the gold dollar is not fixed permanently. I do not think the new gold dollar will contain 15.521 grains of gold. It may. It may contain less. No one can say. Until we fix the grains of gold in the gold dollar permanently, as we think, we cannot talk about ratio, because the ratio between gold and silver must be tied to one of them. If we should establish the ratio between the present gold dollar and the present silver dollar, it would be 27 to 1. If the President should see fit, in the next few days, to take off a part of this gold dollar, then the ratio would change. The ratio then would be 32 to 1. So we cannot now even figure out the ratio.

Mr. BAILEY. But we can do some figuring. The Senate proposes to buy silver with American dollars at a constantly increasing price of silver until an ounce of silver sells for $1.29 in American dollars, or in gold—which is it?

Mr. THOMAS of Oklahoma. That brings up a question. We have today two kinds of dollars in the United States. Every American dollar, when it gets beyond the border of this country, ceases to be of the same value as it is here. We have two dollars. Each has a separate value. The gold dollar abroad does not have the same value as the domestic dollar here at home. I think the Senator will agree with that statement.

Mr. BAILEY. I am just trying to get the facts. Is it $1.29 in our present currency, or $1.29 in gold; that is, the twenty-five-and-a-fraction-grain dollar, or the 15-grain dollar?

Mr. THOMAS of Oklahoma. Mr. President, if we buy gold abroad we must buy it with the dollar which is equivalent to 15.521 grains of gold; so, if we buy silver abroad, we buy with gold dollars.

Mr. BAILEY. If we buy silver abroad, we buy with the present gold dollars?

Mr. THOMAS of Oklahoma. We buy with gold dollars. The foreign sellers would not accept our paper money. We have to pay with gold. If we buy silver in this country, we buy with the paper dollars we have here. It does not make any difference here.

Mr. BAILEY. Is the price of the silver we buy measured in gold or in paper dollars? That is what I am driving at.

Mr. THOMAS of Oklahoma. All the time it is measured in gold, because we are not buying any silver in this country.

Mr. BAILEY. Let me make my point. Is it measured by American 15-grain gold dollars, or is it measured by the old 25-grain dollars?

Mr. THOMAS of Oklahoma. It is measured by the 15-grain dollar. The other dollar is a thing of the past.

Mr. WHEELER. What I was going to say to the Senator was that if we should raise the price of silver to $1.29 we would be raising it to $1.29 in American currency, which is now based upon a devaluated gold dollar. So what we would be doing, as a matter of fact, would be raising it to $1.29 on the basis of a devaluated dollar, whether currency or gold.

Mr. THOMAS of Oklahoma. Mr. President, if we should pursue this policy and raise silver so that it would be worth $1.29 in terms of our present money that would only mean that an ounce of silver would be worth 64½ cents as measured by the old predevalued gold dollar. If we should raise silver today to $1.29 an ounce it would only be comparable to silver at 64½ cents an ounce before we devalued the gold dollar. That is not high; in my judgment, it is not high enough; but that is all we propose.

I wish to call the attention of the Senate to just one or two lines from an act of Congress approved April 2, 1792. That was a good many years ago. The act of Congress to which I refer is found in the United States Statutes at Large, No. 1, first session of the Second Congress. I said a while ago that the first dollar or unit of the American monetary system was the silver dollar. I now read to the Senate a few lines which verify my statement. I read from section 9 of the act referred to:

> Dollars or units—each to be of the value of a Spanish-milled dollar the same as now current, and to contain 371 grains and four-sixteenths parts of a grain of pure or 416 grains of standard silver.

That is the authority for my statement that the first dollar that was provided for by the Congress was the silver dollar, and that dollar was the result of the recommendation made by the first Secretary of the Treasury, Alexander Hamilton; and I have the authority here contained in his report on the establishment of a mint, wherein he recommends the silver dollar. Of course, he recommends gold along with it.

Mr. SHIPSTEAD. Mr. President——

Mr. THOMAS of Oklahoma. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. As I have understood the Senator's idea of a monetary system, he considers money as chiefly a medium for the exchange of goods? Am I correct in that?

Mr. THOMAS of Oklahoma. Money is the tool of trade. How can we expect 125,000,000 American people to do anything without any tools? Yet Representatives in Congress and Senators refuse to let us act.

Mr. SHIPSTEAD. The banks furnish a medium of exchange in the form of credit to a large extent, constituting about 95 percent of the total medium of exchange. In 1929 there were about $60,000,000,000, as I understand, in bank deposits available to furnish a medium of exchange. Can the Senator tell us what the bank deposits now are?

Mr. THOMAS of Oklahoma. The Senator is correct. In 1930 the bank deposits were just a few million dollars less than $60,000,000,000. Then the depression came; people began to hoard money and draw it out of the banks; the banks began to fail; and, through their failure and the liquidation of obligations, the deposits fell to about $40,000,000,000. In other words, during the last 4 or 5 years, we have lost something like $20,000,000,000 of credit or deposit money.

Mr. SHIPSTEAD. We have lost a medium of exchange to that extent?

Mr. THOMAS of Oklahoma. Yes.

Mr. SHIPSTEAD. So that there are $20,000,000,000 less as a medium of exchange than there were in 1929?

Mr. THOMAS of Oklahoma. That is correct.

Mr. SHIPSTEAD. To what extent will the Senator's proposal restore that amount of medium of exchange?

Mr. THOMAS of Oklahoma. Let me preface my answer with a statement. It is my contention that in good times, when confidence abounds, the country can have plenty of deposit or credit money, and it serves a very good purpose; so that in such times it is not necessary to have very much real money; but in times like these, when we have no confidence, when bank-deposit money is frozen and cannot be used, I am contending that it is necessary to increase the pocket money, the bank-change money in circulation. Then, when times get good again and confidence is restored, we can return to the use of bank-deposit money and we can withdraw the other money from circulation and put it away for future use. How much should go into circulation to do the job which I want done?

Mr. SHIPSTEAD. How much will the amendment of the Senator increase the medium of exchange?

Mr. THOMAS of Oklahoma. I said a moment ago that through the issuance of certificates of a monetary value instead of a real value we decreased the circulation by almost $400,000,000. By issuing $127,000,000 held by the Federal Reserve banks and the Federal Reserve agents and putting that in circulation there would be $127,000,000 more, mak-

ing $527,000,000. Now we have to buy another billion ounces of silver, and when silver is bought what we are doing is just trading paper for silver. I would be very glad to take up some scraps of paper, run them through the printing press, and trade them for a billion dollars, but the Treasury does not want to. The Treasury was against making a $2,812,000,000 profit on gold devaluation until the Congress said that it could do so.

Through purchasing silver with paper or trading paper for silver to the extent of a billion ounces, we can issue $1,290,000,000 in silver certificates against a billion ounces of silver. So we would put a billion dollars more in circulation under the amendment, when carried out, in 22 months; it would expand the circulation only about a billion and a half dollars, which is not radical, which is not dangerous, and it could be controlled all the way through.

Mr. O'MAHONEY. Mr. President——

Mr. THOMAS of Oklahoma. I yield.

Mr. O'MAHONEY. I have followed the argument of the Senator with a great deal of interest. As I understand his proposal, it is, in simple terms, that in times of prosperity, when there is a great deal of credit currency, the real money of which he speaks is not needed?

Mr. THOMAS of Oklahoma. Exactly so.

Mr. O'MAHONEY. Whereas in times of depression, when credit currency has disappeared, real money is needed?

Mr. THOMAS of Oklahoma. Exactly so.

Mr. O'MAHONEY. And the Senator's objective now is to get real money into circulation?

Mr. THOMAS of Oklahoma. Yes; to take the place of credit money that is not operating. In other words, they are "slacker" dollars; they are lazy dollars that will not work; and because they are lazy and slackers and will not work, I propose to put dollars in circulation that I know will work, for they have worked for 150 years.

Mr. O'MAHONEY. That is exactly the point. Will they work if they are not kept in circulation?

Mr. THOMAS of Oklahoma. I am trying to provide in the amendment that they must be kept in circulation.

Mr. O'MAHONEY. How does the amendment propose that they shall be kept in circulation?

Mr. THOMAS of Oklahoma. The Senator is confused, in my judgment, between money in circulation and money in the banks.

Mr. O'MAHONEY. No; not at all.

Mr. THOMAS of Oklahoma. He is going to say in a moment that if we put this money in circulation it will gradually go back into the banks. That is true; and that is where money should be, in the banks; but it will be in the name of some person; it will be in the banks in such a way that somebody will be able to get it; it will raise the price level and people who are producing may go to the banks and borrow some of that money.

Mr. O'MAHONEY. Perhaps half an hour ago the Senator said that the banks were hiding the silver currency, that the banks were not desiring to use it.

Mr. THOMAS of Oklahoma. The Federal Reserve banks, the Federal Reserve agent, not the ordinary banks of the country, not the national banks, not the State banks, not the private banks. I made specific reference to the Federal Reserve banks, 12 of them, and 12 Federal Reserve agents. That is where this sort of money is; it is not in the banks; it is in the Federal Reserve banks and in the hands of the Federal Reserve agents, and money in their hands is not in circulation. Of course, this money in the national banks and State banks and private banks would be in circulation; that is where I want it; and if the bankers had it they would feel mighty good at night when they went to sleep if they knew that somebody would want to borrow all the money in their vaults. They would be glad to lend it, in my judgment.

Mr. O'MAHONEY. Actual circulation depends, does it not, upon business and the turn-over of the dollar?

Mr. THOMAS of Oklahoma. Exactly; but the Senator was not here a while ago when I took some little time to explain one specific instance.

Mr. O'MAHONEY. I have been here most of the time.

Mr. THOMAS of Oklahoma. The Senator did not hear my explanation about hogs and cattle and price levels?

Mr. O'MAHONEY. Yes; and I heard a good deal of misinformation given out, though not by the Senator, with respect to the killing of cattle.

Mr. THOMAS of Oklahoma. They were killed in my State.

Mr. O'MAHONEY. But not for the purpose of creating a scarcity.

Mr. THOMAS of Oklahoma. No; they were dying for the want of food.

Mr. O'MAHONEY. That is a very different thing; that is beside the point.

Mr. THOMAS of Oklahoma. The farmers could not afford to lose them, and the farmers could not afford to buy feed; they could not ship them any place—they were too poor; so this great, generous, munificent Government, realizing the condition, acted humanely and killed the starving beasts, in my State going out in the fields to relieve them of their misery.

Mr. O'MAHONEY. My fundamental question is, How does the Senator propose by his amendment to keep these dollars working?

Mr. THOMAS of Oklahoma. The Senator has not listened to my argument, or else I have failed to make myself clear. It is my conviction that if we will place real money in circulation money will be plentiful; when money becomes plentiful, money becomes cheap; when it becomes cheap, prices go up; when prices go up, there will be a profit in production; and those who produce will go to the banks and borrow. They will then want to borrow in order to produce. By putting money in circulation and making money cheaper, the banks will be willing to lend money; they will begin to expand their deposit accounts, and the people will be able again to get loans. That may not be very clear; but if that will not work, nothing will work. Take, for example, livestock and hogs. To the extent that banks in my State can make loans on hogs and other livestock their bank deposits are expanded. When the bank in Kansas City made a hundred-thousand-dollar loan to Kansas people with which to buy steers in Texas, the deposits of that bank jumped up a hundred thousand dollars the moment the loan was placed upon its books; and if all the other banks make loans on livestock, cattle, and hogs, their bank deposits will expand, money will go into circulation, people will begin to make money, and the depression will be over.

How else is it going to be done except to follow this program? We have tried everything else. We have tried the policy of curtailing production. We have tried everything we can think of, but we have not tried money. We enacted a law, but for some reason it has not been enforced. The policy of the past 2 years has been one of deflation. We have less money in circulation now than on the 1st of January—$81,000,000 less. We have almost $1,000,000,000 less money in circulation than we had when the present administration was inaugurated. The simple act of the President in cutting 40 percent of the gold dollar was to reduce by $16,000,000,000 the buying power of those who had money in the banks. There was $40,000,000,000 in the banks. He reduced the purchasing power by 40 percent, which was $16,000,000,000. He did not give it back to anybody. He destroyed it. The money would buy $16,000,000,000 less when the President got through operating on it than it would have bought before. It would buy less of wheat, it would buy less of corn, it would buy less of everything. The policy for the past 2 years has been one of deflation. I have protested against it, but my protests have been in vain.

Mr. President, proceeding with the discussion of the amendment, the second paragraph provides for the Treasury Department going into the open market and buying silver to the amount of 50,000,000 ounces a month and paying for that silver with paper that costs us nothing. Then, against the silver shall be issued certificates to the full value of 129 cents an ounce. In that way we will issue money and place it in circulation to the extent of the silver we buy, and that will amount to $64,000,000 a month. Senators may figure for

themselves how much the currency will have expanded at the end of a year.

All that time we are simply trading paper for silver. We keep on buying silver until we have 25 percent of the monetary stock, which means 2,000,000,000 ounces, or until the price of silver reaches 129 cents an ounce. When that occurs, the amendment provides that we shall open a mint, but not for free coinage. The silver itself need not necessarily be in circulation. Why have millions of dollars of silver coined at the Treasury? There is no occasion to coin any more silver dollars. Let us open the mints to the free acceptance of silver. Let the world bring its silver here. We will give 129 cents an ounce in paper for it. By opening the mints we stabilize the value of silver at 129 cents an ounce.

Someone might say that would put the United States on a silver standard or a silver basis. We were on that basis for many years. More than one-half the population of the world exists on a silver basis. Today about the only nations in the world that are having any prosperity worthy of mention are the nations which are on a silver basis, which use silver for money.

After we get silver to $1.29 an ounce, and have placed about $1,500,000,000 in circulation, we will open the mints and accept silver. The more we get the more money we will place in circulation. As a matter of fact, we will not get very much silver.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Does the Senator from Oklahoma yield to the Senator from North Carolina?

Mr. THOMAS of Oklahoma. I yield.

Mr. BAILEY. I do not like to interrupt the Senator, but I do wish to get the matter clear in my mind. I understood the Senator to say that he would pay for the silver with paper?

Mr. THOMAS of Oklahoma. I said we would exchange paper for it, but if anybody wants silver after it becomes worth a dollar we will give him silver.

Mr. BAILEY. If we should buy it from abroad, we would have to pay for it with gold.

Mr. THOMAS of Oklahoma. Not necessarily, because the price of silver throughout the world would be $1.29 an ounce in gold.

Mr. BAILEY. The settlement between nations is still made in gold.

Mr. THOMAS of Oklahoma. Not necessarily.

Mr. BAILEY. Not necessarily, but habitually.

Mr. THOMAS of Oklahoma. No; not necessarily. We deal with the gold-block countries on the basis of gold, and we deal with the silver-block countries on the basis of silver, or we will sometime when we learn enough

Mr. BAILEY. But we do not do so now.

Mr. THOMAS of Oklahoma. The Senator is correct.

Mr. BAILEY. I am glad the Senator knows that to be true.

Mr. THOMAS of Oklahoma. If silver were worth $1.29 an ounce we would not do any business with the people of India with gold but with silver, and therefore no gold would be transferred.

Mr. BAILEY. We would then be in the position of paying for the foreign silver in gold and not in paper.

I wish to ask the Senator from Oklahoma another question. He proposes to get us out of the depression by cheapening the money. He wants to cheapen the money.

Mr. THOMAS of Oklahoma. At higher prices.

Mr. BAILEY. How do we cheapen money by increasing the price of silver?

Mr. THOMAS of Oklahoma. I tried to answer that question last year. The Senator has been losing sleep for 365 nights and days because he did not understand the necessity. How in Germany have they cheapened the mark without increasing the price of gold? At one time in Germany it took a trillion marks to get a silver dollar. How did Germany cheapen the mark by increasing the price of gold?

Mr. BAILEY. If the Senator asks me I will tell him how Germany cheapened the mark. It got some printing presses and printed billions of marks a day. I do not believe the Senator from Oklahoma contemplates anything like that; but does he contemplate lifting the price of silver by way of cheapening the money and lifting it to the gold price? I should like to have that made clear. I have lost some sleep over it.

Mr. THOMAS of Oklahoma. I realize that. The Senator evidently desires to open the printing presses for the printing of tax-bearing bonds. For 5 or 6 years we have had the Bureau of Engraving and Printing running day and night, printing United States bonds and Treasury notes, interest-bearing, and to this good hour we have an almost endless inflation of interest-bearing bonds. Every year the printing presses are running longer day and night. The more bonds we vote, the more bonds must be printed by the Bureau of Engraving and Printing. The Governor of the Federal Reserve Board said it is cheaper to print bonds than it is to print money. The money wears out. The bonds are stored away.

We might earmark a part of this money and provide for the construction of new bureaus of engraving and printing, tripling or quadrupling the size of the present one. Year after year we are being forced to take more interest-bearing bonds because they are cheaper. They do not wear out. The money wears out. It has to be replaced.

I am in favor, through the use of silver and silver certificates, non-interest-bearing, of getting rid of the interest we are paying on so many bonds. The policy now being pursued is leading, as certainly as this day is leading into night, to uncontrolled inflation of printing-press money. We have uncontrolled issuance of interest-bearing bonds now.

We cannot avoid passing this joint resolution. It must pass. Nobody here is against it, practically speaking. There will be some votes against it, but various reasons will determine the votes of Senators who will oppose it. They are all for the joint resolution, and the moment the joint resolution shall have been passed they will all be for their part of the money, and they will all get it. The money will be equitably distributed, and it should be; but the policy we are now pursuing is that of uncontrolled bonds today, inflation of bonds, uncontrolled and uncontrollable save through the issuance of money.

Suppose we do not put any more money in circulation, and keep on issuing bonds. The bonds today in the banks of the country total fifteen and one-half billion dollars, and the banks have only 17 billions in demand deposits. There is only a billion and a half leeway between the amount of bonds the banks have and the amount of their demand deposits. They cannot keep on buying bonds, and when the time comes that the banks cannot buy any more bonds, or refuse to buy any more bonds, the banks begin to sell, because they know the thin ice they are standing upon. When a few bankers become scared and begin to sell their bonds to preserve their banks, knowing that if the bonds fall in price their banks are "broke", other bankers begin to sell. Who will buy? There is nobody to buy but other banks; and in a few hours, perhaps, the grapevine rumor goes about, "Banks selling bonds", and bonds keep on going down. What do I do as a banker? I commence selling my bonds; all the banks begin to sell, and there is your crash. A 10-point drop occurs, and the banks are all closed. Forty billion dollars of deposit money continues to be frozen—all the money there is in the banks. No one can get a dollar. It does not exist; and there is only a little pocket change in the people's pockets, three or four billion dollars. That is all the money we have. The Government has nothing. It must pay its expenses.

Senators, do you know that today we are borrowing money to pay the interest on our national debt? We are borrowing money to pay the salaries of the Senators here. I have always looked upon the Senate as a historic body—the Senate of Clay and Webster and Calhoun and all down the line—but, Mr. President, the Members of the Senate today are just about as much on relief as the individuals who are on relief out in my State in Oklahoma. To my certain knowledge, if some Senators here should lose their salaries, God

only knows what would happen to them. So, while we think we have great positions, we ourselves are borrowing money to pay our own salaries. We are borrowing money to pay the interest on the national debt, because there is not enough real money in all the banks of America to pay the interest on the national debt for a single 12-month period.

Mr. NORRIS. Mr. President——

Mr. THOMAS of Oklahoma. I yield.

Mr. NORRIS. I desire to ask the Senator a question on another subject than the one he is discussing. I will not ask it now unless the Senator has finished discussing the point he has been making. I refer to page 2 of his amendment, the proviso beginning on line 15, reading as follows:

Provided, That such purchases of silver shall continue until the proportion of silver to gold in the monetary stocks of the United States shall equal one-fourth of the monetary value of such stocks, or until the price of silver in the world markets, based upon international exchange, shall reach the value of $1.29 per fine ounce, whereupon such purchases shall cease.

As I understand, if this amendment should become law it would be the duty of the Secretary of the Treasury to purchase silver at the rate of 50,000,000 ounces per month, and to continue such purchases until one or both of two things should happen. The second one is:

Or until the price of silver in the world markets shall reach $1.29 per fine ounce.

I can understand that perfectly well, I think; but the other reason which would be sufficient to have the Secretary stop the purchases I do not understand from this language. The language says that such purchases of silver shall continue—

Until the proportion of silver to gold in the monetary stocks of the United States shall equal one-fourth of the monetary value of such stocks.

I should like to have the Senator explain that language.

Mr. THOMAS of Oklahoma. The first section of the silver act passed last year provides that in our monetary stocks we shall have 75 percent in gold and 25 percent in silver. That means that our monetary stocks at any time will be 100 percent when the law is carried out. Of the 100 percent, 75 percent will be in gold and 25 percent will be in silver.

At the time of the passage of that bill we did not have nearly the 25 percent of silver. Of course, we had the 75 percent of gold, because that is the larger quantity; and, whatever the gold quantity is, it does not make any difference, because that would govern the number of ounces of silver. So when the bill was passed it became necessary for the Treasury Department to enter the markets of the world, or wherever they could get silver, and buy over 1,000,000,000 ounces of silver. We were that much shy of having enough silver, valued at its monetary value, to equal 25 percent of the total 100 percent of monetary stocks. That was the provision of the silver act. That was the standard. So the Treasury Department was given the task of going into the markets of the world to acquire the amount of silver which, at its monetary value, would equal 25 percent of the total; and the 75 percent measured in gold would furnish the other part.

Mr. NORRIS. The Senator's idea, then, is not to go beyond the condition already fixed?

Mr. THOMAS of Oklahoma. Not to go beyond the condition already fixed; exactly so. We have set the policy, and I propose to carry it out in this amendment.

It is my firm conviction that we shall never get the billion ounces of silver. We have taken all the silver in America; we have searched the world; we have raised the price until it is now 57 or 58 cents an ounce, and we have gotten only about 400,000,000 ounces of silver. We have a billion ounces yet to buy, because our gold stock has increased. When this bill was passed last year we had only $7,000,000,000 worth of gold, but now we have eight and a half billion dollars' worth. We are buying silver hardly fast enough to keep up with the increase in our 75-percent gold stock. In other words, we are getting gold faster than we are getting silver.

It is my conviction that we shall never get the 25 percent of silver. We have to buy a billion ounces, and we cannot get it. India will not sell us her silver; China will not sell us her silver, in any appreciable quantities. The other nations have only a little silver. They will not be willing to send it to us. Some countries are now placing embargoes on it. It is my belief, therefore, that we shall never, perhaps, get the 25 percent of silver, but it is my hope that we shall get silver up to $1.29 an ounce; and then we can issue paper money against all this silver, and the silver bullion back of these silver certificates will be worth a dollar anywhere in the world. Then we can make silver basic, standard, substantive money—the good money it was for a hundred years in this Republic. It has not been that since 1873.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. FLETCHER. I understand that the Treasury has been acquiring, and is now acquiring, an average of 50,000,000 ounces of silver per month.

Mr. THOMAS of Oklahoma. Then, there will be no harm in including this amendment in the joint resolution. I did not have that information until this moment, Mr. President.

Mr. NORRIS. Mr. President, will the Senator from Oklahoma permit me to ask him another question on a different branch of his amendment?

Mr. THOMAS of Oklahoma. Yes.

Mr. NORRIS. The Senator's amendment provides that if the price of silver in the world markets reaches $1.29 per ounce, then the mint shall be "opened to the free acceptance of silver"?

Mr. THOMAS of Oklahoma. I used the word "acceptance" instead of "coinage" because I do not desire to have any more silver dollars coined. It is not necessary.

Mr. NORRIS. But for that silver accepted by the mint there are to be silver certificates issued, are there not, as provided for in the amendment at the top of page 3?

Mr. THOMAS of Oklahoma. Yes.

Mr. NORRIS. If that condition should arise, and the price of silver should be brought up to $1.29 an ounce, and we should then be obligated to accept at that price as much of it as came in, I am wondering whether there would be any danger then of an unreasonable inflation of the currency.

Mr. THOMAS of Oklahoma. Mr. President, if we should get the billion ounces of silver, it would result in an increase of the circulation of only a billion and a half dollars. We have lost almost that much since Mr. Roosevelt became President. It would only be restoring the circulation we have lost in the last 2 years, and that could not be harmful. This is a sane, reasonable, conservative, controlled method of expanding our currency to the extent of about a billion and a half dollars. It could not go further, because we could not get more than a billion ounces of silver.

Mr. BORAH. Mr. President, is it not a fair interpretation of the amendment to say that it makes mandatory what we undertook to do last year?

Mr. THOMAS of Oklahoma. Exactly so; that is all the amendment seeks to do, to carry out the policy we thought we were prescribing and providing last year, and to carry out the policy as to which certain promises were made, which I attributed to be the identical thing which the amendment seeks to have done.

Let me proceed, if I may, and I will conclude this in just a moment. The amendment provides that in order to use our silver and in order to use some of our gold in such a way that we can get it into circulation, the Secretary of the Treasury may trade gold for silver bullion.

The amendment was offered several weeks ago, and it was sent immediately to the high authorities. I have no reply and no reaction. I do not know what they think about it, but I noticed a few days ago that the Secretary of the Treasury announced that he had made a trade with Mexico of some gold for silver.

I approve of that policy, for the reason that the gold is doing us no good. Mexico wants gold, and they have silver,

and we can trade gold for silver. Then when we get the silver we can issue paper money against it and put that paper money into circulation. So this proposal, in effect, will afford a means of issuing money against gold. Does not the Senator agree to that?

Mr. NORRIS. Mr. President, if the Senator asks me the question, I will say that I have some doubt on that matter. I want to ask the Senator a question about it.

I have the same information which the Senator has about getting silver for gold. My information is that gold still remains in this country, and is earmarked. I could not quite get a clear idea as to just what had happened, because the statement, as printed in the press, was to the effect that the gold would not be taken from this country, that Mexico would get certificates for it. I could not quite see what good the certificates would do, when they could not under any circumstances get the gold by surrendering the certificates.

Mr. THOMAS of Oklahoma. This is what it means, if I interpret it correctly. The Secretary of the Treasury has traded Mexico 32,000 ounces of gold for some silver. It is true the gold is the property of Mexico. Mexico does not choose to take the gold out of this country, however, because they need it here as a basis of credit, since we do business back and forth with Mexico. So Mexico was agreeable to having the gold sent to the New York Federal Reserve Bank, and have it earmarked, have it tagged, as the property of Mexico.

Mexico, in exchange for that courtesy, if it may be so called, delivered to us a certain number of ounces of silver, which comes to the United States and goes to the mint, and, under the policy we are pursuing, the Treasury would issue certificates against the silver received to the value of the silver, based upon its current market price.

I am insisting that not only should they issue certificates against the silver at its current market value, but at its monetary value of $1.29 an ounce. But, in either event, this policy provides a plan for converting gold into silver certificates.

Mr. NORRIS. Mr. President, I think that is true, but the Senator in his explanation has not given any additional information or light I did not have before regarding the trade the Government has made with Mexico of gold for silver. If Mexico traded silver for gold and we got the silver and issued silver certificates and they went into circulation, and Mexico deposited gold in the Federal Reserve Bank of New York, which is earmarked, how can Mexico ever carry out the contract if she is prohibited from getting the gold?

Mr. THOMAS of Oklahoma. I would suggest that that is Mexico's problem, rather than ours.

Mr. NORRIS. I know it is Mexico's problem, but I was wondering whether there are people in Mexico so unwise as to say, "We will give you this silver for so much gold and you can do what you please with the silver, and you can also keep the gold."

Mr. THOMAS of Oklahoma. Let me suggest that Mexico needs no defense at my hands, because in Mexico at this good hour the peon Mexicans are prosperous, and just across the Rio Grande the Mexican cotton planters tonight are getting 45 cents a pound for their cotton, while the planters in the South of the United States are getting 10 cents a pound for their cotton.

Mr. NORRIS. I mean to cast no reflection on Mexico, but I am wondering whether Mexico, being as wise as I think she is——

Mr. THOMAS of Oklahoma. The Mexicans are wise.

Mr. NORRIS. Whether they made such a contract, to trade silver for gold, and let us have both the gold and the silver.

Mr. THOMAS of Oklahoma. Mr. President, Mexico buys a vast quantity of goods from the United States. She has to pay us in gold for those goods. Every nation that buys goods from the United States pays us in gold, or the equivalent of gold. Under our deflation policy they can buy a paper dollar for 60 cents in gold, under the old valuation, but in order to pay us they must pay us in either paper dollars the equivalent of gold, or gold itself. Mexico, doing a large business with the United States, must pay us in gold, and in time we will get all the gold back.

Mr. NORRIS. Suppose we have made this deal as the newspapers have suggested, and I am a business man in the United States doing business with Mexico, and Mexico, in payment for goods I have shipped to Mexico, gives me an order on the Federal Reserve Bank of New York for as much of that gold as represents the contract price for the goods I have sold. Could I get it?

Mr. THOMAS of Oklahoma. No; the Senator could not get it but the Mexican Government or whoever was dealing with the Senator, would provide him some sort of exchange that would be convertible into good American dollars, and he would get good dollars. The exact modus operandi by which the transaction would be conducted I do not know, but I see in this proposition a plain, simple trade to the benefit of Mexico and to the benefit of the United States, and I quite approve of it.

There is a provision section of the amendment which authorizes the Secretary of the Treasury to trade gold for silver. The last provision is that the Secretary may accept silver in the settlement of international balances. If Mexico owes the United States today she has to pay in gold or the equivalent of gold. Under this provision the Secretary could accept silver at an agreed price in adjusting the international balance. We could accept silver from China, silver from Japan, silver from Germany, silver from the world, and thereby more quickly acquire the required 25 per cent of our monetary silver stock.

Against every ounce of silver we might get from the world we could issue silver certificates at $1.29 the moment it reaches the United States, and do two things, make a profit on the trade, and get more money into circulation.

Where is there anyone who can criticize the provisions of this amendment? A kindergarten class could understand it. The only trouble is Senators will not stay here and listen. I have no right to complain; they are busy, but some will not be so busy after the next election.

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. FLETCHER. Referring to what was discussed a few moments ago when there was mention of some danger of the banks which hold Government obligations beginning to sell them, and the statement that that eventually might create considerable disturbance, I wish to state that in my judgment is not going to happen.

Mr. THOMAS of Oklahoma. I hope it will not happen.

Mr. FLETCHER. In the first place, so long as excess reserves are here, there will be no practical need of large-scale liquidation. In the second place, lacking a substantial demand from business, the banks would find it extremely difficult to show any net profits without the income now derived from Government obligations. What is equally or even more compelling, the banks as a whole could dispose of Government securities on a large scale only by accepting a large capital loss, and they are not likely to do that.

In the next place, they would not be tempted to do it because they do not need to do it. Finally, since the bulk of these holdings are of short-time maturity, the banks would be under no pressure to liquidate. I desired to mention that in connection with the suggestion which was made.

Mr. THOMAS of Oklahoma. I am glad to have the suggestion from the distinguished Chairman of the Committee on Banking and Currency.

Let me now call attention to one other consideration, and that is the burden being placed on the rising generation. Have Senators any conception of the load of debt the older generation has piled up for the youth of the land to assume?

Mr. BAILEY. Mr. President, before the Senator enters upon that branch of his discussion I should like to ask him a question. The Senator made some remarks just now which struck me with a very great deal of force, and I should like to have the Senator answer with respect to that point before he proceeds to another phase of his subject.

As I understood the Senator, he stated that we are now in the process of an uncontrolled inflation of the debt structure of the country. I gathered that he meant that we appropriated $3,300,000,000 a few months ago, and we propose now in a secondary movement to appropriate $4,800,000,000. Is it in the Senator's mind that that is in the process of one movement, predicating another and a larger movement, and that this time next year we will be called upon for $6,000,000,000 more if we continue this process?

Mr. THOMAS of Oklahoma. Exactly so, unless the Congress of the United States shall take action. The House of Representatives, at the other end of the Capitol, is on the job. Only yesterday and today the House has acted in harmony with what I think should be done; but it cannot be done unless the Senate gives the people some tools with which to make some money to pay their taxes, their interest, and their debts.

We have, by appropriations, increased the national debt from $16,000,000,000 to $30,000,000,000, and at the end of next year it will be $35,000,000,000. Yet the people have been prevented from making any money to pay this obligation. They do not have the money; they cannot get it; they cannot borrow it, because the Congress has not provided it for them. The bank money is frozen. Actual money is taken out of circulation.

Mr. BAILEY. I should like to have the Senator expand upon these facts just to the extent of comparing our process with the process which began with the French Revolution and wound up with the end of the French Revolution.

Mr. THOMAS of Oklahoma. Mr. President, I am glad the Senator brought up that question. The Senator is going to suggest in a moment that I am in favor of a John Law south sea bubble. The Senator must be in favor of the present bubble we have. Some day that bubble will burst.

Mr. BAILEY. Mr. President, let me explain to the Senator that I am not disposed to controvert his statement. I wish to get his very valuable ideas.

Mr. THOMAS of Oklahoma. I shall be glad to answer the Senator.

Mr. BAILEY. Let me make my question clear to the Senator. In the time of the French Revolution, the issuing of money began with the issuing of a credit currency.

Mr. THOMAS of Oklahoma. I realize that.

Mr. BAILEY. All those responsible pledged that they would never do it again. But that credit currency called very shortly for a larger issue, and they gave the pledge the second time, and all said "We will never do it again." But the demand came even more rapidly for the third issue and in greater intensity than for the first issue. The leaders who had pledged that they would never do it again refused, and new men were put in their place who would, and the process went on until the entire monetary structure was destroyed. What I wish to know is whether the Senator thinks we are now in that process. I am not controverting the Senator's argument. I merely wish to get some light on the subject.

Mr. THOMAS of Oklahoma. Mr. President, in the French situation they were badly in need of money. They did not have the gold against which to issue money. They had no silver. A bright financier by the name of John Law devised a scheme of taking over the church property which had formerly been confiscated. About one-third of the finest land in France belonged to the church. Fine structures in cities, as well as fine farms, belonged to the church. The government confiscated the church property and commenced issuing assignats against it.

The country rebounded and came out of the depression. But no provision for the redemption of the assignats was made, for some reason or other. As the Senator said, they issued more assignats, still more assignats, and still more assignats, which finally became worthless, and the bubble burst.

Mr. BAILEY. Then they issued mandats.

Mr. THOMAS of Oklahoma. Yes. The bubble burst. The Senator would imply that if we should start on a reasonably conservative basis to issue money with a dollar's worth of gold and a dollar's worth of silver back of every dollar, we would be starting on a dangerous program.

Mr. BAILEY. Mr. President, I wish the Senator to know that I did not intend any such implication.

Mr. THOMAS of Oklahoma. Then, I withdraw my statement.

Mr. BAILEY. Here is the point, and I am going to make it so plain there can be no question about it. In view of what the Senator has said, I wonder if we are not unknowingly in just the process of which I have spoken. He suggested that to my mind.

The rulers of France, during the revolution, Mirabeau and his associates, were as thoroughly unaware of the implications of their actions concerning the assignats as perhaps we are today. That was my suggestion. I am just wondering if our incessant and increasing movement of credit inflation by the Government is not predicating precisely a series of steps having consequences all too much in analogy with those consequences which we have since so feared and dreaded.

Mr. THOMAS of Oklahoma. Mr. President, the Senator is exactly right from my viewpoint. We are following the French system, excepting they issued paper money. We are issuing bonds, and confidence bonds at that!

Mr. BAILEY. The French paper money was value money in the sense that it was secured by lands.

Mr. THOMAS of Oklahoma. That is correct. Our bonds are secured by all the property in the United States; but how are we going to pay them? In France they could not pay their money in lands. No one could go and redeem an assignat with a parcel of land or with a church or with a piece of town property. The assignats, while good, could not be redeemed. All the bonds we have out today, $30,000,000,000 of them, are based upon all the property in America, but if the credit of the Government falls how can the bondholders get any of this land? How can they get any part of the cities?

Mr. BAILEY. If its credit falls, then it is up to us to issue some paper money, is it not?

Mr. THOMAS of Oklahoma. That is the point.

Mr. BAILEY. Is that not the effect of it?

Mr. THOMAS of Oklahoma. I am trying to get some money in circulation to prevent the necessity of doing the thing the Senator suggests.

Mr. BAILEY. For the purpose of the present movement, if the Government's credit fails under these circumstances, then the printing presses begin. Is that not correct?

Mr. THOMAS of Oklahoma. Exactly so; and I have tried to state it on the floor. If the credit bubble bursts, then what? The printing presses will be started. Then they will run day and night, printing dollars by the thousands, by the millions, by the billions, and perhaps by the trillions, and we may see it in this country. We may see the time when it will take a trillion dollars to get one measly gold dollar in value. I hope that time will not come. But the tendency of this hour leads to that inevitable end, I fear.

Mr. President, I was calling attention to the youngsters of the United States. They are going to take charge of this Government some of these days. Do Senators have any conception of what kind of a burden the previous Congress and this Congress have unloaded on the rising generation, the boys and girls now coming into maturity? Let me state it.

The annual tax bill today is $15,000,000,000. The annual interest bill is $10,000,000,000. The total debt amounts to $250,000,000,000 at least. That is the most conservative figure I can find. It runs from that to $500,000,000,000. These youngsters look forward to 30 years of active life. Let us make the calculation on the basis of 30 years' time.

Every boy and girl coming to manhood and womanhood must earn and do his part or her part to raise $15,000,000,000 a year to pay taxes on the average, and must do his part or her part to pay $10,000,000,000 a year interest. Multiply $15,000,000,000 annual tax for 30 years, and it will be found that they must pay $450,000,000,000 in 30 years in order to meet the fixed tax load that is upon their backs. Then they must earn 30 times $10,000,000,000, or $300,000,000,000 in order to pay the interest bill in 30 years' time. Then the debts themselves must be paid.

I am proceeding on the theory that the taxes will not increase, the interest will not increase, and the debts will not increase. There will be $450,000,000,000 in the next 30 years for taxes, $300,000,000,000 in the next 30 years for interest, and then the debts themselves of $250,000,000,000. That makes one thousand billion dollars, one trillion dollars, to saddle upon the youth of the United States. That has to be paid in 30 years.

Do Senators think these youngsters, when they come to realize what they are up against, would act like the Senate is acting—giving no attention at all to our economic debt structure, make no provision for putting tools in the hands of those youngsters so that they may make some money with which to meet their obligations? I do not think we can look forward to that sort of action at the hands of the rising generation. I am trying to prevent it.

There is only one way in which it can be done, and that is to make it possible for the people to make some money. I am for the profit system. The plan we are following today is leading to communism just as fast as the human mind can run. Does anybody doubt that statement? I am against communism. I am against fascism. They are just the same. There is no distinction between the Russian system of government and the Italian system of government except procedure. In Italy the people think they own the property. They work it and call it their own, but at the end of the year they are allowed only enough to live on, and the balance goes to pay taxes. In Russia nobody presumes to own any property. It belongs to the state, and they work for the state. In Italy everybody works for Italy. In Russia everybody works for Russia. There are two systems with the same end. We are running just as fast as we can to that point.

If we get a vast majority of the people of the United States to the point where they lose their farms, lose their business, lose hope, lose their ambition, where a man sees no chance ever to acquire anything again, no chance for his children, then there is a fertile field for the seeds of communism.

All that would be necessary to do would be to suggest to such a man that, under a system which you might provide, he would have just as much of this world's goods in the United States as any other man in the United States; he would have a place to live; he would have clothing; he would have food. Does anyone think that would not appeal to the man who had lost his all, who has lost hope, who has lost ambition?

If the present trend continues and the vast majority of our people get in that condition I fear for what may happen. I am trying to prevent this. I may be wrong. So many people disagree with me that oftentimes I think I am wrong. Yet after I have studied the matter further, my ideas come back to me, and I cannot get rid of them. We have not tried to put money in circulation. Just the suggestion that we are going to put money in circulation causes the complexion of the United States to change in a moment.

The other day at the White House the President made the statement that prices were too low and should be higher. That mere suggestion of the prospect of higher prices caused the market to rise. If the mere suggestion of more money, the mere suggestion of higher prices, gives the people a new outlook upon life, what would the reality do? I should like to try it. We have tried everything else. We have tried the N. R. A. and the A. A. A. and almost every other combination of the alphabet we can devise, but we have not tried money. Instead of putting more money in circulation we are taking money out of circulation from day to day. We had less money in circulation last week by $81,000,000 than we had in circulation on the first of last January. We had in circulation last week $1,000,000,000 less than was in circulation at the time Roosevelt became President.

That is not the worst of it. We had $40,000,000,000 in the banks. President Roosevelt reduced the value of the dollar by 40 percent and when he did that he reduced by $16,000,000,000 the buying power of that $40,000,000,000. After he did that the folks who had deposits in the bank could buy only 40 percent of what they could buy before. That was deflationary. It was the killing or destruction of money.

What he should have done, in my judgment, was to take some of the value which he took out of that money and put it back in circulation. I think that would have done the job.

I have a goal, and that is the 1926 price level. I am not willing to go beyond that. I do not think that is low enough; but we must go to the 1926 level before we can go beyond. I am trying to bring back the 1926 level of the dollar as measured by the best yardstick we can devise. That was a good dollar back in 1926—the Coolidge dollar. It was the best money in the world. Today we have a dollar that is much higher in value than that dollar. The dollar we have today, although we have operated on it, still has a buying power of 25.9 cents more than the Coolidge dollar of 1926. All I am asking is to take out of this dollar that excess buying power.

Mr. President, it is my profound conviction that this excess value in the dollar is nothing more nor less than a subsidy. A subsidy to whom? It is a subsidy to those who receive the dollar. It is a subsidy, it is true, to the bondholders, because every bondholder, when he collects his interest or his principal, gets not only a dollar in value but gets $1.259 in value. There is the subsidy which the bondholder gets when he collects his bonds or his interest. It is a subsidy which the mortgage holder or note holder gets when he collects his note. If it is a subsidy to the bondholder, a subsidy to the mortgage holder, and a subsidy to the salaried man, it is true, then, it must be a penalty upon somebody. Upon whom is it a penalty? It is a penalty upon the poor people who have to get those dollars by the sweat of their brows.

I make the positive statement here and now that the United States Senate for years has been responsible for its share of the responsibility or the damage of providing a subsidy in behalf of the bondholders, the mortgage holders, the creditor class of the United States. But that is not all. The United States Senate, being one-half of the lawmaking body of the United States, is responsible for its share in penalizing the debtor class to that same extent. In other words, today the debtor has to give up value to the extent of $1.259 to get a dollar to pay his interest, to pay his mortgage, to pay his bonds.

How does that affect my State? My State pays $100,000,000 in income taxes each year. In order to get $100,000,000, the people of my State must raise corn and cotton and broomcorn and produce oil, and hogs and cattle, not to the value of $100,000,000, but to the value of $125,000,000, and separate themselves from the value of $125,000,000 to get $100,000,000 to pay their income taxes, their Federal taxes—a subsidy in favor of someone that we owe, a penalty upon the helpless folks in the State of Oklahoma who cannot speak.

That is not all. When they go to pay their taxes, they cannot pay their taxes with 100 cents of value. They must raise corn and wheat and the things we produce in our State and give up, of those products, value to the extent of 125 cents to get a dollar to pay their taxes, to pay their interest, to pay their debts. That is a direct subsidy, if I understand a subsidy, and it is a penalty. I am trying to repeal the subsidy and I am trying to repeal the penalty upon 125,000,000 defenseless people who cannot speak and cannot act, and who must look to their Senators and their Representatives, because under the Constitution, Congress and Congress alone, has the power to coin money and to regulate its value. The value of this dollar is due entirely to either the activity or the lack of activity of the only power under our Constitution that should regulate it.

Mr. President, I may be interrogated as to what I propose to do to cheapen the dollar, to take out this excess value, to get rid of this subsidy, to stop this penalty upon the debtor class of the Nation.

Mr. NORRIS. Mr. President——

Mr. THOMAS of Oklahoma. I yield.

Mr. NORRIS. A short time ago the Senator referred to the profit made out of the gold transaction, and stated that it was not properly utilized. In what way would the Senator have utilized the gold profit?

Mr. THOMAS of Oklahoma. Mr. President, that is a matter which I perhaps am not competent to pass upon, but

I will give the Senator my views. My views are expressed in a bill which is pending before the committee; and my views are these:

I would first get this 25 percent of silver, or as much as I can of it. Then we would have our gold and silver in our strong box. We would probably have eight and a half billion dollars in gold and 2,000,000,000 ounces of silver, which would be worth two and a half billion dollars in money. That would make about $11,000,000,000 of gold and silver. That would be in our strong box. I would not propose to coin any more gold dollars or put any gold dollars in circulation. I would not coin any more silver. We have plenty of silver coin. We have $300,000,000 in subsidiary coins. We might have to coin some more halves, quarters, and dimes; but, having half a billion dollars in coined silver, there is no occasion to coin any more until that is put in circulation and we need some more, and I do not see any likelihood of that need. So when that program is completed, we would have about eleven billions of gold and silver in our strong box.

Then I would call in all outstanding forms of paper money. I would call in all the silver certificates. The gold certificates have already been called in. I would call in all Federal Reserve notes, Federal Reserve bank notes, and Treasury notes, and issue one kind of paper money against this block or volume or mass of value represented by gold and silver.

I should not be particular as to the form of that paper money. I should just as soon have Treasury notes in circulation as any other kind of money. I do not care what it might be called. I should just as soon have Federal Reserve notes in circulation against this mass of gold and silver as any other kind of money. I care nothing for the kind of money that is issued against this mass of gold and silver.

Mr. NORRIS. The effect of what the Senator proposes would be to put into circulation money of some kind—probabaly it would be paper money—which would represent the profit that we made on the gold process?

Mr. THOMAS of Oklahoma. Yes, Mr. President. If this gold should all be impounded in our Federal Treasury, as I stated, we should have, at the present time, eight and a half billion dollars. We could issue paper money against this gold and silver to the full extent of the value of the gold and silver, and yet every paper dollar would be worth 100 cents in gold and silver.

Mr. NORRIS. Exactly; but I am speaking particularly of the block of gold that we have made by way of profit out of this gold transaction. What is now being done in regard to that?

Mr. THOMAS of Oklahoma. Mr. President, the Treasury officials have some plan whereby this gold is allocated. Theoretically, a part of this gold is back of Federal Reserve notes outstanding, and theoretically a part of this gold is back of Treasury notes outstanding—theoretically; not practically. Individuals cannot get the gold, but it is held there on the Treasury officials' law and theory that it must be kept there to preserve the status quo.

Mr. NORRIS. If money were issued for that gold, that would increase the circulation by the amount of the entire profit that was made on the gold transaction; would it not?

Mr. THOMAS of Oklahoma. Oh, absolutely! We could today issue $4,000,000,000 of new paper money against the gold and silver that we have, and still not have as much paper money in circulation as we have gold and silver. We could call in tomorrow all the paper money outstanding in America and redeem it with gold, and when it was all redeemed we should have four billions of gold and silver left against which there would be no paper money outstanding. Yet because some of us want to put a little more money in circulation it is said that we are "wild-eyed inflationists."

Mr. SHIPSTEAD. Mr. President——

Mr. THOMAS of Oklahoma. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. The Senator said he would like to restore the 1926 price level. The Senator's idea is that the price level is determined by the amount of money in circulation; is it not?

Mr. THOMAS of Oklahoma. There is no other theory that I have ever discovered.

Mr. SHIPSTEAD. We are short twenty billions of money now.

Mr. THOMAS of Oklahoma. Credit money.

Mr. SHIPSTEAD. Yes; but it is all money.

Mr. THOMAS of Oklahoma. It is one kind of money.

Mr. SHIPSTEAD. We are short twenty billions of what we had in 1929. Does the Senator think we can raise the price level without in some way adding twenty billions to the medium of exchange?

Mr. THOMAS of Oklahoma. Oh, yes, Mr. President; I think so. Here is what I think about it: I do not think very much real money will have to be placed in circulation until the banks again commence making loans. Then, when they start to make loans, and the people start to do business, the banks will gradually expand their bank deposits; and in time—a few months or a few years, perhaps—we shall again have in the banks sixty billions of the kind of money to which the Senator refers. It will not come overnight. It will take us some time to get that $60,000,000,000 back; but whenever we have the price level restored so that there is a profit in business the banks will commence making loans. That is the only way in which we can expand our deposits.

A bank is nothing more or less than a mint. When we speak about a mint, we think about a place where we can take gold and silver and have it minted into gold or silver dollars, but a bank is a mint where the citizen can take his collateral, his good name, and coin it into deposit money.

Why, my good friends, any one of you could go to a bank in former times and borrow a thousand dollars. Perhaps you had to furnish some collateral; perhaps you did not. Most often you did not, in former times. When you signed the note, and had the banker put the date and the amount on your pass-book, you had had the bank mint or coin for you a thousand dollars of deposit money, for all purposes just as good as any money in the world. Now, however, the banks as mints are closed. I am trying to have them reopened. I am trying to do it by putting some money in circulation, making money cheaper, making prices higher, so that banks can have an opportunity to have their deposits expand.

Mr. SHIPSTEAD. Mr. President——

Mr. THOMAS of Oklahoma. I yield.

Mr. SHIPSTEAD. Does the Senator think that with the present debt of the country—I do not mean the national debt; I mean the private and corporation debt and fixed charges—the production of the country will sustain bank deposits of sixty billions?

Mr. THOMAS of Oklahoma. The Senator is asking me a hypothetical question. Of course, I cannot answer it. I should say that if the country gets back to the status of prosperity that it had in 1927, 1928, and 1929, before the panic, by the time we get back there we can have $60,000,000,000 in bank deposits, in all probability; probably more.

Mr. SHIPSTEAD. Mr. President, will the Senator permit me to make a statement?

Mr. THOMAS of Oklahoma. Yes.

Mr. SHIPSTEAD. The Senator has referred to the assignats of France, issuing currency based upon credit, adding to that credit, expanding credit. I do not see the difference between that and what we did up until 1929. We had the idea that an expansion of credit would make us all rich. We kept increasing the credit until our debts were so heavy that it began to dawn upon the people that the debts could not be liquidated, could not be paid. They were the foundation of our banking system. The foundation of our credit system was the confidence that debts could be paid. When that confidence was gone the foundation of the credit was gone, and the foundation of our banking system was gone, and the banks ceased to function, and they have not functioned since. The only credit which remained was the credit of the Government of the United States; and ever since the banks ceased to function the Government's credit has been the basis of whatever medium of exchange we have had.

What I cannot understand is how you can revive a credit system unless you make it possible for debts to be paid. They must either be reduced, or you have to furnish money so cheap that it will drive prices so high that confidence that debts again can be paid will be restored. That is the only thing that will restore the credit system and the banking system, in my opinion. The Senator seems to think that if we put a little money into circulation, the banks may again begin to function and to lend money.

Mr. THOMAS of Oklahoma. Put enough money into circulation and raise the price level, and they will begin to lend money. How much that little is, I do not know. It may appear large to some, and small to others.

Mr. SHIPSTEAD. Expanding the credit system means increasing the debts. We went to smash because of the overwhelming debts. Does the Senator think the way to get out of this depression is to increase our indebtedness, private and public, to increase the deposits of the banks? The more deposits a bank has the more it owes. I heard the Senator refer to dollars in the bank as "slacker" dollars. There is no one who dares to lend any money, no one dares to borrow any money, because the credit system is gone and confidence is gone, because of the tremendous indebtedness and fixed charges, and the productive industry of the country cannot produce enough wealth to pay and liquidate these fixed charges. If the Senator can restore the medium of exchange to the amount we had in 1929, will that be sufficient? Will not our credit system again blow up, as it did when we had $60,000,000,000 in deposits?

Mr. THOMAS of Oklahoma. Mr. President, if the Senator or anyone else has a better plan than the one I have suggested, I shall be only too glad to hear it.

Mr. SHIPSTEAD. What I cannot understand is how the Senator can accomplish with this measure what he seeks to accomplish, because it seems to me if, as he has said, he expected something over a billion dollars in new currency to be put into circulation, that seems to be only a drop in the bucket.

Mr. THOMAS of Oklahoma. That is the reason why I have said this is a very conservative amendment.

Mr. SHIPSTEAD. The Government put into circulation some $3,300,000,000 under the appropriation measure we passed last year.

Mr. THOMAS of Oklahoma. Oh, let me stop the Senator right there. We have increased the national indebtedness from $16,000,000,000 to $30,000,000,000 and not a copper cent of money has been handled. Congress has authorized the R. F. C. to lend, to date, something like $7,000,000,000, and they have loaned the money, but not a copper cent has been handled by the R. F. C. Not a thing has been done excepting transfer debts from private parties to the United States Government, and not a penny of money has been involved. We have increased our indebtedness, and not a penny of money has been involved, except that it is taken out of circulation.

Mr. SHIPSTEAD. The Senator means currency.

Mr. THOMAS of Oklahoma. When I speak about cash, of course I mean the kind of money one can see.

Mr. SHIPSTEAD. The Senator means currency, paper money, or silver, does he not?

Mr. THOMAS of Oklahoma. Any kind of money one can see. We cannot see confidence money, we cannot see credit money, we cannot see deposit money, because it does not exist.

Mr. SHIPSTEAD. I think the Senator and I are talking about two different things. I call all things money that are mediums of exchange.

Mr. THOMAS of Oklahoma. The Senator calls the $60,000,000,000 we had in the bank in 1930 money. It was a kind of money. It was imaginary money, it was deposit money, it was credit money; but we could not see it. It had no physical existence. It was just an entry on a book, a debt, that is all.

Mr. SHIPSTEAD. It served as a medium of exchange.

Mr. THOMAS of Oklahoma. We would have to discuss the question of what real money, basic money, secondary money, and credit money, are.

Mr. President, first there is basic money. That is the money of ultimate redemption, that is gold, and formerly there was silver, but now there is not silver. We can use silver if we want it, but nobody wants it, because when you redeem it, you have not as much value as you had before.

Mr. SHIPSTEAD. Redemption of bank money or credit money is the liquidation of the debt. For practical purposes, and for the purposes of trade and the medium of exchange, so long as that system works, it furnishes a medium of exchange, just as well as if we have the greenback, or currency, or gold.

Mr. THOMAS of Oklahoma. Perhaps I can illustrate in this way. I contend that the value of wheat is fixed by the number of bushels of wheat we know there are in existence and the prospect of raising wheat the coming year. I contend that the value of cotton is fixed by the number of bales of cotton we know there are, and the prospects of raising cotton the coming year. The value of wheat is not fixed by the number of bushels bought and sold out in Chicago on the exchange. That is imaginary wheat. I could go on the exchange in Chicago and place an order to buy a million bushels of wheat, and I would be betting the wheat was going up.

The Senator from Minnesota, if he cared to, could go to the same exchange and could sell a million bushels of wheat, and he would thereby be betting that wheat was going down. I am betting that wheat is going up, and I buy a million bushels, the Senator is betting that wheat is going down, and he sells a million bushels. But not a grain of wheat is involved. That is confidence wheat, that is credit wheat, that is imaginary wheat. But that does not fix the value of wheat, because my confidence that it is going up is nullified by the Senator's confidence that it is going down, and there we are; we criss-cross each other and nullify each other.

I contend that in a way the transactions on the Chicago Exchange regarding wheat have no particular influence on the price of wheat, because after all the value of wheat is fixed by the number of bushels we know there are in the granaries and the elevators, and the same principles apply to cotton.

Mr. SHIPSTEAD. Does not the Senator believe that a multiplication of bank money during the period of inflation of credit cheapened the dollar and had a great influence in raising prices?

Mr. THOMAS of Oklahoma. I agree to that; there is no doubt about it. It was stated a while ago that the French assignats were based upon the confiscated church property in France. There was real land, one-third of it good land of France; there might have been some bad land, but it was all land in France, including towns, including all kinds of French property.

In the bubble we had in this country in 1929, what was the money based upon? It mostly came out of New York. The vast expansion of credit money in New York to the amount of six or seven or eight billion dollars was based upon stocks. What are those stocks? The Senator from Virginia calls them "cats and dogs."

The bubble we had in America in 1929 was based upon "cats and dogs." In France, the assignats were based upon church property in France. Between the two, I think the French assignats were a better form of money than the form of money we had in 1929. It so turned out, because when the bubble burst, we lost twenty billions of our money, one-third of our total amount on deposit.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Nebraska?

Mr. THOMAS of Oklahoma. I yield.

Mr. NORRIS. Is it not conceded, referring to the illustration of France, that if France had not gone through to the extreme in the issuing of money in the form of assignats, the money would have been perfectly sound, but that they did not

quit, they kept on issuing more money and more money, and still more money, and of course the only value that was behind it all was this land?

Mr. THOMAS of Oklahoma. History shows that so long as they confined the amount of these assignats in circulation to a reasonable amount there was prosperity.

Mr. NORRIS. They were all right, absolutely.

Mr. THOMAS of Oklahoma. The country was in fine shape.

Mr. NORRIS. Yes.

Mr. THOMAS of Oklahoma. But through some influence they issued more and still more and still more, along the line adopted in the German system which followed, so finally the bubble burst.

Mr. NORRIS. The illustration that is given a great many times by those who are opposed to the issuing of any more money always goes to the extreme in attempting to show, it seems to me, that it is an impossibility to regulate the issue of currency when we once start on any program of expansion; in other words, they deny its efficacy if we do not find a stopping place.

Mr. THOMAS of Oklahoma. That has not been the record in this country.

Mr. NORRIS. No; I do not think so. In the illustration of France, where I think it is conceded if they had stopped at the right place there would have been no evil, there is no reason that I can see why a properly regulated government could not and would not stop at the right place.

Mr. THOMAS of Oklahoma. Let me remind the Senator of something concerning which he is familiar, the War between the States. The northern side, operating from this capital, ran out of gold, silver, and credit, and the administration asked for the issuance of Treasury notes. They were issued. They served their purpose. The war was over. Without gold or silver or credit the natural inference and inclination and impulse was to print more Treasury notes. Easy money! But the administrators in those days did not go ahead and issue more money. They stopped the issuance of money. They tapped the resources of the country, and collected not only enough money to pay the expenses of Government, but to commence retiring the greenbacks, and by 1878 they had retired the greenbacks to the amount of more than $100,000,000. Now there was a chance, an elegant chance, for inflation, real inflation, to get out of control. But it was controlled.

Then again in the World War we had another opportunity, had we cared to take advantage of it, to expand the circulation indefinitely. But it was not done. We gathered up the resources of the country, and for several years after the World War was over we were collecting more money than we were spending. Not only were we applying the surplus to the retirement of our indebtedness, but we were constantly cutting down the interest rate and tax rate.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. SHIPSTEAD. The inflation we had up to 1929 was a credit inflation. That means we increased our debt.

Mr. THOMAS of Oklahoma. Yes.

Mr. SHIPSTEAD. The only difference between that inflation and the one the Senator proposes is that the Senator proposes a certain amount of inflation of currency. That has the opposite effect. It pays off debts. Instead of increasing debts it pays off debts, or makes it possible to pay debts. Does the Senator agree with me on that point?

Mr. THOMAS of Oklahoma. I do.

Mr. SHIPSTEAD. The Senator from Nebraska said he thought it could be controlled. In France, in the issuing of currency or the assignats, had had proper control it would have been all right. As a matter of fact, France did inflate her currency after the World War. She carried on a war by inflation of the currency, and later wiped out 80 percent of her debts, 80 percent of the value of her bonds, and stabilized her franc at 20 percent of what it was before she stabilized her currency.

Mr. THOMAS of Oklahoma. She reduced the value of the French franc from 19.3 cents to 3.916 cents, I think it was.

Mr. SHIPSTEAD. Almost every country in Europe did the same thing, and there is not any country, with the exception of Germany, which has such an internal debt as the United States has today. The idea that there is any danger to us in a reasonable inflation of the currency, and comparing us with Germany in that respect, is not based upon the facts at all.

Mr. THOMAS of Oklahoma. I will say to the Senator that it does not appeal to me.

Mr. SHIPSTEAD. That is because we have no foreign debts to pay as Germany had. We have tremendous resources. We have twice her population. Every year we have a big balance in our favor that must be liquidated in dollars. There is more necessity for buying American dollars, and thus supporting the value of American money, than there is of any currency in the world. So it would be the hardest thing to break the American dollar. It can be broken only by breaking the credit of the National Government, and that can be broken, and I think will be broken, unless we restore the private credit system which has been broken down.

There has been talk about priming the pump. I have had some experience with pumps. I was raised on a farm. There is a certain condition of the pump that may arise so that water cannot be made to come from it by priming. If we fill the pump with water and let it freeze, and the pump cracks, then we can put into it all the water we may desire and we will never make it draw water, no matter how much water there may be in the well.

That is what happened to our credit pump. We filled it full of water—watered stocks and bonds and mortgages. We called them frozen credits, but it was frozen water, and it strained our credit system and it cracked and broke, and we think now that by pouring Government money into it we can prime the pump. I do not think it can be done. We have been trying it ever since 1930, and we have not been able to make our banking credit and our private credit system work. I think we will have to repair our fiscal pump before we can make it work.

In the case of a pump which is cracked, barrel after barrel of water may be poured into it, but it will never be made to work. We have not succeeded in making our credit system work. I do not think we will succeed until we repair the credit system by reducing the tremendous indebtedness which caused it to crack and break.

Mr. THOMAS of Oklahoma. We can reduce the indebtedness by reducing the value of the dollar.

Mr. SHIPSTEAD. Yes; that is one way.

Mr. THOMAS of Oklahoma. By an act of Congress 2 years ago we saved $69,000,000,000 to the owners of gold bonds, assuming there were 100,000,000,000 of them in existence. We saved them in gold $40,000,000,000, but the $40,000,000,000, revalued in terms of present value, made $69,000,000,000. By cheapening the dollar we saved to the debtors, the debtor class on that $100,000,000,000 of bonds, $40,000,000,000 in gold on the old valuation and $69,000,000,000 in gold on the new valuation.

We can reduce the debts by cheapening the dollar. We can reduce the tariff by cheapening the dollar. I can prove that to the Senate in just a moment. If Senators will look at cardboard representation of a dollar I have in my hand I will illustrate my point. Before this dollar was devalued a foreigner or an American attempting to import into the United States had to give up 100 percent of this gold to get a dollar to pay a dollar's worth of tariff. After devaluation the American importer or the foreigner could do it with 60 percent, or as much gold as I now indicate with my chart, and with that much gold, could buy a dollar to pay a dollar's worth of tariff. So by devaluing the gold dollar we reduced the tariff 40 percent.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. CONNALLY. Is it not true that what the Senator has just stated was illustrated in the case of cotton? While the President's devaluation was putting up the price of gold each day, is it not true that cotton, being an exportable

crop, responded each day with the fluctuation in the price of gold, and when gold went up cotton went up, until the final devaluation by act of Congress last year?

Mr. THOMAS of Oklahoma. I made the statement earlier in my remarks that had we not devalued the gold dollar, wheat today in Oklahoma and Texas would be selling for less than 45 cents a bushel. I made the further statement that had we not devalued the dollar, cotton in Oklahoma and Texas would be selling for less than 7 cents a pound.

Mr. CONNALLY. Is it not true that while cotton was selling for 6½ cents in America on the old gold basis, yet the Frenchman was buying cotton at 6½ cents in gold, and after devaluation he could continue to pay 6½ cents in gold, but the American farmer was getting 10 cents? Is that not true?

Mr. THOMAS of Oklahoma. Here is the way that would work. Before devaluation the Frenchman had to give up as much gold as my imaginary dollar represents to get an American dollar, but after devaluation the Frenchman only had to give up 60 percent as much gold as this symbolical dollar represents.

Mr. CONNALLY. He only had to give up 59 percent of what he previously had to give up.

Mr. THOMAS of Oklahoma. Yes.

Mr. CONNALLY. He obtained the same value for the 59 cents that he formerly got for the 100 cents.

Mr. THOMAS of Oklahoma. I made the statement that if the Senator had been in London he could have taken 60 cents and bought an American dollar on the old gold basis for 60 cents.

Mr. CONNALLY. Is it not true that the devaluation of the dollar did more to raise the price of cotton and wheat than all the measures that were adopted here under the A. A. A.?

Mr. THOMAS of Oklahoma. I made that statement. I agree with the Senator. I was going to illustrate by showing that if the Senator were in London today he could take 60 cents of gold on the old valuation and buy an American paper dollar. We will start at 60 cents on the old valuation, but he has an American paper dollar. He can go to America, or imagine he is in America—it is the same thing with that paper dollar—and buy a bushel of wheat. Wheat is selling on the exchanges for about 90 cents a bushel, so he can buy a bushel of wheat at 10 cents less in American money. He can convert his 10 cents back into gold and get 6 cents in gold.

We started with 60 cents in gold. He now has a bushel of wheat and 6 cents in gold. Deducting 6 cents from the 60 cents makes his wheat on the exchange cost him 54 cents, but in Oklahoma and Texas it takes 10 or 12 cents to get a bushel of wheat to the market, and that cost is taken out of the farmer's pocket, and he gets the balance.

Therefore, I say, had we not devalued gold, the wheat farmers of Oklahoma and Texas tonight and tomorrow would be getting 45 cents a bushel for wheat and the cotton farmer in Texas and Oklahoma tonight and tomorrow would be getting 7 cents a pound for cotton.

Mr. CONNALLY. The reason why we have not had similar advances in all commodities is that why they are domestic commodities and have not as yet caught up with the devaluation.

Mr. THOMAS of Oklahoma. I made the statement that we have two kinds of dollars. We have the foreign dollar, which is equivalent to 15 grains of gold. Then we have the domestic dollar that has the domestic value.

Mr. CONNALLY. The Senator is correct; but in the course of time, if we can stand the pressure until that time, the domestic prices will finally come very near to the level of the foreign dollar.

Mr. THOMAS of Oklahoma. They must come down. During the last 3 months we have been receiving more than $400,000,000 in gold from foreign countries. Why is that? It is coming for the reason that foreigners can take 60 cents in gold and buy a dollar on the basis of the gold valuation. They can take that 60-cent dollar and buy goods here under this procedure cheaper than any place else in the world. That is the reason why this horde of gold is coming to the United States.

Mr. CONNALLY. So long as they can do that it helps our export trade.

Mr. THOMAS of Oklahoma. Exactly.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from North Carolina?

Mr. THOMAS of Oklahoma. Certainly.

Mr. BAILEY. I wish to call the attention of the Senator to the fact that the value of cotton in terms of gold at Liverpool today is 6¼ cents as compared with 10½ cents on the prior basis.

Mr. THOMAS of Oklahoma. The Senator from North Carolina suggests that cotton has fallen 2 cents a pound in the past few days, which means $10 or $12 a bale; that, measured in terms of the old gold valuation, cotton today is selling in Liverpool at 6½ cents a pound. If we had not devalued the dollar and if we had the old gold dollar, which the distinguished Senator from Virginia [Mr. GLASS] regrets we do not have, the cotton farmers in North Carolina would be getting 6½ cents a pound less expense of selling. Would they be satisfied with that?

Mr. CONNALLY. Mr. President——

Mr. THOMAS of Oklahoma. I yield to the Senator from Texas.

Mr. CONNALLY. Does the Senator have any statistics on how the devaluation of the gold dollar has affected tobacco? That is a large export crop.

Mr. THOMAS of Oklahoma. I have no statistics on that product.

Mr. President, I have occupied entirely too much time. I had no idea I should, and I assure the leadership and other Senators that I have not designedly occupied a moment's time that I did not think necessary. I have one other feature of my presentation. It is a presentation which will be made in a direct appeal to the Senators from the South, the Senators from the cotton States. I propose this amendment as the way and the only way we can protect the cotton farmers of the South. I had rather not go on tonight. I have occupied the floor for 5½ hours this afternoon, and that is a pretty good day's work.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Massachusetts?

Mr. THOMAS of Oklahoma. I yield.

Mr. WALSH. I have been very much interested in the remarks of the Senator to the effect that the devaluation of the dollar has resulted in the breaking down of our tariff rates and has likewise resulted in increased imports. Will the Senator, not tonight, but in the course of his remarks tomorrow, develop that point?

Mr. THOMAS of Oklahoma. In answer to that suggestion, the devaluation of gold and the cheapening of the dollar has made it possible for us to sell more than a billion dollars' worth of goods abroad above what we would have sold in all probability had we not devalued gold.

Mr. President, let me suggest to the leader on this side of the Chamber that, if it is agreeable to him, I should like to occupy a brief space of time tomorrow in the presentation of my amendment as it affects cotton, and then I shall have concluded.

Mr. FLETCHER. Mr. President, I have an authoritative statement coming from the Treasury as to the operations under the Silver Purchase Act and the situation regarding silver now, which I should be glad to have read at the desk. It may be that the Senator from Oklahoma may wish to comment on it afterwards.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

In carrying out the policy declared in the Silver Purchase Act, and in accordance with the authority and direction therein given, the Secretary of the Treasury has acquired by purchase 198,400,000 ounces of silver, as to which delivery has already been made, and 112,212,000 ounces of silver under the nationalization order of

August 9. In the aggregate, our stocks of monetary silver have been increased by 310,612,000 ounces.

The extent of these purchases may better be appreciated by a comparison with the amounts of silver which have been produced and consumed in the United States and in the world. During 1934 it is estimated that 26,441,000 ounces of silver were produced in the United States, of which 10,811,000 ounces went into industrial use, leaving a net of only 16,000,000 ounces. The Secretary of the Treasury received in the last 5 months of 1934 twenty-seven times as much silver as was produced during those months in the United States, or more than 10 times the amount produced during the whole year, and 32 times as much of that production as was available for monetary use. The last 5 months of 1934 are taken because deliveries of silver are ordinarily not made until the end of the month in which purchased.

The whole world produced only 180,501,000 ounces of silver in 1934, of which 72,000,000 ounces, it is estimated, were necessary for industrial use. The acquisitions of the Secretary of the Treasury in the last 5 months of 1934 exceeded the world production during that period by about 110,000,000 ounces, and exceeded such of that production as was available for monetary purposes by more than 215,000,000 ounces. In other words, the deliveries actually received were almost four times the current world output of monetary silver.

The United States agreed at the London conference to withdraw twenty-four and one-half million ounces of current newly mined silver from production every year. The United States has done this under the proclamation of the President of December 21, 1933, and the figures for this silver are not included in the figures which have been given above. If that figure were added, the amount by which the total acquisitions of the United States have exceeded the world production available for monetary use would be even more startling. Taking all of these acquisitions of silver by the United States since the beginning of January 1934, we have acquired for monetary purposes 310,612,000 ounces more silver than we agreed to do by the London agreement. We have, in fact, withdrawn more than 12 times as much as we agreed to do.

The total amount of silver to be withdrawn each year by all other parties to the London agreement was 9,500,000 ounces. The United States alone has withdrawn 336,000,000 ounces, or 35 times more than the other countries agreed to take.

Under the Sherman Act of 1890, the Treasury purchased during the 3½ years of its operation 168,675,000 ounces. The Treasury has purchased and received delivery of double that amount in the roughly 6 months that the Silver Purchase Act has been in operation. Our monthly average purchases in the months after the passage of the Silver Purchase Act has been seven times the average monthly purchases under the Sherman Act of 1890.

During the period 1920–30, it is estimated that the annual withdrawal of silver for monetary purposes for the whole world, including the United States, averaged approximately 200,000,000 ounces. By virtue of the Silver Purchase Act and the acquisition of newly mined silver pursuant to the London agreement, the United States has taken 135,000,000 ounces more than the average annual amount taken by the whole world during that period.

The figures on a monthly basis are even more significant. Confining ourselves to actual deliveries, during the 6 delivery months ending February 1, 1935, the Secretary of the Treasury, under the general authority given by the Silver Purchase Act, has acquired and received delivery of silver averaging more than 50,000,000 ounces a month.

Mr. ROBINSON. Mr. President, there are two thoughts which I should like to express and give some emphasis to at this time.

The first is that in view of the course which the debate on this joint resolution has taken, and the length of time which has been consumed in its consideration, as well as the necessity for reasonably prompt action, it is felt by many of us that, if possible, the measure should be disposed of tomorrow.

Under our rules, there is no process for limiting debate except by unanimous-consent agreement. If it is practicable, I express the hope that the Senate may remain in session tomorrow until the work-relief joint resolution which has been before us for so long a time shall be disposed of.

The second thought is that amendments like the one now under consideration, and the so-called "bonus bill", had best be considered and acted upon separately. It would be possible, of course, to defer final action on this legislation for many days, and perhaps for some weeks, by offering amendments which are not related to the subject matter of the legislation—amendments which, by their nature, are of first importance, and should receive consideration by Senate committees before the Senate itself should be called to act upon them.

I know that under the rules of the Senate there is no limitation to either the number or the nature of amendments that may be offered; but, in my opinion, the friends of this legislation are well justified in insisting that important amendments like that now under consideration, and like that which it is stated is to be hereafter offered, should be first taken up by standing committees of the Senate and reported to the Senate, so that the Senate may have the advantage and advice of the studies made by the committees.

It is my intention now, unless some other Senator wishes the floor, to move a recess.

Mr. NORRIS. Mr. President——

Mr. ROBINSON. I yield to the Senator.

Mr. NORRIS. I should like to say just a few words on this question.

I am very much interested, as I think all Senators are, and as I think the country is, in the disposition of the important measure which is now before the Congress—one of the most important measures we have ever taken up for consideration. I feel so interested in it, and so convinced that it ought to be disposed of without delay, that I have abstained many times from taking up the time of the Senate in the discussion of various questions involved in it.

I do not minimize the importance of the amendment now offered by the Senator from Oklahoma. It is of very great national importance. I should vote for the Senator's amendment if it were now pending before the Senate as a bill. I think I should do the same thing in regard to some other proposals which I understand are to be offered as amendments. In my judgment, however, it is not fair to the Senate, it is not fair to the President, it is not fair to the country, to couple up all the various very interesting bills and proposals upon which there is great disagreement over the Nation, but all of which are of national importance, and try to put them into an omnibus bill.

For that reason I intend to vote against these measures if offered as amendments to this joint resolution. I should like to vote for some of them on their merits, and should support them on their merits, and will do so; but I think we shall get into very much of a legislative jam if we try to put everything on this joint resolution. We ought to vote on the joint resolution upon its merits. We ought not to endanger it with amendments that will cause it to lose some votes here, or that will probably bring opposition from the White House or from the House of Representatives.

It seems to me we are wasting time. Time is of the essence of things. The joint resolution itself has been discussed in all its phases, and I believe Senators are ready to vote upon it. I should like to see it reach a conclusion without encumbering it with a whole lot of other legislative matters which are disputed, which are very important, but upon which there is great disagreement; and it may result in the defeat of all the measures to couple them all together.

It seems to me, therefore, that we ought to proceed as rapidly as we can, and dispose of this legislation.

Mr. ROBINSON. Mr. President, the statement of the Senator from Nebraska with respect to the procedure which ought to apply concerning the joint resolution is in accord with my own views in every respect. I think the time has come when we should take action.

For instance, take the case of the so-called "bonus bill." We have been served with notice by the Senator from Oklahoma that if the pending amendment shall not be agreed to by the Senate—and I do not think it will be—he intends to offer the bonus bill as an amendment to the pending joint resolution.

It has just been suggested to me that I submit a request for unanimous consent. I ask unanimous consent that before the close of the calendar day on tomorrow the Senate proceed to vote on the pending joint resolution and all amendments which may be pending or which may be offered thereto.

Mr. THOMAS of Oklahoma. Mr. President, reserving the right to object, replying to the suggestion made by the distinguished Senator from Nebraska [Mr. NORRIS], and likewise the distinguished Senator from Arkansas [Mr. ROBINSON], if, when we adopted the amendment to the Agricultural Adjustment Act proceedings similar to those now undertaken with regard to the pending joint resolution had not been taken, I wonder what the consequences would have been, and what would have happened if that amendment or some similar amendment had not been adopted.

There is no chance for those of us who believe that something ought to be done to get action except under the parliamentary practice of the Senate. When would we ever get a silver bill before the Senate? When would we ever get a silver bill out of the Committee on Banking and Currency? When would we ever get any kind of legislation proposing an expansion of the currency from that committee?

Mr. FLETCHER. The Senator's bill was referred to the Finance Committee.

Mr. NORRIS. Mr. President, I do not believe there is any doubt but that we could get a hearing on the bill, which is identical with the amendment now offered. I do not doubt for a moment that we will have an opportunity to vote on and dispose of the bonus bill. I think that can be brought about under the rules of the Senate. With the able Senator from Oklahoma leading, I think we can force consideration, both in the committee and in the Senate.

So far as I am concerned, in my weak way, I should be very glad to join with the Senator in forcing such consideration, and I do not believe it would be very difficult to bring it about.

Mr. THOMAS of Oklahoma. Owing to the fact that no quorum call has been made, and barely a quorum is present, I should feel constrained to object to any consent being given tonight for any limitation of debate.

Mr. ROBINSON. Mr. President, that makes it unnecessary for me to submit another request for a limitation.

Mr. THOMAS of Oklahoma. I assure the Senator I do not intend to delay the Senate unduly.

Mr. ROBINSON. Of course, the question as to what is undue delay is one about which perhaps the Senator from Oklahoma and I would not agree. To illustrate, he has consumed the entire session today, 6 hours, approximately——

Mr. THOMAS of Oklahoma. That has not bothered the Senator from Arkansas.

Mr. ROBINSON. In a single address, which he has not yet concluded, and I do not think that the amendment he is presenting and urging should be presented and urged in connection with the pending joint resolution. I have already gone into that. I hope that the Senator will not object to a reasonable limitation on debate, and I will submit a request.

I ask unanimous consent that after the Senate shall meet tomorrow no Senator shall speak more than once or longer than 30 minutes on the joint resolution, or more than once or longer than 15 minutes on any amendment which may be pending or which may be offered.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). Is there objection?

Mr. THOMAS of Oklahoma. Mr. President, for the reasons suggested, I must object.

Mr. ROBINSON. Very well, Mr. President. Then I give notice that the session tomorrow will be a long one, unless the consideration of the joint resolution can be concluded at an early hour.

Mr. THOMAS of Oklahoma. In that event, we may expect to have prayer Sunday morning in the Senate Chamber.

Mr. ROBINSON. Mr. President, the Senator serves notice by that last remark——

Mr. THOMAS of Oklahoma. The Senator served a notice first.

Mr. ROBINSON. I have served no notice, except a very reasonable one. The Senator announces that he will continue debate until Sunday morning. Now I give notice that an effort will be made in the early future to bring the debate on the pending joint resolution to a close. If necessary, an effort will be made to resort to cloture.

Mr. BONE. Mr. President, if I may have the attention of the Senator from Arkansas [Mr. ROBINSON], I understand that, under the rules of the Senate, when the so-called "Patman bill" shall come to the Senate, having passed the House, it will be referred to the appropriate committee for consideration.

Mr. ROBINSON. Certainly.

Mr. BONE. Then, under our rules, if the committee should refuse to report the bill by a majority vote we could discharge the committee from the further consideration of the bill and have it brought before us. So, in no event, would we be precluded from a vote on it, if a majority of the Senate wanted to vote on it. Am I correct?

Mr. ROBINSON. That is entirely correct, and the same statement is applicable to the pending amendment.

Mr. BONE. There would be no particular object in attaching the so-called "Patman bill" to the pending joint resolution, since a majority of the Members of the Senate could have the bill brought up and have it disposed of immediately, if they so desired?

Mr. ROBINSON. Mr. President, that is the view I take, and if the debate is to continue indefinitely, and amendments which are not in any sense germane to the joint resolution or its provisions are to be offered without regard to time or the convenience of the Senate, it may become necessary to test out the will of the Senate by motions to lay such amendments on the table. The Senate has the power to terminate debate in that way, and to reach a conclusion.

I know it is somewhat unusual in the Senate to move to lay amendments on the table, but the pending joint resolution has been before the Senate for a very long time, and those who are for it ought to take concerted action to secure its passage.

DAUGHTERS OF THE AMERICAN REVOLUTION—THIRTY-SEVENTH ANNUAL REPORT

Mr. HAYDEN. Mr. President, by direction of the Committee on Printing I offer the resolution which I send to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). The resolution will be read.

The resolution (S. Res. 110) was read, considered, and agreed to, as follows:

Resolved, That the Thirty-seventh Annual Report of the National Society of the Daughters of the American Revolution for the year ended April 1, 1934, be printed, with illustrations, as a Senate document.

SHOE INDUSTRY CODE

Mr. McKELLAR. Mr. President, I present two telegrams for printing in the RECORD in reference to the shoe industry code—one from W. T. Witherington, of the Chamber of Commerce of Union City, Tenn., and the other from Milton Talley Post, No. 20, of the American Legion of the same city.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

UNION CITY, TENN., *March 21, 1935.*

Hon. KENNETH D. MCKELLAR,
Washington, D. C.:

We observe that Massachusetts Congressmen and labor leaders are attempting to have code for shoe industry so constructed and passed that will be damaging and detrimental to all communities like ours in this entire area. It is imperative that shoe-industry code have wage differential, sex and geographic. We feel convinced anything else in code might be termed "superfluous." There is no necessity of public hearing at this time.

UNION CITY CHAMBER OF COMMERCE,
W. T. WITHERINGTON, *President.*

UNION CITY, TENN., *March 21, 1935.*

Hon. KENNETH D. MCKELLAR,
Washington, D. C.:

There is no justification for public hearing at this time on code for shoe industry. We observe that Massachusetts Congressmen and labor leaders are attempting to have code for shoe industry so constructed and passed that will be damaging and detrimental to communities like ours. It is imperative that shoe-industry code have wage differential, sex and geographic.

MILTON TALLEY POST, NO. 20, THE AMERICAN LEGION,
A. R. TREADWAY, *Commander.*

THE BONUS

Mr. COPELAND. Mr. President, one of my constituents calls attention to the fact that all the speeches which are put into the RECORD about the bonus are in favor of its payment. Without expressing any opinion as to my own views, I ask unanimous consent that a radio speech by Donald A. Hobart, national commander of the American Veterans' Association, Tuesday, March 12, 1935, be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THIS IS ZERO HOUR

In my recent speeches I have directed my remarks to all citizens. This time I shall address only one section of our citizenry. To those people I have something to say in deadly earnest—something that affects them, their wives, their children, and their property. If you own an insurance policy, if you have a savings account, if you possess Government or corporate bonds, if you pay taxes, if you have just reached voting age and find yourself confused by the present economic uncertainty, you are among those whom I am addressing.

On you who, by hard work, are maintaining your insurance; on you who have accumulated savings accounts for your old age; on you who, with great difficulty, are helping to pay the largest tax bill this country has ever imposed—on you, the youth of the land, who will continue to bear this burden—on you, I say, rests the future of this Nation. You form the great backbone of the country. You decide the future, because you cast the great majority of the votes.

But when it comes to any specific Federal legislation you are unorganized and inarticulate. You cannot quickly make your voice heard. It is possible for a well-organized, vociferous minority with a powerful lobby in Washington to put something over on you. It has been done repeatedly before, and it is now being done again in the so-called "soldiers' bonus bill."

This week the House of Representatives in Washington will vote on a bill to pay two thousand millions of dollars in cash to 3 percent of the Nation, regardless of need, from 10 to 20 years before it is due. Indications are that one of two bills will pass and go to the Senate. Both of these bonus bills—the Patman bill and the Legion-sponsored Vinson bill—are thoroughly bad and should not become law. If either becomes law, you will pay the piper. You to whom I address these remarks should know the consequences of these bills and act to prevent their passage. Let us examine these two bills and let me tell you how they can be defeated.

The Vinson bill, reported out to the House last week by the Ways and Means Committee, is perhaps the most brazen-faced Treasury raid ever put on an apathetic public. This bill, drafted by the American Legion and introduced at its request by Representative FRED M. VINSON, of Kentucky, a legionnaire, says this to you citizens, already heavily burdened with taxes, "We veterans want two thousand millions of dollars in cash now. And what's more we don't want to pay interest on money we've already borrowed. We don't know nor care how you raise the two billions, but pay it now and be quick about it." Now it is true that Congress passed a law in 1924 which calls for such a payment to veterans between 1945 and 1955, but it isn't due now, for which all of us can thank God.

To demand payment now means that the money must be raised now. And how will the money be provided? The Legion, which drafted the bill, doesn't know nor care. But you know the answer just as well as any member of the Ways and Means Committee in Washington. There are but two ways:

First, sell more Government bonds and thus increase the Government debt, now higher than it has ever been, and in doing so pyramid the taxes.

Second, start the printing presses and through inflation cut the value of every savings account and insurance policy you own. There isn't any other way to raise this two thousand millions in cash now. Do you want inflation? Do you want more taxes, or do you want to stop this raid and pay this debt in 1945 when it is legally due and when funds to pay it will have been accumulated in regular orderly fashion?

Further, the Vinson bill is based on false premises, as the New York Times of March 8 clearly pointed out. Said the Times:

"In an attempt to justify the payment now proposed, the preamble of the Vinson bill makes two statements which are in startling contradiction to the facts. It asserts that the payment will merely 'discharge and retire an acknowledged contract obligation of the Government.' No shred of such an obligation exists, either legally or morally.

* * * * * * *

"The preamble of the bill also makes the amazing statement that the plan for immediate payment 'will not create any additional debt.' It will create a very large additional debt. The Government will have to borrow more than $2,000,000,000 to redeem the certificates at their maturity value precisely at a time when its credit is already being tested by huge borrowing to meet relief expenditures."

Recently you noticed that President Roosevelt bought several of the new Government baby bonds. For each bond he paid $18.75. The terms of the bond are that the Government will pay him $25 for that bond in 1945. What would you have thought of the President if he had the next day sent his bond up to the Treasury and demanded his $25? But that's exactly what the Vinson bill does for the veteran. It calls for the payment in full of his adjusted-service certificate now instead of in 1945, or later when it is due. Is that fair? Is it reasonable? Is this patriotism as we knew it in 1917?

Now, as to the Patman bill, which deliberately calls for paying the bonus by printing two thousand millions of new currency. If you care anything for the future value of your savings accounts and insurance policies be on the alert to see that this bill is killed. If this bill should become law it simply means that we take a swoop down the toboggan slide of currency inflation.

Why is that so? Why will two thousand millions new currency push us further toward inflation? Because when you greatly increase the supply of money you cheapen it just as in a good apple year apples are cheap. When you cheapen money, prices of goods increase. A given part of your insurance money would enable your wife, should you die tomorrow, to buy food and clothing for a year. But if inflation comes, that same proportion of your insurance will provide food and clothing for her for a week, a day, or for only a single meal. In short, inflation of the currency, toward which the Patman bill directly leads, means that the value of present money in terms of things we all must buy will be cut just as it was in Germany and Austria after the war. For, remember, that if and when we have inflation the banks and insurance companies will pay you and your family in inflated paper money—possibly in what we shall then be calling Patman money.

I have before me a hundred million mark note printed in Germany during the inflationary days. At one time the German who owned a hundred million marks was rich beyond the dreams of avarice. He had the equivalent of $25,000,000. During inflation he couldn't buy a package of cigarettes with his hundred million marks.

Now, I want to explain why no bonus bill should be allowed to pass at this session of Congress. Let me present a few facts which I think will convince you that to pay two thousand million dollars in cash now for anything but the most desperate needs is not only unjust but simply not good business judgment.

Let us look about us. Harry Hopkins told us last week that 22,375,000 of our fellow citizens have only a Government relief job or a dole between them and starvation. The Sunday papers stated that $58 is spent every second for Government relief. This is $208,000 every hour, $5,000,000 every day, $150,000,000 every month, and the load is increasing. There were 17,000,000 people on relief in May 1933. Now there are 22,375,000 on relief, and $3,207,000,000 has been spent in the meantime by the Government on behalf of these unfortunate people. For 2 whole years this situation has been getting worse, and the end is not in sight.

And now with these facts confronting us, along comes an organized, greedy group which claims to speak for all veterans, and wants you to pay two thousand millions in cash to 3 percent of the population, many of whom don't need it, many of whom bitterly resent the demand, and against the advice of President Roosevelt and scores of our most able, influential, and respected citizens. This is nothing less than a bare-faced, brazen hold-up.

Before telling you how you can help to stop this grab, let me make two observations:

First, about the stand of the sponsors of bonus prepayment. These men are sincere. They are convinced that the veterans should have the cash. The trouble with them is that they are blind to their highest duty.

They see themselves as veterans, first, last, and all the time. I submit that important as the veterans may be, all of us are something else first. We are American citizens before we are veterans. I ask Mr. John Thomas Taylor, who is supporting the Vinson bill, and Representative WRIGHT PATMAN, who is sponsoring his own measure, just one simple question: "Can you as American citizens justify this hand-out with more than 22,000,000 of your fellow citizens on Government relief and with the Federal Budget badly out of balance?" There is only one answer.

Second, and of the utmost importance to our country's welfare: The waters of discontent are rising. Already fed by rivulets from Louisiana, from Michigan, and from California, the pressure against the dam of common sense is increasing. In the rising flood we see demands for a variety of crack-brained plans which appeal to the worst instincts of large groups of people who stand to gain by their adoption. Above the turmoil you hear the clamor of vast numbers of people now receiving some sort of subsidy which may have been justified when first given but is now regarded by the recipients as a vested inalienable right. Both these groups, one which feels entitled to "hand-outs" and one which is fighting to retain "hand-outs", are organizing. They are realizing the power of the organized articulate minority. The result is a clamor for Federal grants such as never before threatened the Federal Treasury.

Unlike many of these demands, the bonus is concrete, it is simple, it is immediate, and it can be defeated. But if it is not defeated the bonus will be the first crack in the dam which now holds back the flood of those who believe the country owes them a living.

If you think that this statement is an exaggeration, I refer you to the fact that, at the request of the American Legion, a bill has been introduced within the last few weeks by Representative RANKIN, of Mississippi, which provides for the payment of pensions to widows of World War veterans who died from causes in no way related to their military service. Should this bill become law, the next step following, as surely as night follows day, will be a demand for pensions for everyone who ever wore their country's uniform.

A victorious fight on the bonus now will act as a flaming barrier across the path to the Federal Treasury. To crack-brained demagogues it will be a warning. To you, the right-thinking, sensible people, who are working to preserve your country's institutions, it will be convincing evidence that justice and fair dealing still prevail.

Now, how can this vicious legislation be stopped? It cannot, in my opinion, be stopped in the lower House. But it can be killed in the Senate with your help and support. If you wish to protect your insurance policies and your savings from inflation, if you wish to keep down Federal taxes and stop these raids on the Treasury, write or wire the President now and assure him of your support.

Write or wire your Senators, urging them to veto any and all bills advocating prepayment of the bonus. If you don't know their names, call up your public library and find out. Their address is Senate Office Building, Washington, D. C. You are the voters; you should decide. This hand-out can be killed if you will help us in our fight.

LIVING CONDITIONS IN THE SOUTH

Mr. COPELAND. Mr. President, I have received an appeal from the Rochester Young People's League concerning a report in one of the departments on living conditions in the South. I ask that their letter, which is brief, be printed in the RECORD together with other communications relating to the same subject.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

ROCHESTER, N. Y., *March 9, 1935.*

Hon. ROYAL S. COPELAND,
Senate Office Building, Washington, D. C.

DEAR SIR: By a unanimous vote, the members of the Rochester Young Peoples' League have requested me to write you urging a Federal investigation into the intolerable living conditions of southern tenant-farmers and share-croppers. It has come to our attention that Mary Conners Myers' long-awaited report on the whole situation has been officially received by the Department of Agriculture and the A. A. A., but that for some reason or other it has not seen the light of day. Whatever may have been the motives of those responsible for its suppression, we believe it would be to the benefit of the share-croppers and farm-tenants to publish this report. As citizens of the State which you represent in the Senate, we sincerely hope you will bring the entire matter to the notice of your colleagues and to the general public.

Very truly yours,

RICHARD E. POSNER, *Secretary.*

SCHENECTADY, N. Y., *March 10, 1935.*

Senator ROYAL S. COPELAND,
United States Senate, Washington, D. C.

SIR: As an enrolled Democrat, I urge you to institute an investigation of the deplorable conditions existing in the cotton-producing areas. I refer particularly to the share-cropper renters. I have in mind the following points:

The report on the condition of these people made by Mary Myers, a Government investigator, which has been suppressed by the Government, should be made public.

Has anything been done to offset the effect of A. A. A. in throwing many of the renters out of employment?

Are these people taken care of by the relief program? Reports are to the contrary.

Very truly yours,

C. H. MOTT.

SCHENECTADY, N. Y.

Hon. ROYAL S. COPELAND,
United States Senator,
Senate Office Building, Washington, D. C.

DEAR SENATOR COPELAND: If I had not read the account of the plight of the cotton share-croppers in the current issue of such a reputable publication as Time magazine, I could not believe that such outrageously lousy conditions could possibly exist in the United States of America in the year of our Lord 1935.

Talk about Russia! I have never read of babies sucking bitches in Russia. And I doubt that it will ever happen in Russia because the babies' mothers have no food while food is being destroyed to raise prices. In the name of the Galilean, what kind of madhouse of a system are we operating?

Human babies sucking bitches in America! I say that this account in Time magazine calls for an immediate, full, open congressional investigation of the entire situation. As your constituent and as a two-time supporter at the polls, I urge you to use your power and your ability to institute an immediate senatorial investigation.

Also please let me urge you to put through a real pure food and drug bill with teeth in it. Let us get rid of these gyps and phonies who sell us food adulterated with harmful chemicals. You are a doctor of medicine, and we expect real things from you.

Sincerely,

IRVING H. MARSHMAN.

GENERAL ELECTRIC CO.,
Schenectady, N. Y.

Hon. ROYAL S. COPELAND,
Senate Office Building, Washington, D. C.

DEAR SENATOR: As a constituent of yours I earnestly urge that you demand an immediate congressional investigation of the deplorable plight of the share-croppers in the South which is described in the current issue of "Time" magazine.

Very truly yours,

GILBERT P. TARLETON,
19 Washington Avenue, Schenectady, N. Y.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair) laid before the Senate a message from the President of the United States, submitting sundry nominations in the Army, which was referred to the Committee on Military Affairs.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry officers in the Regular Army.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. COPELAND, from the Committee on Commerce, reported favorably the nomination of William E. Dunn to be assistant director, Bureau of Foreign and Domestic Commerce, vice Henry Russell Armory, resigned.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar. The calendar is now in order.

POSTMASTERS

The legislative clerk read the nomination of Jessalee Nash, to be postmaster at Hollister, Mo.

Mr. McKELLAR. Mr. President, I am informed by the office of the Senator from Missouri [Mr. CLARK] that objections to this nomination have been withdrawn, and I ask that it be confirmed. I also ask unanimous consent that the nominations of all postmasters on the calendar be confirmed en bloc, including the nomination of Jessalee Nash to be postmaster at Hollister, Mo.

The PRESIDING OFFICER. Without objection, it is so ordered, and the nominations of postmasters on the calendar are confirmed en bloc.

IN THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. ROBINSON. I ask unanimous consent that the nominations in the Navy be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Navy are confirmed en bloc. That completes the Calendar.

RECESS

Mr. ROBINSON. As in legislative session, I move that the Senate take a recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 2 minutes p. m.), the Senate, in legislative session, took a recess until tomorrow, Saturday, March 23, 1935, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate March 22 (legislative day of Mar. 13), 1935

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

First Lt. Richard Herbert Torovsky, Infantry (detailed in Quartermaster Corps), with rank from November 27, 1928.

TO FIELD ARTILLERY

Second Lt. William Roberts Calhoun, Infantry, with rank from June 13, 1933, effective June 13, 1935.

Second Lt. William Roy Thomas, Infantry, with rank from June 10, 1932.

PROMOTIONS IN THE REGULAR ARMY

To be captain

First Lt. Elliott Watkins, Infantry, from March 20, 1935.

To be first lieutenant

Second Lt. Paul Thomas Cullen, Air Corps, from March 20, 1935.

MEDICAL CORPS

To be captain

First Lt. Robert Purcell Rea, Medical Corps, from March 20, 1935.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 22 (legislative day of Mar. 13), 1935

PROMOTIONS IN THE NAVY

Rear Admiral Adolphus Andrews to be Chief of the Bureau of Navigation, Department of the Navy, with the rank of rear admiral.

Capt. Harold G. Bowen to be Engineer in Chief and Chief of the Bureau of Engineering, Department of the Navy, with the rank of rear admiral.

Herbert B. Riebe to be captain.
Thaddeus A. Thomson, Jr., to be captain.
Albert H. Rooks to be commander.
Floyd J. Nuber to be lieutenant commander.
Joseph A. Farrell, Jr., to be lieutenant.
George L. Purmort to be lieutenant.
Frederick B. Warder to be lieutenant.
Waldo Tullsen to be lieutenant.
Anthony L. Rorschach to be lieutenant.
William B. Colborn to be lieutenant.
Ernest St. C. von Kleeck, Jr., to be lieutenant.
Jackson S. Champlin to be lieutenant.
Clarence C. Ray to be lieutenant.
Roger B. Nickerson to be lieutenant.
Joseph W. Ludewig to be lieutenant.
Thomas J. Greene to be lieutenant (junior grade).
Walter C. Bailey to be lieutenant (junior grade).
Edward H. Allen to be lieutenant (junior grade).
Charles F. House to be paymaster.
John Ball to be paymaster.
Joseph G. Hagstrom to be paymaster.
Patrick J. Byrne to be chief boatswain.
Edward S. Pelling to be chief electrician.
Arthur C. Larsen to be chief pay clerk.

POSTMASTERS

CONNECTICUT

Agnes Reilly Collins, Woodmont.

FLORIDA

Lona F. Baxley, Bay Pines.
Beulah S. Hanna, Hastings.
Gertrude Scott, Jacksonville Beach.
Lynn W. Bloom, Lakeland.
William C. Hill, Miami.
Frederick F. Stump, Starke.

IOWA

Carl L. Anderson, Sac City.

KENTUCKY

Nannie G. Woodson, Eddyville.

MAINE

Adelbert L. Mains, Mechanic Falls.
Archie R. King, Saco.

MINNESOTA

Harold E. Otterstein, Amboy.
Joseph L. Zimmerman, Aurora.
William C. Wiench, Bagley.
Nettie Layng, Bruno.
Alvah G. Swindlehurst, Cass Lake.
Otto H. J. Zorn, Danube.
Dennis E. Murphy, Dassel.
Gunstein D. Aakhus, Erskine.
Herman J. Ricker, Freeport.
Donald B. Brower, Kimball.
Robert B. Forrest, Lake Wilson.
Clarence H. Cook, Newfolden.
Virginia B. Flentje, Round Lake.
Herman E. Kent, Sanborn.
Benjamin F. DuBois, Sauk Center.
Henry C. Megrund, Shelly.
Mae A. Lovestrom, Stephen.
Arthur C. Jensen, Winger.

MISSISSIPPI

Nicie R. Evans, Bassfield.
Fred Eugene Brister, Bogue Chitto.
Minnie B. Dubuisson, Long Beach.
Faye V. Peel, Potts Camp.
Erma L. Morris, Seminary.

MISSOURI

Jessalee Nash, Hollister.

NEBRASKA

Jacob Fred Koehler, Fort Crook.

OREGON

John C. Bilyeu, Tigard.

WASHINGTON

Thomas H. Mansfield, Forks.
Walter A. Arend, Friday Harbor.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 22, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed be the name of the Lord. We give ourselves pause to meditate a moment on the mercies of our Heavenly Father and respond to the voice of the human soul. In Thy holy name we would claim our heritage of happiness in a world whose Builder and Maker is God; we rejoice in the blessing of Thy marvelous works. The sun and the star beams shine for us; the tides ebb and flow for us; the fields and the hillsides will soon be dressed with living green for us; all Thy works shall praise Thy name Hin earth and land and sea! We most humbly acknowledge that we are debtors. We are grateful for the pioneers of thought, for the martyrs to liberty; but infinitely above these we thank Thee for the Prophet of human brotherhood. Through Him we have been crowned with glory and honor. Forbid that we should move in a world so full, so rich, and so wonderful with heavenly blessings and be hard of heart and blind of eye. Inspire us to love life and hold it as a sacred trust. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

WORLD WAR ADJUSTED-SERVICE CERTIFICATES

Mr. CULLEN. Mr. Speaker, there is some confusion in the minds of the Members as to the exact parliamentary situation of this bill and I would suggest that the Chair announce to the House the status of the measure in order that all Members may have a clear understanding of the parliamentary situation.

The SPEAKER. The first vote will be on the engrossment and third reading of the bill. After the third reading the rule makes in order two motions to recommit.

It is the purpose of the Chair under the rule adopted and following the announcement made by the Chairman of the Rules Committee in presenting the rule to recognize the gentleman from Kentucky [Mr. VINSON], or some other gentleman to offer a motion to recommit carrying the so-called "Vinson bill."

After this motion is voted up or down the Chair will recognize the gentleman from Massachusetts [Mr. TREADWAY], the ranking minority Member of the Ways and Means Committee, if the gentleman seeks recognition to offer such motion to recommit as he may desire to submit.

The first vote after the third reading of the bill will be on the motion which the Chair understands will be offered recommitting the bill with instructions to report the so-called "Vinson bill" back to the House.

Mr. BLANTON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLANTON. Except insofar as the rules respecting the making of motions to recommit are changed by the spe-

cial rule itself, I understand the general rules of the House respecting motions to recommit still apply insofar as they are not changed by the special rule itself?

The SPEAKER. That is true.

Mr. VINSON of Kentucky. Mr. Speaker, did I hear the Chair announce that after the motions to recommit have been voted upon there will be opportunity to have a roll call upon the final passage of the bill?

The SPEAKER. Yes; if the House so orders. The final vote will be on the passage of the bill. It is within the power of the House to order a roll call if it so desires.

Mr. BLANTON. The final vote may be a roll call or not, as the House may order.

Mr. VINSON of Kentucky. I was referring to a "yea and nay" vote.

PERMISSION TO ADDRESS THE HOUSE

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

Mr. TAYLOR of Colorado. Mr. Speaker, reserving the right to object, what is the request of the gentleman?

Mr. KENNEY. I desire to make an announcement.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. TAYLOR of Colorado. Mr. Speaker, I object. I think there will be time enough to make announcements hereafter.

WORLD WAR ADJUSTED-SERVICE CERTIFICATES

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed, read a third time, and was read the third time.

Mr. VINSON of Kentucky. Mr. Speaker, I move to recommit the bill (H. R. 3896) to the Committee on Ways and Means with instructions to report the same back forthwith with the following amendment: Strike out all after the enacting clause in the said bill and insert the following amendment, which I send to the Clerk's desk.

Mr. BLANTON and Mr. RANKIN reserved all points of order against the motion to recommit.

The Clerk read as follows:

Mr. VINSON of Kentucky moves to recommit the bill, H. R. 3896, to the Commitee on Ways and Means with instructions to report the same back forthwith with the following amendment: Strike out all after the enacting clause in said bill and insert the following:

"That notwithstanding the provisions of the World War Adjusted Compensation Act, as amended (U. S. C., title 38, ch. 11; U. S. C., Supp. VII, title 38, ch. 11), the adjusted-service certificates issued under the authority of such act are hereby declared to be immediately payable. Payments on account of such certificates shall be made in the manner hereafter provided in this act upon application therefor to the Administrator of Veterans' Affairs, under such rules and regulations as he may prescribe, and upon the surrender of the certificates and all rights thereunder (with or without the consent of the beneficiaries thereof). The payment in each case shall be in an amount equal to the face value of the certificate, except that if, at the time of application for payment under this act, the principal with respect to any loan upon any such certificate has not been paid in full by the veteran (whether or not the loan has matured), then, the Administrator shall (1) pay or discharge such unpaid principal in such amount as is necessary to make the certificate available for payment under this act, (2) deduct the same from the amount of the face value of the certificate, and (3) make payment in an amount equal to the difference between the face value of the certificate and the amount so deducted.

SEC. 2. In the case of each and every loan heretofore made pursuant to law by the Administrator of Veterans' Affairs and/or by any national bank, or any bank or trust company incorporated under the laws of any State, Territory, possession, or the District of Columbia, upon the security of an adjusted-service certificate, any interest that has been or, in consequence of existing law, would be charged against the face value of such certificate either shall be canceled or not so charged, as the case may be, notwithstanding any provision of law to the contrary. Any interest on any such loan payable to any such bank or trust company shall be paid by the Administrator of Veterans' Affairs.

SEC. 3. (a) An application for payment under this act may be made and filed at any time before the maturity of the certificate (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making or filing of a personal application, then by such representative of the veteran and in such manner as may be by regulations prescribed. An application made by a person other than a representative authorized by such regulations shall be held void.

(b) If the veteran dies after the application is made and before it is filed it may be filed by any person. If the veteran dies after the application is made it shall be valid if the Administrator of Veterans' Affairs finds that it bears the bona fide signature of the applicant, discloses an intention to claim the benefit of this act on behalf of the veteran, and is filed before the maturity of the certificate, whether or not the veteran is alive at the time it is filed. If the death occurs after the application is made or filed but before the receipt of the payment under this act, payment shall be made to the beneficiary designated.

(c) Where the records of the Veterans' Administration show that an application, disclosing an intention to claim the benefits of this act, has been filed before the maturity of the certificate, and the application cannot be found, such application shall be presumed, in the absence of affirmative evidence to the contrary, to have been valid when originally filed.

(d) If at the time this act takes effect a veteran entitled to receive an adjusted-service certificate has not made application therefor he shall be entitled, upon application made under section 302 of the World War Adjusted Compensation Act, as amended, to receive, at his option, either the certificate under section 501 of this act, as amended, or payment under this act.

SEC. 4. Subdivisions (b) and (c) of section 302, section 311, subdivision (b) of section 312, section 602, and subdivision (b) of section 604 of the World War Adjusted Compensation Act, as amended (U. S. C., Supp. VII, title 38, secs. 612, 621, 622, 662, and 664), are hereby amended, to take effect as of December 31, 1934, by striking out "January 2, 1935", wherever it appears in such subdivisions and sections and inserting in lieu thereof "January 2, 1940."

SEC. 5. There is hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this act.

SEC. 6. This act may be cited as the "Emergency Adjusted Compensation Act, 1935."

Mr. DIES (interrupting the reading of the motion). Mr. Speaker, I ask unanimous consent that the reading of the amendment be dispensed with.

Mr. BLANTON. It is known as the "Vinson bill."

Mr. DIES. It is the Vinson bill, and we have had it read heretofore.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. BLANTON. Mr. Speaker, that does not do away with the reservations of points of order?

The SPEAKER. No. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Speaker, for the purpose only of getting a ruling from the Chair on the existing parliamentary situation, which is novel in that there has never been a precedent like it before in the whole history of this House, I make the point of order that even though the rule provides for two motions to recommit, they are under and governed by the general rules of the House except insofar as the special rule itself changes the general rules. The rules and precedents of the House provide that where a matter has been voted upon and adopted, not only in the Committee of the Whole House on the state of the Union but also in the House itself after the bill comes back from the Committee of the Whole House on the state of the Union to the House, and the House votes on such substantive proposition in the bill and registers its decision on that proposition, and motion is duly made and carried to reconsider the vote by which the proposition was passed and to lay that motion on the table, you cannot have two votes thereafter in the House on the same identical proposition that has been voted upon once in the House.

In this connection I want to call the attention of the Chair to the fact that the Patman amendment was submitted in the Committee of the Whole House on the state of the Union as a substitute for the Vinson bill under the proper rules of the House, by moving to strike out the first paragraph of the Vinson bill and offering the Patman bill as an amendment in the way of a substitute, and then giving notice that in case the amendment were adopted the balance of the Vinson bill would be stricken out on motion.

This procedure was followed under the rules of the House. The notice was given, the Patman bill was adopted as a substitute for the Vinson bill in Committee of the Whole House on the state of the Union by a teller vote, following which the gentleman from Texas [Mr. PATMAN] moved and by unanimous consent had all the balance of the Vinson bill stricken out.

This action was reported to the House itself as soon as the Committee of the Whole House on the state of the Union

rose. Then there was a direct vote in the House itself on the Patman amendment, on substituting it for the Vinson bill. The House voted by roll call, and the vote was 202 for the Patman substitute as against 191 for the Vinson bill. And thus the House substituted the Patman bill for the Vinson bill.

Now a motion to recommit, seeking to turn around and switch back the Vinson bill for the Patman bill would undo exactly what the House has already voted. My point of order is this: If the special rule provides to do away with all the rules respecting motions to recommit and if we may have two votes in the House on the identical proposition which has already been decided by the House, then we would be placed in the ridiculous position that after we now vote on the Vinson motion to recommit, to substitute the Vinson bill, which will be the second time the House has voted on it, and if the House should vote against that, which would be the second time the House had voted it down, then somebody else could again offer a motion to recommit, the second such motion under the special rule, to substitute the Vinson bill, and then we would have the ridiculous situation of the House of Representatives voting three different times in the House on the same proposition.

I am not averse to giving our friends who were absent yesterday a chance to vote on the matter of choosing between the Patman bill and the Vinson bill, since there was some understanding between certain of our friends in the House, but I simply want to preserve the orderly procedure of the House and the rules and precedents which have been adopted here and followed for 100 years, and it should be made plain that only under the special rule would it be permitted. I hope the Chair will make that matter very plain, that under no circumstances would it be permitted, were it not for the novel and unprecedented language used in the special rule under which this particular bill is being handled.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield to my friend from Mississippi, although I am through with my statement.

Mr. RANKIN. I want to call the attention of the gentleman from Texas to two facts: In the first place, while this rule gives the right to make two motions to recommit, it does not give them the right to make any specific motion.

Mr. BLANTON. Oh, I think it does; but otherwise not as against the general rules of the House.

Mr. RANKIN. I understand that. Then I want to call attention also to the fact that we not only voted in the House on the Vinson bill, but after that vote was taken a motion to reconsider was offered, and that motion was laid on the table.

Mr. BLANTON. Oh, yes; there was a motion to reconsider the vote by which the Patman amendment was adopted made by my colleague the gentleman from Texas [Mr. PATMAN], and that motion was laid on the table, except for this special rule, would prevent a reconsideration of the matter in the House at this time.

Except for the special rule, there could be only one motion to recommit. And under this special rule it is very clear that there could be a motion to recommit generally, there could be a motion to recommit with instructions to bring in the Andrews bill, or there could be a motion to recommit with instructions to bring in the Cochran bill.

Mr. COCHRAN. And there will be.

Mr. BLANTON. Or there can be a motion to recommit with instructions to bring in the McReynolds bill. Two of these motions would be in order.

I submit the point of order to the Speaker merely to get a ruling, so that it may be made plain that only under this special rule would such action be allowed.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I have concluded. I would rather for the gentleman to secure his own time.

Mr. O'CONNOR. Mr. Speaker, in order that the RECORD may be clear and that there may be no misunderstanding about the parliamentary situation, I desire to reply and oppose the point of order made by the gentleman from Texas [Mr. BLANTON].

What the gentleman stated as to two actions by the House, first after having adopted the Patman amendment, then permitting a motion to recommit to revive, as it were, the Vinson bill, is correct under general parliamentary procedure. There is no exact rule of the House covering the situation, but ordinarily a parliamentary body does not take an inconsistent position.

What was provided in the special rule for the consideration of bonus bills may be inconsistent, but it was deliberately provided. The gentleman from Texas [Mr. BLANTON] criticizes the rule permitting this procedure, which he calls ridiculously inconsistent, but this rule, for the first time in the history of the parliamentary procedure of this body, as far as we were able to ascertain, made in order the Patman bill, a bill which had never been reported from any committee of the House. This was therefore the first time any opportunity was ever given, under a rule, for the offering of a substitute which was not germane to the bill reported and which proposed amendment had not been reported by a committee, and I say, respectfully, it does not lie well in the mouths of the advocates of the Patman bill to criticize other provisions of the rule when this House unanimously adopted the rule reported by the Rules Committee, going as far as it did to give the Patman bill every consideration.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. PATMAN. I am perfectly willing for the gentleman from Kentucky [Mr. VINSON] to be allowed to make his motion to recommit. I think this is in accordance with our understanding and I have no desire to deprive him of the opportunity, regardless of the rules.

Mr. O'CONNOR. That was the distinct understanding.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. BLANTON. As to its not lying well in the mouths of the Patman bill supporters to raise the point of order, I call the attention of the gentleman from New York [Mr. O'CONNOR] to the fact that the House itself, by a roll-call vote of 202 for the Patman bill as against 191 for the Vinson bill, expressed its preference for the Patman bill over the Vinson bill, and the will of the House is supreme at all times.

Mr. O'CONNOR. I do not agree with the gentleman in his interpretation of what the vote yesterday meant. I do not believe the vote yesterday was directly on the Vinson bill. I am perfectly neutral in my position as to the two bills.

The rule does not do away with the motion to recommit. It extends it. Truly, as the gentleman from Texas has said, it might be possible, if the Speaker should recognize Members to do so, to have two motions to recommit to restore the Vinson bill, although this is not likely to happen, the Speaker is always so fair.

This entire matter was explained and thoroughly understood, and the entire House must have understood that a motion to recommit and substitute the Vinson bill would be in order, even though the Vinson bill had been disposed of, as it were, in the Committee of the Whole.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. CONNERY. Not only that, but even if it were inconsistent, the House supported the rule and adopted it unanimously.

Mr. O'CONNOR. The House unanimously supported the rule which we brought in and made a thorough explanation of the situation. I therefore submit, Mr. Speaker, that the point of order should be overruled.

The SPEAKER. The Chair is ready to rule. The pending bill is being considered under a special rule which was unanimously adopted by the House before the bill was taken up for consideration.

It is true, as the gentleman from Texas suggests, that under the ordinary rules of the House only one motion to recommit would be in order. However, the Committee on Rules, after a very long and thorough consideration of the question before the House, and after what the Chair understands to be a general understanding among those for and

against either one of the bills, decided in the interest of fairness to propose a rule which permitted two motions to recommit.

While it has no bearing upon the ruling of the Chair, the Chair feels that every Member of the House, without regard to his position on this or any other bill pending, understood at the time the rule was proposed by the Committee on Rules, that it would enable the House to express its will with reference to these two bills. The rule was adopted unanimously, and it provided, "That if the instructions in such motion relate to the payment of World War adjusted-service certificates, they shall be in order, any rule of the House to the contrary notwithstanding."

Now, in view of the action of the House in adopting the rule, the Chair thinks, notwithstanding the fact that a vote was taken yesterday on the so-called "Patman bill" and a motion to reconsider laid on the table, it is in order to recognize a Member to offer the Vinson bill in a motion to recommit, even though it may involve a vote for the second time on the Patman bill.

The Chair therefore overrules the point of order.

The question is on the motion to recommit.

The question was taken; and there were—yeas 204, nays 207, answered "present" 5, not voting 16, as follows:

[Roll No. 32]

YEAS—204

Allen	Darrow	Kimball	Reed, N. Y.
Andresen	Dear	Kinzer	Reilly
Andrew, Mass.	Dempsey	Kloeb	Rich
Andrews, N. Y	Ditter	Kopplemann	Richardson
Arends	Dobbins	Lambeth	Robertson
Bacharach	Doughton	Lehlbach	Robsion, Ky.
Bacon	Doutrich	Lewis, Colo.	Rogers, Mass.
Barden	Drewry	Lewis, Md.	Romjue
Beiter	Driver	Lord	Russell
Biermann	Duffy, N. Y.	Lucas	Sanders, La.
Blackney	Eaton	Ludlow	Schaefer
Bland	Ekwall	McAndrews	Shanley
Bloom	Engel	McLaughlin	Short
Boehne	Englebright	McLean	Sisson
Boland	Farley	McLeod	Smith, Conn.
Bolton	Fenerty	McMillan	Smith, Va.
Boylan	Fiesinger	McReynolds	Smith, W. Va.
Brennan	Flannagan	McSwain	Snell
Brewster	Focht	Maas	Snyder
Brooks	Ford, Miss.	Mapes	Spence
Brown, Mich.	Frey	Marshall	Starnes
Buck	Fuller	Martin, Mass.	Steagall
Buckbee	Gavagan	Mason	Sullivan
Buckley, N. Y.	Gearhart	Mead	Sutphin
Bulwinkle	Gifford	Merritt, Conn.	Taber
Burch	Goodwin	Merritt, N. Y.	Taylor, Tenn.
Burnham	Greever	Michener	Terry
Carden	Gregory	Millard	Thom
Carmichael	Gwynne	Mitchell, Ill.	Thomas
Carter	Halleck	Mitchell, Tenn.	Tinkham
Cary	Hamlin	Montague	Tobey
Casey	Hancock, N. Y.	Mott	Tonry
Cavicchia	Harlan	Norton	Treadway
Chandler	Hart	O'Brien	Umstead
Chapman	Harter	O'Connor	Utterback
Christianson	Hartley	O'Day	Vinson, Ga.
Church	Hennings	O'Leary	Vinson, Ky.
Clark, Idaho	Hess	O'Neal	Warren
Clark, N. C.	Higgins, Conn.	Owen	Welch
Cochran	Hill, Ala.	Parks	West
Cole, Md.	Hobbs	Pearson	Whelchel
Cole, N. Y.	Hoffman	Perkins	Whittington
Collins	Hollister	Peterson, Fla.	Wigglesworth
Cooley	Holmes	Peterson, Ga.	Wilcox
Cooper, Ohio	Huddleston	Pettengill	Williams
Cooper, Tenn	Igoe	Plumley	Wolcott
Cravens	Imhoff	Polk	Wolfenden
Crawford	Jenckes, Ind.	Powers	Woodruff
Crowe	Jenkins, Ohio	Ransley	Woodrum
Culkin	Kee	Reece	Young
Darden	Kenney	Reed, Ill.	The Speaker

NAYS—207

Adair	Caldwell	Cross, Tex.	Duffey, Ohio
Amlie	Cannon, Mo.	Crosser, Ohio	Duncan
Arnold	Cannon, Wis.	Cullen	Dunn, Miss.
Ashbrook	Carlson	Cummings	Dunn, Pa.
Ayers	Carpenter	Deen	Eagle
Beam	Cartwright	Delaney	Eckert
Bell	Castellow	Dickstein	Edmiston
Berlin	Celler	Dies	Eicher
Binderup	Citron	Dingell	Ellenbogen
Blanton	Coffee	Dirksen	Evans
Boileau	Colden	Disney	Faddis
Brown, Ga.	Colmer	Dockweiler	Ferguson
Brunner	Connery	Dondero	Fernandez
Buchanan	Costello	Dorsey	Fitzpatrick
Buckler, Minn.	Cox	Doxey	Fletcher
Burdick	Crosby	Driscoll	Fulmer
Gasque	Kleberg	Nichols	Secrest
Gassaway	Kniffin	O'Connell	Seger
Gehrmann	Knutson	Oliver	Shannon
Gilchrist	Kramer	O'Malley	Sirovich
Gildea	Kvale	Palmisano	Smith, Wash.
Gillette	Lambertson	Parsons	Somers, N. Y.
Gingery	Larrabee	Patman	South
Goldsborough	Lea, Calif.	Patterson	Stack
Granfield	Lee, Okla.	Patton	Stefan
Gray, Ind.	Lemke	Pfeifer	Stubbs
Gray, Pa.	Lesinski	Pierce	Sumners, Tex.
Green	Lloyd	Pittenger	Sweeney
Greenway	Luckey	Quinn	Tarver
Greenwood	Lundeen	Rabaut	Taylor, Colo.
Guyer	McClellan	Ramsay	Taylor, S. C.
Haines	McCormack	Ramspeck	Thomason
Hancock, N. C.	McFarlane	Randolph	Thompson
Healey	McGehee	Rankin	Thurston
Higgins, Mass.	McGrath	Rayburn	Tolan
Hildebrandt	McGroarty	Richards	Truax
Hill, Knute	McKeough	Robinson, Utah	Turner
Hill, Samuel B.	Mahon	Rogers, N. H.	Turpin
Hoeppel	Maloney	Rogers, Okla	Underwood
Hook	Mansfield	Rudd	Wallgren
Hope	Marcantonio	Ryan	Walter
Houston	Martin, Colo.	Sabath	Wearin
Hull	Massingale	Sadowski	Weaver
Jacobsen	Maverick	Sanders, Tex.	Werner
Johnson, Okla.	May	Sandlin	White
Johnson, Tex.	Miller	Sauthoff	Wilson, La.
Jones	Monaghan	Schneider	Withrow
Keller	Montet	Schuetz	Wolverton
Kelly	Moran	Schulte	Wood
Kennedy, Md.	Moritz	Scott	Zimmerman
Kennedy, N. Y.	Murdock	Scrugham	Zioncheck
Kerr	Nelson	Sears	

ANSWERED "PRESENT"—5

Corning	Ford, Calif.	Kocialkowski	Lanham
Daly			

NOT VOTING—16

Bankhead	Dietrich	Johnson, W. Va.	Peyser
Claiborne	Fish	Kahn	Stewart
Crowther	Gambrill	Lamneck	Wadsworth
DeRouen	Griswold	Meeks	Wilson, Pa.

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. BYRNS, and he voted "yea."

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Wadsworth (for) with Mr. Stewart (against).
Mr. Wilson of Pennsylvania (for) with Mr. Lamneck (against).
Mr. Fish (for) with Mr. Gambrill (against).
Mr. Crowther (for) with Mr. Griswold (against).
Mr. Meeks (for) with Mr. DeRouen (against).

General pairs:

Mr. Bankhead with Mrs. Kahn.
Mr. Claiborne with Mr. Dietrich.
Mr. Johnson of West Virginia with Mr. Peyser.

Mr. COX. Mr. Speaker, I change my vote from "present" to "no."

Mr. SUMNERS of Texas. Mr. Speaker, I change my vote from "present" to "no."

Mr. OLIVER. Mr. Speaker, I am opposed to both bills. I do not want to be misunderstood. For that reason, I change my vote from "aye" to "no."

The result of the vote was announced as above recorded.

Mr. VINSON of Kentucky. Mr. Speaker, I ask for a recapitulation of the vote.

The SPEAKER. The Chair thinks the vote is close enough to require a recapitulation, and the Clerk will recapitulate the vote.

The Clerk recapitulated the vote.

On motion of Mr. PATMAN, a motion to reconsider the vote by which the motion to recommit was rejected was laid on the table.

Mr. TREADWAY. Mr. Speaker, I offer the following motion to recommit which I send to the desk and ask to have read.

The Clerk read as follows:

Mr. TREADWAY moves to recommit the bill H. R. 3896 to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendment—

Mr. TREADWAY (interrupting the reading). Mr. Speaker, the motion that I am making is to strike out and insert the so-called "Tydings-Andrews bill." I ask unani-

mous consent that the motion be not read, but that the bill be printed in the RECORD at this point.

The SPEAKER. Is there objection?

Mr. KENNEDY of New York. Mr. Speaker, I object.

The SPEAKER. The Clerk will read.

The Clerk read as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That section 507 of the World War Adjusted Compensation Act, as amended, is hereby further amended to read as follows:

"'All amounts in the fund shall be available for payment by the Administrator of Veterans' Affairs of adjusted-service certificates upon their maturity or the prior death of the veteran; for payment under section 502 to banks on account of loans to veterans; for the repayment of loans made by the Administrator of Veterans' Affairs out of the United States Government Life Insurance Fund on security of adjusted-service certificates, in which case the Administrator of Veterans' Affairs shall pay interest to such fund to date of maturity of the loan at the rate such fund is authorized to receive under the provisions of subdivision (m) of section 502, as amended; and for payment by the Secretary of the Treasury to veterans of the amount of the cash payment authorized to be paid by this act upon the surrender of their adjusted-service certificates.'"

SEC. 2. That title V of the World War Adjusted Compensation Act, as amended, is further amended by adding to the end thereof a new section to read as follows:

"SEC. 509. (a) At the option and upon the application of any veteran to whom there has been lawfully issued an adjusted-service certificate under the provisions of this act and upon the complete surrender of such adjusted-service certificate together with all rights and privileges thereunder (with or without the consent of the beneficiary thereof), the Administrator of Veterans' Affairs shall certify to the Secretary of the Treasury the amount of the maturity value, shown on the face of the adjusted-service certificate surrendered, discounted (at true discount) to January 1, 1945, at the rate of interest of 3 percent per annum, compounded semiannually, from the 1st day of the January or July (whichever is the earlier date) next succeeding the date of the filing with the Administrator of Veterans' Affairs of the application, less any indebtedness on account of any loan or loans made thereon under the provisions of this act and interest, if any, accrued to the date of the filing of the application with the Veterans' Administration: *Provided*, That for the purposes of this section, on and after January 1, 1932, the rate of interest charged on loans shall be 3 percent per annum, compounded annually, and any interest charged in excess of this rate shall be accordingly adjusted and taken into consideration in the amount certified.

"(b) No payment shall be made or bonds issued under this section until the certificate is in the possession of the Administrator of Veterans' Affairs, nor until all obligations for which the certificate was held as security have been paid or otherwise discharged.

"(c) If at the time of application to the Administrator of Veterans' Affairs for settlement under this section the principal and interest on or in respect of any loan upon the certificate have not been paid in full (whether or not the loan has matured) then the Administrator of Veterans' Affairs shall (1) pay or otherwise discharge such unpaid principal and so much of the unpaid interest (accrued or to accrue) as is necessary to make the certificate available for payment under this section and (2) deduct from the amount of any settlement the amount of such principal and so much of such interest, if any, as accrued prior to the date of filing of application with the Veterans' Administration to surrender such certificate: *Provided*, That as to loans on adjusted-service certificates, properly made, unpaid and held by a bank upon application for benefits in accordance with provisions of this section the bank holding the note and certificate shall, upon notice from the Administrator of Veterans' Affairs, present them to the Administrator of Veterans' Affairs for payment to the bank in full satisfaction of its claim of the amount of unpaid principal and unpaid interest, except that if the bank, after notice of application under this section, fails to present the certificate and note to the Administrator of Veterans' Affairs within 15 days after the mailing of the notice so to do, such interest shall be only up to the fifteenth day after the mailing of such notice.

"(d) Upon the filing of an application for benefits under this section the certificate and all rights and privileges thereunder shall be canceled.

"(e) A veteran may receive the benefits of this section by application therefor filed with the Administrator of Veterans' Affairs during the lifetime of the veteran. Such application may be made and filed at any time before the maturity of the certificate (1) personally by the veteran or (2) in case physical and mental incapacity prevents the filing of a personal application, then by such representative of the veteran and in such manner as may be by regulations prescribed by the Administrator of Veterans' Affairs. Application made by a person other than a representative authorized by such regulations shall be held void.

"(f) If the veteran dies after the application has been filed, the settlement authorized under provisions of section 509 of this act shall be made to the estate of the veteran.

"(g) Settlements under the provisions of this section shall not be made until 3 months subsequent to the date of its enactment.

"(h) The Secretary of the Treasury is authorized and directed, upon receipt from the Administrator of Veterans' Affairs of a statement in a form to be prescribed by the Secretary of the Treasury, to issue, in settlement of the amount certified to be due, negotiable bonds, with coupons attached bearing interest at the rate of 3 percent per annum, payable semiannually, up to the highest multiple of $50 represented in the amount certified. Such bonds shall be dated from the 1st day of the January or July (whichever is the earlier date) next succeeding the date of the filing with the Administrator of Veterans' Affairs of the application, and shall be redeemable in lawful money of the United States on January 1, 1945. The difference between the net amount certified as due and the amount represented by the bonds issued shall be paid by the Secretary of the Treasury by check drawn on the Treasurer of the United States: *Provided*, That for a period of 6 months from the date of issuance no bond issued under the authority of this act shall be negotiable or assignable or used as collateral security for a loan by the person to whom the bond is issued for any consideration less than the amount shown on the face of the bond as the redemption value; and any person or persons entering into any agreement, either on behalf of themselves or others, to procure by purchase, trade, or otherwise any bond in violation of this provision shall be guilty of a fraud and shall be punished by a fine of not more than $10,000 or by imprisonment for not more than 2 years, or both.

"(i) The Secretary of the Treasury is authorized and directed to redeem from the United States Government Life Insurance Fund all adjusted-service certificates held by that fund on account of loans made thereon, and shall pay to the United States Government Life Insurance Fund the amount of the outstanding liens against such certificates, including all interest due or accrued, together with such amounts as may be due under subdivision (m) of section 502, as amended. The Secretary of the Treasury, in making redemption of adjusted-service certificates from the United States Government Life Insurance Fund, is authorized and directed to make payment therefor by issuing to the United States Government Life Insurance Fund bonds of the United States which shall bear interest at the rate of 4½ percent per annum, and such bonds shall not be callable until the expiration of a period of 10 years from date of issue."

During the reading of the foregoing the following occurred:

Mr. RANKIN (interrupting the reading). Mr. Speaker, I ask unanimous consent that the further reading of the amendment be dispensed with, and that it be inserted in the RECORD at this point.

The SPEAKER. The gentleman from Mississippi asks unanimous consent to dispense with the further reading of the motion to recommit, and that it be printed in the RECORD at this point. Is there objection?

Mr. KENNEDY of New York. Mr. Speaker, I object.

The Clerk concluded the reading of the motion to recommit.

Mr. PATMAN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. PATMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 82, nays 319, answering "present" 5, not voting 25, as follows:

[Roll No. 33]

YEAS—82

Andrew, Mass.	Drewry	Lehlbach	Robertson
Andrews, N. Y.	Duffy, N. Y.	Lewis, Colo.	Rogers, Mass.
Bacon	Eaton	Lewis, Md.	Russell
Biermann	Farley	Lord	Sisson
Bland	Ford, Calif.	McLaughlin	Smith, Conn.
Boehne	Gifford	McLean	Smith, Va.
Bolton	Goodwin	McMillan	Snell
Buck	Hancock, N. Y.	Mapes	Sutphin
Burch	Harlan	Martin, Mass.	Taber
Casey	Harter	Merritt, Conn.	Terry
Cavicchia	Hartley	Millard	Thom
Christianson	Hennings	Montague	Thomas
Cochran	Hess	O'Connor	Tinkham
Cole, N. Y.	Higgins, Conn.	O'Day	Tobey
Cox	Hobbs	Oliver	Treadway
Culkin	Hoffman	O'Neal	Utterback
Darden	Hollister	Perkins	Whittington
Darrow	Holmes	Pettengill	Wigglesworth
Dobbins	Huddleston	Plumley	Woodrum
Doughton	Kopplemann	Reed, N. Y.	
Doutrich	Lambeth	Rich	

NAYS—319

Adair	Ashbrook	Bell	Bolleau
Allen	Ayers	Berlin	Boland
Amlie	Bacharach	Binderup	Boylan
Andresen	Barden	Blackney	Brennan
Arends	Beam	Blanton	Brewster
Arnold	Beiter	Bloom	Brooks

Brown, Ga.	Faddis	Lemke	Romjue
Brown, Mich.	Fenerty	Lesinski	Rudd
Brunner	Ferguson	Lloyd	Ryan
Buchanan	Fernandez	Lucas	Sabath
Buckbee	Fiesinger	Luckey	Sadowski
Buckler, Minn.	Fitzpatrick	Ludlow	Sanders, La.
Buckley, N. Y.	Flannagan	Lundeen	Sanders, Tex.
Burdick	Fletcher	McAndrews	Sandlin
Burnham	Focht	McClellan	Sauthoff
Caldwell	Ford, Miss.	McCormack	Schaefer
Cannon, Mo.	Frey	McFarlane	Schneider
Cannon, Wis.	Fuller	McGehee	Schuetz
Carden	Fulmer	McGrath	Schulte
Carlson	Gasque	McGroarty	Scott
Carmichael	Gassaway	McKeough	Scrugham
Carpenter	Gavagan	McSwain	Sears
Carter	Gearhart	Maas	Secrest
Cartwright	Gehrmann	Mahon	Seger
Cary	Gilchrist	Maloney	Shanley
Castellow	Gildea	Mansfield	Shannon
Celler	Gillette	Marcantonio	Short
Chapman	Gingery	Marshall	Sirovich
Church	Goldsborough	Martin, Colo.	Smith, Wash.
Citron	Granfield	Mason	Smith, W. Va.
Clark, Idaho	Gray, Ind.	Massingale	Snyder
Clark, N. C.	Gray, Pa.	Maverick	Somers, N. Y.
Coffee	Green	May	South
Colden	Greenway	Mead	Spence
Cole, Md.	Greenwood	Merritt, N. Y.	Stack
Collins	Greever	Michener	Starnes
Colmer	Gregory	Miller	Steagall
Connery	Guyer	Mitchell, Tenn.	Stefan
Cooley	Gwynne	Monaghan	Stubbs
Cooper, Ohio	Haines	Montet	Sullivan
Cooper, Tenn.	Halleck	Moran	Sumners, Tex.
Costello	Hamlin	Moritz	Sweeney
Cravens	Hancock, N. C.	Mott	Tarver
Crawford	Hart	Murdock	Taylor, Colo.
Crosby	Healey	Nelson	Taylor, S. C.
Cross, Tex.	Higgins, Mass.	Nichols	Taylor, Tenn.
Crosser, Ohio	Hildebrandt	Norton	Thomason
Crowe	Hill, Ala.	O'Brien	Thompson
Cullen	Hill, Knute	O'Connell	Thurston
Cummings	Hill, Samuel B.	O'Leary	Tolan
Dear	Hoeppel	O'Malley	Tonry
Deen	Hook	Owen	Truax
Delaney	Hope	Palmisano	Turner
Dempsey	Houston	Parks	Turpin
Dickstein	Hull	Parsons	Umstead
Dies	Imhoff	Patman	Underwood
Dietrich	Jacobsen	Patterson	Vinson, Ga.
Dingell	Jenckes, Ind.	Patton	Vinson, Ky.
Dirksen	Jenkins, Ohio	Pearson	Wallgren
Disney	Johnson, Okla.	Peterson, Fla.	Walter
Ditter	Johnson, Tex.	Peterson, Ga.	Warren
Dockweiler	Jones	Pfeifer	Wearin
Dondero	Kee	Pierce	Weaver
Dorsey	Keller	Pittenger	Welch
Doxey	Kelly	Polk	Werner
Driscoll	Kennedy, Md.	Powers	Whelchel
Driver	Kennedy, N. Y.	Quinn	White
Duffey, Ohio	Kenney	Rabaut	Wilcox
Duncan	Kerr	Ramsay	Williams
Dunn, Miss.	Kimball	Ramspeck	Wilson, La.
Dunn, Pa.	Kinzer	Randolph	Withrow
Eagle	Kloeb	Rankin	Wolcott
Eckert	Kniffin	Ransley	Wolfenden
Edmiston	Knutson	Reece	Wolverton
Elcher	Kramer	Reed, Ill.	Wood
Ekwall	Kvale	Richards	Woodruff
Ellenbogen	Lambertson	Robinson, Utah	Young
Engel	Larrabee	Robsion, Ky.	Zimmerman
Englebright	Lea, Calif.	Rogers, N. H.	Zioncheck
Evans	Lee, Okla.	Rogers, Okla.	

ANSWERED "PRESENT"—5

Corning	Kocialkowski	Lanham	Reilly
Daly			

NOT VOTING—25

Bankhead	Gambrill	McLeod	Stewart
Bulwinkle	Griswold	McReynolds	Wadsworth
Chandler	Igoe	Meeks	West
Claiborne	Johnson, W. Va.	Mitchell, Ill.	Wilson, Pa.
Crowther	Kahn	Peyser	
DeRouen	Kleberg	Rayburn	
Fish	Lamneck	Richardson	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Wadsworth (for) with Mr. Stewart (against).
Mr. Claiborne (for) with Mr. Crowther (against).
Mr. Fish (for) with Mr. Gambrill (against).
Mr. Wilson of Pennsylvania (for) with Mr. Griswold (against).
Mr. West (for) with Mr. Kleberg (against).

General pairs until further notice:

Mr. Bankhead with Mrs. Kahn.
Mr. Bulwinkle with Mr. McLeod.
Mr. Johnson of West Virginia with Mr. Peyser.
Mr. Rayburn with Mr. Chandler.
Mr. McReynolds with Mr. Richardson.
Mr. Meeks with Mr. Lamneck.
Mr. DeRouen with Mr. Igoe.

The result of the vote was announced as above recorded.

A motion to reconsider the vote by which the motion to recommit was rejected was laid on the table.

The SPEAKER. The question recurs on the passage of the bill.

Mr. PATMAN. Mr. Speaker, would it be in order at this time to ask unanimous consent to change the title of the bill?

The SPEAKER. That can be done after the bill is finally passed. The question is on the passage of the bill.

Mr. SNELL and Mr. PATMAN demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 319, nays 90, answered "present" 1, not voting 22, as follows:

[Roll No. 34]

YEAS—319

Adair	Ditter	Kelly	Ransley
Allen	Dockweiler	Kennedy, Md.	Rayburn
Amlie	Dondero	Kennedy, N. Y.	Reece
Andresen	Dorsey	Kenney	Reed, Ill.
Arends	Doutrich	Kerr	Richards
Arnold	Doxey	Kimball	Richardson
Ashbrook	Driscoll	Kinzer	Robinson, Utah
Ayers	Driver	Kloeb	Robsion, Ky.
Bacharach	Duffey, Ohio	Kniffin	Rogers, N. H.
Barden	Duncan	Knutson	Rogers, Okla.
Beam	Dunn, Miss.	Kramer	Romjue
Beiter	Dunn, Pa.	Kvale	Rudd
Bell	Eagle	Lambertson	Ryan
Berlin	Eckert	Larrabee	Sabath
Binderup	Edmiston	Lea, Okla.	Sadowski
Blackney	Elcher	Lemke	Sanders, La.
Blanton	Ekwall	Lesinski	Sanders, Tex.
Bloom	Ellenbogen	Lloyd	Sandlin
Bolleau	Engel	Lucas	Sauthoff
Boland	Englebright	Luckey	Schaefer
Boylan	Evans	Ludlow	Schneider
Brennan	Faddis	Lundeen	Schuetz
Brewster	Farley	McAndrews	Schulte
Brooks	Fenerty	McClellan	Scott
Brown, Ga.	Ferguson	McCormack	Scrugham
Brown, Mich.	Fernandez	McFarlane	Sears
Brunner	Fitzpatrick	McGehee	Secrest
Buckbee	Flannagan	McGrath	Seger
Buckler, Minn.	Fletcher	McGroarty	Shannon
Buckley, N. Y.	Focht	McLeod	Short
Bulwinkle	Ford, Miss.	McSwain	Sirovich
Burdick	Frey	Maas	Smith, Wash.
Burnham	Fuller	Mahon	Smith, W. Va.
Caldwell	Fulmer	Maloney	Snyder
Cannon, Mo.	Gasque	Mansfield	Somers, N. Y.
Cannon, Wis.	Gassaway	Marcantonio	South
Carden	Gavagan	Marshall	Spence
Carlson	Gearhart	Martin, Colo.	Stack
Carmichael	Gehrmann	Mason	Starnes
Carpenter	Gilchrist	Massingale	Steagall
Carter	Gildea	Maverick	Stefan
Cartwright	Gillette	May	Stubbs
Cary	Gingery	Mead	Sullivan
Casey	Goldsborough	Merritt, N. Y.	Sutphin
Castellow	Granfield	Michener	Sweeney
Celler	Gray, Ind.	Miller	Taylor, Colo.
Chandler	Gray, Pa.	Mitchell, Ill.	Taylor, S. C.
Chapman	Green	Mitchell, Tenn.	Taylor, Tenn.
Citron	Greenway	Monaghan	Thomason
Clark, Idaho	Greenwood	Montet	Thompson
Clark, N. C.	Gregory	Moran	Thurston
Coffee	Guyer	Moritz	Tolan
Colden	Gwynne	Mott	Tonry
Cole, Md.	Haines	Murdock	Truax
Collins	Halleck	Nelson	Turner
Colmer	Hancock, N. C.	Nichols	Turpin
Connery	Hart	Norton	Umstead
Cooley	Healey	O'Brien	Underwood
Cooper, Ohio	Hess	O'Leary	Vinson, Ga.
Cooper, Tenn.	Higgins, Mass.	O'Malley	Vinson, Ky.
Costello	Hildebrandt	Owen	Wallgren
Cravens	Hill, Ala.	Palmisano	Walter
Crawford	Hill, Knute	Parks	Warren
Crosby	Hill, Samuel B.	Parsons	Wearin
Cross, Tex.	Hoeppel	Patman	Weaver
Crosser, Ohio	Hoffman	Patterson	Welch
Crowe	Hook	Patton	Werner
Cullen	Hope	Pearson	Whelchel
Cummings	Houston	Peterson, Ga.	White
Daly	Hull	Pfeifer	Williams
Dear	Igoe	Pierce	Wilson, La.
Deen	Imhoff	Pittenger	Withrow
Delaney	Jacobsen	Polk	Wolcott
Dempsey	Jenckes, Ind.	Powers	Wolfenden
Dickstein	Jenkins, Ohio	Quinn	Wolverton
Dies	Johnson, Okla.	Rabaut	Wood
Dietrich	Johnson, Tex.	Ramsay	Woodruff
Dingell	Jones	Ramspeck	Zimmerman
Dirksen	Kee	Randolph	Zioncheck
Disney	Keller	Rankin	

NAYS—90

Andrew, Mass.	Duffy, N. Y.	Lewis, Md.	Russell
Andrews, N. Y.	Eaton	Lord	Shanley
Bacon	Fiesinger	McLaughlin	Sisson
Biermann	Ford, Calif.	McLean	Smith, Conn.
Bland	Gifford	McMillan	Smith, Va.
Boehne	Goodwin	McReynolds	Snell
Bolton	Greever	Mapes	Taber
Buchanan	Hancock, N. Y.	Merritt, Conn.	Tarver
Buck	Harlan	Millard	Terry
Burch	Harter	O'Connell	Thom
Cavicchia	Hartley	O'Connor	Thomas
Christianson	Hennings	O'Day	Tinkham
Church	Higgins, Conn.	Oliver	Tobey
Cochran	Hobbs	O'Neal	Treadway
Cole, N. Y.	Hollister	Perkins	Utterback
Corning	Huddleston	Peterson, Fla.	Whittington
Cox	Kocialkowski	Pettengill	Wigglesworth
Culkin	Kopplemann	Plumley	Wilcox
Darden	Lambeth	Reed, N. Y	Woodrum
Darrow	Lanham	Reilly	Young
Dobbins	Lea, Calif.	Rich	The Speaker
Doughton	Lehlbach	Robertson	
Drewry	Lewis, Colo.	Rogers, Mass.	

ANSWERED "PRESENT"—1

Sumners, Tex.

NOT VOTING—22

Bankhead	Griswold	Lamneck	Stewart
Claiborne	Hamlin	McKeough	Wadsworth
Crowther	Holmes	Martin, Mass.	West
DeRouen	Johnson, W. Va.	Meeks	Wilson, Pa.
Fish	Kahn	Montague	
Gambrill	Kleberg	Peyser	

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. BYRNS, and he voted "nay."

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Lamneck (for) with Mr. Claiborne (against).
Mr Stewart (for) with Mr. Wadsworth (against).
Mr. Crowther (for) with Mr. Wilson of Pennsylvania (against).
Mr. Kleberg (for) with Mr. West (against).
Mr. Griswold (for) with Mr. Sumners of Texas (against).
Mr. Gambrill (for) with Mr Montague (against).
Mr. Meeks (for) with Mr. Fish (against).

Additional general pairs:

Mr. Bankhead with Mrs. Kahn.
Mr. DeRouen with Mr. Martin of Massachusetts.
Mr. Carden with Mr. Peyser.
Mr. McKeough with Mr. Holmes.

Mr. TINKHAM changed his vote from "aye" to "no."

Mr. KNUTSON changed his vote from "no" to "aye."

Mr. MONTAGUE. Mr. Speaker, I was temporarily absent and did not answer. If I had been present, I would have voted "no."

Mr. HAMLIN. Mr. Speaker, I was outside the Chamber and did not vote. If present, I would have voted "aye."

Mr. SUMNERS of Texas. Mr. Speaker, I voted "no." I am paired with the gentleman from Indiana, Mr. GRISWOLD, who voted "aye." I withdraw my vote and vote "present."

Mr. KEE. Mr. Speaker, my colleague, Mr. JOHNSON, of West Virginia, is absent on account of illness. He advises me that, while he favored the Vinson bill, had he been present on this occasion he would have voted for the measure just passed.

The result of the vote was announced as above recorded.

Mr. PATMAN. Mr. Speaker, I move to reconsider the vote by which the bill was passed and lay that on the table.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PATMAN. Mr. Speaker, I offer an amendment to change the title, which I am sending to the desk.

The Clerk read as follows:

Mr. PATMAN moves to amend the title by striking out the title and inserting in lieu thereof the following: "To provide for the immediate payment to veterans of the face value of their adjusted-service certificates, for controlled expansion of the currency, to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes."

The amendment was agreed to.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to extend their remarks on this legislation.

Mr. COOPER of Tennessee. Mr. Speaker, reserving the right to object, this permission was granted day before yesterday at the request of the chairman of the committee.

Mr. PATMAN. That was permission only for those who spoke on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DOBBINS. Mr. Speaker, my colleague the gentleman from Illinois, Mr. MEEKS, is unfortunately absent because of illness. He has asked me to announce that, had he been present yesterday, he would have voted against the amendment of the Vinson bill by the substitution of the Patman bill; that he would have voted today for the motion to recommit and substitute the Vinson bill, and would have voted in favor of the final passage of the bill in its final form.

Mr. BLANTON. Mr. Speaker, I wish to make a point of order with respect to the present parliamentary situation of one part of the bill, and in connection therewith I ask permission of the Chair to make a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLANTON. On yesterday, after the first section of the Vinson bill was read, as shown on page 4216, the gentleman from Texas [Mr. PATMAN] moved to strike out the first section and to insert his own bill as a substitute therefor, giving the usual notice that, in case his amendment carried, he would move to strike out the remaining sections of the Vinson bill.

Mr. VINSON of Kentucky. Mr. Speaker, a point of order.

Mr. BLANTON. I am making the point of order now.

Mr. VINSON of Kentucky. Mr. Speaker, I am making a point of order to the gentleman's point of order. My point of order is that the bill to which the gentleman's motion applies has been concluded and is history.

Mr. BLANTON. In connection with my point of order, I am asking the Chair a parliamentary inquiry.

The SPEAKER. The Chair will hear the point of order of the gentleman from Texas.

Mr. BLANTON. Mr. Speaker, the Chair will find on this page 4216 of the RECORD for yesterday that the gentleman from Texas [Mr. PATMAN] moved to strike out the first section of the Vinson bill and offered his bill as an amendment in the way of a substitute, giving proper notice that if his amendment were adopted he would thereafter move to strike out all the remaining paragraphs of the Vinson bill. Nothing was said about striking out the preamble of the bill which preceded the first section, and it was not stricken out, although the gentleman from Texas [Mr. PATMAN] objected to the reading of the preamble.

The procedure I have outlined was followed. After the substitute of the gentleman from Texas [Mr. PATMAN], was voted upon and adopted by teller vote in the Committee of the Whole House on the state of the Union, as shown on page 4231 of the RECORD, the gentleman from Texas [Mr. PATMAN], asked unanimous consent that the remaining sections of the Vinson bill that preceded section 1 be stricken out, and that request was granted, and the remaining sections of the Vinson bill were stricken out, but the preamble, which preceded the enacting clause, was left undisturbed, and remained in the bill just preceding the enacting clause. No action whatever was taken by the House, or by the Committee of the Whole House on the state of the Union with respect to the preamble except, as before stated, the gentleman from Texas objected to its being read, as a preamble is never read. And, of course, unanimous consent is usually requested for the preamble to be stricken out, but as to this bill, no such request was made.

The parliamentary inquiry I desire to make is this: although it is not usual to leave preambles in a bill that is finally passed, yet the preamble to this bill is so apropos and was so well written in the bill introduced by our friend, the gentleman from Kentucky [Mr. VINSON], and it so well applies to the Patman bill that it should stay in, and not be stricken out, and I wish to ask the Chair whether or not the preamble could be stricken out except by unanimous consent, or by a motion passed by the House.

The SPEAKER. The Chair will state to the gentleman from Texas that the only way it can be done is by action of

the House. No action was taken by the House with respect to striking out the preamble, so it still remains.

Mr. BLANTON. And will remain unless it is stricken by unanimous consent or by motion.

The SPEAKER. Yes.

Mr. BLANTON. I think it should stay in the bill because it is so well written, and is so apropos and applies so well to the Patman bill, of which it has now become a component part.

Mr. VINSON of Kentucky. As I recall, it was while the gentleman from Texas [Mr. BLANTON] was taking one of his rare naps.

Mr. BLANTON. No; I never nap; I am wide-awake all the time, and that is the reason I am having this matter thoroughly understood now.

Mr. VINSON of Kentucky. It is very rare for the gentleman to be caught asleep at the switch, but as I recall it, the gentleman from Texas [Mr. PATMAN] made the point of order to the inclusion of a preamble in a House resolution, and the point of order was sustained. The preamble, of course, is very splendidly written; I wish I could take the credit for it, but it was done at a convention of the American Legion in Miami; and I hardly think that even the gentleman from Texas would want to retain a preamble of that organization which has been maligned so much by certain Members of the House. [Applause.]

Mr. BLANTON. Mr. Speaker, the RECORD will show no point of order striking out the preamble. And while we did not follow the few high officials of the American Legion in adopting their "officials' bill" which would have issued $2,000,000,000 more of tax-exempt bonds for multimillionaires to use in evading all taxes to this Government, we did follow the men, the army of men, who belong to the American Legion, who wrote and framed that preamble at Miami, and we do not want their Miami preamble to go out. [Applause.]

The SPEAKER. After all, the RECORD will govern the matter. If it was stricken out, it is out.

Mr. BLANTON. The preamble was not stricken out; he made objection only to the reading of it.

The SPEAKER. Under those circumstances, of course, it will remain in the bill unless the House should determine otherwise.

Mr. FIESINGER. Mr. Speaker, I desire to announce that my colleague the gentleman from Ohio [Mr. LAMNECK] is absent on account of illness. Had he been here yesterday he would have voted for the Patman amendment; he would have voted "nay" on the two motions to recommit and would have voted "yea" on the final passage of the bill.

Mr. RANKIN. Mr. Speaker, on the point of order I desire to say, in reply to the gentleman from Kentucky [Mr. VINSON], that the American Legion not only approved the preamble but they approved the Patman bill, which we have just passed.

Mr. McFARLANE. And how!

Mr. RANKIN. Almost unanimously.

EXTENSION OF REMARKS—ADJUSTED-SERVICE CERTIFICATES

Mr. WOLVERTON. Mr. Speaker and Members of the House, there has been no question of national interest, in recent years, with respect to which there has been a more complete change of attitude, by a large portion of our people, than that of the immediate payment of adjusted-service certificates to World War veterans.

Notwithstanding that less than 2 years ago sentiment for and against the immediate payment of adjusted-service certificates was clearly defined and almost evenly divided, yet today the opposition has all but disappeared. The only question that now claims interest, or is the subject of debate, relates to how or by what means it shall be paid.

It is needless to say that this change of attitude is highly gratifying to me, as one of those who from the beginning has recognized the justice of the claim presented by our ex-service men for immediate payment of their certificates. It is equally unnecessary, in view of my interest in this matter, as shown by my vote in the past, to say that I will again, today, for the third time since I have been a Member of this House, cast my vote in favor of the enactment of legislation to accomplish this justifiable end.

It is, indeed, unfortunate that at this time there should arise a difference of opinion between advocates for immediate payment as to the means by which payment should be made.

I am of the opinion that the plan which has been offered to enable payment to be made by the issuance of new currency, backed by the gold reserve in the Treasury of the United States, is preferable under conditions now existing to any other plan yet offered. Some of those who are opposed to this plan have sought to create prejudice by cry of "fiat" or "printing press" money. Yet, in fact, the plan is similar and identical in principle with that by which Federal Reserve banks have been and now are permitted to issue bank notes, and bears the stamp of approval of leading economists and financial experts who declare that such a plan will not disrupt or disarrange our financial structure, and that it is safe and sound. This is clearly indicated in the testimony given by Governor Eccles, Chairman of the Federal Reserve Board, at a meeting of the House Committee on Banking and Currency Thursday afternoon, March 14, 1935, when he was asked the following question:

> Then, Governor, on the question of soundness, which, in your judgment, is the more sound, a Federal Reserve note, issued against United States bonds, or a United States note issued against certain gold reserve?

He replied:

> I think they are equally sound.

It is this latter plan, to wit, "a United States note issued against certain gold reserve", that is the basic principle of the method of immediate payment to which I have referred as being, in my opinion, more preferable under present existing conditions to any other plan yet offered. The reply of Governor Eccles, Chairman of the Federal Reserve Board, leaves no doubt or uncertainty as to its soundness and is a complete answer to the opponents of such plan.

An outstanding advantage of the plan to which I have referred arises from the fact that it provides a means of payment that does not require the issuance of any additional tax-exempt, interest-bearing bonds. It will thus save to the Government approximately $2,000,000,000 of interest money that otherwise would be paid out during the life of the bonds. Furthermore, the plan of issuing Treasury notes against the gold reserve in the Treasury not only gives a 100-percent security but creates a security greater than exists back of any Federal Reserve or national-bank note now in circulation. It also eliminates the necessity of withdrawing any funds from the Treasury, and consequently it neither creates nor increases a deficit. Thus is provided a means of payment that in no way increases the burden of taxation and yet provides payment of a debt due our veterans at a time when needed by the vast majority of them.

However, while I may prefer as a method of payment the plan to which I have referred, yet I am unwilling, by insistence upon that or any plan, to thereby make more difficult the immediate payment of the adjusted-service certificates to our veterans. The paramount issue is payment at this time. The particular method to be employed is immaterial, provided it is adequate and sound. No true friend of the veteran will permit himself to become involved in a controversy over methods that will prove detrimental to the veteran. Consequently, if some other plan than that to which I have referred should prove more acceptable to a majority of the House or Senate after conference is had between them, then I am ready and willing to give my support to such plan, provided it is, as I have already said, adequate and sound.

I do not intend to permit my interest in behalf of the veteran, in this important matter, to be diverted by an argument over whose name shall be attached to the legislation, or who shall have the credit. Veterans are in distress. Their need is great, and we should not permit anything other than the welfare of the veteran to determine our action in this matter.

This is a time of need, and as such justifies the immediate payment of the benefits of the adjusted-service certificates to veterans. To do so would be in accord with the spirit of the act of 1925, under which Congress provided adjusted-service compensation, although, under the language of the act, payment was limited to (1) in case of death, (2) in 1945, this latter being a time when the average age of a World War veteran would be 51 years. In both instances it will be recognized that a condition of need would probably exist. In the first instance because death has taken away the breadwinner of the family and the latter because advancing age makes it increasingly difficult to obtain adequate remunerative compensation. We are all familiar with the condition that makes it exceedingly difficult for anyone beyond 45 years of age to procure employment in any industrial establishment. Therefore, we can assume that Congress in the passage of the Adjusted-Service Certificate Act sought to provide help as these conditions of probable need should arrive in the life or death of veterans of the World War.

We must not overlook the fact that when the Adjusted Service Act was passed in 1925 our country was enjoying a fair amount of prosperity. For this reason there was no thought of need arising in any other manner than that provided for in the bill. Certainly, there was no thought that the time would ever come when such wide-spread distress would exist in America as we are now and have been experiencing for more than 5 years. The best evidence of this was the failure to include in the provisions of the bill any method by which a veteran could obtain a loan on his certificate in case need by any other cause should arise. Hence, the necessity for Congress to amend the act in this particular, so that loans might be procured by veterans in need arising as a result of the prevailing economic conditions affecting business, industry, finance, and agriculture. But unfortunately a rate of interest was fixed which when compounded and charged to the loan would leave but a few dollars coming to the veteran in 1945 unless he had repaid the loan. This, under present conditions, is impossible. Thus, unless the present legislation is passed, few veterans will get anything whatsoever even in 1945.

If the Government had dealt fairly in the matter of adjusted-service compensation, the debt would have been paid long ago, and instead of such not being due until 1945, as claimed by so many who have spoken against the bill, the fact is that on the basis the service was rendered in 1917–18, and with 6-percent interest from that time until the present, it was due in full on October 1, 1931. It is an overdue payment instead of a payment not yet due. And do not overlook the fact that a payment upon this basis is merely recognizing and applying a principle to soldier compensation that has already been acknowledged and applied by the Government to compensation and claims paid to others. It is not doing for the soldiers any more than has been done for civilians; and if a preference had been asked in behalf of our ex-service men, who more than they would be entitled to such consideration?

This bill is not selfish in character nor restricted in its benefits to a soldier class. Bear in mind that it will bring benefits not merely to approximately 4,000,000 ex-service men, but to their families as well, and will thereby touch approximately 20,000,000, or one-sixth of our entire population. And the benefits of this act will not stop even there. The money under this act will go into every nook and corner of our great country. It will be utilized to pay debts long past due, stop foreclosures, and provide health and the necessities of life for millions. In the expenditure of these funds the merchants, the banks, and small business men in every community will feel its beneficial effects.

It will mean the expenditure in the First Congressional District of New Jersey, which I have the honor to represent, of almost $7,000,000. Of this amount the veterans of Camden County will receive $4,826,728.56, and there will be paid to the veterans of Gloucester County $1,354,442.26, and to those of Salem County $704,634.42, making a grand total of $6,885,-805.24 that will enter into the channels of trade of the three counties comprising the First Congressional District of New Jersey. And all of this may be without one cent of additional expense to the Treasury of the United States and without adding one cent to the tax burden of our people. In this connection, do not forget that the money so to be paid would not be wasted. Investigation conducted by the Veterans' Administration as to how and in what manner the moneys loaned on adjusted-service certificates had been expended revealed the fact that 93 percent had been used in discharging obligations, making worth-while purchases, and in other wise and judicious ways.

Therefore, in conclusion, this bill instead of being for the benefit of a favored few will result in beneficial effects that cannot be estimated and that will touch, directly or indirectly, practically all of our entire citizenship. And if this were not sufficient justification for favorable consideration being given to the bill, then let it be upon the basis of our discharging a national debt long past due for a quality of service that brought safety and security to our entire people.

Mr. FERNANDEZ. Mr. Speaker, under leave to extend my remarks, I wish to express my own views on the adjusted-service certificate, which is commonly called the "soldier's bonus", and matters relevant to veterans.

Mr. Speaker, it matters to me very little what bill I support, whether the Patman or the Vinson bill, providing for redemption of the adjusted-service certificate before its regular time of maturity in 1945, provided that bill will mean the immediate cash payment of the soldier's bonus. In my humble opinion, the Vinson bill does not mean that, because if the Vinson bill were enacted some method of payment must be agreed upon, and the issue would be thrown right back into the lap of Congress to provide ways and means of taxation or the floating of bonds to offset this expenditure of over $2,000,000,000.

The Patman bill provides that each certificate is an obligation of the Government, and proposes that each veteran deposit his Government obligation and receive new money in United States notes in return for the remainder of his bonus certificate due, which will not create a new debt but merely allowing the veteran a method of facilitating payment of his debt by permitting the United States Government to manufacture new notes of currency, which we have been permitting bankers to do right up to the present time. The one thing, besides assuring immediate cash payment to the World War veteran of his bonus certificate, important about this Patman bill is the fact that by the United States itself issuing these new notes, our Government will avoid any interest payments that the floating or issuance of any bonds or Treasury notes will entail. It will be a debt once and for all "swept clean" of our national account.

Perhaps I am mistaken in my opinion that we should really employ some of the idle money as provided in the Patman bill and thus assure the soldier of the World War that, even after he gets his money, it will be worth the value he receives.

I think the real issue in this fight is to override a Presidential veto, and it looks as if some stronger crusading on the part of the veterans' organizations is going to be necessary to do this.

I would hate to pass some bill here in Congress, then 6 or 7 months later have to go back home and campaign for reelection and explain how it is that I voted for a bill and the soldier did not have any sight of ever getting his money.

If we embark upon a plan to pay out this bonus money over a period of a year or longer, and not all in the same relative space of a short time, or a few months, then we might be able to get by with a bill like the Vinson bill. If we are to pay out two and a half billions of dollars, which is practically half of all the currency we have in circulation today in the United States, within a relevant short period of time, you can imagine what may happen. That is the only chief concern as relates to the merit of the bill itself. The real issue is a Presidential veto which waits for any bonus bill, whether the Vinson or the Patman, and for any bonus bill a doubt looms in the other body for a two-thirds majority necessary to overcome a veto. I am 100 percent for the soldiers and their dependents. A study made by the Veterans'

Administration relating to the direction in which veterans expended money obtained through loans on their bonus certificates disclosed that 93 percent of this money went for subsistence and other useful purposes, and only 7 percent of that money was spent in such a way as to afford no practical benefit to the veteran or his family.

In Louisiana there are 53,885 bonus-certificate holders. If the face or maturity value of these certificates is paid in full at this time there will be a remainder due the veterans of Louisiana in the amount of $27,849,762.05. Out of that total for Louisiana, the three parishes in the First Louisiana Congressional District which I represent would receive the following amounts for its World War veterans:

Orleans Parish	$6,123,096.42
St. Bernard Parish	86,915.67
Plaquemines Parish	128,237.98

Let us pay our debt to the World War vet. The E. R. A. at the present time is taking care of many of these veterans who are capable of doing the work they want them to do on a work project in any community. Those on the E. R. A. would be relieved from this aid at least for sometime if given this money due on their bonus certificate. But that is just half the story. Consider the poor fellow who has been cut out of his disability allowance by the 1933 Economy Act and who has never been restored by law to the pension rolls. That poor fellow, because he is physically disabled, and even the veteran who cannot prove service connection—and what a job he has trying to prove it—cannot get on the relief rolls of the E. R. A. The result? Well, this type of veteran of any war, particularly the World War veteran, is unable to draw a pension or disability allowance or a monthly compensation; furthermore, the local E. R. A. tells him "you are not physically able to perform a day's work on our work project, therefore we cannot take care of you—it is up to private or community charity"; furthermore, the Civil Service tells him substantially this: "Our physical examination report finds you unfit to perform the services required for the position of postal clerk"—steward, inspector, or whatever the case may be. Thus, we find this particular type of unfortunate, who did don the uniform for Uncle Sam during the World War, and who sacrificed a $50-a-week-or-more job for a $30- or $40-a-month job in the Army or Navy, today crying aloud, more than ever, to Congress for payment of their bonus. To these unfortunate patriots, we of Congress, owe them this gratitude, and should take further steps to provide more liberally for these men of war and their dependents.

Mr. PETTENGILL. Mr. Speaker, I have always favored paying the veteran of the World War the present value of their adjusted-service certificates. On the other hand, in a period of universal distress I have not been able to square my sense of responsibility to the country, and its taxpayers by voting to pay the future value in 1945, which is $1,000,000,000 more than the present value.

In other words I have always favored paying the soldier a sum that would double his army pay, together with interest thereon at 4 percent compounded from the end of the war to date of payment.

In 1935 I would pay what we owe in 1935. I do not think we should ask the taxpayers to pay in 1935 what will not be due until 1945—in other words, pay 10 years' interest in advance.

If we were prosperous, if we did not have a huge national debt, if we did not have millions on relief, if taxpayers were not groaning under their load, to pay now what will be due in 1945 would be something the Nation could take in its stride. But, it cannot do so today.

To pay what is due at the date of payment is fair to the veteran; it is fair to the Nation, and it is fair to the taxpayer. I cannot be justly charged with being an "enemy" of the ex-service man to be willing at all times, even in the worst depression in our history, to pay him what is presently due. If that is not fair and right, nothing is fair and right.

For this reason I have voted in the committee and in the House for the substitutes, offered by Senator TYDINGS of Maryland and Mr. ANDREW of Massachusetts, both ex-service men with distinguished overseas service records, and both of which substitutes embody the principle I have stated, a principle, by the way, which I strongly advocated before the Ways and Means Committee almost 3 years ago, on April 25, 1932.

It is a moral certainty that either of these bills, if passed by both the House and Senate, would be approved by the President of the United States and the soldier would be paid what is due him today.

These bills provide that either now or at any time before 1945 when the service man wanted to cash his certificate for its present value he could have every cent that is due him.

I regret, however, that certain Members seem to think that the soldier would rather have a "vote" than cash. The Patman bill passed the House in 1932. The soldier got the Congressmen's votes but no cash. The Patman bill again passed the House in 1934, and again the ex-service man got a "vote" but no cash. In 1935 the veteran gets another "vote." But if I understand the situation correctly, he will again get no cash.

I think the real friend of the veteran is the man who will vote for a measure that can become law, and not the man who votes for measures that cannot become law.

The veterans some day are going to appraise the votes of this House by actual results obtained and not by beating of breasts and loud protestations of friendship which get nowhere. In saying this I know many Members are perfectly sincere in thinking the veterans should be paid the 1945 value now. But their sincerity puts no money in pockets back home. Any bill to become law has to meet the approval of the Senate and the President as well as the House.

I am getting tired of passing the buck to the ex-service man. I prefer to be honest with him.

I hope that the Senate will agree to the Tydings or Andrews or some similar bill which the President can conscientiously sign without destroying the remaining credit of the Nation and that the House will then agree to accept it. Then the veteran can be paid what is now due him without increasing the present or future debt of the Nation.

I do not, however, favor paying a billion dollars that is not now due. To do so would make it still more difficult and perhaps impossible for the Nation to prevent actual destitution in millions of homes of both veterans and nonveterans and their wives and children.

This is no time to increase the burden on taxpayers by paying a billion dollars not due.

Mr. SANDERS of Texas. Mr. Speaker and Members of the House, in order to keep the RECORD straight, I wish to incorporate the views which I expressed in Report No. 384, which was made by the Committee on Ways and Means to accompany H. R. 3896, and in which I expressed by preference for H. R. 1. Of course, H. R. 3896 is known as the "Vinson bill" and H. R. 1 as the "Patman bill."

I am in favor of paying the adjusted-service certificates and have so voted in the House before. I am not opposed to H. R. 3896 but prefer H. R. 1 for the following reasons:

1. It will not require a bond issue or additional taxes to make the payment. Therefore no new debt will be created and the Budget will in no way be affected.

2. Our Government has sufficient gold to redeem all outstanding currency 100 cents on the dollar, pay the veterans $2,000,000,000 in gold, and have remaining a billion dollars in gold, and in addition, about a billion dollars in silver. The Government has $1.50 in gold and 20 cents in silver for every dollar outstanding.

3. The payment can safely be made according to the terms of H. R. 1, and without invoking a new principle or precedent for the issuance of money.

4. The bill provides for methods that will prevent inflation of the currency. Under its terms, the Secretary of the Treasury may cause to be retired Federal Reserve notes or national-bank currency in the event there is danger of an undue expansion of the currency, or in the event the price level rises above the 1921–29 average.

5. Our circulating medium, consisting of demand deposits and outstanding money amounting to $200 per capita from 1926 to 1929, is now about $150 per capita. The payment as suggested in H. R. 1 will restore $16 per capita of this circulating medium that will be quickly and uniformly distributed into every corner of the Nation; additional purchasing power will be placed into the hands of those who will use it to buy goods.

6. The Government made a profit of $2,800,000,000 on gold revaluation. This debt of $2,000,000,000 can be paid to the veterans from that profit.

Mr. SCHULTE. Mr. Speaker, the debate which has been going on in the House for some time relative to the payment of the adjusted-service certificates, commonly called the "bonus", is now at its height.

The primary purpose of this discussion is to decide which of the two plans—the Patman cash-payment plan, or the Vinson plan to raise the $2,200,000,000 owed to the veterans by issuing bonds—should be accepted by this body to discharge this obligation.

I have the highest regard for the gentleman from Kentucky [Mr. VINSON], who wishes to pay off this debt by issuing bonds, as I also have for Mr. PATMAN, the gentleman from Texas, who advocates payment of the bonus with cash from the United States Treasury. However, it is my thought that Mr. PATMAN'S plan is the best, the most economical, and the method through which this money can be distributed with the least possible delay and red tape.

UNFAIR TO CHARGE TAXPAYERS BOND INTEREST

Owing to the fact that we have already passed a bill to appropriate $4,880,000,000 to be spent on a huge public-works program—the money to be raised by issuing bonds—I feel that to saddle an additional $2,220,000,000 bond issue on the country, as the Vinson plan is designed, is asking too much of the taxpayers at this time, when the money can easily be raised under the Patman plan, without the cost of a dollar to the Government. I believe every fair-minded citizen will agree with me that where this Government can save interest on bond issues that it is of benefit to the taxpayers that this be done.

ENOUGH GOLD IN THE TREASURY

There is ample gold and silver in the United States Treasury to back up the credit of the money spent by paying the bonus in cash, and, therefore, my friends, I am very much in favor of the Patman plan of payment of the bonus in cash. While a great many people will refer to this as "printing press money", the money paid to the veteran, under the Patman plan, will be the same kind, wording, color, size, form, and combination as the money you use every day.

It has been rumored that the President will veto the Patman bill, but there has been no assurance that the President would not have vetoed the Vinson measure if it had passed the House and Senate. Should the Senate concur in the House's action and pass the Patman bill and the President subsequently sign it, making it a law, I feel that the purchasing power of the Nation will be immediately restored or substantially so with the distribution of this huge sum, and that the people of this great country of ours will be on the high road to recovery.

RESTORE PURCHASING POWER

There is not a Member in this House who will deny but that the immediate need of the country today and the chief obstacle that is hindering our national recovery is the lack of purchasing power. The largest percentage of our citizens have no money with which to buy the necessities of life. That is why I feel that the cash payment of the bonus now is a question of vital importance, because it means the distribution of more than $2,000,000,000, if the bill becomes a law, in the trade channels of this country. I would also like to point out the following other reasons how the Government would benefit by payment of the bonus at this time and by the Patman method:

SEVEN REASONS FOR BONUS PAYMENT

First. It will pay a just, honest, acknowledged debt of this Government to the veterans of the World War.

Second. The money owed to the veterans is a part of the public debt; payment of this debt now will reduce the national indebtedness, the total money expended for payment of the bonus, by more than $2,000,000,000.

Third. Payment of the bonus now will save thousands of veterans from losing one-half of the value of their adjusted-service certificates, as most of the veterans have borrowed up to 50 percent of the cash-surrender value of their certificates. The great majority of these veterans have been unable to pay the interest on their loans, and the result is that by 1945 the interest charges will eat up the other 50 percent.

Fourth. The country will benefit by placing directly in the hands of the veterans more than $2,200,000,000; this money represents real purchasing power. Every dollar will change hands many, many times, so that it will result upward to $20,000,000,000 worth of business in this great country of ours. I am sure that every business man will admit that this is enough to place us far up on the road to recovery.

Fifth. The money used to liquidate the debt to the veterans will be sound money backed by the Treasury of the United States, which has more than enough gold and silver to issue the currency needed to pay the veterans.

Sixth. Payment of the bonus as set forth in the Patman plan will require no increase in taxes and no bond issue of any kind. The fact is the Government will save more than $2,000,000,000 in interest, or $112,000,000 a year for 12 years until 1945, when this debt to the veterans would normally have to be met.

Seventh. The Government will also be saved the sum of $10,000,000 in administrative expenses between now and 1945.

WHAT MONEY WILL MEAN TO MY DISTRICT

There are 3,545,284 veterans in the United States today who hold adjusted-compensation certificates. Of these, 3,019,382 have already borrowed half of the face value of their certificates. The amount due the vets after deducting the amount of the loans is approximately $2,200,000,000. Here is what the cash payment of bonus will mean to the First Congressional District of Indiana, which I represent: It will mean that more than $2,000,000 will be distributed to the veterans of my district. Taking into consideration that this money will change hands at least eight times, it is simple to estimate the benefit the people will receive through the payment of the debt.

VETERAN NEEDS THE MONEY

We have embarked upon a program of national recovery with the payment of the bonus as the most important step in that program. It cannot fail. No man or woman can logically justify the failure of the Government to pay the debt due to the veterans at this time. There is plenty of money in the Treasury. The veteran needs the money and the Government owes it to him. The country needs purchasing power, and we are in a position to supply adequate purchasing power through the payment of the certificates.

VETERANS WILL GO "OVER THE TOP" AGAIN

By payment of the bonus now the veteran will again go "over the top" to save his country from economic ruin, just as he went "over the top" to save his country from physical ruin in 1918.

The bonus bill is not a relief measure for the veteran alone. It is a bill to bring relief to the entire country. It is a sure road to recovery.

Mr. BUCKLER of Minnesota. Mr. Speaker, I am pleased to arise at this time to support the payment of the adjusted-service certificates now held by the veterans of the World War. In doing this I am not only glad to do it as an individual Member of Congress but also as a member of the liberal progressive Farmer-Labor Party of the great State of Minnesota.

You all remember the hectic days of 1917–18, when the finest youth of our Nation marched away to defend this Nation. You all know the story of their suffering since that horrible conflict. Yes; you are all familiar with the legislation that was passed in 1924 which forced the service men to accept these so-called "bonus certificates." At that time there was money for the railroads, money for the war contractors, and money for anyone who had a claim against the Government. But when the Congress decided to consider the soldiers of the Nation, these men who wallowed in the muddy hell of a war, these men were told to wait until 1945 for their small adjustment. What a travesty on justice, what an un-American thing to do.

The people of my district have been keenly interested in this problem. For the most part they all want to see this bonus legislation passed. I am glad to show my cooperation by being a coauthor of the bill introduced by the distinguished Texan, Hon. WRIGHT PATMAN. I was the fifth

signer on the petition to bring this bill up for consideration on the floor of this House.

This bill will place in immediate circulation the sum of more than $2,000,000,000. It does it in a perfectly sane and American way. It will give to the men who have defended this country real United States notes, backed by the resources and credit of the country. Some would cry "inflation." They are in the main the same group who howled so loudly for fear that we would go off the gold standard a few years ago. They are the same group who it appears are unwilling to have that provision of the Constitution which gives to the Congress the right to coin and regulate the value of money.

We all know that for years we have been paying tribute to the money crowd and to the international bankers. American agriculture and small business have been paralyzed. The wealth and the control of the wealth of the Nation has been taken over by a small group of individuals. Is it not high time we break this chain of bondage that has strangled the people of our country?

It is interesting to hear Members of the House decrying the fact that we are "saddling this Government currency on the soldiers." We who sent them to the hell of a war; we who saddled them with the most horrible war the world has ever known. Now are we to accuse them of a lack of understanding? The rank and file of the veterans in my State want the Patman bill passed. They know that WRIGHT PATMAN, the man who led the fight against Andrew Mellon, would never do a thing that would injure them or their country. They believe in his integrity and high purpose. To me this bill should be considered a badge of honor for every veteran to support and every Congressman to vote for.

Yes; I think the veterans will be proud of us. I am a practical dirt farmer. I know the problems of those that till the soil. I believe I understand the feelings of the great farm population of our land. They want this bill passed. The farmers have been driven to desperation over the condition of their business, that of agriculture. It was from the farms and humble homes of our Nation that the great majority of the soldiers and sailors came. It was to that part of our national life they returned after the war was over. But they have been shocked and burdened with hardships and distress under this man-made depression. Patiently they have carried the load. Silently they have just existed and watched their loved ones suffer. They want this debt paid. Shall we quibble over it? Shall we make pretty speeches and then send them back to wait and suffer more. My party, the Farmer-Labor, believes the principle that right must conquer might. This bonus payment will bring happiness to our people. I urge your earnest consideration of the bill. I am proud and thankful to have an opportunity to vote for it.

Mr. DOXEY. Mr. Speaker, there is very little that has been left unsaid concerning the payment of the veterans' bonus. Had I been a Member of Congress when the original law was enacted I would have then been in favor of paying immediately the bonus in cash. Since I have been a Member of Congress I have always favored and voted for the immediate payment of the veterans' bonus, and I shall continue to do so.

There is no question in my mind but what we will shortly here in the House pass a bill to this effect. What the final outcome will be as to the Senate's action in this regard, no one at this time is in a position to prophesy with any degree of accuracy. It appears now that, should any one of the pending measures pass both the House and the Senate at this session of Congress, it would likely be vetoed by the President. However, should the proposed legislation reach that stage any time soon, I am of the opinion that the House of Representatives will pass it over the President's veto. As to the Senate's attitude in this regard, I am not prepared to even venture an assertion. Most of us here, I am sure, would like to see the bonus paid at once, and we are doing what we can to bring that about.

From the beginning of my service in this House I have signed petitions and discharge motions, attended various conferences and caucuses, made speeches, worked for, and cooperated in every way I could in an earnest effort to get the bonus paid.

I feel this bonus is a just obligation on the part of the Government to the veterans of the World War. It is a confessed debt, just, owing, and payable. The veterans need it, they are entitled to it, and, as it has not been paid up to now, it should certainly be paid immediately.

I appreciate the views of those who differ with me, and I accord to them the same privilege I reserve unto myself. However, regardless of the position you take, I believe we all agree that if the Government at this time pays the bonus it will not only help the veteran but it will benefit everybody. It will distribute practically $2,000,000,000 that will go into every State, county, city, town, hamlet, and rural community of this Nation. It is estimated that there will be a turn-over of this money within the next 12 months of something like eight times. That means that this money will pay bills, provide for the necessities of life, purchase comforts for men, women, and children, create business, satisfy mortgages on homes and personal property, and in general make life more worth while. The statisticians say that the payment of the bonus now will cause this amount of money to do $16,000,000,000 worth of additional business within the next year.

The best information obtainable from governmental sources in substance shows that 3,531,800 World War veterans now hold adjusted-service certificates as of December 1, 1934. The maturity value of these certificates is $3,485,650,000, or an average of $959.88 each. Since the law was enacted permitting veterans to borrow one-half of the face value of their certificates, 3,038,500 have borrowed $1,465,000,000 on their certificates, not including interest after October 1, 1934. After deducting all loans, with interest to October 1, 1931, there is estimated to be owing to the veterans on their adjusted-service certificates $2,015,162,456.76, which includes the amount due the ones who have not negotiated loans on their certificates.

In my own State—Mississippi—36,802 World War veterans will receive $19,308,411.76.

The veterans of the 10 counties comprising the Second Congressional District of Mississippi that I have the honor and privilege to represent in Congress will receive the following amounts by counties:

Benton County	$94,322 58
De Soto County	244,510.06
Lafayette County	192,028.54
Marshall County	239,040.83
Panola County	275,364.58
Tallahatchie County	341,879 62
Tate County	167,853.66
Tippah County	179,340.70
Union County	204,428.02
Yalobusha County	170,613.00
Total to veterans of Second Congressional District of Mississippi	2,109,381.57

I maintain that this great country of ours can afford and should always reasonably take care of those who fought its battles and defended it in time of war. I say with you who oppose this measure, let us economize, I am ready and willing to practice and vote for economy in Government, but we have done that long enough at the expense of the veterans. I am not one who is willing to deny the deserving veterans, or their widows and orphans, that to which I feel they are justly entitled. The best dollars spent for adequate national defense, for which I stand, are the dollars of a grateful nation to its worthy defenders.

By our acts here, my colleagues, let us keep alive the spirit of fair play and just dealings with our fellow man, and in a measure at least, do in the year 1935 what should have been done immediately after the war—pay the bonus!

Mr. DORSEY. Mr. Speaker, there is nothing new to be uttered about payment of the so-called "soldier bonus." Everything has been said, and well said, for the past decade. But there is immediate and great need for saying it all over again, because whether or not we like the job, we of Congress are bill collectors for veterandom, and we must adopt the technique of that profession. This calls for iteration, reiteration, repetition, ding-donging, and thence more repetition.

In short, we are dunning for an adjustment acknowledged to be due the veteran, and we are asking that an I O U be paid immediately when the need of most of these ex-service men is great. If there be any among us who complain that this bonus matter is a perennial question, let me tell you that every person who is dunned for payment of a just debt is annoyed by the periodical visits of the collector.

No great number, yet too many of our unthinking citizens, look upon this adjustment to the veterans as governmental largess—a handout, extracted through veteran lobbies and veteran threats. Such people, of course, have not taken the pains to learn that it is an adjustment against the unholy profits and high wages which grew out of the cost-plus contracts of World War days. If their memories cannot take them back to those mistakes of war times, they will do well to study the recent testimony before the Nye committee of the Senate. There they will find disclosure of the millions paid to the executives of one large steel company, and this does tell us the story of large salaries and extra payments made to clerks, stenographers, and machine operators at the very time when soldiers were returning with a $60 extra payment and the task of picking up the thread of life in a world that had changed for them.

Let me cite a case well known to me, and doubtless you gentlemen know of similar examples. No adjustment that the Government makes will compensate this man. He started as an office boy in a Philadelphia stocking mill and attended evening classes in a textile school. After 4 years' training he set himself up as a cotton-yarn broker and secured enough accounts to become pretty well established. By 1915 he was representing small southern mills and selling their product to textile plants in the Philadelphia district. He was prospering. Before he enlisted he asked the mills to keep him in mind and resume connection with him if he returned from service, and they all wrote him nice letters of promise and wished him godspeed.

He returned to find that they had forgotten him and had made other affiliations which they would not change. His $60 would not pay more than 1 month's office rent, so he took a job selling soap. He has never returned to the textile business for which he was especially trained at some expense and considerable sacrifice. Had he remained at home he would have become wealthy, for his line was very active during the war. Do you think the Government's $1,200 adjustment squares the account with this man? Do you believe he feels he is accepting largess when he takes the adjustment? And is it your opinion that the Bethlehem Steel Corporation should be paid off promptly in cash while this man takes an I O U, payable in 1945? This case is typical of a considerable segment of veterans who were thrown out of stride in their life work and no adequate adjustment will ever be made for them. What the adjusted-compensation certificates attempted to square was the difference between the dollar a day the soldier received and the fancy wages plus extras the stay-at-homes were receiving.

Veterandom has pointed to the injustice of this situation and Congress after Congress has acknowledged the fairness of the claim. Let it be said of the veterans that they have not complained without suggesting a remedy. Like the good physician, they have diagnosed and then prescribed. They tell you that the condition which brought on the bonus is the cost-plus contract, and they prescribe the McSwain bill for taking the profit out of war to prevent a recurrence of the condition. No selfish group, thinking only of a hand-out, would be so intent upon setting up a remedy for future use.

I have little patience with the constant argument that we cannot afford to pay this adjustment. That contention began when Secretary Mellon, pleading poverty, persuaded President Harding to veto an adjustment bill. Shortly thereafter the Secretary boastingly displayed a large surplus. That was in a period when big business was god and we small individuals had little access to the high councils. We could not afford to pay, they said, and we still hear the echo of it. I say that we can ill afford not to pay. Our national credit is affected by our indebtedness, it is true. But there is an internal credit, not posted on the exchanges, but in the hearts of our citizens, which is affected by how we treat an acknowledged indebtedness to the men and women who served in a great national emergency. A new generation will fight our next war and it is more observing than you imagine how this Nation has viewed the debts of industrialists and the debts to the combatants.

If the contractor is paid off by 1920, and the veteran must wait until 1945, it can in all truth be said that our Republic is ungrateful. It is far from heartening to the youth of this land to observe a nation which thanks its soldiers, sailors, marines, and war nurses and then asks them to go to the end of the line that forms at the paying teller's window. It is time that we took that sign down from the teller's window which reads: "Closed to veterans—will reopen in 1945." Gladstone well said: "Justice delayed is injustice." Our veterans hold Government I O U's and they are doing what anyone does who holds an I O U and is broke. They are asking for immediate payment. Let the Congress be done with this job of bill collector for veterandom. The debt is acknowledged; let it be paid. Because the Patman bill really provides the means for payment, let us favor that measure. Then we will do well to study the hook-up between this adjustment and the McSwain bill (H. R. 5529) for taking the profits out of war. Let us extract our lesson from the mistakes of the past, and profit by them in future emergencies.

Mr. HOBBS. Mr. Speaker, I favor the immediate payment of the bonus, plus interest at 4 percent compounded annually from the day of the armistice, November 11, 1918; and I favor an additional new bonus of $206,000,000 by rebating the accrued interest which the veterans have contracted to pay the Government on money borrowed against their adjusted-service certificates.

This is more than fair. It is generous. We would thus be giving them over $200,000,000 more than they are entitled to receive under the law which was passed by the Congress in 1924 with their hearty approval and at their request. The rebate of this interest the veterans agreed to pay seems justifiable because the money loaned them was, at least in a sense, theirs. These loans may reasonably be regarded as partial payments on account, in reduction of the amount of a valid obligation, though not due.

Of course the veterans are not entitled to receive any part of the balance remaining unpaid of their adjusted-service certificates at this time. There can be no question as to what the adjusted-service certificates are, nor how the amount of each certificate was arrived at. They were issued in pursuance of the World War Adjusted Compensation Act of 1924, part of which reads as follows:

> The amount of adjusted-service credit shall be computed by allowing the following sums for each day of active service in excess of 60 days in the military or naval force of the United States after April 5, 1917, and before July 1, 1919, as shown by the service or other record of the veteran: $1.25 for each day of overseas service and $1 for each day of home service; but the amount of the credit of a veteran who performed no overseas service shall not exceed $500 and the amount of the credit of a veteran who performed any overseas service shall not exceed $625.

It was agreed and provided by law that this bonus be made the basis of the adjusted-service certificates, which should each be the equivalent of a paid-up 20-year endowment insurance policy. To the amount of the adjusted compensation 25 percent was added to cover the interest thereon from the date of the discharge of the veteran from the service to the date of the passage of the act. The Director of the Veterans' Bureau was ordered to issue, without cost, to each veteran a paid-up nonparticipating 20-year endowment insurance policy called an "adjusted-compensation certificate" for the amount that the veteran's adjusted compensation, plus this 25 percent, would buy at the veteran's attained age, in accordance with accepted actuarial principles, and based upon the American Standard Experience Table of Mortality, plus interest at 4 percent compounded annually. This was, of course, done, and the face value of these certificates include 20 years' interest from the time the certificate was issued. Most of these certificates were issued in 1925. Hence the prevalent erroneous assumption that they all will mature in 1945. As a matter of fact, however, many of them were issued long after 1925,

some having been issued within the last few months, and at least one on January 1, 1935. This one will not mature until 1955.

These certificates are not bonds bearing interest on their face values, and which may be converted into cash whenever the holder sees fit. They are single-payment insurance policies, on which the service of the individual veteran paid the premium, but which do not mature—that is, attain their face value—until the 20 years of compound interest accumulation, plus the original cash credit and less a small insurance cost for 20 years, equals the face value. This result will be accomplished 20 years after the date of the issuance of each certificate, and not before.

Many veterans and other citizens honestly believe that the face value of these certificates and the cash value are one and the same thing. They apparently do not understand that the face value of these certificates has included in it 4-percent interest, compounded annually for 20 years, up to the date when the payment of the certificates was fixed by law to be made. Another feature of these certificates which is frequently overlooked or misunderstood is that the face value of each certificate is payable immediately in case of the death of the veteran holding the certificate. I hate to deprive the dependents of the ex-service man of this valuable insurance right. But since practically all of them, and the accredited organizations speaking for them, now demand the immediate payment of the bonus—I assume with full realization that if this be done it will extinguish this valuable insurance right—I am perfectly willing to accede to their request. Since they want their certificates cashed now, I am glad to vote that they be paid the full present value of their certificates, and in addition I am heartily in favor of wiping out the interest charged against them for the money they have borrowed on their certificates, although they agreed in perfect good faith to pay this interest.

Of course, the amount due them, if these certificates are to be cashed now, is the original amount of each certificate, and since it was for services performed prior to the date of the armistice, November 11, 1918, I am perfectly willing to add to the adjusted compensation interest at the specified rate of 4 percent and compound it annually from Armistice Day, 1918, up until the date of payment. In addition to this I am in favor of releasing them from their voluntarily assumed obligation to pay interest upon the sums borrowed against these certificates. This is in effect adding to what is really due—fixing the amount at the present value of their certificates—a new and additional bonus of $206,000,000 of accrued interest.

In spite of the fact, which seems to me indisputable, that this is what the veterans are entitled to today, and more, both the Patman and Vinson bills provide for the payment now not only of what is now the present value of the certificates, and not only this second bonus of $206,000,000, but also, and in addition thereto, another thousand million dollars. A third bonus of over a billion dollars—some estimate it as high as sixteen hundred million dollars. In other words, the Patman and Vinson bills provide for the payment of the unearned interest on the amount of the adjusted compensation for the remainder of the 20-year period just as though all of the certificates had run for the full period of 20 years and had been fully matured by the accumulation of the compound interest for that length of time.

These bills camouflage the issue. If we wish to double the bonus we first agreed to give the veteran, then let us be frank enough to say so, fairly and squarely, in a separate bill which could then be considered on its own merit. But to tie this proposal in with the entirely reasonable demand that what is now due under the original bonus bill be paid is to hide a stowaway in the fuselage of a supposedly one-passenger plane.

These bills also create a mirage of false hope. No well-informed person believes either has a chance to become a law. There is no water in either well. It is practically a certainty that one or the other of these bills—probably the Patman—will pass the House. But the Patman bill has twice before been passed by the House. Never have its friends been able to muster more than 31 votes for it in the Senate. Each bill is opposed by the President. If either one should be passed by the Senate, after having been passed by the House, it would be vetoed, unquestionably. It is utterly unreasonable to think, therefore, that either bill could receive the necessary two-thirds vote of the Senate to override the President's veto.

If we really want to pay the veterans now—and I do, since they ask it—then let us pass a bill which can also pass the Senate and which will be approved by the President. There are several such bills now pending. Any one of the McReynolds, Cochran, or Andrews bills would accomplish the desired end with justice to all and would in all probability be approved by the President.

None of these bills would require any increase of taxes.

None of these bills casts an added burden on the Treasury.

None of these bills is subject to the criticism that it would require inflation.

Personally, I favor the McReynolds bill, plus the $206,000,000 interest-charge elimination. I shall be glad to cooperate with all those of similar mind on this subject, and work and vote to accomplish the passage of some such sound, fair, generous settlement of this vexed issue.

Let us stand by our great pilot, whose strong and steady hand is guiding the Ship of State through the tempestuous seas, which but for him would have engulfed us. His heart is big enough to include us all within the scope and compass of his mighty sympathies. His sources of information are dependable, unbiased, and far superior to those available to any of us. His mind is great enough to grasp and fathom the deepest implications of this problem. Let us not rock the boat, but follow his sympathetic, informed, able, and courageous leadership.

Mr. LLOYD. Mr. Speaker, life would be a sorry chapter if we could not learn some lessons from the pages of the past. Some of us may remember that when Themistocles was the virtual dictator of ancient Greece and after he had levied tribute upon the provinces, he finally came to the Isle of Andros. Landing with his troops, Themistocles conferred with the elders of the isle, and demanded tribute. During that conference, he is reputed to have said:

"We have brought with us two great goddesses; one is named 'Persuasion' and the other 'Force.'"

One of the elders replied:

"Themistocles, we, too, have two great goddesses even more powerful than your own. One is called 'Poverty' and the other 'Impossibility.'"

And so, down the long train of ages poverty and impossibility have ever stood as the formidable opponents of persuasion and force.

I disagree with those gentlemen who urge that the only objective to be attained is justice to the veteran. All important as that objective may be, it is not the only hill to be taken nor the only woods to be penetrated; for, in the last analysis, the problem of the veteran is the common problem of all the people. If you can bring back to the American people a purchasing power, if you can bring back to a poverty-stricken people a modicum of prosperity, I fancy the veterans will be able, in a large measure, to solve their own problems and meet their own individual difficulties. The end to be attained, the objective to be reached, the thing to be accomplished is to revive business and to enable the people to again set forth upon the road to prosperity in private business.

Let us inquire of ourselves what is the real cause of all of this depression that has been abroad in the land for the past 5 years and over. In 1926, the commodity dollar was worth 100 cents in terms of universal commodity. They may talk about the circulation of actual money not being an index to prosperity, but those who do so speak forget the fact that actual money has never been the sole medium of exchange of our people. Since 1926 our liquid bank credits, that were used as money, have disappeared to the extent of over $40,000,000,000 and with this shrinkage in our medium of exchange, money and what was used for money has become more and more scarce until the commodity dollar in terms of commodity has risen to the high

point of 203 cents. This means that the man who borrowed a thousand dollars in 1926 had to pay, if he paid his debt, in 203-cent commodity dollars; in acres of land, if he sold his land; in hours of labor, if he sold his labor; in bushels of wheat, if he sold his wheat; in bales of cotton, if he sold his cotton, $2,030, which is a condition that neither he nor his creditor contemplated at the time they made the transaction.

Oh, they speak of the dangers of inflation, they speak of the rubber dollar, they speak of the 50-cent dollar, and we may grant that the 50-cent dollar is not an honest dollar, it never was and it never will be, but neither is the 200-cent dollar an honest dollar any more than is the 50-cent dollar. The very power to inflate implies the power to deflate. There would not need to be an inflation had there not already been a deflation of our medium of exchange, and an undue inflation is no more dishonest and no more evil in its effect than is an undue deflation.

Perhaps I can illustrate, and I do not want to seem facetious, for this is a serious problem that confronts the Nation, but when they speak of the dangers of inflation and the dishonesty of inflation, forgetting the dangers and dishonesty of deflation, I am reminded of old Bill Donaldson, who was a frontier surveyor in my boyhood days in Kansas.

Bill knew little about surveying and had no instruments of exact measurement, but he was the only surveyor and he did the best he could, so he cut himself a rawhide thong and tied the ends to each ankle so that his steps measured as nearly as possible 3 feet. Then he proceeded to step off the land. In the morning, when the dew was on the grass, the rawhide thong became wet and stretched to undue proportions, but as the afternoon sun dried it out it shrunk to far less than its normal length of 3 feet so that the man who had his land measured in the morning got more than his allotted portion, but the man who had his land measured in the afternoon received far less. Neither was correct, neither was honest; one was inflation and the other deflation.

It is unfortunate that we cannot have an exact medium of exchange based upon the relative value of commodities from year to year. It is unfortunate that Congress has not assumed the burden the Constitution has imposed upon it not only to coin money, but to regulate the value thereof, but we do know that for the present it is impossible for the people of this country to pay their debts until we increase the medium of exchange and bring up commodity prices to the point where the commodity dollar may reach its true value of 100 cents.

Let me put the situation in another way: In 1926 we had national assets of $391,000,000,000. That represented every acre of land, all the stocks of goods upon the shelves, all the wheat and corn and cotton and coal and iron and oil, and every commodity within the confines of the United States. At the same time we had internal debts amounting, according to the various estimates, of between two hundred and nine and two hundred and forty billion dollars, so that we were then solvent. We had $391,000,000,000 with which to pay, say, the lesser sum of approximately $210,000,000,000, and there was a little left over by way of equities for those who had labored and produced.

Along came the depression, with the wiping out of our liquid bank credits, with the growing scarcity of money, with the consequent rise and doubling in the value of our commodity dollar until, we are told by those who have carefully examined and computed the Nation's wealth, our assets have depreciated in terms of dollars by $200,000,000,000, leaving $191,000,000,000 with which to pay $210,000,000,000, and it cannot be done.

If the creditor class—and I do not like to speak of classes—but if those to whom the debts of the people of this Nation are owing should foreclose upon every mortgage and sue upon every debt, and issue execution upon every judgment, and take over to themselves everything of value within the confines of the United States, they would still be short nearly $20,000,000,000, enough to satisfy their claims—if they had impoverished and pauperized all of the borrowing class, which includes the men who do the business and carry on the industry of this Nation.

You may curtail production and temporarily raise prices of one or more commodities, but you cannot increase wealth by destroying the wealth of this Nation. You cannot enable the people of this country to pay their debts by destroying or curtailing the production of the wealth with which they would pay. You can only enable them to pay their debts by increasing the medium of exchange to approximately what it was when the commodity dollar was at its normal value of 100 cents, when most of these debts were contracted.

They speak of an uncontrolled inflation of the currency. This Patman bill provides, in my judgment, for a controlled expansion of the currency. We may have to find other means for a further expansion if this proves insufficient, but reason and good sense must guide and determine the action of a Congress in carrying out the mandates of the Constitution to regulate the value of this Nation's currency. Failing in that, all the bonds and all the mortgages and all the debts will fail to realize their value in terms of dollars. You may seek redress in the courts, you may bring all the power of government to aid the holders of the securities of this Nation, you may call upon the twin goddesses, Persuasion and Force, but unless you give to these people a medium of exchange sufficient to meet their obligations those sullen, silent goddesses, Poverty and Impossibility, will continue to guard the gates of necessity.

Mr. FENERTY. Mr. Speaker, throughout the years since the World War, and repeatedly during my campaign for election to this House, I have consistently emphasized my belief that the bonus should be paid without delay to the veterans of the World War. I have not changed my belief, and I now gladly cast my vote for the immediate payment of the adjusted-service certificates.

There has been much dispute as to the method by which these certificates should be paid. The inflationists favoring the Patman bill contend that the $2,000,000,000 necessary for this purpose should be paid in printing-press money. The World War veterans who are sponsoring the Vinson bill ask that the bonus be paid in cash in the ordinary way, and they make no demand upon Congress as to the manner in which the funds may be raised. While I have my own views as to which of these methods is preferable and will result in final payment, I wish now to state that the question as to whether the Vinson or the Patman group be successful in the preliminary votes as to the method of payment can make no difference as far as my vote in favor of the bonus is concerned. The correspondence I have received from voters in my district indicates that an overwhelming majority of the veterans are in favor of the American Legion's bill, introduced by Mr. VINSON. There are some, however, who seem to favor the inflation bill introduced by Mr. PATMAN. But I really believe that the veterans are not so much interested in the method of payment as they are in the speedy and immediate cash payment of what is justly due them. The names of the Vinson bill or the Patman bill in themselves are not important to the veteran who is awaiting justice from a tardy Government. The veterans want payment, prompt payment, without further bickering or vetoes or delay, and, in my opinion, the veterans should get it. For this reason I would just as readily vote for any one of these bills that will truly guarantee to the veterans of the war the payment that they have so fully earned and which they now so vitally need.

It has appeared in the newspapers that the President is opposed to the Patman inflation bill and that he will refuse to sign it. If this be so, it is unfortunate for the veterans; but, even if the President be opposed to the payment of the soldiers' bonus, I for one shall vote to pass the bonus over his veto. I hope my colleagues in this House will similarly do so.

Those who favor the American Legion-Vinson bill have unanimously expressed the opinion that the inflationist Patman bill will place the millstone of inflation around the neck of the veteran and thus prevent the passage of the bill when it reaches the Senate. I hope this will not happen, although I would prefer to see the veterans' worthy cause standing alone, as it deserves to do, instead of being bound up with the theories of those who are for inflation first and last and only incidentally for the bonus and the veteran.

I believe that if we are for the bonus we should pay it without any strings tied to it.

It is nearly 20 years since the World War ended. After we returned from France the Government settled its debt in cash with everyone except the boys who had won victory for the Nation. Railroads, manufacturers, clerks, shipyard employees, all received cash for their services and were promptly paid. But the soldiers and sailors who fought to make the world safe for democracy were forgotten. Year by year hundreds of them are passing from our midst, leaving wives and children and other dependents without adequate means for the sustenance of life.

The least that the Congress should do today is to pass this bonus bill, so that, late as it is, the veterans shall at last know something of the gratitude which the Nation bears toward them. The bonus is long overdue. It should be paid at once.

Perhaps the President will attempt to prevent the payment of the bonus. Perhaps the inflationists will eventually defeat the will of the soldiers and cause the bonus to die under the weight of currency inflation. But, as I said a few moments ago, I have stood with the soldiers for over 10 years in their demand for justice. I shall support the cause of the veteran today. I care not what bill is before the House. I am for any bill that will give the veteran his just payment. It is, therefore, with great pleasure and satisfaction that I plead the cause of my war comrades and now cast my vote for the immediate payment of the soldiers' bonus.

Mr. LUDLOW. Mr. Speaker, I can state in a few words why I intend to vote this afternoon to pay to the veterans of the World War in cash the face value of their adjusted-service certificates.

As a Member of Congress I do not think I would be alive to my responsibilities or worthy of the high official station to which I have been called if I were not only willing, but eager, at all times and in every circumstance to vindicate the principles of justice.

I believe that payment of the adjusted-service certificates at this time is nothing more, and nothing else, than justice to the veterans who were deliberately adjudged by Congress 11 years ago to have an unpaid balance in their favor for services rendered.

"But", says someone, "it was not intended that the debt should be paid until 1945. To pay it now is irregular."

Perhaps that is so. Perhaps it is irregular to pay the veterans 10 years in advance of the time stipulated in the bond. But that is not the only irregularity connected with the World War. It was irregular to rip our fine young men from their homes and their loved ones and throw them into the hell of a foreign war. It was irregular to force these fine Americans to take up arms to kill people 3,000 miles away, whom they had never seen and whose tongue they did not speak. It was irregular to compel our boys to be wounded and gassed and shell-shocked and crazed by the bodily and mental tortues of war's inferno. All of that, too, was irregular, and God forgive me if I ever raise the cry of "irregularity" as an argument against the payment to the veterans of a small per capita amount which is intended to level down just a little way the glaring difference between the rich harvest reaped by swivel-chair war profiteers during the World War and the mere pittance paid to the men who endured all of the suffering of the trenches and the battlefields, many of whom came home pathetically broken in body and in mind.

Let each one of us place himself in the position of a veteran to whom the Government owes this acknowledged debt. If a man owes you a sum of money and you know he is able to pay; if you are starving and your wife is sick and your children are crying for food; if you have no money with which to buy fuel and no clothes with which to keep warm; if in these circumstances the man who owes you says, "I could settle with you, all right, but the money is not due yet and it would be irregular to pay you", I am sure you would have as much bitterness in your heart as any veteran has this day, because he cannot cash his bonus certificate to keep his family from starvation. You would think that there is no such thing as justice in the world.

I do not concede that the debt is not due. The Government settled, fully and handsomely, with the munitions manufacturers and war profiteers at the close of the war, but it was not until 6 years later that the soldiers were granted their adjusted-service certificates. If compound interest were allowed on the adjusted-service compensation of the veterans dating back to the war, on the same basis as the settlement allowed those who did not go to war but reaped the profits of war, the adjusted-service certificates would now be nearly or quite due.

In these awful times of depression and enforced idleness, caused by the backwash of war, the veterans need their bonus money perhaps more than they ever will need it again. I am speaking now of the masses of veterans. Of course, there are some exceptions. A rich man in a letter assailing the bonus bill wrote to me:

I have two sons, and they are not asking for their bonus.

I could not help feeling a sense of shame for this man when I recalled that each one of his sons is worth perhaps half a million dollars. Of course, they are not asking for their bonus, but there are thousands and thousands of veterans who, under the spur of stark, abject necessity, are asking for theirs, and it is my privilege to give them a helping hand. "Ye shall reap as ye sow" is as true today as it was 2,000 years ago. We cannot have wars without paying the staggering costs of war. I will economize along other lines until it hurts, and I will vote to scrap a large part of our spending program, but I will never deny justice to the deserving veteran. The cry of "irregularity" makes no appeal to me, for justice outweighs it a thousandfold, and my conscience would not allow me to sleep if I did not vote on the side of the veterans in the roll call this afternoon.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolution of the House of the following titles:

On March 19, 1935:

H. R. 3266. An act authorizing the maintenance and use of a banking house upon the United States military reservation at Fort Lewis, Wash.

On March 21, 1935:

H. R. 5322. An act authorizing the President of the United States to present in the name of Congress a Medal of Honor to Maj. Gen. Adolphus Washington Greely;

H. R. 6644. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes; and

H. J. Res. 134. Joint resolution to continue the commission for determining the boundary line between the District of Columbia and the State of Virginia for not to exceed 9 additional months, and to authorize not to exceed $10,000 additional funds for its expenses.

EXTENSION OF AIR MAIL SERVICE

Mr. O'CONNOR, from the Committee on Rules, reported the following privileged resolution for printing in the RECORD:

House Resolution 167

Resolved, That immediately upon the adoption of the resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 6511, "A bill to amend the air-mail laws and to authorize the extension of the Air Mail Service." That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority members of the Committee on the Post Office and Post Roads, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as

ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

AVIATION CADETS IN THE NAVAL RESERVE

Mr. O'CONNOR, from the Committee on Rules, reported the following privileged resolution for printing in the RECORD:

House Resolution 168

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 5577, "A bill to provide for aviation cadets in the Naval Reserve." That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

CONSTRUCTION OF CERTAIN PUBLIC WORKS

Mr. O'CONNOR, from the Committee on Rules, reported the following privileged resolution for printing in the RECORD:

House Resolution 169

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 5576, "A bill to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes." That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

STRENGTH AND DISTRIBUTION OF THE LINE OF THE NAVY

Mr. O'CONNOR, from the Committee on Rules, reported the following privileged resolution for printing in the RECORD:

House Resolution 170

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 5599, "A bill to regulate the strength and distribution of the line of the Navy, and for other purposes." That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

DISTRIBUTION, PROMOTION, RETIREMENT, AND DISCHARGE OF COMMISSIONED OFFICERS OF THE MARINE CORPS

Mr. O'CONNOR, from the Committee on Rules, reported the following privileged resolution for printing in the RECORD:

House Resolution 171

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 4016, "A bill to repeal section 16 of the act entitled 'An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes', approved May 29, 1934." That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

PERMISSION TO ADDRESS THE HOUSE

Mr. SEARS. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SEARS. Mr. Speaker, on February 6 Senate Joint Resolution 24 was passed, permitting the Walter Reed Hospital to accept certain funds that were left to the hospital by the late Charlotte Taylor, of St. Petersburg, Fla. This matter has been considered by the House Military Affairs Committee. A unanimous report has been made, but the resolution must pass the House before the Walter Reed Hospital may take over these funds.

Therefore, Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 24, to authorize the acceptance on behalf of the United States of the bequest of the late Charlotte Taylor, of the city of St. Petersburg, State of Florida, for the benefit of Walter Reed General Hospital.

The Clerk read the title of the joint resolution.

Mr. SNELL. Mr. Speaker, reserving the right to object, as I understand, this bill simply provides for the acceptance of a gift by the Walter Reed Hospital?

Mr. SEARS. That is correct.

Mr. SNELL. There is nothing else involved in the bill?

Mr. SEARS. That is all. The money is to be used for the purpose of buying radios, and so forth, for the disabled soldiers.

The SPEAKER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc. That the commanding officer Walter Reed General Hospital be, and is hereby, authorized to accept the bequest of the late Charlotte Taylor, of the city of St. Petersburg, State of Florida, as contained in her last will and testament and such interest as may have accrued on the funds covered by such bequest, and to receipt therefor on behalf of the United States, and to deposit the funds so received in the Treasury of the United States as a special fund dedicated to the purchase of radio equipmen or similar means of entertainment for bedridden soldiers or other patients in said hospital, said fund to be subject to disbursement for such purposes upon vouchers submitted by the commanding officer Walter Reed General Hospital under authority of the Secretary of War and to be available until expended.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. McKEOUGH. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. McKEOUGH. Mr. Speaker, I was called out of the Chamber on the final roll call on the final passage of the Patman bill. After having supported this bill on all of the previous roll calls I would like to have at least the RECORD show that if I were here on the final roll call I would have voted for the final passage of the Patman bill.

ADJOURNMENT OVER

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

Mr. SNELL. Mr. Speaker, reserving the right to object, will the gentleman inform the House what the program will be for the first part of next week?

Mr. TAYLOR of Colorado. Monday, of course, is District day; but on account of the illness of the chairman of that committee, the business in order on that day will be postponed until Thursday. The air mail bill will be taken up on Monday. On Tuesday a rule providing for a change in the method of consideration of bills on the Private Calendar. If that rule does not take long, we may also commence consideration of the four bills from the Committee on Naval

Affairs, and continue that on Wednesday. Thursday, as I have stated, will be District of Columbia day, if we obtain the necessary consent. On Friday I hope to take up the Private Calendar. There are some 300 bills on that calendar, and the authors of those bills are quite anxious to have them considered as soon as possible. I hope to again adjourn over that Saturday.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

FEDERAL SOCIAL-SECURITY PROGRAM AND THE CONGRESS

Mr. VINSON of Kentucky. Mr. Speaker, I ask unanimous consent to extend my remarks on the economic-security bill and to include therein a short statement by Dr. A. T. McCormack, of Louisville, Ky.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. VINSON of Kentucky. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address delivered by Dr. A. T. McCormack, State commissioner of health of Kentucky and secretary of the Kentucky State Medical Association, at Louisville, Ky., March 3, 1935:

As I have said, I was in Washington throughout the hearings before the Ways and Means Committee of the House and the Finance Committee of the Senate on the social-security legislation, the outlines of which were submitted by the President's Committee on Economic Security, the general principles of which were introduced by a special message from the President.

As you know, it has been my privilege to be in Washington from time to time during the sessions of Congress for the past 25 years, studying legislation and the methods of legislation affecting medical service and public health. I wish every one of you and every American citizen who loves his country could have had enough of this experience to have acquired the profound respect for our national legislative body which I have. To the superficial observer who walks into the gallery of the House or Senate and sees and hears the drama, even of those historic occasions which happen a few times each session, when every Member is on the floor, when tension and excitement and great state strategy hold and thrill you, or on those far more frequent occasions when the roll is being tediously called and recalled, or when drab and routine debate is being participated in by a relatively small group of Members particularly interested in the special subject under consideration, the sessions of either the House or Senate seem to be confused and futile and wasteful. I believe it will be worth your while to consider for a few moments what really happens when a bill is introduced in Congress. Take this economic-security bill, for example. Being an administration measure of transcendent importance, it is introduced by the Chairman of the powerful Ways and Means Committee, receives a number, H. R. 4120, is printed, and referred to the Ways and Means Committee, which considers all legislation involving the raising of revenue. It is the great politico-economic committee of Congress. It is composed of 25 of the most experienced and influential Members of the House. The Democratic members are elected by the Democratic caucus and select the Democratic members of all the other committees.

It was interesting that during the 6 weeks of the hearings on this particular bill almost every member of the committee was present throughout its sessions. These hearings usually began at 10 o'clock in the morning and continued until half past 12. Unless matters of tremendous importance demanded the attendance of the members of the committee on the floor of the House, its session was resumed at 2 and continued until 5 or later. The members of the committee must attend to their personal mail, receive callers, and make departmental and other contacts in the mornings before the sessions or in the evenings after them. They were usually kept busy until midnight or later. Every statement made before the committee is taken by a reporter and each morning each member of the committee is furnished with a printed copy of the entire events of the preceding day. The first 2 weeks of the hearings were devoted to the members of the President's Cabinet and the economic experts who were presenting the evidence upon which the provisions of the bill were drawn. Following this any interested citizen who had information on the subject was invited to occupy 10 minutes in presenting his case and to submit for printing such data, maps, and charts as would support his ideas. Each witness was cross-examined by members of the committee for as long a time as was necessary to secure all the knowledge that witness had that was of value or to expose fallacies in his facts or arguments.

On the permanent staff of the committee are expert statisticians, economists, tax experts, legislative draftsmen, and they have available in the Library of Congress every reference to similar social or economic legislation in any country in the world. Translations of such data as is only in foreign languages are made immediately upon the request of any committee by the staff of linguists of the Library of Congress.

As an example of the promptness with which such data is assembled, an economic-security bill was introduced in the Parliament of Canada on January 28. Copies of this bill and the report supporting it were in the hands of the members of the Ways and Means Committee on the evening of the 30th. During the previous session of Congress a subcommittee held very extensive hearings on social-security legislation. These hearings had been printed and were in the hands of all Congressmen. There was no subject presented by any witness on which at least one or more members of the committee were not better informed than any of the witnesses.

When you realize that this single bill provides under title I appropriation for old-age assistance, with all the plans for its administration; under title II for aid to dependent children; under title III for earnings taxes by employers and employees; under title IV establishes a social-insurance board and provides for its duties and support, for the development and administration of unemployment compensation; under title V for annuity certificates; under title VI the necessary imposition of taxes for the support of these activities and for the development of an unemployment trust fund; under title VII for maternal and child health (under which heading the Federal aid which is helping support the bureau of maternal and child health under the supervision of Dr. Veech in our own State health department has been financed) and the care of crippled children and aid to child-welfare service, and, finally, under title VIII appropriations for public health, you will understand what a complicated and tremendously important study all of this involves. This single bill consists of 63 printed pages of about 25 lines each.

When the hearings on the bill are completed they are all printed with the accompanying tables and charts in a volume similar to the one I am exhibiting, and copies of these hearings are sent to each Member of the House and Senate.

The committee then went into executive session and for 3 or 4 weeks spent from 6 to 10 hours a day in careful study, first of the principles involved, then of the details of the administrative and revenue-producing sections of the measure. Each member of the committee takes part in the discussion of each item and all decisions are made by a vote of the committee. Then 2 or 3 weeks are required by the draftsmen and law officers of the Government, as well as by the astute legal minds on the committee itself, to make the final draft of the bill which is to be presented to the House.

From time to time intimations are given to the press by the chairman or by selected members of the committee of tentative decisions in its executive sessions so that the other Members of Congress and the public may be kept informed of the progress that is being made. Finally, the draft is completed and the chairman and a small subcommittee draft the report explaining the details of the bill. It is then reported to the House and goes on the calendar. Usually any such important administrative measure as the social-security legislation is considered by the House under a special rule which provides for several days of general debate, control of which is divided between the Chairman of the Ways and Means Committee and its ranking minority member. Special rules in such cases usually provide that no amendments may be considered except those offered by the committee itself. Such a rule is justified on the ground that legislation of such vast importance should be considered as a whole and should either be passed or rejected. Its thorough consideration by one of the legislative committees of the House in the manner I have described assures a bill its perfection in accordance with the political philosophy of the party which controls the administration.

Generally those opposing the bill are allowed to make one motion to recommit it to the Ways and Means Committee, with instructions to bring it in with certain modifications. After this routine motion is voted down the bill is generally passed with the support of most of the members of the party in control of the House, and in legislation of national importance quite frequently with the support of most of the minority members also.

Whether considered under a special rule or under the general rules of the House, bills are considered for amendment by the Committee of the Whole House on the state of the Union which generally has divided time for general debate, and then considers each section under the 5-minute rule. Sections of the bill are read by the Clerk. Committee amendments perfecting the section are offered first and adopted as a matter of course. Then germane amendments may be offered by any Member, and discussions are limited to 5 minutes for and 5 minutes against the amendment, and a vote is then taken in the Committee of the Whole. When this Committee has finished its consideration of the bill it rises and reports the bill as amended to the House. A separate vote may be demanded on any amendment, and then the previous question is moved, and the bill as amended is passed or defeated by a viva voce or an aye-and-no vote.

The bill now goes to the Senate, where it is referred to the Finance Committee. This committee has been holding hearings on practically the same bill, which was introduced by Senator WAGNER, of New York. The hearings were concurrent with those before the Ways and Means Committee of the House and the same witnesses as a rule were present.

It seems to me that the House has a distinct advantage in that the members of its important committees are members of only one committee. Due to its smaller membership, Senators are usually members of quite a number of committees, many of which meet at the same hours. Consequently there is a generally smaller attendance at the meetings of the Finance Committee than of the Ways

and Means Committee, but all the hearings are printed and the Senators have the opportunity of reading such evidence as is of interest or value to them.

When the bill is reported to the Senate, the Senate committee will be ready with its amendments to the House bill. In the Senate there is no rule limiting debate, and any Senator can offer an amendment any time he pleases. Powerful blocs are, because of this, frequently able to secure Senate amendments that have not been as thoroughly considered in connection with the other provisions of the bill or of existing law as they should be. Senators accept this as a lesser evil than the curtailing of debate or the limitation of the offering of amendments, and feel rather secure as a rule about it, because after the bill has passed the Senate it is referred to a conference committee between the two Houses, consisting of the ranking members of the Ways and Means Committee of the House and the Finance Committee in the Senate, whose members know most about the legislation. They compromise the differences between the two Houses and bring in a privileged conference report that is generally the best legislation that can be passed on that particular subject. When a conference report has been adopted by both Houses the bill is enrolled and goes to the President, who either signs or vetoes it.

This identical procedure takes place on every bill that is introduced into the House or Senate of the United States that is considered at all. Of course, hundreds of bills are introduced each session that receive no consideration in committee. Many of these are duplicates of others that are considered and many others are introduced at the request of friends of Congressmen, who realize that they will receive no serious consideration.

I have taken your time to tell you these details because I think every American citizen should understand something about them. Knowledge of the methods by which legislation is passed by the Federal Government will increase our respect for that august legislative branch which is essential to the preservation, not only of orderly government but of liberty itself. When one reads the newspaper accounts of the sensational and vapid utterances of a demagog, or even listens to the tedious meanderings of some thoroughly honest but tiresome speaker on the floor, it is important for him to realize that while this apparent waste of time is taking place the really serious work of Congress is being done in its hard-working committees.

To one who knows, even an apparent disorder which so frequently characterizes proceedings on the floor has through it all, nevertheless, a system and routine that usage has made practical and useful in the consideration of legislation for the welfare of all the people of the United States.

It is important also to remember that rank on committees is largely due to seniority in service. For this reason, intelligent congressional districts in the States reelect competent, effective Senators and Representatives from term to term so that they may qualify themselves as statesmen for the great profession of Federal legislation and so they may be sufficiently influential to really help guide the affairs and destiny of the Nation.

It is well for our people to remember that the Congress is a coordinate branch of the Federal Government. The members of its majority party are members of the administration and not merely its satellites. Members are, as a rule, good sportsmen, and while they fight hard for their ideas or opinions they usually play with their team or party and vote with their own organization. Otherwise the party system is destroyed and we would be governed by blocs as in France.

In a Congress like the present one, elected because of the overwhelming confidence of the people of the country in an outstanding President, there are necessarily many inexperienced men in the majority, and the effectiveness of the minority is lessened because it has been deprived of many of its wisest and most experienced legislators. In the history of our country such leaders as the President have only appeared at great crises. Inexperienced legislators frequently feel irked at the orderly procedure provided by the rules, customs, and precedents of the House and Senate. Some such men frequently will attempt to have bills or procedures adopted which are not acceptable to the principles and practices of the party controlling the administration. Unfortunately, such proceedings are too frequently assisted by the minority, which at such times forgets its principles in a perfectly human but quite childish desire to bring the party in control at that particular time into ridicule or contempt. These temporary upsets are seized upon by the sensational press; people who do not know frequently find themselves confused by what they read in the press commentaries from Washington.

Revolutionists and agitators have had but little influence on the orderly course of events in the Congress. Temporarily they may make nuisances of themselves. The sane and sensible members of both parties hold them in contempt, even when they use them temporarily; and while they may confuse the public, they rarely seriously affect legislation or history.

No man who is familiar with the procedures and precedents of the Federal Congress can ever feel any doubt about either its capacity or its integrity in protecting the best interests of all the people.

I brought this to your attention at some length in an attempt to indicate to you the futility of sending form telegrams asking Members to vote for or against this or that bill. Such telegrams are solicited and encouraged by the professional lobbyists for special interests and blocs and by the employees of the telegraph companies, and they come to the influential Members of the House and Senate by the hundreds or even thousands. The Members return an equally meaningless form reply, send such letters and telegrams off in bundles to the committee considering that particular legislation, and eventually they arrive at the special Committee on the Disposition of Useless Executive Papers, having exercised practically no influence on the sane and serious Members of the Congress.

Reasonable and reasoning telegrams and letters, pointed and brief as the particular subject will permit, addressed to Congressmen and Senators personally, are highly valued, always receive a courteous reply, and are seriously considered. Resolutions by learned societies or legislatures are printed in the RECORD; the thought or thoughtlessness which usually characterizes them is recognized. They are referred to the appropriate committees, and that is that. Fortunately for our country Congress is moved more by reason than by emotion, and it would be well for all of our citizens if they knew it and helped to secure wise legislation more by reason and less by pressure.

AIR DEFENSE FOR AMERICA—OUTLINE OF COMPLETE PROGRAM FOR AIR DEFENSE FOR AMERICA AND FOR PRESERVATION OF WORLD PEACE

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of pending legislation affecting proper defense of the Nation by air power.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, I believe that most forward-looking, disinterested students of national defense for the United States now regard aircraft as "the first line of defense." Whether that air power be based directly upon land, or be based upon floating surface craft, such as aircraft carriers, it is nevertheless "air power", and wherever that "air power" is exerted it constitutes "the first line of defense."

Armies can only defend against invasion by other armies operating upon the ground. Naval fleets can only defend us against other naval fleets operating upon the sea. But these two agencies leave us undefended as against attack and invasion by the "upper flank." This "upper flank" consists of 10 miles depth of air and more, and includes a ring around the United States 10,000 miles long. Every mile of altitude and every mile of length constitutes a possible "port of entry" for invasion by air, and thus there are as many as one hundred thousand points of attack by air, one hundred thousand "ports of entry" for invasion by air. This means, to the mind which faces the facts as they are, and as they are sure to be tomorrow, that we must increase our capacity to defend America against air attack. We must not only increase aircraft in numbers and in performance, but we must increase personnel to direct such increased number of aircraft. In air fighting the personality of the individual is the greatest single factor. Leadership in ground fighting and in sea fighting is very important. But in air fighting every pilot must largely be his own leader. He must have within himself the will to conquer. He must possess the willingness to dare and to do and to die, out in the lonely air, away from the inspiration of comrades, away from the bugle blast, away from the waving flag, away from the cheers of his companions, away from the newspaper reporters and photographers to record his heroic deeds. In the council chambers of his own soul the air fighter must hold his redezvous with death and face that issue alone and upon his decision will depend our defense. He, therefore, must be trained and disciplined to meet that test and to resolve that issue in favor of his country and even against his own life.

The size of our earth shrinks as air power increases. The oceans grow narrower as the range of aircraft widens.

Mr. Speaker, the world is now only one-tenth the size it was before the Wright brothers invented the flying machine. Furthermore, development of aircraft in speed, in range, in load-carrying capacity, and in other fighting qualities, will certainly reduce still further the size of the world. Only about 100 years ago that "wet ditch", the English Channel, about 30 miles wide, was an insuperable barrier to Napoleon's ambitious schemes to defeat and humble England. Today who will dare say, in the face of the fighting and bombing aircraft known even now, that America is secure from invasion and attack by air power, even with 3,000 miles of water on her east and 8,000 miles of water on her west? We need not think that other nations will not use air power in any

way that it can be used in order to accomplish their will and to defeat an enemy. We would do it if we got into war, and they will do it.

When war comes all conventions, all treaties, and all so-called "rules of civilized warfare" will crush and crumble like sand cakes. Undoubtedly, in the next war nations possessing sufficient air power will bomb great centers of population and great centers of industrial activity. Undoubtedly in such cases thousands, and maybe hundreds of thousands, of unarmed and defenseless men and women, being citizens of a nation at war, will be killed or wounded or poisoned from the air. There is no such thing as a "gentlemen's war." If we do not wish to suffer such horrors, then we must keep out of war. We cannot keep out of war by merely wishing to do so. We can only keep out of war by being prepared to prevent invasion and to punish the invader. We can do this only by having adequate and ample air power consisting of aircraft and trained fighters to employ at once such aircraft.

In America only a war of defense is possible. Whoever will not defend America should not live in America.

Mr. Speaker, some well-meaning and good-intentioned people insist on saying that "preparation for war brings on war." That may be true with regard to certain nations, depending upon their situation, and national needs, and their governmental structure. But it cannot be true with America. We have all the wealth that we need and ought to have. We have all the room for expansion that we need. We do not covet the land or the wealth of any other government. Our people are peace-minded. Our people "govern their Government." Our people elect their own Representatives—and elect them frequently—to the Congress. War cannot commence and cannot continue without the consent of Congress. Unless the people want war, there will be no war. The only war that the American people want will be a war of defense. If other nations think that we cannot defend ourselves, they will attack us. If they know we are prepared to defend ourselves, they will not attack us. Therefore, to be prepared is for America to preserve the peace for herself, and if she is powerful in the air, upon the sea, and upon the land, her voice will be great in the councils of the nations, to preserve the peace of the entire world.

Our own good will is no defense. Our own desire for peace will not preserve peace. We must be prepared to defend our peace.

Mr. Speaker, some say that no nation will ever attack us. There is no basis in history or human nature or in current events for any such statement or belief. Unfortunately the lessons of history and the signs of the times are to the contrary. There is but one answer to that situation, and it is that we must be ready to drive off an invader so that a potential invader may know that we are ready and he will therefore not commence invasion. Weakness will invite invasion. Strength will prevent invasion. Do other nations love us? Do other nations owe us no great sums of money? Do other nations not envy and covet our great wealth? Do other nations propose to keep their solemn covenants "to keep the peace"? Do other nations combine and recombine to crush a common enemy? Let all our people who read and think and face the facts of human life as they are and not as we would like them to be answer these questions.

But let me ask a few more questions. Do our own people wish to see our citizens and our industrial centers bombed from the air and destroyed? Do our own people want to see great numbers of men and women and children killed and wounded and poisoned by explosives and gas? Do our own people not realize that human nature has not changed in the last 20 years? Do our own people not realize that human nature has changed very little during the course of recorded history? Can our own people hope for any sudden change in the hearts of men? Suppose the tables were turned. Suppose our own population were overcrowded, and suppose our own natural resources were exhausted, and suppose that millions of our own people were constantly upon the verge of starvation. Suppose we owed great debts to some other nation, and suppose we thought that nation a great Shylock who would grind our own people still further into the depths of despair, force more millions of our own people to the verge of starvation, and restrain their natural impulse for expansion and for a better chance in the world. What would our people feel and how would they act?

Let history answer this question. How did we feel in 1775 when some little stamp taxes and tea taxes were imposed upon about 2,000,000 colonists who had barely tapped the rich resources of this great continent? How did the young Republic in 1812 feel when the powerful British Empire seized a few American sailors here and there? How did our people of the Southern States feel in 1861 when their leaders told them that their institutions and their property rights and their constitutional rights might be impaired by a fanatical majority? How did our people feel in 1898 when the operations of the Spanish monarchy cried to Heaven from the throats of the suffering Cubans? How did our people feel in 1917 when the then greatest military powers of history denied our rights to travel the high seas and to trade with other nations? Yes; let history answer these questions, and her answer will be that the American people have always said that there are some things dearer than life itself. The answer will be that the American people have a conviction of national dignity, and of social justice, and of governmental righteousness, and that to make these ideals real and effective the American people will, as they always have heretofore been, be willing to sacrifice and to fight and to suffer and to die.

The wisdom of Washington and of his every successor in the White House urging adequate defense must not be discounted.

Now, Mr. Speaker, if this be true of the American people, and who will deny it, then may it not also be true of other peoples? May not other peoples begin to think of America as a Shylock in spite of our generosity and liberality? May not other people think that we have denied their equality, and have sought to repress their natural impulse for expansion? May not other people think that we denied them "a place in the sun", and that we as a great Colossus are bestriding the narrow channels of development for other nations? May not other people think that we have more than our proper share of the wealth of the world, and that we ought to divide up with them, just as some people think that we ought to divide up among ourselves? May not other nations think that by making combinations against us they can eventually crush our power, and compel us to pay tribute, and compel us to cancel our obligations, and compel us to share our blessings?

Let history answer these questions, and when these questions are answered men will realize that George Washington, and every successor of his in the White House, was right when he said that this Nation must be prepared to defend herself. Every President that ever sat in the White House realized that a nation must have adequate arms for defense and an adequate force of trained men ever ready to employ defensive weapons. A broad and comprehensive view of the history of the world and of the philosophy of evolution teaches us that just as the individual must defend his own life and the life of his family and defend the habitation where he and his family sleep against the lawless members of society, so must the Nation be prepared to defend itself against the lawless, selfish, ambitious nations which would seek to invade and to conquer such other nation.

Men are still sinful and selfish. There often have been, and may yet often be, righteous wars. The nation which will not fight in self-defense does not deserve to live.

Of course, Mr. Speaker, if all men everywhere in the world were controlled in their thinking and in their feeling and in their action by the principles of the meek and lowly Nazarene, as enunciated in the Sermon on the Mount, then all nations could disarm. But I believe that even the Prince of Peace believed in the exercise of force for a righteous cause. I believe that when he drove the money changers from the temple by the use of physical power he taught the lesson of a righteous war. I believe that for a man to defend himself and to defend his family and to defend his home against

enemies and criminals meets the approval of a just God. I believe that for a nation to defend itself, and even to be the champion of weak nations and of just international principles, meets the approval of God. I believe that wars of righteousness and of justice have played an important part in the progress and development of the world. Even the World War, with all the horrors and sufferers that have followed in its wake, did set free hundreds of millions of human beings from the shackles of hereditary tyranny and of iron-bound tradition and made them the masters of their own destinies. Whether they exercised that mastery wisely or unwisely is beside the mark now. If they have acted unwisely, they still have freedom of action and may ultimately act wisely.

European critics of the early American Republic said that our democracy could never succeed. They said that the American institutions would fail. They said that the people would prove incapable of self-government. While we have made some mistakes, we have also made great progress, and as a result of the American Republic the eyes of the people of all nations have been turning toward a better and a brighter and a freer and a happier day. Therefore, let America defend herself, let her increase social justice within her own borders, let her develop her own resources, let her people become more enlightened, and thus by their example lead all the nations of the earth along the road of righteousness and social justice unto the final day of peace. But America cannot do these grand and noble things unless she preserves her independence and her integrity and her honor. If America must pay tribute to other nations, if she must divide her wealth, if she must be humbled, if she must surrender her independence, at least in part, then her power to bless her own people, and to set a good example to other nations, is lost. We believe, therefore, that it is the course of wisdom, as outlined by every President and every responsible statesman that knew his history and knew human nature, for us to be prepared to defend ourselves, and to repel invasion, and that such state of preparedness will preserve the peace. Any other course would be to invite invasion and destruction. Thus, the virtue of courage preserves all other virtues.

A PROGRAM FOR AIR DEFENSE

Mr. Speaker, I propose to the Congress and to the country a consistent and coherent program of expansion and development for the air power of the United States. That program proposes to enlist the individual initiative, the inventive genius, and the scientific skill of every person in America, however humble and obscure or however powerful and widely known. That program has four stages. These four stages deal, respectively, with personnel in the air forces, the reserves for the replacement of the air forces, the organization of the junior air reserve, and a new program of development and improvement under the general head of procurement.

THE HUMAN FACTOR ALL-IMPORTANT IN AVIATION

The most important factor in any air force is the human factor. Just as the man behind the gun is more important than the gun, so the man in the plane, guiding, controlling, and operating the plane and its gun, is more important than the plane and the gun put together. The pilots must have nerves of steel that flash and scintillate like diamonds themselves. To encourage the personnel of the Air Corps, I have proposed by H. R. 4351 to set up for the Air Corps a separate promotion list. Just as there is a separate promotion list for the Marine Corps in the Navy, so there ought to be a separate promotion list for the Air Corps, even so long as it remains attached to and a part of the Army.

There is a different principle involved in the personnel of the flying forces from that in the ground forces. Discipline for an air officer is a different thing from discipline for a ground officer. Esprit de corps, morale, loyalty to the high command, and all of those factors going to make up a strong and coherent military organization have different forms and are to be interpreted in different terms when applied to the men who fight in the air. That is why there should be a separate promotion list. The provision for temporary promotions in the Air Corps is not entirely satisfactory. It ought not to be indefinitely continued. As long as the officer personnel of the Air Corps remains on the promotion list of the Army generally, there is no escape from the occasional use of temporary rank. But with a separate and independent promotion list such temporary rank could be immediately discontinued.

ORGANIZED RESERVES ESSENTIAL TO PROPER DEFENSE BY AIR POWER, AS ALSO BY GROUND TROOPS

It is impossible for any part of the Regular Army, or the Regular Army as a whole, to contemplate the continuation of a system without the aid of numerous reserves. Our Nation cannot and should not maintain a standing Army large enough to do all of its fighting. It is estimated that for two field armies it will be necessary to call into active service at least 120,000 Reserve officers.

Thus the Reserve officers in time of anything like a major war will outnumber the Regular Army officers 10 to 1. That is why every encouragement must be given to the Organized Reserves and toward every factor going into the development and improvement of the Organized Reserves. That is why I have introduced and am enthusiastic for H. R. 4348, which proposes to reorganize the Air Reserve and to provide for its proper supplies, equipment, and training. That is why I am enthusiastic for H. R. 6250, introduced by my friend the Honorable R. EWING THOMASON, of Texas; and I was glad to write the report favoring that bill. By it we not only propose to fill up the authorized strength of the Army Air Corps by adding about 381 additional officers now holding Reserve commissions and graduates of our Air Corps training center, but we also propose to call to active duty for 1 year each 2,000 Reserve officers of the lower grades. Many of these 2,000 Reserve officers will doubtless be flying officers. At the end of 5 years we will have by this program 10,000 well-trained junior officers that can be relied on for instant service in the event of an emergency. Also, that is why I am earnestly advocating the establishment in the War Department of a Reserve division as proposed by H. R. 6674. It appeared by the testimony that 78 percent of the fighting personnel, in the event of a major emergency, would be Reserve officers. Surely that large a component of our fighting forces is entitled to have every reasonable and proper encouragement.

JUNIOR AIR RESERVE—THIS WILL BE A HUGE RESERVOIR FROM WHICH TO DRAW PILOTS IN A WAR EMERGENCY

I am respectfully and earnestly inviting the attention of the Congress and the country to H. R. 4336. This proposes to set up the Junior Air Reserve and to authorize its encouragement by every reasonable means, but without involving any appreciable expense to the Treasury. I will briefly explain the purposes of this bill. It is intended that young men between the ages of 18 and 21 shall be trained, but at their own expense, under general regulations promulgated by the War Department. It is contemplated that the Secretary of War may detail Regular Army officers to assist in the instruction, and certain aircraft and accessories may be used to assist in their training. But it is expected that they will pay those schools and instructors engaged in the business of teaching civilians to fly. It is contemplated that the War Department will make regulations concerning the uniform and insignia of those taking training to be known as "cadets of the Junior Air Reserve." After these cadets have finished their course of instruction and training, they are to be declared members of the Junior Air Reserve, and will be entitled to wear a prescribed uniform and insignia. Of course, they must buy the uniform themselves, though it is expected that the Government will furnish the insignia to insure uniformity. I believe from much conversation and correspondence that I have had with those conducting flying schools and from hundreds of young men who have written me, that there will be annually as many as 10,000 or more young men in America to take this course of training.

For example, a young man still in college, during the vacation after his freshman year, of after his sophomore year, may take a 3 months' course in the ground work, requiring a thorough knowledge of the elementary principles of aerodynamics and of the construction of the aircraft itself.

Then 1 year thereafter the same young man can take another 3 months' course in flying, and if he has the aptitude at the end of the second 3 months' course, being 6 months in all, he should be able to graduate and thus return to his college work wearing a snappy uniform with attractive insignia, all of which will make him proud of his accomplishments, and will inspire thousands of other young men to take the same sort of training during the next summer. These young men upon arriving at 21 years of age will already be in fine condition to take a course of instruction in military aviation. Their previous training will shorten their period of instruction. Most of them will be about ready for the advanced courses given at Kelly Field. Thus the burden upon the Government of 6 months' training at Randolph Field will be lightened. Thus the Regular Army will be receiving the choice material from all over the Nation. Furthermore, those who cannot enter our Air Corps training center for further instruction will seek Reserve commissions through the regular Air Reserves and doubtless most of them can be so commissioned. If this course of conduct be carried out for a very few years there should be annually made available for our Air Reserves somewhere between five and ten thousand fine young men who, after a short course in military aviation, would be prepared to join in the defense of the Nation. Air fighting is a young man's fight. Aviation is a young man's game. The sooner we take these young men under our guidance and encourage them to fly, the better it will be for national defense. This program of organizing the Junior Air Reserve fits in happily with the organization known as the "Junior Birdmen of America."

I commend the Honorable William Randolph Hearst for his vision and constructive statesmanship in organizing this fine body of youngsters. With the instruction that they obtain in the organization of Junior Birdmen of America they will be well prepared to begin the work of cadets in the Junior Air Reserve. Thus, the purposes and training are connected and continuous.

FRONTIER AIR DEFENSE BASES

The next step in the program of national defense by air power is the establishment of a number of frontier air defense bases, and that is why I am sponsoring most enthusiastically H. R. 6621. If that bill is enacted into law, it will permit the establishment at strategic points in the United States and Alaska and others of several possessions of properly equipped air defense bases. It also contemplates the establishment of reserve bases where construction, repair, and maintenance of aircraft may be readily had, and where munitions may be prepared and stored. Undoubtedly there is a great need for these air defense bases. Furthermore, there is great need for a very large number of landing fields in every part of the country. Every airport of landing field is a potential factor in our national defense. Such landing fields should be provided so that if our air forces are moving in large numbers from one part of the country to the other to meet a threatened invasion, it may be possible for any particular aircraft to find safe landing in the event of any mechanical trouble. I am confidently expecting that this legislation will soon be enacted into law and that construction work may be begun at an early date.

AMENDMENT TO PROCUREMENT LAW—ENCOURAGEMENT TO INVENTORS AND ENGINEERS

Next I call your attention to the provisions of H. R. 6810. This bill has to do with the encouragement of every person in America who can contribute to the development of the science and the art of aviation. We remember that the Wright brothers, who invented the first flying machine, were operating a small bicycle-repair shop as a means of living. We remember that some of the greatest inventors that the world has ever known came from the humblest origins. While great laboratories and highly trained scientific staffs of engineers and expert draftsmen are necessary to develop inventions, yet it is a fact that very few of the original inventions came out of these large and expensive engineering and drafting establishments. I have often said that the man who works in the cellar, and the man who works in the attic, the man in the blacksmith's shop, and the man in the cobbler's shop, ought all to be encouraged to think and to devise ways and means to improve man's mastery over nature. That is why, through H. R. 6810, we are encouraging the inventive genius of America to keep America ahead of the world in the matter of military aviation. That is why we are proposing that aircraft-construction corporations enter into design competitions and into performance competitions. It is but reasonable and natural that the concern which originates a design and which constructs aircraft according to that design is best prepared to improve and develop it. Furthermore, such concern has the greatest pride in improving it and has the greatest financial concern and interest in seeing it improved. Of course, I do not claim that H. R. 6810 is perfect. I am expecting many suggestions from the War Department and the Navy Department and from the public generally, including the leaders in the aircraft industry.

I respectfully invite proposals for amendments from every source, but I do insist that publicity and open competition must prevail at every step in the proceedings. I am bitterly opposed to private negotiations. Private negotiations will undoubtedly mean secret negotiations, and secret negotiations will undoubtedly mean corruption and scandal. Furthermore, secret negotiations will ultimately stagnate progress and prevent the humble and obscure man from having a chance. It will be noted that I do not insist that the cheapest aircraft be always purchased. Such was not the purpose nor the provision of the act of July 2, 1926. That act and the amendment now contemplated by me puts upon the Secretary of War or the Secretary of the Navy the responsibility of deciding openly and publicly which manufacturer is best prepared to serve the interests of the Government. Of course, the interests of the Government involve speed, load-carrying power, range, safety, and price.

Price is one factor, but not the sole factor. If, therefore, one concern is building a better machine than another concern, even though the price be higher, the Secretary of War or the Secretary of the Navy has the power to say that the more expensive aircraft is the one that will be bought. All that I insist upon is that the design competition shall be open to the public after due advertisement. I further insist that the performance competition shall be open to the public after due notice. Then, finally, I insist that the letting of the contract shall be had only after advertisement and after open public competitive bidding. If, after the steps above mentioned, the appropriate Secretary determines that a certain type of aircraft, irrespective of how high the price may be, is the aircraft which the Government needs, then that is the aircraft which the Secretary is authorized to buy.

The right of inspection and of auditing books will protect the Government against unreasonable profit making by the manufacturer. Though the manufacturer may make unexpectedly large profits on one contract, unless he makes the price right on the next lot of planes the Secretary will not give him the contract. Publicity, open competition, letting every concern have a chance to bid and to construct according to contract will cure all ills. The sunlight of publicity will kill the disease germs of corruption. Open competition after due public notice given under the provisions of H. R. 6810 may resolve itself virtually to negotiation, but it will not be private negotiation, it will not be secret negotiation, but it will be open, public negotiation by a responsible contracting officer and those who wish to manufacture and sell to the Government, so that every bidder will know what every other bidder is offering and what price every other is to receive, and the Secretary will assume the responsibility of seeing that one commodity is so much better than another commodity that the Government will buy the particular commodity, even though it be not the cheaper commodity.

GENERAL CONSIDERATIONS CONCERNING NATIONAL DEFENSE

Now, in conclusion, I wish to call attention to two matters relating to national defense generally, and not specifically referring to aviation. These are H. R. 5376 and House Joint Resolution 168. The former is one of the legislative proposals contained in the recommendations of the President's Aircraft Board, popularly known as the "Howell Board." This is designed to bring about effective cooperation between

the Army and the Navy. It is designed to put an end to the deadlock existing between the Army and the Navy. It is designed to make the joint board of the Army and the Navy function. It is to give force and vigor to the office of President as Commander in Chief of the Army and the Navy. It is to set up the legal machinery whereby the President can function without offending or reflecting upon either member of his Cabinet or either branch of the service. It merely prescribes the machinery whereby the President automatically umpires complications between the Army and the Navy. All of that can be done now, but under existing department organization it is not done. In the opinion of the President's Aircraft Board this thing should be done, and H. R. 5376 will accomplish these results if enacted into law. Furthermore, House Joint Resolution 168 is a fulfillment of a pledge by the Democratic Party expressed in its platform adopted in 1932.

It seems too plain to argue that this going in different directions by the different agencies of national defense ought to stop. I believe that if a joint committee such as is contemplated by House Joint Resolution 168 should study the question, the majority would arrive at the conclusion that our present system is not as efficient as it should be and is unnecessarily expensive. An organization can be set up that will promote efficient work and produce economy. No harm can be done by having such survey as our Democratic Party promised the country. The prediction that the total expenses of the Army and the Navy would soon approximate $1,000,000,000 a year has already come true. Under existing conditions I do not say that is too much, but I do say that every dollar that can be saved from useless duplication ought to be saved. If efficient work can be promoted, that will indirectly be a saving of money. If we can get the same results by less money, or if we can get greater results from the same money, it will be our duty to the taxpayers to do so. I am respectfully inviting the attention of the Congress and the whole country to this subject and suggestion that we have a survey of all the forces and factors entering into national defense, and that this survey be laid before the President and the Congress after a careful and deliberate study. I would not expect a unanimous report from such commission. We have had too many unanimous reports. We had a unanimous report from the Morrow Board. We had a unanimous report from the Baker Board. We had a unanimous report from the Howell Board. Unanimous reports mean that there have been compromises, and that the whole full truth has not been declared by any one. For example, the Honorable Edward P. Warner frankly and freely declared to the Committee on Military Affairs of the House of Representatives that he believed in a single department of national defense. Yet the report of the Howell commission, of which Mr. Warner was a most active and energtic and useful member, did not recommend such a department of national defense.

We would expect from the right sort of commission a vigorous and energetic minority report. Minority opinions of supreme courts, and minority reports of legislative committees, and minority reports of standing commissions are always very helpful. If the majority is right, the minority report will only emphasize the correctness of the majority by contrast. If the majority is wrong, its error ought to be exposed by the minority. Members of a commission, charged with a heavy responsibility, such as an effective program of national defense, ought not to compromise their individual ideas. If there be three or four separate groups in the commission, all the better, for the contrast in such a commission would help in the consideration of the military problems of the air forces, the naval forces and the military forces. It would declare which is the first line of defense, and therefore it should be constantly ready for action. It should declare what strength should be needed for our air force and whether we should have a unified air force or continue as we are with a double-headed, separated air force. Somehow our present organization strikes me as confusing and involving unnecessary expense. Such a commission should fix the place in the defense scheme of floating craft, such as battleships. Such a commission should advise us as to the necessary strength of the Regular Army. Such a commission should advise us as to the strength and training of all of our reserves. Out of all this there should result something like a well-planned program for all-round national defense. Such a program should be based upon a sound philosophy of national defense. Unless we do resort to some single standard and predicate our organization upon some coherent plan, then we are all striking out in different directions, with different objectives, according to different standards, duplicating our several efforts, and heading toward confusion, chaos, and terrible losses in the event of war.

I think we need a single mind, such as the Secretary of a department of national defense, to preside over all of the defense forces of the Nation. Such a secretary would be a deputy Commander in Chief under the President. He would not be the special pleader for the Army, nor for the Navy, nor for the Air Corps. He would be the arbiter and the umpire between all these interests. He would be prepared to advise the President upon every problem connected with national defense. Undoubtedly the President would pick a man with broad experience, of unusual intelligence, and executive capacity. Such a secretary should be well grounded in history, and especially in the history of military strategy. Such a secretary should thoroughly understand our economic system, should know our industrial and natural resources, and should be in sympathy with all the ideals of the American people. Only a war of defense is justified, but when defense is necessary, all men will stand ready to unite to defend the territory, the integrity, the national rights, and the honor of the American Nation. Such a secretary would be the exponent of the attitude of practically all American citizens that we shall never engage in war upon foreign soil again, that our Nation is to defend our own land and our own rights, and that we should be adequately prepared to defend our rights against the invasion of any other nation or several nations combined. No nation would deliberately begin a hopeless war. They know that we have the man power and the resources, and if they see that we have the organization and the fighting equipment, they will let us alone. Thus, such a secretary would personify the principle that to be ready adequately to defend our Nation would be not only the best way but the only way to preserve peace. If peace is preserved in America because of the strength of our organized armed forces, then it will be a powerful factor in preserving the peace of the world. But the first duty of America is to America. To defend our own land and to defend our own rights and to defend our own honor is not only our God-given right but our God-given duty. When we perform this duty we will be preserving the peace of this Nation and contributing largely to preserving the peace of the whole world.

SOLDIER'S ADJUSTED-COMPENSATION CERTIFICATES

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. WHITE. Mr. Speaker, I am in favor of the immediate payment of the ex-service men's adjusted-compensation certificates by the passage of legislation that will provide a feasible and practical plan for discharging this obligation to the ex-service men, definitely assumed by our Government in an act of Congress when the original bill became a law.

I have included herewith copy of a letter addressed to Senator BORAH and myself, which explains the situation with reference to this legislation:

KANSAS CITY, MO., *March 11, 1935.*

HON. WILLIAM E. BORAH,
United States Senate Building, Washington, D. C.

MY DEAR SENATOR: As the senior Senator of your State, I am addressing you concerning the pending legislation on the so-called "bonus bill." I am also sending a copy of this letter to the senior Member of the House of Representatives of your State concerning the American Legion's attitude on the proposition. As a member of the Legion and other veteran organizations, I try to keep posted on veteran legislation. You are well informed about these things,

and will remember when the Legion could get no one else to fight the "bonus" battle, PATMAN was the principal leader for the Legion's program, especially while Brother VINSON was taking a vacation from Washington by reason of the Hoover landslide in 1928.

We all know that PATMAN'S program has always been to pay the so-called "bonus" in greenbacks. The bankers had scouts at all State conventions, and their ear to the ground at the Miami convention. Being well advised that said convention was going to recommend the "bonus" be paid, the bankers, realizing they would not get any "gravy" if the "bonus" was paid PATMAN'S way, they proceeded to engineer and manipulate a banker into national commandership, and that he, the national commander, would fight for a bond issue so that the bankers would get their interest from said issue.

The word "inflation" is nothing but a Wall Street bugaboo; the only time that bugaboo is trotted out is when the idea of paying the bonus with greenbacks is mentioned.

You know better than I do that President Roosevelt in a very recent press conference of March 6 and today stated that "the dollar has not been brought to a proper relation with private debt, and that no attempt should now be made to stabilize domestic commodity prices." In other words, we get the picture that the administration expects to order a further devaluation of the dollar in order to boost prices. The bonus inflation is a small potato compared with the President's inflation program. The well-posted and wide-awake person knows that potential inflation already exists through the devaluation of the gold value of the dollar and the huge increase in surplus bank reserves; that we will have further inflation by reason of the proposed new banking act, which I understand most likely will pass.

To pass the Vinson bill would only encourage more money lying idle in banks, the bankers refusing to loan same for private industry, being satisfied with merely clipping coupons from the bonus issue.

Commander Belgrano made an asinine statement before the House committee wherein he states, "It was not his job to consider comparative costs, but simply work for payment of the certificates." We all know that a man of Belgrano's position should consider the cost of any piece of legislation, and try to have legislation enacted and paid for as cheaply as possible.

It seems to be the consensus of opinion by monetary experts in most trade journals that not only domestic but international inflation is at hand. This is evidenced also by the steady weakness of British currency, which is bound to reflect on the dollar.

In my humble opinion, I sincerely believe that you should vote for the Patman bill.

Yours very truly,

LEO A. SPALDING.

In conclusion let me state that it is my opinion that the passage of the Patman bill, providing for the payment of these certificates by moderately controlled expansion of the currency, backed by the gold and silver reserves in the Treasury, is the only feasible means we have at this time of meeting this Government obligation to the ex-service men.

THE FACTS ABOUT RECLAMATION

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CULKIN. Mr. Speaker, on the 28th day of February, when the appropriation bill for the Department of the Interior was pending before the House, I told the gentleman from Washington [Mr. ZIONCHECK] that I would later present in detail the facts concerning the financial condition of the projects which the hearings showed were paid 100 percent. I have endeavored to do this, and it has been a laborious undertaking.

May I say that the tables printed on page 2681 of the CONGRESSIONAL RECORD for February 27, 1935, with relation to reclamation projects are quite obviously intended to mislead Congress, the public, and taxpayers whose funds are being dissipated. The tables are presented ostensibly for the purpose of showing whether or not the money expended by the Government is being repaid and to what extent.

The tables are more eloquent for what they do not show than for what they reveal. One table purports to show what construction charges have been paid when due. An important omission—which, of course, was intentional—is that there is nothing to show that during the last 5 years no construction charges have been payable, because Congress has very generously passed laws exempting the projects from payment of construction charges during the years 1931, 1932, 1933, and 1934. Another bill is now pending to relieve them of payment during 1935. Perhaps when this bill is up for action the statements concerning the prosperous condition of projects and their excellent record for payments will be somewhat different. It will be interesting to see what representations will then be made regarding their soundness and the eagerness of the landowners to pay.

When no charges whatever are payable because of the 5-year moratorium, it is easy enough to make a good showing. Even 100 percent of nothing is not very much. It is still nothing, even in the synthetic figures of the Reclamation Bureau.

The table shows nothing of the tremendous amounts that were charged off as a total loss to the Government under the act of Congress of May 25, 1926, and the additional charges indefinitely suspended, which, of course, is equivalent to a further loss. These figures aggregate about $28,000,000. Other acts of Congress have authorized further adjustments on various projects, among which may be mentioned the Okanogan project in Washington, the Milk River project in Montana, the Klamath project in Oregon, and others. It is difficult to compile a complete list or to give the exact amounts because of the incomplete information given in the official reports. I believe it is safe to state that the additional amount will be not less than $10,000,000. This makes a total loss to the Government of some $38,000,000. There will in all likelihood be considerably more.

In addition to the charge-offs and suspensions, various acts of Congress provide that charges in arrears and long past due, as they were on most projects, could be funded by being merged with charges later to become due. In this way naturally delinquent charges were extended by making a new note, so to speak. But certainly this does not constitute payment, as is intended to be implied. The record of payment is not good; it only looks and sounds good because of the looseness of Congress in not requiring payments when they could have been made, and because of the trick bookkeeping methods and lack of frankness in presenting the facts.

Since 1920 and even during the most prosperous years known to agriculture there has been a continuous series of acts of Congress giving extensions, granting suspensions, and otherwise forgiving payments which should and could have been made according to the contracts of the landowners. The following is only a partial list picked out from an examination by no means exhaustive. There are no doubt many others, but the following are illustrative: Acts of March 31, 1922; February 28, 1923; December 5, 1924; May 10, 1926; May 25, 1926; May 25, 1928; May 28, 1928; April 23, 1930; April 1, 1932; June 23, 1932; March 3, 1933; June 14, 1933. An additional act was passed in 1934 extending the moratorium on payment of construction charges for 1935.

There is this further factor to be remembered: The original Reclamation Act of 1902 required the Government's investment to be returned in 10 years. In 1914 the time for payment was extended to 20 years. In 1924 the time for payment was further extended to provide for payment on the basis of 5 percent of the crop returns. Under this act the time for repayment varies from 40 years to 100 years or more, depending upon the crop returns, which, of course, vary. An important thing to keep in mind is that no interest is required to be paid on any of these charges. No such liberal terms have ever been granted by a paternalistic government to any group or body of favored citizens. This is a thing well worth remembering by other borrowers who are required to pay interest and to repay the principal in much shorter times. These same borrowers and other taxpayers contribute funds which are loaned without interest and on the ridiculous terms stated to subsidize projects to aggregate the crop surplus and compete with farmers not so subsidized. And this at a time when huge sums of money are being expended to take land out of production. This is not only illogical; it is most inequitable and unjust to the farmers in my State and other States east and west.

These preliminary statements are made to show the general background as an aid to Members who are not familiar with conditions and to whom the picture attempted to be

presented looks not unfavorable particularly when viewed from the standpoint of those sponsoring irrigation. It is apparent that many Members even from the western States are not familiar with many phases of importance. This is probably true of most of us. Quite naturally the unfavorable aspects are not given the air by Dr. Mead and his cohorts. They want more and bigger projects, regardless of what the results are. The new projects now being undertaken and advocated are vastly more expensive than the earlier ones. The charges to be paid by the landowners (presumably) are in many cases several times those payable by the old projects, and these were far too great, according to representations made upon which write-offs were based. How, then, can it be expected that the new projects will be able to and will pay? Of course, the answer is they will not pay. When the money is spent and the proper time rolls around the western Members will be here urging further charge-offs, suspensions, and so forth, just as they have done in the past. It may be said this is but a prediction. This is true; but there is no reason to believe otherwise in view of the extremely high cost. This will be a good thing to be remembered by those Members now here, some of whom no doubt will still be here when the pleas for write-offs come, as they will.

The tables presented do not show the six projects that have been abandoned as complete failures. These projects are as follows: Hondo, in New Mexico; Garden City, in Kansas; Buford-Trenton, N. Dak.; Williston, N. Dak.; King Hill, in Idaho; Umatilla, in Oregon.

The annual report of the Secretary of the Interior for 1934 shows only the first four as being abandoned. These are shown on page 50 of that report. As a matter of fact, however, the King Hill and Umatilla projects have likewise been abandoned. There can be no dispute about this. The printed table shows only the King Hill and Umatilla projects. On examination of this table one would conclude that all is well with these two projects. The table admits this, and on page 2683 of the CONGRESSIONAL RECORD there is printed a statement alleged to have been made by Senator POPE, of Idaho, at the reclamation conference in Salt Lake. Senator POPE, no doubt, got his data from the Reclamation Bureau, but he should be at least familiar with the King Hill project in his own State. He must or should know that this project has never paid one cent on the construction cost of about $2,000,000. This project is a complete dud, but there is nothing in any of the statements made to indicate that. It was abandoned by the Government several years ago and no efforts whatever are being made to collect any charges against it. Yet it appears on the table. But does the table show the percentage in the column "Percent repaid of charges due"? Oh, no. It shows no figures, though quite obviously there should be shown the figure zero, for that is exactly what the project has paid of the $2,000,000 cost. To have shown this figure, however, would not have looked good for that particular project, and it, in addition, would have caused a considerable evaporation in the general average shown at the foot of the table.

The annual report of Secretary Ickes shows the construction cost of the King Hill project to be $1,905,918, and the report shows also a deficit in operation and maintenance of $110,122.51. See page 50. This appears to indicate that the project not only paid nothing on construction, but that it did not pay all of its operating cost. This has caused a loss to the Government of more than $2,000,000. This very pertinent fact is not mentioned by Senator POPE, nor is it shown in the tables or accompanying data. Senator POPE mentions the payment of some $48,000,000 by all projects, which he says makes them 99.3 percent pure. He makes no mention of the almost equal loss to the Government because of the charge-offs, suspensions, and so forth. The Senator no doubt took the figures as given to him without knowing of or analyzing the other most pertinent facts here stated.

The operation and maintenance table shows the Umatilla project to be 100 percent paid. Excellent if true. The fact is, however, that the Government has not operated this project for many, many years. It was turned over to the water users in disgust. How, then, could there be any operation and maintenance charges to pay the Government? If no expenditures have been incurred by the Government, of course the project's account in this regard is O. K., but how about the deficit in operation and maintenance incurred by the Government before the project was given over to the landowner? This has been already mentioned and is shown in Secretary Ickes' annual report. Probably this has evaporated in the very arid climate of Oregon.

The crowning joke in the reclamation tables is that most of the projects listed in the operation and maintenance table with a 100-percent record are not operated by the Government and have not been so operated for many years. Among those not operated, the following are mentioned: The Salt River project, the Grand Valley project, the Uncompahgre project, the King Hill project, the lower Yellowstone project, the North Platte project, the Newlands project, the Umatilla project, the Salt Lake Basin project, the Strawberry Valley project, the Okanogan project, and the Shoshone project.

Why are the projects mentioned listed in the table with a 100-percent record generally? Well, the reason probably is that the more projects that are included with a perfect record the better the showing. The Government has no charges to collect, and does this little chore 100 percent. Who could do better? This is somewhat like the good record the farmer makes when he is paid by the Government for not raising wheat or other crops. In those cases his record is likely to be good. One hundred percent looks and sounds good, but when it develops that it is 100 percent of nothing at all the record is not so impressive. It cannot be said that the table was submitted by the Reclamation Bureau for the purpose of giving Congress, the public, and the taxpayers, whose money is being squandered, a frank and true picture of the situation.

Many of the reports of the Bureau of Reclamation and the Secretary of the Interior are conflicting and contradictory. It is extremely difficult for one not familiar with all of the conditions to study and analyze these reports. It is difficult enough when the complicated material is presented with clarity. It is still more difficult when the facts are suppressed and distorted for a specific purpose and when the reports show on their face conflicts and contradictions. One example of an outright conflict, discovered by accident in trying to secure needed information, is found in the Secretary's annual report on page 48 under the heading "Loss: Impairment of funds." There is one item shown as "Charge-offs, act of May 25, 1926, $14,643,981.16." What purports to be exactly the same time, but with supporting details shown, is found on page 50 of the same report. Here, however, the amount is shown to be $13,886,989.75. Note the refinement in including the 16 cents in the first instance. This indicates an apparent attempt to show a definite, precise amount, yet there is a difference of almost $1,000,000. Why worry, then, about the 16 cents! By some strange coincidence the same figures appear on both pages stated for "abandoned projects." These figures are $1,346,244.64, but quite obviously they are not correct and cannot include the King Hill project, with a cost of some $2,000,000, and the Umatilla project with a cost of about $5,000,000, if the annual report is to be taken as correct.

It may be that the two projects last named have been abandoned without authority of Congress and are not included for that reason, but the Hondo project in New Mexico is included in the list, and I have been unable to find any record indicating that Congress has authorized its abandonment. It appears to have been considered necessary, at least in some cases, to secure the consent of Congress for abandonment of a project. This raises the interesting and important question of by what authority the King Hill, the Hondo, and the Umatilla projects have been abandoned.

In the discussion some days ago reference was made to the Okanogan project in Washington. The gentleman from Washington appeared to consider this a very wonderful proj-

ect. This has awakened my further interest and I have looked into the records. Let us see what they show. The Secretary's report, to which I have already referred, shows the cost of this project to have been $1,452,129.45. Of this amount it is shown that the act of May 25, 1926, authorized a charge-off of $998,729.20. This is considerably more than one-half of the cost. But were they content with this? Oh, no; not at all. I find that by the act of May 25, 1928, all the remainder of the cost except $310,000 was likewise permitted to be charged off and the landowners were given 31 years in which to pay this amount. The upshot is that they pay, or agree to pay, less than one-fourth of the cost of the project. Not so good as shown by the trick tables. These tables show that on June 30, 1934, the project was delinquent to the tune of $38,271.23. The annual charges to be paid amount to only $10,000. The amount uncollected of amount due, as shown in the table, therefore appears to represent charges for approximately 4 years.

It would be interesting to have the gentleman from Washington advise why the extremely small charge for such a wonderful project should be allowed to run and become delinquent for 4 years, as appears to have been the case if the records are to be credited. The act of Congress just mentioned provides that "the Secretary of the Interior is directed to assume control and shut off water to enforce payment whenever any such annual installment is not paid on or before March 1 after due." If the table is to be relied upon and the charges are due and unpaid, it is plain that the Secretary of the Interior has disregarded the explicit direction of Congress. And what about the great reclamationist, Elwood Mead? Has he been so feverishly busy working up new projects that he has paid no attention to the old ones? He is a wonderful builder and theorizer. His record indicates that few if any of his theories work out, but when they collapse he very adroitly diverts attention elsewhere by exploiting and publicizing something new that promises great results. His projects invariably look much better in the blueprints than on the ground. The blueprints, prepared, of course, by someone else, usually look very attractive.

If the Reclamation Bureau wishes to be fair with Congress, why prepare and present tables concealing and distorting the true facts in the way that has been unquestionably done? This betrays Members of Congress, as in the case of Senator POPE, into making statements which cannot be borne out by the facts or which at least are lacking in frankness.

Secretary Ickes, in an article appearing some time ago in Colliers, makes a desperate effort to leave the impression with the public that irrigation projects are financed from the reclamation fund, raised from the resources of the western States. He says that the pockets of the farmers and others in the East are not being picked to construct irrigation and power projects. This article probably should have appeared under the name of Elwood Mead. The Secretary, in what he describes as a frank statement, has permitted his ghost writer to lead him astray in certain aspects, while in others perhaps poetic license is invoked, as I believe he recently remarked about some other matters. The Secretary, Administrator, and so forth, ad lib., knows very well that all of the allotments made from P. W. A. funds come from the Treasury. The reclamation fund has nothing to do with the case. Even the old projects—a fact which probably Secretary Ickes does not know—have been partly constructed with funds from the Treasury and not by any means from the reclamation fund. The Secretary's own report for 1934 shows on page 48 that under the act of June 25, 1910—please note the early date—a loan was made by the Treasury to the reclamation fund of $20,000,000. A further Treasury loan was made, or at least authorized and presumably made, by the act of March 4, 1931, of $5,000,000. This makes a total of $25,000,000 from the Treasury. The Secretary's report shows that $10,000,000 of this amount has been repaid after some 25 years, it appears, but $15,000,000 seems to be still in arrears. The legislation shows that these loans were made for the completion only of projects injudiciously undertaken when sufficient funds were not in the reclamation fund and on which work would have to be discontinued but for the loans. Following the usual reclamation custom, extension after extension has been granted by Congress on the return of these funds to the Treasury. So just how accurate and frank is the Secretary when he strives to leave the impression that the Treasury and the taxpayers are not affected by the program?

Besides, taking the history of reclamation as it has been written, how can anyone expect or believe that the funds allotted from P. W. A. appropriations will be returned to the Treasury in full? Everyone who is familiar with conditions expects huge losses to occur. But "Honest Harold" says these projects are carefully planned, while he implies that the former ones were not. The Engineering-News Record, in an article appearing in the November 29, 1934, issue, analyzes most of the new projects and styles them political and geographical, without planning. This journal says that the Grand Coulee Dam is just $63,000,000 worth of dam, without planning. It is not an irrigation dam, and it is shown that there is no market for the power to be generated. Of course, in the beginning, it would not be admitted that this was anything other than a power dam because of the prejudice against irrigating 1,200,000 or more of new land not needed. Now, however, the view seems to be that this may, after all, be an irrigation dam or the makings of one. This may be another fiction to ease the pressure from the Northwest. They really should find out about it before it is finished. It might prove to be like some of the war-time sweaters which turned out to be something different.

It is also stated by "Honest Harold" that the reclamation law requires projects to be self-liquidating and that contracts must be made for payment of costs. The implication plainly is that he is following the reclamation law. But let us see about that. Certainly this is not true as to the source of the funds. They do not come from the reclamation fund. So far as it can be ascertained, after diligent investigation, no contracts have been secured for repayment of costs of the Grand Coulee Dam or the Casper Alcova projects, except for a very small part of the latter. No contracts for the sale of power have been made, although the Secretary in his article states that the Casper Alcova project is being built because of the "clamorous demand" for power. It is a deep mystery by whom such clamor is made or indeed to whom the power when generated will be sold. But, taking the word of the Secretary that there is a clamor, why has he not made contracts for its sale as in the case of Boulder Dam under the requirement of Congress. The Engineering-News Record in editorials has denounced this project as utterly unsound, stating among other things, that there is no market in sight for the power. The people whose money is being spent are entitled to an explanation as to why no contracts have been made insuring at least to some extent the return of the funds in view of the clamorous demand for the power.

In discussing the Shoshone project in Wyoming some days ago I gave from memory certain figures which, upon examination of the records, I find to be inaccurate in some details. These I wish to correct.

In the first place, my estimation of the cost of this project was far too low. I was under the impression that the cost was something like $6,000,000, but the Secretary's report shows it to have been $10,014,847.13. Do not forget the 13 cents. Of this amount $1,544,771.05, it seems, has been charged off as a loss under the act of May 25, 1926. This figure does not agree with the act of Congress making the charge-off. The act states the amount as $1,677,630, but it appears that some provision is made for adjustment. A very large amount is authorized to be suspended, which is equal to a further loss. The exact amount of the suspensions is not shown by the reports, but they are undoubtedly large, even after allowing for shrinkage in the synthetic bookkeeping methods of the Reclamation Bureau. These figures do not include charge-offs, suspensions, and so forth, on the Willwood division of the project. These will come later in

due course, probably along with additional losses on the other divisions. It would not be proper to press for them now until more money has been spent in Wyoming. There is time and place for everything.

The gentleman from Wyoming some days ago questioned my figures, given from memory and in general discussion, concerning the land cultivated. The gentleman was under the impression that practically all of the land on the Garland division was cultivated and producing, and that the other sections were not far different. Both the gentleman's estimate and my own appear to be somewhat inaccurate, according to the records I have. The Secretary's annual report shows that in the Garland division there are 41,649 acres of irrigable land, and that only 30,144 acres are cultivated. This is about one-fourth, or 11,000 acres, out of cultivation. On the Frannie division the record is better if the reports are correct. There the irrigable land consists of 13,220, and 13,094 acres are cultivated. In view of this fact, it is hard to understand why this division should have been given a moratorium of 15 years, during which period they are to pay nothing on construction charge. I have been able to find no record of such a moratorium being authorized, but I am under the impression that a former Member of Congress, who was in a position to be advised of details, informed me that such was the case. I may be wrong about this, but if so should be glad to be correctly advised. On the Willwood division the record is even worse than stated by me from memory. I stated that about one-half of the area was not cultivated. The records show that there are 11,689 acres in the division, of which only 4,296 acres, or considerably less than one-half, are cultivated.

An attempt is made to justify the Casper-Alcova project on the ground that additional land is much needed in Wyoming to produce local feed for cattle carried on the ranges. The records show that on the Riverton project, which was constructed at a cost of around $4,000,000—Secretary's report—there are 32,000 acres of irrigable land, while only 4,184, or only about one-eighth, is settled and cultivated. On this project, therefore, there are some 28,000 acres of idle land. This, with the idle land on the Shoshone project, which is said to be so good, but which is not borne out by the records, makes a total of around 50,000 acres of vacant and idle land that could be used for raising the much-needed feed for range cattle and for other purposes. These projects are in this condition after many years of efforts to secure settlers. It is an act of folly, therefore, to expend millions more of the people's money to build the Casper-Alcova project. If there is any logic or so-called "planning" in this, I am unable to discern it.

Great emphasis is placed upon the claim that Wyoming has contributed some $40,000,000—the amount seems to vary with who is telling the story—to the Government's revenues in the way of oil royalties, and it is claimed this money properly belongs to the citizens of Wyoming and should be expended there. Some days ago I expressed the view on the question of whether or not this money belonged to Wyoming because raised there. I do not agree with the theory. But taking the figures as correct, that is, the $40,000,000, it is shown by the records that the Reclamation Bureau has spent in the State of Wyoming for irrigation already more than $20,000,000, and after the expenditures of $22,000,000, or $27,000,000, whichever of the constantly changing figures proves to be correct, Wyoming will have overdrawn her account. Should all the money derived from Wyoming be spent there, what would happen to the other States of the West in which there is no oil development and which have contributed very little or nothing to the reclamation fund? Would these States subscribe to the theory advanced by Wyoming? The reclamation law as originally drawn was amended to get away from the very thing Wyoming is now advocating.

Of the $20,000,000 spent on projects in Wyoming, the records show, if my understanding of them is correct, that only about $800,000 has been repaid. The Shoshone project has been completed 15 or 20 years, and the Riverton project has also been completed for several years. If it requires 15 or 20 years to collect $800,000 of the $20,000,000 expended, at the same rate it would require some 300 or 400 years to collect the Government's investment. Of course, some of the amount has been already charged off and will never be collected. I think anyone would be very brash even to hazard an estimate as to when the $22,000,000 or $27,000,000 to be expended on the Casper Alcova project will be repaid, if ever. At the present rate of payment it would take at least 500 years.

The foregoing facts and figures demonstrate that the record of reclamation from the economic standpoint is extremely bad and, in my judgment, effectually discredits such Government activity.

May I state to the House that since my remarks on this subject became public I received a number of letters from western farmers complaining bitterly of new lands being put in work. A notable illustration of this is a letter sent to Mr. Fred Brenckman, representative of the National Grange at Washington, D. C., from a resident of the State of Washington. This letter recites that the orchard property in the Wenatchee-Okanogan district showed an average fixed indebtedness, not including current indebtedness for growing costs, per acre of $599.74. A similar tabulation from the files of the Yakima Production Credit Corporation on 238 growers operating 6,402 acres showed $238.69 per acre, and on 91 growers, as taken from the files of the same credit corporation, an average of $438.46 per acre. This writer goes on to say:

> This information should be of value to you in your efforts to prevent further irrigation development in the State of Washington The placing of more lands under irrigation at this time is nothing short of confiscation of the homes and ranches of those people who have already invested their life savings in this State.

I am personally in receipt of another letter from Kennewick, Wash., from a well-informed writer, who states in regard to the people going on these lands:

> If we gain a bunch of suckers you lose them and they move out here, and the subsequent disillusionment puts them on the bum for good. You had a plain case of that in the ill-starred Brooklyn caravan when they trekked to Idaho. In our whole national set-up there is no one scandal as rotten as the reclamation delusion. I have been hoping that grandma Mead would fall off some high place or that something would happen to this old maniac, but nothing ever does. The pitiful feature of this whole mess is that the western irrigation farmer is never allowed to "catch up." If the poor fool imagines that he sees daylight a long way ahead his hopes are dashed by a new political ditch (appropriation grab) starting up somewhere. Our "wrecklamation service" should be in the Agriculture Department, not the Interior Department

During the debate in the House I had a discussion with the distinguished gentleman from Washington [Mr. HILL] as to how the Washington State Grange stood on this proposition. In reading the reports and hearings on this question, I had found that the Washington State Grange was opposed to the Grand Coulee development.

The gentleman from Washington was in part right about this matter, but I am in receipt of a letter which would seem to prove that the change of mind on the part of the former master of the Washington State Grange was not without consideration. A prominent resident of Shelton, Mason County, Wash., gives me the details as to this change of heart. The letter in part states:

> In fairness to you, allow me to state the facts: The State Grange of Washington were opposed to the Columbia River development. * * * The State master, A. S. Goss, who is now a commissioner in the Farm Credit Administration (by the way, a Republican) wrote several articles and talked against the development of the project. All at once he switched and went over to the side of Senator C. C. Dill, who was for the project. It is a peculiar fact that as soon as the Democrats got in office Senator Dill recommended this A. S. Goss, a Republican, to a very high office at a very good salary, and he is holding it down. This in spite of the fact that he does not know any more about farming than Mrs. Astor's billy goat. Figure it out for yourself. KNUTE HILL and MARION ZIONCHECK are both friends of mine, but I should like you to know the true facts of the case.

The originals of the foregoing letters are in my possession. I will be glad to show them to anyone who is interested.

CROPS GROWN ON RECLAIMED LANDS

The House and the country have been lulled into neutrality by the claim often advanced that the crops grown on reclaimed lands are but 1 percent of national production. My friends from the reclamation States will say that the Government has no control over private enterprise that has entered this field. This is true from a legislative standpoint, but the fact is that the Bureau of Reclamation has had its finger in every one of these projects. It has fostered and encouraged them. In a recent report it takes under serious advisement the proposition of taking over certain private projects. Not one of these private projects but would have died aborning if the Reclamation Service had declared them uneconomical or impractical. This group, whom I definitely charge with destroying the American farmer, East and West, has been the power on the throne and behind the throne in the promotion of these projects.

I have been unable to get a table of the production on irrigated land later than 1929. This type of census is taken every 5 years and the results of the 1934 census have not yet been tabulated. I am including herewith the 1929 table, showing the relative importance of crops grown under irrigation and the ratio value of the part of each crop grown on irrigated lands to the total value of that crop for the United States for the year 1929. This production includes both Government and private reclamation.

Crop	Value of irrigated crops	Acreage of irrigated crops percentage of United States total of the specified crops	Total value of crop for the United States	Percentage relation of value of irrigated crops to total value for the same crops for the United States
Total	$899,942,549	4.0	$8,077,812,320	11.1
Cereals (including corn, rye, barley, oats)	94,057,264	1.6	3,170,691,603	3.0
Other grain and seeds	43,777,658	5.2	234,194,340	18.7
Hay crops	169,163,452	10.4	988,436,875	17.1
Silage and miscellaneous forage crops	3,740,885	1.1	196,883,541	1.9
Root crops for forage	74,784	9.0	885,220	8.4
Vegetables [1]	138,809,727	12.2	1,004,568,393	13.8
Planted sugar crops	42,678,942	46.9	86,903,003	49.1
Other crops	68,480,808	1.9	1,739,542,956	3.9
Small fruits	6,305,508	5.3	63,810,720	9.9
Orchard fruits	111,113,718		299,049,812	37.2
Grapes	37,351,036		56,168,987	66.5
Subtropical fruits	172,184,856		217,446,880	79.2
Nuts	12,203,911		19,229,990	63.5

[1] Including potatoes (white) and sweetpotatoes and yams.

In conclusion, let me state that I am speaking for the farmer both East and West. I speak for an American agriculture that is cruelly out of economic balance by reason of overproduction. I hold no brief for the land sharks, boomers, railroad officials, psuedo-empire builders, and similar groups who are the driving force in this "reclamation folly." For the sincere and able men in the House who are for this proposition I have no criticism or comment, except to warn them that the day of wrath with its unhappy political results will soon be at hand unless they mend their ways and protect their constituents who are already on the land by opposing further reclamation.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM (H. DOC. NO. 143)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

I transmit herewith a report by the Secretary of State showing all receipts and disbursements on account of refunds, allowances, and annuities for the fiscal year ended June 30, 1934, in connection with the Foreign Service retirement and disability system, as required by section 26 (a) of an act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor, approved February 23, 1931.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 22, 1935.*

(Enclosure: Report concerning retirement and disability fund, Foreign Service.)

STANDARDS OF IDENTITY AND QUALITY OF FOODS AND DRUGS (H. DOC. NO. 142)

The SPEAKER laid before the House the following further message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce and ordered printed:

To the Congress of the United States:

Every enterprise in the United States should be able to adhere to the simple principle of honesty without fear of penalty on that account. Honesty ought to be the best policy not only for one individual, or one enterprise, but for every individual and every enterprise in the Nation. In one field of endeavor there is an obvious means to this end which has been too long neglected: The setting up and careful enforcement of standards of identity and quality for the foods we eat and the drugs we use, together with the strict exclusion from our markets of harmful or adulterated products.

The honor of the producers in a country ought to be the invariable ingredient of the products produced in it. The various qualities of goods require a kind of discrimination which is not at the command of consumers. They are likely to confuse outward appearance with inward integrity. In such a situation as has grown up through our rising level of living and our multiplication of goods, consumers are prevented from choosing intelligently and producers are handicapped in any attempt to maintain higher standards. Only the scientific and disinterested activity of Government can protect this honor of our producers and provide the possibility of discriminating choice to our consumers.

These principles have long been those on which we have founded public policy. But we have fallen behind in their practical application. No comprehensive attempt at reform in the regulation of commerce in food and drugs has been made since 1906. I need not point out to you how much has happened since that time in the invention of new things and their general adoption, as well as in the increase of advertising appeals. Because of these changes loopholes have appeared in the old law which have made abuses easy.

It is time to make practical improvements. A measure is needed which will extend the controls formerly applicable only to labels to advertising also, which will extend protection to the trade in cosmetics; which will provide for a cooperative method of setting standards and for a system of inspection and enforcement to reassure consumers grown hesitant and doubtful; and which will provide for a necessary flexibility in administration as products and conditions change.

I understand this subject has been studied and discussed for the last 2 years and that full information is in the possession of the Congress.

No honest enterpriser need fear that because of the passage of such a measure he will be unfairly treated. He would be asked to do no more than he now holds himself out to do. It would merely make certain that those who are less scrupulous than I know most of our producers to be, cannot force their more honest competitors into dishonorable ways.

The great majority of those engaged in the trade in food and drugs do not need regulation. They observe the spirit as well as the letter of existing law. Present legislation ought to be directed primarily toward a small minority of evaders and chiselers. At the same time even-handed regulation will not only outlaw the bad practices of the few but will also protect the many from unscrupulous competition.

It will, besides, provide a bulwark of consumer confidence throughout the business world.

It is my hope that such legislation may be enacted at this session of the Congress.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 22, 1935.*

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. GREENWOOD, for 1 week, on account of urgent business.

To Mr. KLEBERG, indefinitely, on account of important business.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 43 minutes p. m.) the House, in accordance with its previous order, adjourned to meet on Monday, March 25, 1935, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HOUSTON: Committee on Public Buildings and Grounds. H. R. 6654. A bill to increase the White House Police Force, and for other purposes; without amendment (Rept. No. 464). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H. R. 6141. A bill transferring certain national-forest lands to the Zuni Indian Reservation, N. Mex.; without amendment (Rept. No. 470). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H. R. 6236. A bill to authorize the creation of an Indian village within the Shoalwater Indian Reservation, Wash., and for other purposes; without amendment (Rept. No. 471). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. H. R. 6365. A bill extending the time for repayment of the revolving fund for the benefit of the Crow Indians; without amendment (Rept. No. 472). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H. R. 6542. A bill to define the exterior boundaries of the Navajo Indian Reservation in New Mexico, and for other purposes; without amendment (Rept. No. 473). Referred to the Committee of the Whole House on the state of the Union.

Mr. MURDOCK: Committee on Indian Affairs. H. R. 6771. A bill to authorize an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. L. 484); without amendment (Rept. No. 474). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HARTER: Committee on Military Affairs. S. 347. An act for the relief of James J. Jordan; without amendment (Rept. No. 463). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 6661. A bill for the relief of Maj. Joseph H. Hickey; without amendment (Rept. No. 475). Referred to the Committee of the Whole House.

Mr. AYERS: Committee on Indian Affairs. H. R. 6433. A bill for the relief of certain Indians of the Flathead Reservation killed or injured en route to dedication ceremonies of the Going-to-the-Sun Highway, Glacier National Park; without amendment (Rept. No. 476). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 6840) granting a pension to Elizabeth W. Steele, and the same was referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDRESEN: A bill (H. R. 6952) to facilitate the acquisition of migratory-bird refuges, and for other purposes; to the Committee on Agriculture.

Also, a bill (H. R. 6953) to provide for the construction of a post-office building in Wabasha, Minn.; to the Committee on Public Buildings and Grounds.

By Mr. BREWSTER: A bill (H. R. 6954) to authorize the transfer of the Green Lake Fish Cultural Station in Hancock County, Maine, as an addition to Acadia National Park; to the Committee on Merchant Marine and Fisheries.

By Mr. DEEN: A bill (H. R. 6955) to provide for the cooperation by the Federal Government with the several States and Territories and the District of Columbia in meeting the crisis in education; to the Committee on Education.

By Mr. KNUTSON: A bill (H. R. 6956) to impose an excise tax on butter imported from foreign countries; to the Committee on Ways and Means.

By Mr. McSWAIN: A bill (H. R. 6957) to provide for filling vacancies in the grade of second lieutenant in the Regular Army; to the Committee on Military Affairs.

Also, a bill (H. R. 6958) relating to the appointment of cadets at the United States Military Academy; to the Committee on Military Affairs.

By Mr. ROBSION of Kentucky: A bill (H. R. 6959) to authorize aid to the public schools and other educational institutions of the United States and to aid in relieving unemployment in the several States and the District of Columbia, and for other purposes; to the Committee on Education.

Also, a bill (H. R. 6960) to authorize the further improvement of rural post roads and to aid in relieving unemployment throughout the United States, and for other purposes; to the Committee on Roads.

By Mr. THOMPSON: A bill (H. R. 6961) to amend the Revenue Act of 1932, by imposing an excise tax on tapioca, sago, and cassava; to the Committee on Ways and Means.

By Mr. MOTT: A bill (H. R. 6962) to amend an act entitled "An act to accept the cession by the State of Oregon of exclusive jurisdiction over the lands embraced within the Crater Lake National Park, and for other purposes"; to the Committee on Agriculture.

By Mr. ROGERS of Oklahoma (by departmental request): A bill (H. R. 6963) to amend an act entitled "An act setting aside Rice Lake and contiguous lands in Minnesota for the exclusive use and benefit of the Chippewa Indians of Minnesota", approved June 23, 1926, and for other purposes; to the Committee on Indian Affairs.

By Mr. GASQUE: A bill (H. R. 6964) for the erection of a public building at Lake City, S. C., and appropriating money therefor; to the Committee on Public Buildings and Grounds.

By Mr. O'CONNOR: Resolution (H. Res. 172) amending rule XXIV of the House of Representatives; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Washington, requesting that the name of Vancouver Barracks be changed to Fort Vancouver; to the Committee on Military Affairs.

Also, memorial of the Legislature of the Territory of Puerto Rico, requesting an investigation of the Puerto Rican

Emergency Relief Administration; to the Committee on Insular Affairs.

Also, memorial of the Legislature of the State of Colorado, regarding the Hayden highway amendment to House Joint Resolution 117; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUCKLEY of New York: A bill (H. R. 6965) for the relief of the General Baking Co.; to the Committee on Claims.

By Mr. COLE of Maryland: A bill (H. R. 6966) for the relief of Howard Wayne Thorn; to the Committee on Naval Affairs.

By Mr. COOPER of Ohio: A bill (H. R. 6967) granting an increase of pension to Mary Laura Smith; to the Committee on Invalid Pensions.

By Mr. DELANEY: A bill (H. R. 6968) to place George K. Shuler on the retired list of the United States Marine Corps; to the Committee on Military Affairs.

By Mr. DEMPSEY: A bill (H. R. 6969) for the relief of Russell J. Vaughan; to the Committee on Claims.

By Mr. JOHNSON of West Virginia: A bill (H. R. 6970) for the relief of John B. Canter; to the Committee on Claims.

By Mr. O'CONNOR: A bill (H. R. 6971) for the relief of Carl Rasmussen; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 6972) granting an increase of pension to Eliza J. Duff; to the Committee on Invalid Pensions.

By Mr. VINSON of Georgia: A bill (H. R. 6973) granting relief to Daisy B. Smith; to the Committee on Claims.

By Mr. WEAVER: A bill (H. R. 6974) granting a pension to Ellen F. Colt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6975) for the relief of Claude B. Robinson; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of the rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5297. By Mr. BACHARACH: Resolution of the Vineland-Landis Township Chamber of Commerce, Vineland, N. J., requesting the passage of the Frazier-Lemke farm-relief-production bill and the Thomas-Massingale cost-of-production bill; to the Committee on Agriculture.

5298. By Mr. DARROW: Memorial of the Philadelphia Board of Trade, opposing enactment of House bill 5357, Steagall banking bill, and similar measures; to the Committee on Banking and Currency.

5299. By Mr. FISH: Petition of 74 citizens of the Twenty-sixth Congressional District, New York, opposing the Wheeler-Rayburn public-utility bills, providing for the abolition of holding companies; to the Committee on Interstate and Foreign Commerce.

5300. Also, petition of 95 citizens of New York, protesting against religious persecutions in Mexico and requesting the recall of the present American Ambassador, Josephus Daniels; to the Committee on Foreign Affairs.

5301. By Mr. JOHNSON of Texas: Memorial of Jack C. Castellaw, of Ennis, and Messrs. S. E. Wood, Jr., Thomas S. Welemm, H. A. Stiles, A. J. Thomas, W. N. Griffith, Weldon Blair, and J. L. Morris, Sr., of Maypearl, Tex., favoring Federal regulation of motor vehicles; to the Committee on Interstate and Foreign Commerce.

5302. By Mr. KENNEY: Resolution of the Irish-American Club, Inc., of North Bergen, N. J., requesting the Members of the Seventy-fourth Congress and the Members of the United States Senate to enact legislation for the payment of these adjusted-compensation certificates to the World War veterans; to the Committee on Ways and Means.

5303. Also, resolution of the Common Council of the Borough of Sayreville, N. J., memorializing the Congress of the United States and the President of the United States to approve the General Pulaski's Memorial Day; to the Committee on the Judiciary.

5304. Also, resolution of the New Jersey Brick Manufacturers Association of Sayreville, N. J., protesting against the continuation of National Recovery Administration; to the Committee on Appropriations.

5305. By Mr. LAMNECK: Petition of Mrs. E. G. Gibson, of 379 Linwood Avenue, and other citizens of Columbus, Ohio, urging for the continuation of the Nye munitions investigation; to the Committee on Military Affairs.

5306. By Mr. MOTT: House Joint Memorial No. 19 of the Thirty-eighth Legislative Assembly of Oregon, memorializing the Congress of the United States to enact House Resolution 2024 of the Federal Congress, relating to travel pay for certain troops during the Spanish-American War; to the Committee on Pensions.

5307. By Mr. ROGERS of Oklahoma: Petition headed by M. Rogers, of Charlotte, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5308. Also, petition headed by M. E. Dalton, of Knoxville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5309. Also, petition headed by E. Swift, of Chicago, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5310. Also, petition headed by M. Cook, of Clintwood, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5311. Also, petition headed by M. Plumley, of Trousdale, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5312. Also, petition headed by O. Hayes, of Maypearl, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5313. Also, petition headed by Samuel Roberts, of Maypearl, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5314. Also, petition headed by M. Baskett, of Maypearl Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5315. Also, petition headed by Samuel Nicholson, of Maypearl, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5316. Also, petition headed by E. Andrews, of Maypearl, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5317. Also, petition headed by Frederick Webb, of Maypearl, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5318. Also, petition headed by Alvin Brown, of Cleburne, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5319. Also, petition headed by A. W. Wheeler, of Maypearl, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5320. Also, petition headed by O. Harrison, of Stephen Creek, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5321. Also, petition headed by S. A. Ragsdale, of Logan, Ala., favoring House bill 2856, by Congressman WILL ROGERS,

the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5322. Also, petition headed by Y. Anderson, of Chatfield, Minn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5323. Also, petition headed by F. C. Contee, of Sarasota, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5324. Also, petition headed by W. M. Barber, of Crawfordsville, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5325. Also, petition headed by T. A. Teague, of Paris, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5326. Also, petition headed by Z. B. Hardin, of Warnick, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5327. Also, petition headed by Rev. Frank Canty, of Gainesville, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5328. Also, petition headed by M. E. Brownfield, of Cora, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5329. Also, petition headed by Rev. James E. Lightle, of Johnson City, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5330. Also, petition headed by B. Barkley, of Johnson City, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5331. Also, petition headed by C. Wright, of Princess Anne, Md., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5332. Also, petition headed by L. J. James, of Edna, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5333. Also, petition headed by A. Toodle, of Sherman, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5334. Also, petition headed by Roy Davis, of Grayson County in the State of Texas, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5335. Also, petition headed by James Cochran, of Albright, W. Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5336. Also, petition headed by August Bock, of Magnet, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5337. Also, petition headed by I. M. Crews, of Rector, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5338. Also, petition headed by H. Jones, of Shaw, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5339. Also, petition headed by E. Meadows, of Atlanta, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5340. Also, petition headed by Robert C. Lee, of Tillar, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5341. Also, petition headed by Chester Eads, of Carbon Hill, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5342. Also, petition headed by B. S. McLaurin, of Greenwood, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5343. Also, petition headed by M. Biles, of Big Creek, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5344. Also, petition headed by William Dickson, of Sidon, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5345. Also, petition headed by G. E. McGill, of Greenwood, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5346. Also, petition headed by Fred W. Horn, of Virden, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5347. Also, petition headed by Henry Crofton, of Elko, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5348. Also, petition headed by C. Williams, of Memphis, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5349. Also, petition headed by James E. Roderick, of Wilmington, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5350. Also, petition headed by Raymond Christopher, of Plaquemine, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5351. Also, petition headed by P. Monett, of Cloutierville, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5352. Also, petition headed by S. E. Hargis, of Texarkana, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5353. Also, petition headed by John T. Byas, of Texarkana, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5354. Also, petition headed by J. R. Sweeney, of Texarkana, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5355. Also, petition headed by E. F. Templeton, of Texarkana, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5356. Also, petition headed by Homer Hilton, of Oconee, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5357. Also, petition headed by M. Edwards, of Chattanooga, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5358. Also, petition headed by W. S. Vails, of Charlotte, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5359. Also, petition headed by J. L. McFarland, of Flora, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5360. Also, petition headed by K. Ballard, of Chattanooga, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5361. Also, petition headed by Adam Brown, of Gloria, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5362. Also, petition headed by Rev. L. H. Holmes, of Gloria, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5363. Also, petition headed by S. Hall, of Ethel, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5364. Also, petition headed by Guy N. Norton, of Kevil, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5365. Also, petition headed by M. E. Cook, of Vandalia, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5366. Also, petition headed by R. P. Thompson, of Webster Grove, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5367. Also, petition headed by George Gunter, of Farmington, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5368. Also, petition headed by Ben Moore, of Prairie Point, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5369. Also, petition headed by Willis Phasom, of Ramer, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5370. Also, petition headed by J. Dyon, of St. Anne, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5371. Also, petition headed by J. D. McKinley, of Franklin, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5372. Also, petition headed by A. Williams, of Ramer, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5373. Also, petition headed by M. C. McKinley, of Franklin, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5374. Also, petition headed by E. Rice, of Hulen, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5375. Also, petition headed by M. Roberson, of Boley, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5376. Also, petition headed by Scott T. Anderson, of Tamo, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5377. Also, petition headed by O. Bauldrin, of Groveton, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5378. Also, petition headed by B. A. Russ, of Flintville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5379. Also, petition headed by J. Y. Delaughter, of Bogue Chitto, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5380. Also, petition headed by J. M. Newman, of Jackson, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5381. Also, petition headed by J. W. Bearden, of Wright City, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5382. Also, petition headed by R. C. Westbrook, of Liberty, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5383. Also, petition headed by R. Williams, of Mobile, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5384. Also, petition headed by Andrew Gregory, of Brinkley, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5385. Also, petition headed by Ambry Wynne, of Fargo, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5386. Also, petition headed by P. R. Campbell, of Birch, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5387. Also, petition headed by John W. Keenum, of Vests, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5388. Also, petition headed by L. Westbrook, of Smithdale, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5389. Also, petition headed by W. L. Dobbins, of Yadkinville, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5390. Also, petition headed by Johnson Drake, of Bowman, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5391. Also, petition headed by W. J. Jones, of Vilonia, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5392. Also, petition headed by C. J. Bearden, of Wright City, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5393. Also, petition headed by K. Chandler, of Blytheville, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5394. Also, petition headed by John Vance, of Ranger, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5395. Also, petition headed by H. C. Subers, of Eastland, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5396. Also, petition headed by B. S. Mathis, of Falcon, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5397. Also, petition headed by E. R. Cooper, of Dunn, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5398. Also, petition headed by C. C. Haruss, of Briceville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5399. Also, petition headed by M. Collins, of Pontotoc, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5400. Also, petition headed by W. E. Bailes, of Seymour, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5401. Also, petition headed by P. Arguello, of Buena Vista, N. Mex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5402. Also, petition headed by Reece B. Monroe, of Wytheville, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5403. Also, petition headed by R. Preyean, of Nederland, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5404. Also, petition headed by Oscar Bevoit, of Port Neches, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5405. Also, petition headed by E. Dudley, of Wake Forest, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5406. Also, petition headed by L. V. Swain, of Harlan, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5407. Also, petition headed by C. R. Strades, of Heiskell, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5408. Also, petition headed by John Gass, of Olyphant, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5409. Also, petition headed by O. D. Phillips, of Hughes, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5410. Also, petition headed by J. S. Skalton, of Hoschton, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5411. Also, petition headed by J. R. Arguello, of Mora, N. Mex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5412. Also, petition headed by M. Dickerson, of Atlanta, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5413. Also, petition headed by N. Stacker, of Clarksville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5414. Also, petition headed by S. D. Koonce, of Alamo, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5415. Also, petition headed by Marvin McKinley, of Germantown, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5416. Also, petition headed by L. Norwood, of Brenham, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5417. Also, petition headed by Paul W. Hickman, of Mound City, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5418. Also, petition headed by E. Little, of Paulette, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5419. Also, petition headed by F. Thornton, of Laurel, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5420. Also, petition headed by N. C. Jorgensen, of Fort Pierce, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5421. Also, petition headed by E. D. Johens, of Mattson, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5422. Also, petition headed by Giles Roetts, of Pine Bluff, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5423. Also, petition headed by L. B. Childress, of Dyersburg, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5424. Also, petition headed by M. McLadden, of Marianna, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5425. Also, petition headed by E. P. Vaughn, of Rome, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5426. Also, petition headed by Elige Retoner, of Chicago, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5427. Also, petition headed by George Reddy, of Groesbeck, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5428. Also, petition headed by John Yarbrough, of Jackson, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5429. Also, petition headed by Joe C. Adams, of Groesbeck, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5430. Also, petition headed by P. W. Wilson, of Bowling Green, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5431. Also, petition headed by H. McCloue, of Troy, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5432. Also, petition headed by Richard Mattingly, of McQuady, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5433. Also, petition headed by C. Blakemore, of Chicago, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5434. Also, petition headed by M. Jackson, of Donalsonville, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5435. Also, petition headed by C. H. Sampson, of Donalsonville, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5436. Also, petition headed by B. A. Nichold, of Decatur, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5437. By Mr. SISSON: Resolution of the West Hill Parent-Teachers Association, of Ilion, N. Y.; to the Committee on Education.

5438. Also, resolution of the New York Congress of Parents and Teachers, Inc.; to the Committee on Education.

5439. Also, petition of Group No. 2066, Polish National Alliance of the United States of North America, asking that October 11 of each year be set aside as General Pulaski Memorial Day; to the Committee on the Judiciary.

5440. Also, petition of Group No. 67, Polish National Alliance of the United States of North America, asking that October 11 of each year be set aside as General Pulaski Memorial Day; to the Committee on the Judiciary.

5441. Also, petition of Group No. 2808, Polish National Alliance of the United States of North America, asking that October 11 of each year be set aside as General Pulaski Memorial Day; to the Committee on the Judiciary.

5442. Also, petition of Group No. 491 of the Polish National Alliance of the United States of North America, asking that October 11 of each year be set aside as General Pulaski Memorial Day; to the Committee on the Judiciary.

5443. Also, petition of John G. Pendorf, of Blossvale, N. Y., and others, protesting against House bill 5423 and Senate bill 1725, known as the "utilities bills"; to the Committee on Interstate and Foreign Commerce.

5444. Also, petition of R. H. Hollister, of West Winfield, N. Y., and others, protesting against House bill 5423 and Senate bill 1725, known as the "utilities bills"; to the Committee on Interstate and Foreign Commerce.

5445. Also, petition of Hon. John D. Buckley, of Utica, N. Y., and others, protesting against conditions existing in Mexico; to the Committee on Foreign Affairs.

5446. Also, resolution of the members of Central New York Chapter, Knights of Columbus, comprising over 7,000 members, protesting against conditions existing in Mexico; to the Committee on Foreign Affairs.

5447. Also, petition of Francis E. Horian, of Waterville, N. Y., and others, protesting against House bill 5423 and Senate bill 1725, known as the "utilities bills"; to the Committee on Interstate and Foreign Commerce.

5448. Also, petition of George H. Trinder, of West Winfield, N. Y., and others, protesting against House bill 5423 and Senate bill 1725, known as the "utilities bills"; to the Committee on Interstate and Foreign Commerce.

5449. Also, petition of Robert Thomas, of Waterville, N. Y., and others, protesting against House bill 5423 and Senate bill 1725, known as the "utilities bills"; to the Committee on Interstate and Foreign Commerce.

5450. By Mr. SMITH of West Virginia: Resolution of the West Virginia Legislature, urging the approval of a national colonial celebration for the purpose of financing the proposed George Washington foundation as a national shrine in West Virginia at the historic town of Bath, Berkeley Springs, for the benefit of mankind; to the Committee on the Judiciary.

5451. By Mr. TRUAX: Petition of Anton Blazek Post, No. 2079, Veterans of Foreign Wars, Cleveland, Ohio, consisting of 104 members and an auxiliary of 50 women, by their commander, John Prospal, urging support of Patman bill, for immediate cash payment of adjusted-service certificates; to the Committee on Ways and Means.

5452. Also, petition of Earnest D. Watson, commander, and 40 other members of George Selsam Post, No. 1058, Veterans of Foreign Wars, Zanesville, Ohio, urging support of Patman bill, for the immediate cash payment of the adjusted-service certificates without compromise; to the Committee on Ways and Means.

5453. Also, petition of Mahoning Lodge, No. 86, Amalgamated Association of Iron, Steel, and Tin Workers, Niles, Ohio, urging support of the Wagner labor bill, by their secretary, William J. Webster; to the Committee on Labor.

5454. Also, petition of the Miami Lions Club, and endorsed by the Lions Club of Newburgh, Cleveland, Ohio, by their secretary, Paul E. Carter, requesting the Congress of the United States to accord to copper a measure of protection sufficient to enable the domestic western mines and home owners to realize the proper and consistent benefits of the home market, in order that their homes, their schools, and their communities may be preserved, and that this protection be established by the levy of a tax sufficient to protect the American copper industry and the people who are dependent on this industry for their living; to the Committee on Ways and Means.

5455. Also, petition of the Mahoning Veterans' Association, Youngstown, Ohio, by their secretary, Carl E. Rook, endorsing the action of Governor Davey in demanding a fair and impartial investigation of the entire Relief Administration in the State of Ohio, and pledging their support to carry out the thought and purposes of the act which created the Federal Emergency Relief Administration, as they realize the importance of the Relief Administration in the adjustment of economic life of the people and the taxpayers of the State of Ohio; to the Committee on Rules.

5456. By Mr. WIGGLESWORTH: Petition of Group No. 329, Polish National Alliance of the United States, Brockton, Mass., memorializing Congress to enact House Joint Resolution 81 and Senate Joint Resolution 11, directing the President of the United States to proclaim October 11 of each year as General Pulaski Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

5457. By the SPEAKER: Petition of the city of Liberal, Kans.; to the Committee on the Judiciary.

5458. Also, petition of Andrew Jackson Post, No. 1291, Veterans of Foreign Wars; to the Committee on Pensions.

5459. Also, petition of the city of Parma, Ohio; to the Committee on the Judiciary.

5460. Also, petition of the Chamber of Commerce of Gallatin, Tenn.; to the Committee on Ways and Means.

5461. Also, petition of the city of Keokuk, Iowa; to the Committee on the Judiciary.

SENATE

SATURDAY, MARCH 23, 1935

(Legislative day of Wednesday, Mar. 13, 1935)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, March 22, 1935, was dispensed with, and the Journal was approved.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram in the nature of a memorial from Edward I. Dunn, of San Francisco, Calif., remonstrating against the enactment of legislation providing for the immediate payment to World War veterans of the face value of their adjusted-service certificates, which was referred to the Committee on Finance.

Mr. WALSH presented a resolution adopted by the Boston (Mass.) Branch of the National Association of Gardeners, favoring the making of an adequate appropriation to combat the Dutch elm disease, which was referred to the Committee on Appropriations.

He also presented a resolution of the board of directors of the Hingham (Mass.) Chamber of Commerce, favoring the prompt enactment of legislation in the matter of State laws, to the end that banks may be able to join in the activities of title 2 of the Federal Housing Act, which was referred to the Committee on Banking and Currency.

He also presented a letter from William Francis, secretary of the Massachusetts State Council, United Brotherhood of Carpenters and Joiners of America, Boston, Mass., enclosing copy of report and resolution adopted by a recent convention of the Massachusetts State Council of Carpenters, favoring the withdrawal of P. W. A. Bulletin No. 23709, which was referred to the Committee on Education and Labor.

He also presented a resolution of the City Council of Lawrence, Mass., protesting against the making of tariff or trade agreements with foreign nations that may adversely affect the textile industry in Massachusetts or New England, which was referred to the Committee on Finance.

He also presented a memorial of several citizens of Pittsfield, Mass., remonstrating against the imposition of excessive gasoline and other taxes upon owners and operators of automobiles, which was referred to the Committee on Finance.

He also presented the petition of Eugene Chatelle, of Everett, Mass., praying for the enactment of old-age pension legislation, which was referred to the Committee on Finance.

He also presented memorials of sundry citizens of Brighton and vicinity, in the State of Massachusetts, remonstrating against alleged antireligious conditions in the Republic of Mexico, and favoring the recall of the American Ambassador to that country, which were referred to the Committee on Foreign Relations.

He also presented memorials of sundry citizens of Brookline and Norwood, Mass., remonstrating against the enactment of legislation to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce, etc., which were referred to the Committee on Interstate Commerce.

He also presented a memorial of sundry citizens of Attleboro and vicinity, in the State of Massachusetts, remonstrating against the passage of Senate bill 1417, providing for governmental regulation of the production and distribution of bituminous coal, which was referred to the Committee on Interstate Commerce.

He also presented resolutions adopted by the Eastern Leatherboard Conference and the Fibre Board Manufacturers Association, protesting against the enactment of the so-called "Black 30-hour work week bill", which were referred to the Committee on the Judiciary.

He also presented the petition of members of Elizabeth L. McNamara Auxiliary No. 23, United Spanish War Veterans, of Malden, Mass., praying for the enactment of the bill (H. R. 100) to reenact provisions of law relating to pensions for Spanish-American War veterans, and for other purposes, which was referred to the Committee on Pensions.

He also presented a letter in the nature of a petition from Mrs. Daniel Carey, secretary of the St. Brendan Society, Boston, Mass., praying for the enactment of legislation providing for the issuance of a postage stamp commemorating the anniversary of Commodore John Barry, of the Navy, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition signed by 810 citizens of the State of Massachusetts, praying for the enactment of the so-called "Costigan-Wagner antilynching bill", which was ordered to lie on the table.

Mr. SHIPSTEAD presented the following concurrent resolution of the Legislature of the State of Minnesota, which was referred to the Committee on Finance:

A concurrent resolution memorializing the President and the Congress of the United States that it is the sense of the members of the Minnesota Legislature that an adequate tariff be imposed on pulpwood and newsprint paper to protect American labor and industry, and that immediate action be taken toward the accomplishment of that purpose

Whereas during the past 10 years foreign countries and particularly the Dominion of Canada have exported to the United States newsprint paper and pulp exceeding in value of $1,000,000,000; and

Whereas said importation of amounts of newsprint paper and pulp computed in tonnage amounts to hundreds of thousands of tons each and every year; and

Whereas large quantities of pulpwood used in the manufacture of newsprint paper are being exported by foreign countries to the United States each year; and

Whereas American labor engaged in the pulpwood- and newsprint-paper industry has severely and unduly suffered by reason of this competition; and

Whereas many American paper mills are operating on a part-time basis because of such competition, thereby creating idleness on the part of thousands of men engaged in this industry; and

Whereas there are approximately 16,000 farmers living within Minnesota, many of whom have for a number of years been cutting and selling timber products suitable for and cut for use in manufacturing print paper, and have been deriving a considerable income therefrom annually; and

Whereas under legislation recently enacted by Congress reciprocal trade agreements with foreign countries are authorized; and

Whereas under such legislation a trade agreement has been entered into by the Executive Department of the United States, permitting the importation of pulpwood produced in Minnesota and elsewhere; and

Whereas such importation has so lowered the price paid for Minnesota pulpwood that it is not profitable to cut pulpwood in Minnesota at present; and

Whereas the farmers having pulpwood timber in Minnesota have no market for it and are deprived of the income they formerly obtained from it; and

Whereas American farmers, laborers, and industry should be safeguarded and protected to the end that enforced idleness and unemployment may be eliminated, and thus contribute to the welfare and happiness of the people of these United States: Now, therefore, be it

Resolved by the Senate of the State of Minnesota (the house of representatives concurring), That the President and the Congress of the United States be, and they are hereby, urgently petitioned to take immediate action to impose a tariff on pulpwood and newsprint paper being imported into the United States sufficient in amount to adequately protect American labor and industry; and be it further

Resolved, That a duly authenticated copy of this resolution be presented to the President of the United States, to the presiding officers of the Senate and the House of Representatives of the Congress of the United States, and to each of the Senators and Representatives from the State of Minnesota in the Congress of the United States.

Mr. McKELLAR presented the following joint resolution of the Legislature of the State of Tennessee, which was referred to the Committee on Agriculture and Forestry:

House Resolution 12

Whereas the commodity exchange of the principal cities of the United States largely determine the daily prices of butter which fixes the price paid our dairy farmers for cream, butterfat, and fluid milk; and

Whereas the amount of butter actually sold on such exchanges represents a very small portion of butter in commercial channels of trade and has been and is now subject to market manipulation, which costs the dairy farmers millions of dollars through fluctuation as a result of such manipulations: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the Sixty-ninth General Assembly of Tennessee, That we hereby petition Congress to consider the enactment of appropriate legislation to control and regulate the butter exchanges of the principal markets of the Nation, to adopt uniform standards and grades of the United States Department of Agriculture, and to stabilize the daily market quotations for exchange or open-market sales of butter; be it further

Resolved, That copies of this resolution be mailed to the Tennessee delegation now in Congress, also to Hon. Henry A. Wallace, Secretary of Agriculture, respectfully soliciting their aid in behalf of dairy farmers who are now producing milk and butterfat at the highest feed cost since 1911.

Mr. McKELLAR also presented the following resolution of the General Assembly of the State of Tennessee, which was referred to the Committee on Finance:

House Joint Resolution 9

Whereas it has come to our attention that on certain Government reservations gasoline is now and has been sold without State taxes being paid; and

Whereas there has been a bill introduced in the Congress of the United States, by Mr. WOODRUM, granting the consent of Congress to the several States to levy and collect taxes on gasoline and other motor-vehicle fuels when sold on United States military and other reservations: Therefore, be it

Resolved by the General Assembly of the State of Tennessee, That we favor the passage of said bill no. 3660, known as the "Woodrum bill", that we therefore recommend to our United States Senators and Representatives in Congress assembled, that they use their influence in the early passage of said measure. Be it further

Resolved, That copies of this resolution be sent to each of said Senators and Representatives and that a copy be sent to Congressman WOODRUM, at Washington, D. C.

Mr. McKELLAR also presented a joint resolution of the Legislature of the State of Tennessee, favoring inclusion in pending old-age pension legislation of provisions benefiting persons 40 years of age and over who, by reason of total disability on account of physical handicap or otherwise, are in need of assistance, which was referred to the Committee on Finance.

(See joint resolution printed in full when laid before the Senate by the Vice President on the 20th instant, p. 4045, CONGRESSIONAL RECORD.)

Mr. McKELLAR also presented a joint resolution of the Legislature of the State of Tennessee, favoring the enactment of legislation providing for the immediate payment of the adjusted-service certificates of World War veterans, with remittance of interest and other charges against the principal sum of such certificates, which was referred to the Committee on Finance.

(See joint resolution printed in full when laid before the Senate by the Vice President on the 20th instant, p. 4045, CONGRESSIONAL RECORD.)

Mr. McKELLAR also presented a joint resolution of the Legislature of the State of Tennessee, favoring the enactment of legislation remedying discrimination in freight rates as set by the Interstate Commerce Commission in shipments of products from Southern States going to the North and East as compared with the rates on northern products coming South, which was referred to the Committee on Interstate Commerce.

(See joint resolution printed in full when laid before the Senate by the Vice President on the 20th instant, p. 4045, CONGRESSIONAL RECORD.)

REPORTS OF COMMITTEES

Mr. O'MAHONEY, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 1307) to establish a national park on the Daniel Freeman Homestead, in Gage County, Nebr., reported it with amendments and submitted a report (No. 365) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the concurrent resolution (S. Con. Res. 13) to recognize April 6, 1935, as Army Day, reported it without amendment and submitted a report (No. 366) thereon.

THIRTY-HOUR WEEK

Mr. NEELY. Mr. President, from the Committee on the Judiciary, I ask unanimous consent to report back favorably without amendment the bill (S. 87) to prevent the shipment in interstate commerce of certain articles and commodities, in connection with which persons are employed more than 5 days per week or 6 hours per day, and prescribing certain conditions with respect to purchases and loans by the United States, and codes, agreements, and licenses under the National Industrial Recovery Act, and I submit a report (No. 367) thereon.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the bill will be received and placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LONERGAN:

A bill (S. 2350) granting an increase of pension to Clara Prentis Billard; to the Committee on Pensions.

By Mr. LA FOLLETTE and Mr. DUFFY:

A bill (S. 2351) to amend section 66 of the Judicial Code to provide for the enforcement of the lien of State and local taxes against property in the possession of receivers and other officers of the United States courts without leave of such courts; to the Committee on the Judiciary.

By Mr. GEORGE:

A bill (S. 2352) for the relief of Alfred Truitt; to the Committee on Claims.

By Mr. McNARY:

A bill (S. 2353) for the relief of C. J. Dumbolton; to the Committee on Claims.

A bill (S. 2354) to authorize preliminary examination and survey of the Columbia River at Rainier, Oreg.; to the Committee on Commerce.

By Mr. McGILL:

A bill (S. 2355) for the relief of Robert E. McNeff; to the Committee on Naval Affairs.

By Mr. BYRD:

A bill (S. 2356) to amend the act entitled "An act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes", approved August 25, 1919, as amended by act of March 6, 1920; to the Committee on Public Buildings and Grounds.

By Mr. NORRIS:

A bill (S. 2357) to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes", approved May 18, 1933; to the Committee on Agriculture and Forestry.

A bill (S. 2358) for the relief of the Farmers Educational and Cooperative State Union of Nebraska, of Omaha, Nebr.;

A bill (S. 2359) for the relief of the Farmers Union Cooperative Association of Wisner, Nebr.; and

A bill (S. 2360) for the relief of the Farmers Union Cooperative Co., of Guide Rock, Nebr.; to the Committee on Claims.

By Mr. HAYDEN and Mr. O'MAHONEY:

A bill (S. 2361) to fix the compensation of registers of district land offices; to the Committee on Public Lands and Surveys.

By Mr. CLARK:

A bill (S. 2362) authorizing the erection of a memorial to John D. Orear; to the Committee on the Library.

By Mr. O'MAHONEY:

A bill (S. 2363) to provide time credits for substitute laborers in the Post Office when appointed as regular laborer; to the Committee on Post Offices and Post Roads.

By Mr. McKELLAR:

A bill (S. 2364) relative to the retirement of certain officers and employees; to the Committee on Civil Service.

Mr. GORE. Mr. President, I ask consent to introduce two bills for reference to the Finance Committee, the first one being a revision of a bill heretofore introduced by me; the second is a measure introduced by request.

The VICE PRESIDENT. Without objection, the bills will be received and referred as requested by the Senator from Oklahoma.

By Mr. GORE:

A bill (S. 2365) to authorize the President to enter into agreements with foreign governments to readjust the obligations of such governments held by the United States and to secure payments on such readjusted obligations to retire the adjusted-service certificates now outstanding, and to authorize the President to make payment of the adjusted-service certificates whenever he shall find it not incompatible with the public interest, and for other purposes; and

(By request.) A bill (S. 2366) to authorize the President to make payments of the adjusted-service certificates under certain conditions, and for other purposes; to the Committee on Finance.

AMENDMENT TO AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. KEYES submitted an amendment proposing to increase the appropriation for the eradication, control, and prevention of spread of the white pine blister rust, from $250,000 to $400,000, intended to be proposed by him to the House bill 6718, the Agriculture Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

IMPORTATIONS OF COTTON CLOTH

Mr. WALSH. Mr. President, on Saturday, March 16, I had inserted in the CONGRESSIONAL RECORD a letter addressed to Robert L. O'Brien, Chairman of the United States Tariff Commission, in which I discussed the decline in the cotton textile industry and submitted some figures presented to me by the cotton-cloth manufacturers indicating a very substantial increase during the early part of this year of imports of cotton cloth from Japan.

The figures which I presented, having obtained them from the cotton cloth manufacturers, are somewhat challenged by the Chairman of the United States Tariff Commission. The differences between the figures of the Tariff Commission and the figures I presented may be explained, in part at least, by the fact that the manufacturers claim to have figures indicating the arrivals as per steamship manifests, whereas the figures of the United States Tariff Commission are probably goods actually cleared through the customs. It is claimed by the manufacturers that a larger volume of goods has arrived than has been cleared, due to the inability of the importers to pay the duties on the large quantities that have been arriving. Furthermore, the figures of the manufacturers include what they claim to be a large amount that actually arrived on March 1 but which was not cleared, and, of course, are not included in the January and February figures of the United States Tariff Commission.

In this connection, I wish to call attention to another protest being made by the cotton-cloth manufacturers. It is with respect to imports of cotton cloth from the United States and from Japan to the Philippine Islands, a matter which we have reason to believe is engaging the serious attention of the administrative officers of the Government. Imports of cotton cloth from Japan to the Philippine Islands in the year 1933 were 23,687,000 square meters valued at 4,248,000 pesos; in 1934, 56,356,000 square meters valued at 8,831,000 pesos. Imports from the United States in 1933 were 67,712,000 square meters valued at 12,403,000 pesos, and in 1934 they were 43,312,000 square meters valued at 11,651,000 pesos. Figures for January and February are not available because the records for the imports are designated in packages, which vary in size. A telegram, however, which the Department of Commerce has in its possession—the figures above are furnished by the Department of Commerce—reads as follows:

MARCH 21, 1935.

Some confusion manifest figures for February but imports from the United States and Japan apparently increased March imports from Japan increasing markedly with competition embracing wider variety of goods.

I ask that there be printed in the RECORD at this point a letter which I have received from the Chairman of the United States Tariff Commission in reply to the letter which I inserted in the RECORD a week ago today.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 20, 1935.

MY DEAR SENATOR WALSH: I have your letter of March 16 with respect to imported cotton cloth, particularly from Japan. To these figures our people have been giving a good deal of study.

I am taking the liberty of sending a carbon copy of this letter to Senator BYRNES, of South Carolina, as he reinforced your inquiries.

You quote the New England cotton-cloth manufacturers as stating that the imports of Japanese cotton cloth have increased enormously in the early part of 1935 as compared with previous periods. The estimate given in your letter totals about 24,000,000 square yards from the first of the year until the early part of March. It appears that these estimates are greatly overstated. According to preliminary official figures which we have just obtained, imports for consumption of cotton cloth from Japan in January and February totaled slightly less than 8,200,000 square yards, valued at a little less than $400,000—quite a substantial difference from the estimates of the domestic manufactures.

The broader view of the situation should take into account not only the trend of imports for a number of years but the relation of this trend to domestic production and exports of cotton cloth. In 1923 imports reached an all-time peak of more than 200,000,000 square yards. Since that time there has been a gradual decline until in recent years they have averaged from 35,000,000 to 40,000,000 square yards from all countries. On the other hand, exports in recent years have been 5 to 10 times the imports, and production, is, of course, many times larger than exports. Even in 1934 a low figure for exports of about 223,500,000 square yards is reported as against imports of less than 40,500,000 square yards. Domestic production in recent years has averaged well over 7,000,000,000 square yards, and imports have been considerably less than 1 percent of such production.

These gross figures, of course, do not tell the entire competitive story. Prior to 1931 the bulk of the imports came from Great Britain and consisted of comparatively expensive shirtings, sateens, and other special British cloths. From 1931 to 1934, Switzerland was the principal source of imports, of which the most important item was permanent-finished organdies, made of fine yarns, averaging around 90s.

Partly because of the sharp decline in imports of cloth from Europe, and partly because of an increase in Japanese imports, Japan became the principal competing country in the early part of 1935. This Japanese competition is not new in the American market. As early as 1923 nearly 11,000,000 square yards were imported from that country. The recent competition, however, is especially sharp, because it is primarily of medium yarn fabrics directly comparable with domestic print cloths, and the imports are valued at low figures as compared with those of some years ago. There is, therefore, a real competitive problem created by recent Japanese imports, and the Commission will keep abreast of all the facts in the case.

For your information, there is enclosed a table of production, exports, and imports of cotton cloth generally and a special tabulation of imports from Japan by kinds of cloth and by months ending with February 1935.

The imports from Japan are mainly bleached cloths of print-cloth construction, invoiced usually as white cotton shirting or white cotton mulls, for use in the manufactures of low-grade handkerchiefs. Domestic print cloths, for bleaching or printing, are made most largely of yarns averaging about 34s, whereas the Japanese cloths in similar construction are made of yarns averaging about 40s or slightly above; the Japanese fabrics are, therefore, more open-woven and contain less cotton than the domestic. They are reported to sell on this market in the bleached condition at about 1 cent a square yard less than the domestic. The bulk of the Japanese shipments are bleached goods, but include smaller amounts of colored goods such as ginghams and crepes.

As you know, if the imports are being entered on such terms or under such conditions as to render ineffective or seriously to endanger the maintenance of any N. R. A. code or agreement, the manufacturers are entitled to file a formal application with the National Recovery Administration for an investigation under section 3 (e) of the National Industrial Recovery Act.

The effect of the cotton processing tax, and of certain other factors, on the profitable operation of domestic cotton mills is, as you say, not within our province.

Very sincerely yours,

ROBERT L. O'BRIEN,
Chairman United States Tariff Commission.

WORK-RELIEF PROGRAM

Mr. DICKINSON. Mr. President, as bearing on House Joint Resolution 117, now pending before the Senate, I ask to have printed in the RECORD a letter received by me from Mr. H. Fontaine Little, of Sheffield, Ala.

There being no objection, the letter was ordered to lie on the table and to be printed in the RECORD, as follows:

ATLAS ASSURANCE CO., LTD., OF LONDON,
Sheffield, Ala., March 11, 1935.

Senator L. J. DICKINSON,
United States Senate, Washington, D. C.

DEAR SENATOR: With re to the pending $4,880,000,000 so-called "work relief" bill. Or is it a "pork barrel" measure?

We want to urge you to oppose this bill. In our opinion, it would be a grave mistake to authorize such a colossal expenditure. It can only fail in its purported intent.

We need hardly tell you that fear and alarm are fast spreading over the country over the mounting cost of Government in Washington. Something must be done to halt it before it is too late.

Passage of such a measure as the work-relief proposal is not the sort of thing to inspire confidence. Its just another proposed experiment at a cost of billions.

The big break in cotton prices today is an example of what experiment by the Government amounts to in a final showdown. Such experiments create nothing but a state of false security.

The idea is fast spreading that the Roosevelt administration is bogged down in its maze of experiments, and that it has now reached a point where it is dangerous to go ahead or turn back. If we don't turn back, then, at least, we ought to "stop, look, and listen" before we jump into squandering another five billions.

We want to see the Government's credit preserved while it can be preserved. If by any chance we should have a break in bond prices similar to the stock market crash in 1929, it would bring a collapse in this country that none of us would want to remember.

If some sum must be appropriated for relief, we should prefer to see it for direct relief, and for not more than the proposed $880,000,000, an immense sum in itself. Let's pay as we go in this matter of relief.

We are not merely giving you our views, but also the views of many others who are giving serious thought to what is going on in Washington.

We hope, then, the work-relief bill will be reduced to a direct relief measure, and in no sense should the bill include the prevailing wage scale schedule.

With assurances of high regard, we are,

Very truly yours,

H. FONTAINE LITTLE.

THE N. R. A.

Mr. DICKINSON. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD an editorial from the Chicago Daily News entitled "The Collapse of the N. R. A."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Chicago Daily News]

THE COLLAPSE OF THE N. R. A.

On June 16, 1933, the N. R. A. was born "to increase production and consumption" and "to relieve unemployment."

On June 16, 1935, it will expire, having utterly failed to achieve either of these two major purposes.

Did N. R. A. increase production and consumption?

The Federal Reserve Board index of industrial production in June 1933 stood at 91 percent of the average of 1923–25. The same index for December 1934 showed production at 78 percent of the 1923–25 average. The index figures for consumption show department stores sales for June 1933 at 68 percent of the 1923–25 average, while the sales for December 1934 were 76 percent. But, in the meantime, between June 1933 and December 1934 there had been an increase in the average price index of 18.5 percent, which would indicate an actual loss in unit sales—this, despite the fact that the Government's expenditures for relief had risen from a monthly average of $66,064,000 in 1933 to $123,278,000 in 1934, an increase of 87 percent.

Did N. R. A increase employment, its other major objective?

In June 1933 the number of unemployed was estimated at 12,000,000. The total number of unemployed is now announced to be in the neighborhood of 13,000,000.

The number of people on relief in July 1933—the first month for which there are reliable Federal figures and the first month of the N. R. A.—was 15,282,000. On March 6 of this year it was announced that the number on relief was 22,350,000.

The average hourly wage paid under N. R. A. codes has increased somewhat, but the number of hours of employment per week to the average worker has decreased so that the content of many workers' pay envelops has gone down. An additional handicap to labor has been the higher prices which have been exacted for factory products due to N. R. A. and for food, the cost of which, due to the widespread drought and the operation of the A. A. A., shows an increase of 18 percent.

Who then has gained under the operation of the N. R. A.?

The cooperation of industry in the creation of the N. R. A. was purchased at the price of Government relaxation of the antimonopoly laws. The leaders of industry were induced to support the N. R. A. by promises of price-fixing agreements, the establishment of restraints upon free competition, and the subjection of each industry to control by a privately organized code authority, in most instances named and dominated by the larger units of the industry. In other words, in order to try the experiment of a regimented industry under Government control, the Roosevelt administration consented to permit monopolistic practices hitherto forbidden.

What was the result?

Standard Statistics, Inc., the authority on business statistics, reports that 70 industrial companies analyzed by it showed, in 1933, a 291 percent net gain in profits on an expansion of only 1.4 percent in gross sales. In 1934—the first full year under N. R. A.—these same companies realized a further increase of 27.4 percent in net profits over those of 1933, on a gain of 21.5 percent in sales. The National City Bank, in a recent report, declared that 840 corporations, including many of the largest in the country, made net profits in 1933 of $471,203,000, and that the net profits of the same corporations in 1934—the first full year under N. R. A.—jumped to $673,259,000.

Summarized, this then is the result of 2 years under the N. R. A.—2 years of the Government's partnership in business secured through relaxation of the antimonopoly laws.

1. A decrease in industrial production.

2. No increase in consumption when price increases are taken into consideration, and despite the doubling of the Government's monthly expenditures for relief.

3. An estimated decrease in employment and a 47-percent increase in the number on relief.

4. An actual loss in real wages, due mainly to an 18-percent increase in food costs.

5. A 291-percent net gain in profits for 70 of the largest industrial companies of the country in 1933, and a further gain of 27 percent in profits for the same companies in 1934.

6. An increase of over $200,000,000 in the net profits of 840 corporations in 1934 over 1933.

Among the first to denounce the N. R. A. as an instrumentality to legalize monopoly, the Daily News finds in its complete collapse a sense of regret, supplemented by a feeling of alarm. Our alarm arises out of fear that popular resentment will consign the entire project to oblivion, whereas a small portion of the act should be preserved. More than a year ago, on February 15, 1934, we said:

"The N. R. A., as a means of economic recovery, probably will be retained in two distinct classes of industry. Public opinion will demand its retention in industries which for years have been characterized by sweatshop conditions, in industries where children have been employed, and in industries which deal with natural resources, such as oil, iron ore, lumber, and coal. In all of those industries there is a definite public interest, and Federal control, in order to prevent indefensible exploitation of labor or material, may be defended upon the ground of common welfare."

That opinion is still maintained, and we hope that out of the discussion now in progress in Congress will come a revision of the N. R. A. which will preserve the desirable features and relegate the balance of the costly and ill-conceived experiment to the growing limbo of new-deal failures.

STABILIZATION BY SPECIE PAYMENTS

Mr. POPE. Mr. President, I ask leave to have printed in the CONGRESSIONAL RECORD a very thoughtful article entitled "Stabilization by Specie Payments", by Edward Tuck, a famous financier. This article is remarkable for its breadth of view and clarity of expression upon a subject of vital interest not only to the United States but to the other great nations of the world.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STABILIZATION BY SPECIE PAYMENT

By Edward Tuck

Throughout the world there is at the present time a universal demand on the part of governments, chambers of commerce, and mercantile bodies for the stabilization of currencies. Even as recently as in December last, a leading conservative speaker, during an important monetary debate in the British House of Commons, declared:

"We shall never get international trade going on a wide scale unless we have currency stabilization. The whole future of our economic system, and possibly civilization, depends on the cooperation between this country and the United States, and if we cannot get that we may as well throw up the sponge."

These are strong and truthful words, but how is it proposed to effect this great reform? Thus far it has been planned to accomplish it only by the establishment of so-called "stabilization funds" to buy and sell the different paper moneys (which are really not money at all, but only dishonored promises-to-pay money on demand), under the control of government committees or agents seeking to regulate the exchange markets, at fixed rates in accordance with their personal judgment and direction. This would be a monetary experiment unique in the world's history, having no scientific basis. There never has been complete stabilization of the currencies, there can be none, except with countries which are on a specie-paying basis, when it is fixed by the comparative weight of the precious metals—gold and silver coins. Stabilization of irredeemable fiduciary money, which is the only currency in use the world over today, the varying, uncertain product of the printing press, is a mathematical impossibility. In the United States, Government notes called "greenbacks", and bank notes, specie payments being suspended, were our national currency from 1862 till 1879. A "gold room" was established in New York alongside the stock exchange, where the metal was bought and sold daily, at fluctuating premiums in currency value, to satisfy the demands of merchants in payment for their foreign importations and for duties at the customs.

On January 1, 1879, we resumed specie payments "in coin", under acts of Congress passed in January 1875 and in February 1878. The latter contained the following important provisions as to the part that silver should take in accomplishing resumption:

"SECTION 1. There shall be coined at the several mints of the United States silver dollars of the weight of 412½ grains troy of standard silver, as provided in the act of January 18, 1837, which shall be legal tender at their nominal value for all debts and dues, public and private.

"SEC. 2. That immediately after the passage of this act the President shall invite the governments and countries composing the Latin union, and of such other European nations as he may deem advisable, to join the United States in a conference to adopt a common ratio between gold and silver for the purpose of establishing internationally the use of bimetallic money and securing fixity of relative value between these metals. The President shall appoint three commissioners to attend such conference."

The President called the conference as the law required. It was held in Paris in 1878. France was ready to join the United States and England in an international agreement for the remonetization of silver, but England refused, and the conference was a failure.

In partial fulfillment of section 1, the Bland-Allison Act was passed in 1878, under which 2,000,000 silver dollars were coined each month. In 1890 the Sherman Law increased the silver coinage to something over $4,000,000 monthly. Later on, however, President Cleveland, a bitter and uncompromising opponent of silver, secured a repeal of the latter bill, and this limited silver coinage thereupon ceased. Meantime, the unprecedentedly severe panic of 1893 took place, and its ill effects continued hopelessly until the prodigious development in the late 1890's of the newly discovered gold mines of the South African Rand and of Alaska and Cripple Creek—the production of the Rand increasing yearly with great rapidity until 1915—filled the void in the world's needed additional metallic money, and general prosperity ensued. This certainly was inflation, but only in proportion to the constantly growing requirements of increasing population, industry, and commerce in all countries.

It is estimated that the Rand mines have produced up to date at least five thousand million dollars of gold, the bulk of which was added during 20 years to the existing money in circulation, thereby maintaining values and prices. Since that period, however, while public and private debts have been augmenting enormously, uncounted tons of gold have gone and are continuing to go into Government and individual hoards, where the metal is of no more benefit commercially and financially, in raising prices, than when previously embedded in the bowels of the earth. Gold has ceased to be a current medium of exchange, which is the first requisite of money. Values have continuously declined, and idleness and suffering have increased to the danger point.

The monetary system of the United States was established, not upon gold or silver alone but upon the two metals, at a fixed ratio to each other, with no limitation upon the coinage of either, each standing on an equal footing before the law. This bimetallic system (then called the "double standard"), prevailing at that time in both England and France, adopted by Hamilton, sanctioned by Washington and Jefferson, its wisdom and justice questioned by none, endured until 1873, when the coinage of silver dollars at the mint, under its new regulations, was stopped, and bimetallism in our country thereby unwittingly destroyed.

The present law, under which our Government is coining monthly a limited amount of silver dollars, will never reestablish true bimetallism. It has become manifest to all competent authorities that gold alone is insufficient to maintain the world's monetary currency upon a metallic basis. To insure the resumption of specie payments in the United States, which has now become an economic necessity, and is within our reach, we must ourselves return to the full and unlimited monetization of silver as of old.

It is gratifying to know that the people of the United States are now going through a process of reeducation on the whole question of monetary standards, although it is still considered in hidebound banking circles, and even in colleges and universities, that it is bad form to introduce the subject of bimetallism for discussion, the conspiracy of silence still persisting. The vis inertiæ of banking and academic public opinion on the question of money since the Bryan campaign has been astounding. It is encouraging, however, that thinking business men generally are becoming more open-minded and receptive of the thought that their fixed ideas in favor of a single gold standard are subject to revision. It is most significant, too, that Walter Lippman, an eminent exponent of intelligent public opinion, should have declared:

"Make silver legal money exchangeable for gold and it will produce the same effect as if the world had discovered new gold. It will cheapen gold, raise world prices, make further paper inflation unnecessary, and restore solvency."

All this is very true, and it is the only enduring remedy for the universal "monetary morbus" with which the world was afflicted in the later 1880's and for 10 years thereafter, until the new South African gold furnished the needed curative. The same monetary morbus now endangers the entire world again, with much greater severity than before, and threatens to lead to disastrous political consequences.

Silver monetization, once readopted and established in the United States, restoring full specie payments in both metals, the two coins, or coin certificates, having the same debt-paying power, would be of identical value, as is now the case. There would be no flood of silver to fear from abroad or from the mines, as predicted by the gold monometallists. India and China have from time immemorial been annual absorbers of silver and will never cease to be such. They could no more divest themselves of their silver money than they could of the clothes on their backs. As regards silver mines, those of the United States have been very largely exhausted, with no important new discoveries, and this is likewise true of the world at large.

Forty years ago the United States was heavily indebted to Europe and the adoption of bimetallism by our country alone at that time might have been hazardous. Today the reverse is the case. We are a creditor nation as regards the world. We owe virtually nothing abroad. The trade movement is in our favor. Our independent action would be successful, and a blessing to all the nations, by furnishing the vitally needed large augmentation of the world's metallic real money, accompanied by a considerable diminution of the paper assignats which are now afloat in all countries.

Our purchases of silver for full legal-tender coinage should at once be largely and rapidly increased, with the consequent result of an approaching legal parity in market value of the two metals, in preparation for the passage of the final resumption act, under which our present depreciated and dishonored paper money would be stabilized at par in coin and in the foreign exchanges.

It was Salmon P. Chase who said, in an oft-quoted phrase: "The way to resumption is to resume." We are now abundantly prepared for resumption as regards gold, but the amount of silver coin, at the present rate of purchase, will be totally inadequate. Its coinage must be free and unlimited. We cannot have too much full legal-tender money of the precious metals, money of ultimate redemption, provided by Nature's mines and not by the unlimited fertility of the printing press.

The legal weight of the silver dollar will be a most important problem to be decided upon. The old ratio of 16 to 1, based upon the world's estimated comparative annual production of the two metals, exaggerates the proportion of silver production. It is today probably nearer 13 to 1, and very rarely, if ever, has been as high as 16. The statistics of all the great mints confirm this.

The present is a crucial moment in our history and also in the affairs of the entire world. Europe, almost in despair, is turning more and more to the United States as the predominant power which can with its enormous wealth and progressive spirit solve this vital problem. We are given an opportunity to lead in this great movement for monetary reform. Let us not allow the occasion to slip past us. I doubt if our people, even the keenest silver protagonists, are fully aware of the sympathy and support Mr. Roosevelt's action as regards silver coinage is meeting with in Europe. In England Lord Desborough has written:

"I believe America can do this great thing alone, and other countries will be obliged to follow."

Numerous financiers, economists, and leaders of public opinion have expressed themselves to the same effect. Lord Greenway, the head of the Anglo-Persian Oil Co., a great authority on financial affairs, especially of the east, wrote shortly before his lamented death in December last:

"Now that America has made a definite start in the direction of bimetallism, I hope it will not be long before concrete proposals are made to this country to follow suit, with a view to securing greater stability in international exchanges."

We cannot ourselves too often mediate upon these words of Daniel Webster, the great expounder of our Constitution, pronounced in the United States Senate in 1836:

"Gold and silver is the money of the Constitution. The constitutional standard of value is established and cannot be overturned. To overturn it would shake the whole system. Gold and silver, at rates fixed by Congress, constitute the legal standard of value in this country, and neither Congress nor any State has authority to establish any other standard or dispose of this."

LAND ACQUISITION BY TENANT FARMERS

Mr. BLACK. Mr. President, I ask unanimous consent to insert in the RECORD a very interesting editorial from the Birmingham News under date of March 21, 1935, on the subject of the bill introduced by my colleague [Mr. BANKHEAD], to enable tenant farmers to purchase lands.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Birmingham News of Mar. 21, 1935]

HELPING TENANT FARMERS TO BECOME OWNERS OF LAND

The idea behind the proposal recently put forward by Senator BANKHEAD for Federal assistance to tenant farmers to enable them to buy land of their own finds the strongest sort of support in a report on the South's agricultural situation, just made public by the Committee on Minority Groups in the Economic Recovery. This report reveals in a most impressive way the necessity for such a program as that advocated by Senator BANKHEAD. While, so far as appears from summaries of the report, there is no direct endorsement of the Bankhead plan itself, the committee recommends a "far-reaching program of Government aid to ownership" as the only remedy for the conditions it found in its study of southern agriculture. Senator BANKHEAD's proposal would seem to be right in line with the committee's recommendations.

The study discloses that 71 percent of the cotton farmers of the South are landless, that 58 percent of the total farm population in this section is in the same condition, and that farm tenancy is steadily increasing. Coupling this situation with the fact that exports of American cotton are declining while cotton production abroad is increasing, the committee declares that the South is confronted with "a major economic crisis which demands prompt and vigorous action."

One fact which may be surprising to many southerners is that the number of white tenants in the South exceeds that of Negro tenants. The study, made under the auspices of Dr. E. R. Embree, of Chicago, president of the Julius Rosenwald Fund; Dr. W. W. Alexander, of Atlanta, director of the Commission on Interracial Cooperation; and Dr. Charles S. Johnson, of Fisk University, Nashville, was intended primarily to explore the status of Negro agricultural workers. It was found, however, that the farm-tenant population of the South includes many more white people than Negroes. As the committee points out, the problem of farm tenancy far transcends its racial aspects and "menaces the entire economic future of the region."

In 1930 there were 3,088,111 farms in the 13 Southern States. Of this number, 58 percent, or 1,789,000, were cultivated by tenants, of whom 1,091,000 were white and 698,000 colored. Among cotton farmers the prevalence of tenancy ran to 71 percent, and in certain black-belt regions to 80 percent and upward. Due to the agricultural depression of the 1920's, according to the report, the number of white tenants increased in 10 years by 200,000 through loss of farms and otherwise. The percentage of cotton-farm tenancy grew in the same period from 65 to 71 percent.

The conditions growing out of our appallingly high rate of farm tenancy have been made worse, naturally, by the depression. Measures designed to improve the position of cotton farmers generally have operated in many instances to make the plight of tenant farmers worse. The committee says that the limitation of cotton acreage, the restriction of production, the decline of cotton exports due to tariff barriers, and the increase of cotton production abroad have "undercut the living of multitudes of tenant farmers wholly dependent upon cotton and have cast others entirely adrift without access to the land or other assured means of support."

There can be no question that the cotton-control measures have greatly benefited cotton growers as a whole. But neither is there any question that many tenant farmers and share-croppers suffered as a result of the act. The Federal authorities hope to prevent a repetition of that experience this year.

Meanwhile, however, as the committee's study shows, millions of people who normally should be making their living on the soil have been thrown on relief. Last year, in the 13 Southern States covered by this study, one family in every four was on relief, and the total relief budget was $212,000,000, "with little prospect of improvement unless some means can be found of making these people self-supporting." Even for those so fortunate as to retain their status of tenancy instead of being set adrift the report envisions a hopeless, debt-burdened future, "with as meager a diet of fatback, corn pone, and molasses as can be found in the world's agriculture."

"The plantation," the report says, "is not interested in feeding its tenants with the vegetables, milk, meats, and fruits of a beneficent soil and clime; it wants only its cash crop of cotton." And the region "has paid a terrible price" for its concentration of land holdings and its one-crop system, under which "even the large landowners have not uniformly profited." The one-crop system has been the curse of southern agriculture, and especially of the tenant farmers, who in so many instances have not been able to grow—or who at least have not grown—food crops to help supply their own tables. No doubt this failure to grow sufficient food for home consumption has been largely the fault of the tenant farmers themselves, for a home garden can easily be cultivated on any farm; yet this lack of enterprise does not absolve the system from its share of the blame. The emphasis which has been placed on cotton has led the tenant farmers to think of little else but cotton.

The conclusion of the report is that the South is confronted with a choice between continued crop regimentation, with subsidies for idle lands and relief for displaced tenants and laborers, or a "program of Government aid by which multitudes now tenants may become self-supporting landowners, after the example of Ireland, Denmark, and other countries." The committee says it is obvious that the continuance of the present system offers no hope, and that the latter course will be not only far better but also cheaper in the long run. Calling attention to the peculiar suitability of the South to maintain a prosperous population of home owners, the report recalls the words of Henry W. Grady: "When every farmer in the South shall eat bread from his own field and meat from his own pasture, then shall be the breaking of the fullness of the day."

Nothing less than a Federal program such as that advocated by Senator BANKHEAD would serve to make any real headway against the grave and growing problem of farm tenancy. Governor Graves also has advanced an excellent proposal for enabling tenants in this State to become owners of farms. His plan contemplates a $17,000,000 rural rehabilitation program, financed in Alabama by the Federal Government as a "national experiment", to make home owners of 10,000 farmers now on relief. The program depends on the approval of Relief Administrator Hopkins, with whom the Governor has already conferred on the subject. It will mean a long step forward for Alabama if it is approved.

CAUSE OF DUST STORMS—ARTICLE BY WILLIAM ALLEN WHITE

Mr. CLARK. Mr. President, I ask unanimous consent to insert in the RECORD an article by Hon. William Allen White, of Kansas, appearing in the New York Times of today entitled "Dust Storm Traced to Effects of War."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of Mar. 23, 1935]

DUST STORM TRACED TO EFFECTS OF WAR—W. A. WHITE SAYS FRANTIC DRY FARMING IN HIGH-PRICES ERA RUINED SOD OF PRAIRIES—DROUGHTS ADDED TO EVIL—KANSAS EDITOR DESCRIBES EERIE LIGHT AND MURK AS "GREATEST SHOW SINCE POMPEII"

(What dust storms mean to the wheat country and how its people regard suggested measures for checking their destructiveness are discussed here by the editor of the Emporia Gazette, whose Kansas home has been darkened in the recent storms.)

By William Allen White

EMPORIA, KANS., March 22.—The greatest show since Pompeii has sped over the high plains of Colorado and Texas and sifted golden gray dust over Oklahoma, Kansas, Nebraska, Missouri, and parts of Iowa. The dust is still sifting down through the trans-Missouri region. In the sky, men see a blue sun, a steel-blue sun, shining through a shimmering, lemon-gray haze.

The whole landscape is painted with a thin, bone-colored dust which hides the greening wheat and the young grass, covering the crab blossoms and the forsythia that herald the spring. It is a weird and eerie silver-colored world, and without a breath of wind the dust is still drifting down.

All over western Kansas, Nebraska, and Colorado the newspapers called it the worst dust storm in history.

And what caused it? Fortunately there is little doubt about it. It was the war. The dust storm was one of the prices we paid, and will keep on paying for many years here in these prairie States, for the blessed privilege of sacrificing our young men to the war god. It happened this way:

When the millions in Europe were called to arms European fields were idle, the price of wheat shot up to $1 and still higher. The peak was more than $3. Frantically men went out into the high semiarid country in eastern Colorado, in Wyoming, in New Mexico, and in the extreme western counties of Kansas and plowed up the sod. They put in wheat by a process known as "dry farming."

They raised a few crops, made a little money, not much, even at the peak prices. For a paying crop did not come more than 1 year in 3. But the desert soil, which had been covered and bound against the wind by sagebrush and the natural foliage of the region, had been crumbled into dust, its protection gone. After the war the high plains entered a wet cycle. The dry cycle began 3 years ago.

PROTECTION LOST IN VAST AREA

The wheat crop failed and failed again, and the vast dusty acres, millions of them, were unprotected when the high March winds struck them. Last year the March winds came and rolled up billions of tons of dust and scattered it all over the American Continent and far out to sea.

No crop grew last summer, and this spring the March wind is sucking up like water in its funnel these billions of tons of dust which drift in the sky, great brown clouds that show a bronze sunset all over the Mississippi Valley, and then, at some hidden atmospheric signal, these tons are released and come sifting down on a windy day as the high cloud, urged by some upper current of the air, journeys eastward Wednesday's cloud moved from Trinidad, Colo., to the Mississippi River between sun up and sun down, sifting its yellow desert dust as it went.

What's the answer? The oldtimer, who has seen small dust storms in other dry years, but nothing like these today, rejects the tree belt as a cure. In the first place, he thinks trees won't grow. The oldtimer tried to grow them himself. As a rugged homesteading individual, with a Government bounty held out to encourage him, he failed when he tried to grow trees, and he feels that what he could not do as an individual the Government cannot do.

Even if the Government could get the trees to grow, still the oldtimer is skeptical. For the dust does not come from the land where the tree belt is planned. It comes from the high, dry plains farther westward, just under the Rockies. The land slopes down from this plain, which lies about 4,000 feet above the level of the sea, on a rapid sliding incline, to less than 800 feet in eastern Texas, Oklahoma, Kansas, Missouri, and Nebraska. It is in the high altitudes, the highest plains' altitudes, that the trouble starts.

DRY CYCLE STILL UNBROKEN

Moreover, the trouble with dust storms probably will persist as long as the dry cycle is unbroken. We are now going into its third year. It may run 5 or 7 years. It may close this spring. We have had a dry winter all over the dry plains, the trans-Missouri.

Indeed, for the most part, upon these western prairies, lower down from the mountains, there seems to be no immediate prospect of rain. The prairies have had a dry winter. The whole region is going into a dry spring. We may have another drought-stricken summer. In which case, trouble, vastly more tragic trouble than a dust storm, is waiting for us ahead.

The answer? There is no answer except in the eternal resilience of man. He bounces back out of trouble with an unbelievable energy, with a faith that moves mountains. And through it all he laughs.

In an Emporia real-estate office this sign greets the townspeople: "Great bargains in real estate. Bring your own container."

At the peak of the dust storm, when a particularly black cloud of dust rolled down Main Street, someone said:

"Hi, here comes Pikes Peak."

And at the height of it all, while the inexplicable calamity was putting its paralyzing hands upon the orderly processes of life, someone wrote in dust on the plate-glass window of the busted First National Bank of a high-plains town:

"Ashes to ashes and dust to dust, the men folks raved and the wimmin' cussed, take it, and like it, in God we trust."

THE VALUE OF OPPOSITION—STATEMENT OF HON. SIMEON D. FESS

Mr. DICKINSON. Mr. President, in view of the fact that we have a two-party system of government, I ask unanimous consent to insert in the RECORD a recent statement by former Senator Simeon D. Fess, of Ohio, on the value of opposition.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Opposition leadership is the very essence of popular government not only in the United States where the Democratic Party has spent most of its existence since the Civil War, but especially in

a government of a "responsible ministry" such as Great Britain. Outside of the United States the Government of Great Britain is the most stable of any nation of history. In its 200 years since the cabinet system was inaugurated it has had but 7 different sovereigns and less than 40 ministries. In the early days opposition was not regarded as an essential factor, but on the other hand it was subject to impeachment. In recent times since 1800, opposition has been recognized as essential to successful administration. Pitt won his first recognition in the opposition ranks. Later he carried on as the head of the Government with his great rival, Addington, and again Fox, leading the opposition. Gladstone likewise won his first laurels in opposition to the Government, or the ministry, led by Disraeli, and later he led the Government as Prime Minister four different times, with such men as Disraeli, Northcote, Salisbury, and Balfour leading the opposition.

The function of the opposition is so important that it is referred to officially as "His Majesty's Opposition." History proves that every Prime Minister of Great Britain came to the head of the Government after he had been the leader or at least a participator in the opposition, rather than as a lieutenant of the Government. This is true of Peel, Palmerston, Gladstone, Disraeli, Salisbury, Balfour, the Churchills, and most other Prime Ministers. Joseph Chamberlain is the one outstanding leader of the opposition who did not reach the high honor of Prime Minister, but only because of the force of circumstances over which there was no control. Impartial history will testify that few if any heads of the Government ever excelled Joseph Chamberlain in wise legislation, notwithstanding the fact that he spent most of his time in the opposition ranks rather than as participant in the ministry.

A recital of the doings of the Fourth Party, composed of Randolph Churchill, the founder; Balfour, Wolff, and Howe, everyone of whom reached ministerial rank, will supply the most concrete examples of the value of the minority when operating as a unit.

The possibility of popular government presupposes the existence of an affirmation body in contest with an opposition body, the majority versus the minority. The majority trusted with power must have a minority to question and weigh its proposals. While the majority has the right to expect loyalty within its own ranks as a condition to success in enacting its program, the minority has an equal right to test every proposal and exercise its right to become the majority if it can show the unwisdom of the proposed program. This situation is the very essence of popular government.

This situation explains the total absence of personal feeling between leaders of the government and leaders of the opposition. It explains the close friendship and in many cases the real affection existing between the two sets of leaders. It is the expression of honest differences, the wisdom of which must be realized in the fullest freedom of that expression. It is based upon the theory that all questions have two sides, and that all the rights will not be on one side of a controversy nor that the opposition is not necessarily and always totally wrong. What is justified will prevail even though opposition is offered, as justice is not defeated by disclosing what the opponents regard as the weakness of a proposal. If it is wrong, then debate in opposition will reveal it, and taking time in discussion will prevent inadvisable action which otherwise would have been taken had there been no opposition.

The entire structure of popular government is built upon the honest differences between those who affirm as a majority and those who deny as a minority.

The history of any popular government in which is exercised the freest discussion for and against proposed legislation reveals the fact that no important measure that should have been enacted into law was permanently defeated by opposition, no matter how large; while, on the other hand, there have been notorious proposals militantly urged by the majority which history testifies would have been dangerously unwise in which the defeat was due to an equally militant leadership of the opposition.

No country, nor any administration in power at a particular time, is ever in greater danger than when the majority is so heavy and strong or the minority so impotent and weak that legislation can be enacted without opposition. In such a situation popular government becomes a total failure.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, one of its clerks, announced that the House had passed a bill (H. R. 3896) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates, for controlled expansion of the currency, to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes, in which it requested the concurrence of the Senate.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

HOUSE BILLS REFERRED

The bill (H. R. 3896) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates, for controlled expansion of the currency, to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes, was read twice by its title and referred to the Committee on Finance.

CONSTITUTION OF THE PHILIPPINES

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on Territories and Insular Affairs:

To the Congress of the United States:

I have pleasure in informing the Congress that I have today certified to the Governor General of the Philippine Islands that the proposed constitution of the Philippines as adopted by the Philippine Constitutional Convention conforms substantially with the provisions of the act of Congress approved March 24, 1934 (U. S. L., vol. 48, pp. 456–465).

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 23, 1935.*

WORK-RELIEF PROGRAM

The Senate resumed the consideration of the joint resolution (H. J. Res. 117) making appropriations for relief purposes, the pending question being on the amendment of Mr. THOMAS of Oklahoma, on page 10, at the end of the joint resolution, to insert the following:

PART II—FINANCING—EXPANSION OF CURRENCY THEREBY MAKING IT POSSIBLE FOR THE PEOPLE TO SECURE FUNDS FOR PAYMENT OF TAXES NECESSARY TO BALANCE THE BUDGET AND TO MEET THE INTEREST AND PRINCIPAL OF THE BONDS MADE NECESSARY BY THE APPROPRIATION MADE IN SECTION 1 OF THIS ACT

SEC. 12. The Secretary of the Treasury is hereby authorized and directed—

(1) To issue silver certificates against all silver bullion now held or hereafter acquired at its monetary value, and such silver certificates shall be placed in circulation immediately through the payment of maturing obligations.

(2) All silver certificates issued and outside the Treasury, and all silver certificates which may be hereafter issued, shall, upon receipt by the Secretary of the Treasury, be reissued and paid out again and kept in circulation as provided for legal-tender notes in chapter 146 of the United States Statutes at Large, Forty-fifth Congress, and approved May 31, 1878.

SEC. 13. The Secretary of the Treasury is hereby authorized and directed to purchase silver bullion at the rate of not less than 50,000,000 ounces per month wherever silver shall be procurable at a price to be fixed by him from time to time, and the silver so purchased shall be paid for, held, and deposited as provided by law: *Provided*, That such purchase of silver shall continue until the proportion of silver to gold in the monetary stocks of the United States shall equal one-fourth of the monetary value of such stocks, or until the price of silver in the world markets, based upon international exchange, shall reach the value of $1.29 per fine ounce, whereupon such purchases shall cease: *Provided further*, That (a) at any time the price of silver in such world markets reaches the value of $1.29 per fine ounce, the mint is hereby opened to the free acceptance of silver upon the basis of 371¼ grains of fine silver to the dollar as provided in section 9 of chapter 16 of the First Statutes of 1792; (b) that payment for all silver accepted, as provided herein, shall be made in standard silver dollars or in silver certificates at the option of the person, firm, association, or corporation tending silver for coinage; (c) that to the end that the necessary proportion of silver may be acquired for our metallic monetary stocks, the Secretary of the Treasury may, in his discretion, exchange gold or silver on a fair and equitable basis of price and silver certificates shall be issued immediately against all silver thus acquired by such exchange as provided in paragraph 1 of section 12 hereof; (d) that the Secretary of the Treasury is hereby authorized, in his discretion, to accept silver at an agreed price in settlement and adjustment of any balance due the United States; and (e) that the Secretary of the Treasury shall make all needful rules and regulations for carrying into effect the provisions of this title.

Mr. ROBINSON. I ask unanimous consent that not later than 1 o'clock p. m. today the Senate proceed to vote on the pending amendment and on all amendments thereto that may be offered.

The VICE PRESIDENT. Is there objection?

Mr. THOMAS of Oklahoma. I object.

Mr. ROBINSON. I move to lay on the table the amendment of the Senator from Oklahoma, and I suggest the absence of a quorum.

Mr. THOMAS of Oklahoma. Mr. President, before the roll is called I should like to make the statement that if this motion shall be put, from now on unanimous consent will not be had in this Chamber.

The VICE PRESIDENT. Did the Senator from Arkansas suggest the absence of a quorum?

Mr. ROBINSON. Yes.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Keyes	Robinson
Ashurst	Couzens	King	Russell
Austin	Dickinson	La Follette	Schwellenbach
Bachman	Dieterich	Logan	Sheppard
Bailey	Donahey	Lonergan	Smith
Barbour	Duffy	McCarran	Steiwer
Barkley	Fletcher	McGill	Thomas, Okla.
Black	Frazier	McKellar	Thomas, Utah
Bone	George	McNary	Townsend
Borah	Gerry	Maloney	Trammell
Brown	Gibson	Minton	Truman
Bulkley	Glass	Murray	Tydings
Bulow	Guffey	Norbeck	Vandenberg
Burke	Hale	Norris	Van Nuys
Byrd	Harrison	Nye	Walsh
Capper	Hastings	O'Mahoney	Wheeler
Clark	Hatch	Pope	White
Connally	Hayden	Radcliffe	
Coolidge	Johnson	Reynolds	

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness, that the Senator from Wyoming [Mr. CAREY] is absent on official business, and that the Senator from Rhode Island [Mr. METCALF], the Senator from New Mexico [Mr. CUTTING], the junior Senator from Minnesota [Mr. SCHALL], and the senior Senator from Minnesota [Mr. SHIPSTEAD] are necessarily detained from the Senate.

Mr. ROBINSON. I announce that my colleague the junior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON] are absent on account of illness, and that the Senator from South Carolina [Mr. BYRNES], the senior Senator from Louisiana [Mr. LONG], the Senator from New Jersey [Mr. MOORE], the Senator from Alabama [Mr. BANKHEAD], the Senator from Mississippi [Mr. BILBO], the Senator from Colorado [Mr. COSTIGAN], the Senator from Oklahoma [Mr. GORE], the Senator from California [Mr. MCADOO], the Senator from Iowa [Mr. MURPHY], the Senator from West Virginia [Mr. NEELY], the Senator from Nevada [Mr. PITTMAN], and the Senator from New York [Mr. WAGNER] are necessarily detained from the Senate.

Mr. DIETERICH. I announce that my colleague the senior Senator from Illinois [Mr. LEWIS] is necessarily detained from the Senate. I ask that this announcement stand for the day.

The VICE PRESIDENT. Seventy-four Senators have answered to their names. A quorum is present.

The question is on the motion of the Senator from Arkansas [Mr. ROBINSON] to lay on the table the amendment of the Senator from Oklahoma [Mr. THOMAS].

Mr. ROBINSON. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. LOGAN (when his name was called). I have a general pair with the senior Senator from Pennsylvania [Mr. DAVIS], who is absent. I transfer that pair to the junior Senator from New Jersey [Mr. MOORE] and vote "yea."

The roll call was concluded.

Mr. BULKLEY. I have a general pair with the senior Senator from Wyoming [Mr. CAREY], who is absent. I transfer that pair to the senior Senator from Illinois [Mr. LEWIS] and vote "yea."

Mr. GLASS (after having voted in the affirmative). I have a general pair with the senior Senator from New Mexico [Mr. CUTTING], who is unavoidably detained from the Chamber. I transfer that pair to the junior Senator from California [Mr. MCADOO] and let my vote stand.

Mr. TYDINGS (after having voted in the affirmative). I have a general pair with the senior Senator from Rhode Island [Mr. METCALF]. However, I understand that on this vote he has made another arrangement, so I let my vote stand.

Mr. ROBINSON. The Senator from New York [Mr. WAGNER] has a pair with the Senator from Louisiana [Mr. LONG]. If present, the Senator from New York would vote "yea", and the Senator from Louisiana would vote "nay."

Mr. AUSTIN. The senior Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness.

The senior Senator from Wyoming [Mr. CAREY] is absent on official business.

The senior Senator from Rhode Island [Mr. METCALF] is necessarily absent. He has a general pair with the Senator from South Carolina [Mr. BYRNES].

The senior Senator from Minnesota [Mr. SHIPSTEAD], the junior Senator from Minnesota [Mr. SCHALL], and the senior Senator from New Mexico [Mr. CUTTING] are detained on official business.

I also desire to announce the following general pairs on this question:

The Senator from Colorado [Mr. COSTIGAN] with the Senator from Minnesota [Mr. SHIPSTEAD]; and

The Senator from West Virginia [Mr. NEELY] with the Senator from Minnesota [Mr. SCHALL].

I am not informed how any of these Senators would vote if present.

Mr. ROBINSON. The junior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON] are detained by illness.

The following Senators are necessarily detained: The Senator from Alabama [Mr. BANKHEAD], the Senator from California [Mr. MCADOO], the Senator from Louisiana [Mr. LONG], the Senator from South Carolina [Mr. BYRNES], the Senator from Illinois [Mr. LEWIS], the Senator from Oklahoma [Mr. GORE], the Senator from Colorado [Mr. COSTIGAN], the Senator from Mississippi [Mr. BILBO], the Senator from New York [Mr. WAGNER], the Senator from South Dakota [Mr. BULOW], the Senator from New Jersey [Mr. MOORE], the Senator from Iowa [Mr. MURPHY], the Senator from Nevada [Mr. PITTMAN], and the Senator from West Virginia [Mr. NEELY].

The result was announced—yeas 40, nays 33, as follows:

YEAS—40

Ashurst	Clark	Hatch	Reynolds
Bachman	Coolidge	Hayden	Robinson
Bailey	Dieterich	La Follette	Russell
Barkley	Duffy	Logan	Schwellenbach
Black	Fletcher	Lonergan	Sheppard
Bone	George	McKellar	Thomas, Utah
Brown	Gerry	Minton	Truman
Bulkley	Glass	Norris	Tydings
Burke	Guffey	O'Mahoney	Van Nuys
Byrd	Harrison	Radcliffe	Walsh

NAYS—33

Adams	Donahey	McGill	Thomas, Okla.
Austin	Frazier	McNary	Townsend
Barbour	Gibson	Maloney	Trammell
Borah	Hale	Murray	Vandenberg
Capper	Hastings	Norbeck	Wheeler
Connally	Johnson	Nye	White
Copeland	Keyes	Pope	
Couzens	King	Smith	
Dickinson	McCarran	Steiwer	

NOT VOTING—22

Bankhead	Costigan	McAdoo	Pittman
Bilbo	Cutting	Metcalf	Schall
Bulow	Davis	Moore	Shipstead
Byrnes	Gore	Murphy	Wagner
Caraway	Lewis	Neely	
Carey	Long	Overton	

So the amendment of Mr. THOMAS of Oklahoma was laid on the table.

Mr. THOMAS of Oklahoma. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 10, after line 9, it is proposed to insert the following:

PART II—FINANCING—EXPANSION OF CURRENCY

SEC. 16. The Secretary of the Treasury is hereby authorized and directed—

(1) To issue silver certificates against all silver bullion now held or hereafter acquired at its monetary value, and such silver certificates shall be placed in circulation immediately through the payment of maturing obligations.

(2) All silver certificates issued and outside the Treasury, and all silver certificates which may be hereafter issued, shall, upon receipt by the Secretary of the Treasury, be reissued and paid out again and kept in circulation as provided for legal-tender notes in chapter 146 of the United States Statutes at Large, Forty-fifth Congress, and approved May 31, 1878. (3) That to the end that the necessary proportion of silver may be acquired for our metal-

lic monetary stocks, the Secretary of the Treasury may, in his discretion, exchange gold for silver on a fair and equitable basis of price and silver certificates shall be issued immediately against all silver thus acquired by such exchange as provided in paragraph 1 of section 12 hereof. (4) That the Secretary of the Treasury is hereby authorized, in his discretion, to accept silver at an agreed price in settlement and adjustment of any balance due the United States; and (e) that the Secretary of the Treasury shall make all needful rules and regulations for carrying into effect the provisions of this title.

Mr. THOMAS of Oklahoma. Mr. President, I shall take just a moment to explain the modified amendment.

The original amendment carried about six proposals. I have eliminated two of them, and the modified amendment carries four.

The first one provides that against all silver heretofore acquired, or which may be hereafter acquired, the Secretary of the Treasury is authorized and directed to issue certificates at the monetary value of the silver rather than at its bullion value. If that is not clear, I shall gladly answer any questions so that it may be made clear.

Up to the present time, according to the reports before the Senate, the Treasury Department has purchased, say, for illustration, 400,000,000 ounces of silver. For illustration we will assume that the Treasury Department has paid 50 cents an ounce for the silver. Therefore the Treasury Department has paid $200,000,000 for it; and under the present policy the Treasury Department is issuing certificates against the silver only to the amount of the price paid. If this amendment should prevail, the Treasury Department would issue certificates against the silver at its monetary value rather than its bullion value, and the monetary value of the 400,000,000 ounces of silver would be something in excess of $500,000,000. So the amendment provides for an expansion of the currency on the silver we now have in the sum of approximately $375,000,000, carrying out a policy which this country has followed for 150 years of considering the silver dollar worth a dollar, and in later years issuing silver certificates against the silver dollar on the basis of 371¼ grains of fine silver.

Under the second proposal in the modified amendment it is proposed to treat silver certificates exactly as we treat greenbacks or Treasury notes. In 1878 the Congress passed a law directing the Secretary of the Treasury to keep in constant circulation all greenbacks or Treasury notes, United States notes. From that time until this the outstanding Treasury notes, in the sum of $346,000,000, have been kept in constant circulation. They are not permitted to be hoarded anywhere. When these certificates reach the Treasury in payment of any sort of dues, taxes, or what not, they are immediately reissued, and in that way the certificates are kept in constant circulation.

For 70 years we have had the benefit of all this money. I propose to make the old law of 1878 apply to the silver certificates, so that the silver certificates may be in constant circulation on a parity with the greenbacks or Treasury notes we now have outstanding. I do not see how anyone could object to that proposal. The other two proposals are discretionary. When I offered this amendment some time ago I had no idea that the Treasury Department would come to the point where it would begin trading gold for silver; but before I had a chance to explain my amendment I was gratified to see in the public press a statement to the effect that the Treasury Department is now trading gold for silver. I approve that policy. I do not try by my amendment to make it mandatory. My original amendment was only suggestive; but in order now to approve what the Treasury Department is doing and to encourage the Treasury Department still further to trade gold for silver, I think it would be well to adopt this section. To the extent to which the Treasury Department trades gold for silver, we can expand the currency in this simple fashion:

The Treasury Department has eight and a half billions of gold. It can trade the gold for silver and have the silver come to us from any place in the world and be placed in our strong box in America. Then, the moment we have the silver in America, we can issue certificates against it, put the certificates in circulation, make a profit on the silver, and, at the same time, expand the amount of money in circulation. This proposal is discretionary. It is nothing more or less than an approval of what the Secretary of the Treasury is now doing; but, inasmuch as he is doing it, and perhaps without express authority of law, I can see no objection to approving by law what he has already done, and giving him encouragement to go forward. The amendment, however, leaves it in his discretion. It does not direct him to do it.

The fourth and last proposal is designed to assist in acquiring the silver stock of 25 percent of our total metallic reserve. At the present time foreign nations desiring to pay a balance to the United States must pay that balance in gold. This section of the amendment makes it discretionary with the Treasury Department to accept payment in silver, of course, at an agreed price, which would be the world price. It is not mandatory. It is only discretionary, to enable the Treasury Department, if it sees fit, as I hope it will, to acquire the 25 percent of silver and at the same time enable us to trade with one-half the people of the world, who have no gold. All they have is silver. They cannot get gold, because the requisite amount does not exist. The United States has almost one-half of all the gold in existence. This portion of the amendment is only discretionary. I think it should be enacted into law.

The amendment as it now stands before the Senate contains those four simple proposals. In my judgment, there is not a single one of them over which there can be any controversy, save the first one, and that is whether certificates should be issued against the bullion at its bullion value, meaning what we paid for it, or whether we should follow the practice which has been in force for generations upon generations, of acknowledging that the silver dollar is worth a dollar, and issuing a paper dollar against it.

If I can have this amendment accepted and go to conference, I shall not discuss it at greater length. The Department is against it. I have not the power to force this proposal through. I said yesterday that I have always known that; but I am surprised at the tactics that have been used during the past 24 hours. I did not use a moment yesterday that I did not think was worth while. Before I started my discussion I was approached by the distinguished senior Senator from Arkansas [Mr. ROBINSON] and asked if I would not limit my speech to 45 minutes. Of course, I realize that many Senators on the floor could say all they know in 45 minutes and have some time left, especially about the money question. [Laughter.]

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. ROBINSON. If the Senator cannot say all he knows on this amendment in 6 hours, I doubt if he can ever do it. [Laughter.]

Mr. THOMAS of Oklahoma. I think probably the Senator's observation is correct; but the money question has been pending before Congress for 150 years. The money question today is pending before every parliament in the world; and I am astonished that a Senator should object to a discussion of it in the United States Senate—the only body in the world, save the House of Representatives, that has the power to consider the money question on behalf of this country.

If this amendment may be accepted, I shall forego the opportunity of further trespassing upon the time of the Senator from Arkansas.

Mr. GLASS. Mr. President, I have not had an opportunity to consult with other members of the Appropriations Committee, but I am desperately anxious to expedite action on the pending joint resolution. For nearly a month now there have been pathetic appeals in the Senate to save millions of people from starvation and other millions from freezing for lack of clothing; and I think they will all starve and freeze to death before we get through with this joint resolution if it shall not be speedily enacted. Therefore, for myself I am willing to accept this amendment and let it go to conference.

Mr. WHEELER. Mr. President, I shall not take very much time. The Senator from Virginia [Mr. GLASS] need not be worried, because I shall not discuss this amendment for very long; but there are a few comments on the ques-

tion of silver which I wish to make at this time, because so much misinformation has been recently published in the newspapers and throughout the country, with reference to the policy of the Government and the Congress of the United States on the silver question. I hesitate to take any time at all on the silver question when this joint resolution is pending, and were it not for the fact that this amendment has been offered I should not now say anything.

I have pending before one of the committees of the Senate a bill directing the administration to do certain things with silver. I had no intention of taking it up at the present time; but I have in my possession at this moment a letter which was addressed to the distinguished Senator from Arizona [Mr. ASHURST] by a gentleman in New York with whom I am not acquainted. In it he says:

I believe you will be interested in attached copy of a telegram to Senator KEY PITTMAN and Senator BURTON WHEELER regarding the money and silver question.

Apparently the silver legislation has not been carried out as directed by Congress.

I wish to emphasize the fact that when the present silver legislation was placed upon the statute books, those who were interested in silver from the monetary standpoint were told by the Secretary of the Treasury that this policy would be enthusiastically carried out by the Treasury Department. I submit that it has not been enthusiastically carried out by the Treasury Department, but, as a matter of fact, the persons who have been put in charge of handling the purchase of silver have been those in charge of the Federal Reserve banks of the country, who have been largely opposed to doing anything or seeing anything accomplished with reference to the money question, particularly as it has reference to silver.

The letter goes on to say:

The price has been kept below 60 cents. The currency has not been expanded as intended. The silver tax has practically destroyed the open silver market in New York to the disadvantage of Americans and the benefit of foreigners.

Low-priced silver and cheap labor have enabled Asiatic countries to purchase our commodities.

This is a point that I think is overlooked when we are talking about the silver question. I have never looked upon proposals for a more extensive use of silver as inflationary; and I say now, as I have said before on the floor of the Senate, that if we had adopted bimetallism a few years ago we should not have been forced at this time to be passing a $4,000,000,000 appropriation measure for the purpose of giving relief to the unemployed in the United States. If we had had the courage to pass that bill we should not have had to pass much other legislation which, in my judgment, has been economically unsound, and which, up to the present time, has not done very much for the benefit of the country.

The letter goes on to say:

It has permitted these Far Eastern countries to ship goods manufactured out of our commodities back to the United States and undersell our own manufacturers, despite high tariff protection.

This is particularly true with reference to cotton, because raw cotton is being shipped out of this country, sent over to Japanese and British manufacturers in Hong Kong and Shanghai and other places, manufactured into cloth, and then shipped back into the United States, even over our tariff walls. Not only that, but to a great extent it has made it possible for the manufacturers in the Orient, and in South America, Australia, and Latin America—all the South American and Central American countries—to take away from the United States manufacturers the markets which they have heretofore enjoyed. Anyone who is familiar with the effect the low price of silver has had on our foreign markets will, I am sure, not attempt on the floor of the Senate to deny the correctness of the statement which I have made.

The letter goes on to say:

I believe you will agree it is now apparent our fundamental trouble is simply a money, tax, or debt problem. That crop reductions, regimentation, curtailing production, Government borrowing and spending, Government interference with business, Government increasing taxes, cannot restore prosperity. In fact, if this policy is continued it will end in economic and financial disaster.

Instead of destroying crops, hogs, cattle, and curtailing production to make things high, why should not our currency or medium of exchange be expanded so that our people may obtain the benefit of these blessings that Divine Providence has showered upon them?

Do you not think that aside from carrying out the silver program the Treasury should be directed to make use of the billions of sterile gold and silver to expand the currency?

I also want to call attention to a very significant statement which was made in the British House of Commons last December by a leading conservative speaker during an important Government debate:

We shall never get international trade going on a wide scale unless we have currency stabilization. The whole future of our economic system, and possibly civilization, depends on the cooperation between this country and the United States; and if we cannot get that, we may as well throw up the sponge.

Mr. President, these are extremely strong words; nevertheless, in my judgment, they are true. I have attempted to point out ever since 1931 that there has been this chaotic condition in the various currencies of the world, which has broken down world trade and made various countries adopt quotas and high tariffs for the purpose of preventing goods from being shipped into those countries, whereas the very thing we ought to have throughout this country—what we need to bring back prosperity—is more currency. We ought to stabilize the currencies of the world upon a sound economic basis, and then we ought to break down the tariff walls and the quotas. Until that time comes—I repeat, until that time comes—there is going to be chaos, not only in the economic situation in the United States but it is going to continue throughout the world.

Why do I suggest action on silver? Simply because since the war there has been not only a shortage of gold in the world with which to carry on the commerce of the world but there has been a maldistribution of gold. Without desiring to criticize those who are in favor of cutting the gold content of the dollar, let me show what the effect of cutting the gold content of the dollar has been, so far as world currency has been concerned. Because people have felt that the price of gold would continue to go up, there has been a hoarding of gold, and there has been a worse hoarding of gold than there was before. There has been no distribution of gold; but, on the contrary, more and more sterilization of the basic moneys in the United States and throughout the world.

This country of ours took whatever gold it had and sterilized it, placed it in the vaults, and it is of practically no more use than if it were at the present time in the mines in the Rocky Mountains. France has done the same thing with reference to her gold. Private hoarders all over Europe, I am told upon reliable authority, have hoarded gold, waiting and expecting the price of gold to increase further.

Let me call attention again to an article in one of the mining journals of the West, in which it is said:

HIGHER UNITED STATES GOLD PRICE IN PROSPECT

A sharp further drop in sterling to $4.50 or below would be so deflationary on the world prices of most commodities in terms of United States dollars that it would seem in due time the United States must also raise the price of gold to the dollar equivalent of whatever the English price of gold may be. Europe believes that the next leg of this upward price movement of gold will be marked by a price of 165 shillings and also $41 per ounce, respectively, when the movement has finally come to rest for a while, but Europe is not so sure that the full rise will come this spring. European opinion seems confused as to the likely date the gold-bloc countries will finally leave gold, though it is expected soon.

Will the United States gain the suggested great advantage of following sterling first to provide a cushion against the fall in commodity prices which will mark at first the abandonment of gold by the gold bloc? They all jockey for position. The move must be made soon, however, which will pave the way for all countries to sometime later go back on gold at a lower parity for their currencies which they can support.

Because of this maldistribution of gold, and because of the shortage of gold to carry on the commerce and the trade of the world, I have suggested that we remonetize silver, and that we remonetize it upon the basis of a definite, fixed ratio to gold.

I appreciate the fact that some of the so-called "economists and professors" in this country have written articles de-

nouncing the legislation which has been passed and have said that the silver legislation and the raising of the price of silver were wrecking China. Anyone who is familiar with the situation in China knows that that is not true. On the contrary, what wrecked China was the low price of silver. It caused a flood of silver to come into the Shanghai banks, because when the Chinese lost confidence in silver they took it to the Shanghai banks, and by reason of the fact that the Shanghai banks were filled up with silver there was a tremendous expansion in that city, buildings of all kinds and characters were erected, there was the greatest building boom that had ever been known in China, and temporary prosperity by reason of that activity.

Then, when the price of silver went up somewhat, the Chinese began to have more confidence in silver. Many of them took their silver out of the Shanghai banks, and took it into the interior. That meant deflation, to some extent. Then there was trouble in the Shanghai banks, and somewhat of a collapse.

While I am on that subject, I call attention to an article which appears in Finance and Commerce on page 178. This magazine is published in Shanghai, China, and I read from the issue of February 13, 1935. I shall read only a paragraph from it. It is written by Koh Tsung Fei. He said:

> Owing to the fall in the price of silver during 1930 and 1931, which was much greater than the fall in the general price of commodities, China, in the latter year, paid nearly a thousand million more dollars for foreign goods than she would have paid in 1929.

He points out that with the present standard of living in rural communities this sum would have been sufficient to maintain 24,000,000 Chinese for 12 months.

Yet, Mr. President, in view of all of the accumulated facts, we see it constantly stated in the New York newspapers and in some of the magazines that the policy of raising the price of silver is ruining China. Of course, it may have hurt some of the international banking concerns in Shanghai, but anybody who thinks that Shanghai or Hong Kong or Foochow is China is badly mistaken. The international bankers control the banking situation in Shanghai and Hong Kong and in other places.

Mr. President, I have pointed out heretofore the effect the low price of silver has had upon the manufacture of cotton goods in this country.

I desire to call to the attention of the Senate some figures which were obtained from the United States Department of Commerce.

In 1912 the number of cotton spindles in Japan was 2,177,000 and in 1932, 7,965,000. In 1912 Japan had 22,000 looms and in 1932, 79,000. During the same 20-year period from 1912 to 1932 her exports of cotton goods increased as follows: Number of square yards exported to China in 1912, 168,000,000, and in 1932, 194,000,000. This increase was not very great, due to the fact that China was also developing her textile industry during the same period of time. But let us see what happened in other countries.

In 1912 Japan exported to India 8,000,000 square yards and in 1932, 645,000,000 square yards. During the same period of 20 years her exports to the East Indies increased from 2,000,000 yards to 352,000,000 yards; to Egypt the increase was from 36,000 square yards to 195,000,000 square yards; to Australia the increase was from 3,000,000 square yards to 36,000,000 square yards; to the Philippines the increase was from 5,000,000 square yards to 21,000,000 square yards; and to South America from 76,000 square yards in 1912 to 27,000,000 square yards in 1932.

In China the number of spindles in 1915 was 1,009,000, and in 1932 had increased to 4,612,000. During the same period the number of looms in China increased from 4,564 to 40,000, while the increase in the production of cotton yarn was from about 225,000,000 pounds in 1915 to about 933,000,000 pounds in 1932, and her increase in production of cotton cloth was from 50,000,000 square yards in 1915 to 800,000,000 square yards in 1932.

It will be contended by some, I know, that silver had nothing to do with that increase, but when the price of silver was down it had the same effect in China as did depreciated currencies in Great Britain, Argentina, and the other countries throughout the world. So that low-priced silver in China and low-priced silver in India and throughout the Orient means depreciated currency. Depreciated currency means that with the cheap coolie labor they can undersell the American manufacturer. That is one of the reasons why our workmen are on the street in the United States; that is one of the reasons why oriental nations can ship their goods over here and dump them over our tariff wall upon the United States.

Someone said to me a while ago, "Senator, do you not know what you are going to do if you raise the price of silver? If you remonetize silver you will put a stop to the industrialization of China." I said, "It may to some extent have the tendency to stop the industrialization of China, but I say that every time a cotton mill is opened in Shanghai, every time a cotton mill is opened in Hong Kong or Bombay or some other city, it means that workers in the United States are thrown out upon the street." While I have no prejudice against the Chinese or the Japanese or the Hindus, or anyone else, I do say that I am far more interested in keeping the people of the United States in the factories of the United States than I am in attempting to help China become industrialized.

It seems to me we should not look at the silver question from the standpoint of inflation, because inflation in this country resulting from the remonetization of silver would be infinitesimal. I repeat that the remonetization of silver would cause but an infinitesimal amount of inflation in the United States.

When I first offered my bill I was told on the floor of the Senate by the Senator from Pennsylvania, the great Senator REED, "If we remonetize silver, the United States will be flooded with silver from China and from India." We raised the price of silver to 54 cents and what happened? Instead of shipping their silver over here, they immediately placed a tax of 20 percent on silver to keep it from leaving the country. Why? Because silver is the only money the Chinaman knows; silver is the only money he ever will know.

There has been talk about putting China on the gold standard. I assert that it is impossible to put China on the gold standard. Shanghai might be put on the gold standard, but to put the rest of China on the gold standard is a physical impossibility.

I know that I am incurring the displeasure of my genial friend from Virginia because I am talking a little longer than I intended to talk, and to make him feel better and cheer him up a little I am now going to quit, but I did want to explain some things in view of the misrepresentations and propaganda which have been going on in this country. The protests from Shanghai, from the Chinese, were brought about purely and simply by the international bankers, who control the Shanghai banks in the International settlements in Shanghai and in Hong Kong.

With these few words, I will say that I myself will support the pending amendment, although it is not an amendment which I would have offered, because I think it does not go far enough. I am at loss to understand, however, why the Treasury Department, after its repeated promises to those of us who were interested in silver and in the silver legislation from the purely monetary standpoint that it would enthusiastically and faithfully carry out the silver legislation program, has not done so up to the present time.

The PRESIDING OFFICER (Mr. CLARK in the chair). The question is on the amendment of the Senator from Oklahoma [Mr. THOMAS].

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Bone	Coolidge	George
Ashurst	Borah	Copeland	Gerry
Austin	Brown	Costigan	Gibson
Bachman	Bulkley	Couzens	Glass
Bailey	Bulow	Dickinson	Gore
Bankhead	Burke	Dieterich	Guffey
Barbour	Byrd	Donahey	Hale
Barkley	Capper	Duffy	Harrison
Bilbo	Clark	Fletcher	Hastings
Black	Connally	Frazier	Hatch

Hayden	Maloney	Reynolds	Trammell
Johnson	Minton	Robinson	Truman
Keyes	Murphy	Russell	Tydings
King	Murray	Schall	Vandenberg
La Follette	Neely	Schwellenbach	Van Nuys
Logan	Norbeck	Sheppard	Wagner
Lonergan	Norris	Shipstead	Walsh
McAdoo	Nye	Smith	Wheeler
McCarran	O'Mahoney	Steiwer	White
McGill	Pittman	Thomas, Okla.	
McKellar	Pope	Thomas, Utah	
McNary	Radcliffe	Townsend	

Mr. ROBINSON. I reannounce the absences which I announced on a previous roll call.

Mr. DIETERICH. I desire to announce that my colleague [Mr. LEWIS] is necessarily detained from the Senate.

The PRESIDING OFFICER. Eighty-five Senators have answered to their names. A quorum is present.

The question is on the amendment offered by the Senator from Oklahoma [Mr. THOMAS].

Mr. HASTINGS obtained the floor.

Mr. GLASS. Mr. President, will not the Senator from Delaware help to prevent people from starving and freezing to death and let us have a vote on this amendment? Then he may address the Senate.

Mr. HASTINGS. I do not know that the amendment is going to do what the Senator suggests.

Mr. GLASS. Well, I do not think it is, but let it go to conference; and then the Senator from Delaware may proceed.

Mr. HASTINGS. I should like to know whether the Senator from Virginia is going to insist in conference upon the amendment's staying in the bill?

Mr. GLASS. The Senator from Virginia never states on the floor of the Senate what he is going to do in conference.

Mr. HASTINGS. I am a little suspicious as to the Senator's attitude.

Mr. GLASS. Is the Senator in favor of the amendment?

Mr. HASTINGS. I am not.

Mr. GLASS. Then why speak on it?

Mr. HASTINGS. That the chairman of the committee has agreed to it furnishes all the reason in the world why I should speak and oppose it.

Mr. GLASS. Well, the Senator from Virginia agreed to accept it in order that it might go to conference, with the accent on "conference."

Mr. HASTINGS. Yes; the Senator from Virginia accepted it in order to get along with this measure. That is the truth about it.

Mr. GLASS. Is the Senator from Delaware opposed to getting along with the joint resolution?

Mr. HASTINGS. Not at all; but I am opposed to doing anything irregular in order to get along with it. That is what I am opposed to.

Mr. GLASS. So am I. I wanted to do something precisely regular in order to get along with it.

Mr. HASTINGS. Mr. President, I always like to do what I can to aid the Senator from Virginia.

Mr. GLASS. The Senator always likes to do it, but never does it.

Mr. HASTINGS. I sometimes do agree with him, but perhaps not so often as I ought to. I am willing to admit that.

Mr. GLASS. Oh, the Senator would be much happier if he would agree with me more often.

Mr. HASTINGS. Yes; I am willing to let the Senator from Virginia make my speech, if he would like to do so. I call his attention to the fact, however, that he is delaying the joint resolution by his constant interruptions.

Mr. GLASS. I have not——

The PRESIDING OFFICER. Does the Senator from Delaware yield further to the Senator from Virginia?

Mr. HASTINGS. I yield.

Mr. GLASS. I have not occupied altogether an hour's time on the joint resolution. I sometimes give momentary good advice, and sometimes do not, to the Senator from Delaware.

Mr. HASTINGS. The trouble is that nobody takes the Senator's advice these days; that is what bothers him, and I am sorry for it, because I agree with him most of the time.

Mr. President, it really makes very little difference to me whether I talk about the pending amendment or not. What I do propose to talk about is the joint resolution itself. That is what I am interested in, and I am satisfied now, as I have been from the beginning, that, with all the effort the Senate has made, there will not be a single amendment left in the measure when it comes back from conference, so that I am not much concerned about what has been accepted or what is to be accepted. I know that when the time comes the President of the United States is going to tell the Congress what kind of legislation he wants, and that is the kind of a joint resolution the conferees are going to write; and I say that without any reflection upon the Senator from Virginia. It will be done in spite of him. We all recognize that the Senator from Virginia is not for this measure any more than am I.

Mr. President, this joint resolution has been before the Senate for several weeks. The resolution as it passed the House was remarkable in two respects: First, the huge amount involved, it being probably the largest appropriation ever made by any legislative body. Second, the amount was not only shocking to the average American citizen, but what was more alarming was the fact that its expenditure was left entirely in the discretion of the Executive.

It will be remembered that the first important contest upon this resolution was as to the prevailing-wage amendment, and, that having been adopted by the Senate, the administration's forces recommitted the joint resolution. When it emerged from the committee the second time it looked upon its face as though some major operation had been performed.

I think the debates that have ensued, however, during these weeks have demonstrated to most people, if not all, that the resolution in its present form is as acceptable to the administration as it was when first presented to the Senate. An effort has been made to make it more specific; an effort has been made to reduce the amount; an effort has been made to protect private enterprises, but hardly a single amendment has been accepted that in any way restricts the President in the free exercise of his discretion in the use of this money. Those of us who realize that an appropriation must be made to relieve the distress of the unemployed are compelled to decide whether we shall vote for a resolution which puts such a terrible strain upon the credit of our Government, and places in the hands of one man more power than any good man should want, and more power than any other kind of man ought to have.

I perhaps should apologize to the Senate for taking up its time on a measure that has already taken a great deal of time, but if we should divide the amount of this appropriation by the number of days we have had it under consideration, we would find that the average amount for each day would be sufficient to justify the length of time taken. I only address the Senate at this juncture for the purpose of recording my protest. For all I know, the joint resolution may be passed without a record vote, and I want to make certain my opposition to it and my determination to vote against it shall affirmatively appear of record.

I know I shall be accused of casting my vote against it either for political reasons or because I have no interest in the persons intended to be relieved through such appropriations. I shall probably be accused of both. But I want to call attention now to the fact that Republicans offered to separate the relief money from the public-works money contained in this resolution and to rush a relief resolution through Congress, so that the relief money might be made immediately available. Further, such a resolution was formally offered in the House on behalf of the Republican minority, but the administration and the Democratic majorities in both Houses of the Congress have persistently refused to permit such action.

Despite accusations which doubtless will be made, I am satisfied that before long the correctness of my decision to vote against this resolution will be justified. Indeed, I am by no means certain but that I shall be vindicated in the

minds of many persons who are now in favor of the resolution within a period of a few months instead of a few years.

While I have very grave doubt about a public-works program being the best way to relieve the distressing unemployment situation, and that I should be inclined to resolve that doubt in favor of the Executive judgment, I have always insisted, before I made that decision, that as a Member of Congress it was my duty to find out what the particular project might be and thus be able to use my own judgment in determining whether the Federal Government was justified in expending the necessary money to do the work contemplated. There seems to be a general feeling, however, that this is not a practical thing to do.

I have insisted that the Congress ought to stay in session, no matter how long, and pass upon the projects submitted to it by the President. It is claimed, however, that this would involve us in what is commonly known as " pork-barrel " legislation; that is, the trading of votes in the Congress in order to enable the Members of Congress to secure projects for their own districts. I realize the evils that have existed in the past in this kind of legislation. I do not deny that something of that nature would happen under such a program as is here contemplated. I also admit that under our Democratic form of government it is impossible to reach perfection. The mere fact, however, that the attainment of such a goal is impossible should not justify any thought of abandoning the effort to attain it. When it comes to facing certain evils under our constitutional form of government, we should do what we can to eliminate as much of the bad as possible. We ought to remember that the chances are that there is a greater evil in any substitution we might make. In other words, admitting that the " pork-barrel " system is bad, I should prefer to operate under that system, and within the literal terms of the Constitution, than I would to surrender my authority as a legislator and pass the whole responsibility to a single individual; I should hesitate to do it even if I knew beforehand that the job would be better done and there would be fewer bad things attached to it. In other words, I want to perform the duty the Constitution contemplated that I, as a Member of the Senate, should perform in the matter of the appropriation of Federal money. I am unwilling to pass that responsibility over to any man or any group of men. It is argued that a single individual or a group of individuals can do the job better than the Congress can do it; I express no opinion upon that point; but there are these differences between the two:

One is the safe way, the other is the dangerous way; one is within the Constitution, the other is outside it; one maintains our form of government, the other tends to destroy it; one weakens a bureaucrcy, the other strengthens it; one inspires confidence in the Nation, the other makes it less certain; one makes our future reasonably secure, the other tends toward dictatorship; one emphasizes our freedom, the other puts our boasted liberty to shame.

Let no man be deceived; we know not where this kind of legislation may lead us.

We were told in the early part of this discussion by the Senator from South Carolina [Mr. BYRNES] that there were precedents for giving the President the discretion proposed now to be reposed in him.

The Senator from South Carolina delved into the history of the appropriations of the past, and, lo and behold, he brought forth a list and asked that it be inserted in the RECORD. I call attention to the list on page 2073 of the CONGRESSIONAL RECORD and ask those who are supporting this measure, because of precedent, to scan it with great care. The Senator describes it as a " summary of some acts of Congress giving to the President the power to spend lump sums that have been enacted throughout the history of the Government." The Senator's list of such appropriations begins with the year 1794 and runs through the year 1919, a period of 125 years. I have assumed that he has selected the most important, if not all, of such acts. There is no such legislation, apparently, between 1919 and the beginning of this administration; at least the Senator from South Carolina did not include any in his list.

He has in the list $10,000,000 appropriated in 1854 to carry out a treaty between the United States and Mexico. An examination of that treaty shows that the treaty itself provides for the payment of the money and the discretion of the Executive was of no importance.

Then he mentions the Panama Canal Act, but that authority was so complete and so specific that the discretion given the President was practically nil.

But let us take a view of the other parts of the Senator's exhibit and see whether it is of any value in the consideration of the present act.

In 1839, $10,000,000 was placed at the disposal of the President, directing him to resist any effort on the part of Great Britain to enforce, by arms, her claim of jurisdiction for that part of the State of Maine that was in dispute. So this was clearly an appropriation for defense.

In 1861 the sums of two million and ten million dollars were appropriated for the defense of the Union.

In 1898, $50,000,000 was appropriated as a defense measure in the War with Spain.

In 1914, $2,750,000 was appropriated for relief, protection, and transportation of American citizens in Europe.

In 1917, in the World War $100,000,000 was placed at the disposal of the President for the defense of the United States; in 1918, $50,000,000 for the same purpose; and in 1919, $100,000,000 was placed at the disposal of the President for European food relief.

It will thus be observed that in the threatened war of 1839, $10,000,000 was appropriated; in the 4 years of Civil War, $12,000,000 was appropriated; in 1898, the year of the Spanish-American War, $50,000,000 was appropriated; and for the purpose of relief in Europe and the defense of the country in the World War the total sum appropriated was $252,750,000. All of these sums were placed at the disposal of the President.

It will thus appear from an analysis of the list of precedence submitted by the Senator from South Carolina, and which is tendered to the Senate as a defense of the present measure, that $324,750,000 over a period of 125 years were appropriated for the purpose of defending the country in 3 serious wars and 1 threatened war, and that for all other purposes during this period of 125 years the list includes only $1,200,000. This covers our whole history up until the present administration, a period of 150 years, and yet the Senator from South Carolina has the courage, the audacity, or whatever you please to call it, to cite this list as an excuse or precedent for handing over to the President this huge sum to spend as he sees fit.

It has also been pointed out that under the National Recovery Act of 1933 there was almost no limit to what the President might do. That fact, however, does not furnish any excuse for making a similar mistake now. I desire, however, to point out that there were some limitations in that act. There were some restrictions placed upon the President; there were some assurances as to how a portion of the money should be used. I desire to call the attention of the Senate to those restrictions in order to show that this measure goes much beyond the act of 1933. Here they are:

First. No river or harbor improvement shall be carried out unless the project has been approved by the Congress, or has been recommended by the Chief Engineer of the United States Army.

Second. The money used for the construction of naval vessels should not extend that project beyond the limits of the London Naval Treaty of 1930.

Third. The money shall not be used for public works under the jurisdiction or control of the Architect of the Capitol, or of any commission or committee for which such Architect is the contracting or executive officer.

Fourth. No grants to States or municipalities, or other public bodies, should be made in excess of 30 percent of the cost of the labor and materials employed upon such projects.

Fifth. All moneys received from sale or lease or the repayment of any loan shall be used to retire obligations of the Federal Government.

Sixth. No money shall be used for railroad maintenance or equipment unless approved by the Interstate Commerce Commission.

Seventh. No advance could be made to the Commission to pay any part of the cost of the Annex of the Library of Congress without request of the Commission.

Eighth. In the acquisition of any land or site for the purpose of Federal public buildings and in the construction of such buildings, the provisions contained in the Emergency Relief and Construction Act of 1932 is applicable.

Ninth. At least $400,000,000 of the appropriation shall be used as grants to the highway departments of the several States.

Tenth. The expenditure of such funds must comply with the provisions of the Federal Highway Act approved November 9, 1931.

Eleventh. None of said funds shall be used for the acquisition of any land in connection with any railroad grade elimination projects.

Twelfth. No part of any fund can be used on secondary or feeder roads, except those agreed upon by the State highway departments and the Secretary of Agriculture.

Thirteenth. No funds can be used unless the State or the responsible political subdivision should provide for the maintenance of such roads.

Fourteenth. No moneys shall be used for the cost of surveys of such feeder roads, except that it be approved by the State highway department and the Secretary of Agriculture.

Fifteenth. The said road funds shall be distributed among the several States in accordance with the provisions of the Federal Highway Act, approved November 9, 1921, except that no part of the funds need be matched by the State.

Sixteenth. All contracts involving the expenditure of such grants shall contain provisions establishing minimum rates of wage.

Seventeenth. Invitations for bids of such contracts shall include the provision for a minimum wage.

Eighteenth. The term "highway" shall be deemed to include such main parkways as may be designated by the State and approved by the Secretary of Agriculture as part of the Federal-aid highway system.

Nineteenth. The approval of the Attorney General is necessary before any Federal land can be given up for highway purposes.

Twentieth. Prescribes definite conditions upon which aid can be given to toll roads and bridges.

Twenty-first. Provides that not less than $50,000,000 of the fund shall be spent on national-forest highways, roads, trails, bridges, and related projects; and national-park roads and trails in national parks; roads on Indian reservations; roads through public lands.

Twenty-second. Provides that this money shall be expended in the same manner as provided in the Emergency Relief and Construction Act of 1932.

Twenty-third. Prohibits any convict labor being employed upon any such projects.

Twenty-fourth. So far as practicable, no person shall be permitted to work more than 30 hours in any one week.

Twenty-fifth. All employees shall be paid just and reasonable wages, which shall be compensation sufficient to provide, for the hours of labor as limited, a standard of living in decency and comfort.

Twenty-sixth. Preference shall be given, when they are qualified, to ex-service men with dependents.

Twenty-seventh. After the preference to the ex-service men, then to citizens of the United States and aliens who have declared their intentions of becoming citizens, who are bona fide residents of the political subdivision or county in which the work is to be performed, or in the State, Territory, or district in which the work is to be performed.

Twenty-eighth. That the maximum of human labor shall be used in lieu of machinery wherever practicable and consistent with sound economy and public advantage.

Twenty-ninth. Provides for the assignment of a contract of a distressed contractor to the Government.

Thirtieth. Makes the funds received by the contractor in any advance a trust fund for the benefit of the subcontractors, and so forth.

Thirty-first. Allocates $25,000,000 of such fund for subsistence homesteads.

I call attention particularly to the limitations in the act of 1933, and the absence of limitations in this act appropriating a very much larger sum, for the purpose of demonstrating that when Congress does release any substantial portion of its power to the Executive that shortly thereafter there comes a demand for more power and less restrictions.

It has been difficult for me to understand how any Member of the Congress could hope to satisfy the constituents of his own State by leaving this appropriation in the hands of a single individual. We all know that this act cannot be administered by the Executive. I do not charge that this fund, or any part of it, will be deliberately and directly used for political purposes. On the face of it, such a charge immediately becomes serious; but I desire to point out how impossible it would be for this fund to be expended without at least political advantage. I think we have had enough experience with other appropriations for relief to know that this will happen. It will happen not only in low places but in high places. The cunning of the average politician will enable him to do it in spite of efforts to avoid it.

In this connection I think it is exceedingly unfortunate that the Chairman of the Democratic National Committee should be sitting around the council table as a member of the President's Cabinet when this money is being allocated, divided, and used. It must be remembered also that he has his own political workers planted in every emergency bureau; and I sincerely hope, as has been predicted, that either he or the President will see how this situation tends to destroy the confidence of the people of the Nation in the expenditure of this money, and that the result will be that Mr. Farley will be eliminated from one of his important offices.

But there are other reasons that make it difficult for me to see how Members of the Congress can support this resolution. I do not intend to cast any reflections upon Mr. Hopkins in the performance of the difficult task that has confronted him; but I respectfully submit that no single individual ought to be clothed with the authority or should have the responsibility of deciding how much a particular State ought to do in the way of contributions for the relief of the unemployed.

There has recently been placed in the RECORD a statement of the amount of money expended in the various States during a period of 21 months. A list of the emergency-relief funds contributed by the Federal Government, as compared with State funds and local funds shows that the amounts contributed by the Federal Government vary from a low of 34 percent in Connecticut and Delaware to a high of 99 percent. There are 10 Southern States which are receiving from the Federal Government over 90 percent of the total contributions used for relief in those States. Most of them are receiving nearly 100 percent. It is difficult for those living in other States who are receiving less amounts and who are struggling, through local taxation and their local charities, to take care of the situation, to understand why these Southern States are not compelled by the Administrator to do more for themselves. It ought not, therefore, to be surprising that complaints should be made about this situation by people in my own State as well as by people of other States who are receiving so much less; or, putting it in another way, who themselves are doing so much more.

The Federal Government has contributed to these 10 Southern States, during this period of 21 months, about $8.25 for every man, woman, and child within their borders, or a total of $192,570,000. In addition to that, there has been paid to the people of these States through the cotton-processing tax the sum of $115,157,000. I merely call attention to these facts for the purpose of showing how bitterly opposed many sections of the country are to this kind of legislation. The same industrial centers that have received a smaller percentage of Federal funds than the Southern States are

suffering very much more from the depression than the people in the Southern States. In addition to that, as I pointed out a few days ago, there is a distressing condition in the South growing out of the reduction in the cotton production. The tenant farmer is in worse condition than he ever was before; and while these huge sums of Federal money have been poured into those States, this class of people apparently have not been provided for.

Able arguments have been made in the Senate by the Senators from Colorado, Virginia, New York, and Maryland in support of an amendment to this joint resolution reducing the appropriation by two or three billion dollars. Those arguments were based largely upon two facts: First, that the sum of money proposed to be appropriated would stretch the credit of the Government almost to the breaking point; second, that the measure is a mere "stopgap", and affords no permanent recovery for the unemployed.

I have said on more than one occasion that I was not sure that the Federal Government could not stand a very much larger indebtedness than that existing at the present time. I still think that is true; but the present siuation is very different from that existing during the World War. We then were plunging ourselves into debt with great rapidity. We believed the country to be in danger, and we were not only risking the lives of our young men, but we were risking all the fortunes the country possessed. During that entire period we were reasonably certain, however, that there would be an end to the war, that peace once more would be declared, and then that the increase in the public debt would be suddenly halted. This prediction upon the part of American citizens everywhere was true. We not only declared peace, but shortly thereafter we began to reduce the public debt, and continued to reduce it by large amounts each year until we had stricken from our debt rolls the huge sum of $10,000,000,000.

The situation now confronting us, however, is very different. For 2 long years we have been told that the unemployment condition was rapidly improving. Various schemes have been put forth by the administration to accomplish this purpose. We are now assured by the President that the country is on the up-surge. With all this assurance, however, we are still confronted with the fact that there are some 11,000,000 people out of employment; we are confronted with the fact that something like 23,000,000 people are now on relief rolls, and we are spending something like $125,000,000 a month in order to take care of them. It is the uncertainty of the situation that makes it so distressing. It is the uncertainty of the situation that has added so much strength to the arguments of those who desire to reduce the amount of the appropriation and get along on an amount actually necessary to keep the distressed people of the country from suffering.

On March 18 the distinguished junior Senator from Arizona [Mr. HAYDEN] delivered a long and able address in an effort to show that the country is not in serious distress. I think it worth while to quote this paragraph from the beginning of his speech (p. 3824):

> We can be of good cheer. Economic conditions in the United States are not so bad as they have been painted. The credit of the United States is sound, and will be maintained. We do not have to believe all we hear or all we read in the newspapers. Some editorial writers have all the mental attributes of "Gloomy Gus", who was at one time quite prominent in the comic strips, but they only repeat unfounded forebodings.

This speech is filled with interesting and valuable data. The basis for the comments of the Senator from Arizona seems to be the economic statement issued by the Royal Bank of Canada. I do not propose to discuss at length the arguments made by the Senator from Arizona. I do not propose to question the authorities he cited; but I assume that the Senator from Arizona, because of his regularity in supporting the administration's measures, and because of his great admiration for and his great faith in the President of the United States, might in the end, if confronted with the facts, be inclined to take the figures and the opinions of his own great President rather than those of some bank of a foreign country.

Therefore, for the purpose of refreshing the Senator's recollection and for the purpose of making the record clear, I desire to review for a little while the great anxiety which existed in the mind of Franklin D. Roosevelt upon this important question from the time he became a candidate for the high office he now holds until the time we began to discuss this joint resolution.

Mr. President, I read from a speech delivered by Governor Roosevelt at Pittsburgh on October 19, 1932, devoted exclusively to the subject of Federal taxation, the Federal Budget, and public expenditures.

Governor Roosevelt at that time said:

> One of these problems—and a very vital one to my family and your family and the whole community—is the financial problem of making both ends meet.
>
> I want to discuss this problem with you tonight fully. To do so sincerely I must tell the facts as they are and conceal nothing from you. It is not a pretty picture, but if we know it and face it we have nothing to fear.
>
> This country is the richest and most resourceful nation in the world. It can and will meet successfully every problem which it faces, but it can do so only through intelligent leadership working unselfishly for the good of all people. That it has not had such leadership in its financial affairs will become obvious from the facts I shall relate to you tonight.
>
> We all know that our own family credit depends in large part on the stability of the credit of the United States.
>
> And here at least is one field in which all business—big business and little business and family business and the individual's business—is at the mercy of our big Government down in Washington.
>
> Now, it is undoubtedly true that the mind of the average individual, man and woman, has been unable to keep pace in the past 10 or 12 years with the intricacies of Federal financing. In the first place, what used to be analogous to an old-fashioned account book, that all the family could understand, has become in Washington a maze of intricate double-entry bookkeeping, which only a few highly trained technical expert accountants could possibly understand.
>
> What I should like to do is to reduce, insofar as possible, the problem of our national finances to the terms of a family budget.
>
> Now, the credit of the family depends chiefly on whether that family is living within its income. And this is so of the Nation. If the Nation is living within its income, its credit is good.
>
> If in some cases it lives beyond its income for a year or two, it can usually borrow temporarily on reasonable terms.
>
> But if, like a spendthrift, it throws discretion to the winds, is willing to make no sacrifice at all in spending, extends its taxing to the limit of the people's power to pay, and continues to pile up deficits, it is on the road to bankruptcy.
>
> For over 2 years our Federal Government has experienced unprecedented deficits, in spite of increased taxes.

Then he refers to the relation of the State, the municipality, and the Federal Government to the taxpayer, and says:

> This simply means that one-third—33⅓ percent—of the entire income of our people must go for the luxury of being governed.
>
> That is an impossible economic condition. Quite apart from every man's own tax assessment, that burden is a brake on any return to normal business activity.
>
> Taxes are paid in the sweat of every man who labors because they are a burden on production and can be paid only by production. If excessive, they are reflected in idle factories, tax-sold farms, and, hence, in hordes of the hungry tramping the streets and seeking jobs in vain.
>
> Our workers may never see a tax bill, but they pay in deductions from wages, in increased cost of what they buy, or (as now) in broad cessation of employment.
>
> There is not an unemployed man, there is not a struggling farmer, whose interest in this subject is not direct and vital.
>
> * * * * * * *
>
> For upon the financial stability of the United States Government depends the stability of trade and employment, and of the entire banking, saving, and insurance system of the country.
>
> To make things clear—to explain the exact nature of the present condition of the Federal pocketbook—I must go back to 1929.
>
> Many people have believed the story which has been painstakingly circulated by this administration that the routine spending of our Federal Government has been kept on a fairly even keel during these past 5 years.
>
> It was perhaps easy to give this impression, because the total outlay each year up to the emergency appropriations of this year did not increase alarmingly.
>
> But the joker in this is that total outlay includes interest and sinking fund of the public debt, a fixed charge which was declining during the days of national-debt reduction and lower interest rates thereon.
>
> On the plain question of frugality of management, if we want to compare routine Government outlay of 1927 with that of 1931, for example, we must subtract this so-called "debt service charge" from the total Budget for both years.

If we do this we find that the expenditure for the business of government in 1927 was $2,187,000,000 and, in 1931, $3,168,000,000.

That, my friends, represents an increase of actual administrative spending in those 4 years of approximately $1,000,000,000, or roughly 50 percent; and that, I may add, is the most reckless and extravagant pace I have been able to discover in the statistical record of any peace-time government anywhere, any time.

It is an ultimate fact, which is the exact reverse of the thing announced as fact by Republican leaders.

Let me repeat those figures, so that the whole country can get them clearly in mind. Leaving out debt-service charges in both instances, the cost of carrying on the Government's business was $2,187,000,000 in 1927, $3,168,000,000 in 1931—an increase in 4 years of $1,000,000,000.

* * * * * * *

In December of 1930 a new Budget appeared. Vast declines in every form of business activity were now crystallized and certain. The national income was in a nose dive, and it was therefore certain that Federal income was on the verge of a catastrophe.

But that new Budget of December 1930 recommended neither increased taxes nor decreased expenditure although upon that recommendation depended the credit standing of this country.

The Budget message of the President asserted that the deficit for 1931 would be only $180,000,000, and contained the statements:

"Nor do I look with great concern upon this moderate deficit, and, "Our Government finances are in a sound condition."

Nineteen thirty-one proved to be the worst year yet experienced in the depression. For my distinguished opponent it was the year when all his distinctive 1928 economic heresies seemed to come home to roost together.

* * * * * * *

No; we need not look abroad for scapegoats. We had ventured into the economic stratosphere on the wings of Mr. Hoover's novel, radical, and unorthodox economic theories of 1928, the complete collapse of which brought the real crash in 1931. The Grundy tariff accentuated the drop.

As hard reality rushed up to meet our fall, this administration did not see fit to adapt its fiscal policies to this inevitable consequence.

It is a responsibility which no campaign alibi can avert, and today the day of reckoning is here.

The recent administration strategy in this campaign is a direct appeal to public sympathy for their agony of spirits in the dark hours of 1931-32, when retribution for our chasing after strange economic gods overtook us. They protest against any assessment of just blame. But they protest in vain.

* * * * * * *

Let us not waste words. I now quote from the daily Treasury statement at the end of the first quarter of the current fiscal year, made 3 weeks ago, on September 30, 1932:

"Excess of expenditures over receipts, $402,943,002."

For the corresponding quarter of last year the deficit was only $380,495,584, but at the end of the year it was $2,885,000,000.

There is, therefore, strong indication that we are in for another staggering deficit. If the present rate continues, the true deficit as of June 30 next year will be over $1,600,000,000, not as large as it was in the unprecedented fiscal year of 1932, but so great that it makes us catch our breath.

Our Federal extravagance and improvidence bears a double evil; first, our people and our business cannot carry its excessive burdens of taxation; second, our credit structure is impaired by the unorthodox Federal financing made necessary by the unprecedented magnitude of these deficits.

The latter is the more technical, but, to my mind, the more immediately dangerous evil; and, at the risk of being tedious to many of my audience, I want to ask their indulgence while I talk for a moment straight to our financiers.

Instead of financing the billion-dollar deficit of 1931 in the regular way, our Government simply absorbed that much of the lending capacity of banks, and, by so much, impaired the credit available for business.

Mr. President, I should like to have Senators listen to this:

In that year the amount of Government obligations held by our banks increased by a little more than a billion dollars.

Bringing it up to $7,300,000,000, which was so alarming. Today the distinguished Chairman of the Committee on Appropriations says the amount is $15,348,000,000. Yet we are not alarmed. The Governor continued:

You know as well as I do that this administration's claims that it has provided credit for industry and agriculture by pouring credit into banks are not frank.

Commercial credit has continuously contracted and is contracting now. Most of this new Government-created credit has been taken to finance the Government's continuing deficits.

The truth is that our banks are financing these stupendous deficits and that the burden is absorbing their resources.

All this is highly undesirable and wholly unnecessary. It arises from one cause only, and that is the unbalanced Budget and the continued failure of this administration to take effective steps to balance it. If that Budget had been fully and honestly balanced in 1930, as it could have been, some of the 1931 collapse would have been avoided. Even if it had been balanced in 1931, as it could have been, much of the extreme dip in 1932 would have been obviated. Our financial men know the unnecessary muddle that has accumulated and is still accumulating in Washington.

Now, how can we continue to countenance such a condition? In all conscience, can an administration which has so frequently failed in a matter so directly touching your own responsibilities ask for your support and trifle with your common sense by these campaign alibis about mysterious foreign forces and this specious talk about sound fiscal policies and administration?

Would it not be infinitely better to clear this whole subject of obscurity—to present the facts squarely to the Congress and the people of the United States and secure the one sound foundation of permanent economic recovery—a complete and honest balance of the Federal Budget?

In all earnestness I leave the answer to your common sense and judgment.

The other bad effect of this fiscal mismanagement is not at all technical. It is the burden of high cost on the backs of all our people.

I can state the condition best by quoting one paragraph from a document published a week ago and signed by both Alfred E. Smith and Calvin Coolidge:

"All the costs of local, State, and National Governments must be reduced without fear and without favor. Unless the people, through unified action, arise and take charge of their Government, they will find that their Government has taken charge of them. Independence and liberty will be gone and the general public will find itself in a condition of servitude to an aggregation of organized and selfish minorities."

Every word of that warning is true, and the first and most important and necessitous step in balancing our Federal Budget is to reduce expense.

The air is now full of Republican deathbed repentance on the subject of economy, but we must look deeper than these eleventh-hour pronouncements. You cannot go very far with any real Federal economy without a complete change of concept of what are the proper functions and limits of the Federal Government itself.

Perhaps we can get some glimpse of the President's underlying idea about the Federal Government from his 1928 speeches. He proposed, you remember, "a new thing in government." He says he "reorganized the Department of Commerce on a greater scale than has ever been attempted or achieved by any government in the world."

In his book the New Day he says, "A nation which is spending ninety billions a year can well afford a few hundred millions for a workable program."

I could go on quoting for a good many minutes, but perhaps the point could be made clearer by recalling that the Department of Commerce went through even the heavy war strain on about thirteen millions a year.

When Mr. Hoover left it, it was spending thirty-nine millions, and for 1933 it estimated it will spend forty-three millions. It is now housed in what is facetiously called in Washington the "temple of fact finding", which costs the people considerably more than the Capitol of the United States.

I might say parenthetically that it is now filled with Democrats, and overfilled at that.

Mr. GLASS. Mr. President, I have always heard it referred to as "Hoover's folly."

Mr. HASTINGS. Democrats manage to use it to some advantage anyway, whatever they term it.

Mr. GLASS. But they did not build it.

Mr. HASTINGS. I must stick to Mr. Roosevelt's speech. I do not want to get off on something else, because I am not certain that this speech has ever been put in the RECORD, and I think it is a good thing to have it placed in the RECORD at this particular time. I continue to read from his speech:

That record may explain the 50-percent increase in Government overhead in 4 years, 1927-31, and I am sure that the whole group of quotations reveal why you can never expect any important economy from this administration. It is committed to the idea that we ought to center control of everything in Washington as rapidly as possible.

That was the idea that increased Government cost by a billion in 4 years.

Now, ever since the days of Thomas Jefferson that has been the exact reverse of the Democratic concept—which is to permit Washington to take from the States nothing more than is necessary to keep abreast of the march of our changing economic situation.

In the latter philosophy and not in the philosophy of Mr. Hoover (which I think is responsible for so much of our trouble) I shall approach the problem of carrying out the plain precept of our party which is to reduce the cost of the current Federal Government operations by 25 percent.

Of course that means a complete realinement of the unprecedented bureaucracy that has assembled in Washington in the past 4 years.

I put in the RECORD, on March 6, 1935, at page 3005, a statement showing that with all the cuts this administration has made on the soldiers, with everything it has done, the regular Budget is approximately what it was at the time Mr. Roosevelt was talking about.

Now he discloses his plan as follows:

Now, I am going to disclose to you a definite personal conclusion which I adopted the day after I was nominated in Chicago. Here it is: Before any man enters my Cabinet he must give me a twofold pledge of—

1. Absolute loyalty to the Democratic platform and especially to its economy plank.

2. Complete cooperation with me, looking to economy and reorganization in his department.

I regard reduction in Federal spending as one of the most important issues of this campaign. In my opinion it is the most direct and effective contribution that government can make to business.

Mr. President, I ask Senators to observe this sentence with great care:

In accordance with this fundamental policy, it is equally necessary to eliminate from Federal budget making during the emergency all new items, except such as relate to direct relief of unemployment.

In other words, he is now talking about budget making. And he goes on in the next sentence and explains what he means. But he there gave the very distinct impression that he expected his Budget messages and his Budget plans to include the money necessary for direct relief to unemployment. Here is what follows:

As a part of this phase of the problem—

And this makes clear what he had in his mind—

I note that former President Coolidge is reported as having said in a speech in New York City:

"An early and timely word from the Democratic candidate for President that he would reject the proposal to increase the national debt by $2,300,000,000 to pay a bonus would have been a great encouragement to business, reduced unemployment, and guaranteed the integrity of the national credit. While he remained silent economic recovery was measurably impeded."

That charge is baseless and absurd for the reason that last April my views on the subject were widely published and have been subsequently frequently quoted. I said:

"I do not see how, as a matter of practical business sense, a government running behind $2,000,000,000 annually can consider the anticipation of bonus payment until it has a balanced Budget, not only on paper but with a surplus of cash in the Treasury."

No one, for political purposes or otherwise, has the right in the absence of explicit statement from me to assume that my views have changed. They have not.

So much for another effort by Republican leaders to preach an unwarranted gospel of fear and panic to the American electorate.

I have sought to make two things clear: First, that we can make savings by reorganization of existing departments, by eliminating functions, by abolishing many of the innumerable boards and commissions which over a long period of years have grown up as excrescences on the regular system. These savings can properly be made to total many hundreds of millions of dollars a year.

Secondly, I hope that it will not be necessary to increase the present scale of taxes, and I call definite attention to the fact that as soon as the Democratic platform pledge is enacted into legislation modifying the Volstead Act, a source of new revenue amounting to several hundred millions of dollars a year will be made available toward the balancing of the Budget.

The above two categorical statements are aimed at a definite balancing of the Budget.

At the same time, if starvation and dire need on the part of any of our citizens make necessary the appropriation of additional funds which would keep the Budget out of balance, I shall not hesitate to tell the American people the full truth and recommend to them the expenditure of this additional amount.

My friends, these have been unhealthy years for prophets, and I hasten to disclaim that role.

But one thing I know. A powerful cause contributing to economic disaster has been this inexcusable fiscal administration and the obscurity and uncertainty that has attended and grown out of it.

There it remains for all to see—a veritable cancer in the body politic and economic.

Is it prophecy to assure you that if we remove this destructive growth we shall move on to better things?

To my mind this is so plain and persuasive as scarcely to be open to argument. As I said in the beginning, this is the one field in which business is wholly in the grip of government.

By the same token, it is the one field where government can make the greatest possible present contribution to recovery. To this contribution I here pledge the utmost of my faith and my ability.

I am as certain as mortal man can be certain of anything in the future that from the moment that we set our hands openly and frankly and courageously to this problem, we shall have reached the end of our long, hard downward road and shall have started on the upward trail.

We shall have built for economic recovery a firm footing, on a path broad, true, and straight.

Join me, and "let's go"!

And they joined him, and did they go!

This speech, Mr. President, may have been responsible for the election of the President. I do not know, but I propose to follow it on through from this campaign speech to the present hour.

In the President's inaugural address he stated:

Through this program of action we address ourselves to putting our own national house in order and making income balance outgo.

Nobody doubted at that time the sincerity of the President in making this statement. Indeed, it was confirmed less than a week afterward when he sent his message of March 10, 1933, to the Congress. Let me quote from that message his exact words:

For 3 long years the Federal Government has been on the road toward bankruptcy.

For the fiscal year 1931 the deficit was $462,000,000.

For the fiscal year 1932 it was $2,472,000,000.

For the fiscal year 1933 it will probably exceed $1,200,000,000.

For the fiscal year 1934, based on the appropriation bills passed by the last Congress and the estimated revenues, the deficit will probably exceed $1,000,000,000 unless immediate action is taken.

Thus we shall have piled up an accumulated deficit of $5,000,000,000.

With the utmost seriousness I point out to the Congress the profound effect of this fact upon our national economy. It has contributed to the recent collapse of our banking structure. It has accentuated the stagnation of the economic life of our people. It has added to the ranks of the unemployed. Our Government's house is not in order, and for many reasons no effective action has been taken to restore it to order.

Upon the unimpaired credit of the United States Government rests the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of our agricultural products, and the availability of employment. The credit of the United States Government definitely affects these fundamental human values. It, therefore, becomes our first concern to make secure the foundation. National recovery depends upon it.

Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger.

It is too late for the leisurely approach to this problem. We must not wait to act several months hence. The emergency is accentuated by the necessity of meeting great refunding operations this spring.

We must move with a direct and resolute purpose now. The Members of the Congress and I are pledged to immediate economy.

I am, therefore, assuming that you and I are in complete agreement as to the urgent necessity, and my constitutional duty is to advise you as to the methods for obtaining drastic retrenchment at this time.

I am not speaking to you in general terms. I am pointing out a definite road.

The President in that message requested the authority to reduce the pay of the civil and military employees of the Government and to reduce the compensation being paid to the war veterans. The President continued:

Where a great danger threatens our basic security, it is my duty to advise the Congress of the way to preserve it. In so doing I must be fair not only to the few but to the many. It is in this spirit that I appeal to you. If the Congress chooses to vest me with this responsibility, it will be exercised in a spirit of justice to all, of sympathy to those who are in need, and of maintaining inviolate the basic welfare of the United States.

I ask that this legislation go into effect at once, without even waiting for the beginning of the next fiscal year. I give you assurance that if this is done there is reasonable prospect that within a year the income of the Government will be sufficient to cover the expenditures of the Government.

That act was passed with only 13 dissenting votes. The people of the country who believed in a program of economy were reassured in their belief that the President's promises in his campaign speeches were to be made effective as soon as possible. The authority once given, the President made a drastic and what many people believed to be an unjust reduction in veterans' compensation. These reductions were modified from time to time until the amount of the savings had been greatly reduced.

Additional legislation involving large sums of money was requested by the President from time to time, and on January 3, 1934, the President sent his Budget message to the Congress, in which he estimated that the cost of expenditures over receipts for the fiscal year 1934 would be $7,309,068,211. It will be observed that this Budget message came about 9½ months after the message of March 10, in which he warned the country that it was on the road to bankruptcy.

In the same Budget message the President estimated that during the fiscal year 1935 the public debt would be increased to $31,834,000,000 and that it was expected in the fiscal year

1936 that the expenditures, including recovery and relief, would be within the revenue expended.

It must be borne in mind also that in the meantime special taxes had been levied at the suggestion of the President, and except for these special taxes this deficit would have been increased by $513,000,000.

During the year 1934 the Congress continued to pass legislation recommended by the President, appropriating large sums of money, and in the President's Budget message of January 3, 1935, the President estimated that the deficit for 1936 would be $4,528,000,000 and that the public debt would be increased to $34,239,000,000.

Since that Budget message was received, the President, on January 7, 1935, submitted to the Congress a message recommending legislation on economic security. Such legislation, if passed, will increase the annual appropriations permanently by something like $220,000,000, and in addition to that, will tax the employers of the Nation billions of dollars annually.

On January 24, in a message to the Congress, the President refers to the fact that he has asked for $4,000,000,000 for public projects, but he also suggests that after the immediate crisis of unemployment has begun to pass, he hopes we can afford to appropriate $500,000,000 annually for public-works projects.

In the President's annual message to the Congress he did not mention the amounts, but distinctly stated, "I assure you now, they will be within the sound credit of the Government."

Thus we find the President on March 10, 1933, declaring that we were on the road to bankruptcy with a threatened deficit of $1,000,000,000 for the fiscal year 1934, but that if the requested legislation was passed by the Congress, there was a reasonable prospect that within the year the income of the Government would be sufficient to cover the expenditures of the Government. In the intervening 22 months the threatened $1,000,000,000 deficit had increased to something like twelve or fourteen billion dollars, and yet the President assures us, with all solemnity, that these appropriations are within the sound credit of the Government.

We do have, however, this warning from the chairman of the committee when he said on February 21, referring to the President being opposed to the McCarran amendment:

> He is opposed to it because, like many thoughtful citizens, he has begun to consider how much further we may go in public expenditures before wrecking the credit of the Nation.

I am wondering, Mr. President, what excuse can be made for this sort of a record. I am wondering what defense can be made and how anybody can say that the pending legislation is all wise, merely because the President has expressed to the Congress in his annual message what he proposes to do with the money we turn over to him. I am wondering how the Senator from Arizona [Mr. HAYDEN] can reach the conclusion, in view of the statements I have quoted, that the credit of the Nation is perfectly safe and sound, and that the credit of the Nation is not in danger. More than that, I am wondering how he dare gamble on a record such as I have disclosed. I am wondering whether the facts here disclosed do not impress themselves upon the Senate. Have we not a real duty to perform, a real duty to find out for ourselves what is best for the country, and to act accordingly, and not to do what we have done here for the last several weeks, namely, to find out what is satisfactory to the President and vote accordingly? It is not only the shameful surrender of our constitutional power, but it is avoiding a responsibility that is peculiarly our own.

About a week before the last election the President announced that he would recommend to the Congress the restoration of the full pay to the Federal employees beginning July 1, 1935. During this Congress an effort was made to make that date January 1, instead of July 1, and Congress finally agreed upon April 1. My recollection is this bill carries a necessary increase of Federal appropriations of $16,000,000.

Let me call attention to the rather startling statement made by the President when he signed the pay-restoration bill. The newspapers carried reports that the President was withholding his approval for several days. When he did sign it, he made a public statement to the effect that Congress would be compelled to levy new taxes to meet this new additional obligation of the Federal Government. He made this statement in face of the fact that under his administration 108,786 new Federal jobs have been created at an annual cost of $150,000,000.

I have already called attention to the fact that during the 2 years of this administration the deficit has increased something like $5,000,000,000 or more for each of the 2 years.

How is it possible to take the President seriously when he makes the statement that an increase of pay to the Federal employees of $16,000,000 will mean new taxes levied to meet that specific sum? What does such a statement signify? What does it mean to the average person? What conclusion must the Members of Congress reach in reading such a statement? The answer is simple; to me it is perfectly plain. The President intends to give the impression, both to the country and to the Congress, that no appropriation shall be made, and no appropriation shall be increased, unless the suggestion for such appropriation or increase comes directly from the President of the United States. It demonstrates once again the mistake Congress had made in the past and is about to make now in giving up its own powers and its own responsibilities. It shows once again, as it always has shown, that unusual powers granted means greater powers demanded.

I have shown by the President's own language that at almost the beginning of his administration he believed the Budget could be balanced. I have shown how badly mistaken he was in calling attention to the fact that 9½ months later he estimated that the Budget would be out of balance by more than $7,000,000,000. I have shown by his own language that he expected the Budget to be balanced in the fiscal year 1936. I have shown that a year later he was wrong in that respect by something like $5,000,000,000.

In view of these facts, how dare we depend entirely upon what the President says as to what will happen to the country if we appropriate this huge sum of money and leave it to him to spend? Shall we pass over to him our responsibilities and gamble again on his judgment being right? Shall we assume this stretching of the credit of the Government to almost the breaking point as the only remedy for the ills that beset us? Suppose the President's judgment should not be correct, and that after this money shall have been expended there still remain millions of people out of jobs and in need of food, clothing, and shelter; can we satisfy our own conscience by saying that we took the judgment of one in whom we had confidence?

I fully realize what the reaction of Mr. Donald R. Richberg, the no. 2 man in the present administration, will be to these comments I have made.

On March 18 he delivered a radio address in which he described the political groups in this country as:

> The Old Guard, the Progressives, and the Destroyers.

I am quite certain that Mr. Richberg would place me, particularly in view of this speech, as a member of the first group. He describes this group as follows:

> The "old guard" believe we should go back to the system of unrestrained self-seeking under which a few people could accumulate unjustified wealth and control the lives of a multitude, without acknowledging or fulfilling their responsibility to the general welfare.

In view of the record of Mr. Richberg's progressive program, its promises and fulfillments, let me see if Senators think this prediction of his is justified.

I quote from that speech this paragraph:

> It should be possible to prove today to at least 4 out of every 5 voters, to at least 4 out of every 5 fathers and mothers in this land, that they and their leaders must stand together against the "old guard" and the "destroyers" for the protection of everything they hold dear. And if the voters and the fathers and mothers of this Nation really knew the facts and the dangers confronting them, they would make their demands heard in one great shouting that would drive the sensible, progressive leadership of this Nation into common action and into common opposition to those who are playing upon the prejudices of either the fortunate rich or the

unfortunate poor, and who either blindly or intentionally are enlisting their followers to engage in civil warfare.

Why is it that the people of this country, the sober, sensible, hard-working men and women, do not understand the dangers that are confronting them, and are not sure today who are their friends and who their enemies?

Further along in that speech he undertook to condemn the "destroyers" in this language:

To those who seek an enemy against whom to charge their misfortunes, come all varieties of the demagogue charging that bankers, or labor leaders, or chain stores, or Communists, or clergymen, or racketeers, or big business, or college professors, or chambers of commerce, or Congress, or the A. F. of L., or Wall Street—or, anyhow, that some particularly wicked lot of people are the cause of all our woes.

Mr. President, if there be anyone in this country who is more responsible than Mr. Richberg for criticizing these groups and holding them responsible for the present condition of the country, I should like to know who it is.

I agree with the following observations made by Mr. Richberg:

It was not the incidental fact, or fiction, of Nero fiddling during the burning of Rome that destroyed the Empire. It was the underlying fact that the people of Rome were becoming accustomed to look upon their Government as the provider of bread and circuses, and were forgetting that self-government and self-support are a serious business, to which the masses and the leaders of the people must give their serious attention most of the time if they are to prosper and to survive as a nation.

The substance of his speech related to the N. R. A., and he began that discussion by saying:

Let me concentrate this critical issue for a few minutes upon the future of the N. R. A.

I remember distinctly last fall getting the impression from Mr. Richberg as to what he thought of those of us who criticized the N. R. A. His exact language, as I remember it, was that the only people who were criticizing the N. R. A. were the "mental derelicts of a world that is past and gone." Permit me to invite attention to what he said in this speech with respect to N. R. A.:

The whole problem presented to the Congress, as a deliberative body of intelligent men representing all the people, is how shall the framework and administration of the N. R. A. be improved and strengthened so that through it our industrial system may be improved and strengthened.

Mr. President, I suggest at this point that, so far as I know, the rewriting of N. R. A. is the only job the administration has ever left with the Congress. Until that very time, until they reached the place where they themselves were compelled to condemn the N. R. A., and not until they reached that point, did they submit to the "intelligent Congress", of which Mr. Richberg speaks, the rewriting of N. R. A. In other words, they remit to Congress the task of making a good job of that of which they and their administration have made a miserable job. Here is what Mr. Richberg said as to those who are objecting:

The thorough-going reactionary—

Bear this in mind, and bear in mind what was said about the N. R. A. in the Senate just yesterday or the day before—

The thorough-going reactionary—

My friends the Senator from Idaho [Mr. BORAH], the Senator from North Dakota [Mr. NYE], the Senator from Virginia [Mr. GLASS], the Senator from Alabama [Mr. BLACK], and others on the other side of the Chamber are in this class—

The thorough-going reactionary, who wants to return to a discredited system, who wants to lead us back to chaos, is, of course, beyond the reach of argument. He does not want any planning, or self-government, or discipline in our economic system—just an anarchistic struggle to survive. God pity him—and those who follow him! He and his kind have written most of the bloody pages of history, moved by and glorifying the most brutal, selfish instincts of the human animal.

But the remainder of the Congress, the large majority, must be relied upon to determine how should the law be rewritten to preserve its demonstrated power for good and to safeguard the public interest against weaknesses or abuses of power in its administration.

Mr. President, another criticism is of the courts. Just this morning I read that Mr. Richberg said that every district judge has a place of his own in the judicial system, and until his judgment is overruled his decision is law. Good lawyer that Mr. Richberg is, good lawyer that he believes himself to be, if I were arguing a case before the Supreme Court I should rather take the opinion which had been written by some district judge as my authority and submit it as such than to take an opinion which might be offered by Mr. Richberg as his individual opinion.

With respect to that point he said:

The last stronghold of an irreconcilable opposition appears to lie in legalistic arguments over the powers of the Federal Government. Here again public opinion is confused by sound and fury emanating from the bench and bar instead of light.

He closed his speech with this statement:

When men of honest purpose and genuine devotion to the public good begin to close their ranks against the pulling and hauling of the Old Guard and the destroyers on either side of them, when they begin to pass the word down the line, "Fall in behind the President Steady ahead!" there will run through the Nation a thrill of confidence that will restore comfort and security to millions of troubled homes. May that day not be long delayed.

I wish to the living God I could believe this to be true. No, Mr. Richberg; this is not what we need in this country in order that we may enjoy a thrill of confidence. No man ever occupied the White House whose charming personality gripped the people of the whole Nation as did that of Franklin D. Roosevelt for the first few months of his administration. No man ever had such universal support from the public press. No man ever had such a universal support of the Congress of the United States. No man ever had a greater opportunity to direct the affairs of a great Nation as his own judgment might dictate. No man in that position ever took upon himself a greater responsibility. No man was ever more entitled to the credit of any success that followed his efforts. But there comes a time when intelligent Americans can no longer be satisfied with the smiles and light-heartedness of the Chief Executive, who holds in his hands unprecedented powers. There comes a time when they must look through the propaganda and ballyhoo; there comes a time when they must carefully examine the programs advanced by inexperienced men and ascertain for themselves whether they will take a chance of adopting them.

Mr. Richberg apparently thinks 2 years is not enough of this experiment; that all we have to do is to continue the faith, continue the propaganda, continue the ballyhoo, and ultimately all will be well. I am satisfied for him to call me, because of my criticism, a man without honest purpose and without genuine devotion to the public good. I am satisfied for history to record him as a dashing young general, plunging recklessly forward with an assurance of victory. I am satisfied to be described as one who wants to hold to military tactics that have proved successful in other wars. I am satisfied to occupy the position of a lieutenant and walk while Mr. Richberg parades around on his gilded and fast-moving steed. What I am not satisfied to do is to permit Mr. Richberg and his Chief to lead the American forces to destruction without protest. That is my only apology for taking up the time of the Senate today.

BILL TO EXTEND "EMERGENCY" TO 1937

Mr. SCHALL. Mr. President, we are now in the twelfth week of a stormy session, which began with a demand of the President, which not only was the most extraordinary demand in the history of America but was the most astounding demand ever made by a king, dictator, or emperor upon his subjects in the peace-time history of the world.

In addition to the usual expenditures of government, which exhausted ordinary receipts—indeed, in addition to the billions of unusual expenditures for all the alphabetical bureaus that doubled the cost of government—the President demanded that we appropriate to him in one lump $4,000,000,000, subject to his allocation; an amount $1,000,000,000 greater than all the annual revenues of the Government.

During the 4 years of the Hoover administration, 1929–32, the average annual expenditures of the Federal Government, not including public-debt retirement, were approximately

$3,800,000,000, and the average ordinary receipts, not including postal receipts and debt payments, were $3,100,000,000.

During the 4 years of the Coolidge administration, 1925–28, the average ordinary expenditures were $3,500,000,000, against receipts that showed a 4-year surplus averaging $400,000,000 a year.

During the first 8 months and 16 days of the present fiscal year the expenditures were $4,843,000,000, and the Treasury deficit $2,493,000,000.

The fiscal year 1934 showed Federal expenditures of all kinds, both governmental costs and new-deal experiments, closely approximately $8,000,000,000 and a deficit crowding $4,000,000,000.

Standing at the peak of Federal debt—yes; $5,000,000,000 above the World War peak, and now seeking to climb into the stratosphere to unknown heights which no monarch has yet mounted—the President calls down to Congress: "Send me up another $4,000,000,000 lump to allocate me over my 1936 emergency, which I desire extended until 1937."

Mr. President, on a previous occasion, about a century ago, in this Chamber, after the Ship of State for 12 weeks had lost its bearings in the trough of the sea, a distinguished Senator from Massachusetts, Mr. Webster, located the compass to find where they were drifting and to allocate the breakers. Equally distinguished Senators from the majority side of our deck have attempted, and I trust not in vain, to save the ship new deal, now floundering in an unknown sea of insolvency under that strange piratical flag called "Blue Eagle."

Let us now review the breakers threatening that ship, as pointed out by these observant Senators of the majority during the past few days of stormy debate and warnings.

The distinguished Senator from Virginia [Mr. GLASS]—the State which gave the country 6 of our first 10 Presidents—has pointed out two financial breakers which, under the load of another four billions, threaten the ship with wreck. As Chairman of the Senate Committee on Appropriations, author of most of our banking laws of the past 20 years, Secretary of the Treasury under President Wilson, and the first choice of Roosevelt for Secretary of the Treasury—a post which the senior Senator of Virginia, shall we say with wise discretion? declined—the Senator from Virginia speaks as a trained pilot when he issues the following warning—page 3952:

I still maintain the view that the appropriation contained in the joint resolution would bring us too near the point of impairment of the public credit. If that should occur, as already I have pointed out, it would be a disaster too momentous for the human imagination now to grasp, disastrous to the Government itself, disastrous to private enterprise and industry, which, so far from being able to expand, would be desperately curtailed; and just in the measure that it should either fail to expand or should be largely curtailed it would do a desperate wrong to the working classes of the Nation.

That is breaker no. 1; and now the Senator from Virginia [Mr. GLASS] points out breaker no. 2:

I have said already that an impairment of the credit of the United States to the point of 10 percent would so impair the credit of the banks as to render 90 percent of them practically insolvent. That would mean more than the mere statement of the fact, because the impairment would not cease at 10 percent. That alone would create such peril and such distrust that it would go on and on, and catastrophe would inevitably follow. * * * I am perfectly content to stand upon the prediction that, if this tremendous appropriation shall be made, it will imperil the credit of the United States, with all of the succeeding consequences.

Coupled with this warning of the senior Senator from Virginia comes word from the White House that the President and Secretary Morgenthau of the Treasury have embarked upon a country-wide popular campaign to sell "baby bonds"—a $25 bond for $18.75. Is that not in itself an admission from the White House and Treasury that the credit of the Government is impaired?

Why do the President and his Secretary of the Treasury find it necessary to peddle $25 bonds at a bargain-counter price of $18.75 unless they have found that Government credit is impaired to the extent that they find it difficult longer to sell their bonds to large investors and the larger banks? Why are they forced to resort to a house-to-house peddler program at a break-down bargain price 23 percent below par and try to sell their wares to wage earners and savings depositors at cut-rate prices unless the credit of the Government is already beginning to sink under its deck load of debt, deficit, and doles?

Now comes the lookout, the junior Senator from Virginia [Mr. BYRD], 4 years Governor of the State that gave the country six Presidents. He brings the following warning of disaster if we try to load the leaking ship with another $4,000,000,000 of debt cargo and thereby double the deadweight tonnage of safe capacity. He finds:

1. That the addition of this debt and interest burden to the present tax burden of the country—Federal, State, and local—would swell the taxes of the country to 40 percent of the income.

2 That the interest burden of the public debt, swelled to over $1,000,000,000 annually, would equal one-third of the total receipts of Federal revenue.

3. That our present Federal debt authorizations of $34,000,000,000, which may reach $45,000,000,000 in 1936, not only impair the Government credit and endanger the bank foundation but withdraw capital from industry and industrial expansion, and thereby cut down both the employment and wages of labor and extend and deepen the depression.

Comes a warning from the West from the Senator from Colorado [Mr. ADAMS], corroborating the reports of his colleagues, as follows (p. 3819):

The President of the United States pointed out that a deficit of $5,000,000,000 at a time (1933) when the indebtedness of the United States was only $21,000,000,000 at the outside was endangering the national credit. What is the situation today? * * * The national indebtedness, Mr. President, is roughly $35,000,000,000. * * * The President estimates a deficit of four and a half billion dollars this year and an equal amount next year. We are on the road to an indebtedness on the part of this country of $50,000,000,000. If the national credit was in danger when the indebtedness was $21,000,000,000 and when the deficit was $5,000,000,000, and if, as the President says, unemployment, the collapse of our banking structure, and the lowering of industrial activity were due to that course toward bankruptcy, what is to be said today? * * * We are running behind so rapidly that our income today is only about 37 cents on each dollar of expenditure. Is it not time to take warning?

In his highly interesting citations from the message of the President to Congress, March 10, 1933, the Senator from Colorado quotes the following White House alarm:

For 3 long years the Federal Government has been on the road toward bankruptcy.

For the fiscal year 1931 the deficit was $462,000,000.

For the fiscal year 1932 it was $2,472,000,000.

For the fiscal year 1933 it will probably exceed $1,200,000,000.

For the fiscal year 1934, based on the appropriation bills passed by the last Congress and the estimated revenues, the deficit will probably exceed $1,000,000,000 unless immediate action is taken.

Thus, the same President who noted with alarm as recently as 1933 a prospective deficit of $1,000,000,000, today jumps that deficit to $4,500,000,000 for 2 years in a row, and, to make sure of it, demands four billions in a lump for his own allocation.

"For 3 long years", said Roosevelt, "the Federal Government has been on the road toward bankruptcy" because of accumulated deficits of $5,000,000,000. He then proceeds to pile up, in the 3 years to follow, a sum of accumulated deficits mounting to $12,500,000,000, and calls it "relief" and "national recovery."

The effect of the $21,000,000,000 debt and the $5,000,000,000 of deficits in those "3 long years", said Roosevelt, was this:

It has contributed to the recent collapse of our banking structure.

It has accentuated the stagnation of the economic life of our people. It has added to the ranks of the unemployed. Our Government's house is not in order, and for many reasons no effective action has been taken to restore it to order.

What do the President and his obedient majority then do to restore our Government house in order? First, he jumps the public debt from $21,000,000,000 up to a peak of $35,000,000,000. Then he increases the "3 long years" of accumulated deficits from $5,000,000,000 up to $12,500,000,000 in the next "3 long years", and assures a "rubber stamp" Congress that the Government's house is now in order. All Congress has to do is to turn over its legislative function to the White House, and vote another $4,000,000,000 in one sum subject to the allocation of the Executive.

Let the Senate majority, before it votes to becomes particeps criminis to this act of driving Uncle Sam "on the road

toward bankruptcy", read this final word of March 10, 1933, from the White House:

Upon the unimpaired credit of the United States Government rests the safety of deposits, the security of insurance deposits, the value of our agricultural products, and the availability of employment. The credit of the United States Government definitely affects these human values. It therefore becomes our first concern to make secure the foundation. National recovery depends upon it. Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger.

That was only 2 years ago. Has the Senate majority already forgotten their commander's warning about wrecks on the "rocks of loose fiscal policy"? Have they forgotton that call from the captain's deck:

We must avoid this danger?

How do we avoid the danger of a $21,000,000,000 debt? By piling it up to $35,000,000,000 in 1935 and then by 1937 have it go up to $45,000,000,000? Do we avoid the menace by increasing it, first by 66 percent, and then by over 100 percent?

How do we avoid the danger of "3 long years" of deficits accruing, amounting to $5,000,000,000? So it proposed to avoid it by multiplying it 150 percent to an accumulated $12,500,000,000? That is precisely the kind of "relief" which this joint resolution and the accompanying "rocks of loose fiscal policy" call for.

If $5,000,000,000 of accumulated deficits contributed to "the recent collapse of our banking structure", cut down the "value of our agricultural products", and "added to the ranks of the unemployed"—what will $12,500,000,000 of "3 long years" of deficits do to the banks, the farms, and the army of unemployed?

We are now about to vote on how to "avoid this danger." Shall we vote to steer the Ship of State away from these "rocks of loose fiscal policy", or vote to steer the ship into a maelstrom piled up 100 percent? That is the question that confronts us.

There were other storm signals raised by warning voices on the majority side of the Senate aisle. From the Far West came the voice of the distinguished jurist of Nevada, the Junior Senator of that State [Mr. McCARRAN], who pointed to breakers such as these:

1. That we are striking down the American wage standard by voting to pay on public works rates of wages below the prevailing wage.
2. That we thereby are destroying the wage standard built up by a generation of organized labor in progressive legislation, by arbitration, by strikes, and by the decisions of courts.
3. That we are undermining the case of labor both by lowering the wage standard and by cutting down employment through impairment of Government credit, transfer of investment from industry to tax-exempt Government bonds, and cutting down the industrial expansion upon which labor employment depends.

From the Senator from New York [Mr. COPELAND] comes yet another warning.

If we had a decline today in the market for Government securities and they fell to 82, or even to 89 or 90, it would put every bank in the United States into insolvency, because during the past few years the portfolios of the banks have been filled with Government bonds and notes. Many banks have as high as 60, 70, and even 75 percent of their securities in the shape of Government securities.

But is not the danger thus pointed out by the distinguished Senator from New York [Mr. COPELAND] already at hand, when the Secretary of the Treasury starts out on a baby-bond bargain sale of a $25 bond for $18.75, a reduction to 75 percent of par? How long can Government securities stand at 100 or even 89 or 90, when the Government itself is peddling its "baby bonds" at as low as 75?

We now hearken to the eloquent warnings of the Senator from Maryland [Mr. TYDINGS], who warns his colleagues across the aisle:

There is no coordinated thought-out plan. It is just a quick way to get rid of $4,000,000,000. * * * We are providing work for only three and a half million people, while we make statements that there are 22,000,000 persons on the dole, and over 10,000,000 unemployed. * * * When this joint resolution is finally written into law, if it is, I venture to say there will not be a piece of legislation in the memory of any Senator that he will have been so ashamed of having supported as this measure when its effects are unravelled with the years.

Among the further memorable warnings of the Senator from Maryland [Mr. TYDINGS], his colleagues may note these:

* * * even if we should double the income taxes we would not have half enough money to care for the deficit * * *
We have the grandest "pork barrel" in the form of Federal relief that has ever been before the American Congress.
* * * in my judgment, the passage of this joint resolution will probably put more Republicans in the Senate than any other thing they have yet seen since March 4, 1933.

In answer to the suggestion of the Senator from New York [Mr. COPELAND], that "There is a provision for cemeteries", the Senator from Maryland replied:

I hope we do not bury the Democratic Party in it, but it looks like we are getting ready to act as pallbearers.

From the editor of the Charleston News and Courier, Democratic spokesman from the South, comes yet another warning:

How long will it be a Republic? What chance have the people to govern, even in one big State, when the Government shall have the disposal, in a year, of $4,880,000,000? * * * With our local policies dictated by Washington, we shall not long have the civilization to which we are accustomed.

From the leading Democratic editorial sanctum of the East, the New York Times, comes the reference "to the failure of the entire program of 'pump priming'", and the wise recommendation:

One way out of the morass under which the new work-relief plan seems to have fallen would be to cut the proposed appropriation in half and plan only for the first 6 months of the new fiscal year, that is, for the period from July to December.

But that practical way out of threatened financial disaster does not appeal to the politician intent on bridging the Presidential election "emergency of 1936." It would afford no billions for the 1936 campaign. In order to have abundance of doles for October 1936, just before the November election, the "emergency of $4,000,000,000" must be extended into the fiscal year 1937.

Thus the joint resolution before us for our votes should bear the logical title:

A bill to extend the emergency to 1937.

Though the President, in his message of March 10, 1933, told us that debt and deficit accounted for the collapse of the bank structure, for the down trend of agriculture, for the increasing army of unemployed, and for the impaired Government credit that was driving the Government into bankruptcy, all the warnings of 1933 are now to be forgotten in the coming "emergency of 1936", which will require the sum of $4,000,000,000, or $100 for each of the 40,000,000 voters, to make the leaky bark new deal, under the ragged banner of the Blue Eagle, safe for democracy on November 3, 1936, in the fiscal year 1937.

And the rubber-stamp crew at the priming pump is inspired by the chief mate, the Senator from Arkansas, by this cheery slogan nailed to the campaign pump:

The time has arrived when patriotism should be placed above politics, both personal and partisan.

While the allocation of the $4,000,000,000 of "patriotism" amounts to—on the population prorate of Mr. Farley—$60,000,000 for the coming 1936 emergency in Arkansas.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. THOMAS].

The amendment was agreed to.

The VICE PRESIDENT. The question is on the engrossment of the amendments and the third reading of the joint resolution.

Mr. WHEELER. Mr. President, I send to the desk an amendment, which I ask to have inserted at the proper place in the joint resolution.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to insert at the end of the joint resolution the following:

SEC. 7. (a) The Secretary of the Treasury is authorized and directed to issue, from time to time, United States notes in such amounts as may be necessary to meet the expenditures from the

$4,000,000,000 fund provided for in section 1 of this joint resolution. Such notes shall be of such denominations, not less than $1, as the Secretary of the Treasury may prescribe, shall not bear interest, shall be payable to bearer, shall be in such form as the Secretary may deem best, and shall be lawful money and legal tender in payment of all debts, public and private, within the United States; and such notes, when held by any Federal Reserve bank or any member bank of the Federal Reserve System, may be counted as a part of its lawful reserve.

(b) The Secretary of the Treasury is further authorized and directed to increase annually the reserve fund held for the redemption of United States notes by an amount sufficient to retire annually the notes issued under the provisions of this joint resolution as follows: During the period of 2 years after the date of this joint resolution, at the rate of 4 percent of the total amount of such notes issued and outstanding at the end of each year, and thereafter at the rate of 4 percent of the total amount issued and outstanding at the end of such 2-year period until all such notes shall have been retired.

Mr. WHEELER. Mr. President, I shall take only a few moments to explain the amendment, and then I will submit it to the Senate. If the amendment shall be adopted, it will mean a net saving to the Government of the United States of $120,000,000 a year. It calls for the issuance of non-interest-bearing United States notes up to the maximum of $4,000,000,000. I call attention to the fact that the amendment simply authorizes the Secretary of the Treasury to issue such non-interest-bearing notes, and does not make it absolutely mandatory for him to do so.

If the joint resolution shall be passed in its present form, the appropriation will be raised by the sale of interest-bearing United States bonds and Treasury notes and bills. If the Treasury should act as it has acted in the past, and bonds should be issued for the expenditure called for by the joint resolution, the bonds and notes and bills would carry about 3 percent, and at that rate, on $4,000,000,000, we would have to pay $120,000,000 a year rent for the money.

Mr. President, that, in substance, is what the amendment means. Instead of issuing $4,000,000,000 worth of bonds and turning them over to the bankers and paying the banks 3 percent upon the bonds, and then having the banks get currency upon those bonds, the Government of the United States would save that much money.

The only argument, it seems to me, which can be urged against a proposal of this kind is that if we issue currency instead of bonds in this particular instance it might be that the Congress of the United States would continue to issue currency on every occasion rather than issue bonds, and we might as a consequence have an extremely wild inflation. To me that is not a sound argument.

At the present time there is in the Treasury of the United States between eight and nine billion dollars of gold, and if we should issue two and a half times as much currency as there is gold in the Treasury, which could be done, according to those who believe in the orthodox theory, then, as a matter of fact, we could issue approximately $20,000,000,000 worth of currency altogether and still remain upon a sound gold basis. At the present time, however, there is between eight and nine billion dollars' worth of gold or metal money in the Treasury, and there is between five and six billion dollars of currency outstanding.

I realize that there are many who believe that issuing currency would be unsound, and that we ought to depend entirely on credit inflation. I call attention to the fact that ever since the panic of 1929 proposals have been suggested and an attempt has been made, first by Mr. Hoover during his administration, to bring about a reflation by means of credit. To that end we passed the Reconstruction Finance Corporation Act; we loaned the banks of the country many millions of dollars, and we said that when those banks got that money into their coffers they would immediately loosen up their credit and start lending money, first to municipalities, then to counties, then to States, and that finally they would lend it to various industrial organizations.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. WHEELER. I yield to the Senator from Missouri.

Mr. CLARK. I do not desire to interrupt the Senator's argument, but I was not able to follow entirely the purpose of the Senator's amendment when it was read.

The Senator will recall that by the amendment adopted at the last session, the so-called "Thomas amendment", Congress authorized the President to issue, as I recall, three and one-half billion dollars of greenbacks. That is putting it very bluntly, that it was an authorization of three and a half billion dollars of greenbacks—an authority which has not been taken advantage of by the President.

Mr. WHEELER. That is true.

Mr. CLARK. Does the Senator's amendment make any exception as to the authorization already made? In other words, would the three and a half billion dollars already authorized be a part of the approximately $5,000,000,000 which would be authorized if the Senator's amendment were adopted, or would the total authorized amount to eight and one half billion dollars instead of five billion dollars?

Mr. WHEELER. My amendment provides for the issuance of only $4,000,000,000 of currency to meet the expenditure of the $4,000,000,000 provided in the joint resolution.

Mr. CLARK. I understand that; but the Senator from Montana in the last Congress offered an amendment which I thought was defeated by reason of the fact that he did not avoid the danger of duplication of the authorization of three and one-half billion dollars already made and the possible authorization of three billion three hundred million dollars then contemplated. What I am trying to find out is whether the Senator's amendment now contemplates this authorization of three and one-half billion dollars and includes that in the five billion dollars or whether it is in addition to it. In other words, would the Senator's amendment now make a total authorization of greenbacks of $4,880,000,000 or would it make a total authorization of $8,380,000,000?

Mr. WHEELER. I understand what the Senator means. My amendment deals only with $4,000,000,000, the amount specified in the joint resolution. It provides for setting aside a sinking fund to retire this money exactly the same as bonds would be retired. The only difference between the issuance of bonds and the issuance of currency is that under my proposal the Government of the United States would save about $120,000,000 a year, providing the Treasury Department should sell the bonds at 3 percent.

In answer to the Senator's question, I will say to him that there is no mention in my amendment of the $3,000,000,000 provided under the Thomas amendment. My recollection is not clear as to whether or not the Thomas amendment provided for setting up a sinking fund to take care of the $3,000,000,000 if it should be issued; but at any rate, the administration has never acted upon it. It was simply a permission which has never been acted upon.

My amendment simply authorizes the issuance of $4,000,000,000 of currency in place of bonds and the setting aside of a sinking fund to retire that currency over a period of years.

I am unable to see why the Government of the United States, particularly in the situation with which we are faced today, should pay a bonus to the bankers in connection with the issuing of bonds. The issuing of bonds means paying to the bankers a bonus of $120,000,000 a year. It means that the people of the United States, the farmers of the United States, the working people of the United States, the merchants and the manufacturers of the United States, must raise $120,000,000 a year in order to pay the bankers to issue the currency which the Government of the United States has the power to issue, and which, in my judgment, it should issue.

Mr. CLARK. Mr. President, will the Senator further yield to me for a moment?

Mr. WHEELER. I yield.

Mr. CLARK. My question is whether the Senator's amendment contemplates an authorization for the issue of greenbacks to the extent of $4,880,000,000, or $8,380,000,000?

Mr. WHEELER. As I said to the Senator a moment ago, there is already, of course, under the Thomas amendment, an authorization to the Treasury to issue $3,000,000,000 of Government notes; and, as I also said, the administration has never acted upon that permission at all.

Mr. CLARK. But the authorization is still there, under the statute.

Mr. WHEELER. The authorization is still there. The Treasury Department had the power to act under it if they saw fit to do so. In the expenditure of the $4,000,000,000 provided in the joint resolution, my amendment provides for the issue of currency instead of bonds.

The Senator spoke of greenbacks. I think a distinction should be made, because statements have been made here before that what is contemplated by my amendment was simply the issuance of greenbacks, and that there would be nothing back of them. As a matter of fact, we should have exactly the same thing back of these Government notes that we have back of the bonds, because the only security back of the bonds of the United States today is the credit of the Nation and the taxing power of the Nation. That is all that is back of our bonds, and that is what would be back of this currency. There would be set up a sinking fund to retire this currency exactly the same as bonds would be retired, and in exactly the same proportion, at the same ratio. Such currency would be quite different from the so-called "greenbacks" which were issued in the Civil War days, because at that time no sinking fund was set aside to take care of those greenbacks. My amendment provides a sinking fund to retire the currency.

I desire to call the attention of the Senate to one of the difficulties with our banking system, and one of the reasons why our banking system did not work more satisfactorily during the depression. During times of inflation the banks loan money freely. During times of deflation they do just the opposite. In other words, they will loan money or credit is expanded in times when it should not be expanded, and credit is refused or is not put out when it should be expanded. That may not be the fault, and I am not charging that it is the fault, of the banker, because I appreciate the fact that the banker is charged with a trust, and in times of deflation he may be very much afraid that if he should loan money he would lose the money of his depositors. I am not blaming the banker for that situation; but I am saying, regardless of who is responsible for it, that the ultimate fact is that under our present financial situation credit expanded and was increasingly expanded in 1928 and 1929, when it ought not to have been expanded; and then in times of deflation, when we should have expanded it, the currency was not expanded.

Mr. GLASS. Mr. President, my friend entirely loses sight of a vital point. In times of inflation there are applications to banks for loans, and therefore they are responded to. In times of deflation there are practically no applications to banks for loans, and therefore the banks make none.

Mr. WHEELER. I agree in substance with what the Senator says. However, let me call attention to the fact that, as I happen to know in my own State, in the past year applications have been made for loans by the soundest business institutions in my State, and they were denied, first by the New York banks and then by the local banks, or the institutions were told to curtail the loans they had already made.

So what the Senator says is not borne out in every instance.

I am told that a report in the hands of the Secretary of Commerce showed numerous cases of that kind, where applications for loans were made by responsible people, and the loans were not made. I am sure the Senator must be familiar with the fact that during the last year or so word went out from New York banks to banks throughout the country not to make loans. If the Senator is not aware of that fact, I can say to him that bankers in the West have informed me that that was exactly the situation. That report came from a very responsible bank.

Mr. GLASS. There are many times when bankers do not wish to make loans, and they place the blame on someone else.

Mr. WHEELER. That was not the reason the statement was made, because it came from a very responsible bank.

I had not desired to take up the time of the Senate today; but I feel that if my amendment should be adopted it would result in a saving to the United States of $120,000,000 a year. I likewise feel that if currency should be put out in that way it could not possibly harm the country in the slightest degree. It seems to me that the one thing we must do to bring back prosperity to our country is to remove the terrific burden of interest charges which is bearing down upon the people of the United States. I feel very keenly, Mr. President, that one of the things which must happen before prosperity will return to the country is the lowering of interest rates to manufacturers, interest rates to farmers, and interest rates to great industrial corporations in the United States. If, instead of the Government going out and selling its bonds, it can put out 4,000,000,000 worth of currency, I am sure it would tend to bring down interest rates throughout the country and would start us upon the road to prosperous conditions. Then the very thing would happen, in my judgment, which the Senator from Virginia says has happened in times of inflation, namely, there would be a greater demand for loans from the banks which, he says, at the present time they do not have. I submit the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. WHEELER].

The amendment was rejected.

Mr. McCARRAN. Mr. President, I offer an amendment.

The VICE PRESIDENT. The Senator from Nevada offers an amendment, which will be stated.

The LEGISLATIVE CLERK. On page 6, after line 4, it is proposed to insert the following:

> Any officer or employee paid out of funds appropriated by this joint resolution receiving a salary of $5,000 or more per annum shall be appointed (or designated) by the President, by and with the advice and consent of the Senate, but the provisions of section 1761 of the Revised Statutes shall not apply to any person so appointed or designated, and the salaries of such officers or employees shall not be increased for a period of 6 months after confirmation.

Mr. McCARRAN. Mr. President, in furtherance of the spirit of the amendment I have just offered—and I am going to detain the Senate for only a moment—I ask that the clerk read from the Reno Evening Gazette, a newspaper published in my home town, the article which I send to the desk.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

[From the Reno Evening Gazette, Mar. 9, 1935]

On his return from Washington a few days ago Frank Upman, Jr., Federal relief administrator for Nevada, turned loose a new-deal blast that carried with it a warning to all relief employees to either back the administration 100 percent or get off the pay rolls. Whether his public speech on the subject was inspired by Harry Hopkins, head of the Federal relief program, or was his own inspiration is not known, but Upman made it plain that the administration expects all relief employees to give undivided support to the present Democratic administration's plans. His statement in part follows:

"I wish to state with all the emphasis I can possibly put that the Nevada emergency relief administration, in appreciation of what the administration is doing for the State, plus the desire to keep faith with the administration and to continue to receive what it has in the past, will be 100 percent for the administration.

"In the future those employed by and charged with administering the S. E. R. A. will only be persons of unquestionable loyalty to the administration and loyal to the program they are assisting in administering.

"Incompetence, disloyalty, and anything which might be detrimental to the success and good administration of this program will not be tolerated in any case.

"I feel this is our patriotic duty in the cause which we should serve without pettiness or thought of personal gain."

Mr. GLASS. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Virginia?

Mr. McCARRAN. I yield.

Mr. GLASS. I accept the Senator's amendment, to avoid any controversy, and let it go to conference.

The VICE PRESIDENT. Is there objection? Without objection, the amendment is agreed to.

Mr. McNARY. Mr. President, I could not understand what the debate was on the other side of this Chamber, it was carried on in such a low tone.

The VICE PRESIDENT. The Senator from Virginia said he would accept the amendment offered by the Senator from Nevada and let it go to conference. The Chair asked if there was objection, and there was no objection. Does the Senator from Oregon desire to object?

Mr. McNARY. No.

The VICE PRESIDENT. The amendment is agreed to.

Mr. KING. Mr. President, I have invited the attention of my friend from Virginia to the amendment I now offer.

Mr. GLASS. I understand the Senator from Utah desires to include the District of Columbia along with Territories in the joint resolution. I have no objection to that being done.

Mr. KING. I offer the following amendment:

On page 3, in line 18, after the amendment submitted by the Senator from Maryland [Mr. TYDINGS] and heretofore agreed to, add the words "and the District of Columbia."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. GEORGE. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4, between lines 10 and 11, after the amendment heretofore agreed to, it is proposed to insert the following:

The funds made available by this joint resolution may be used in the discretion of the President for the administration of the Agricultural Adjustment Act, as amended, during the period of 12 months after the effective date of this act.

Mr. GEORGE. Mr. President, I merely wish to make a brief statement. I have talked with the Senator from Virginia with regard to the amendment. In the original Public Works Act, which is continued until 1937 by the pending joint resolution as it stands at the moment, there is this authority, but there is a limitation upon the amount which the President may use for the purpose of aiding the administration of the Agricultural Adjustment Act. The amendment I am offering is intended to relieve that situation, within the discretion of the President.

Mr. GLASS. I accept the amendment.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

The question is on the engrossment of the amendments and the third reading of the bill.

Mr. STEIWER. Mr. President, I desire to address the Senate briefly in order to state my final attitude toward the pending joint resolution. Apparently it has assumed approximately its final form.

I wish very devoutly that I could bring myself to cast my vote in its behalf. I have determined to vote against it and therefore make a very brief statement concerning my conclusion.

Senators who know my attitude toward relief measures will remember that heretofore I have always voted for the relief of the destitute not only in this administration but during the administration preceding. I hope that I may always find it possible to give my support to Federal aid when such aid is necessary for those who suffer from the ravages of the depression. I am prepared now to vote such sum as may be necessary and in the future will be more than happy to support any proposal which may be offered in this body if its object shall be to provide relief for destitute people who suffer from the effects of the depression. I shall not, however, vote for the pending measure, and, among other reasons for withholding my support, I assign the following:

It appropriates money which is not in the Treasury and for the acquisition of which there is no revenue, and none can be adequately provided except by unreasonable and hurtful exactions and unfair burdens upon the people.

It appropriates money which does not exist, in the important sense that the appropriation is in excess of the entire currency supply of the country over and above the necessary requirements of the normal business of the Nation.

It extends and enlarges the Federal deficit to such extent that it guarantees a deficit for the fiscal years 1935, 1936, 1937, and provides a new and revolutionary standard of spending which may result in further deficits for an indefinite time in the future.

It adds alarmingly to the national debt and sets a spending standard which will continue to pile debt upon debt until the Federal credit will finally collapse under the load.

It increases the interest charge upon the Treasury by an unascertained amount, which in all probability will range from $100,000,000 to $140,000,000 per year, and, in sound practice, will require a sinking fund of stupendous burden.

It creates a continuing justification for new and burdensome tax levies, fostering uncertainty in the minds of all who direct business and industry, thus retarding recovery.

It commits our Government to an obligation never heretofore recognized, namely, the duty of providing a job for those in need, instead of direct relief for the destitute in the form of food, clothes, and shelter.

It provides an appropriation so vast that its very size invites extravagance and waste of public funds.

Lack of the usual requirement for paying the prevailing wage threatens to affect adversely the wage structure everywhere. The substitution of the dole wage in private enterprise will constitute the greatest tragedy yet suffered by the Nation's toilers.

It deceives the Nation and the victims of the depression by promising work relief to all employables in the country, whereas it will leave at least three out of five employables outside of this or any other assistance, save only direct relief, which is not contemplated by the sponsors of this measure. It leads thousands of communities to anticipate local work-relief projects, whereas not 10 percent of projects already listed can possibly be constructed, because the total tentative projects already listed are 10 times the total available fund.

It deliberately discriminates between the unemployed on relief and the unemployed who still cling to support on their own fast-vanishing resources. It pretends to aid the former. It deliberately ignores the latter. The relief provided in its very nature will increase the relief rolls and multiply the burdens upon the Federal Government.

It returns all unemployables, probably 20 percent of the present relief rolls, to local relief at a time when local resources are largely exhausted. Thus it abandons these unemployables and leaves them at the mercy of calamity.

It provides an enormous sum of money available for expenditure until June 30, 1937, a 2-year period, thus destroying, to the extent of the appropriation, the system of annual budgets. Its failure to provide the usual restraints destroys the opportunity of adequate control through the office of the Comptroller General.

Its lack of definite purpose and its grant of unusual discretionary powers in the Executive break down the control of Congress over the expenditure of a vast sum of public money.

All this is in violation of centuries of experience and tradition and contrary to the spirit and purpose of the Constitution of our country. In short, Mr. President, in my judgment, the joint resolution, when enacted into law, will not expedite recovery but will retard it. It will not adequately aid the unemployed and those in distress, but will, in the long run, bring added misery to all of them. It will create more problems than it will solve, and in its final result will prolong the suffering of the employed and unemployed alike. If time demonstrates that the judgment now stated is in error, none will rejoice more than I. But if depression is intensified, let no one attempt to acquit this legislation of its heavy share of responsibility.

Mr. McNARY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Black	Clark	Fletcher
Ashurst	Bone	Coolidge	Frazier
Austin	Borah	Copeland	George
Bachman	Brown	Costigan	Gerry
Bailey	Bulkley	Couzens	Gibson
Bankhead	Bulow	Dickinson	Glass
Barbour	Burke	Dieterich	Gore
Barkley	Byrd	Donahey	Guffey
Bilbo	Capper	Duffy	Hale

Harrison	McKellar	Pope	Thomas, Utah
Hastings	McNary	Radcliffe	Townsend
Hatch	Maloney	Reynolds	Trammell
Hayden	Minton	Robinson	Truman
Johnson	Murphy	Russell	Tydings
Keyes	Murray	Schall	Vandenberg
King	Neely	Schwellenbach	Van Nuys
La Follette	Norbeck	Sheppard	Wagner
Lonergan	Norris	Shipstead	Walsh
McAdoo	Nye	Smith	Wheeler
McCarran	O'Mahoney	Steiwer	White
McGill	Pittman	Thomas, Okla.	

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present. The question is on the engrossment of the amendments and third reading of the joint resolution.

The amendments were ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution was read the third time.

The VICE PRESIDENT. The question is, Shall the joint resolution pass?

Mr. MCNARY, Mr. ROBINSON, and other Senators called for the yeas and nays, and they were ordered.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LA FOLLETTE. I have been requested to announce that the senior Senator from New Mexico [Mr. CUTTING] is unavoidably absent. If present, he would vote in the affirmative.

Mr. AUSTIN. The Senator from Rhode Island [Mr. METCALF] is paired with the Senator from South Carolina [Mr. BYRNES]. If present, the Senator from Rhode Island [Mr. METCALF] would vote "nay", and the Senator from South Carolina [Mr. BYRNES] would vote "yea."

The Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness. If present, he would vote "yea."

The Senator from Wyoming [Mr. CAREY] is absent on official business. If present, he would vote "nay."

Mr. BULKLEY. I have a general pair with the senior Senator from Wyoming [Mr. CAREY], who is absent. I am advised that if present he would vote as I intend to vote. Therefore I am at liberty to vote. I vote "nay."

Mr. BARKLEY. I desire to announce that my colleague, the junior Senator from Kentucky [Mr. LOGAN], is unavoidably absent. While he has a general pair with the Senator from Pennsylvania [Mr. DAVIS] the pair does not stand upon this vote, as both Senators would vote "yea" if present.

Mr. DIETERICH. I desire to announce that my colleague [Mr. LEWIS] is unavoidably absent. If present, he would vote "yea."

Mr. GLASS (after having voted in the negative). I have a general pair with the Senator from New Mexico [Mr. CUTTING]. He seems to be unavoidably absent from the Chamber. I regret that I have to withdraw my vote.

Mr. ROBINSON. The junior Senator from Arkansas [Mrs. CARAWAY] is absent on account of illness. If she were present and at liberty to vote she would vote "yea."

The Senator from New Jersey [Mr. MOORE], the Senator from South Carolina [Mr. BYRNS], and the Senator from Illinois [Mr. LEWIS] are all unavoidably absent. If present, they would vote "yea."

Mr. GLASS. I find that I can transfer my pair to the Senator from Wyoming [Mr. CAREY]. I do so, and will let my vote stand.

Mr. ROBINSON. The junior Senator from Louisiana [Mr. OVERTON] is absent because of illness.

The senior Senator from Louisiana [Mr. LONG] is necessarily detained.

The result was announced—yeas 68, nays 16, as follows:

YEAS—68

Adams	Burke	Gerry	McKellar
Ashurst	Capper	Gibson	McNary
Austin	Clark	Guffey	Maloney
Bachman	Connally	Harrison	Minton
Bailey	Coolidge	Hatch	Murphy
Bankhead	Copeland	Hayden	Murray
Barkley	Costigan	Johnson	Neely
Bilbo	Couzens	King	Norbeck
Black	Dieterich	La Follette	Norris
Bone	Duffy	Lonergan	Nye
Borah	Fletcher	McAdoo	O'Mahoney
Brown	Frazier	McCarran	Pittman
Bulow	George	McGill	Pope
Radcliffe	Schwellenbach	Thomas, Okla.	Van Nuys
Reynolds	Sheppard	Thomas, Utah	Wagner
Robinson	Shipstead	Trammell	Walsh
Russell	Smith	Truman	Wheeler

NAYS—16

Barbour	Donahey	Hastings	Townsend
Bulkley	Glass	Keyes	Tydings
Byrd	Gore	Schall	Vandenberg
Dickinson	Hale	Steiwer	White

NOT VOTING—11

Byrnes	Cutting	Logan	Moore
Caraway	Davis	Long	Overton
Carey	Lewis	Metcalf	

So the joint resolution was passed.

Mr. CLARK. Mr. President, this vitally important measure has now been before this body for about 7 weeks. I think it is of the utmost importance to the Nation that whatever measure is finally to come out of conference shall be proceeded with at the earliest possible date.

Under the rules of the Senate it is possible, at the demand of one Member, for the joint resolution to be held in the Senate until the expiration of the term provided by the Senate rules for a motion to reconsider. In order that the joint resolution may go to conference at the earliest possible date, and a motion to reconsider may be disposed of as soon as possible, I move to reconsider the votes by which the joint resolution was ordered to a third reading and passed.

Mr. ROBINSON. I move to lay that motion on the table.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas to lay on the table the motion to reconsider made by the Senator from Missouri.

The motion to lay on the table was agreed to.

Mr. GLASS. I move that the Senate insist upon its amendments and ask for a conference with the House of Representatives on the joint resolution and amendments, and that the Chair appoint the conferees on the part of the Senate.

Mr. CLARK. Mr. President, I desire to make a very brief observation on the motion of the Senator from Virginia.

I am entirely in sympathy with the policy which has been pursued here today by which the committee has accepted amendments which were proposed, and is to take them to conference. I regret very much that there has not been an opportunity for debate on the amendment offered by the Senator from Nevada [Mr. MCCARRAN], because I think that amendment goes to the very heart of the efficiency of the effort to be made under this appropriation.

Without any desire at all to delay the matter in the Senate I give notice that if the conference report shall come in with a recession on the part of the Senate on the McCarran amendment, there will be adequate, not to say extended, debate on that amendment.

Mr. GLASS. Mr. President, if every Senator gives a notice of that sort, we shall not get through with this joint resolution until everybody has starved to death or frozen to death.

The VICE PRESIDENT. The question is on the motion of the Senator from Virginia.

The motion was agreed to; and the Vice President appointed Mr. GLASS, Mr. MCKELLAR, Mr. COPELAND, Mr. HALE, and Mr. KEYES conferees on the part of the Senate.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. MCKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters, which were ordered to be placed on the Executive Calendar.

The VICE PRESIDENT. The calendar is in order.

DEPARTMENT OF COMMERCE

The Chief Clerk read the nomination of William E. Dunn to be Assistant Director of the Bureau of Foreign and Domestic Commerce.

Mr. COPELAND. I ask that the nomination be confirmed.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. COPELAND subsequently said: Mr. President, referring to the nomination of Mr. William E. Dunn to be Assistant Director of the Bureau of Foreign and Domestic Commerce, I ask that the President be notified.

My reason for making the request is that the office of Mr. Dunn is of such a character that he should begin to act at once because of the necessity of signing papers and certain other activities. This nomination has been before the Senate for 5 or 6 weeks, and I am largely responsible for the delay in connection with it. I feel guilty about its being held up, and I wish to appeal to my friend from Oregon [Mr. McNARY] to let the President be notified at this time.

Mr. McNARY. Mr. President, it is very difficult to oppose any request of the able Senator from New York, but the practice which he asks to have adopted in this case has led to difficulties and embarrassments in the past, and I have made no exceptions in opposing it save in one or two instances. I hope, therefore, that the notification of the President will be deferred until Tuesday.

Mr. COPELAND. Very well.

POSTMASTERS

The Chief Clerk proceeded to read the nominations of sundry postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations of postmasters on the calendar are confirmed en bloc.

Mr. McKELLAR. Mr. President, by accident yesterday the nominations of two postmasters from the State of Connecticut, in which the Senators from that State are interested, were omitted from the list. They have been handed in today. I ask unanimous consent that they may be confirmed at this time.

The VICE PRESIDENT. Without objection, the nominations will be read.

The Chief Clerk read the nomination of John A. Jackson to be postmaster at Durham, Conn.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Inez V. Lawson to be postmaster at Wilton, Conn.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

IN THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask that the Army nominations be confirmed en bloc.

The VICE PRESIDENT. Without objection, the Army nominations on the calendar are confirmed en bloc.

That completes the calendar.

TREASURY AND POST OFFICE APPROPRIATIONS

The Senate resumed legislative session.

Mr. GLASS. I move that the Senate proceed to the consideration of House bill 4442, being the Treasury and Post Office Departments appropriation bill.

The VICE PRESIDENT. The question is on the motion of the Senator from Virginia.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4442) making appropriation for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. GLASS. I ask unanimous consent that the formal reading of the bill be dispensed with, and that the bill be read for amendment, the committee amendments to be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The clerk will state the first amendment of the committee.

Mr. GLASS. I do not wish to proceed with the bill until the next meeting of the Senate.

The VICE PRESIDENT. The bill is before the Senate, and the first amendment of the committee will be in order at the next meeting of the Senate.

RECESS TO TUESDAY

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon on Tuesday next.

The motion was agreed to; and (at 2 o'clock and 35 minutes p. m.) the Senate took a recess until Tuesday, March 26, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 23 (legislative day of Mar. 13), 1935

UNITED STATES EMPLOYEES COMPENSATION COMMISSION

John M. Morin, of Pennsylvania, to be a member of the United States Employees' Compensation Commission for a term of 6 years from March 15, 1935 (reappointment).

ASSOCIATE JUSTICE OF THE SUPREME COURT OF THE PHILIPPINE ISLANDS

Claro M. Recto, of the Philippine Islands, to be Associate Justice of the Supreme Court of the Philippine Islands, vice Thomas A. Street, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 23 (legislative day of Mar. 13), 1935

ASSISTANT DIRECTOR BUREAU OF FOREIGN AND DOMESTIC COMMERCE

William E. Dunn to be Assistant Director Bureau of Foreign and Domestic Commerce.

APPOINTMENT IN THE REGULAR ARMY

John Thompson Brown Strode to be first lieutenant, Medical Corps.

APPOINTMENT BY TRANSFER IN THE REGULAR ARMY

Winfield Scott Roberson to Adjutant General's Department.

PROMOTIONS IN THE REGULAR ARMY

Ralph Talbot Ward to be colonel, Corps of Engineers.

William Augustus Beach to be lieutenant colonel, Adjutant General's Department.

Oliver Tillman Simpson to be major, Finance Department.

Farrin Allen Hillard to be captain, Infantry.

Fred Stuart Stocks to be first lieutenant, Air Corps.

POSTMASTERS

CONNECTICUT

James M. Tomney, Coscob.
Albert P. Walsh, Danbury.
John A. Jackson, Durham.
William J. Hernberg, Mansfield Depot.
Harry A. Schultz, Middlefield.
Joseph R. Tyrseck, Montville.
Eugene B. Thomas, Moodus.
James R. May, New London.
John A. Leahy, Plainfield.
Paul D. Wren, Westbrook.
James J. Lee, Willimantic.
Inez V. Lawson, Wilton.

ILLINOIS

Theodore S. Wright, Kansas.
Vernon L. Baic, Shabbona.
Louis H. Tegtmeyer, Steeleville.

MAINE

Arlene C. Hoffses, Waldoboro.

MICHIGAN

Edgar S. Allen, Mancelona.
Clarence J. Maloney, Mass.
Donald E. Howell, Wayne.

MISSOURI

Willie A. Barton, Alton.

NORTH CAROLINA

Joseph C. Allen, Durham.
Singleton F. Thompson, Flat Rock.
Helen B. Siler, Siler City.
Fred M. Mills, Wadesboro.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 25, 1935

The House met at 12 o'clock noon.

Rabbi Leon Fram, Temple Beth-El, Detroit, Mich., offered the following prayer:

Lord our God and God of our fathers, guided by Thy spirit and calling upon Thy name, our forefathers came to this New World and proceeded to establish a new society. Strengthened by their faith in Thee, they resisted the intolerance of the Old World and established a new society based upon mutual understanding. They defeated the political tyranny of the Old World and erected a new society of self-government and freedom. They emancipated themselves from the social oppressions of the Old World and built a new society based upon justice and righteousness. They repudiated the militaristic tradition of the Old World and constructed a new United States of peace, whose military forces shall be subordinate to the civil government.

And now in this hour of tempest and conflict, we pray to Thee, O God, who createst the world anew every day, help us to keep this our society forever new, forever young. Let us never relapse from the attitude of mutual tolerance which we have achieved into the intolerance which at the very founding of our country we sought to uproot from our hearts. Let us never surrender our democracy to the tyrannies against which we once successfully rebelled. Let us never settle back into the social injustices and inequities out of which we had emerged. Let us never embrace again that Old World militarist tradition which at the beginning of our career we repudiated. O Father, lend of Thine infinite wisdom and Thy creative energy unto these Thy children who constitute this great legislative body. May they continuously recapture that youthful enthusiasm and flexibility which characterizes the spirit of this Nation, and as our legislatures once pioneered on the trail of democracy, so may they now clear the road for national righteousness and world peace. Amen.

The Journal of the proceedings of Friday, March 22, 1935, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H. J. Res. 117. Joint resolution making appropriations for relief purposes.

The message also announced that the Senate insists upon its amendments to the foregoing joint resolution, requests a conference with the House thereon, and appoints Mr. GLASS, Mr. MCKELLAR, Mr. COPELAND, Mr. HALE, and Mr. KEYES to be the conferees on the part of the Senate.

CORRECTION

Mr. FISH. Mr. Speaker, I would like to have an error corrected in the RECORD of the roll call no. 34 of last Friday. In the RECORD I am paired as in favor of the Patman bill. I am emphatically against the Patman bill.

Mr. RANKIN. Reserving the right to object, who is the gentleman paired with?

Mr. FISH. I was not paired with anybody. The RECORD had me paired with Mr. CLAIBORNE, and I had no conversation with Mr. CLAIBORNE.

Mr. RANKIN. I did not want to leave Mr. CLAIBORNE up in the air.

Mr. COCHRAN. Mr. Speaker, the gentleman from New York has asked that the RECORD be corrected. Of course it is not Mr. CLAIBORNE's fault that the gentleman from New York was paired with him. Mr. CLAIBORNE was against the Patman bill and wanted to be recorded against it. His request for a pair was one of the first filed.

If the RECORD is corrected, what will it show in reference to the gentleman from Missouri [Mr. CLAIBORNE] who was opposed to the bill?

The SPEAKER. The RECORD will show the gentleman's status on the bill—he will be fully protected.

Mr. COCHRAN. I would like to have the RECORD show here that Mr. CLAIBORNE was called home on important business and requested me to see that he was paired against the bill. I made such a request of the pair clerk as Mr. CLAIBORNE asked me to do, and the pair clerk paired my colleague with the gentleman from New York.

APRIL 6, ARMY DAY—A PATRIOTIC CELEBRATION OF OUR ENTRY INTO THE WORLD WAR

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the anniversary of our entry into the World War.

The SPEAKER. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, I respectfully call to the attention of the Congress and the country the fact that April 6 will be the eighteenth anniversary of the entry of the United States into the World War on behalf of the Allies. Many changes in the geography and history of the world have taken place since then. Great empires, such as the Austrian, the German, and the Russian empires, have fallen. Those great monarchies were considered prior to April 6, 1917, as bulwarks and cornerstones of the world. Now they have been literally obliterated and the world is looking out upon a new order of things.

The great democracy of Great Britain and the great democracy of the United States still stand. Why do they stand? They "still stand" because they do not "stand still"; because they are capable of internal modification in response to the will of the people themselves. The British Government, without any written constitution, makes its own constitution as it progresses in accordance with the will of the representatives of the people in Parliament assembled. The written Constitution of the United States contains within itself the machinery for changes and reform. Furthermore, the Constitution itself, written in broad and general terms, is capable of being interpreted by the Congress and by the Supreme Court of the United States to meet the necessities and emergencies and exigencies of the times.

Mr. Speaker, it is well that we should celebrate our entry into the World War. It will remind our people that we entered that great conflict with no selfish motive, but for the purpose of enforcing treaty rights and for championing the cause of small nations, such as Belgium, and of preserving our own inherent rights to travel the seas as a neutral nation. When our rights to travel the seas and to have commerce with other nations was deliberately denied and the lives of our people deliberately destroyed, there was nothing left for us, as a self-respecting people, to do but to seek to crush the power that denied such rights on our part. To celebrate April 6, therefore, is not to arouse the spirit of chauvinism and militarism, but to inspire the spirit of democracy and to proclaim the fact that we are proud that we have been champions of the cause of civilization. It means that we are willing in the future to defend our rights against any selfish and aggressive power that may invade our territory or undertake to defeat our rights upon the high seas.

Mr. Speaker, by permission of the House, I insert a letter from the President of the United States to the national commander of the Military Order of the World War concerning Army Day, and also I am inserting a letter from the Secretary of War, and from the Chief of Staff upon the same subject matter.

THE WHITE HOUSE,
Washington, March 16, 1935.

Lt. Col. GEORGE E. IJAMS,
Commander in Chief Military Order of the World War,
Washington, D. C.

MY DEAR COLONEL IJAMS: The general observance of Army Day on April 6 should bring back to our mind the efforts and sacrifices of our soldiers which have been so decisive in the creation, preservation, and development of this great Nation; it should be an occasion for the Army to rededicate itself to its glorious heritage of service to our country both in times of peace and in times of war.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

WAR DEPARTMENT,
Washington.

Commemorating, as it does, our entry into the World War, Army Day serves to keep fresh in the public mind the value of preparedness for national defense. To the Military Order of the World War, whose leadership is largely responsible for this annual observance, I extend hearty greetings and assurance of appreciation of its patriotic endeavors.

GEO. H. DERN, *Secretary of War.*

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF STAFF,
Washington, D. C.

Maj. EDWIN S. BETTELHEIM, Jr.,
Adjutant General Military Order of the World War,
Washington, D. C.

MY DEAR MAJOR BETTELHEIM: Army Day brings to me once again the opportunity of testifying to the high regard that the Army holds for the Military Order of the World War.

The members of your organization displayed, in the greatest war of history, qualities of leadership that brought them into positions of responsibility and distinction. During succeeding years they have continued to exhibit an unflagging interest in our country's welfare, which has earned for the order an enviable reputation and made of it a distinct national asset.

It is a privilege to extend, through the national bulletin of the order, Army Day greetings and best wishes to each of your members.

Sincerely,

DOUGLAS MACARTHUR,
General, Chief of Staff.

Mr. STACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute on the bill H. R. 1.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. STACK. Mr. Speaker and my colleagues of the House, I want to take this opportunity to congratulate the House of Representatives for the new bill of rights written last Friday afternoon, when H. R. 1, commonly called the "Patman bill", was passed by this body.

It is a new declaration of independence for the House of Representatives and their constituents. It is the emancipation of the American people from the slavery of the money changers and the international bankers.

I am satisfied that through the passage in this House of bill H. R. 1, the Nation, through us, spoke to our President, and that we are on our way to complete recovery.

I ask permission to revise and extend my remarks and to insert in the RECORD an editorial from the Philadelphia Record of Saturday March 23, 1935.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. RICH. I object.

APPROPRIATIONS FOR RELIEF (H. J. RES. 117)

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 117, making appropriations for relief, disagree to the Senate amendments, and agree to the conference asked for by the Senate.

The SPEAKER. The gentleman from Texas asks unanimous consent to take from the Speaker's table House Joint Resolution 117, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate. Is there objection?

Mr. DIES. Mr. Speaker, I reserve the right to object.

Mr. JOHNSON of Texas. Mr. Speaker, I object.

Mr. RANKIN. Mr. Speaker, I desire to submit a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. Objection has just been made to sending the public-works bill to conference by unanimous consent. What course does it take now? Does it go to the committee automatically?

The SPEAKER. It could be referred to the committee or it can lie on the Speaker's table.

Mr. RANKIN. I ask the gentleman from Texas [Mr. BUCHANAN], the chairman of the committee, what the plans are with reference to this bill? We are very much interested and we would like to know what the plans are.

Mr. BUCHANAN. Mr. Speaker, the Senate placed 31 amendments on the bill.

Mr. RANKIN. We are familiar with the amendments.

Mr. BUCHANAN. Maybe. As the bill stands it is not possible of efficient administration.

Mr. RANKIN. We think it is.

Mr. BUCHANAN. I cannot help what the gentleman thinks.

Mr. RANKIN. And when I say "we" I mean a large number of Members on this side of the House who have examined these amendments. We are in favor of accepting the Senate amendments. What we are asking now is what parliamentary procedure will be followed.

Mr. JOHNSON of Texas. Mr. Speaker, I demand the regular order.

The SPEAKER. The procedure to be followed is a matter for the House to determine. The House will make such disposition of the Senate amendments to the joint resolution as a majority of the House wishes.

PHILIPPINE INDEPENDENCE (H. DOC. NO. 145)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Insular Affairs and ordered printed:

To the Congress of the United States:

I have pleasure in informing the Congress that I have today certified to the Governor General of the Philippine Islands that the proposed constitution of the Philippines as adopted by the Philippine Constitutional Convention conforms substantially with the provisions of the act of Congress approved March 24, 1934 (U. S. Stat. L., vol. 48, pp. 456–465).

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 23, 1935.*

APPORTIONMENT TO STATES FOR PUBLIC EMPLOYMENT OFFICES

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 147) to alter the amount apportioned to certain States for public employment offices affiliated with the United States Employment Service, and consider the same at this time.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. SNELL. Mr. Speaker, I think the gentleman should make an explanation before a matter of this kind is brought up by unanimous consent.

Mr. CONNERY. The entire matter is fully explained in the report. The purpose is to permit an appropriation of not less than $10,000 to each State for its assistance in the establishment of local employment offices. Under existing law, the Wagner-Peyser Act, the appropriation of $3,000,000 provided must be—

Apportioned by the Director among the several States in the proportion their population bears to the total population of the States of the United States according to the next preceding United States census.

By a strict application of this rule four States, Delaware, Nevada, Vermont, and Wyoming, and the Territories of Alaska and Hawaii, receive amounts less than $10,000. It is the opinion of the Department of Labor that the employment offices cannot be effectively established with a

total fund available for operation of less than $20,000; that is, $10,000 apportioned by the Federal Government and $10,000 raised by the State itself. Under the present law no money shall be apportioned in any State unless and until an equivalent sum has been apportioned for any year by the State; so that unless the State matches the appropriation of the Federal Government, it is not permitted to participate in the benefits of this legislation.

This bill does not increase the total appropriation. It merely effectuates a redistribution to the different States, whereby the 44 States that are now recciving substantial sums are called upon to make up the difference between the amounts now received by the four States named and the $10,000 which the bill provides for each of them. The cost of this redistribution to each of the 44 States is only a few hundred dollars.

In other words, they do not want these 4 States and the 2 Territories discriminated against.

Mr. SNELL. What information came before the gentleman's committee to show that they could not carry on in a State like Vermont with the money appropriated?

Mr. CONNERY. There is a letter in the report which covers that. I quote from a letter from Miss Perkins, Secretary of Labor:

> Even when a State is prepared to match the amount of the Federal apportionment, it is obvious that the combined total would hardly suffice to establish upon a sound basis a public employment office. The Director of the United States Employment Service and I are both of the opinion that in no State can a creditable State employment service be established with a total fund available for its operation of less than $20,000; that is, $10,000 apportioned by the Federal Government and $10,000 raised by the State itself.

No State can have these employment offices cover the State with less than $10,000. Even if a State puts up only $2,000, that is all that it would get from the Government. The idea of the Government is to start them off with at least $10,000 each.

Mr. SNELL. What information did the gentleman get from those States themselves as to why they are not doing what they ought to? Did they not want to appropriate more money? That is a general letter from the Secretary of Labor.

Mr. CONNERY. The Secretary of Labor and the Director of Employment under the Department of Labor say that these States cannot function, that they cannot have real employment services in these States unless they receive at least $10,000 from the United States Government.

Mr. SNELL. I do not want to object to bringing this up, but I think the gentleman ought to bring it up in regular order and let people understand it is going to be brought up. Then if anyone interested who has information wants to ask questions about it, he could be here and present what information he desires to to the House.

Mr. CONNERY. The Senate Education and Labor Committee and the House Labor Committee reported the bill unanimously.

Mr. SNELL. I think the gentleman should give the House some information in advance when matters of this kind are to be brought up on the floor of the House.

It is not fair to continue to bring everything up here by unanimous consent. I do not know that there is any objection to this, but it is not the proper way to legislate, and if you are going to continue to do that all through this session, I shall eventually have to object.

Mr. RICH. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. RICH. It seems to me the statement made by the gentleman from New York [Mr. SNELL] is correct, and that the membership should be given an opportunity to consider and study legislation that is brought up here. We realize that the gentleman's committee may have had some opportunity to study the proposed legislation, but the membership of the House has not been given any notice that this legislation would be taken up. There is a labor board and labor department in every State in the Union. We ought to know whether this will be satisfactory to them, because we here in Washington are trying to run not only the affairs of the Government we are connected with, but everybody else's business, which is all wrong. I think it is time that in submitting legislation we give the Representatives of the Congress an opportunity to consider it. I think it is wrong in principle to do it in this way, and I will have to object.

Mr. CONNERY. I wish the gentleman would withhold his objection. This is a matter which the Department of Labor, after experience trying to put people to work in the States of Vermont, Delaware, Wyoming, and Nevada, brought before the Senate committee. The Senate committee passed it and sent it over to us. Our Labor Committee studied the bill and the letter of the Secretary of Labor and decided that it only means a couple of hundred dollars from the other States to take care of these four States and Territories which are discriminated against. It does not mean anything to my State, but I do not like to see any State discriminated against.

Mr. RICH. Is this bill on the Consent Calendar?

Mr. CONNERY. No; it is on the Union Calendar.

Mr. RICH. When will it come up before the House?

Mr. CONNERY. It might never come before the House.

Mr. RICH. We can take it up here next Monday.

Mr. CONNERY. There is a question whether we can or not.

Mr. RICH. I would not object to the gentleman asking unanimous consent to bring it up next Monday.

Mr. CONNERY. If the gentleman desires to object, that, of course, is his right. I am only trying to help those 4 States and the 2 Territories. It has nothing to do with Massachusetts.

Mr. RICH. I would like to help those States if it is worthy, and after due consideration. I request that you ask unanimous consent to bring it up on next Monday.

Mr. CONNERY. I will put this bill on the Consent Calendar, and I hope the House will pass the bill next Monday.

Mr. RICH. Very well. We know by so doing Members of Congress will have some time to investigate the merit of the legislation proposed, and that is as it should be, not to jam it through here without any consideration.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. CONNERY]?

Mr. RICH. Mr. Speaker, I object.

SPECIAL STATISTICAL STUDIES—DEPARTMENT OF LABOR

Mr. CONNERY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 857) to authorize the Department of Labor to continue to make special statistical studies upon payment of the cost thereof, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. SNELL. Reserving the right to object, the Consent Calendar is for the purpose of taking care of bills of this character. We have appointed certain Members of the House to look over those bills and see if they should be passed by unanimous consent. I really feel that the gentleman, in fairness to the House, should put both of these bills on the Consent Calendar and then they would come up next Monday.

Mr. CONNERY. I will say that this last bill which I have called up is a bill which is already the law. It is simply to continue for 2 years something which the House has already passed upon, and allows those who seek statistics to go to the Department of Labor for statistics and then pay the cost of securing these statistics. There is no cost to the Government. This is in the law already.

Mr. SNELL. If it is in the law, then it cannot do any very great harm to let it go over for 1 week. I maintain that the purpose of the Consent Calendar is to take care of these bills. If we are going to have them we should do it that way rather than to bring them up "hit and miss" every day in the House. For the present I shall have to object.

The SPEAKER. Objection is heard.

DISTRICT OF COLUMBIA LEGISLATION

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that on Thursday next it may be in order to consider business from the Committee on the District of Columbia, and that it be dispensed with today because of the illness of the chairman of that committee.

The SPEAKER. The gentleman from Colorado asks unanimous consent that it be in order on next Thursday to consider business from the Committee on the District of Columbia. Is there objection?

There was no objection.

PRIVATE CALENDAR

Mr. O'CONNOR, Chairman of the Committee on Rules, submitted a favorable report on the resolution (H. Res. 172) to amend paragraph 6 of rule XXIV of the House of Representatives.

AIR MAIL SERVICE

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 167.

The SPEAKER. The gentleman from New York calls up a resolution which the Clerk will report.

The Clerk read as follows:

House Resolution 167

Resolved, That immediately upon the adoption of the resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 6511, a bill to amend the air mail laws and to authorize the extension of the Air Mail Service. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on the Post Office and Post Roads, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. Speaker, for the moment all I need to say about this rule is that it is an open rule for the consideration of this bill to amend the air mail laws.

I reserve the balance of my time.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Speaker, I am in favor of the rule. As far as I know, the Republican members of the Committee on Rules, and the Republicans generally, are in favor of the rule and of the purposes in the main sought to be accomplished by the legislation.

I rise particularly to call attention to one provision of the bill which I have had an opportunity to discuss with the distinguished Chairman of the Committee on the Post Office and Post Roads, and which I understand from him will be amended during the consideration of the bill under the 5-minute rule. It applies especially to a situation which affects Grand Rapids and western Michigan. The language to which I have particular reference is the last sentence of the bill.

The last sentence of the bill reads as follows:

After June 30, 1935, no air mail contractor shall be allowed to maintain passenger or express service off the line of his air mail route which in any way competes with passenger or express service available upon another air mail route.

Here is the situation to which I desire to direct the attention of the committee: The Pennsylvania Air Lines operates a commercial route from Washington to Milwaukee via Detroit and Grand Rapids. It carries passengers and express over the entire route. It does not carry mail, except from Detroit to Grand Rapids and across the Lake to Milwaukee. The western part of the route, as far as the commercial part of the business is concerned, is the least profitable; the more profitable part of its line I understand is from here to Detroit. The language of this last sentence of the bill, which I have read, as it stands now would require this company to give up either its air mail service from Detroit to Milwaukee or to abandon its commercial service from Washington to Detroit, because it is not allowed to compete for passenger and express business with an air mail carrier over the same route.

The probable result would be that it would discontinue its service from Detroit to Grand Rapids and Milwaukee to the great disadvantage of those who are making use of this service now, and to the great disadvantage of the people in Grand Rapids and Milwaukee, particularly, in going back and forth across Lake Michigan. By air the trip is made in a little less than an hour, whereas it takes the major part of a day to go around the lake by way of Chicago from Grand Rapids to Milwaukee.

Mr. Speaker, I rose particularly for the purpose of having the RECORD show in substance a conversation which the gentleman from New York [Mr. MEAD], the distinguished chairman of this committee, and I had in regard to this provision. I understand the gentleman from New York [Mr. MEAD] intends to offer an amendment which will permit the continuance of this service of the Pennsylvania Air Lines from Washington to Detroit and Milwaukee via Grand Rapids the same as it is now. Am I correct in this understanding?

Mr. MEAD. I will say to the gentleman from Michigan that it was the original intention of the committee to prevent or prohibit off-line operations in the future and also to eliminate all off-line operations that are now in existence.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. MEAD. After giving the question more consideration we decided to prevent additional off-line operations in the future, and we give the Interstate Commerce Commission authority over off-line operations now in existence. We feel that the operation the gentleman has in mind comes within the authority contained in the amendment, and it can be approved by the Interstate Commerce Commission, if it is a fair operation and an operation in the public interest. These two requirements are in the amendment. Therefore, it is my opinion that the operation now conducted by the Pennsylvania Air Lines between Washington and Detroit will be continued by the Interstate Commerce Commission as a result of the amendment which will be offered to the bill.

Mr. MAPES. As I understand the gentleman, whether or not the Pennsylvania Air Lines is permitted to continue giving this service will rest in the discretion of the Interstate Commerce Commission.

Mr. MEAD. Yes; under limitations.

Mr. MAPES. But the service will not be arbitrarily shut off by the legislation with amendment which the gentleman will offer?

Mr. MEAD. The gentleman is correct; they will not be allowed arbitrarily to cut off the service, but the entire matter will be referred to the Interstate Commerce Commission.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. MAPES. I yield to my colleague from Michigan.

Mr. MICHENER. Can the gentleman tell us whether or not the language of the bill is to be changed by amendment, or is the gentleman simply interpreting the language, expecting to pass the bill as it stands in this respect?

Mr. MEAD. No. We have a committee amendment which will be offered when the bill is read under the 5-minute rule.

Mr. MAPES. Would the gentleman care to read the committee amendment which he intends to offer now so that we may be giving it consideration?

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 2 additional minutes to the gentleman from Michigan.

Mr. MEAD. The committee amendment reads as follows:

Page 7, line 7, after the word "route", strike out the period and the quotation marks and insert in lieu thereof a comma and the following: "except that off-line competitive service which has been regularly maintained for at least 4 months next preceding July 1, 1935, may be continued if restricted to the number of trips and to the stops scheduled and in effect on March 1, 1935.

"Upon application of the Postmaster General or of any interested air mail contractor, setting forth that the general transport business or earnings upon an air mail route are being adversely

affected by any alleged unfair practice of another air transport operator, or by any competitive air transport service other than that supplied by an air mail contractor on the line of his prescribed air mail route, or by any service inaugurated after March 1, 1935, through the scheduling of competitive nonmail flights over an air mail route, the Interstate Commerce Commission shall, after giving reasonable notice to the person complained of, inquire fully into the subject matter of the allegations; and if the Commission shall find such practice or competition or any part thereof to be unfair, or that such competitive service in whole or in part is not reasonably required in the interest of public convenience and necessity, and if the Commission shall further find that in either case the receipts or expenses of an air mail contractor are so affected thereby as to tend to increase the cost of air mail transportation, then it shall order such practice or competitive service, or both, as the case may be, discontinued or restricted in accordance with such findings, and the respondent named in the order shall comply therewith within a reasonable time to be fixed in such order."

Mr. MAPES. Has the gentleman consulted the representatives of the Pennsylvania Air Lines on the language of the amendment; and will it save the situation to which I have referred?

Mr. MEAD. We discussed this matter with the Pennsylvania Air Lines before we framed the amendment; and in drafting the amendment we had in mind giving the Interstate Commerce Commission the authority to continue that operation and therefore included such authority in the amendment.

Mr. MAPES. I have not had an opportunity to study the language of the amendment. It is somewhat involved and I am glad to have the gentleman's interpretation of it. [Applause.]

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield 8 minutes to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Speaker, it was in 1927 that the attention of the world was focused upon a splendid, outstanding achievement of an American youth. In that year Charles Lindbergh took a frail craft known as the "*Spirit of St. Louis*", flew it from New York to Paris, was acclaimed by millions, and added a second story to the world. That flight was spectacular at that time, and the world marveled and applauded the courageous feat of this young American.

Today we are considering upon the floor of Congress a measure which is not spectacular but which is, indeed, important and is practical. Each day in the news dispatches we read of the increases being made in the air forces of the European nations. Some weeks ago we read of the effective use made of a few airplanes during the period of the internal warfare in Greece. In this connection I should like to read from this morning's comment by Arthur Brisbane in his column Today, in which he tells of the plans of Kemal Pasha to fortify the Dardanelles.

Quoting his words, he says:

In old days Stalin would have had something to say about that, fortifying the Dardanelles would have meant keeping him and his fleet out of the Mediterranean. It matters little now. Stalin, who knows that the only real fleet is the air fleet, has the second largest air fleet in the world. If Kemal annoyed him, Stalin could blow up Constantinople, Angora, and the Dardanelles fortification as well, all comfortably and conveniently from the air.

Mr. Speaker, in our own country we are making large and necessary appropriations for an increase in our military forces, including military aviation.

The fine performance of two American airplanes in the recent air race from London to Melbourne and the accomplishment of a flight last month by a commercial airplane from Los Angeles to Washington in the fine time of 10 hours and 22 minutes serve to demonstrate the military defense possibilities of the same airplanes which are today flying the air mail routes of this country.

Reading further from the comment of Mr. Brisbane in his column Today, I should like to quote these words:

If real war came, Mussolini, like others, would rely on his air fleet rather than send 2,000,000 men to be gassed from the air.

The next war, if we must have it, will be a bombing, gas-poisoning competition. A few million civilians killed in the first week, which is not improbable, might do more than any amount of talk to bring the 20 years' peace.

President Roosevelt is "advised by his highest naval and military advisers" that "no immediate war is likely."

That must comfort the President, knowing as he does that this Nation is absolutely unprepared for war, with an air force that the British Air Ministry, somewhat "top-loftily" but accurately, describes as negligible.

The United States possesses in its great fleet of commercial aircraft the finest secondary line of defense ever possessed by any country in the world. The United States leads the world in the number, the speed, and in the effective use of commercial airplanes.

More than 50 percent of the miles flown in the world by commercial airplanes are flown by American commercial airplanes. Likewise more than 50 percent of the air mail, air express, and air passengers transported in the world are flown in American-built and American-operated airplanes.

During the past 6 months many European countries have purchased Douglas, Boeing, and Curtiss commercial airplanes built in the United States by American manufacturers. American commercial aviation is recognized throughout the world as outstanding. Let us not have American commercial aviation assume the unwanted position of the prophet of old who was not without honor save in his own country.

For this fiscal year, I am informed, less than $10,000,000 will be paid by the Government to the air mail contractors for the carriage of air mail. Of this amount, nearly six and one-half millions will come back to the Government from the sale of air mail stamps. For the coming year the amount paid by the Government will have to be increased by a reasonable amount, for it has been demonstrated that the air mail contractors cannot continue in business at the present air mail rates.

In this connection I should like to quote from the report of the Federal Aviation Commission as follows:

A considerable part of the Nation's air transport is running at a steady loss, and operations cannot continue indefinitely under present conditions.

Reading from the column of James T. Williams, Jr., in the Washington Times of March 5, I quote the following:

The cost of operating a transport plane depends largely on its size and power and the frequency of schedules. To operate a modern 10–15 passenger transport costs approximately between 55 cents and 75 cents per mile. The more frequent the schedules, the lower the cost per mile.

Of the 12 contract air routes using modern equipment in October 1934, only 7 averaged gross revenues of 50 cents per mile, and only 3 exceeded 60 cents per mile.

The official figures submitted by the air lines to the Interstate Commerce Commission showed that in October of last year 26 out of 32 domestic contracts for carrying the mail ran at a net loss. One contract was losing its holder almost $49,000 per month.

Although our air transport system is far ahead of foreign countries and is the safest in the world, it showed a net loss last October of $307,000.

Whether this splendid system, which is a vital factor in national defense as well as in national transportation and communication, is to be wrecked in 6 weeks or in 6 months nobody can forecast. But the facts and figures now before Congress show that the air transport system of this country is heading straight for disaster. It is only a question of time when it will collapse unless Congress comes swiftly and intelligently to its support.

The experience of the whole world proves that a first-class air transport system cannot long exist without direct financial aid from the Government. If our air transport system is to hold its present position of leadership, it must receive a greater degree of financial assistance from the Government than it is now getting.

I believe, however, that the Government of this country receives a real bargain in the benefits which our people receive from the steady transportation of air mail, air cargo, and air passengers when compared with the cost of that service to the Government.

Today we have under consideration the Mead bill, H. R. 6511, which has the endorsement of the Post Office and Post Roads Committee of the House. It has been considered by that committee after long and careful consideration of each of the sections. It is endorsed by the United States Post Office Department and by a majority of the air mail contractors. Certain amendments will be offered by the committee to clarify the measure. I believe that the bill is sound, that it is needed now, and that it is constructive. I urge its speedy passage.

Mr. Speaker, we of the United States were proud some 8 years ago of the achievement of Charles Lindbergh, and we

should today back up the splendid further achievements of our air mail pilots and the air transportation systems of this country. By so doing we, as Members of Congress, say that we will place this Nation as the patternmaker for civilization in this realm. [Applause.]

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. ROMJUE].

Mr. ROMJUE. Mr. Speaker, on last evening the gentleman from New York [Mr. MEAD] and the gentleman from Illinois [Mr. DOBBINS] delivered very constructive talks over the radio on the legislation we are dealing with here today. I ask unanimous consent that this radio discussion made by the gentlemen named may be placed in the RECORD at this point, because it is a very informative discussion on this subject by gentlemen who are thoroughly familiar with the matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. ROMJUE. The radio discussion referred to is as follows:

MR. MEAD. We have been given this time, as you know, through the courtesy of the Columbia Broadcasting System, to discuss the new air mail measure, which we are to take up for consideration, as a special order of the day, tomorrow at noon when the House of Representatives convenes. You are no doubt called upon to answer many questions in connection with the pending bill in which the general public might also be interested. For that reason I am going to ask what I think is a natural first question, and that is, Mr. DOBBINS, what occasion or demand is there for this new air mail legislation?

MR. DOBBINS. Chairman MEAD, the need for this legislation is outlined in the report of the Federal Aviation Commission made to the President on January 22, 1935; and it is also to be found in the President's message to Congress made on January 31 of this year. Now that I have mentioned what prompts the legislation, I would like your opinion as to what constitutes the most important feature of the measure.

MR. MEAD. The most important feature of the bill can be found in section 4. It provides that the Interstate Commerce Commission may raise the rates of compensation for carrying air mail above those rates specified in the act of 1934, but not to exceed such rates by more than 20 percent. It may well be asked why any authority should be given to the Interstate Commerce Commission to increase the compensation of the air mail carriers over the amounts now paid them, those rates being based either upon the bids made by them in competitive lettings last year, or upon a reduction of that amount in some cases to bring it down to the maximum of 33⅓ cents a mile fixed by the Air Mail Act of 1934. There are several reasons that occur to me. In the first place, the character of equipment provided for air transportation is being rapidly improved, and it is necessary for the transport companies, in order to keep their business, to provide the most up-to-date equipment. Again, the schedules are faster now than they were before, and that means that a higher class of mail service is being furnished than was required at the time the contracts were let. And you know, Mr. DOBBINS, there are other factors that have greatly increased operating costs.

Mr. DOBBINS. Yes, Mr. MEAD; unquestionably there are other factors of importance. The safety of air travel has been greatly advanced through regulations imposed by the Department of Commerce and by the Air Mail Act of 1934. Two-way radio service is now required over all the important lines, so that the pilots may be kept informed at all times as to weather and ground conditions and other operating hazards. Blind flying, as it is commonly called, is thus made possible. Another safety measure which has greatly increased cost of operation is the requirement that planes operating over hilly or mountainous territory, or across bodies of water, must have more than one motor, and that all engines must be of such power that if one goes dead the remaining motor will keep the ship in the air, thus avoiding the hazard of an emergency landing. Many lines have had to buy new and expensive equipment for this reason. These requirements were all imposed in the public interest, and do you not think they have been well worth their cost?

Mr. MEAD. They surely have, Mr. DOBBINS. You will remember the testimony before our committee by very well-informed members of the Federal Aviation Commission, to the effect that the service now provided by the air lines is superior to that heretofore furnished in practically every important feature, including the paramount considerations of safety, regularity of performance, speed, and comfort. Conditions of this kind, which have been brought into existence through wide-awake legislative and administrative policies on the part of the Government, cannot fail to give satisfaction to every patriotic American citizen.

Mr. DOBBINS. Mr. MEAD, there is another highly significant factor entering into operating costs which neither of us has mentioned. Yet it is one that is inseparably connected with the successful operation of any kind of transportation or navigation, on land, on sea, and particularly in the air. I refer to the human element—the personnel—the men who pilot the airplanes.

Mr. MEAD. Oh, yes, indeed; that should not be overlooked When, in 1934, provision was made for the letting of new air mail contracts by competitive bidding, we took particular care to guard against a natural tendency to lower costs through reductions in the pilots' wages, and we required that the pilots should be paid according to the fair standards established by the National Labor Board. Without doubt, this has resulted in maintaining the efficient and preeminently safe service in which we all take pride; but it is just as true that this also, and justifiably, I think, has tended to increase the operating costs. You have studied the figures on those increases, I believe, Mr. DOBBINS.

Mr. DOBBINS. Yes, I have; and while the computations made by the air line operators, by the Post Office Department, and by the Interstate Commerce Commission, are not by any means identical, they all are in harmony on this point—that at prevailing rates of compensation practically every air mail operator in the country is losing money, and that these losses are being suffered by the larger as well as the smaller operators, the aggregate amounting to several million dollars a year. It is quite evident that unless the Interstate Commerce Commission is given authority to revise the rates, either downward or upward, within rigid statutory limitations, with a top limit slightly above that now provided, many of the lines will have to discontinue operations, and our wonderful air mail service will be sadly crippled. And I think we are in agreement, Mr. MEAD, that any such deplorable results could not properly be blamed upon the cancelation of air mail contracts, concerning which there was so much controversy last year

Mr. MEAD. Indeed, it could not. The cancelation of contracts took place over a year ago. Since then entirely new contracts have been awarded, at prices assumed by the operators to be fair, and for which they agreed to furnish service under those contracts. The new contractors, without exception, in the meantime have demonstrated their ability to give to the Post Office Department a better air mail service than was ever before furnished. If these contractors were allowed to supply a service no more adequate than that formerly supplied, and to dispense with the features of increased safety, speed, and comfort which everyone concedes to be worth much more to the public than their cost, they no doubt could continue to carry the mails at present prices, and without substantial loss, except possibly in a very few cases.

One thing I believe ought to be borne in mind, that with the increases provided for in the pending legislation, and with thousands of miles of additional air routes, and increases in the annual mileage flown extending into the millions, and with all of the other improvements and advantages which are now afforded, this new air mail service under the proposed legislation will be supplied to the Government at considerably less cost than the inferior service we had in the past, even if every air mail carrier should receive the maximum amount authorized by law. There has been quite a bit of discussion, Mr. DOBBINS, about the proposed new amendment to the air mail laws, which would restrict the maintenance or institution of competitive service along the lines of existing air mail routes. I believe it would be interesting if you would repeat, in substance, the brief explanation of the necessity for this restriction, as it was stated by you in the last meeting of our committee.

Mr. DOBBINS. Yes, Mr. Chairman; there is a very real necessity for that restriction. Under the rules guiding the Interstate Commerce Commission in the determination of air mail rates, the profits made by the transport companies from the carriage of passengers will result in a reduction of the amount paid by the Government for transporting the air mail. It is only logical, therefore, in the interest of the Government - which means the interest of all our taxpayers—that we should not permit other air mail contractors or independent operators to increase this cost by unfair practices or unnecessary competitive service, if that service, in addition to being unfair or unnecessary, tends to increase the cost of carrying the mail. The Interstate Commerce Commission will act as a tribunal to determine questions of this kind, and if it finds, after full inquiry, that any competitive service is fair and necessary in the public interest, then it may be continued. I do not see how there can be any rational objection to that requirement in the law. Do you not think, Mr. Chairman, that the Interstate Commerce Commission is well qualified to pass upon this question, as well as the question of rates committed to it by the bill?

Mr. MEAD. There is no doubt of that in my mind, Mr. Dobbins Our committee, you will remember, is unanimous in the belief that these questions ought to be determined by a semijudicial body such as the Interstate Commerce Commission, which is independent of political considerations, is headed by men who are outstanding in the transportation field, and whose subordinate officials and employees are experts in that line. I know that the fear has been occasionally expressed that they may be railroad-minded rather than air-minded. But our committee investigations have explored that question, and I think we can say that the fear is wholly unfounded. The manner in which they have handled their first survey of air mail rates, which was lately completed, shows a most profound understanding of the subject.

Mr. DOBBINS. Now, Mr. MEAD, you have touched upon the improvement and expansion of our Air Mail Service. That this better service is appreciated is clearly established by the figures showing the amount of air mail carried in December 1934, which have just been completed and will be released to the press tomorrow morning. They show that nearly a million pounds of letters were carried in that month, being the largest amount ever carried in a

single month, and an increase of more than 40 percent over the corresponding month in 1933, when the old system was in vogue. I recall that this service now covers 46 States, with indirect service to the other two, and provides interisland service in Hawaii. And the number of cities served directly has been increased in the last year from 152 to 193. What further expansion does the new legislation authorize?

Mr. MEAD. Notwithstanding that air mail routes now extend over charted courses 3,700 miles longer in the aggregate than the old system, and the mail planes are flying nearly 5,000,000 miles more annually than they did in 1933, a still greater expansion is provided for in the new bill. The limit of route mileage will be further expanded from 29,000 to 32,000 miles, and the miles flown annually will have an authorized increase from the present limit of 40,000,000 up to an annual total of 45,000,000 airplane miles. I know, Mr. DOBBINS, that the formulation of new legislation for the regulation and improvement of our wonderful air mail system has meant a lot of work for you and for me, and for other legislative and administrative officials here in Washington; but I can envision results from that work so gratifying that none of us will ever regret the time and effort we have expended on it.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, when I think of this recent air mail fiasco and Mr. Farley's action in the cancelation of air mail contracts without hearing and turning that job over to the Army, I think of the old rhyme:

The King of France went up the hill
With twenty thousand men;
The King of France came down the hill
And ne'er went up again.

Mr. Speaker, I hope in the future there never will be such a farce, such a travesty as that perpetrated last year when the flying of the air mail was taken from the commercial pilots and turned over to pilots untrained and unequipped for that sort of flying. The administration has pointed with pride to the fact that not a pound of mail was lost, but what shame the administration must feel in thinking of those 12 men who needlessly went to their death. Think of the business that was lost in connection with the nondelivery and poor service rendered in the carrying of the mail.

The administration admits that well up to $4,000,000 was the price paid for the experiment involving the Army in the carrying of the mail as a result of the cancelation of the air mail contracts. In other words, it cost $2.21 per flying mile as contrasted with the 42.6 cents a mile which was paid to the commercial carriers just prior to the cancelation of the contracts. At that time, over a year ago, we were the envy and the wonder of the entire world in our commercial aviation, but the administration, through misinformation or carelessness or wantonness, was willing to sacrifice this wonderful commercial aviation, which resulted in sending on the rocks some of the air mail industries and practically annihilating others.

Let us have no more of such fiascos. We know the costly experiment in the plowing under and the killing of the little pigs at a time when people were hungry; the plowing under of the wheat. Was not this a plowing under of human life?

Do you remember that a year ago you would not allow us to discuss even, except when we could get in under general debate, the cancelation without a hearing of the flying of the air mail?

You could have stopped the flying of the air mail entirely, but instead you gave it to the Army and the pilots were not equipped to fly, neither in experience nor proper air equipment.

I do not want to bring this up just to say, "I told you so." You feel as badly as I do that these men went to their deaths.

Mr. WEARIN. Mr. Speaker, will the gentlewoman from Massachusetts yield?

Mrs. ROGERS of Massachusetts. I am sorry. Do you realize your side—that is, the Democrats—would not yield to me and that your party adjourned the House in 13 minutes when I asked for consideration of a resolution?

Mr. WEARIN. The gentlewoman is mistaken.

Mrs. ROGERS of Massachusetts. I am sorry. I cannot yield. I was not pleading for myself at that time. It was not a party question. I was pleading for the safety of your Army pilots, our United States pilots. I was trying to have the mail carried safely or stopped.

The administration admits that the costly experiment in dollars and cents was well on to $4,000,000—to be exact, $3,767,355—but it does not mention the fact that probably upward of $500,000 should be added to this cost, which represents the expense of training these pilots, as it is estimated to cost $50,000 per man. This does not include the insurance each aviator carried. Let us have no more of the old regime. Let us vote for this resolution. [Applause.]

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, we all must admit that the gentlewoman from Massachusetts [Mrs. ROGERS] has been consistent in her continued abusive attacks for over a year on the President of the United States and the Postmaster General. I wonder what she would have done——

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. In a moment, please.

I wonder what she would have done had she been running this Government when they found fraud and dishonesty in these contracts.

The great Commonwealth of Massachusetts in the interest of its great State and of its Nation has always been willing to make such sacrifices, even of life, as have been necessary to preserve the integrity of their Government.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. In just a moment, please.

The President of the United States and the Postmaster General discovered fraud, they discovered dishonesty in air mail contracts that affected the rights of the people of this Nation.

Our distinguished friend, the gentlewoman from Massachusetts, from her warm heart that sympathizes with everyone except the President of the United States and the Postmaster General——

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield? I wish you had a warm heart on that side.

Mr. BLANTON. Our distinguished friend, the gentlewoman from Massachusetts, from her warm heart that sympathizes with everyone except our President and Postmaster General, seemingly even with dishonest mail contractors, would probably send them a bouquet of orchids for operating under such fraudulent agreements, but the President of the United States and the Postmaster General in the exercise of their authority annulled those contracts and set them aside. It then became their duty in running this Government to run and carry the air mail even if they did have to have the air mail carried by the Army.

It was never intended by them that the mail should be carried by the Army except temporarily. It was merely to meet the emergency as we found it, just as the great President of the United States, when he found men in high authority who, in derogation of our rights and against the best interests of this Nation, were attempting to ship their gold to foreign lands, entered his decree, under the Constitution of the United States, that stopped them from shipping this gold from New York Harbor.

Mr. MAAS. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. In a moment, if I have time.

When the great President of these United States found that the banking system of the United States in many places was rotten to the core, when the people of the United States, trustful and credulous as they were, were losing their deposits which represented the savings of a lifetime, again the great President of these United States entered his decree closing every bank in the United States until he could find those which were sound as differentiated from the ones that were unsound. Thus again he protected the rights of the people of this country.

Mr. ROMJUE. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. In a moment, if I have time. Oh, I have been expecting our great friend and sympathetic colleague, the distinguished gentlewoman from Massachusetts, although she is persistently consistent in attacking continually the President and the Postmaster General on this issue, to rise in her seat and say, "I applaud the President of the United States for zealously protecting the people and putting the banking system back on a sound basis in order to preserve the rights of the American people."

Mrs. ROGERS of Massachusetts and Mr. ROMJUE rose.

Mr. BLANTON. I first must yield to the gentlewoman from Massachusetts. I always yield to my distinguished colleague the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Why did not the administration, if it found fraud, send the people to jail as Calvin Coolidge did? Why did the administration, during this air mail matter, try to bring in a perfectly innocent person, Charles Francis, of Massachusetts, the Secretary of the Navy, and my own constituent, who had nothing to do with it, as the gentleman knows?

Mr. BLANTON. President Roosevelt has no power or authority to send anyone to jail. These were civil contracts. President Roosevelt canceled them for fraud. That ended them. If he canceled them unlawfully, the contractors had the right to go into the courts and force him to rescind such cancelation. But they did not go to court. They accepted the cancelations. And by not suing to rescind they acknowledged their wrong. I want to say to the gentlewoman from Massachusetts regarding her reference to President Coolidge that she does not have a higher regard for the memory of Calvin Coolidge than I have. He was honest to the core, and, in my judgment, when all the facts are known he will go down in history as a great President; but her last Republican President, Mr. Herbert Hoover, would have referred the matter of these fraudulent and dishonest air mail contracts to a commission to report back 5 years hence. [Laughter and applause.]

[Here the gavel fell.]

Mr. BLANTON. I am sorry, Mr. Speaker, that I have not the time to prove to my colleague from Massachusetts [Mrs. ROGERS] that in promptly taking action in canceling these fraudulent air mail contracts and meeting the unexpected emergency by promptly using the Army our President of the United States demonstrated his ability to see quickly and correctly, to think quickly and correctly, and to act quickly and correctly in an important and imperative crisis.

Mr. O'CONNOR. Mr. Speaker, I yield the gentleman from Texas 2 minutes more, on condition that he first yield to the gentleman from Missouri [Mr. ROMJUE] and then to the lady from Massachusetts to defend my native State of Massachusetts. [Laughter and applause.]

Mr. BLANTON. I thank my friend who now hails from New York, but I always yield to the ladies first.

Mrs. ROGERS of Massachusetts. I ask the gentleman to yield first to the gentleman from Missouri.

Mr. BLANTON. Being obedient to ladies, I yield to the gentleman from Missouri.

Mr. ROMJUE. I want to call the attention of gentlemen from Texas to this fact: I have not heard any complaint from any Republican that under the Republican administrations about the Army flying the mail for a time, as was done. I have heard no complaint about that. Army flyers under Republican rule carried the mail at times also.

Mr. BLANTON. When it is necessary to use the Army to preserve the integrity of our country, I believe that our great President always will meet the emergency in the way he did. I now yield to the lady from Massachusetts.

Mrs. ROGERS of Massachusetts. The gentleman has spoken of the fact that the Army flew the mail under the Republican administration. Is it not true then that great precautions were taken in sending pilots out, and that they were sent out only in very good weather?

Mr. BLANTON. Oh, let me say that here in the National Capital there were at least 120 people lost their lives last year in the city of Washington by automobile accidents. Many people are killed in everyday life. Surely people will lose their lives in air mail accidents and in riding commercial planes. It is a hazard all must take. But why criticize a faithful President of the United States and a dependable Postmaster General for doing their duty?

Mr. RANSLEY. Mr. Speaker, I yield 2 minutes to the lady from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. There is one thing, Mr. Speaker, that it will be impossible for the administration to deny or explain, and that is, if the Postmaster General was right in canceling the air mail contracts without a hearing, why, under this bill, is that power taken away from him?

Under this bill, contracts cannot be canceled without due hearing before the Interstate Commerce Commission. The Postmaster General can never again cancel air mail contracts at his own will. Thank God for that. [Applause.]

Mr. O'CONNOR. Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska [Mr. LUCKEY].

Mr. LUCKEY. Mr. Speaker, it has been stated that when the Army flew these air mail planes precaution should have been taken to prevent disaster. I was wondering whether if we were in war the enemy would take extra precautions when our Army flew the planes.

Everyone regrets the fatalities and accidents which occurred during the period from February 12 to June 30, when the Army flew the mails. Yet was it not just some such rigorous test under prevailing flying conditions which we needed to test the efficiency of our Air Corps?

Mr. RANSLEY. Mr. Speaker, I yield myself 2 minutes. Mr. Speaker, no one on this side of the aisle is opposed to this liberal rule. The bill which the rule brings forward is considered detrimental to some existing companies, and also to the traveling public.

I have had a talk with the able chairman of the committee, who has this bill in charge, and he has assured me that an amendment will be offered which, to a great extent, will satisfy those who are protesting against the bill as it stands at the present time.

Mr. Speaker, I yield the remainder of my time to the gentleman from New York [Mr. BACON].

Mr. BACON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter from the Secretary of State to the chairman of the committee.

The SPEAKER. Is there objection?

There was no objection.

Mr. BACON. Mr. Speaker, I do not care to discuss a partisan or political question. I am in favor of this bill, and I want particularly to direct the attention of the House to section 7. Section 7 of the bill has to do with the American air mail that leaves our shores and goes to foreign countries. The Secretary of State has written a letter to the Chairman of the Post Office Committee protesting against this section and urging that it be stricken from the bill. Due to the very courteous gentleman from New York [Mr. MEAD], chairman of the committee, I have been furnished with a copy of the letter from Mr. Hull, Secretary of State, and with Mr. MEAD's approval I propose to offer an amendment to strike section 7 from the bill. The gentleman from New York [Mr. MEAD], chairman of the committee, has assured me that his committee will accept this amendment.

I shall read a part of the letter of the Secretary of State. In discussing section 7, he said:

> The adoption of section 7 of the bill would, in my opinion, be likely to lead to serious consequences in that foreign countries would probably adopt retaliatory measures with respect to operations in their territories by air transport companies in which American citizens are officers and directors, employed as pilots or radio operators, or own shares of stock. The adoption of the proposed section 7 of the bill and the imposition by foreign countries of retaliatory measures would, it is believed, result in American interests in those countries being affected to a much greater extent than foreign interests in United States territory. American citizens are interested in air transport operations abroad, particularly in China, Canada, and the Latin American countries, and it is believed that the section quoted would adversely affect such interests, especially in Canada and Latin America.

He then goes on and discusses the question of the arrangement for licensing pilots. He says:

In cooperation with the Department of Commerce, the Department of State has negotiated agreements with several countries establishing reciprocity with respect to the issuance of pilot licenses. Under such an agreement each country undertakes to issue licenses to the nationals of the other countries authorizing them to pilot civil aircraft, provided they are qualified to receive licenses under the regulations of the country issuing them.

I shall not read the Secretary's entire letter, but will place it in the RECORD. In conclusion, he says:

In view of all the foregoing considerations I respectfully urge that in order to avoid complications that are likely to follow in the conduct of foreign relations if the proposed section 7 of the present bill is retained, the bill be amended, by the omission of section 7, before it may be enacted into law.

Sincerely yours,

CORDELL HULL.

I wish to call attention to this briefly. I also wish to discuss the great strides that America has made in air transportation from our shores to the shores of friendly nations. We now have lines running from Miami, Fla., that circle the Caribbean, go down the east coast of South America to Buenos Aires, that go down the west coast of South America to Valparaiso and over the Andes Mountains, 29,000 feet high, to Buenos Aires, a very remarkable feat. This is accomplished by one of the best-operated companies in the entire world. That company has done more to bring peace and good will between the North and South American Continents than anything else our country has done I may say, except possibly for the splendid impression that our own present Secretary of State made at the Pan American Conference in Montevideo. This provision, section 7, if left in the bill, would absolutely hamper, if not curtail, the operations of that company carrying mail and good will and passengers from America of the north to Central and South America in the south. I have seen stacks and stacks of letters from business concerns all over the United States written to the Pan American Airways Co., which is the name of the company that carries on this great work, telling it that if it had not been for the American air service to South America they could not have closed this or that contract, and that they could not have carried on their business. In other words, this company has enabled American manufacturers in every one of the 48 States to carry on with greater facility their business with South America and has enabled them to meet the competition from Europe, particularly England, France, and Germany.

This company in South America is in competition when once it arrives in South America with lines owned by French and German interests. One can readily see that it may be necessary to employ sometimes certain nationals of the country to which they are going. After all it is the United States that is pioneering in the rest of the world. The rest of the world is not pioneering in the United States, so far as air transportation is concerned. It is American pilots that are going to Brazil, Colombia, the Argentine, Chile, Ecuador, and the countries of South America and Central America, and it is not their pilots who are coming to the United States.

Therefore, if we should write anything into this bill that would hinder the obtaining of licenses by our American-citizen pilots in foreign countries to permit them to fly American planes in these countries, we would be doing our own country and our aviation a great deal of permanent harm.

Let us look forward to the future. Our country has been the pioneer in commercial airways. Let us not do anything here to hamper it. Let it continue to show the way.

Only last week you all read about the enterprise that is just starting across the Pacific. In a short space of time the first plane is going to leave San Francisco for Hawaii, Wake Island, Midway Island, Guam, Manila, and Hong Kong. Undoubtedly within a very short time we are going to establish a commercial line across the Pacific that will touch English possessions and China. We must not write into this bill anything that will hinder that development. I also can foresee within the near future air transport from our shores by way of Bermuda and the Azores to France and England. It has been suggested that English, French, and American companies join in developing such a line. That is a possibility for the future. Let us not write anything into this bill that will hamper the future development that we here today cannot possibly foretell. It may be even necessary, for example, for an American line going to a foreign country to have a director on its board who is a national of that foreign country. He will be, of course, a minority of one, but it may be required by the regulations and laws of the country to which that line may be going that they shall have one of their nationals on the board of directors. That may be so. It may be that we will be required to employ certain of their nationals, because, after all, we cannot carry on without giving and taking in foreign affairs.

So my appeal to the House today is to join with me and with your Secretary of State, with the consent and full approval of the Chairman of the Committee on Post Offices and Post Roads, to strike section 7 from the bill in the interest of cordial relations between this country and other countries of the world. [Applause.]

[Here the gavel fell.]

Mr. BACON. The following is the full text of the letter to the chairman of the committee from the Secretary of State:

MARCH 16, 1935.

The Honorable JAMES M. MEAD,
House of Representatives.

MY DEAR MR. MEAD: I desire to invite attention to section 7 of the bill H. R. 6511 entitled "A bill to amend the air mail laws and to authorize the extension of the Air Mail Service", which, it is understood, has been reported out of your committee and is now on the House Calendar. Section 7 reads:

"SEC. 7. Section 7 of such act [act of June 12, 1934, as amended] is amended by adding at the end thereof a new subsection to read as follows:

"'(e) No contract for the transportation of air mail under this act shall be held by any person who (1), if an individual, is not a citizen of the United States, or (2) being a partnership or association, admits to or retains in its membership an individual who is not a citizen of the United States, or (3) being a corporation, has any officer or director who is not a citizen of the United States, or (4) employs in its service, between terminals within the jurisdiction of the United States, a pilot or radio operator who is not a citizen of the United States. To effectuate the purpose of the foregoing restrictions, the acquisition of any interest, in the form of shares of stock or otherwise, in the business of a contractor for air mail transportation under this act, by any person disqualified by this subsection from holding an air mail contract, is hereby prohibited.'"

The adoption of section 7 of the bill would, in my opinion, be likely to lead to serious consequences in that foreign countries would probably adopt retaliatory measures with respect to operations in their territories by air transport companies in which American citizens are officers or directors, employed as pilots or radio operators, or own shares of stock. The adoption of the proposed section 7 of the bill and the imposition by foreign countries of retaliatory measures would, it is believed, result in American interests in those countries being affected to a much greater extent than foreign interests in United States territory. American citizens are interested in air transport operations abroad, particularly in China, Canada, and the Latin American countries, and it is believed that the section quoted would adversely affect such interests, especially in Canada and Latin America.

Aside from the foregoing considerations I desire to invite special attention to the provision of section 7 of the bill, which would prevent the employment of an alien pilot in cases where there is a contract to carry the mails. Section 48 of the Air Commerce Regulations, issued pursuant to the provisions of the Air Commerce Act of 1926, contains provisions in regard to the issuance of licenses to aliens. This section reads:

"An applicant for a pilot's license must be of good moral character. The minimum age requirements are 14 years for noncommercial glider pilots; 16 years for private, amateur, and student pilots; 18 years for commercial glider, limited commercial, and transport pilots. Applicants for any type of pilot's license who are under the age of 21 will be required to submit evidence of the consent of parent, legal guardian, or natural guardian prior to the issuance of a license. A noncommercial glider, private, amateur, or student pilot may be a citizen of any country. A commercial pilot must be (1) a citizen of the United States, or (2) a citizen of a foreign country which grants reciprocal commercial-pilot privileges to citizens of the United States on equal terms and conditions with the citizens of such foreign country, or (3) an alien who has filed his declaration of intention to become a citizen of the United States and advises the Secretary of Commerce of the serial number of such declaration, the date thereof, and the court in which filed. He must diligently and successfully prosecute the naturalization proceedings under penalty of the revocation of his pilot's license and from time to time must keep the Secretary of Commerce advised of the status of such proceedings. All applicants for commercial pilots' licenses shall be able to read, write,

speak, and understand the English language except applicants who are citizens of a country with which the United States has reciprocity with respect to the licensing of pilots."

In cooperation with the Department of Commerce the Department of State has negotiated agreements with several countries establishing reciprocity with respect to the issuance of pilot licenses. Under such an agreement each country undertakes to issue licenses to the nationals of the other country authorizing them to pilot civil aircraft, provided they are qualified to receive the licenses under the regulations of the country issuing them. It is contemplated by each of these agreements that when pilot licenses are issued to nationals of the one country by the other country they shall be entitled to the same privileges as are granted by pilot licenses issued by the latter country to its own nationals.

Should the effect of the proposed legislation be to deprive aliens legally holding or acquiring American pilot licenses under these pilot agreements of the right to use them as would American holders of similar licenses, it would constitute a discrimination against such aliens which would be contrary to the terms of these agreements.

The United States has entered into agreements providing for the issuance of licenses to pilots of civil aircraft with Canada, Italy, Norway, Sweden, Denmark, and the Union of South Africa. In the cases of Canada and Italy provisions in regard to the issuance of pilot licenses are embodied in agreements with these countries relating to air transportation in general. Such provisions are found in clause 4 of the agreement with Canada and in article 5 of the agreement with Italy. In the cases of the other countries mentioned, agreements have been negotiated by the United States relating specifically to the issuance of pilot licenses. A similar agreement has been negotiated by the United States with Great Britain, but has not yet been made effective by the necessary exchange of notes. Negotiations for similar pilot agreements are pending with several other countries.

Copies of all the agreements mentioned above now in force are enclosed for the information of your committee.

In view of all the foregoing considerations, I respectfully urge that in order to avoid complications that are likely to follow in the conduct of foreign relations if the proposed section 7 of the present bill is retained the bill be amended, by the omission of section 7, before it may be enacted into law.

Sincerely yours,

CORDELL HULL.

Mr. O'CONNOR. Mr. Speaker, I move the previous question.

The previous question was ordered.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to amend the rule to correct a typographical error on page 1. The last word in line 1 should be "this" instead of "the."

The SPEAKER. Without objection, the correction will be made.

There was no objection.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

THE PATMAN BILL TO EXPAND CURRENCY AND PAY OFF SOLDIERS' ADJUSTED-SERVICE CERTIFICATES

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including an address which I made over the radio on last Saturday night.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, under permission granted to me to extend my remarks in the RECORD, I desire to insert the following address which I delivered over the radio on last Saturday:

My friends, it is my privilege tonight, through the courtesy of the National Broadcasting Co. and associated radio stations, to speak to you for a few minutes on one of the gravest questions that has faced the American people for many a day, and that is the passage of the bill which went through the House on yesterday, and is now before the Senate, to expand the currency and pay off the soldiers' adjusted-service certificates.

In my humble judgment, nothing could do this country more good than the passage of this measure and the putting of this new money into circulation without delay. Its passage through the House has already started prices of farm products to advancing throughout the world.

I know that some people tell you that these certificates are not due, but I call your attention to the fact that if the veterans had been paid the same interest that was paid by our Government to the contractors, war profiteers, munition manufacturers, and financiers on their unpaid balances, every one of these certificates would have been due and payable at their full face value in October 1931.

Besides, this bill is not for the benefit of the soldiers alone; it is for the benefit of all the American people. It will do more toward restoring prosperity than anything else that has yet been done or attempted. We are in the midst of a paradoxical depression that is without parallel in all the history of mankind. We are living in the richest country in all the world. Its natural resources are unlimited; its gentle climate, fertile soils, and abundant rainfall cause it to yield abundantly every product of the temperate zone. Our industrial facilities are not equaled by those of any other country under the sun. American genius has given us the greatest ascendency over the forces of nature ever attained in all the history of mankind. We have an oversupply of the world's monetary gold. Our Treasury is literally bursting with gold. We own 40 percent of the world's monetary supply of that metal, and we scarcely owe a dollar beyond the confines of the United States; but on the other hand, billions of dollars are owed to the United States by foreign countries and other billions are owed to American citizens by foreign countries or foreign individuals.

Yet, with all of these advantages, we are told that we have approximately 23,000,000 people on relief, many of whom will not get the chill of the humiliation out of their blood for two or three generations. We have been killing pigs, slaying cattle, plowing up cotton, and curtailing the production of other agricultural products, as well as industrial commodities, attempting to cure this direful situation without using the one method at our command that will do the work without injuring a single human being, and that is expanding the currency and putting new money into circulation.

Now, don't any of you get frightened at Wall Street's propaganda about inflation. This bill does not provide for what they call inflation; it provides for controlled expansion We have a sufficient amount of gold reserve against which to issue $20,000,000,000 of currency without going beyond the reserve required under the present law. Yet we have only about five and a half billion dollars of currency in circulation.

In 1914 we had $34 per capita in circulation, or $3,400,000,000 all told. We began to expand through the Federal Reserve banks. Wall Street didn't call it inflation then; the big banks were getting interest on it. That made a difference. But now, when the Government proposes to issue its own currency and save the interest, they refer to it as "dangerous inflation."

By 1920 we had expanded that currency from three billion four hundred million to five billion six hundred million, or from $34 per capita to $53 per capita. What was the result? Cotton went to 25 or 30 cents a pound, wheat to $2.50 a bushel, corn, hogs, land, lumber, and labor advanced in proportion. On that price level we contracted our debts, fixed our standards of living, floated our bonds, and levied our taxes. Now we are asked to meet those obligations with the depressed prices which a contraction of that currency has produced. It simply can't be done.

There are two things necessary to maintain commodity prices One of them is a sufficient volume of the circulating medium, and the other is a sufficient velocity of its circulation. When the volume is low the velocity must be rapid, or commodity prices will decline. If the velocity is slow, then the volume must be high, or prices will decline.

In 1920, and also in 1926, we had an ample volume of currency and a rapid velocity of circulation, both of which have since declined. The passage of this Patman bill would not only add to the volume of our circulating medium but it would put it in circulation in every community in the United States. It would raise commodity prices back to their normal levels. If there was any tendency toward skyrocketing prices, as some of our reactionary friends seem to fear, it could be checked by the sale of bonds and calling in a sufficient amount of Federal Reserve notes to hold this tendency in check and to prevent any wild or abnormal inflation of prices.

The opponents of this measure are deliberately attempting to mislead the American people into the belief that this would be "fiat" money, and that it would be almost or quite worthless As a matter of fact, every dollar of it would have the gold reserve required by the law behind it, and every dollar of it would be interchangeable with every other dollar of American money. It would have behind it just what is behind our present outstanding currency, and that is every ounce of gold, every ounce of silver, all the wealth, all the resources, and all the credit of the United States. It would be the best fortified money on the globe, just as our present currency is today.

During the Civil War Abraham Lincoln issued United States notes in order to secure money to fight the Civil War. There are $346,000,000 of those notes in circulation now, and they are just as good as any other United States money, because they are legal tender and are interchangeable with all the rest of our money. I saw it stated recently that the United States had saved between eleven and thirteen billion dollars in interest on those notes in the last 70 years.

But you ask then why the money power opposes this measure? I'll tell you why. The wealth of this Nation is now in the hands of a few people; less than 10 percent of our population owns more than 90 percent of our wealth. In 1914, the year the World War broke out, there were 61 individuals in the United States with incomes of $1,000,000 a year. In 1929 there were 513 individuals with incomes of a million dollars a year. There hasn't been such a concentration of wealth since the world began. They not only reaped their fortunes out of the tariff, watered railroad and utilities stocks, and gambling on the stock exchange but they made millions in war profits during the war—coining them from the blood and tears of the suffering men, women, and children of the world. They now have their funds invested in tax-exempt securi-

ties, in first-mortgage bonds, and in other evidences of indebtedness that they want you and your children and their children to pay throughout the coming decades. They know that the passage of this measure will raise commodity prices, restore prosperity to the American farmer, to the small merchant and to the home owner, dissipate our bread lines, abolish our relief rolls, and bring to the American people a new era of prosperity. But it will not permit the favored few to wring the economic lifeblood from the masses of our people in order to increase their wealth or perpetuate their power.

The money changers who are opposing this measure are trying to make you believe that those of us who favor it are opposing the administration, when the truth is we are trying to help the administration Nothing could do this administration more good than for this measure to pass without delay and to become law in its present form. It is now before the United States Senate. Its fate depends upon the action of that body. Its passage is probably the only hope for the World War veterans to ever secure the full payment of their adjusted-service certificates. Upon its passage may depend the hope of the American farmer, the American home owner, the American laborer, the small business man, and all those other millions of our people who do not belong to that small group into whose hands the wealth of the Nation has been concentrated

I appeal to you veterans to all join and throw your combined strength behind the passage of this measure. This is the bill the rank and file of the veterans want. The Veterans of Foreign Wars, the rank and file of the American Legion and of the Disabled Veterans of the World War, as well as the hundreds of thousands of ex-service men who do not belong to any veterans' organization at all, want this measure passed.

I appeal to the farmers of this country, to the merchants, to the laborers, to the home owners, to all join in this battle for the passage of the one measure that will pay this debt, discharge a just obligation, and at the same time restore to the American people a sound and lasting prosperity for all.

AIR MAIL SERVICE

Mr. MEAD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6511) to amend the air mail laws and to authorize the extension of the Air Mail Service.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 6511, with Mr. BLANTON in the chair.

The Clerk read the title of the bill.

Mr. MEAD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MEAD. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this measure which comes before us with the unanimous report of the Committee on the Post Office and Post Roads is an excellent bill in my estimation. This bill is the result of the findings of the Federal Aviation Commission, and it is in keeping with the request for legislation contained in a message on aviation sent to the House recently by the President.

The principal purpose of this legislation is to transfer to the Interstate Commerce Commission full authority over air mail rates. This measure will give the Interstate Commerce Commission authority to fix rates for mail pay for all the operators carrying air mail in the United States. Under existing law the Interstate Commerce Commission has the right to inquire into rates and to revise and adjust rates within certain limitations. This bill exceeds those limitations and broadens the power of the Commission. In the Air Mail Act adopted in the last Congress the Commission was given authority to fix rates below the contract bid price. After the cancelation of the contracts and the new lettings of contracts we found air mail contractors bidding all the way from 8 cents per mile up to 39 cents per mile for carrying the mail. The rate which we were paying the contractors before the cancelation of the contracts averaged 42.658 cents a mile. It was reasonable to assume that in some cases, at least, the rates were low. Under the law the air mail rates could not exceed 33⅓ cents per mile. Even though some companies bid as high as 39 cents, their rate of pay was reduced to 33⅓ cents, the maximum under existing law. The only authority the Interstate Commerce Commission has is to revise and reduce rates below the contract bid price. Everybody knows that this industry is the most rapidly developing industry in the world today. Planes that were constructed last year may be obsolete this year.

New devices for speed and for safety are constantly being applied and the cost of maintaining an up-to-date operation has increased tremendously over the cost when the bids were requested. This tremendous increase in cost of operation and the desire to keep abreast with the times presents an excellent reason for giving the Interstate Commerce Commission the right to revise upward as well as downward the rates of air mail pay.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. MEAD. I shall be glad to yield.

Mr. SNELL. Under the old operation, before the cancelation of the contracts, as I understand it, the Interstate Commerce Commission had then, as they have now, the right to reduce the rate of pay.

Mr. MEAD. No; before the cancelation of the contracts they could not adjust rates. The Interstate Commerce Commission exercised no power until after the cancelation of the contracts. All rates were fixed by a formula adopted by the Post Office administration.

Mr. SNELL. As I understand it, the Post Office Department has discovered they could not carry the mails efficiently at the prices they set at the time they canceled the contracts.

Mr. MEAD. Not only the Post Office Department but the Federal Aviation Commission and the Interstate Commerce Commission have also made that discovery. In a number of cases the Interstate Commerce Commission has recommended decreases; but the increases, I may say to the gentleman, exceed the decreases. I believe there were 11 decreases authorized by the Interstate Commerce Commission and 16 increases recommended, but which could not be put into effect because of the prohibition in existing law.

Mr. SNELL. Last year at the time of the cancelation of the contracts the gentleman explained to the House very fully, eloquently, and at length about the fraud and corruption that existed. How many people have been prosecuted for fraud and corruption in connection with those contracts since that time?

Mr. MEAD. The gentleman gives me credit for saying perhaps more than I said on that occasion. I did not dwell at any length on that particular subject; and, therefore, I would like to keep it out of this discussion as far, and as well, as I am able to.

Mr. SNELL. I appreciate the gentleman wants to do that, but I think the country is entitled to know, if there were fraud and corruption at that time, what this administration has done to punish the perpetrators of that fraud and corruption.

Mr. MEAD. Under the law which was adopted by the last Congress all those who were in attendance at parleys in the Post Office Department, at which time it was alleged certain mail contracts were given out, have been eliminated from the air mail industry. Not only that, but holding companies, subsidiaries, affiliates, and other organizations that were involved in the operating, maintaining, and financing of air lines have been eliminated from this field.

Mr. SNELL. I appreciate the fact they were eliminated practically by Executive order, but if that fraud, collusion, and dishonesty of which the chairman of this committee spoke was present at that time, surely some man or some corporation should have been brought to the bar of justice.

Mr. MEAD. I presume the Department felt they were amply punished when they were eliminated from bidding again. I shall accept that view of it.

Mr. DOBBINS. Mr. Chairman, will the gentleman yield?

Mr. MEAD. I yield.

Mr. DOBBINS. In this connection I would remind the chairman of the committee that had the administration been wrong in canceling those air mail contracts the contractors could have brought suit against the United States in the Court of Claims. Can the gentleman tell the House how many air mail contractors whose contracts were canceled have brought such suit in the 9 months that have elapsed?

Mr. MEAD. None of them. They had such an opportunity given to them.

In conclusion, Mr. Chairman, I wish to say that the Air Mail Service we have and the air transportation service generally is better than it has ever been in the history of the United States, it is the best of its kind in the world. Not only that but the service touches more cities, serves a greater number of States, and has been extended by millions of airplane miles. This bill will help develop this wonderful service.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MEAD. I yield.

Mr. TABER. I am wondering if the gentleman could tell us something about what the cost of operating the air mail under this bill will be as compared with present cost?

Mr. MEAD. There is no doubt in my mind but what the cost will be increased; but I will say to the gentleman—and I base this prediction on reports I have from the Interstate Commerce Commission—that the increase should not exceed $1,500,000, or $2,500,000 at the outside. If this is the case, then the cost of operating this greater Air Mail Service will be under what it was before the contracts were canceled.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. MEAD. I am sorry I cannot; my time has expired.

Mr. McFARLANE. Will the gentleman incorporate that information in the RECORD?

Mr. MEAD. Yes; I will.

[Here the gavel fell.]

Mr. GOODWIN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, on July 1, 1934, the act to revise air mail laws, Public, 308, went into effect, providing that contracts for carrying air mail be let to the lowest bidders, in place of the plan previously used whereby rates were set by the Post Office Department. This plan of low-bid awards has been tried out during the past year, and it has been found that the air mail contractors have suffered such losses that the entire structure of Air Mail Service is endangered through great financial losses of the carriers. In their endeavors to protect their investments in landing fields, routes, and equipment they have made bids far below the cost of operation, and today they are in a defenseless position. The service required for the proper handling of air mail cannot be provided at the contract rates.

On account of this very vital situation in the development of air service, both from the Air Mail Service standpoint and from the national-defense situation, the Committee on Post Offices and Post Roads has held hearings and deems it a necessity to amend the air-mail law and to further extend the service.

To carry on the service, fair and reasonable rates of compensation are necessary. These rates should be entirely within the jurisdiction of the Interstate Commerce Commission, which department is equipped for rate findings which are equitable.

H. R. 6511, now before you for the expansion and improvement of the Air Mail Service, has been approved by the unanimous vote of the members of the committee. It bears the endorsement of the air lines and the Post Office Department.

It has been generally recognized that the chairman of the committee, Mr. MEAD, and former Representative Clyde Kelly, of Pennsylvania, have been authorities on the subject of air mail. This bill is a combination result of their studies, together with the committee.

I have had the privilege recently of talking with former Representative Kelly on the subject of this measure, in which he has been so interested, and he stated to me that, in his opinion, this bill of amendments will go a long way toward providing the smooth working of the Air Mail Service, so necessary not only for its own functions, but for the development of aviation for whatever necessity it may be required.

Mr. Chairman, I ask unanimous consent to insert in the RECORD at this point a comparison between the existing law and the proposed legislation.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The matter referred to follows:

COMPARISON BETWEEN EXISTING LAW (ACT OF JUNE 12, 1934, AS AMENDED), AND PROPOSED LEGISLATION (H. R. 6511)

EXISTING LAW	PROPOSED LEGISLATION
Subsection (c) of section 3: Allows the Postmaster General to extend an air mail route up to 100 miles. (Not more than one such extension may be granted to any one person.)	The first section of the bill allows an extension of an air-mail route up to 150 miles instead of the former limit of 100 miles. (Not more than one such extension may be granted to any one person.)
Subsection (d) of section 3: Allows the Postmaster General to designate certain routes as primary and secondary. Directs that at least four transcontinental routes and the eastern and western coastal routes shall be included among primary routes.	Section 2 (subsec. (d) of sec. 3 of 1934 act): Provides that at least three transcontinental routes shall be included among the primary routes, and such other routes as the Postmaster General deems advisable, but no route less than 500 miles in length may be designated as a primary route. This takes the eastern and western coastal routes out of the mandatory primary classification and leaves their designation up to the Postmaster General.
Subsection (f) of section 3: Limits the aggregate air mail route mileage to 29,000 miles and the annual aggregate of scheduled air-mail transportation to 40,000,000 airplane-miles.	Section 3 (subsec. (f) of sec. 3 of 1934 act): Allows an aggregate air mail route mileage of 32,000 miles instead of the existing 29,000 miles, and allows an annual aggregate of 45,000,000 airplane-miles of scheduled air-mail transportation in place of the present limit of 40,000,000.
No corresponding provision.	The bill further provides that the Postmaster General shall prescribe the number and time of departure of all air mail schedules and that he may utilize therefor any scheduled passenger or express flight of the contractor.
Subsection (a) of section 6: Authorizes the Interstate Commerce Commission to adjust the rate of compensation for carrying air mail, but the adjusted rate may not exceed the rates provided in the act—33⅓ cents per airplane-mile for a load of not over 300 pounds, and in no case shall payment exceed 40 cents per airplane-mile.	Section 4 (subsec. (a) of sec. 6 of 1934 act): Authorizes the Interstate Commerce Commission to adjust the rate of compensation for carrying air mail and permits rates to be increased above the rates specified in the act of 1934, but not to exceed such rates by more than 20 percent.
Subsection (c) of section 6: Allows the indefinite continuation of contracts which may be let or extended pursuant to the provisions of the act, subject to any reduction in the rate of payment and such additional conditions and terms as the I. C. C. may prescribe.	Section 5 (subsec. (c) of sec. 6 of 1934 act): Allows the indefinite continuation of contracts (1) let, extended, or assigned under the provisions of the 1934 act and in full force on March 1, 1935, or (2) which may be let subsequent to such date under the provisions of the 1934 act and which shall have been satisfactorily performed during the initial period of the contract. Rates of compensation to be fixed by the I. C. C. during such period of indefinite continuance, but not to exceed the limitation set forth above in section 4.
Subsection (e) of section 6: Instructs the I. C. C., in arriving at fair and reasonable rates, to endeavor to keep the aggregate cost of the Air Mail Service on and after July 1, 1938, within the limits of the anticipated postal revenue therefrom.	Section 6 (subsec. (e) of sec. 6 of 1934 act): Adds a new sentence to subsection (e) of section 6 of the 1934 act instructing the I. C. C. in determining rates of compensation to disregard losses on air mail routes resulting from the nonprofitable maintenance of nonmail schedules.

EXISTING LAW	PROPOSED LEGISLATION
Section 7: Relates to holding companies, etc., and is intended to prevent intercorporate relationships involving air mail contractors.	Section 7 (sec. 7 of 1934 act): The bill adds a new subsection to section 7 of the 1934 act prohibiting aliens from holding air mail contracts or working as pilots or copilots on the air mail routes. It further forbids aliens to have any interest, in the form of stock or otherwise, in the business of an air mail contractor. The committee intends to offer the following amendment when the bill comes before the House: Page 5, line 11, after the word "acquisition", insert "after the effective date of this act."
Section 10: Requires air-mail contractors to keep their records under departmental regulations, and authorizes the Postmaster General to examine and audit such records.	Section 8 (sec. 10 of 1934 act): This is a clarifying amendment to section 10 of the act, authorizing the Postmaster General to require financial reports from air-mail contractors at such times and in such form as he may prescribe.
Section 13: Rates of compensation and the working conditions and relations for all pilots, mechanics, and laborers employed on air-mail routes to conform to decisions of the National Labor Board. Protects collective bargaining on the part of the employees.	Section 9 (sec. 13 of 1934 act): Slightly changes the language of section 13 of the 1934 act so as to continue in effect the latest decision of the National Labor Board, or its successor in authority, and protects collective bargaining on the part of the employees.
Section 15: Prohibits any contractor operating a primary route from holding more than three contracts for carrying air mail, and further prohibits the contractor on a primary route from holding a contract covering any other primary route. The act further makes it unlawful for air mail contractors competing in parallel routes to merge.	Section 10 (sec. 15 of 1934 act): Permits any contractor operating a primary route to hold not more than four air mail contracts, instead of the limitation of three contracts as contained in the 1934 act; prohibits the contractor on a primary route from holding a contract on any other primary route; but clarifies the language of the 1934 act by providing that where several contracts cover one air mail route such contracts are to be regarded as one contract for the purpose of this prohibition. As in the 1934 act, merging of contractors operating parallel routes is prohibited.
No corresponding provisions.	The bill further provides that after June 30, 1935, no air mail contractor may maintain passenger or express service off the line of his air mail route in the event it competes with passenger or express service available upon another air mail route. The committee has prepared an amendment to this sentence so as to exempt off-line competitive service which has been regularly maintained for at least 4 months next preceding July 1, 1935, provided the number of trips and stops are restricted to those in effect on March 1, 1935. The committee's amendment, which will be offered in the House when the bill comes up, further provides that the I. C. C. may hear complaints regarding alleged unfair practices of competing lines and determine whether such competing service shall be discontinued.

Mr. MEAD. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DOBBINS].

Mr. DOBBINS. Mr. Chairman, a bill of this kind coming from the committee with the unanimous approval of the committee, ought not, in the opinion of those who are in charge of the presentation of the bill, be made the vehicle for political controversy; and I wish to say that it is the purpose, I think, of the gentlemen on both sides of the House who are in charge of the bill to avoid anything of this sort if it can be avoided. This statement is not to be taken either as an admission of weakness or as a boast of strength, but simply as an indication of the fact that we ought, without the heat of partisan debate, to provide for the future of this service in the best way that it is possible for the House of Representatives to provide.

As the chairman of the committee has told you, the need for this legislation has been made clear by the report of the Federal Aviation Commission, and emphasized by the message of the President delivered to the Congress on the 31st day of January. There are two or three salient features of this bill; probably the most important is the authority it grants to the Interstate Commerce Commission to raise rates of air mail pay as well as to lower them. They now have the authority to lower them, but they have no authority to raise them; and that Commission has recently concluded a very exhaustive inquiry into what constitutes rates of pay for the transportation of the mail through the air. These conclusions show that in the majority of instances the mail is now being carried for less than compensatory rates, and it finds that in 8 out of 25 or 30 contracts the maximum amount of pay authorized under the law is justified, this maximum being 33⅓ cents per mile of air travel.

This bill will authorize the Interstate Commerce Commission to go beyond that limit to the amount of 20 percent, which would allow a possible rate for a 300-pound load as high as 40 cents per mile. This will occur only in extreme cases. In most cases we presume they will find that the rate of pay is around the average which they have recently found to be fair and reasonable, something in the neighborhood of 25 or 30 cents. This bill also authorizes an increase in the annual plane-miles flown in the transportation of mail from 40,000,000 up to 45,000,000.

If the entire 45,000,000 miles are flown and the entire authorization that we have now shall be utilized, and this top pay of 40 cents for a 300-pound load should be paid in every case, as we know it will not be, you can quickly figure that the annual cost of our Air Mail Service will be $18,000,000. In the past, with a much inferior service and a service much more restricted, the expenditure has been $19,000,000 and $20,000,000. The most extensive service we ever had before was 35,000,000 airplane-miles per year, and it is proposed to increase that by nearly one-third. In addition we have a faster service; we have more frequent schedules; we have a better service; we have a more regular service, less failures, and less emergency landings. The requirements today impose upon the carriers the duty of maintaining safer equipment. For instance, wherever they fly over hills or mountains they must have multi-motored planes.

Mr. LANHAM. Will the gentleman yield?

Mr. DOBBINS. I yield to the gentleman from Texas.

Mr. LANHAM. With reference to off-line companies, I understand the gentleman is familiar with certain observations and recommendations made to the committee by the Bowen Air Lines, for instance, that operate in Texas. They have been operating there since October 1930. There are other companies in a similar position. Can the gentleman state approximately what would be the effect of this legislation with reference to them?

Mr. DOBBINS. For the information of the gentleman from Texas, I am glad to say that the case of the Bowen Air Lines was one of those cases which impelled the committee to provide that the Interstate Commerce Commission in its discretion might authorize the continuance of competitive service along air mail routes. It was our understanding that that line, as well as the Pennsylvania Air Lines

between here and Detroit and the T. W. A. between Pittsburgh and Kansas City by way of Chicago, are each supplying service which in a measure is competitive with the Air Mail Service, but that service is also, it seemed to the committee, fairly competitive and is reasonable and necessary in the public interest. Under the authority granted in this bill as it is proposed to be amended, the Interstate Commerce Commission will be authorized to permit the continuation of that service.

Mr. TABER. Will the gentleman yield?

Mr. DOBBINS. I yield to the gentleman from New York.

Mr. TABER. Is the gentleman familiar with the losses which it is alleged have been sustained by these air mail carriers which are now carrying the mail and have been carrying the mail during the past 6 or 8 months they have been operating?

Mr. DOBBINS. I know those losses are generally conceded to have been sustained. The exact amount of the losses is in disagreement. The Interstate Commerce Commission and the Department of Commerce arrived at one figure, the Post Office Department at another, and the air line operators at still another, which is considerably greater. Under the contention of the air mail operators, they are losing a maximum of $5,000,000 a year.

Mr. TABER. What does the Post Office Department say?

Mr. DOBBINS. The Post Office Department has not arrived at a definite figure, but it does question a great many items which enter into the computation of the air line carriers, such as the rate of depreciation.

Mr. TABER. What does the Interstate Commerce Commission find?

Mr. DOBBINS. The Interstate Commerce Commission finds that the losses are around $3,000,000 based upon the air line operations. Under the increase authorized by this bill those losses can all be absorbed by increases in rates of compensation which the Interstate Commerce Commission can grant and which would take every one of the air lines out of the red.

Mr. TABER. Does the gentleman estimate that the increases that would be required under this bill will run approximately $3,000,000?

Mr. DOBBINS. I anticipate they will run from $3,000,000 to $5,000,000, which would bring the maximum up to between $15,000,000 and $17,000,000. This will provide a much better service than we ever had before.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. DOBBINS. I yield to the gentleman from Washington.

Mr. ZIONCHECK. Section 2 of the bill provides that the Postmaster General may designate as primary routes at least three transcontinental routes. As I understand it, those routes, as contemplated, are the United Air Lines, the Transcontinental & Western, and another one?

Mr. DOBBINS. Yes; the northern transcontinental, which runs through Salt Lake City; the central transcontinental, which runs directly to Los Angeles from Kansas City; and the southern route, which runs through Atlanta and Fort Worth.

Mr. ZIONCHECK. Is it the gentleman's understanding that the Northwest Air Lines are not considered at this time or are to be considered as a primary route?

Mr. DOBBINS. Under the act of 1934 they were considered as a primary route. This act eliminates that designation of the Northwest Air Lines, but authorizes the Postmaster General to classify it as a primary route if he sees fit.

Mr. ZIONCHECK. Section 2 at the same time does away with the Black-McKellar law, which made the coastal routes primary routes?

Mr. DOBBINS. It does.

Mr. MICHENER. Will the gentleman yield?

Mr. DOBBINS. I yield to the gentleman from Michigan.

Mr. MICHENER. As a matter of fact, this bill simply recognizes in plain language the fact that we must pay a subsidy or bonus in connection with these contracts. The effort is to reduce the subsidy or the bonus to the minimum?

Mr. DOBBINS. That is the purpose of the bill.

Mr. MICHENER. And there is nothing to all this talk about bonuses and subsidies in connection with air mail contracts?

[Here the gavel fell.]

Mr. MEAD. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. DOBBINS. I may say, in response to the gentleman from Michigan [Mr. MICHENER], that the act of 1934 requires the Interstate Commerce Commission to work toward the elimination of a subsidy, and we did not change that feature. But there is considerable doubt in the minds of many of us as to whether we shall ever reach that goal.

Mr. MOTT. Mr. Chairman, will the gentleman yield for a question?

Mr. DOBBINS. I yield.

Mr. MOTT. As I understand this bill, its provisions do not change the existing status of air mail carriers on the Pacific coast that may be flying the mail from Portland to San Francisco.

Mr. DOBBINS. No; it permits them to continue their service, which I understand to be an excellent service.

Mr. MOTT. And leaves them in the same situation in which they have been, which I think satisfies the people out there.

Mr. DOBBINS. I think it thoroughly satisfies the people on the Pacific coast.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. DOBBINS. I yield.

Mr. COX. I received the impression when the Chairman of the Committee on the Post Office appeared before the Rules Committee that this bill is monopolistic in effect, but the whole matter is under the strict supervision of the Interstate Commerce Commission.

Mr. DOBBINS. That is true.

Mr. COX. And what you are undertaking to do by the legislation is to stabilize and to improve the service.

Mr. DOBBINS. That is true.

Mr. COX. And that is the justification for the legislation.

Mr. DOBBINS. Yes; and that inquiry suggests just one other important feature of this bill which I wish to mention briefly. It undertakes to protect the air line carriers against unfair or unnecessary competition on the part of other operators, but if another operator competing with an air line carrier can show that the competitive service which he proposes to offer is either fair competition or is necessary in the public interest, then under the terms of this bill the Interstate Commerce Commission can authorize the competition. I think this answers a doubt that has been expressed by a great many people upon this question.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. DOBBINS. I yield.

Mr. CHURCH. Referring to the last seven lines of the bill and then your contemplated amendments which give the right of appeal to the Interstate Commerce Commission, is there not still the monopolistic feature in the bill, after your amendments are adopted, in that your amendments only allow those companies to come in that have an established route or established stops, and do not permit other companies or even these companies to increase their service?

Mr. DOBBINS. Yes; they can increase the service under the terms of this bill if the increase involves either fair competition or necessary service. If the service is unnecessary or unfair, it will be prohibited by the Interstate Commerce Commission in carrying out the provisions of this measure. [Applause.]

[Here the gavel fell.]

Mr. GOODWIN. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. MCLEAN].

Mr. MCLEAN. Mr. Chairman, in a forum that is essentially one of political atmosphere, it is absolutely impossible to refrain from thought along political lines, and so far as I am concerned I have no hesitancy in saying that thinking out public questions along political lines does not shock my sensibilities. There is every reason to believe the air mail situation had for its background a political purpose. A review of developments incident thereto may excite criticism

on the part of one party which gentlemen of the opposite party may find it necessary to defend and explain. If this be politics, then politics serves a very useful purpose in our deliberations, and furnishes no cause for the complaints we have heard during this debate.

The purpose of this bill is to amend the air-mail laws, to authorize the extension of the Air Mail Service, and supply omissions found to exist in the legislation adopted by the last Congress. The legislation comes as the result of the cancelation of the air mail contracts by the Postmaster General in January 1934.

The necessity for additional legislation, modifying existing law as to air mail carriers comes as no surprise to students of the situation. When the existing legislation was before Congress on May 10, 1934, Mr. Clyde Kelly, then a Representative from Pennsylvania, and whom we all recognize as an authority on postal affairs, said:

Mr. Chairman, someday in the future the unwritten history of the past 90 days in the life of the air mail will be written, and many interesting things will be developed at that time.

He also said:

Among those things one fact will stand out, and that is the Herculean effort of the distinguished Chairman of the Committee on Post Offices and Post Roads, the gentleman from New York [Mr. MEAD] to remedy the defects which have been made in connection with the air mail.

In this proposed legislation we discern an acknowledgment of existing difficulties and unfairness to the air mail carriers; also, the continued efforts of the gentleman from New York to correct the situation which was created by the cancelation.

I shall vote for this bill. It is a movement in the right direction to correct the colossal blunder of 1934, when the air mail contracts were ruthlessly canceled and a disastrous program entered upon, the dire results of which are too familiar to need repetition. This legislation will assist American aviation to more speedily recover from the effects of that blow. The proposed amendments are numerous, but of little consequence except insofar as they relate to fixing the pay of the carriers. Comparing the rates that will be paid under this bill with the rates paid under the revoked contracts, the new rates will be approximately the same as paid at the time the contracts were revoked. It was said that the new arrangement entered into under existing legislation would result in the reduction of cost and there would be a saving to the Government of $10,000,000 annually, and politically minded gentlemen praised this great saving as a wonderful accomplishment of the administration.

At that time Mr. Kelly predicted:

We are not saving a dollar on this plan when the final balance sheet is made up. Wait until there has been operation under all the contracts before you say you have saved money. Wait until real air mail service is provided.

Mr. Kelly's prediction has worked out just as he said it would. It was estimated that the cost per mile would be 29.6 cents as compared with 44 cents a mile, or 42 cents a mile as stated by Mr. MEAD this morning, the cost of the service prior to the cancelation of the contracts. The report of the committee accompanying the bill is silent as to figures on this point, but does say that the service is being handled at a cost per mile much lower than at the former prevailing rate, and it is quite evident that the transportation service is being rendered at a substantial loss to the contractors in several instances, and that in some instances this loss is so great as to threaten most seriously the continuance of the high-grade service now supplied and to bring possible disaster to the entire aviation industry. I am advised, however, that the rate now paid is 33½ cents per pound, which by this bill may be increased by 20 cents, and the purpose of this bill is to increase the rates.

Mr. DOBBINS. Mr. Chairman, will the gentleman yield?

Mr. McLEAN. Yes.

Mr. DOBBINS. The rate now paid is not 33½ cents per mile, but that is the maximum rate, the average rate now being paid is nearly 20 cents a mile.

Mr. McLEAN. My authority is the Superintendent of the Air Mail Service. However, I shall accept the gentleman's suggestion.

It needs only simple mathematical calculation to establish by these figures that the rates paid under the former contracts were not excessive as was alleged, and that the method of calculation as provided in this bill will bring the cost to approximately what it was, and which the report states is necessary to avoid disaster to the entire aviation industry. It bears out the excellent judgment of Mr. Kelly above recited.

These extravagant claims of amounts to be saved were based on low bids submitted by the carriers. They were bargain bids, made at suicide rates. They were made for the simple purpose of providing an opportunity to demonstrate the injustice of the cancelations. They were made because the companies wanted to show that there had been no fraud or collusion, and in the hope that in an orderly way over the course of time they would be exonerated and treated fairly. This bill proves the claims of excessive payments and large savings were wrong. Admitting as it does the need for additional pay, the bill comes none too soon to right the wrong in the light of experience of the past year.

American aviation has developed very rapidly, and in the past few years people have become air-minded. We are proud to be able to boast that we had the finest aviation service in the world. Evidently it has recovered from the humiliation and retarded development at the hands of the Postmaster General or whoever was responsible. Its further development will gratify all who hope that it may excel commercially as well as an industry whose upbuilding against the possibility of future wars is a vital national necessity. [Applause.]

Mr. MEAD. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, I have asked for this time, primarily, that I may propound a question to the gentleman from New York, the able chairman of the committee.

The gentleman from New York is very familiar with this subject, and has a very comprehensive vision of the Air Mail Service throughout the United States. I think the gentleman is familiar with our air problem in the city of Indianapolis, and I wish to ask the gentleman whether in his opinion, under the bill he has introduced, there will be any diminution or abolishment or impairment of the Air Mail Service or the air facilities now enjoyed in our city.

Mr. MEAD. I may say to the gentleman that P. W. A. or Transcontinental or Western Air has a line from Newark to Los Angeles by way of Pittsburgh, Chicago, Indianapolis, Kansas City, and Amarillo, Tex. They also have an off-line operation from Pittsburgh north to Chicago and from Chicago down to Indianapolis. This off-line operation would have been eliminated under the provisions of the original bill, but it will be permitted under the amendment which we shall offer before the bill is finally acted upon.

Mr. LUDLOW. I thank the gentleman for the consolation he has given me, and in the remainder of the time I would like to read a brief letter from the Indianapolis Chamber of Commerce, a very alert organization that is always alive to the interests of our city and State. Originally it objected to this bill, but in a letter just received from William H. Book, the vice president of this great chamber of commerce, he included language which I quote:

We understand House bill 6511, the air mail and air line legislation proposed at this session, will come up for a vote in the House on Monday. Several days ago we wrote you concerning section 15 of this bill. Amendments were offered by the committee to this section, which, if adopted, would seem to us to remove the objections stated in our letter.

We believe that legislation of this kind is necessary for the preservation as well as the development of the air transportation system of the country, and hence respectfully urge that you vote for its passage.

The people of Indianapolis, the capital of our great State, are air-minded. I do not believe that aviation has any better friends anywhere than we are in Indiana. We are fond of speaking of Indianapolis as the air crossroads of America. Our chamber of commerce, with which I am pleased

to work in close cooperation, also our business men and our citizens generally, will be glad to learn from the eminent chairman of the committee that the reorganization plan provided in his bill will in no way or degree impair or diminish the air facilities we now enjoy.

Mr. RANSLEY. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, at the outset of my remarks I want to congratulate the Chairman of the Committee on the Post Office and Post Roads, my colleague from New York [Mr. MEAD]. There is no abler Member of Congress, no better chairman of a committee, no man more competent to write sound legislation, and if he had had his way in the previous Congress, and if the ranking Republican member of that committee in the previous Congress, Clyde Kelly, of Pennsylvania, had been permitted to legislate to protect the aviation transport industry this bill would have been introduced at the last session of Congress and commercial air transportation in the United States would not have been handicapped and almost wrecked.

If they had had their way there would have been none of these Farley air mail blunders, beginning with the cancelation of the air mail contracts.

As I recall, the first great blunder committed by the administration was committed by the Postmaster General, James A. Farley, when he canceled the air mail contracts without any hearings, in the most autocratic, high-handed, and dictatorial manner. He told Congress that he had canceled them because there had been no competition in the bidding, because there was fraud and favoritism, and then other Democrats took up the cry like a lot of parrots and cried, "Fraud, fraud, fraud", when there was no fraud. No fraud has been proven, and if there had been fraud it was the duty of the administration to prosecute anyone guilty of defrauding the Government. But nobody was brought to trial and no real evidence of fraud was presented.

The whole situation was simply that Postmaster General Farley wanted to get control of these air-mail contracts. If there was anything rotten or fraudulent, it was in the cancelation of the contracts, not in the making of them.

They were canceled without any hearings of any kind in the most un-American way. In our country, people who commit crimes—murderers, kidnapers, men charged with treason against the United States—are entitled to a hearing before being found guilty. [Applause.]

In the case of the cancelation of these air mail contracts the companies who held the contracts had their contracts canceled without even knowing that they were about to be canceled; they not only did not have a hearing but they did not know about it until it appeared in the newspapers that their contracts had been canceled. In order to protect themselves the Postmaster General and other Democrats raised the cry of "fraud", but submitted no valid evidence to support their contention. The whole performance was squalid politics from the very beginning.

Now, what has happened. There is a silver lining to every cloud. In order to cover up the Farley blunders, the Democratic Committee on the Post Office and Post Roads come in here and now say that competition does not work. That was one reason given for canceling the contracts; that there was no competition. Postmaster General Farley was going to open it up for competition. What a travesty and a farce! A blunder is often worse than a crime.

Now they say that competition does not work, and under the able leadership of the chairman of the committee [Mr. MEAD], you ask the House to pass new legislation limiting competition and placing the control of rates in the hands of the Interstate Commerce Commission where they will be safeguarded.

I have only taken these few minutes to make some reference and point out that in spite of the cry of "fraud" and the cancelation of the air mail contracts on the alleged basis of favoritism and fraud that not one iota of fraud has been proven, and you have almost wrecked the commercial air transportation service without justification and in a stupid attempt to smear the Hoover administration.

(The time of Mr. FISH having expired, he was given 1 minute more.)

Mr. DOBBINS. Will the gentleman yield?

Mr. FISH. I cannot yield. I have only 1 minute. Everybody admits that a year and a half ago we had the greatest air transportation system in the world. In spite of the cry of "fraud" none of the air mail companies were making any money. They were not paying any dividends. They were paying their officers limited salaries. How could there be fraud when they were not earning money at that time. They were building for national defense. They were building and had built up under that system the greatest air transportation system in the world. But for political reasons you almost wrecked and ruined the air mail and air transport service and industry. [Applause.]

[Here the gavel fell.]

Mr. GOODWIN. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. MAAS].

Mr. MAAS. Mr. Chairman, I am intensely interested in the development of air mail aviation and have been from its inception. I believe that I know something about it. I have ridden practically every air mail line both in this country and in the Caribbean. I have studied their operation, examined some of their books, and I think that this type of legislation is very essential; but there are some glaring omissions as well as a proposal that will be a most serious mistake, I believe. I must disagree with my colleague from New York [Mr. FISH] when he talks about the very low salaries paid these directors before the contracts were canceled, and when he says that we have gottten a great deal of national defense benefit. The subsidy that was intended to assist national defense hurt national defense in this country. The very air mail policy which has been in effect and which it is proposed to continue under this bill injured national defense, set it back 10 years in the air. The very use of these subsidy funds permitted these air mail contractors to acquire factories that built airplanes and motors, so that they were able to destroy competition, and using the money of the subsidy intended only for air mail, permitted them to build up a monopoly in making airplanes and motors that has destroyed competition, so that Europe has gone ahead of us in the development of airplanes and motors. It is the intention now to eliminate that situation, and I think this bill is a long step in the right direction, and yet this bill as it is now drawn will not accomplish that purpose. It is necessary that we have a complete, searching investigation by the Interstate Commerce Commission before any rates shall be adjusted upward. Do you realize that we have spent $100,000,000 in air mail subsidy and there is not a man in the House who can tell you where that money has gone or how it has been used?

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. MAAS. Yes.

Mr. McFARLANE. I think I can tell the gentleman where most of it has gone, because the Chase National Bank, National City Bank, and the Morgan interests practically own and control not only the passenger and manufacturing lines but control most of the air mail contracts as well.

Mr. MAAS. Yes; the gentleman is correct. At the very time when the officials of these companies were cutting the pay of their pilots, at the time they came and cried for increased rates, they voted to themselves enormous bonuses and enormous salaries running into the hundreds of thousands of dollars. We are told that they lost money under those contracts. I want to show you that, as a matter of fact, under the present rates which it is said will bankrupt these concerns if we do not give them immediate emergency legislation, they are now making money. I have before me the report of the Federal Aviation Commission. I take the report for the month of October as an example. Of 19 operators 10 show a loss and 9 show a profit, but the net result was a net profit for the operators as a whole under the present rates, and to tell us that they were losing money under the old rates, which were much higher, is ridiculous.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MAAS. Yes.

Mr. TABER. What organization is supposed to be back of this bill?

Mr. MAAS. The Aeronautical Chamber of Commerce, representing all of these air transport companies, or practically all of them, is the one now telling us that unless we pass this bill it is going to bankrupt the industry.

Mr. TABER. Who is the chief representative for that organization?

Mr. MAAS. Oh, various officers, but at present the most active is Elliott Roosevelt, the vice president of the Aeronautical Chamber.

Mr. TABER. It is rumored around the Capitol that he draws a salary of $25,000.

Mr. MAAS. I believe it is $15,000. I understand he has just been raised from $10,000 for his good work. I believe, as a matter of fact, that if the administration was right when it canceled these contracts because they said the rates were too high and were obtained fraudulently, it is wrong now if it attempts to increase these rates without a searching audit and investigation to determine the actual operating cost of these air mail lines.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. MAAS. Yes.

Mr. McFARLANE. The gentleman mentioned something about the cross licensing of patents and the making of engines. It may be of interest to know that in our national defense today in the Army and Navy we have only two different kinds of engine-manufacturing companies; that is, the Pratt & Whitney and the Wright Aeronautical Co.

Mr. MAAS. And the reason for it is because of this very policy. It made the condition possible.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MAAS. Yes.

Mr. DONDERO. I am interested in the gentleman's actual experiences. What does he think of section 7 of this bill, regarding the question of the citizenship of pilots?

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. GOODWIN. Mr. Chairman, I yield the gentleman 3 minutes more.

Mr. MAAS. I think that provision is unnecessary and unwise. That was covered very thoroughly by Mr. BACON.

Gentlemen, we are in the position where we are asked to make rates or to delegate rate-making power without any knowledge or foundation or basis for these rates. You, nor I, nor the Interstate Commerce Commission, nor the Post Office Department knows nothing about the actual foundation of the necessity for increases. The rates may not be adequate, but we have no foundation or basis as yet for saying that. There has never been a real audit made of the money spent for air mail subsidies. I believe personally that an increase in the rates in many companies is necessary and justified, and that we must increase the rates, but we have to have, first, a basis on which to determine what the accounting practices are and whether they justify increases; and if so, how much. You perhaps do not realize that some of these great big air mail contractors are padding their books to show a loss when in fact they are making a profit. They are setting aside enormous reserves, not justified by any principle of insurance or any practice of any of the insurance companies. They are depreciating stone and brick buildings in 5 years, and one company has written off a two-way radio equipment in 1 year. They are paying attorney fees in exorbitant amounts, and we ought to find out what they are paying for lobbyists' fees. We ought to determine what expenses go to building up their costs which make them show a loss.

Mr. McFARLANE. The Air Trust's principal lobbyists, I understand, is former Governor Max Gardner, of North Carolina. They maintain a very elaborate suite of offices here. I understand from good authority that they received $75,000 last year in fees from air line companies.

Mr. MAAS. What I am interested in is the fact that there is only one legitimate purpose for an air mail subsidy, and that is to aid national defense. You and I have no right to vote the public's money to carry air mail simply for the sake of carrying it. The only reason we have air mail is as a method of assisting national defense, building up in peace time the aviation industry, that will give us skilled crews and technicians in the factories, that will give us trained ground crews to operate our planes in time of war. That we are not getting. I think we, as a legislative body, should have before us information upon which to base these rates before we increase or authorize anyone else to increase rates. I shall offer an amendment to that effect when the proper time comes.

There is one other provision in an amendment which will be offered by the committee, which will destroy the chance of competition in aviation. It is going to take the present air mail contractors and freeze them there, eliminating nonmail carriers who seek to build up a passenger and express business.

[Here the gavel fell.]

Mr. GOODWIN. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. MAAS. If we do not put such safeguards into this bill, the scandal under the Brown administration will dim into insignificance compared to the scandal which you will brew in the air mail in the future. We have no knowledge of how much these increases will amount to. There are only certain limitations. Do you realize that if the Interstate Commerce Commission should grant every operator only 1 cent an air mile it would run into millions of dollars? Yet they are permitted to adjust within a 20-percent limit.

Mr. McFARLANE. Will the gentleman yield further?

Mr. MAAS. I yield.

Mr. McFARLANE. Do I understand from this bill that the Interstate Commerce Commission would be authorized to grant these rates upward, without a proper prior investigation as to the adjusting of the rates?

Mr. MAAS. Oh, the bill provides that the Postmaster General may prescribe uniform bookkeeping systems for the air lines, and that the Interstate Commerce Commission can hold hearings, but what I am talking about is a searching investigation and audit into the accounting methods and into the practices of these lines. Now here is about all they can do. A line applies for an increase and says, "Here are our books." But there is no audit going beyond the mere face of those books. I know that the accounting practices are unfair. I know they are not in good business practice. [Applause.]

[Here the gavel fell.]

Mr. GOODWIN. Mr. Chairman, I yield the balance of my time to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, this bill has come here under these circumstances: In 1931 our appropriations for the Air Mail Service were $18,000,000, in 1932 they were $20,000,000, in 1933 they were $19,460,000, in 1934 they were $15,000,000, in 1935 they were $12,000,000, and in 1936 the bill passed the House providing for $10,000,000.

Now, we were told by the gentleman from Illinois when he was on the floor that the result of this bill would probably be an addition of at least $3,000,000. Then the total would run to something like $17,000,000.

This whole situation is in such chaotic condition that it seems to me it requires just that drastic treatment which the gentleman from Minnesota [Mr. MAAS] proposed, in going into this thing from the bottom up and getting at the facts.

In spite of the fact that these people took their contracts last year to carry the mail for the figures that their contracts now call for, in spite of the fact that they did it within 10 months, they are coming here before Congress now and asking for an increase, and in spite of the fact that during all that period there has been tremendous development in the aircraft situation—development which has increased speed and which has decreased costs tremendously. With that situation we must safeguard this bill against abuses in every possible way. If those contracts were let at figures which were too low a year ago, those people were taking their chances. Everybody else who takes a Government contract takes a chance. Why should we not go into this situation thoroughly and see that the interests of the Government are

protected and that we are not subjected to further abuses on the part of these people? [Applause.]

[Here the gavel fell.]

Mr. MEAD. Mr. Chairman, I yield the balance of my time to the gentleman from Pennsylvania [Mr. HAINES].

Mr. HAINES. Mr. Chairman, I question very much if there is another committee in the House where politics enters into its deliberations as little as our committee of which the gentleman from New York [Mr. MEAD] is our beloved chairman. Each member of our committee honors and respects him because we realize that he understands his job. He is fair and just to every member of the committee and is always willing to listen to any suggestions that may come for better postal legislation. [Applause.]

I am sorry the distinguished gentleman from Minnesota [Mr. MAAS] did not appear before our committee and raise the question that he brings before the House. I am sure he would have received every consideration.

I desire to extend my personal thanks to the chairman of our committee and to assure him of my willingness to cooperate at all times with him.

We have under discussion at this time H. R. 6511, a bill to amend the air mail laws and to authorize the extension of the Air Mail Service. It is a well-known fact that the transportation of air mail under the contracts let in 1934 is being well conducted, with a more extensive and faster service than the country has ever had before. The cost is much lower to the Government, but it is also true that most of the contractors are losing money. This, of course, is unsound, and in the bill before us we are attempting to put the service on a permanent and profitable basis. Aviation has made great strides in the past few years but is still in its infancy. Many communities heretofore not interested in air mail or aviation are now being made air minded, so that it is important that the Congress enact a bill that will contribute to better service and at the same time encourage the operators to expand their lines as the public will demand.

In the bill before us we recognize that the continued successful operation in the Air Mail Service requires the amendments we have submitted, not only in the matter of providing for fair and reasonable rates of compensation, to be fixed by the Interstate Commerce Commission, but also to guard against unnecessary increased operating expenses of the contractors, which might result in rate increases, which have no relevance to the mail service rendered. For this reason we have included in this bill a provision that losses from the unprofitable operations of nonmail schedules shall not affect the rates established for the mail service. We do not deny to the air mail operators the privilege of extending the service for passenger and express, but we do say that losses sustained by such operations shall not be charged to the air mail operation. Should service prove to be profitable it will lead to further reductions of appropriations or subsidy by the Post Office Department. We aim also to protect air mail contractors from ruinous competition, so that the bill provides, beginning July 1, 1935, prohibits an air mail contractor from providing passenger or express service off the line of his air mail route in any way competing with like service available on another air mail route. In another provision we limit the Postmaster General to designate as primary air mail routes any routes of less than 500 miles in length. The bill also provides that the Postmaster General shall prescribe the departure of all air mail schedules, permitting him to increase the service if he deems it necessary between terminals or over a portion of a route.

The air mail map is to be increased from more than 28,000 miles to no more than 32,000 miles, with an annual flying mileage of 45,000,000 miles. The Postmaster General can, if he deems it good business, and for improved service, grant an extension of any air mail route, but not to exceed 150 miles, and then not more than one such extension is given to any one contractor.

We are guarding the employees of the contractors, insuring them compensation at rates fixed by the National Labor Board and requiring observance of the decisions of that Board or its successors in authority. Rates are to be fixed by the Interstate Commerce Commission, and these are to be fair and reasonable—in other words, we want these lines to be put upon a paying basis, so that it will not be necessary for the Congress to vote subsidies. The burden of proof is on the contractor, to show the necessity for additional compensation and in arriving at a determination the Commission shall disregard losses resulting from unprofitable maintenance of nonmail schedules in cases where it is found that the gross receipts from such schedules fail to meet the additional operating expenses occasioned by these operations.

I think this is a good bill. It may work some temporary hardship on one or two lines, and yet it may prove to be a blessing to them. The committee has worked hard, tried its best to bring out a bill that would protect the legitimate contractor and also the Government.

I trust, therefore, that the bill will have unanimous approval. [Applause.]

[Here the gavel fell.]

Mr. HAINES. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to insert several charts prepared by the Aviation Commission.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The matter referred to follows:

Financial results of total operations of domestic air mail contractors, October 1934

System	Route	Contract no.	Passenger revenue	Express revenue	All other operating revenue	Total commercial revenues	Total operating expenses	Total profit or loss before mail revenues	Mail revenue	Total operating profit or loss	Depreciation	Cash profit or loss
United Air Lines	Newark to Oakland	1	$284,426	$19,652	$7,088	$311,766	$526,205	*$214,439*	$165,680	*$48,759*	$63,164	$14,405
Do	Seattle to San Diego	11	85,794	2,396	1,379	89,569	155,938	*66,369*	43,761	*22,608*	20,157	*2,451*
Do	Salt Lake City to Seattle	12	18,482	735	147	19,364	67,934	*48,570*	34,900	*13,670*	9,527	*4,143*
Total			388,702	22,783	9,214	420,699	750,077	*329,378*	244,341	*85,037*	92,848	7,811
American Air Lines	Fort Worth to Los Angeles	4	26,266	1,224	1,004	28,494	63,240	*34,746*	27,259	7,487	12,617	*5,130*
Do	Newark to Chicago	7	78,508	2,589	606	81,703	153,771	*72,068*	31,767	*40,301*	26,747	*13,554*
Do	Boston to Newark	18	33,881	321	289	34,491	47,455	*12,964*	11,544	*1,420*	1,307	*113*
Do	Boston to Cleveland	21	8,027	380	150	8,557	33,914	*25,357*	8,936	*16,421*	5,952	*10,469*
Do	Cleveland to Nashville	22	13,211	708	78	13,997	30,329	*16,332*	7,921	*8,411*	6,451	*1,960*
Do	Newark to Fort Worth	23	13,611	1,157	595	15,363	61,489	*46,126*	14,767	*31,359*	13,060	*18,299*
Do	Washington to Chicago	25	14,998	871	205	16,074	41,331	*25,257*	11,317	*13,940*	2,849	*11,071*
Do	Chicago to Fort Worth	30	36,456	577	468	37,491	68,823	*31,332*	5,669	*25,663*	13,135	*12,528*
Do	Cleveland to Detroit (no mail)	------	6,581	48	25	6,654	15,559	*8,905*	------	*8,905*	3,185	*5,720*
Total		------	231,539	7,875	3,410	242,824	515,911	*273,087*	119,200	*153,887*	85,303	*68,584*
Transcontinental & Western Air.	Newark to Los Angeles	2	294,487	9,374	12,785	316,646	358,615	*41,969*	99,149	57,180	86,340	143,520
Eastern Air Lines	Newark to New Orleans	5	27,623	780	522	28,925	59,148	*30,223*	14,388	*15,835*	9,514	*6,321*
Do	Newark to Miami	6	61,574	2,301	1,678	65,553	122,658	*57,105*	41,308	*15,797*	20,556	*4,759*
Do	Chicago to Jacksonville	10	------	618	68	686	14,815	*14,129*	10,642	*3,487*	2,377	*1,110*
Total		------	89,197	3,699	2,268	95,164	196,621	*101,457*	66,338	*35,119*	32,447	*2,672*
Northwest Airlines	Chicago to Seattle	3	25,494	679	5,241	31,414	66,043	*34,629*	23,661	*10,968*	9,429	*1,539*

Financial results of total operations of domestic air mail contractors, October 1934—Continued

System	Route	Contract no	Passenger revenue	Express revenue	All other operating revenue	Total commercial revenues	Total operating expenses	Total profit or loss before mail revenues	Mail revenue	Total operating profit or loss	Depreciation	Cash profit or loss
Hanford Airlines	Chicago to Pembina	16	$2,794	$350		$3,144	$20,860	*$17,716*	$13,385	*$4,331*	$1,582	*$2,749*
Do	St. Paul to Kansas City	26	3,163	236	$139	3,538	27,578	*$24,040*	11,166	*12,874*	7,689	*5,185*
Total			5,957	586	139	6,682	48,438	*41,756*	24,551	*17,205*	9,271	*7,934*
Braniff Airways	Chicago to Dallas	9	4,002	1,597	1,615	7,214	21,796	*14,582*	13,025	*1,557*	2,860	1,303
Pennsylvania Airlines & Transport.	Washington to Milwaukee	32	25,444	245	549	26,238	57,094	*30,856*	5,156	*25,700*	10,494	*15,206*
Long & Harmon	Amarillo to Brownsville	15	5,060	112		5,172	22,599	*17,427*	13,209	*4,218*	2,483	*1,735*
Central Airlines	Washington to Detroit	14	3,643	133		3,776	32,251	*28,475*	16,169	*12,306*	6,702	*5,604*
Delta Airlines	Charleston to Dallas	24	5,117	26	2,308	7,511	22,048	*14,537*	15,034	497	3,384	3,881
Chicago & Southern Air Lines	Chicago to New Orleans	8	3,260	159		3,419	17,728	*14,309*	9,470	*4,839*	1,373	*3,466*
Wyoming Air Service	Cheyenne to Pueblo	17	1,883	40	85	2,008	7,762	*5,754*	6,159	405	886	1,291
Do	Billings to Cheyenne	28	1,270	35	53	1,358	7,629	*6,271*	7,386	1,115	877	1,992
Total			3,153	75	138	3,366	15,391	*12,025*	13,545	1,520	1,763	3,283
General Air Lines	Salt Lake City to San Diego	13	8,962	612	747	10,321	36,822	*26,501*	11,263	*15,238*	[1] 7,287	*7,951*
Varney Speed Lines	Pueblo to El Paso	29	1,143	29		1,172	8,415	*7,243*	8,065	822	1,580	2,402
National Parks Airways	Salt Lake City to Great Falls	19	1,710	93	2,118	3,921	15,593	*11,672*	10,594	*1,078*	1,857	779
National Airways	Boston to Bangor and Burlington	27	6,349			6,349	12,301	*5,952*	6,768	816	859	1,675
Robertson Air Lines	New Orleans to Houston	20	1,377	3		1,380	5,287	*3,907*	3,322	*585*	609	24
National Airlines System	Jacksonville to St. Petersburg	31					1,067	*1,067*	861	*206*	74	*132*
Total			1,104,596	48,080	40,592	1,193,268	2,204,097	*1,010,829*	703,721	*307,108*	356,963	49,855

[1] Figures are those reported under the heading of "rentals", but are understood to consist almost entirely of items that may here be considered as depreciation.

NOTE.—Italic figures indicate loss.

Mileage statistics for operations of domestic air mail contractors, October 1934

System	Route	Contract no.	Revenue airplane miles				Multi-motor miles	Pound-miles		Seat-miles	
			Mail only	Mail and passengers	Passengers only	Total		Mail	Express and excess baggage	Operated	Occupied
United Air Lines	Newark to Oakland	1		$436,016	$428,628	$864,644	864,644	233,755,850	74,510,000	8,236,487	4,865,476
Do	Seattle to San Diego	11		131,282	141,984	273,266	273,266	23,786,280	13,209,100	2,752,600	1,614,700
Do	Salt Lake City to Seattle	12		104,700	9,370	114,070	114,070	20,089,840	3,403,200	1,142,400	340,400
Total				671,998	579,982	1,251,980	1,251,980	277,631,970	91,122,300	12,131,487	6,820,576
American Air Lines	Fort Worth to Los Angeles	4		81,777	1,682	83,459	83,459	13,664,640	4,381,000	1,001,500	481,700
Do	Newark to Chicago	7	$659	94,641	125,393	220,693	220,034	12,696,350	9,158,000	2,795,300	1,337,700
Do	Boston to Newark	18		34,632	30,068	64,700	61,700	2,599,629	1,287,100	886,300	513,700
Do	Boston to Cleveland	21		36,474	8,294	44,768	44,768	845,580	1,109,400	403,600	133,200
Do	Cleveland to Nashville	22	24,388	28,864		53,252	28,864	6,431,850	2,277,400	401,500	225,900
Do	Newark to Fort Worth	23	68,602	45,036	3,838	117,476	48,800	13,265,820	3,350,900	678,000	236,000
Do	Washington to Chicago	25		39,002	16,802	55,894	46,700	1,806,520	2,573,200	642,800	243,900
Do	Chicago to Fort Worth	30		70,864	61,501	132,365	30,500	4,502,670	3,304,300	1,173,900	674,100
Do	Cleveland to Detroit (no mail)				22,600	22,600	22,600		217,000	308,100	101,000
Total			93,649	431,380	270,178	795,207	590,425	55,903,050	27,658,300	8,291,000	3,947,200
Transcontinental & Western Air.	Newark to Los Angeles	2	161,671	251,498	237,728	650,897	490,810	147,082,730	45,870,000	6,715,800	4,937,814
Eastern Air Lines	Newark to New Orleans	5	318	75,408		75,726	70,141	10,389,370	3,415,700	1,094,400	484,000
Do	Newark to Miami	6	73,083	69,357	50,543	192,983	126,422	28,512,000	8,910,000	1,996,300	1,082,300
Do	Chicago to Jacksonville	10	56,008			56,008		7,392,370	1,054,200		
Total			129,409	144,765	50,543	324,717	196,563	46,293,740	13,379,900	3,090,700	1,566,300
Northwest Airlines	Chicago to Seattle	3	275	70,763	77,193	148,231	84,102	5,005,440	1,215,900	1,219,600	560,500
Hanford Airlines	Chicago to Pembina	16		68,323	3,944	72,267	22,537	5,753,923	609,900	346,720	78,233
Do	St. Paul to Kansas City	26		59,112		59,112	[1] 17,655	2,400,070	[1] 113,929	[1] 224,980	[1] 55,133
Total				127,435	3,944	131,379	40,192	8,153,990	723,829	571,700	133,336
Braniff Airlines	Chicago to Dallas	9	57,887		48,813	106,700		10,003,980	4,040,100	243,900	85,100
Pennsylvania Airline & Transport	Washington to Milwaukee	32	15,468		66,666	82,134	66,666	191,280	1,209,000	727,700	371,500
Long & Harmon	Amarillo to Brownsville	15		66,898	8,878	75,776	34,612	4,664,640	210,900	463,700	165,100
Central Airlines	Washington to Detroit	14	659	67,278	7,579	75,516	74,857	4,675,930	919,600	598,900	55,100
Delta Airlines	Charleston to Dallas	24		60,632		60,632	60,632	3,142,190	336,300	437,400	101,900
Chicago & Southern Airlines	Chicago to New Orleans	8	360	53,757	189	54,306		3,196,200	680,900	215,800	58,100
Wyoming Air Service	Cheyenne to Pueblo	17	1,746	16,730	6,991	25,467		1,301,450	191,500	71,700	28,800
	Billings to Cheyenne	28		25,916	797	26,713		672,830	82,200	77,700	19,790
Total			1,746	42,646	7,788	52,180		1,974,280	273,700	149,400	48,500
General Air Lines	Salt Lake City to San Diego	13		46,928		46,928	46,928	8,566,230	2,612,800	523,400	168,500
Varney Speed Lines	Pueblo to El Paso	29		33,604		33,604		606,810	89,200	168,000	19,000
National Parks Airways	Salt Lake City to Great Falls	19		31,782		31,782		1,757,340	[2] 210,200	127,100	30,630
National Airways	Boston to Bangor to Burlington	27		22,941	4,182	27,123	27,123	267,600		280,800	63,400
Robertson Airlines	New Orleans to Houston	20		19,895		19,895		771,630	[2] 5,700	79,000	22,600
National Airlines System	Jacksonville to St. Petersburg	31	5,066			5,066		134,280			
Grand total			466,190	2,144,200	1,363,663	3,974,053	2,904,890	580,023,310	190,558,629	36,035,987	19,155,126

[1] Figures for September 1934; October 1934 data, not available.

[2] Express only.

Traffic, revenue, and expense factors for operations of domestic air mail contractors, October 1934

Route	Operator	Contract no.	Percent of total miles flown in multimotor airplanes	Average passenger capacity of passenger airplanes	Average number of passengers carried per mile with passengers	Passenger load factor	Average mail load: Per mile flown with mail	Average mail load: Per total revenue miles flown	Average airplane load (mail, passenger, express)	Mail payments per—: Mail-pound-mile	Mail payments per—: Mile flown with mail	Mail payments per—: Total revenue-mile flown
						Percent	*Pounds*	*Pounds*	*Pounds*			
Newark to Los Angeles	T&WA	2	75.5	13.7	10.1	73.5	356	226	1,814	$0.0007	$0.240	$0.152
Boston to Newark	AA	18	100.0	13.7	7.9	58.0	75	40	1,648	.0044	.333	.178
Newark to Oakland	VAL	1	100.0	9.5	5.6	59.1	536	271	1,482	.0007	[1].38	.192
Newark to New Orleans	EAL	5	92.6	14.5	6.4	44.2	137	137	1,461	.0014	.190	.190
Fort Worth to Los Angeles	AA	4	100.0	12.0	5.7	48.1	167	164	1,371	.0020	.333	.327
Seattle to San Diego	VAL	11	100.0	10.1	5.9	58.7	181	87	1,317	.0018	.333	.160
Newark to Miami	EAL	6	65.5	16.6	9.0	54.2	200	148	1,316	.0014	.290	.214
Newark to Chicago	AA	7	99.7	12.7	6.0	47.9	133	58	1,311	.0025	.333	.144
Chicago to Fort Worth	AA	30	23.1	8.9	5.1	57.4	64	34	1,078	.0013	.040	.043
Cleveland to Nashville	AA	22	54.3	13.9	7.8	56.3	121	121	1,012	.0012	.149	.149
Salt Lake City to San Diego	GAL	13	100.0	11.2	3.6	32.2	183	183	956	.0013	.240	.240
Washington to Chicago	AA	25	83.5	11.5	4.4	37.9	49	34	953	.0050	.290	.203
Washington to Milwaukee	PA&T	32	81.2	10.9	5.6	51.1	12	2	921	.0270	.333	.063
Cleveland to Detroit (no mail)	AA		100.0	13.6	4.4	32.8			903			
Salt Lake City to Seattle	VAL	12	100.0	10.0	2.9	29.8	192	176	803	.0017	.333	.305
Chicago to Seattle	NA	3	56.7	8.2	3.8	46.0	70	34	794	.0047	.333	.160
Boston to Cleveland	AA	21	100.0	9.0	3.0	33.0	23	19	639	.0106	.245	.200
Newark to Fort Worth	AA	23	41.5	13.9	4.8	31.8	117	113	543	.0011	.130	.125
Amarillo to Brownsville	L&H	15	45.7	6.1	2.2	35.6	70	62	500	.0028	.198	.174
Boston to Bangor to Burlington	NA	27	100.0	10.4	2.3	22.6	12	10	477	.0253	.295	.250
Charleston to Dallas	DAL	24	100.0	7.2	1.7	23.3	52	52	393	.0048	.248	.248
Chicago to Pembina	HAL	16	31.2	4.8	1.1	22.6	84	80	304	.0023	.196	.185
Chicago to Dallas	BA	9		5.0	1.7	34.9	173	94	291	.0013	.225	.122
Chicago to New Orleans	C & SAL	8		4.0	1.1	26.9	59	59	285	.0030	.175	.174
Cheyenne to Pueblo	WAS	17		3.0	1.2	40.2	70	51	285	.0047	.333	.242
New Orleans to Houston	RAL	20		4.0	1.1	28.4	39	39	266	.0043	.167	.167
Salt Lake City to Great Falls	NP	19		4.0	1.0	24.1	55	55	254	.0060	.333	.333
St. Paul to Kansas City	HAL	26	[2]29.9	[2]3.8	[2].93	[2]24.5	41	41	[2]229	.0047	.189	.189
Washington to Detroit	CA	14	99.1	8.0	.7	9.2	69	62	220	.0035	.238	.214
Billings to Cheyenne	WAS	28		2.9	.7	25.4	26	26	176	.0110	.285	.276
Chicago to Jacksonville	EAL	10					132	132	151	.0014	.190	.190
Pueblo to El Paso	VSL	29	.0	5.0	.5	11.3	18	18	134	.0133	.240	.240
Jacksonville to St. Petersburg	NAS	31	.0	.0			27	27	27	.0064	.170	.170
Total			74.6	10.3	5.5	53.2	222	146	1,158	.0012	.270	.177

Route	Operator	Contract no.	Passengers revenue per mile with passengers	Revenue per total revenue mile: Passengers	Revenue per total revenue mile: Other commercial revenue	Revenue per total revenue mile: Total commercial revenue	Revenue per total revenue mile: Total revenue	Commercial revenue as percent of total revenue	Per total revenue mile: Total cost	Per total revenue mile: Total profit or loss
								Percent		
Newark to Los Angeles	T&WA	2	$0.602	$0.452	$0.034	$0.486	$0.638	76	$0.551	$0.087
Boston to Newark	AA	18	.524	.524	.009	.533	.711	75	.733	*.022*
Newark to Oakland	VAL	1	.329	.329	.031	.360	.552	65	.608	*.056*
Newark to New Orleans	EAL	5	.366	.365	.017	.382	.572	67	.781	*.209*
Fort Worth to Los Angeles	AA	4	.315	.315	.026	.341	.608	51	.757	*.089*
Seattle to San Diego	VAL	11	.314	.314	.014	.328	.488	67	.570	*.082*
Newark to Miami	EAL	6	.514	.319	.021	.340	.554	61	.636	*.082*
Newark to Chicago	AA	7	.357	.356	.014	.370	.514	73	.697	*.183*
Chicago to Fort Worth	AA	30	.275	.275	.008	.283	.326	87	.520	*.194*
Cleveland to Nashville	AA	22	.458	.248	.015	.263	.412	64	.570	*.158*
Salt Lake City to San Diego	GAL	13	.191	.191	.029	.220	.460	48	.785	*.325*
Washington to Chicago	AA	25	.268	.268	.020	.288	.491	59	.740	*.249*
Washington to Milwaukee	PA&T	32	.382	.310	.009	.319	.382	84	.695	*.313*
Cleveland to Detroit (no mail)	AA		.291	.291	.003	.294	.294	100	.688	*.394*
Salt Lake City to Seattle	VAL	12	.162	.162	.008	.170	.470	36	.595	*.119*
Chicago to Seattle	NA	3	.172	.172	.040	.212	.372	57	.445	*.073*
Boston to Cleveland	AA	21	.179	.179	.012	.191	.391	49	.758	*.367*
Newark to Fort Worth	AA	23	.278	.116	.015	.131	.256	51	.523	*.267*
Amarillo to Brownsville	L&H	15	.067	.067	.001	.068	.242	28	.298	*.056*
Boston to Bangor to Burlington	NA	27	.234	.234	.000	.234	.484	48	.454	.030
Charleston to Dallas	DAL	24	.084	.084	.040	.124	.372	33	.364	.008
Chicago to Pembina	HAL	16	.041	.041	.003	.044	.229	19	.289	*.014*
Chicago to Dallas	BA	9	.082	.038	.030	.068	.190	36	.201	*.089*
Chicago to New Orleans	C & SAL	8	.060	.060	.003	.063	.237	27	.326	.016
Cheyenne to Pueblo	WAS	17	.080	.074	.005	.079	.321	25	.305	*.050*
New Orleans to Houston	RAL	20	.069	.069	.000	.069	.236	29	.266	
Salt Lake City to Great Falls	NP	19	.054	.054	.070	.124	.457	27	.491	*.034*
St. Paul to Kansas City	HAL	26	.054	.054	.006	.060	.249	24	.467	*.218*
Washington to Detroit	CA	14	.049	.049	.001	.050	.264	19	.427	*.163*
Billings to Cheyenne	WAS	28	.048	.048	.003	.051	.327	16	.285	.042
Chicago to Jacksonville	EAL	10			.012	.012	.202	6	.264	*.062*
Pueblo to El Paso	VSL	29	.034	.034	.001	.035	.275	13	.250	.025
Jacksonville to St. Petersburg	NAS	31				.000	.170	0	.210	*.040*
Total			.315	.278	.022	.300	.477	63	.554	*.077*

[1] Anticipated rate of payment.
[2] Composite figure from combination of September and October 1934, data available.
[3] For September 1934.
NOTE.—Italic figures indicate loss.

The CHAIRMAN. All time has expired. Under the rule, the Clerk will read the bill by sections.

The Clerk read as follows:

Be it enacted, etc., That subsection (c) of section 3 of the act entitled "An act to revise air mail laws, and to establish a commission to make a report to the Congress recommending an aviation policy", approved June 12, 1934, as amended, is amended to read as follows:

"(c) If, in the opinion of the Postmaster General, the public interest requires it, he may grant an extension of any route, for a distance not in excess of 150 miles, but only one such extension shall be granted to any one person, and the rate of pay for such extension shall not be in excess of the rate fixed for the service thus extended."

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 2, line 2, after the word "rate", insert "per mile."

Mr. TABER. The Chairman, will the committee accept this amendment?

Mr. MEAD. Yes; I can see no objection to the amendment.

Mr. TABER. It makes the rate clear.

Mr. MEAD. The amendment is agreeable.

The CHAIRMAN. The question is on the amendment of the gentleman from New York [Mr. TABER].

The amendment was agreed to.

Mr. CULKIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have been somewhat amazed at the course this discussion has taken. It is the aim of a political party, of course, as it is the aim of an individual, to bury past mistakes. This appears to have been done most successfully in this case under the able and skillful direction of the distinguished chairman of the committee; but a political party cannot ignore successfully the past, and its past mistakes become an issue before the people when election time comes. In the case of air mail these contracts were canceled on the ground of fraud. Not a single prosecution has been entered into by the administration. The only change in the situation is that we have in the set-up the unique personality of Elliott Roosevelt, who is not a flyer and is not an outstanding executive. I am wondering if his personality, his family connections, have any connection with the penitential attitude of the Postmaster General and the members of the committee on the other side as to this situation.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. I yield.

Mr. CONNERY. The gentleman refers to Elliott Roosevelt. Why does the gentleman not refer to the Republican Roosevelt, the son of a former Republican President, who was connected with a shipping concern to which a Republican administration sold $42,000,000 worth of ships for $2,000,000 and then paid that shipping concern a subsidy, under Republican administration, of millions of dollars, in one instance paying $110,000 for carrying 1 pound of mail? What about referring to that Roosevelt?

Mr. CULKIN. I am not in sympathy with the practice or the situation the gentleman speaks of; but those men were not the sons of a President at the time of the transaction referred to. That makes the ethics of the situation vastly different.

Mr. CONNERY. He certainly is. The Roosevelt to whom I referred, who was connected with the shipping concern, is the son of a former Republican President.

Mr. CULKIN. There is a world of difference. An ex-President is like a dethroned King in standing and influence.

I am not suggesting any financial impropriety; I am merely expressing curiosity as to whether this pseudotechnical relation of the aviation industry with a member of the family of the distinguished President has any influence on the present attitude, the present reverential attitude of the committee toward these aviation companies which were formerly held in so low esteem.

I well remember, Mr. Chairman, when these contracts were canceled that that distinguished American citizen, Colonel Lindbergh, gave out a message to the country that this cancelation would wreck the aviation industry, an industry which he had done much to foster; and then it was given out to the American people by the White House that Lindbergh was seeking notoriety and publicity. Lindbergh since, of course, has been justified in his attitude; and the introduction of this bill writes the John Hancock of the administration upon his disapproval and his protest. This bill puts us back where we were when the cancelation occurred.

This administration committed its original sin when it canceled these contracts. If the contracts then were under unhappy auspices, they are not under any more happy auspices now. I concur in the suggestion of the gentleman from Minnesota that any subsidy should be tied up with personnel for use in time of need. This mistake, this grave mistake which killed 12 men of the Army Aviation Corps must not be repeated.

[Here the gavel fell.]

Mr. DOCKWEILER. I rise in opposition to the pro forma amendment.

Mr. Chairman, I am in favor of this bill. I was a member of the Committee on the Post Office and Post Roads when what I might call the first Democratic air mail act was passed. We realized at the time that in a few years following that we would have to make amendments to that act, and for that reason the Air Mail Act of 1934 provided for the creation of a committee to investigate these things that have been mentioned upon the floor this afternoon. As a result of that investigation this piece of legislation is out before you on the floor. Not only the committee of this House but also the commission that spent months investigating this situation has perhaps found out some of the facts that the gentleman from Minnesota speaks of, but that is all water under the bridge. Just because there have been misdoings on the part of the industry in the past is no justification for destroying what little subsidy there is in this bill for the aviation industry.

I regret very much, Mr. Chairman, that a son of our distinguished President is dragged into these discussions. A man can preface his remarks, of course, by saying that he does not mean to insinuate this or insinuate that, but all that is necessary is to mention the name of a son of the President on the floor and it is quite likely to be misconstrued if the tenor of a man's discourse is in opposition to a bill which that son might favor.

I would like to know, Mr. Chairman, whether the distinguished gentleman from New York is going to vote for this bill. If he is, then he must concur in the opinion and in the efforts of Mr. Elliott Roosevelt in trying to effect this legislation we have before us. He must think, too, that it is a good thing.

What should the son of a President do? Because the man who happens to be President has sons, are those sons to go off into the desert and become recluses during the time their father is President?

Mr. MAAS. Mr. Chairman, will the gentleman yield?

Mr. DOCKWEILER. Mr. Chairman, I decline to yield.

From what I read in the press and so far as I know, Mr. Elliott Roosevelt, still being a very young man, has devoted all of his time to aviation matters. If he is now vice president of the National Aviation Committee here in Washington, it is only a recent thing. Before that time he was out in the West, in my part of the country, interested entirely in aviation matters, even before his distinguished father became President of the United States.

Now, Mr. Chairman, must he stop his line of endeavor? Must he stop his ambition, must he stop being an aid to that great industry in this country and stop lending his advice and experience to that industry? No. Why, it is ridiculous to suppose that a President's son has to crawl away and become a nonentity during the time his father might be President of a country.

May I say that this particular bill provides a step forward. It is essential to the industry that all of its affairs be reviewed by the Interstate Commerce Commission. This is the very thing that the country wants to see passed. The mis-

takes which were made in the past will be brought out under the broad light of scrutiny by the Interstate Commerce Commission.

[Here the gavel fell.]

Mr. MAAS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, does the gentleman think there are no other jobs in the country which young Roosevelt can get besides lobbying in Washington on legislation before the administration of which his father is the head?

Mr. BULWINKLE. Will the gentleman yield?

Mr. MAAS. I yield to the gentleman from North Carolina.

Mr. BULWINKLE. I would like to know if the President's son, Elliott Roosevelt, ever appeared before the gentleman's committee?

Mr. MAAS. I am not on the Post Office Committee.

Mr. BULWINKLE. I am asking the gentleman if Elliott Roosevelt has appeared before any committee of this House?

Mr. MASS. I do not know. I am not a member of every committee of this House.

Mr. BULWINKLE. Has he lobbied in connection with any Member of this House?

Mr. MAAS. I do not yield further.

Mr. BULWINKLE. The gentleman made a charge.

Mr. MAAS. If the gentleman will ask a question, I will answer it; otherwise I decline to yield.

Mr. BULWINKLE. I have asked the gentleman three questions.

Mr. MAAS. I have answered them.

Mr. BULWINKLE. The gentleman does not know?

Mr. MAAS. I know that the representatives of the chamber of commerce of which he is vice president have appeared before the committees of the Congress on this legislation.

Mr. BULWINKLE. Will the gentleman yield further?

Mr. MAAS. I do not yield further, Mr. Chairman.

Mr. FORD of California. Will the gentleman yield?

Mr. MAAS. I yield to the gentleman from California.

Mr. FORD of California. Does the gentleman know that former President Hoover's son was mixed up in aviation in a certain capacity and nobody criticized that?

Mr. MAAS. I think that was improper myself, but may I say, he was not lobbying here in Washington. He was not officially before the departments of the Government. Mr. Elliott Roosevelt's position requires him to deal directly with the Government departments for his constituents, who are the air mail contractors. I also call attention to the fact that he got that job after the contracts were canceled. Elliott Roosevelt was not with the Aeronautical Chamber of Commerce when his father became President.

Mr. FORD of California. How about Senator Fess's son?

Mr. MAAS. I do not approve of that either. I think it is all wrong.

Mr. FORD of California. May I ask the gentleman one more question in reference to the loss of life after the cancelation of the air mail contracts. Were there not just as many individuals killed in private aviation during that period as there were soldiers carrying the mail?

Mr. MAAS. Absolutely not. There was no justification for the murder of those 12 or 14 Army pilots, for that is what it was—murder. Those officers were ordered to carry the mail when there was no necessity for such action. We have turned the air-mail contracts right back to the same people who were carrying them when the contracts were canceled, only under different names. The same stockholders and same officials are still carrying the mails over the same routes. There never was justification for turning over to the Army the flying of the mail at any time. They made the Army carry the mail with inferior equipment, without training and without giving them proper experience for such work. Those Army men did a heroic job, and they did one, in fact, of the finest jobs ever done in aviation, but nevertheless it was absolute murder for the sake of political expediency. [Applause.]

Mr. FORD of California. An airplane fell just out of Salt Lake City at that time. This plane was the finest product of the particular airplane manufacturer. Seven people were killed. May I ask the gentleman if that was murder?

Mr. MAAS. That was one instance. There were some 12 Army planes that crashed. They sent these boys out in Army pursuit planes. In the commercial planes they had two-way radio. They had a pilot and copilot. The men were trained as copilots for years before they became pilots, and were thoroughly familiar with the territory over which they were flying. They had some chance for their lives. These young lieutenants were sent out and knew nothing about the country over which they were flying, under all kinds of weather conditions, and they did not have proper radio facilities to receive weather reports while in the air.

Mr. MICHENER. Will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Michigan.

Mr. MICHENER. The gentleman is himself a flyer, and as such he understands flying technique?

Mr. MAAS. I know a little bit about the matter. If I could not fly better, however, than I can talk, I would not be alive today, I fear.

Mr. CONNERY. Will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Massachusetts.

Mr. CONNERY. Was it not the Army that flew the mail under President Harding?

Mr. MAAS. Yes; but they did not fly at night.

Mr. CONNERY. But they had old crates, old machines. Why should not President Roosevelt believe that the Army today could equal the record made previously?

Mr. MAAS. I think the President was misinformed.

Mr. CONNERY. They did it under President Harding. They should be able to do it today.

Mr. MAAS. In the early days they flew only when the weather was good, when the sun was out. They did not fly at night. These boys were killed at night, flying in all kinds of weather that they knew nothing about in advance.

Mr. DOBBINS. Will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Illinois.

Mr. DOBBINS. Have we any assurance that our enemies are going to fly only in fair weather?

Mr. MAAS. Well, I will just say to the gentleman that the enemy is not flying in that kind of weather, either. [Laughter and applause.]

[Here the gavel fell.]

The Clerk read as follows:

SEC. 3. Subsection (f) of such section is amended to read as follows:

"(f) The Postmaster General shall not award contracts for air mail routes or extend such routes in excess of an aggregate of 32,000 miles, and shall not establish schedules for air-mail transportation on such routes and extensions in excess of an annual aggregate of 45,000,000 airplane-miles. Subject to the foregoing limitation, the Postmaster General shall prescribe the number and time of departure of all air mail schedules, and he may utilize therefor any scheduled passenger or express flight of the contractor between the terminals or over a portion of any route."

Mr. COCHRAN. Mr. Chairman, I move to strike out the last word for the purpose of asking a question. I notice this section limits the mileage as to which the Postmaster General can award contracts. I would like to ask the chairman of the committee whether this section is going to interfere with the establishment of service on various routes throughout the country where lights are being placed by the Department of Commerce. For instance, from St. Louis through Missouri and Oklahoma to Fort Worth, Tex., they are completing the lighting of that route in a few days. Will this section of the bill interfere in any way with the letting of the contract which, I understand, the Postmaster General desires to make?

Mr. MEAD. No; but this section will permit the letting of the contract, because it allows for an increase of 3,000 air mail miles.

Mr. COCHRAN. This will help rather than hinder the efforts of our city to get this service.

Mr. MEAD. Yes; you are correct.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield to me, so that I may ask a question of the chairman of the committee?

Mr. COCHRAN. I yield.

Mr. MARTIN of Colorado. The gentleman will recall that I introduced a bill to increase the route mileage from 29,000 to 35,000, and I notice that the committee has reported 32,000. Was this the result of the committee's action or the Department's action?

Mr. MEAD. The Department informed us this would be adequate for all of the services they have in mind at this time. It would be adequate so far as this year's legislation is concerned.

Mr. MARTIN of Colorado. Do I understand, though, that no new extension can be made if it is under 500 miles in length?

Mr. MEAD. No; that is not so. An extension can be granted on an existing line if it is not more than 150 miles in length.

This refers to an extension. A new line offered for bidding may be let up to 3,000 miles, 3,000 miles being the limit permitted for the extension of the Air Mail Service by this bill.

Mr. MARTIN of Colorado. I may say to the gentleman I had a particular situation in mind of a desired extension of 400 miles from the end of an existing line.

Mr. MEAD. That would have to be let as a new contract.

Mr. MARTIN of Colorado. Is there anything in the bill that disqualifies that length of existing line?

Mr. MEAD. No; that will be permitted under this bill.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. JOHNSON of Oklahoma. I am not quite clear what the effect of the terms of the bill would have relative to short air lines. Suppose, for example, a small line that does not have an air mail contract, yet it has operated successfully for 2 years or longer but is not 500 miles in length—would it be possible for it to receive consideration under this bill?

Mr. MEAD. Under such circumstances, I may say to the gentleman, the Post Office Department would have to advertise for bids. If the line in question had an air mail contract, an extension up to 150 miles could be granted by the Department, but in view of the fact that it has no contract, the Department would have to advertise for bids. They have the authority to do this because we give them the right to increase the air mail mileage by 3,000 miles.

Mr. JOHNSON of Oklahoma. I may make myself a little clearer by stating that I have in mind a line known as the "Reed Air Line", which operated from Oklahoma City to Wichita Falls for more than 2 years without any kind of air mail contract. I went with certain members of the Oklahoma and Texas delegations to the Post Office Department and asked for an air mail contract for this line. The distance, as I remember it, is about 150 miles in length. This line offered to carry the mail for 10 cents a mile, not 54 cents a mile or 44 cents a mile, but 10 cents a mile, and although it had made a record of operating over 2 years without injury to a single passenger, this short line was never able to get a mail contract. I want to know if a short line like this would be able to get a contract when this bill is passed, without having to meet a lot of unreasonable and impossible restrictions?

Mr. MEAD. Yes; they would be able to secure a contract, provided the Department advertised for bids, and their bid was accepted.

Mr. McFARLANE. Mr. Chairman, why cannot we secure an air-mail extension from Oklahoma City to Wichita Falls, Tex.? The gentleman from Oklahoma [Mr. JOHNSON] and the entire delegation from Oklahoma, as well as one of our Senators from Texas and Oklahoma, and myself, called on Mr. Wadsworth of the Second Assistant's department and presented all the facts as outlined by the gentleman from Oklahoma and tried to secure consideration for an extension from Oklahoma City, through Lawton, into Wichita Falls. They were running a passenger line regularly twice a day and were trying to get an extension of the Air Mail Service through that section, where it was badly needed. It was shown that Mr. Reed had offered to carry 160 pounds of air mail each way daily for only 10 cents per mile, and that this revenue would be sufficient to justify the extension of this route, and yet we had the statement, in substance, from Mr. Wadsworth, "If we were to grant such a request as that it would revolutionize air mail travel." This was the statement he made to us in committee and this was over a year ago and down to this good minute we have never been able to get any consideration by the Post Office Department of this extension and we do not have air mail now.

I cannot understand for the life of me what kind of showing it is necessary to make to the Post Office Department to get air mail service down in this section of the country.

Here is a section of the country that needs air mail, that believes in it and is sold on it, and the passenger service alone has kept the route going there for more than 2 years, and with a little help we could continue the service, but the high-handed authorities of the Department down here have failed and refused to give our section of the country a square deal.

What kind of showing, Mr. MEAD, do we have to make to secure this extension, is my question?

Mr. MEAD. I will simply say to the gentleman that we have extended the mileage and the Department has the authority to advertise for bids wherever they deem it necessary.

Mr. McFARLANE. What kind of a showing have you got to make to convince these "bureaucrats" down there that we should be entitled to this service to get them to admit that something is necessary?

Mr. MEAD. I can only say to the gentleman that in a legislative way we have complied with any request that could come from the gentleman for an extension of the service; in other words, we granted the extension of service subject to the will of the Department.

Mr. McFARLANE. Then, Mr. Chairman, I shall present an amendment and offer it to this measure in the hope that we may be able to write into the law a simple provision which will prohibit the Department from making unreasonable requirements, such as night-flying equipment and certain minimum cruising-speed requirements, as well as other technical requirements not applicable to short daylight extensions such as this route, which requirements only tend to make it impossible for the small independent bidder to secure a Government air mail contract. I trust that when this amendment is offered the committee will allow it to be considered on its merits, for I am sure that if this is done we will receive the approval of this body on this proposition. Mr. Reed, who has operated this passenger line, has flown this same route for more than 2 years without an accident or without being grounded. He has first-class equipment, equipment that has proven satisfactory to the people of our section in the passenger service he has rendered. He is a very careful pilot, and I am sure is well qualified in every way to render the Government honest, efficient service at the lowest possible cost. The fact that he has offered to carry the mail over this route for 10 cents per mile shows his willingness to serve the Government in this regard.

The Clerk read as follows:

SEC. 4. Subsection (a) of section 6 of such act of June 12, 1934, as amended, is amended to read as follows:

"SEC. 6. (a) The Interstate Commerce Commission is hereby empowered and directed, after notice and hearing, to fix and determine by order, as soon as practicable and from time to time, the fair and reasonable rates of compensation for the transportation of air mail by airplane and the service connected therewith over each air mail route, and over each section thereof covered by a separate contract, prescribing the method or methods by weight or space, or both, or otherwise, for ascertaining such rates of compensation, and to publish the same, which shall continue in force until changed by the said Commission after due notice and hearing. In fixing and determining such rates, if it shall be contended or alleged by the holder of an air mail contract that the rate of compensation in force for the service involved is insufficient, the burden of establishing such insufficiency and the extent thereof

shall be assumed by him. In no case shall the rates fixed and determined by the said Commission hereunder exceed by more than 20 per centum the limits prescribed in section 3 (a) of this act."

Mr. MAAS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 3, line 16, after the word "him", strike out the period and insert: "*Provided further*, That no increase in the rate of any holder of any contract let or extended under this act shall be granted by the Interstate Commerce Commission nor paid by the Postmaster General, until the Commission has made a searching audit and investigation of the books, accounts, and records of such holder of any air mail contract or extension, which audit shall include any concern, corporation, or individual heretofore engaged in transporting mail from whom the air mail contract holder purchased equipment, of any nature whatsoever, goodwill or hired employees who were in the employ of such concern, corporation, or individual during which time such concern, corporation, or individual was carrying mail for the United States.

"Such audit shall include an examination of accounting practices in transport aviation, a determination of the actual cost of operation, and the justification of reserves set up for accidents, depreciation, and all other purposes for which reserves are established; the salaries paid to all officers, employees, attorneys, and their actual duties. The Commission shall upon the completion of such audit immediately report same to Congress."

The CHAIRMAN. The Chair will call the attention of the gentleman to the fact that there is no proviso in the section; therefore the word "further" should be eliminated.

Mr. MAAS. Mr. Chairman, I will say that I did not have a copy of this bill before me when I prepared the amendment, but in the original bill there was a proviso. I ask unanimous consent to strike out the word "further."

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to eliminate the word "further." Without objection, it is so ordered.

Mr. MAAS. Mr. Chairman, this amendment simply provides that the Interstate Commerce Commission, which is now to have authority to raise or lower rates, shall make an audit and investigation of the accounts of the air mail contractors to determine the actual cost of the operation before any increase shall be granted. We have spent hundreds of millions of dollars for subsidy allegedly for the benefit of national defense. We have no report to Congress as to what benefits the country or the defenses have received from these subsidies. I am an ardent supporter of and believe in an air mail subsidy. I yield to no man in a desire to assist the air mail transportation of this country. I want to see every dollar appropriated for this purpose used for this purpose, and this purpose only, and not for the payment of exorbitant salaries or for companies writing off depreciated equipment at unreasonable rates.

No operator who has nothing to conceal will object to the audit. If there is objection to it, it is prima facie evidence that there is something to conceal. The Interstate Commerce Commission has no basis for this rate making. At the present time we are dependent solely on their books; the Commission has no authority to go beyond their books and examine into the actual facts and costs of operation.

Mr. ROMJUE. Mr. Chairman, will the gentleman yield?

Mr. MAAS. Yes.

Mr. ROMJUE. I am not sure that I understand the purpose of the gentleman's amendment. After the audit is made, does the amendment contemplate that before it could be adopted or applied by the Commission it would have to be reported back to the Congress?

Mr. MAAS. No, it does not; because I believe some of the rates must be raised immediately. All the amendment provides is that whenever a rate is to be increased, that first the Interstate Commerce Commission must make a proper audit of the books of that company. They can then order the rates increased or decreased, but when the audit is completed they shall send it to Congress.

Mr. ROMJUE. They can do that without first reporting it back to Congress?

Mr. MAAS. Yes; so that from time to time we will have the information to enable us to find out whether this is the correct way of increasing the rates. Possibly we should not delegate this power to the Interstate Commerce Commission. Such reports will serve two purposes. It will let Congress judge as to whether the Interstate Commerce Commission is doing a good job of rate making, and it will provide a foundation for future legislation in regard to the subsidy policy.

Mr. MEAD. Mr. Chairman, will the gentleman yield?

Mr. MAAS. Yes.

Mr. MEAD. Does not the gentleman believe that, in view of the fact that our committee investigated the industry, that the Senate committee investigated the industry, that the Post Office Department, under existing law, must investigate the industry, and that the Interstate Commerce Commission will likewise investigate the industry, it is pretty well investigated?

Mr. MAAS. No; I do not. Every time we get an investigation up to the point where it gets interesting, it stops.

Mr. MEAD. Then the gentleman is not satisfied that we have thoroughly investigated the industry.

Mr. MAAS. If it has been properly investigated, no proper report has been made to this House or to the country. I want to see a businesslike method set up for fixing these rates. I cannot see why the gentleman should have any objection to this amendment. If these companies have their houses in order they cannot object to a proper audit. I say to the gentleman that all these auditors do now when they go out is to examine the books. They do not examine the financial practices of these concerns in their write-offs and in their depreciation or their setting up of reserves and their bonuses and their lobbyist fees.

Mr. DOBBINS. Mr. Chairman, will the gentleman yield?

Mr. MAAS. Yes.

Mr. DOBBINS. Has the gentleman seen the report of the Interstate Commerce Commission setting forth the results of its survey of this industry?

Mr. MAAS. Yes; I have. I do not believe it is adequate. It is because of my dissatisfaction with the methods employed and the limitation of those methods that I have offered this amendment.

Mr. DOBBINS. What limitation upon their methods does the gentleman refer to?

Mr. MAAS. They do not go into the kind of financial practices of these concerns in their write-offs and in the setting up of their reserves. They do not check up to find out what they are doing. They have been building up huge reserves that they do not need, and then voting them as bonuses to themselves, usually secretly.

Mr. DOBBINS. The gentleman has not disclosed in his remarks the fact that nearly a year before he became excited about the matter, in the Air Mail Act of 1934, four specific, strict limitations designed to protect the Government against paying excessive rates of compensation were written into the Air Mail Act, and will remain there after the adoption of the pending measure.

It first appears in clause (b) of section 6 of the Air Mail Act of 1934, and I might suggest to the gentleman that this clause was suggested by the distinguished father of the young man he has mentioned here this afternoon. It reads:

The Interstate Commerce Commission is hereby directed, at least once in every calendar year from the date of letting of any contract, to review the rates of compensation being paid to the holder of such contract, in order to be assured that no unreasonable profit is resulting or accruing therefrom. In determining what may constitute an unreasonable profit, the said Commission shall take into consideration all forms of gross income derived from the operation of airplanes over the route affected.

Another provision of the act limits the annual salaries paid to any officers of any air mail line company to $17,500.

Another provision prohibits holding companies and the domination of these air mail contractors by great holding corporations.

Another provision empowers the Interstate Commerce Commission to exercise the same powers that were already delegated to the Post Office Department, to inquire into every form of revenue and the accounting methods of the air line operators.

Another provision requires that—

(e) In fixing and determining the fair and reasonable rates of compensation for air mail transportation, the Commission shall give consideration to the amount of air mail so carried, the facilities supplied by the carrier and its revenues and profits from all sources, and from a consideration of these and other material elements shall fix and establish rates for each route which, in connection with the rates fixed by it for all other routes, shall be designed to keep the aggregate cost of the transportation of air mail on and after July 1, 1938, within the limits of the anticipated postal revenue therefrom.

If that should be done it would reduce the cost of transportation to not more than half what it is now.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. DOBBINS. I yield to the distinguished leader of the minority.

Mr. SNELL. I never heard this amendment until I heard it read, but as I listened to what the gentleman read from the present law, it seems to me the amendment which has been offered is along the same line, but perhaps may go a little more into detail. What is there in the amendment that the gentleman himself could object to? What words?

Mr. DOBBINS. The amendment itself is simply a repetition of the safeguards that are already thrown about the operation of this service, which are designed to prevent excessive rates and which are clauses which have been carefully considered in committee and not hastily drawn in the House where they cannot be well considered. As I heard them read, they seem to be nothing more than a repetition of safeguards which have been repeated almost ad nauseaum in the law as it reads today.

Mr. SNELL. If there is nothing more than what is already in the law, why has the gentleman any objection to the amendment?

Mr. DOBBINS. Because I cannot see any sense of inserting a needless repetition in the bill simply on the excuse that it is already in the law.

Mr. SNELL. It simply goes more into detail.

Mr. DOBBINS. The substance of it is in the law. The explanation which the gentleman has given on the floor as the reason for offering the pending amendment is offensive in the extreme, because it intimates that lobbyists, including a son of the President himself, have been before committees of Congress lobbying for this law; and it is an absolute falsehood. The son of the President has never been before my committee. As I most firmly believe, no member of the President's family has ever contacted a single Member of the House of Representatives upon this subject. I am most reliably informed that Elliott Roosevelt has never been in the Post Office Department or on Capitol Hill on any such mission, and I am convinced of the verity of that information. He is not engaged in any way in any business or activity that has to do with the carriage of air mail. It was at the instance of the President himself that these safeguards were put into this bill. These slights upon the Chief Executive and his family are unworthy of the gentlemen who give voice to them and are wholly unjustified. Anything that is inspired by a slight of that kind, I know that I for one shall never agree to incorporate in this bill. [Applause.]

Mr. Chairman, I ask that unanimous consent that all debate upon this section and all amendments thereto do now close.

Mr. TABER. Well, Mr. Chairman——

Mr. DOBBINS. Then, I move, Mr. Chairman, that all debate upon this section and all amendments thereto do now close.

The question was taken; and on a division (demanded by Mr. MAAS) there were ayes 94 and noes 40.

Mr. MAAS. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. MEAD and Mr. MAAS to act as tellers.

The Committee again divided; and the tellers reported there were ayes 116 and noes 35.

So the motion was agreed to.

Mr. TABER. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

I move that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. TABER. Mr. Chairman, I think the Committee ought to understand just what is before it, and it is for that purpose that I have obtained the floor. There is a provision in the law as it now stands requiring certain things to be done by the Postmaster General. There is a provision providing that the Postmaster General shall require persons holding air mail contracts to keep their books and accounts under regulations promulgated by the Postmaster General. The amendment offered by the gentleman from Minnesota [Mr. MAAS] is necessary if this bill is going to be any good, and it requires the Interstate Commerce Commission to go into this situation and make a searching audit and investigation of the books, accounts, and records of the holder of an air mail contract. That is the difference between the amendment proposed by the gentleman from Minnesota [Mr. MAAS] and the statute as it now reads. That is the reason we ought to pass this amendment and add it to the law, providing some protection to the Government of the United States in the operation of these air mail contracts and in the fixing of the rates. We ought to adopt the amendment, or else the bill will not accomplish the purpose of protecting the interests of the Government of the United States.

Mr. MEAD. Mr. Chairman, I rise in opposition to the motion. I do not believe the amendment offered by the gentleman from Minnesota [Mr. MAAS] is necessary. If the gentleman had been a Member of the last Congress, when the Air Mail Act was passed, he would realize that there is no industry in the United States that is so well regulated as is the case with the air mail industry. Holding companies are prohibited in this industry. No officer can be paid a salary or bonus in excess of $17,500 a year. Every company has been reorganized. The Interstate Commerce Commission has the power and authority to investigate this industry, and they will do so if necessary before they pass on rates. The Postmaster General also has the power to send auditors into the field and investigate the lines before passing on rates. The amendment offered by the gentleman from Minnesota is unnecessary and should not be adopted. The legislation he proposes was not considered by our committee, and until it is considered it should be rejected. I ask the House, therefore, to reject the amendment.

Mr. MAAS. Will the gentleman yield for a question?

Mr. MEAD. Yes; I yield.

Mr. MAAS. The existing statutes do not permit the Interstate Commerce Commission to go into the financial affairs of the original companies that are now contract holders under another name. All they can examine is the books of the existing companies.

Mr. MEAD. Let me say to the gentleman that the original companies have been outlawed and the companies are now reorganized and standing on their own.

Mr. MAAS. The gentleman well knows that these companies are the same companies under other names.

[Here the gavel fell.]

The CHAIRMAN. The question is on the motion of the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. FITZPATRICK) there were—ayes 20, noes 84.

So the motion was rejected.

The CHAIRMAN. The question is on the amendment of the gentleman from Minnesota [Mr. MAAS].

The question was taken; and on a division (demanded by Mr. MAAS) there were—ayes 34, noes 84.

So the motion was rejected.

The Clerk read as follows:

SEC. 6. Subsection (e) of section 6 of such act is amended by adding at the end thereof a new sentence to read as follows: "In arriving at such determination the Commission shall disregard losses resulting, in the opinion of the Commission, from the unprofitable maintenance of nonmail schedules, in cases where the Commission may find that the gross receipts from such schedules fail to meet the additional operating expense occasioned thereby."

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we are about to read section 7, which deals with the prohibition upon those who are not citizens of the United States against the holding of an air mail contract.

I think this provision, insofar as it applies to an individual, is timely and correct. Insofar as it applies to partnerships and corporations, however, I am just wondering whether the committee sees the full implication of such a prohibition.

The desire to fly is just as old as man himself; it is not limited by international boundaries. Consequently the best minds and the best inventive genius of other countries have addressed themselves to the problem of flying no less than we have in the United States.

Let me point out what may easily happen under the language of section 7 as it now stands. One of the leading, if not the best pursuit and chassé planes which was used during the war by Germany was designed by Anthony Fokker, the Dutch inventor. I saw them often over there. They had self-compensating carburetors and many other advanced devices. When the armistice was signed we found some 1,200 or 1,300 Fokker airplanes on the other side of the line that were not being used because they did not have a supply of fuel. There might have been an extension of the war and a somewhat different result could the Germans have used those planes. When the war was over Anthony Fokker came to the United States of America and sought to address his inventive genius to the resources and to the matériel which was available in the United States of America.

Under the implications of this bill if some new device, some new invention, should be fabricated in one of the other countries of the world, and it was the desire of an airplane company in this country to avail itself of this invention, possibly by giving a block of stock to this man and making him a director in the company, this section would absolutely prohibit it in view of the fact that our transport companies are closely identified with the manufacturers of motors, fusilages, and other important units entering into the making of an airplane.

I ask the chairman of the committee whether this could not be cured by striking out of clauses 2 and 3 the words " is not " and inserting in lieu thereof wording to this effect: " That anyone being a partnership or association who attempts to bring in or retain in its membership an individual who has not filed a declaration of intention to become a citizen "? I believe this would cure the difficulty.

Mr. BACON. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. BACON. This section applies only to the carrying of air mail to foreign countries.

Mr. DIRKSEN. Quite true, which makes it all the more important.

Mr. BACON. It does not apply to continental United States. I announced my intention during the general debate of offering an amendment to strike out all of section 7.

Mr. DIRKSEN. I do not think it is necessary to go that far; the section can be left in the bill, but modified in the way I have indicated.

Mr. BACON. This is merely a restatement of existing law. The Secretary of State, Mr. Hull, has written a very strong letter asking that section 7 be stricken from the bill. At the request of the chairman of the committee, I am offering an amendment to strike out this portion of the bill, and he has assured me that his committee will accept my amendment.

Mr. DIRKSEN. That will be all right, but I would not have gone so far as to strike out the whole section. If the gentleman's amendment striking out the section is adopted, then my amendment would not apply.

Mr. BACON. Section 7 is unnecessary because it is an expression of existing law.

Mr. DIRKSEN. All I wanted to do was to bring the matter before the House, because I think it is very important.

Mr. BACON. The gentleman is quite correct.

[Here the gavel fell.]

The Clerk read as follows:

SEC. 7. Section 7 of such act is amended by adding at the end thereof a new subsection to read as follows:

"(e) No contract for the transportation of air mail under this act shall be held by any person who (1), if an individual, is not a citizen of the United States, or (2) being a partnership or association, admits to or retains in its membership an individual who is not a citizen of the United States, or (3) being a corporation, has any officer or director who is not a citizen of the United States, or (4) employs in its service, between terminals within the jurisdiction of the United States, a pilot or radio operator who is not a citizen of the United States. To effectuate the purpose of the foregoing restrictions, the acquisition of any interest, in the form of shares of stock or otherwise, in the business of a contractor for air mail transportation under this act, by any person disqualified by this subsection from holding an air mail contract, is hereby prohibited."

Mr. BACON. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BACON: On pages 4 and 5, strike out section 7.

Mr. BACON. Mr. Chairman, I do not want to take up the time of the Committee to any great extent to again explain the reason why this particular section should come out of the bill. During general debate I discussed the matter at some length. I may say, however, I am offering this amendment to support the Secretary of State, Mr. Hull, who has written a special letter to the Chairman of the Post Office Committee requesting that this section be eliminated from the bill. I am offering the amendment to strike out section 7, and I am informed the committee will accept it.

Mr. MEAD. Mr. Chairman, so far as I am concerned, we accept the amendment. The gentleman from Illinois [Mr. DOBBINS], who proposed it originally in committee, will also accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. BACON].

The amendment was agreed to.

The Clerk read as follows:

SEC. 9. Section 13 of such act is amended to read as follows:

" SEC. 13. It shall be a condition upon the holding of any air mail contract that compensation for pilots employed by the holder of such contract shall be paid at the rate established by the latest decision of the National Labor Board or its successor in authority. Compliance with any such decision that has heretofore been or may hereafter be rendered affecting the wages, working conditions, or relations of any employee of such holder shall likewise be required. This section shall not be construed as restricting the right of any such employees by collective bargaining to obtain higher rates of compensation or more favorable working conditions and relations."

Mr. MEAD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Committee amendment offered by Mr. MEAD: Page 6, line 4, before the word " pilots ", insert the word " all."

Mr. MEAD. Mr. Chairman, I yield to the gentleman from Illinois [Mr. DOBBINS] to offer a substitute to the amendment.

Mr. DOBBINS. Mr. Chairman, I offer a substitute to the amendment, which I send to the desk.

The Clerk read as follows:

Substitute amendment proposed by Mr. DOBBINS in lieu of the committee amendment to section 9 of H. R. 6511, as proposed by Mr. MEAD: On page 6, strike out all of lines 3 to 10, inclusive, and the remainder of the word " required " appearing in line 11 and insert in lieu thereof the following:

" SEC. 13. It shall be a condition upon the holding of any air mail contract that the rate of compensation and the working conditions and relations for all pilots and other employees of the holder of such contract shall conform to decisions of the National Labor Board, or its successor in authority, notwithstanding any limitation as to the period of its effectiveness included in any such decision heretofore rendered."

Mr. DOBBINS. Mr. Chairman, the purpose of this amendment is in no way hostile to the purpose of the committee amendment. It is offered individually by reason of the fact that a defect in the law as written and drafted came to our attention after the last meeting of the committee. The language of the act as it now reads would not include radio operators, who are becoming increasingly important as one class of employees of the air line operators.

Another clarification the amendment proposes is to make it conclusive that the decision of the National Labor Board, rendered in May of last year, establishing the rate of pay and the working conditions for pilots, shall be continued after the 1-year limitation that was included in that decision. The decision established a 1-year limitation by reason of the fact, as announced by the Board, that legislation was pending upon the question, and they wished to make only a

temporary decision. This amendment as worded continues the effect of that decision until there is another decision of the National Labor Board changing its effect.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Illinois [Mr. DOBBINS] to the amendment offered by the gentleman from New York [Mr. MEAD].

The substitute to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment as amended by the substitute.

The amendment as amended was agreed to.

The Clerk read as follows:

SEC. 10. Section 15, as amended, of such act is amended to read as follows:

"SEC. 15. After June 30, 1935, no person holding a contract or contracts for carrying air mail on a primary route shall be awarded or hold any contract for carrying air mail on any other primary route, nor on more than three additional routes other than primary routes. In case that one person holds several contracts covering different sections of one air mail route as designated by the Postmaster General, such several contracts shall be counted as one contract for the purpose of the preceding sentence. It shall be unlawful for air mail contractors, competing in parallel routes, to merge or to enter into any agreement, express or implied, which may result in common control or ownership. After June 30, 1935, no air mail contractor shall be allowed to maintain passenger or express service off the line of his air mail route which in any way competes with passenger or express service available upon another air mail route."

Mr. MEAD. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. MEAD: Page 7, line 7, after the word "route", strike out the period and the quotation marks and insert in lieu thereof a comma and the following: "except that off-line competitive service which has been regularly maintained for at least 4 months next preceding July 1, 1935, may be continued if restricted to the number of trips and to the stops scheduled and in effect on March 1, 1935.

"Upon application of the Postmaster General or of any interested air mail contractor, setting forth that the general transport business of earnings upon an air mail route are being adversely affected by any alleged unfair practice of another air transport operator, or by any competitive air transport service other than that supplied by an air mail contractor on the line of his prescribed air mail route, or by any service inaugurated after March 1, 1935, through the scheduling of competitive nonmail flights over an air mail route, the Interstate Commerce Commission shall, after giving reasonable notice to the person complained of, inquire fully into the subject matter of the allegations; and if the Commission shall find such practice or competition or any part thereof to be unfair, or that such competitive service in whole or in part is not reasonably required in the interest of public convenience and necessity, and if the Commission shall further find that in either case the receipts or expenses of an air mail contractor are so affected thereby as to tend to increase the cost of air mail transportation, then it shall order such practice or competitive service, or both, as the case may be, discontinued or restricted in accordance with such findings, and the respondent named in the order shall comply therewith within a reasonable time to be fixed in such order."

Mr. MEAD. Mr. Chairman, I believe this amendment requires some explanation. It was considered by our committee and approved without a dissenting vote.

First of all it regulates off-line operations, and in order that you might become familiar with the meaning of the term, may I explain that an "off-line" operation is an operation whereby an air line contractor conducts passenger and express business off the line on which he holds an air mail contract.

As a further illustration of off-line flying, we have operating between Washington and Milwaukee, the Pennsylvania Air Lines. They have an air mail contract from Detroit over Lake Michigan to Milwaukee. They have no air mail contract from Detroit to Washington, but they operate a passenger and express line between Detroit and Washington. The operation between Detroit and Washington is called an off-line operation. It is in competition with a contractor who holds an air mail contract.

Under the original bill considered by our committee, off-line operations were prohibited. Not only those that might come into existence in the future, but those in existence at this time were deprived of their air mail contract if they did not give up their off-line operations.

Many Members of the Congress urged the committee to consider a modification of this provision, and so the committee drafted this proposed amendment. As a result of this amendment, those off-line operations in existence on March 1, 1935, may be referred to the Interstate Commerce Commission for a decision. If the Interstate Commerce Commission finds it is a fair operation and in the public interest, the Commission may continue the operation even though it be in competition with an air mail operation.

This amendment offers the best solution of a vexing question, although it was the original intention of the committee to eliminate all off-line operations on the theory that if there is a demand for such service the Post Office Department ought to call for bids and let a contract. In the case of Pennsylvania and, again, in the case of the Transcontinental and Western Air flying between Pittsburgh, Chicago, and Indianapolis, where they formerly had an air mail contract and where the companies were pioneer operators before their contracts were canceled, we felt they had a justifiable right to continue that operation; therefore we changed the bill and gave to the Interstate Commerce Commission discretion in such cases.

There are 9 off-line operations in the Air Mail Service, 8 within the States and 1 in Hawaii. Many of them are in competition with air mail contractors. Some of them are unnecessary because there are three services serving the same territory. Some of them should be abandoned. If the United States is going to subsidize aviation and it subsidizes a particular line in a certain territory, that contractor should not go over into another territory where the United States is subsidizing an air mail service and compete with that particular contractor to his injury and at the expense of the United States Treasury.

So in turning this matter over to the Interstate Commerce Commission we felt we ought to eliminate off-line operations in the future and that we ought to minimize those now in existence.

[Here the gavel fell.]

Mr. WADSWORTH. Mr. Chairman, the real objecv of my rising is to give the gentleman from New York, the chairman of the committee, a further opportunity to discuss this provision from the standpoint of national policy.

I can see the point made by the gentleman to the effect that it might be the duty of the Government of the United States to protect an air mail contractor from competition arising from another air mail contractor, not, however, in the carrying of mail but in the carrying of passengers and express, and as I gather it, the language in this bill, modified to an extent and a very slight extent by the amendment offered by the chairman of the committee, is intended to prevent competition between these companies to a degree any more acute than exists today.

I am trying to look toward the future. I confess to a very high degree of ignorance of this general problem, but I hesitate very much, indeed, to see a provision go into a statute of the United States which, in effect, will prevent competition, as I read it, between these companies with respect to the carrying of passengers and express. They cannot compete with respect to the carrying of the mail because the mail contracts are let, line by line, and the restrictions are in the law as to how many contracts one company may have, but I try to visualize the development of commercial aviation, and I wonder if it is time, as yet, to write into the statute that no one of these men may establish a passenger and express business which in any way competes with another one of them. This is going pretty far. This means there will be no new lines unless the establishers of the new lines at the same time get a mail contract.

Mr. DOBBINS. Mr. Chairman, will the gentleman yield before he gets away from that thought?

Mr. WADSWORTH. I yield.

Mr. DOBBINS. The gentleman has before him the bill without the amendment. The amendment explained by the chairman of the committee modifies that language.

Mr. WADSWORTH. Yes; it leaves this in the discretion of the Interstate Commerce Commission.

Mr. DOBBINS. Not exactly in the discretion, but it authorizes the Interstate Commerce Commission to prohibit competitive service which it finds to be either unfair or unnecessary. May I ask the gentleman if he would be in favor of continuing service which is either unfair or unecessary?

Mr. WADSWORTH. If it is unfair, of course, I would be in favor of abandoning it or prohibiting it, but I am wondering what kind of competition is unnecessary in this country.

Mr. DOBBINS. It is not a question of unnecessary competition.

Mr. WADSWORTH. Where would we get if we are going to draw that line?

Mr. DOBBINS. May I add that it is service which is unnecessary in the public interest that is prohibited.

Mr. WADSWORTH. What sort of service—mail service?

Mr. DOBBINS. All air service which competes with the Air Mail Service.

Mr. WADSWORTH. Are we to understand that the passenger service and express service are to be regarded as competitive with mail service?

Mr. DOBBINS. If it runs along the line of an air mail contractor who relies upon passenger service to supplement his air mail revenue.

Mr. WADSWORTH. Let us assume there is some startling, new invention in the aviation field, some extraordinary motor, some new fuel, or some device that bids fair to revolutionize flying, making it much cheaper and much safer. What encouragement will the inventor or those who are willing to back him up receive if they meet in the statutes of the United States a provision that unless they can show their competition is necessary they never can go into the passenger and express business?

Mr. MEAD. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield. I confess I am groping somewhat but this seems to me to be important.

Mr. MEAD. I wish to say to the gentleman that I am in hearty accord with his general statement with regard to competition.

But you must remember that we are keeping all these airplanes afloat by money that is taken out of the United States Treasury.

Mr. WADSWORTH. You do not keep the off lines afloat.

Mr. MEAD. The off lines would not be in the air if it was not for the fact that they have the air mail contract; they are flying off the line to take away the revenue of the other contractors.

Mr. MAAS. Mr. Chairman, I rise to oppose the amendment. I have the highest regard for the Chairman of the Post Office Committee [Mr. MEAD], who I know wants to accomplish the success of the air mail. After all, the support of the subsidy is for the development of the industry. The whole philosophy behind it is a subsidy which will enable the industry to get on its feet so that eventually we will not have to subsidize the air mail at all.

I am fearful that if we adopt this provision and force the situation to a point where it eliminates competition that we never will get out of subsidizing the air mail. Under this amendment no outsider will be allowed to compete. The occasion may arise where an independent operator seeks to provide passenger and express service. Take someone just coming into this business. This provision would permit the Interstate Commerce Commission to put such a concern or individual out of business entirely. That will discourage the type of competition that we are seeking to build up through the method of a subsidy. I am wondering if the chairman cannot find a better way to protect the holder of air mail contracts without shutting their lines out of competition. I know that he has given a great deal of thought and study to the question. It seems to me that we are in this position: We are subsidizing the aviation industry to aid in building it up. On the other hand, we are prohibiting the very competition that will develop and expand the industry. Whenever competition has been eliminated, progress and further development stood still. The greatest era of aviation development was during the period of most competition.

Mr. MEAD. The Post Office Department has the authority to advertise for bids, thereby continuing competition wherever there is a demand for additional service. For instance, we now have three large companies in competition with each other serving the territory between New York and Chicago. The Post Office Department could advertise for bids for another company to compete for that service. This amendment, however, will prevent any one of these companies from moving into the territory of another and depriving him of passenger and express business unless it is approved by the Interstate Commerce Commission.

Mr. DONDERO. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. DONDERO. Take these old-line companies that possess air mail contracts; will they be affected by this amendment?

Mr. MEAD. Yes; they will.

Mr. DONDERO. Suppose they carry express between Detroit and Washington but only mail between Detroit and Milwaukee?

Mr. MEAD. This amendment will cover that particular operation.

Mr. MAAS. You are going to freeze the situation to a point where only air mail contractors are permitted to be operators in this country of any kind of air transportation.

Mr. MEAD. We are going to freeze the situation so far as future off-line operating competing with air mail operators are concerned, unless otherwise allowed by the Commission.

Mr. MAAS. You do not limit the restrictions to air mail contractors.

Mr. MEAD. We do not eliminate them. We refer those off-line operations to the Interstate Commerce Commission. We thought that was better than to eliminate them entirely. Competition and service can be maintained by advertising for new services with new bids. This has been done in the past, and when we are through financing this industry, when we are through paying millions of dollars out of the Treasury, then I shall be glad to join with the gentleman in allowing them to run off their lines.

Mr. MAAS. You are shutting out the independent who does not have an air mail contract at all.

Mr. MEAD. Every independent and old-line contractor, as well, had an excellent opportunity to bid on an air mail contract. They were all given a contract in some section of the United States.

Mr. MAAS. Why do you not limit it to those who hold any air mail contract anywhere in the country?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. DOBBINS. Mr. Chairman, I rise in support of the amendment offered by the distinguished Chairman of the Post Office Committee.

Mr. MAPES. Mr. Chairman, before the gentleman starts, will he yield for a question?

Mr. DOBBINS. Surely.

Mr. MAPES. Take the illustration which the gentleman from New York [Mr. MEAD] gave of the three lines operating between here and New York, three competing companies carrying the mail. Is there anything in this bill which would prohibit any independent line from establishing a service between Washington and New York to carry passengers and express business?

Mr. DOBBINS. There is nothing in this bill, Mr. Chairman, which prohibits any independent contractor from starting any service anywhere that he chooses, but if he does that——

Mr. MAPES. Provided he does not have an air mail contract somewhere?

Mr. DOBBINS. The gentleman will pardon me. I did not finish the answer, and I think I should, otherwise it might not be understood. If that service which he establishes operates to decrease the revenues of an air line contractor through its competition with it, and moreover it is unfairly competitive, unfair in its nature, or is not necessary in the public interest, then the injured air mail contractor can appeal to the Interstate Commerce Commission to in-

quire into the necessity and convenience of the competing service thus established and into the fairness.

Mr. MAPES. Will the gentleman yield further?

Mr. DOBBINS. Yes.

Mr. MAPES. Does the gentleman's answer apply only to the so-called "off-line" operation or does it apply as well to a company which has no contract to carry the mail anywhere?

Mr. DOBBINS. No; my reply refers only to the companies which have no contract to carry the mail.

Mr. MAPES. So any number of companies could operate between Washington and New York to carry passengers and express, provided they have no contract anywhere to carry the mail.

Mr. DOBBINS. No; that is not correct. If the gentleman will permit me to go on with my statement I think he will understand. If a new company establishes service along the line of an air mail contract, then that air mail contractor can ask the Interstate Commerce Commission to inquire into the public convenience and necessity of the new service, and if the Interstate Commerce Commission shall find that the new service is not required in the public convenience and necessity and finds in addition to that that its operation tends to decrease the revenue of the air mail contractor, so as to make the service of the latter cost the United States any more, then the Interstate Commerce Commission can order that unnecessary service to discontinue. And that word "unnecessary" is not used as understood by the gentleman from New York [Mr. WADSWORTH]. He referred to it as "unnecessary competition." That is not the language. It is a question of its being unnecessary in the public interest just as any public utility must establish its reasonableness and necessity.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. DOBBINS. Yes; I yield to the gentleman from New York.

Mr. FITZPATRICK. If the amendment is not adopted and we pass the bill as it is now, they cannot make any appeal to the Commission at all.

Mr. DOBBINS. No. There is nobody to appeal to, and we would have this cutthroat competition, which must necessarily increase the amount we are paying for carrying the mail.

Mr. DUNN of Pennsylvania and Mr. RANDOLPH rose.

Mr. DOBBINS. I yield first to the gentleman from Pennsylvania.

Mr. DUNN of Pennsylvania. I received a telegram today from Pittsburgh stating that if this bill in its present form is enacted it would put out of employment several people. I do not want to support any kind of legislation that will put anybody out of employment. However, my good friend from New York [Mr. MEAD] read the telegram and assures me that the amendment that he is offering will take care of that situation.

Mr. DOBBINS. I understand this amendment when formulated was satisfactory to the present operators, and after the amendment was agreed to by them they came and asked for a further liberalization of the amendment, which would allow them to increase the service over present limits, and that was not favored by our committee.

Mr. RANDOLPH. Will the distinguished gentleman yield?

Mr. DOBBINS. I yield to my friend from West Virginia.

Mr. RANDOLPH. You have spoken of the cutthroat competition that might arise in the air transport system of this country, with which I am in full accord. There has been too much of this cutthroat competition in the railroad industry, has there not, through the years?

Mr. DOBBINS. Yes.

Mr. RANDOLPH. By the paralleling of lines and services?

Mr. DOBBINS. Yes; in some few instances.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. DOBBINS] has expired.

Mr. DOBBINS. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment proposed by Mr. DOBBINS to the committee amendment proposed by Mr. MEAD: In the committee amendment, following the date "July 1, 1935", strike out the remainder of the sentence and substitute therefor the following: "And such seasonal schedules as may have been regularly maintained during the year prior to July 1, 1935, may be continued if restricted to the number of schedules and to the stops scheduled and in effect during such period or season."

Mr. DOBBINS. Mr. Chairman, the effect of this amendment upon the committee amendment is not only to permit the continuance of that service which shall have been in operation beginning on March 1 of this year and extending to July 1, but also to permit existing operators to maintain during the ensuing year, in seasons when there shall be demand for greater service, that greater service to the extent it has been maintained during the present fiscal year. I understand it is perfectly agreeable to the chairman of the committee.

While I am on my feet I would like to make one other announcement with reference to the effect of this law, in response to a number of inquiries that have come to me from Members on the floor. That is, that any new service which may be required in the future will be let as the result of competitive bidding, and this law requires that during the term of all new contracts there shall be no increase in the rates of compensation paid therefor. That is distinguished from the regulations in former laws which limited those who might bid for new service, so as to practically shut out any competition. It was required in a former law that anyone who bid upon a mail contract must have had 6 months' experience in operating the service over that particular line, which practically meant there was no competition, and that only one operator could operate over that service.

Mr. WADSWORTH. Will the gentleman yield?

Mr. DOBBINS. Yes.

Mr. WADSWORTH. May I ask the gentleman with respect to his amendment to the committee amendment, as I recall its reading, it would forbid any of those off-line competitive services or operators in existence prior to July 1, 1935, or 4 months prior to that time, to hereafter increase the number of stops on their line? Do I understand by that that if a line is in existence today and this amendment becomes law, say, the line operates from Washington to Savannah——

Mr. DOBBINS. Alongside an air mail line.

Mr. WADSWORTH. Yes; but up to this time it has never stopped at Charleston; under this provision it shall not ever be permitted to stop at Charleston?

Mr. DOBBINS. It shall not if that stop competes with an air mail line and therefore depletes the revenues of the air mail line.

Mr. WADSWORTH. Does the amendment say that?

Mr. DOBBINS. Yes; it says "competition", and that is what it must do in order to compete, as I understand the term.

Mr. WADSWORTH. Then it freezes every line now operating under its present schedule and present stops?

Mr. DOBBINS. On off-line service by air mail contractors only.

Mr. CHURCH. Will the gentleman yield?

Mr. DOBBINS. I yield.

Mr. CHURCH. The chairman of the committee said that the present industry was for the amendment and the amendment to the amendment. As I understand, a new carrier has no chance here at all. It is just a monopoly for the present carriers? In other words, if we have a line out of Chicago and they have a certain number of stops, a new carrier cannot come in at all and bid?

Mr. DOBBINS. Oh, no; it does not forbid that at all. It simply permits an inquiry by the Interstate Commerce Commission to determine upon the fairness of that new service and whether it is reasonably necessary in the public interest. If it is, they may continue it.

Mr. ENGEL. Will the gentleman yield?

Mr. DOBBINS. I yield to my colleague on the committee.

Mr. ENGEL. With reference to the word "schedule" replacing the word "trips", as I understand that, they could operate as many planes on the same schedule as they wanted?

Mr. DOBBINS. Yes. If they have such a demand for their service as to require additional planes on the same schedule, they may operate more than one.

Mr. ENGEL. And that is why it was changed from "trip" to "schedule"?

Mr. DOBBINS. That is the reason.

Mr. ENGEL. I want to say that the manager of the Pennsylvania Air Line phoned me from Pittsburgh Saturday morning, and I read the amendment to him and interpreted it in that way, and while it is not perfectly satisfactory, he was satisfied with it, he said.

Mr. MEAD. Will the gentleman yield?

Mr. DOBBINS. I yield.

Mr. MEAD. Some of the Members seem to be much concerned with new companies, so-called "independent operators." There are at the present time many applications for new air mail services, all of which would be permitted by this amendment if we could get companies qualified to bid and if the Department was willing to advertise for these new services. I have in mind a new line from Toronto, Buffalo, Harrisburg, and Washington. Postmaster General Brown wanted to establish such a line several years ago. Under this bill there will be ample added mileage for this line and for many similar lines. All we need and all we seem to lack are the air line operators to bid on these new extensions. So we do not have to worry about independent companies; there is a big field ahead for them under this legislation. We are not destroying fair competition nor are we developing or protecting a monopoly.

Mr. TABER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, under this amendment and the amendment offered by the gentleman from New York, the language, as I read it, seems to indicate that the Interstate Commerce Commission could wipe out of existence an existing line, provided an application to the Interstate Commerce Commission were made by the Postmaster General or by the mail-carrying contractor. It seems to me this would be ridiculous. I think if we are going to adopt this amendment of the gentleman from New York that at least we should safeguard it—and they should want to safeguard it—so as not to permit such a thing happening.

As to the matter of changing the exception as done by the amendment of the gentleman from Illinois, I do not see any particular objection; but in the body of the language that follows his language, which would permit the abolishment of an existing route, and this ought to be safeguarded against absolutely.

Mr. DOBBINS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. DOBBINS. The gentleman recognizes, of course, that it could not be abolished unless its services were shown to be unnecessary and not in the public interest or that the company was unfairly operated.

Mr. TABER. Perhaps that is so; but if you are going to permit the Postmaster General to let new contracts where routes already run on a passenger and express service and then let the new contractor come before the Commission and say that because he cannot get the passenger and express business away from the other fellow he cannot make money and that the other fellow's business constitutes unfair competition, the Interstate Commerce Commission is practically obliged to wipe out the original contractor. Now, I do not like that way of doing business.

Mr. DOBBINS. Mr. Chairman, will the gentleman yield further?

Mr. TABER. I yield.

Mr. DOBBINS. Is not the gentleman in sympathy with the Post Office Department in seeking to get the cost of Air Mail Service down just as much as it can?

Mr. TABER. Yes; but not through the destruction of existing flying routes and companies carrying passengers and everything else; and I think this language to which I have referred is absolutely dangerous.

Mr. MAAS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. MAAS. Is there not a very grave danger where an air mail contractor is protected against competition for passenger and freight business that he no longer will do anything to make his company progressive, because he does not need new equipment, because he does not need to keep abreast of the times, for the reason that he is protected against competition in his passenger and freight business?

Mr. TABER. That is true, of course.

[Here the gavel fell.]

Mr. WEARIN. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I do not intend to take the time of the House at this late hour. In the consideration of this question matters of interest have been brought up here with reference to the carrying of the mail and the operation of the lines, and also the carrying of the mail by the Army Air Corps that need discussion in a little greater detail. With this thought in mind I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. WEARIN. I have been somewhat amused at many of the statements made today in regard to the canceling of the air mail contracts. The bill under consideration is being used, of course, as a vehicle for injecting some partisan attacks into the RECORD. At one point in the deliberations I asked a Member to yield, to no avail, that I might correct an inference to the effect that the Army sustained more loss of life in carrying the mail than private companies, which, of course, the facts do not indicate. I shall avail myself of this opportunity to bring them to the attention of the House.

The authority to cancel the contracts in the first place is no longer questioned but an effort has been made today, as before, to discredit the Army Air Corps because of some accidents that occurred while carrying the mail. The statement has been made repeatedly that 12 men lost their lives while the Army came to the rescue of the Government and that the same was legalized murder. Commercial and private lines of various types sustained innumerable accidents during the same period, resulting in at least 100 deaths and many injuries. Why not talk about those as being legalized murder on the part of private-profit concerns? Why, one commercial line alone killed 12 in two shots within a few days while the Army was flying the mail.

On page 8537 of the CONGRESSIONAL RECORD, Seventy-third Congress, second session, I listed the names of 197 people who were killed in aircraft accidents from July 1, 1932 to June 30, 1933, but to hear some of the Members of this body talk one would think the Army holds exclusive rights to all crack-ups. It is curious to me to note that the same people have little if anything to say when 73 men go down to their death with the *Akron*, fed into the jaws of a great concern that wants to be financed with taxpayers' money. Not a word was uttered when a heroic radio operator was lost in the crash of the *Macon*. Whose voice was lifted in the cry of legalized murder when human beings were jerked from the ground while aiding in the launching of one of those dirigibles and allowed to dangle from the ropes suspended underneath until they fell hundreds of feet to the earth, their bodies crushed to a bleeding mass of flesh and bones? We could call the roll of those who were lost on the *Shenandoah* and continue on and on.

It is evident from the above facts that the opposition is considering only one side of the question. I would suggest that some of our noble crusaders whose real interest is the welfare of the Air Trust go after the commercial air lines and dirigible builders about their accidents and loss of life.

The charge has been made that a great crime was committed on the part of the administration because the Army lost 12 men while carrying the mail but to my knowledge no

one, not even the lady from Massachusetts [Mrs. ROGERS], had a word to say about the fact that the Army lost 15 flyers during the month of June 1933, an ideal time for flying, in the ordinary transaction of duty. It is evident from this and other facts that casualties occur under all circumstances and the deaths previously mentioned cannot necessarily be attributed to the carrying of the mail.

To further substantiate the fact that the Air Corps has its troubles in the transaction of its duties regardless of what they may be I call to your attention the fact that 63 men were killed from March 18, 1933, through March 7, 1934, in Army planes. I inserted the names of the individuals and the dates of the accidents on page 8537 of the CONGRESSIONAL RECORD, Seventy-third Congress, second session, and therefore will not ask permission to reprint them at this time.

The above indicates that according to the law of averages equally as many men if not more would probably have been lost in flying the same Army planes in the line of duty as were lost in the remarkably successful demonstration of the ability of the Army to carry the mail.

If this were not true, and the charge of Republican forces that the men were lost because of improper and inadequate equipment, then we had better look into the purchase of aeronautical equipment for the Army that occurred during the administrations of Harding, Coolidge, and Hoover, because we certainly spent enough money to secure the proper type. In taking that position the minority automatically condemns their own administrations. Of course, I am inclined to think myself that the sale of planes and flying equipment to the Army during that 12-year period ought to be investigated. It is probable that inferior aircraft were forced upon the Government by the Air Trust when superior and cheaper equipment could have been secured from independent manufacturers.

Detailed charges to that effect associating former Senator Hiram Bingham and the White House itself with an Air Trust lobby were made by Thomas L. Hill, president of the American Society for the Promotion of Aviation, in a letter to Senator T. H. Caraway that appeared in Air Transportation on November 9, 1929, published at 34 North Crystal Street, East Stroudsburg, Pa. The exhibits mentioned therein have evidently been conveniently lost and the matter dropped. A part of these facts appeared in connection with my remarks on page 8536 of the CONGRESSIONAL RECORD, Seventy-third Congress, second session.

When the organized "ballyhooers" started all this racket about the administration's effort to clean out the foulness of corruption that surrounded the letting of air mail contracts during administrations preceding that of President Roosevelt they spent a tremendous sum of money for propaganda. I have in my files literally dozens of copies of editorials and news articles from various papers that were sent out to Members of Congress in an effort to warp their judgment and place the President and the Postmaster General in a false light. A lot of the stuff came into my office in envelops bearing the return address of the Transcontinental & Western Air Corporation. What business, other than an ulterior one, did they have in aiding in such a campaign? If their efforts, along with those of the minority on this floor, to imply that the Air Corps had as many accidents as it did, which were less than commercial lines over the same period, because of faulty equipment, then let us find out who sold that stuff to the Harding, Coolidge, and Hoover administrations and why they bought it. It should be evident to the public that some Members of this House have carried this question so far they are sinking down into their own mire.

I would say to all those who seem to be so concerned over the welfare of certain commercial air lines carrying the mail at the time the contracts were canceled, and are today screening their interest in them by lamenting the loss of 12 Army flyers, should remember that we have lost more than that in the Air Corps in less than 30 days while in the ordinary line of duty, so the casualties might have been equally as great had the same number of men been performing other duties. The minority should also remember that commercial and private carriers occasioned the loss of at least 100 lives during the period that the Army carried the mail with a loss of 12.

It is evident from the above facts that the Army that carried the mail so successfully in the beginning proved equal to the task in the spring of 1934, when the administration started its crusade to clean out the graft that had crept into the business under the administraion of President Roosevelt's predecessor with a surprisingly low cost of human life as compared with casualties in private lines.

The CHAIRMAN. The question is on the amendment of the gentleman from Illinois to the amendment offered by the gentleman from New York [Mr. MEAD].

The amendment was adopted.

Mr. TABER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment by Mr. TABER to the amendment by Mr. MEAD: After the word "service" in the seventh line, insert "established after the passage of this act."

Mr. TABER. Mr. Chairman, the amendment offered by the gentleman from New York [Mr. MEAD] provides this:

Upon application of the Postmaster General or any interested air mail contractor setting forth that the general transport business or earnings upon an air mail route are being adversely affected by any alleged unfair practice of another air transport operator or by any competitive air transport service other than that supplied by an air-mail contractor on the line of his prescribed air mail route.

I have tried to limit that situation so that no air mail operator who had a line established prior to the passage of this act could be wiped out by the operation of the contractor or the Postmaster General going to the Interstate Commerce Commission and saying that it was unfair competition because he was operating and preventing the contractor from making a living. I do not believe we ought to wipe out our air service by this bill; we ought to help protect it. I hope this amendment will be adopted.

The CHAIRMAN. The question is on the amendment of the gentleman from New York [Mr. TABER] to the amendment of the gentleman from New York [Mr. MEAD].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 20, noes 71.

So the amendment to the amendment was rejected.

The Clerk read as follows:

Amendment offered by Mr. NICHOLS to the committee amendment: At the close of the committee amendment add the following: "*Provided*, That nothing herein shall prohibit any person, firm, or corporation from establishing a new line for passenger and express service."

Mr. NICHOLS. Mr. Chairman, if I did not misunderstand the chairman of the committee, a moment ago he stated that there were at this time probably a hundred applications pending for lines to carry passengers and express, and that the committee amendment would not in any way interfere with them. If this be the case, then surely the committee will not object to my amendment.

So far as the development of air mail is concerned, had it not been for the development of air travel first through the carrying of passengers and express we never would have gotten to the present stage of the Air Mail Service.

The transportation of mail by air grew out of the transportation of passengers. If that has caused aviation to grow to its present state, I am interested in seeing that we will not stop anyone in the future who wants to invest his own money and go into an enterprise carrying passengers and express the same as they have in the past. If this does not interfere with the committee amendment, then let us clarify the language, which to some of us is a little confusing, and say just what the gentlemen of the committee say the effect of their amendment will be. Let us put into this amendment language to mean just what they say it means.

[Here the gavel fell.]

Mr. MEAD. Mr. Chairman, I rise in opposition to the amendment, for the reason that we have established an orderly method whereby new services may come into the air-

mail field and also into the express and passenger field. We have, by reason of our experiences in the past, decided on the amendment which has just been adopted, and by the adoption of that amendment, I believe, this amendment is out of order, because we permit the operation of all such services in the future as are deemed necessary. We permit of the inauguration of all new services where they are fair and in the public interest, and I believe that our proposal opens up a wide avenue for the development and expansion of this industry.

Mr. Chairman, as I said a moment ago, we have adopted an orderly procedure to follow. The committee amendment was based upon our experiences of the past. It is a fair compromise arrived at after many conferences with Members of Congress on both sides of the aisle and from all over the United States. I do not feel that we ought to open up the question again by the insertion of an amendment that may be somewhat confusing in connection with the amendment just adopted.

Mr. Chairman, I want to stress this point. If we are operating an Air Mail Service and paying for the service out of the Treasury of the United States, and the service could not live without the subsidy it receives from the Government, it is unfair to increase the rate paid to a subsidized contractor just because some other contractor moves over into his territory and takes away some of his passenger and express business. Several years ago we had the experience of a subsidized contractor carrying mail, express, and passengers between Miami and New York City. An independent operator carried express and passengers between New York and Washington, which was the best revenue-producing territory on the line. The result necessitated the continuation of a higher subsidy paid out of the Treasury of the United States. We should not permit one operator to go over into another operator's field and operate only where the revenues are high and then refuse to give service where the revenues are not as productive as they are in the field he chooses to serve.

The air mail contractors, the Aeronautical Chamber of Commerce, the Post Office Department, and the Members of Congress who have come to us for a solution of this problem are satisfied with our amendment, and I hope it will be left as it is. In my judgment it is better as it is than if we tamper with it by inserting other amendments at this time.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment to the amendment.

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MEAD] as amended.

The amendment as amended was agreed to.

Mr. McFARLANE. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. McFARLANE: "That the Postal Department, on secondary routes, shall not require flying equipment or a cruising speed in excess of 100 miles per hour for extension of existing or new air mail routes of less than 175 miles in length."

Mr. DOBBINS. Mr. Chairman, I raise a point of order against the amendment.

The CHAIRMAN. The gentleman will state the point of order.

Mr. DOBBINS. Mr. Chairman, the amendment is not clear. There is nothing to indicate in what part of the law the amendment should be inserted.

Mr. McFARLANE. Mr. Chairman, this adds a new section to the end of the bill, and applies only to secondary routes.

The CHAIRMAN. The Chair will hear the gentleman from Texas on the germaneness of the amendment.

Mr. McFARLANE. Mr. Chairman, I think the amendment is germane for the reason it deals with the subject matter of the bill. It is a new section dealing with secondary routes only and contains a proper limitation under that head.

The CHAIRMAN. The Chair is ready to rule.

The amendment offered by the gentleman from Texas [Mr. McFARLANE] is not germane and the Chair therefore sustains the point of order.

Under the rule the Committee automatically rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BLANTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 6511) to amend the air laws and to authorize the extension of the Air Mail Service, reported the same back to the House with sundry amendments adopted by the Committee.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. MAAS. Mr. Speaker, I ask for a separate vote on the Mead amendment to section 10.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put the other amendments in gross.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Page 7, line 7, after the word "route", strike out the period and the quotation marks and insert in lieu thereof a comma and the following:

"Except that off-line-competitive service which has been regularly maintained for at least 4 months next preceding July 1, 1935, may be continued if restricted to the number of trips and to the stops scheduled and in effect on March 1, 1935.

"Upon application of the Postmaster General or of any interested air mail contractor, setting forth that the general transport business of earnings upon an air mail route are being adversely affected by any alleged unfair practice of another air-transport operator, or by any competitive air-transport service other than that supplied by an air mail contractor on the line of his prescribed air mail route, or by any service inaugurated after March 1, 1935, through the scheduling of competitive nonmail flights over an air mail route, the Interstate Commerce Commission shall, after giving reasonable notice to the person complained of, inquire fully into the subject matter of the allegations; and if the Commission shall find such practice or competition or any part thereof to be unfair, or that such competitive service in whole or in part is not reasonably required in the interest of public convenience and necessity, and if the Commission shall further find that in either case the receipts or expenses of air mail contractor are so affected thereby as to tend to increase the cost of air mail transportation, then it shall order such practice or competitive service, or both, as the case may be, discontinued or restricted in accordance with such findings, and the respondent named in the order shall comply therewith within a reasonable time to be fixed in such order."

Mr. MEAD (interrupting the reading of the amendment). Mr. Speaker, I ask unanimous consent that the further reading of the amendment be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

THE WORK-RELIEF BILL

Mr. O'CONNOR, from the Committee on Rules, submitted the following privileged report for printing in the RECORD:

House Resolution 174

Resolved, That immediately upon the adoption of this resolution the joint resolution (H. J. Res. 117), with Senate amendments thereto, be, and the same is hereby, taken from the Speaker's table; that the Senate amendments be, and they are hereby, disagreed to by the House; that the conference requested by the Senate on the disagreeing votes of the two Houses on the said joint resolution be, and hereby is, agreed to by the House; that the Speaker shall immediately appoint managers on the part of the House without intervening motion; and that the managers on the part of the House are hereby given specific authority to agree, with or without amendment, or disagree to any amendment of the Senate to the said joint resolution notwithstanding the provisions of clause 2 of rule XX.

FORT FREDERICA AS A NATIONAL SHRINE

Mr. DEEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. DEEN. Mr. Speaker, on January 28 I introduced H. R. 4875, a bill to provide for the establishment of a national monument at Fort Frederica, St. Simon Island, Ga., to be known as the "Fort Frederica National Shrine."

Section 1 of the bill authorizes and directs the Secretary of the Interior to acquire on behalf of the Government of the United States, by gift or purchase, the site of Fort Frederica, consisting of approximately 50 acres.

Section 2 of the bill authorizes the Director of the National Park Service to supervise, control, manage, and preserve the property for the benefit and enjoyment of all the people of the United States.

Section 3 (a) of the bill authorizes the Secretary of the Interior to rebuild Fort Frederica, to erect monuments, to improve the condition of the burial grounds, to erect buildings, build roads on the property, to mark with tablets or monuments historic points within the boundaries of the property. The Secretary is also authorized to maintain in a suitable building a museum for relics, records, and so forth, pertaining to Fort Frederica. He is authorized to accept articles, relics, and records which may be offered as additions to the museum.

Section 3 (b) permits any State or political subdivision thereof to erect monuments or place tablets therein, with, of course, the approval of the Secretary of the Interior.

Section 4 authorizes the necessary appropriation for carrying out the provisions of this act.

Mr. Speaker, in the consideration of the merits of the legislation which I propose, I want to call attention to the historical significance of the proposition. The story of Fort Frederica, St. Simon Island, Ga., is an interesting one, as it epitomizes an important chapter in the early history of our country.

James Edward Oglethorpe, after traveling 4,000 miles from England, with 35 families, numbering about 120 people, consisting of farmers, bricklayers, and carpenters, and with the loss of only 2 infants during the 60 days' journey, anchored just outside of Charleston, S. C., on January 17, 1733. He and his men were warmly greeted by Governor Johnson of South Carolina. After surveying the lands in the interior south of the Savannah River, which lands were claimed by Spain, he selected a site for his colony on Yamacraw Bluff, near the mouth of the Savannah River. On February 11, 1733, Oglethorpe and his men arrived on the selected site, and the next day, February 12, the town of Savannah, Ga., was laid off. Houses were constructed, treaties were made with the Indians, and Georgia, the thirteenth Colony and youngest of the original thirteen, was settled.

Historians have declared, and correctly so, that there were two motives for the settlement of Georgia. First, that imprisoned debtors of England might be freed from their bondage by coming to America and establishing a new colony. Second, there were threatening and impending dangers to South Carolina and the other Colonies, precipitated by Spanish invasions and attacks from Cuba and Florida. In selecting his men from among prisoners in England, Mr. Oglethorpe used discretion in bringing to America only those men who had previously received military training and who were capable of becoming skillful soldiers.

Shortly after his settlement at Savannah, Ga., Mr. Oglethorpe received greetings from the Governor of South Carolina, with the following gifts: 100 head of breeding cattle, 5 bulls, 20 breeding sows, and 4 boars; also 20 barrels of good and merchantable rice. Mr. Thomas Penn, proprietor of Pennsylvania, sent 100 English pounds and said he was engaged in collecting larger sums. Governor Belcher, of Massachusetts, wrote Mr. Oglethorpe, warmly congratulating him and inviting him to visit Boston.

One hundred and sixty-eight years previous to the settlement of Georgia, St. Augustine, Fla., had been settled by the Spanish, who had increased their strongholds along the Atlantic coast as far north as Port Royal, S. C. Spanish missions and military posts dotted the coast for several hundred miles. The Governors of Cuba and Florida were making every possible effort to hold the lands claimed by Spain, and to gain all the additional territory possible. The Spanish had settled the "golden isles of Guale", which included St. Simon Island, Jekyll, Sapeloe, St. Catherine, Ossabaw, and Cumberland Islands. These famous islands, which for more than 3 centuries have been marked with historic fame and significance, were treasured most highly by the Spanish.

In 1736, 3 years after settling the Colony of Georgia, Mr. Oglethorpe visited the "golden isles of Guale", and he and his men laid off and built the town and fort of Frederica on the northern side of the Frederica River, selecting, of course, the most strategic point and place on St. Simon Island. Six years later, in 1742, the Spanish realizing their possessions were being jeopardized, sent a fleet of 51 ships and 5,000 men from Habana to St. Simon Island. They landed in St. Simon Island Sound, and defeated Mr. Oglethorpe's men in a naval engagement. Oglethorpe and his men retreated to Fort Frederica and prepared for the final battle as the Spanish pressed their way forward through the interior toward Fort Frederica.

A short distance from the fort, Oglethorpe's men had hidden themselves—560 men in all—in the underbrush. When the Spanish approached, Oglethorpe's men fired, and for hours one of the bloodiest and most decisive battles of the world was waged. Of the 5,000 Spanish, practically everyone was either killed, wounded, or captured. The marshes and streams ran red with the blood of the Spanish dead. The victory for the English was hailed throughout the Colonies as the greatest of all victories for the English in North America. Immediately thereafter the battle was known as "The Battle of Bloody Marsh." This famous battle, fought July 7, 1742, has been regarded by historians as one of the most significant and decisive battles in American history. With Georgia settled and fast becoming a thriving colony, with the Spanish defeated at Bloody Marsh and driven back south of the St. Marys River, the long-disputed question of whether North America would ultimately be an English- or Spanish-speaking nation was settled once and for all. This battle, won by the English, assured America of Shakespeare's language and of a complete English background.

Fort Frederica, named by Oglethorpe, in honor of Frederic, Prince of Wales and son of George II, King of England, was the greatest English fortification ever built in America. Mr. Oglethorpe, having been successful with his colony of Georgia and victorious in his defeat of the Spanish at Bloody Marsh, was praised by the trustees of the Colony, who paid him great tribute, and he was honored with the title of "General."

Fort Frederica having fulfilled the purpose of its existence by serving as a base for defense against Spanish invasions and attacks, and the Battle of Bloody Marsh having been won by Oglethorpe, the English soldiers were disbanded and were given tracts and grants of land in the vicinity of the fort. The Scottish Highlanders from Darien, Ga., who had assisted Mr. Oglethorpe in his victory against the Spanish were also the recipients of gifts and other considerations.

By 1754 the town and Fort of Frederica were rapidly declining and decaying, and despite efforts on the part of local citizens, the old fort today stands in a ruinous and dilapidated condition. The Daughters of the American Revolution own the fort and a small tract of land on which the fort is located. The members of the local chapter of the D. A. R. deserve the commendation and praise of all American citizens for their philanthropic efforts to preserve and maintain the historic traditions of Fort Frederica, as well as the old fort itself. The fort and its walls, which were built of tabby, a mixture of burned shells, sand, and water, treasures a glorious history second to none in the United States.

Mr. Speaker, in 1934 I visited Fort Frederica and reviewed the many interesting historic points connected with it. The walls are all destroyed. The fort proper stands as it was

built by Oglethorpe and his men, except of course in a most dilapidated condition. An old cannon lies on top of the fort. The English and Spanish burial grounds are in a thrown-away field. On leaving the fort, I was convinced that unless we as Americans today have a little more regard and respect for our ancestry, that we are likely to raise up future generations who will have little or no regard for us.

I can think of many reasons why the Federal Government should establish Fort Frederica as a national shrine, with suitable monuments, markings, museum, buildings, and so forth. Certainly every patriotic and liberty-loving American cherishes in his or her heart an opportunity to pay tribute to our heroic dead—to those who fought so gallantly in the Battle of Bloody March and who sleep beneath the tranquil shade of the trees which sheltered them from the enemy's fire.

There are many interesting and highly illuminating incidents and facts connected with the history of Fort Frederica, St. Simon Island, Ga. Time will permit me to mention only a few of them.

In 1794 Congress authorized the first appropriation for our Navy. Six vessels were to be built. The *Constitution* was to be built at Boston, the *President* at New York, the *United States* at Philadelphia, the *Chesapeake* at Norfolk, the *Constellation* at Baltimore, and the *Congress* at Portsmouth, N. H.

Hon. John Barry, first commodore of the United States Navy, searched the entire Atlantic coast for materials suitable for construction of the vessels. He contracted for 50,000 feet of live oak timbers on St. Simon Island, Ga. The timbers for the *Constitution*, commonly known as "Old Ironsides", were cut on St. Simon Island and loaded at Gascoigne Bluff. The vessel was built and launched at Boston in 1797. On December 18, 1794, Commodore Barry addressed a letter to the Secretary of War as follows:

> Every pains was taken to procure the most durable wood (the live oak of Georgia). The building of vessels of live oak will certainly be a great saving to the United States, as we are well satisfied (barring accidents) that their frames will be perfectly sound half a century hence and may last for a much longer period.

In 1828 *Old Ironsides*, which won its sobriquet in a battle with the *Guerriere* in the War of 1812, was pronounced unsafe by the War Department. A poem written by Oliver Wendell Holmes and entitled "Old Ironsides" aroused public sentiment so greatly that the old vessel was saved for posterity. In 1878 the vessel carried exhibits from the United States to the Universal Exposition of Paris. In 1927–31 the vessel was rebuilt for the fourth time, and is an exact replica of the original ship. On December 12, 1931, the old vessel, after cruising along the Atlantic coast for hundreds of miles, arrived in Brunswick, Ga., and was welcomed by thousands of citizens, just 134 years after the vessel had embarked from Boston, where it was built. Much of the original live-oak timber remains in the ship today.

Hon. Thomas Butler King, for many years owner of the famous King's Retreat Plantation on St. Simon Island, was a distinguished Member of Congress from 1839–43 and from 1845–49. He was Chairman of the Naval Affairs Committee of the House of Representatives, and was presented a vase and walking cane carved from the timbers of *Old Ironsides*.

St. Simon Island, with its related and historic connection with Fort Frederica, is inseparable from the foundation and framework of our American Government. The great Navy of the United States, of which we are justly proud, is therefore closely identified with this historic spot on the American Continent. Under the wise leadership of the distinguished gentleman from Georgia, the Honorable CARL VINSON, Chairman of the House Naval Affairs Committee, who is charged with the responsibility of directing appropriations for the Navy, we should have little or no fear but that this great arm of our Government, the Navy Department, will be amply provided for.

It was near Fort Frederica that John and Charles Wesley established Methodism in America. The famous oak under which John Wesley preached still stands. Christ Church is near the old fort, and hundreds of famous Americans are buried in the church cemetery. It was near the fort where Charles Wesley spent a great deal of his time writing many of his 4,000 sacred hymns. The famous Button Gwinnett, one of the signers of the Declaration of Independence, Governor of Georgia in 1777, and whose signature is the most valuable of all signatures in existence today, once owned St. Catherine Island, one of the "Golden Isles of Guale", only a short distance from Fort Frederica. There are only 37 known signatures of Button Gwinnett in existence and recently one of them sold for $52,000.

At Darien, Ga., a few miles from Fort Frederica, the largest bank south of Philadelphia was established and capitalized at $1,000,000. The first bank in Macon, Ga., was a branch of the bank at Darien.

Aaron Burr, who had murdered Alexander Hamilton, fled southward; and while sentiment was running high against him as a fugitive from justice, he took refuge at Cannons Point in 1804, a short distance from Fort Frederica. Aaron Burr was very fond of a daughter he had left behind and was deeply in love with his sweetheart; frequent letters written to them indicated his love and admiration for the people and surroundings at Cannons Point.

The distinguished Audubon, noted ornithologist, while traveling throughout the colonies in search of information preparatory to his writings, spent considerable time at a retreat near Fort Frederica.

The famous sea-island cotton was grown originally in America on lands that are a part of St. Simon Island at Hampton Point.

Fannie Kemble, English actress of wide-spread fame, spent the winter of 1838–39 a short distance from Fort Frederica. The charm and natural beauty of her surroundings while a visitor there were frequently reflected in her work. After hearing one of her readings the poet, Henry W. Longfellow, wrote a sonnet, which he addressed to her, as follows:

> O precious evening! All too swiftly sped
> O happy poet! By critics vexed!
> How must thy listening spirit now rejoice
> To be interpreted by such a voice!

America's first hunting club was organized in 1827 a few mile from Fort Frederica. A strict code of ethics and rules was adopted and observed by the members. Gen. Charles R. Floyd was elected president of the club. Gen. John Floyd, father of Charles R. Floyd, was representative and senator in the Georgia State Assembly, Member of Congress, brigadier general of the First Brigade, and major general of the Georgia Militia. On the northern point of Sea Island, which is a part of St. Simon Island, on a marble shaft erected by the Federal Government that marks the resting place of the heroic soldier and gentleman is this tribute:

> To the memory of Gen. Charles R. Floyd, a gallant soldier and a devoted friend. A true patriot, called upon by his country as a military man, he was distinguished by his ability, promptness, and courage. A poet, musician, and painter. He was one of those rare men who possesses the power of excelling in whatever they undertake. In him to will was to accomplish.

It was Gen. Charles R. Floyd's daughter who married Mr. W. G. McAdoo and became the mother of Hon. WILLIAM GIBBS MCADOO, a former Secretary of the Treasury and now a distinguished Member of the United States Senate from the State of California.

At St. Marys, Ga., about an hour's ride from Fort Frederica, is Georgia's second oldest church, with which an interesting event is connected. When Florida was a province of Spain St. Marys, Ga., was headquarters for smugglers of gin, rum, and so forth. The illicit traffic of Spanish smugglers greatly terrified the citizens of St. Marys. At midnight a group of smugglers sneaked into the village, looked over the lay of the land, and went to the home of the Presbyterian minister, took his horse out of the stable, tied him down with ropes, and placed the animal on top of the church. The neighing of the horse quickly attracted the guards, as well as every citizen in the village, and while the people were lowering the animal from the church belfry the smugglers unloaded their rum, gin, and so forth, and left before arousing suspicion.

Within a few miles of Fort Frederica is the historic and famous old Midway Church. A group of Puritans coming to Massachusetts in 1630 became dissatisfied and moved to

South Carolina. Later their descendants moved to Georgia and in 1754 settled in a community which they called Dorchester. At no time has the membership of the church exceeded 150 persons, while the total membership has been only 752 members in all. Reading the roll of the membership of this church is somewhat like unfolding the scroll of honor and reading the names of America's foremost heroes and heroines. In addition to 1 governor, 1 United States Senator, 2 generals of the Revolutionary War, ancestors of Woodrow Wilson and Theodore Roosevelt are buried in the church cemetery, containing less than 2 acres of ground, but enclosed with 6-foot walls and iron gates.

The famous Sea Island Beach, on which is located the beautiful, magnificent, and stately Cloister Hotel, with hundreds of America's foremost men and women as part-time residents, is owned by the Honorable Howard E. Coffin, both of New York City and Sea Island Beach, Ga. In addition to the most modern beautification program initiated by Mr. Coffin in connection with his famous Sea Island Beach resort, he has been a leader in establishing and maintaining hunting preserves which are second to none in the United States. In a short period of years Mr. Coffin has brought world fame to many of the historic spots in Glynn County, Ga., and has immortalized points of interest near Fort Frederica.

Within a few minutes' drive of Fort Frederica are modern recreational parks, golf courses, yacht clubs, and many other interesting resorts too numerous to mention.

Within a 20 minutes' drive of Fort Frederica is the historic and beautiful city of Brunswick, Ga., with its prosperous and happy population of around 20,000 citizens and its more than 100,000 annual visitors. In 1771, at Savannah, Ga., capital of the Province of Georgia, the city of Brunswick was planned, with its streets and beautiful parks named. A survey was promptly made and this modern mecca for weary-worn travelers came into existence. The city was named in honor of George III, King of England, who was a member of the house of Hanover, which in turn means Brunswick. In the city of Brunswick is the large and stately Oglethorpe Hotel, lovers' oak, Lanier's Oak, the Marshes of Glynn, Gloucester Street, which was named for a member of the King's Cabinet; Newcastle Street, named for the Duke of Newcastle, with various other streets and parks named in honor of distinguished officials of the English Government at that time. In population Brunswick is Georgia's second coastal city, but in friendliness, progressiveness, culture, and historical significance she is second to none in the State of Georgia or in the United States.

The citizens of Brunswick and Glynn County, Ga., are interested in the preservation of the history and tradition of Fort Frederica for the benefit and enjoyment of all the people of the United States.

Mr. Speaker, the Department of the Interior and the National Park Service have under consideration the proposition which I propose, and I appeal to my colleagues to approve H. R. 4875 when the measure is considered by the committee having jurisdiction and reported to the floor of the House. I am anxious that this legislation, which represents the major part of my legislative program at this session of the Congress, be enacted forthwith.

For the heroic dead who followed Gen. James Edward Oglethorpe in the "Battle of Bloody Marsh" and who sleep beneath the tranquil shade of the trees under which they were crowned victors, whose names and noble deeds have not been on the tongues of orators and in halls of fame, we can do nothing more than erect monuments to their memory, and certainly we should do nothing less.

CONSCRIPT THE WAR LORDS

Mr. REILLY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. REILLY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an editorial entitled "Conscript the War Lords", by Mr. Charles E. Broughton, editor of the Sheboygan Press.

Mr. Broughton is one of the leading newspaper editors in the State of Wisconsin. He wields a trenchant pen, and this particular editorial is remarkable for its clarity of expression and its subject, which is of vital interest at this time, not only to the people of the United States but also to the other nations of the world.

The editorial is as follows:

[From the Sheboygan (Wis.) Press, Mar. 19, 1935]

CONSCRIPT THE WAR LORDS

A world burdened by war debts, many of them renounced, stands in terror before the efforts being made by foreign powers to engage in another great conflict.

Germany charges bad faith on the part of other European nations and issues a proclamation for universal military conscription. The President of Russia declares that war may break at any moment. France and Italy, holding dominant positions in the European situation, are looking for opportunities to get into the king row on the war checkerboard.

While we had our disarmament conferences on paper, no real progress has been made, and the European nations who participated went back and continued mobilization of their standing armies and voted extensive appropriations for war equipment.

The Associated Press has made a survey, and gives the war strength of the leading European powers as follows:

	Standing Army	Mobilizable Army	Airplanes
France	586, 250	2, 500, 000	3, 000
England	450, 000	1, 500, 000	1, 128
Italy	700, 000	1, 500, 000	1, 640
Russia	700, 000	[1] 6, 000, 000	[1] 1, 000
Germany	[1] 500, 000	[1] 1, 500, 000	
Poland	280, 000	1, 500, 000	
Jugoslavia	110, 000	1, 000, 000	600
Czechoslovakia	100, 000	1, 000, 000	540

[1] Approximation.

If war is declared among the European nations, every effort will be made to involve the United States. How well we can recall those stirring scenes of 1914 and war years that followed when people were repeatedly told that this was a war to end all wars.

No sooner was the armistice signed than the allied nations, with France as the leader, started to humiliate the defeated. Ever since the war France has been privileged to build up a great militaristic machine. The Germans now see an opportunity and under Adolf Hitler they propose to scrap treaties and agreements in this new order wherein universal conscription has been ordered.

It must be a pathetic hour for parents who still mourn the loss of their sons in the World War. Conscription means preparing for another ordeal and one which, if carried out, may undermine our so-called "civilization." The Hitler proclamation declares that while Germany had reduced its arms and military equipment other nations had failed to keep their part of the agreement. Germany in the proclamation further states that in rearming, "We are aiming to preserve peace for ourselves and the rest of Europe."

While we are a long way removed from Europe, still there is no such a thing as a war abroad without danger of this Nation being drawn into the conflict. While the United States was not invaded and did not suffer any of the loss of property, still we made our contribution in the flower of American manhood. Another war, if carried out on proportions such as the one of 1914–18 would not only bankrupt, but reduce the races to a point where barbarians might dominate the world. When we hear of warring tribes we are prone to ask if the civilized races of the world are in reality any more civilized than the uneducated savages of the jungles.

A day of reckoning is due the rulers of the world who think in terms of war rather than of peace, who have little or no regard for the man power of their nations except to utilize it as warriors.

All of this war preparation can be placed to the credit of those individuals, munitions manufacturers and the like, who have invented and designed machinery for the destruction of human beings. If this war gets under way it is our earnest hope that here in the United States we will conscript those who breed war and compel them to face the destructive implements of war they have invented, on the field of battle.

The nations of the world haven't yet learned their lesson. In the old days secret alliances were breeders of war. Today bad faith on the part of those who ought to realize what war means has brought us to a point where war clouds are menacing. We are still maintaining hospitals in all the nations of the world for the maimed and wounded of the World War. Sightless eyes plead for peace, and yet rulers fail to heed. If another war is waged no one can predict the outcome. We will have no need for universities, churches, or the like, for a maddened throng will raise its cry for revenge and more revenge.

Laws for international peace will be mere scraps of paper, meaningless in their application, and all this comes because we cry out for supremacy one over the other. We vote huge sums for armament, increasing armament only to find that another nation takes similar steps. We are approaching the precipice and cannot see it because we have but one object in view—a war of destruction.

We have labored for years in an endeavor to conserve and build up the resources that were impoverished during the World War, and all the time one nation has been vying with the other for military supremacy. Let us hope that this new move on the part of Germany for universal conscription will invite a conference that will eliminate some of the breeders of war. If a European war is declared, the rulers of the nations must assume the responsibility for a conflict that will overthrow what we have so proudly boasted of as a civilization of progress. Someone has said that it might be well to put civilization to a test. Such a test would have only one disastrous result—the killing and maiming of the youth of nations.

If we could reach the heart of the individual, if we could make the youth understand that armed conflicts breed sorrow, if we could get our lawmakers to a point where they would tax the munitions manufacturers out of existence, if we could make these munitions manufacturers operate their own destructive machinery from the sky on the fields of battle, there would be a ray of hope for peace. If we could get these great monied men who stand ready to loan and finance wars, to throw their ill-gotten gains into a hopper to prevent the misery of men fighting one another, we would see the prospects of peace.

If warring nations were unable to finance, there would be no wars; and if the citizens of all the nations, who eventually must do the fighting, were to rise in joint protest, the rule of reason would supplant avarice.

The United States, with all its resources, if brought into another war, would be so burdened that the backs of her citizens would not only be bent through taxation for a hundred years but added to this would be the loss of human life, perhaps invasion of our own fireside, destruction not only at ports of entry but from the skies above.

It is well for us to paint the gloomiest picture that we can, for war holds nothing in promise except misery and suffering. Wars are fought by individuals, not by rulers. If these rulers and these great war lords want war, let them lead the armies. If these munitions manfacturers want war, let them be conscripted and put into the front ranks. If this is to be a war of elimination, let the breeders of war do the fighting. If every munitions manufacturer in the world could be offered as a sacrifice, this in reality would be a war to end all wars.

The last one failed because of the profits that came out of the war. When you kill the profits you kill war. From the dawn of our so-called "civilization" wars have been fought to acquire territory and for other equally unholy principles. This does not mean that both sides were wrong, but it means that greed played a part in every war. Trace our own wars back. Unjust taxation made it necessary for the United States to throw off the yoke and become a free and independent nation. So we could go on and recount war after war at home and abroad; each started over a greedy desire for gain.

Every son who must shoulder a gun does so at the command of higher officials, and everyone who makes the supreme sacrifice does it for the glory of his country. Right or wrong, he must fight. Rather than stimulate or encourage war, let us look beneath the surface and think of the suffering and heartaches and the aftermath. Homes are made desolate, and for a quarter or a half century disabled soldiers are living examples. The manhood is forced to go into the front-line trenches while those who make wars look on through colored glasses. They are distant observers, outside the pale of danger. Let us build in the hearts of men a sentiment for peace, and increase the depression and smokeless chimneys for the munitions manufacturers.

C. E. BROUGHTON, *Editor.*

MR. HOOVER, FORMER PRESIDENT, ENDEAVORS TO GALVANIZE INTO LIFE THE REPUBLICAN PARTY

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, the effort of former President Herbert Hoover to galvanize into life the nearly paralyzed reactionary element of the Republican Party would be ludicrous if it were not tragic.

Ludicrous because an average person with an average sense of humor cannot fail to be amused when a statesman of the prominence of Mr. Hoover seriously seeks to rally the demoralized and defeated forces of Toryism around the tattered banner that an indignant citizenship in the last election nearly tore into shreds. It is difficult to conceive of an able man in this period of history believing that enthusiasm can be aroused for a program of unmitigated reaction. Yet that is exactly what Mr. Hoover apparently imagines. He undoubtedly honestly thinks a nation that since 1932 has made a little progress away from universal bankruptcy and destitution, will heartily acclaim the proposal to rush back to the brink of destruction. He has as clear a conception of the situation as the Queen of France, who thought the hungry mob, clamoring for bread, should have eaten cake.

Tragic because Mr. Hoover, whose experience and standing could make him a factor of tremendous influence and helpfulness in the task of assuring economic security to all the people, is stubbornly fighting the forces of advancement. He may as well try to resist the stars in their courses as to try to stop the march of social justice. The tragedy of it is not that he or any other ultra conservative can prevent us from going forward, but that they can unquestionably make the process harder, thereby tending to cause trouble and even violence that could be averted.

What is needed today is not obstinate resistance to the forward movement but intelligent cooperation. It is gratifying that there are so many progressive Republicans who, instead of clinging to policies that belong to the dead past, have joined hands with progressive Republicans, members of the Farmer-Labor Party, of the Progressive Party, and even of the Socialist Party. It is always disappointing to see men of talent and influence persist in defending what Under Secretary of Agriculture Tugwell has so well characterized "economic cannibalism."

When I think of the bitter days of the Hoover administration, when South Dakota farmers sold oats for 5 cents a bushel, milling wheat for from 15 to 25 cents, barley for 14 cents, and corn for 8 cents and less, I have no fear that the farmers or the workers or the small business men who have been equally exploited will listen to the ex-President's plausibly worded appeal. I am sure that Mr. Hoover's fine phraseology will fall on deaf ears when it is heard by the farmer near Garden City, S. Dak., who had to sell 900 bushels of barley at 14 and 15 cents a bushel to pay his taxes, and on equally deaf ears among millions of others. America has not forgotten the misery of the time when Mr. Hoover's blindly reactionary program nearly hurled us into the abyss of bloody revolution. It has not forgotten and it will never forget.

Whether we desire to do so or not, we cannot go back. Impersonal social forces are urging us onward. Social control in order to prevent the rich, the greedy, and the powerful from exploiting the producers is inevitable. I am one of those Democrats who believe we have accomplished only a fraction of what should be done. I am not always convinced of the wisdom of steps that have so far been taken for the purpose of social control. In some cases I think other steps should be substituted. Generally speaking, it is my conviction that no mistake will be made in transferring from private ownership the resources that all citizens must use in order to have what President Roosevelt has called the "more abundant life."

No party can gain popular support today by championing government of, by, and for Wall Street. Even my own party could not retain control if it should espouse such a course of action. Its hope lies in fearless combat for economic as well as political democracy. The Republican Party, still led by Mr. Hoover, opposing real democracy, has a future that is utterly blank and without hope.

RAILROAD GRADE CROSSING ELIMINATION IN OHIO

Mr. THOM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing some correspondence I have had on grade-crossing elimination.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. THOM. Mr. Speaker, under leave to extend my remarks I desire to reproduce correspondence between L. A. Boulay, State engineer of the P. W. A. for Ohio, Thomas H. McDonald, Director of the Bureau of Public Roads, United States Department of Agriculture, and myself concerning railroad grade crossing elimination in the State of Ohio as a major undertaking under the public-works relief program about to be inaugurated:

HOUSE OF REPRESENTATIVES,
Washington, D. C., February 5, 1935.

Mr. L. A. BOULAY,
State Engineer, Public Works Administration,
Columbus, Ohio.

DEAR MR. BOULAY: I thank you for your letter of January 28 listing the projects in Ohio approved by the Public Works Admin-

istration up to date as a means of reducing unemployment and congratulate you on your achievement.

Without reflecting one bit on the type of project which has been undertaken under your administration in the past, I do hope that if you are called upon by Federal authorities to suggest a program for absorbing unemployment in Ohio under the new $4,000,000,000 grant about to be voted the President, you will see fit to stress the value of grade-crossing elimination. I am fairly certain that you will be invited to submit your ideas to Washington. Hence this letter.

I believe the people are generally in sympathy with a program within reasonable financial limits that substitutes relief work for the dole, but they will be disappointed, as I shall be also, if any of the new money is expended for makeshift jobs and not solely for improvements that will insure solid assets to the country. The more I think about it, the eliminating of the grade crossing, causing as it did 34,000 deaths and 93,000 injury cases since 1917, will contribute more to the safety and well-being of the American people than any other conceivable improvement. These dangerous grade crossings usually lie on highways in close proximity to cities where there are large pools of unemployed. There are in the country 240,000 grade crossings on class I railroads. Some Eastern States have largely eliminated their most hazardous crossings, but there has not been a whole lot of progress in this direction in Ohio. The flexible program of the President, fortunately, will make it possible to treat the unemployment problem in each State in the way that seems best to produce the most results in any particular State. He may, therefore, designate grade-crossing elimination in one State, such as Ohio, and omit it in another—a thing that could not have been done if Congress had bound him down by specific rules in allotting projects.

Unless this work is done under this grant, it is not likely that the railroads themselves, on account of their financial condition, will be able to do much improvement of this kind for many years to come, and in the meantime accidents and deaths will continue. It would be expected, of course, that the railroads would join somewhat in bearing the financial burden, especially if loans can be granted to the railroads from the relief fund. The urge upon the part of the railroad companies will be stronger because of the present developments toward lighter and faster trains.

If you have not already done so, I wish you could assemble information as to the number of hazardous crossings in Ohio that could with good reason be removed under such a program and be prepared to submit this information to Washington.

Very truly yours,

WILLIAM R. THOM.

To this letter the following reply was received from Mr. Boulay in his capacity as State engineer of the P. W. A. for Ohio:

FEDERAL EMERGENCY ADMINISTRATION OF PUBLIC WORKS,
Columbus, Ohio, February 18, 1935.

Hon. W. R. THOM,
House of Representatives, Washington, D. C.

DEAR SIR: We reply to your letter of February 5, in which you give us your ideas about grade crossings in Ohio. We agree with you that grade-crossing eliminations are most necessary, but at the same time I appreciate that there are so many it would be impossible to eliminate all of them.

In the work that we are doing at the present time, which is securing an inventory of projects suggested by the different public bodies, we naturally find a great number of grade crossings, and the greater number of these are crossings which would have to be done in cooperation with the State Highway Department.

Mr. J. W. Berkey, the bridge engineer of the State of Ohio, has made an exhaustive study of grade crossings in Ohio, and in connection with this study has held numerous conferences with the railroads. His report is now in the hands of Mr. Thomas H. McDonald, of the Bureau of Public Roads, and will no doubt be used in connection with the new program. It is much more voluminous than we could hope to obtain within the limited time we have to collect the inventory that we are now working on.

As you are interested in this phase of the public-works program, I believe some valuable information could be obtained by taking the matter up with Mr. McDonald, of the Bureau of Public Roads, as he now possesses the exhaustive report made by Mr. Berkey on this question.

Very truly yours,

L. A. BOULAY,
State Engineer, P. W. A.

Details of the proposed railroad grade-crossing eliminations program under consideration for Ohio are contained in the following letter from Thomas McDonald, Director of the Bureau of Public Roads, Department of Agriculture, written in reply to an inquiry made of him in conformity with the above suggestion of Mr. Boulay:

UNITED STATES DEPARTMENT OF AGRICULTURE,
BUREAU OF PUBLIC ROADS,
Washington, D. C., March 22, 1935.

Hon. WILLIAM R. THOM,
House of Representatives.

MY DEAR MR. THOM: This will acknowledge receipt of your letter of March 18, concerning the construction of possible highway-railroad grade separation structures in the State of Ohio.

In an endeavor to supply the Public Works Administration with data for possible consideration in connection with a future public-works program, the various State highway departments were asked by the Bureau in October of last year for information concerning the volume of desirable railroad grade-crossing separation work which could be advertised for contract within periods of 30, 60, or 90 days after the availability of funds.

Data submitted by the State highway department listed a total of approximately 127 grade separation crossings in the State which could be advantageously eliminated. They were divided among the railroads as follows:

New York Central	16
Pennsylvania	23
Baltimore & Ohio	14
New York, Chicago & St. Louis	11
Erie	12
Chesapeake & Ohio	23
Detroit, Toledo & Ironton	1
Norfolk & Western	11
Akron, Canton & Youngstown	1
Wabash	11
Toledo terminal	2
Wheeling & Lake Erie	3

These proposed grade-crossing elimination projects are located in 57 of the 88 counties in the State. Crossings are proposed for elimination in Stark, Tuscarawas, and Wayne Counties in your congressional district, involving 3 elimination projects with the Pennsylvania, 2 with the Baltimore & Ohio, and 1 with the Wheeling & Lake Erie Railroad.

The estimated total cost of the 127 proposed projects is approximately $29,845,000. You understand, of course, that these data are tentative in nature. We are advised that essentially the same data as mentioned above were also submitted to the State engineer of the Public Works Administration for Ohio.

Very truly yours,

THOMAS MCDONALD, *Chief of Bureau.*

Mr. MEAD. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the pending bill today may have 5 legislative days within which to revise and extend their own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Speaker, information has been requested as to the effect of the decision of the Interstate Commerce Commission on the cost of the Air Mail Service, and in reply I submit the following table giving such data:

Effect of decision of Interstate Commerce Commission on annual cost of service authorized Feb. 15, 1935

Route	Contractor	Termini	Annual mileage authorized	Annual mileage, 95 percent performance	Present rates (cents)	Annual cost, 95 percent performance	Prescribed rates (cents)	Annual cost at prescribed rate, 95 percent performance	Increase in cost per annum
1	United Air Lines Transport Corporation.	Newark-Oakland	5,891,100	5,596,545	[1] 33⅓	$2,135,863.20	31	[2] $2,238,618.00	[2] $102,754.80
11	do	Seattle-San Diego	1,604,540	1,524,313	33⅓	508,104.33	29	442,050.77	[2] 66,053.56
12	do	Salt Lake City-Seattle	1,264,360	1,201,142	33⅓	400,380.67	33⅓	400,380.67	
	Total		8,760,000	8,322,000	36.582	3,044,348.20		3,081,019.44	36,701.24
4	American Airlines, Inc.	Fort Worth-Los Angeles	1,934,500	1,837,775	33⅓	612,591.67	26	477,821.50	[2] 134,770.17
7	do	Newark-Chicago	1,158,145	1,100,238	33⅓	366,746.00	33⅓	366,746.00	
18	do	Boston-Newark	460,030	437,508	33⅓	145,836.00	32	140,031.36	[2] 5,834.64
21	do	Boston-Cleveland	448,950	426,502	24½	104,492.99	32	136,480.64	31,987.65
22	do	Cleveland-Nashville	684,740	650,503	14⅓	96,762.32	28	182,140.84	85,378.52

[1] And 22 cents, plus excess.
[2] Based on an average load of 605 pounds and rate of 40 cents.
[2] Indicates decrease.

Effect of decision of Interstate Commerce Commission on annual cost of service authorized Feb. 15, 1935—Continued

Route	Contractor	Termini	Annual mileage authorized	Annual mileage, 95 percent performance	Present rates (cents)	Annual cost, 95 percent performance	Prescribed rates (cents)	Annual cost at prescribed rate, 95 percent performance	Increase in cost per annum
23	do	Newark-Fort Worth	1,923,376	1,827,207	13	$237,536.91	26	$475,073.82	$237,536.91
25	do	Washington-Chicago	497,860	472,967	29	137,160.43	33⅓	157,655.67	20,495.24
30	do	Chicago-Fort Worth	869,065	825,612	8	66,048.96	28	231,171.36	165,122.40
	Total		7,977,266	7,578,402	23.319	1,767,205.28	28.596	2,167,121.19	399,915.91
3	Northwest Airlines, Inc	Fargo-Seattle	1,859,310	1,766,344	33⅓	588,781.33	25	441,586.00	[4] 147,195.33
16	do	Chicago-Pembina	1,247,455	1,185,082	19.6	232,276.07	21	248,867.22	16,591.15
	Total		3,106,765	2,951,426	27.819	821,057.40	23.394	690,453.22	[3] 130,601.18
5	North American Aviation, Inc	Newark-New Orleans	1,833,769	1,742,072	19	330,993.68	25	435,518.00	104,524.32
6	do	Newark-Miami	1,746,160	1,658,852	29	481,037.08	26	431,301.52	[3] 49,765.56
10	do	Chicago-Jacksonville	1,359,260	1,291,297	19	245,346.43	27	348,650.19	103,303.76
	Total		4,939,180	4,692,221	22.535	1,057,497.19	25.994	1,215,469.71	158,062.52
9	Braniff Airways, Inc	Chicago-Dallas	992,070	942,467	22½	212,054.85	28	263,890.18	51,835.63
15	do	Amarillo-Brownsville	787,670	748,283	19¼	147,786.48	27	202,037.22	54,250.74
	Total		1,779,740	1,690,752	21.283	359,841.33	27.557	465,927.70	106,086.37
17	Wyoming Air Service, Inc	Cheyenne-Pueblo	217,540	206,663	33⅓	68,887.67	32	66,132.16	[3] 2,755.51
28	do	Billings-Cheyenne	305,140	289,883	28½	82,616.66	29	84,066.07	1,449.41
	Total		522,680	496,546	30.512	151,504.33	30.249	150,198.23	[3] 1,306.10
2	Transcontinental & Western Air, Inc.	Newark-Los Angeles	5,695,460	5,410,687	[1] 24	1,298,564.88	28.6	[4] 1,547,456.48	[4] 248,891.60
8	Chicago & Southern Air Lines, Inc.	Chicago-New Orleans	1,215,015	1,154,264	17½	201,936.20	30	346,279.20	144,283.40
13	Western Air Express Corporation	Salt Lake City-San Diego	968,188	919,779	24	220,746.96	33⅓	306,593.00	85,846.04
14	Central Airlines, Inc	Washington-Detroit	961,408	913,338	[1] 23.8	212,518.58	33⅓	304,446.00	91,927.42
19	National Parks Airways, Inc	Great Falls-Salt Lake City	377,410	358,540	33⅓	119,513.33	33⅓	119,513.33	
20	Wedell-Williams Air Service Corporation.	New Orleans-Houston	241,630	229,548	16.7	38,334.52	31	71,159.88	32,825.36
24	Delta Air Corporation	Charleston-Fort Worth	1,233,552	1,171,874	24.8	290,624.75	28	328,124.72	37,499.97
26	Hanfords Tri-State Airlines, Inc	St. Paul-Kansas City	740,220	703,209	18.9	132,906.50	32	225,026.88	92,120.38
27	National Airways, Inc	Boston-Bangor-Burlington	292,730	278,094	29½	82,037.73	33⅓	92,694.00	10,660.27
29	Varney Air Transport, Inc	Pueblo-El Paso	394,930	375,184	24	90,044.16	29	108,803.36	18,759.20
31	G. T. Baker	Jacksonville-St. Petersburg	192,720	183,084	17	31,124.28	[4] 17	31,124.28	
32	Pennsylvania Airlines & Transport Co.	Detroit-Milwaukee	190,165	180,657	33⅓	60,219.00	33⅓	60,219.00	
33	Inter-Island Airways, Ltd	Honolulu-Hilo-Lihue	201,960	191,862	19½	37,413.09	[4] 19½	37,413.09	
	Total		12,705,388	12,070,123	23.331	2,816,043.98	29.842	3,578,857.22	762,812.24
	Grand total		39,791,019	37,801,467	26.5	10,017,407.71		11,349,076.71	1,331,669.00

[1] And 22 cents, plus excess.
[2] Indicates decrease.
[4] Based on an average load ranging from 301 to 400 pounds and rate of 28.6 cents.
[4] Rates not in issue.

ANTILYNCHING BILL NOW PENDING SHALL BE PASSED

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my remarks on the Costigan-Wagner antilynching bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BEITER. Mr. Speaker, on Tuesday, March 12, the Senate Judiciary Committee reported unanimously the Costigan-Wagner bill. It is the antilynching bill, making mob murders Federal offenses and holding counties financially liable for them.

My colleague Congressman MEAD, whose intimate and personal acquaintance I have enjoyed for some years, has introduced a similar bill in the House.

There have been a number of other bills introduced by Members representing districts in practically every section of the country, so that in no sense can this matter be considered as a sectional measure. It applies alike to all parts of the country.

The Costigan-Wagner bill is backed by organizations with membership of more than 40,000,000 citizens. The bill is one which, of course, is familiar to every Member. It is a measure which has been discussed in newspapers, in political gatherings, in church congregations, by men and by women; and serious citizens, thoughtful citizens, East and West, South and North, have thought more or less deeply, more or less intelligently, over the questions which are necessarily involved in the bill.

Mr. Speaker, if there is any one thing which is distinctly a blot upon our boasted civilization, it is the crime of lynching. I am aware that there are many unspeakable crimes committed which cause red-blooded men and women to cry for immediate vengeance, and that the desire to prevent the appearance in court of victims of these outrages is one of the reasons given by citizens of this country for taking the law into their hands and themselves violating the fundamental law of the land. If we are to admit that crimes of whatever character are to be punished by individuals without submitting the case to the judge or jury, as guaranteed by the constitution of every State in the Union and by the Constitution of the United States, then we are indeed striking at the very foundations of law and order.

Every outburst of this character in defiance of the orderly procedure of the courts is a blow at right and justice and in violation of the fundamental principles of government. It begets a contempt for law and breeds a disposition upon the part of those inflamed by passion, even on account of minor offenses, to commit murder under the guise of wreaking vengeance for the protection of society. If we admit this principle, how can any one of us or our families be safe? It is perfectly evident that drastic measures must be taken in order to prevent the recurrence of these crimes, and the Costigan-Wagner bill seems to offer an effective means for their prevention and to inflict penalties upon communities which do not afford adequate protection to their citizens against the fury of mobs.

There are many good reasons why I shall vote for the antilynching bill. I will enumerate some of them in just a few words:

First. Lynching is murder and cannot be justified on any grounds.

Second. The decision of the average mob, or, if you please, a gathering of citizens with inflamed minds for the purpose

of taking the law in their own hands, is never safe. Many times we have read of these disgraceful decisions and proceedings of a mob, and would anyone of us care to subscribe to the justice or righteousness of its acts?

Third. It has been conclusively shown that in the States of the Union where antilynching laws have been adopted lynching has greatly decreased, and because of certain specific provisions of the Costigan-Wagner bill the legislation, if enacted, will cause county officials to be more inclined to do their duty.

Fourth. Where any State, through the laxity of its officials, allows this practice to continue it should be the duty of the Federal Government to see that the fourteenth amendment is enforced by national legislation.

Fifth. There should be no distinction in race or creed in this country so far as the administration of the country's laws is concerned.

The bill which Senators COSTIGAN and WAGNER have introduced does not deprive the States of their original responsibility or capacity for law enforcement. On the contrary, it gives them added incentives to do their duty. It imposes a fine not exceeding $5,000, or imprisonment not exceeding 5 years, or both, upon any State or local officer whose neglectfulness either encourages mob violence or tends to discourage the apprehension of the culprits who participate therein. It enables the family of a victim to recover substantial damages from the county within whose borders the outrage occurred. Whenever local conditions militate against the zealous prosecution of suspected offenders the Federal court in the district is vested with authority to try and punish in accordance with State law.

A nation that will not guarantee a judicial hearing to every citizen is unfaithful to its pledge to its highest duty. Mob law must be ended. Every man in America, rich or poor, white or black, is entitled to a trial in court. As far as I can bring it about, every man in America shall have such a trial. The equal protection of the laws is the very foundation of this Republic.

Mr. Speaker, President Roosevelt said in his message to Congress, "Crimes of organized banditry, cold-blooded shooting, lynching, and kidnaping have threatened our security", thereby inferring that this type of legislation is endorsed by him and is by no means sectional in its application. There is hardly any section of our country that has not at times been the scene of these crimes, and the victims of these crimes are not confined to those of any race or color. The Costigan-Wagner bill is broad in its application and is designed and will tend to prevent the commission of those crimes against any and all classes of citizens in every part of our country.

The only way to impress respect for human rights is through general respect for law and for legal institutions constituted to uphold it. In the Costigan-Wagner antilynching bill is the logical answer to the problem of organized sectional barbarianism.

WAR DEPARTMENT APPROPRIATION BILL

Mr. PARKS submitted the following conference report on the bill (H. R. 5913) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1936, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5913) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1936, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 5, 9, 19, 24, 27, 30, and 34.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 6, 13, 14, 15, 16, 18, 23, and 33, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$87,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows: "seven retired officers on active duty, $9,600"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$161,063,594"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$160,778,594"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$297,155"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$10,549,104"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$500,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$4,452,304"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,000,000"; and the Senate agree to the same.

On amendments numbered 7, 10, 17, 25, 26, 28, and 32 the committee of conference have been unable to agree.

TILMAN B. PARKS,
THOMAS L. BLANTON,
THOS. S. MCMILLAN,
J. BUELL SNYDER,
JOHN F. DOCKWEILER,
CHESTER C. BOLTON,
D. LANE POWERS,
Managers on the part of the House.

ROYAL S. COPELAND,
CARL HAYDEN,
MORRIS SHEPPARD,
PETER NORBECK,
JOHN G. TOWNSEND, JR.,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5913) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1936, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On amendment no. 1: Appropriates $200,000, as proposed by the Senate, instead of $180,000, as proposed by the House, for contingent expenses of the War Department proper at Washington.

On amendment no. 2: Appropriates $87,000 for contingencies, Military Intelligence Division, instead of $46,000, as proposed by the House, and $107,000, as proposed by the Senate, the amount agreed upon being intended more nearly to equalize the maintenance allowances of military and naval attachés.

On amendment no. 3: Appropriates $446,744 for field exercises, as proposed by the Senate, instead of $350,465, as proposed by the House, the increase being compensated for by a reduction in the appropriation "Travel of the Army."

On amendment no. 4: Corrects the text of the appropriation "Welfare of enlisted men."

On amendments nos. 5, 6, 8, 9, 11, and 12: Relating to "Pay, etc., of the Army." Limits flying pay to not exceeding five medical officers, as proposed by the House; strikes out, as proposed by the Senate, the clause making the additional appropriation for increasing the enlisted strength of the Regular Army available for objects of expenditure embraced by appropriations other than "Pay, etc., of the Army", and makes a direct appropriation of $20,000,000 on account of such increase in enlisted strength, as proposed by the Senate, instead of an indefinite appropriation, as proposed by the House; provides for the employment of 7 retired officers on active duty instead of 5, as proposed by the House, and 85, as proposed by the Senate; appropriates $6,238,656 for rental allowances, as proposed by the House, instead of $6,299,516, as proposed by the Senate, and corrects totals.

On amendments nos. 13 and 14, relating to "Travel of the Army": Reduces the appropriation from $3,095,630, proposed by the House, to $2,999,321, as proposed by the Senate, the amount of the reduction being transferred to the appropriation "Field exercises", and broadens the proposal of the House with respect to using other appropriations for traveling expenses when approved by the Director of the Bureau of the Budget.

On amendment no. 15: Appropriates $50,000 for expenses of courts martial, as proposed by the Senate, instead of $35,000, as proposed by the House.

On amendment no. 16: Appropriates $4,450,221 for clothing and equipage, as proposed by the Senate, instead of $4,388,423, as proposed by the House.

On amendments nos. 18 and 19, relating to Army transportation: Permits the use of 390 modernized class B trucks, as proposed by the Senate, instead of 267 of such trucks, as proposed by the House, and strikes out the Senate proposal to permit the use, at the discretion of the Secretary of War, of any motor-propelled vehicle procured prior to January 1, 1920.

On amendment no. 20: Appropriates $297,155 for the purchase of 1,500 horses for the Army, instead of $222,155 for the purchase of 1,000 horses, as proposed by the House, and $372,155 for the purchase of 2,000 horses, as proposed by the Senate.

On amendment no. 21: Appropriates $10,549,104 under the head of "Barracks and Quarters and Other Buildings and Utilities", instead of $10,049,104, as proposed by the House, and $11,094,104, as proposed by the Senate.

On amendments nos. 22 to 24, both inclusive, relating to the National Guard: Makes a direct appropriation of $500,000 for increasing the enlisted strength of the National Guard, instead of an indefinite appropriation, to be expended at the discretion of the President, as proposed by the House, and a direct appropriation of $2,500,000, as proposed by the Senate, and strikes out the Senate proposal designed to require that a portion of the increase in the enlisted strength of the National Guard be used for establishing a National Guard air squadron in the State of Mississippi.

On amendment no. 27, relating to the Organized Reserves: Appropriates $6,372,178, as proposed by the House, instead of $8,258,428, as proposed by the Senate.

On amendments nos. 29 and 30, relating to the Reserve Officers' Training Corps: Appropriates $4,452,304 instead of $3,452,304, as proposed by the House, and $4,896,078, as proposed by the Senate, and strikes out the proposal of the Senate to raise the ban on the maintenance of an additional number of mounted, motor transport, or tank units.

On amendment no. 31: Appropriates $2,000,000 for training approximately 30,000 C. M. T. C. trainees, instead of $1,000,000 for training approximately 14,000, as proposed by the House, and $2,560,000 for training approximately 37,500, as proposed by the Senate.

On amendments nos. 33 and 34, relating to rivers and harbors: Provides for including illustrations in printed reports of stream surveys, as proposed by the Senate, and appropriates $34,057,270, as proposed by the House, instead of $27,057,270, as proposed by the Senate.

Disagreements

The committee of conference have not agreed upon the following amendments of the Senate:

No. 7: Relating to increasing the enlisted strength of the Regular Army.

No. 10: Relating to rental and subsistence allowances of officers.

No. 17: Relating to laundry charges.

No. 25: Limiting the number of National Guard units.

No. 26: Relating to traveling expenses of dependents of Regular Army personnel traveling in connection with the Organized Reserves.

No. 28: Relating to training retired and disabled officers of the Officers' Reserve Corps.

No. 32: Relating to the extension of Vicksburg National Cemetery.

TILMAN B. PARKS,
THOS. S. MCMILLAN,
THOMAS L. BLANTON,
J. BUELL SNYDER,
JOHN F. DOCKWEILER,
CHESTER C. BOLTON,
D. LANE POWERS,
Managers on the part of the House.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BACON, for 3 days, on account of illness in family.

To Mr. FARLEY, for 5 days, on account of important business.

Mr. DUNN of Pennsylvania. Mr. Speaker, I ask unanimous consent that I may have leave of absence for a few days to attend to some legislative matters in Pennsylvania.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S. J. Res. 24. Joint resolution to authorize the acceptance on behalf of the United States of the bequest of the late Charlotte Taylor of the city of St. Petersburg, State of Florida, for the benefit of Walter Reed General Hospital.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 20 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 26, 1935, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON MERCHANT MARINE AND FISHERIES

(Tuesday, Mar. 26, 10 a. m.)

Committee will hold hearings on the President's message (Doc. No. 119) to consider the subsidy and merchant marine matters generally.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

274. A letter from the Acting Secretary of War transmitting draft of a proposed bill for the relief of Maj. Edwin F. Ely, Finance Department, Capt. Reyburn Engles, Quartermaster Corps, and others; to the Committee on Claims.

275. A letter from the Secretary of the Navy transmitting draft of a proposed bill authorizing the Secretary of the Navy to accept on behalf of the United States a bequest of certain personal property of the late Dr. Malcolm Storer of Boston, Mass.; to the Committee on Naval Affairs.

276. A letter from the Chairman of the Joint Committee on Internal Revenue Taxation transmitting report of refunds and credits of internal-revenue taxes for the calendar year 1933 (H. Doc. No. 145); to the Committee on Ways and Means and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DEROUEN: Committee on the Public Lands. H. R. 3019. A bill to amend sections 1, 3, and 15 of "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes", approved June 28, 1934 (48 Stat. 1269); with amendment (Rept. No. 479). Referred to the Committee of the Whole House on the state of the Union.

Mr. CARTWRIGHT: Committee on Roads. Senate Joint Resolution 43. Joint resolution for the establishment of a commission for the construction of a Washington-Lincoln Memorial Gettysburg Boulevard connecting the present Lincoln Memorial in the city of Washington with the battlefield of Gettysburg in the State of Pennsylvania; with amendment (Rept. No. 480). Referred to the Committee of the Whole House on the state of the Union.

Mr. LAMBETH: Committee on Printing. H. R. 6836. A bill to provide for the printing and distribution of Government publications to the National Archives Establishment; with amendment (Rept. No. 481). Referred to the Committee of the Whole House on the state of the Union.

Mr. RYAN: Committee on Indian Affairs. H. R. 2046. A bill to compensate the Chippewa Indians of Minnesota for lands set aside by treaties for their future homes and later patented to the State of Minnesota under the Swamp Land Act; without amendment (Rept. No. 482). Referred to the Committee of the Whole House on the state of the Union.

Mr. BUCK: Committee on Ways and Means. House Joint Resolution 174. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the

California-Pacific International Exposition, San Diego, Calif., to be admitted without payment of tariff, and for other purposes; without amendment (Rept. No. 483). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HARTER: Committee on Claims. H. R. 1031. A bill for the relief of Charles C. Schilling; without amendment (Rept. No. 477). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 6851) for the relief of George Preston Thomas; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

A bill (H. R. 6941) granting a pension to Clarence N. Garrett; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AYERS: A bill (H. R. 6976) to amend the Agricultural Adjustment Act with respect to flaxseed, and for other purposes; to the Committee on Agriculture.

By Mr. BUCKLER of Minnesota: A bill (H. R. 6977) to amend the Agricultural Adjustment Act with respect to flaxseed, and for other purposes; to the Committee on Agriculture.

By Mr. CELLER (by request): A bill (H. R. 6978) to reclassify the salaries of employees in the custodial service of the Post Office Department of the United States; to the Committee on the Post Office and Post Roads.

By Mr. CRAWFORD: A bill (H. R. 6979) to prohibit secret cash rebates; rebates given in form of merchandise, whether in form of that sold or otherwise; advertising allowances in form of cash or merchandise, whether in form of that sold or otherwise; and rebates in form of freight allowances in any form whatsoever, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JENKINS of Ohio: A bill (H. R. 6980) to amend subsection (e) of section 3 of the National Industrial Recovery Act; to the Committee on Ways and Means.

By Mr. JONES: A bill (H. R. 6981) to provide for research into basic laws and principles relating to agriculture; to the Committee on Agriculture.

By Mr. MILLER: A bill (H. R. 6982) to amend section 80 of chapter 9 of an act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898; to the Committee on the Judiciary.

By Mr. TAYLOR of South Carolina: A bill (H. R. 6983) to provide for the transfer of certain land in the city of Anderson, S. C., to such city; to the Committee on Public Buildings and Grounds.

By Mr. WELCH: A bill (H. R. 6984) to confer to certain persons who served in the Quartermaster Corps or under the jurisdiction of the Quartermaster General during the War with Spain, the Philippine Insurrection, or the China Relief Expedition the benefits of hospitalization and the privileges of the soldiers' homes; to the Committee on Pensions.

By Mr. WITHROW: A bill (H. R. 6985) for the relief of dairy farmers, and for other purposes; to the Committee on Agriculture.

By Mr. BUCK: A bill (H. R. 6986) to authorize the Secretary of War to proceed with the construction of certain public works, and for other purposes; to the Committee on Military Affairs.

By Mr. DEROUEN: A bill (H. R. 6987) authorizing the State of Louisiana and the State of Texas to construct, maintain, and operate a free highway bridge across the Sabine River at or near a point where Louisiana Highway No. 7 meets Texas Highway No. 87; to the Committee on Interstate and Foreign Commerce.

By Mr. DIES: A bill (H. R. 6988) authorizing the State of Louisiana and the State of Texas to construct, maintain, and operate a free highway bridge across the Sabine River at or near a point where Louisiana Highway No. 21 meets Texas Highway No. 45; to the Committee on Interstate and Foreign Commerce.

By Mr. MEAD: A bill (H. R. 6989) to provide for the appointment and promotion of substitute postal employees, and for other purposes; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 6990) to fix the hours of duty of postal employees, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. SMITH of Virginia: A bill (H. R. 6991) to amend section 4488 of the Revised Statutes of the United States, as amended; to the Committee on Merchant Marine and Fisheries.

By Mr. WOOD: A bill (H. R. 6992) to amend the District of Columbia Teachers' Salary Act, approved June 4, 1924, as amended, with respect to salaries of teachers and principals in vocational schools; to the Committee on the District of Columbia.

By Mr. CONNERY: A bill (H. R. 6993) to protect American labor, to insure employment opportunities for America's workers, to increase the purchasing power of America's farmers, to provide markets for the products of America's workers and America's farmers, to relieve the distress created through the entry into American markets of articles, goods, or commodities, the products of foreign workers, at total landed costs (including the payment of tariff duties, if any), which are less than the costs of production of similar or comparable articles, goods, or commodities, the products of America's workers and America's farmers; to the Committee on Ways and Means.

By Mr. GREEN: A bill (H. R. 6994) to authorize the prompt deportation of habitual criminals and habitual aliens, to guard against the separation from their families of certain law-abiding aliens, to deport direct-action Communists, to further restrict immigration into the United States, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. SMITH of Washington: A bill (H. R. 6995) granting pensions to veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, their widows and dependents, and for other purposes; to the Committee on Pensions.

By Mr. HAINES: A bill (H. R. 6996) to amend the act approved June 16, 1934, entitled "An act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes"; to the Committee on the Judiciary.

By Mr. KELLER: A bill (H. R. 6997) authorizing the State of Illinois and the State of Missouri to construct, maintain, and operate a free highway bridge across the Mississippi River between Kaskaskia Island, Ill., and St. Marys, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. WOOD: A bill (H. R. 6998) to promote the public health, safety, and welfare by providing for the elimination of insanitary and dangerous housing conditions, to relieve congested areas, to aid in the construction and supervision of low-rental dwelling accommodations, and to further national industrial recovery through the employment of labor and materials; to the Committee on Ways and Means.

By Mr. COLDEN: Resolution (H. Res. 173) to change the designation of the Committee on the Disposition of Useless Executive Papers to the Committee on the Disposition of Executive Papers; to the Committee on Rules.

By Mr. O'CONNOR: Resolution (H. Res. 174) pertaining to House Joint Resolution 117; to the Committee on Rules.

By Mr. MAVERICK: Joint resolution (H. J. Res. 227) to recognize April 6, 1935, as Army Day; to the Committee on the Judiciary.

By Mr. LEHLBACH: Joint resolution (H. J. Res. 228) to provide for the leasing of the port terminals owned by the Government and under the control of the United States Shipping Board Bureau to the various States or municipalities in which they are located; to the Committee on Merchant Marine and Fisheries.

Also, joint resolution (H. J. Res. 229) to provide for the leasing of the port terminals owned by the Government and under the control of the United States Department of War to the various States or municipalities in which they are located; to the Committee on Military Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California regarding legislation for the deportation of undesirable aliens; to the Committee on Immigration and Naturalization.

Also, memorial of the Legislature of the State of California regarding the deportation of aliens who are dependent upon public relief; to the Committee on Immigration and Naturalization.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BACON: A bill (H. R. 6999) for the relief of Frank Rottkamp; to the Committee on Claims.

By Mr. CARTER: A bill (H. R. 7000) for the relief of Joseph V. Higgins; to the Committee on Claims.

By Mr. CHANDLER: A bill (H. R. 7001) for the relief of Alice Markham Kavanaugh; to the Committee on Claims.

By Mr. COLE of New York: A bill (H. R. 7002) granting an increase of pension to Elizabeth Clark; to the Committee on Invalid Pensions.

By Mr. CONNERY: A bill (H. R. 7003) for the relief of Thomas Joseph Farrell; to the Committee on Naval Affairs.

By Mr. CRAWFORD: A bill (H. R. 7004) granting a pension to Orvilla Finton; to the Committee on Invalid Pensions.

By Mr. CULKIN: A bill (H. R. 7005) granting an increase of pension to Sarah J. Allen; to the Committee on Invalid Pensions.

By Mr. DUFFEY of Ohio: A bill (H. R. 7006) granting an increase of pension to Mary Welever; to the Committee on Invalid Pensions.

By Mr. DUNN of Pennsylvania: A bill (H. R. 7007) granting an increase of pension to Bruce R. Vaughn; to the Committee on Pensions.

By Mr. GASQUE: A bill (H. R. 7008) granting a pension to Agnes M. Wasdin; to the Committee on Pensions.

By Mr. HESS: A bill (H. R. 7009) to correct the military record of Edward Delaney; to the Committee on Military Affairs.

By Mr. JOHNSON of West Virginia: A bill (H. R. 7010) for the relief of James L. Barnett; to the Committee on Claims.

By Mr. LUCAS: A bill (H. R. 7011) granting an increase of pension to Gus Cook; to the Committee on Pensions.

By Mr. McCLELLAN: A bill (H. R. 7012) for the relief of the city of Fordyce, Dallas County, Ark.; to the Committee on Claims.

By Mr. MURDOCK: A bill (H. R. 7013) placing John A. McAlister, Jr., on the retired list of the Army as a lieutenant colonel; to the Committee on Military Affairs.

By Mr. THOMASON: A bill (H. R. 7014) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Marie McGourty; to the Committee on Claims.

By Mr. UNDERWOOD: A bill (H. R. 7015) granting a pension to Stella V. Martin Oyler; to the Committee on Pensions.

Also, a bill (H. R. 7016) granting an increase of pension to Eliza Cook; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5462. By Mr. BLAND: Petition of three citizens of Bridges, Va., favoring passage of a uniform Federal old-age pension law that must be adopted by the States before any Federal aid or relief is available; to the Committee on Ways and Means.

5463. By Mr. BOYLAN: Resolution adopted by the New York State Shorthand Reporters' Association, expressing its whole-hearted sympathy with and support of Senate bill 1452 and House bill 4886, providing for the employment of skilled shorthand reporters in the executive branch of the Government, etc.; to the Committee on Expenditures in the Executive Departments.

5464. Also, memorial from the Senate of the State of New York, that the Secretary of the Interior Mr. Ickes be, and he is hereby, memorialized to appropriate funds for slum clearance and better housing in the city of New York and New York State, etc.; to the Committee on Banking and Currency.

5465. Also, resolution adopted by the New York State Society of Professional Engineers assembled at Albany, N. Y., on March 2, 1935, urging Federal department of public works; to the Committee on Appropriations.

5466. Also, resolution adopted by the New York local branch of the Catholic Verein of America, St. John Catholic Club, 418 West Fiftieth Street, New York City, regarding conditions in Mexico; to the Committee on Foreign Affairs.

5467. By Mr. BUCKLER of Minnesota: Petition of Paul C. Solberg and about 105 other citizens of or near Fosston, Minn., praying for the passage into law of the Townsend old-age pension plan; to the Committee on Ways and Means.

5468. Also, petition of Earl Geil, secretary, and other members of the central committee of the Farmer-Labor Association of Beltrami County, Minn., praying for consideration and passage into law of the Townsend old-age pension plan; to the Committee on Ways and Means.

5469. By Mr. CONNERY: Resolution of the General Court of Massachusetts, memorializing Congress in favor of the immediate cash payment of the adjusted-service certificates of veterans of the World War; to the Committee on Ways and Means.

5470. Also, resolution of the General Court of Massachusetts, favoring the adoption by the Senate of the United States of a resolution now pending before it relative to religious persecution in Mexico; to the Committee on Foreign Affairs.

5471. Also, resolution of the City Council of the City of Salem, Mass., memorializing the Congress to enact the resolution providing for the President of the United States to proclaim October 11 of each year as General Pulaski's Memorial Day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

5472. By Mr. COSTELLO: Resolution of the Santa Monica Junior Chamber of Commerce, urging the reenactment of the present excise tax on copper; to the Committee on Ways and Means.

5473. Also, resolution of the Los Angeles Junior Chamber of Commerce, urging the reenactment of the present excise tax on copper; to the Committee on Ways and Means.

5474. By Mr. CULKIN: Petition of the Scandinavian Woman's Christian Temperance Union, consisting of 132 members, urging that hearings be held on House bills 2999 and 4757; to the Committee on Interstate and Foreign Commerce.

5475. Also, petition of the New York State Society of Professional Engineers, New York City, urging the creation of a Cabinet office of public works; to the Committee on the Judiciary.

5476. Also, petition of the New York State Society of Professional Engineers, New York City, urging the preservation of existing State and municipal agencies; to the Committee on Interstate and Foreign Commerce.

5477. Also, petition of the New York State Senate, urging that funds be appropriated by Secretary of the Interior Ickes for slum clearance and better housing in New York City; to the Committee on Banking and Currency.

5478. By Mr. DEROUEN: Petition of citizens of the town of Jennings, Jefferson Davis Parish, La., regarding House bill 5423, urging opposition to the measure; to the Committee on Interstate and Foreign Commerce.

5479. By Mr. FITZPATRICK: Petition signed by Francis Bernachi, of 95 Ash Street, Yonkers, and a number of other residents of Yonkers and Bronx County, N. Y., urging the passage of House bill 5445, to fill vacancies in the Postal Service; to the Committee on the Post Office and Post Roads.

5480. By Mr. FOCHT: Petition of C. B. Klingler and numerous other residents of Middlecreek, a part of the Eighteenth Congressional District of Pennsylvania, urging support of House bill 2856, the Pope plan for direct Federal old-age pensions; to the Committee on Ways and Means.

5481. By Mr. GOODWIN: Petition of the New York State Society of Professional Engineers, urging the preservation against loss of employment the existing civil-service personnel of State or municipal agencies receiving Federal loans or grants; to the Committee on the Civil Service.

5482. Also, petition of the New York State Society of Professional Engineers, Inc., urging the creation of a Cabinet office of public works to be presided over by a professional engineer; to the Committee on Ways and Means.

5483. By Mr. HOEPPEL: Petition of the City Council of Monrovia, Calif., urging Congress to pass the Townsend old-age pension bill; to the Committee on Ways and Means.

5484. Also, petition of Division No. 1 of the Ancient Order of Hibernians, urging Congress to take such steps as may be necessary to protest to the Government of Mexico the action complained of and to demand that the Federal Government of Mexico repudiate the conduct of Mexican officials toward freedom of worship, freedom of the press, and the rights of assembly and education; to the Committee on Foreign Affairs.

5485. By Mr. JOHNSON of Texas: Memorial of Alexander Sprunt & Son, Inc., of Houston, Tex., favoring House bill 6452; to the Committee on the Post Office and Post Roads.

5486. Also, memorial of F. C. Paul, Corsicana, Tex., favoring House bill 6452; to the Committee on the Post Office and Post Roads.

5487. Also, memorial of S. J. Vaughan, Jr., of Hillsboro, Tex,. favoring House bill 6653; to the Committee on Insular Affairs.

5488. By Mr. KIMBALL: Petition of citizens of Eaton County, Mich., requesting enactment into law of the Frazier-Lemke refinancing bill, providing for refinancing of debts on American farms; to the Committee on Banking and Currency.

5489. By Mr. LUCAS: Petition of William F. Lambert and 39 other citizens of Timewell, Ill., favoring old-age-pension legislation; to the Committee on Ways and Means.

5490. By Mr. LUCKEY: Memorial of the House of Representatives of the State of Nebraska, memorializing the Congress of the United States to enact no livestock processing taxes; to the Committee on Agriculture.

5491. Also, petition of the Nebraska State Senate, petitioning the Congress of the United States to promote, initiate, and support any legislation for the purpose of requiring all motor-vehicle fuels to contain ethyl alcohol in a volume of not less than 10 percent of the mixture; to the Committee on Agriculture.

5492. By Mr. McLAUGHLIN: Petition in the nature of a memorial, memorializing Congress, the Department of the Interior, and the National Park Service to create a national-park area in the North Platte Valley, extending from Bridgeport, Nebr., to and including Guernsey Lake, Wyo., and to acquire such historic landmarks, sites, and structures as are pertinent to the history of the Oregon, Mormon, and California trails, with particular reference to the acquisition, preservation, and restoration of Old Fort Laramie and its maintenance as a historical museum; to the Committee on the Public Lands.

5493. Also, petition requesting the proper authorities of the Federal Government to limit the employment of labor in connection with, and the placing of rehabilitation farmsteads to, persons who are citizens of Nebraska; to the Committee on the Judiciary.

5494. Also, petition urging the Congress of the United States to expedite passage of the legislation that will make the Federal seed loan immediately available, and to secure the adoption of such departmental procedure as will make the seed loan available without delay; to the Committee on Agriculture.

5495. Also, petition requesting the proper authorities of the Federal Government to limit the employment of labor in connection with and the placing on rehabilitation farmsteads to persons who are citizens of Nebraska; to the Committee on the Judiciary.

5496. Also, petition of the City Council of the City of Omaha, Nebr., declaring its opposition to that part of House bill 5423, which, if enacted into law, would divest this council of the power to regulate such sale and use of electrical energy and place such power in a Federal commission sitting in Washington, D. C.; to the Committee on Interstate and Foreign Commerce.

5497. By Mr. MEAD: Petition of the New York State Society of Professional Engineers, requesting that a Cabinet office be created for the Federal Department of Public Works; to the Committee on the Judiciary.

5498. By Mr. MERRITT of New York: Petition of the Town Hall Club of New York City, protesting against the McCormack-Dickstein proposals to Congress to enact alien and sedition legislation, which, if enacted, would deny free discussion and organization and abrogate the civil liberties on which American democracy is based, etc.; to the Committee on Immigration and Naturalization.

5499. Also, petition of the Town Hall Club of New York City, calling upon the President of the United States, on the Congress, and on the Agriculture Adjustment Administration to take immediate steps to eradicate the abuses which now prevail under the system of share cropping; to the Committee on Agriculture.

5500. Also, petition of the Town Hall Club, New York City, protesting against the Navy appropriation bill, calling for approximately $500,000,000, as an unwarranted burden on American taxpayers; to the Committee on Appropriations.

5501. Also, petition headed by Albert B. Mitchell, of 9 Sun Street, Elmont, Long Island, N. Y., and 60 additional citizens of Elmont, New York City, and the Bronx, opposing the Wheeler-Rayburn public-utility bills; to the Committee on Interstate and Foreign Commerce.

5502. By Mr. MITCHELL of Tennessee: House Joint Resolution No. 9 of the Tennessee Legislature, favoring the passage of House bill 3660, known as the "Woodrum bill", to grant the consent of Congress to the several States to levy and collect taxes on gasoline and other motor-vehicle fuels when sold on United States military and other reservations; to the Committee on Interstate and Foreign Commerce.

5503. Also, Senate Joint Resolution No. 25 of the Tennessee Legislature, favoring enactment of Senate bill 2897, introduced by the Honorable PAT HARRISON, Senator from Mississippi, at the second session of the Seventy-third Congress, an act to regulate interstate commerce by granting the consent of Congress to taxation by the several States of certain interstate sales; to the Committee on Interstate and Foreign Commerce.

5504. Also, House Joint Resolution No. 12 of the Tennessee Legislature, petitioning Congress to enact appropriate legislation to control and regulate the butter exchanges of the principal markets of the Nation, to adopt uniform standards and grades of the United States Department of Agriculture, and to stabilize the daily market quotations for exchange or open-market sales of butter; to the Committee on Agriculture.

5505. Also, House Joint Resolution No. 20 of the Tennessee Legislature, protesting against discrimination in freight rates against the South; to the Committee on Interstate and Foreign Commerce.

5506. Also, House Joint Resolution No. 15 of the Tennessee Legislature, favoring the immediate payment of the soldiers'

bonus or adjusted-service certificates; to the Committee on Ways and Means.

5507. Also, resolution of the Andrew Jackson Post, No. 1291, Veterans of Foreign Wars, in session at Nashville, Tenn.; to the Committee on Ways and Means.

5508. Also, House Joint Resolution No. 7 of the Tennessee Legislature, favoring old-age-pension act; to the Committee on Ways and Means.

5509. By Mr. MURDOCK: Memorial of the Utah State Legislature, memorializing the Congress of the United States of America for the purpose of opposing passage of House bill 3263, which bill has for its objective the repeal of the long- and short-haul provisions of section 4 of the Interstate Commerce Act, or any other bills that may be introduced in the Congress having for their objective the repealing or modification of the said long- and short-haul provisions of section 4 of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

5510. By Mr. PFEIFER: Concurrent Resolution No. 97 of the Senate of the State of New York, Albany, requesting that Secretary Ickes be memorialized to appropriate funds for slum clearance and better housing in the State of New York, particularly in the city of New York; to the Committee on Banking and Currency.

5511. Also, telegram of C. Frederick Wall, president Wall Rope Works, Inc., New York, concerning House bill 6653; to the Committee on Labor.

5512. Also, telegram of the Endicott Johnson Corporation, Endicott, N. Y., urging continuance of the National Recovery Administration for another 2-year period, as advocated by the President; to the Committee on Appropriations.

5513. Also, petition of the Eagle Pencil Co., Inc., New York, concerning the Black bill (S. 87); to the Committee on Labor.

5514. Also, petition of the Long Island Chamber of Commerce, New York, opposing the public-utility holding company legislation now before Congress; to the Committee on Interstate and Foreign Commerce.

5515. Also, petition of Loose-Wiles Biscuit Co., Long Island City, N. Y., concerning the Wagner bill (S. 1958); to the Committee on Labor.

5516. Also, petition of the Dewar Manufacturing Co., Brooklyn, N. Y., concerning the Wagner labor-union bill; to the Committee on Labor.

5517. By Mr. RICH: Petition of citizens of Port Allegany, Pa., favoring House bill 2999; to the Committee on Interstate and Foreign Commerce.

5518. By Mr. RUDD: Petition of J. E. B. Stuart, Manhasset, Long Island, N. Y., and four other citizens, concerning the Rayburn-Wheeler public-utility holding companies legislation; to the Committee on Interstate and Foreign Commerce.

5519. By Mr. ROGERS of Oklahoma: Petition headed by M. Gales, of Pewee Valley, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5520. Also, petition headed by J. W. Vinzant, of Lacon, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5521. Also, petition headed by F. M. King, of Grovetown, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5522. Also, petition headed by Samuel Baldwin, of Dorchester, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5523. Also, petition headed by C. A. McGowin, of Evergreen, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5524. Also, petition headed by J. J. Allison, of Smiley, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5525. Also, petition headed by Lawrence Harper, of Benton, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5526. Also, petition of Mose Price and numerous other citizens of Lyerly and Holland, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5527. Also, petition headed by M. Mitchell, of Bragg City, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5528. Also, petition headed by S. Grant, of Wayne County, in the State of Michigan, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5529. Also, petition headed by Frank Gardner, of Chicago, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5530. Also, petition headed by M. Chetton, of Columbus, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5531. Also, petition headed by James Clarkston, of Oberlin, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5532. Also, petition headed by Marion Henry, of Huntsville, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5533. Also, petition headed by M. Earnest, of Parrish, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5534. Also, petition headed by James McKinley, of Louisville, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5535. Also, petition headed by L. Dodd, of Nauvoo, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5536. Also, petition headed by J. M. Corbitt, of Henshaw, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5537. Also, petition headed by C. Russell, of Carlyle, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5538. Also, petition headed by John W. Fountain, of Pineville, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5539. Also, petition headed by Moses W. Smart, of Memphis, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5540. Also, petition headed by Richard Nicholas, of New Orleans, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5541. Also, petition headed by E. Kelly, of Longwood, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5542. Also, petition headed by E. Hall, of Eldorado, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5543. Also, petition headed by Reuben Kimbrough, of Doddsville, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5544. Also, petition headed by Wesley Fransaw, of Moscow, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5545. Also, petition headed by D. A. Williams, of Shelbyville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5546. Also, petition headed by M. Hearington, of Blaine, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5547. Also, petition headed by James Wrigley, of Moorhead, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5548. Also, petition headed by M. Barns, of Sunflower, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5549. Also, petition headed by Albert Layman, of Knoxville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5550. Also, petition headed by L. Ragland, of Water Valley, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5551. Also, petition headed by F. Alsobrook, of Memphis, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5552. By Mr. RUDD: Petition of C. Frederick Wall, president Wall Rope Works, Inc., New York City, concerning House bill 6653; to the Committee on Insular Affairs.

5553. Also, petition of Ignatius K. Werwinski, favoring the passage of the bill making October 11 General Pulaski Memorial Day; to the Committee on the District of Columbia.

5554. Also, petition of the New York State Shorthand Reporters Association, concerning Senate bill 1452 and House bill 4886, providing for the employment of skilled shorthand reporters in the executive branch of the Government, and Senate bill 1453 and House bill 4887, to create a board of shorthand reporting; to the Committee on Expenditures in the Executive Departments.

5555. By Mr. SADOWSKI: Petition of the Abraham Lincoln Society, Detroit, Mich., endorsing House bill 2827; to the Committee on Labor.

5556. Also, petition of the House of Representatives, State of Michigan, asking that a Veterans' Administration hospital be established in the Detroit area; to the Committee on World War Veterans' Legislation.

5557. Also, petition of the Slovenic-Croatian Union of Calumet, Mich., asking that sufficient tariff or embargo be placed on imported copper; to the Committee on Ways and Means.

5558. Also, petition of the American-Yugoslav Educational League, Calumet, Mich., asking that ample tariff or embargo be placed on imported copper; to the Committee on Ways and Means.

5559. Also, petition of the Slovak Evangelical Union, No. 218, Detroit, Mich., endorsing House bill 2827; to the Committee on Labor.

5560. Also, petition of the Common Council of the City of Detroit, Mich., asking that a veterans' hospital be established in the Detroit area; to the Committee on World War Veterans' Legislation.

5561. Also, petition of Group 2754 of the Polish National Alliance, asking that October 11 of each year be set aside as General Pulaski Memorial Day; to the Committee on the Judiciary.

5562. Also, petition of the Guild of Engineers and Architects of Michigan, endorsing the work-relief bill with the prevailing wage amendment; to the Committee on Appropriations.

5563. Also, petition of the Czeck Slovak organization, Detroit, Mich., endorsing House bill 2827; to the Committee on Labor.

5564. Also, petition of Lodge No. 121 of the Slovene National Benefit Society, Detroit, Mich., endorsing House bill 2827; to the Committee on Labor.

5565. Also, petition of All Saint's Society, P. S. U., Detroit, Mich., endorsing House bill 2827; to the Committee on Labor.

5566. Also, petition of Branch 2067, International Workers Order, Detroit, Mich., endorsing House bill 2827; to the Committee on Labor.

5567. Also, petition of Zibena 180, Detroit, Mich., endorsing House bill 2827; to the Committee on Labor.

5568. Also, petition of the Evangelical Slovak Women's Union, Detroit, Mich., endorsing House bill 2827; to the Committee on Labor.

5569. Also, petition of the International Workers' Order, of Detroit, Mich., endorsing House bill 2827; to the Committee on Labor.

5570. Also, petition of the Slovak Gymnastic Ladies' Union, of Detroit, Mich., endorsing House bill 2827; to the Committee on Labor.

5571. Also, House Concurrent Resolution No. 43 of the Michigan State Legislature, asking that Congress provide a grant of $100,000 to construct a relief drainage canal to relieve the Sebewaing River Basin of its water burden; to the Committee on Military Affairs.

5572. Also, petition of the United Racial Groups of America, favoring old-age-pension legislation to include noncitizens as well as citizens, provided noncitizens have been residents not less than 10 years; to the Committee on Ways and Means.

5573. Also, petition of the Roosevelt Post, No. 130, of the American Legion, asking that money be appropriated for a veterans' hospital in the Detroit area; to the Committee on World War Veterans' Legislation.

5574. Also, petition of the Detroit Federation of Post Office Clerks, Local 295, endorsing House bill 4340; to the Committee on Immigration and Naturalization.

5575. Also, petition of the Hudson Local Union No. 2, Associated Automobile Workers of America, endorsing House bill 4340; to the Committee on Immigration and Naturalization.

5576. Also, petition of the National Slovak Society, Assembly No. 716, Detroit, Mich., endorsing House bill 2827; to the Committee on Labor.

5577. By Mr. SAUTHOFF: Joint resolution of the State of Wisconsin, urging Congress to enact tariffs to protect the agricultural industry; to the Committee on Ways and Means.

5578. Also, joint resolution of the State of Wisconsin, relating to a protective tariff on barley and barley malt; to the Committee on Ways and Means.

5579. By Mr. STUBBS: Petition of the four Townsend Clubs of Porterville, Calif., of which Mountford C. Lowrey is chairman of their advisory board, condemning the delay in action on the Townsend old-age-pension plan; to the Committee on Ways and Means.

5580. By Mr. TRUAX: Petition of the Mahoning Valley Lodge, No. 177, by their secretary, John Bulger, of Niles, Ohio, urging support of Wagner labor-disputes bill in original form; to the Committee on Labor.

5581. Also, petition of the Dover Lodge, No. 168, consisting of 800 members and headed by Ernest W. Bishop, urging full support of Wagner labor bill; to the Committee on Labor.

5582. Also, petition of Trumbull Lodge, No. 73, Amalgamated Association of Iron, Steel, and Tin Workers, by their president, Harry Wines, requesting support of the Wagner labor-disputes bill; to the Committee on Labor.

5583. Also, petition of 147 members of Methodist Episcopal Bible Class of Napoleon, Ohio, by their president, George Bockerman, urging support of Patman bonus bill; to the Committee on Ways and Means.

5584. Also, petition of R. W. Lorr and other citizens of Toledo, Ohio, urging support of the Townsend recovery plan; to the Committee on Ways and Means.

5585. By Mr. TURNER: Petition of Edith Clerk, of Lawrenceburg, Tenn., requesting Congress to pass a uniform Federal old-age-pension law that must be adopted by the States before any Federal aid or relief is available; to the Committee on Ways and Means.

5586. By the SPEAKER: Petition of the city of Monterey Park, Calif.; to the Committee on the Judiciary.

5587. Also, petition of James Yearsley; to the Committee on the Judiciary.

5588. By Mr. COFFEE: Petition of the Nebraska House of Representatives, protesting against imposition of a processing tax on livestock; to the Committee on Agriculture.

SENATE

TUESDAY, MARCH 26, 1935

(Legislative day of Wednesday, Mar. 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the Journal of the proceedings of the calendar day Saturday, March 23, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed a bill (H. R. 6511) to amend the air mail laws and to authorize the extension of the Air Mail Service, in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (S. J. Res. 24) to authorize the acceptance on behalf of the United States of the bequest of the late Charlotte Taylor, of the city of St. Petersburg, State of Florida, for the benefit of Walter Reed General Hospital, and it was signed by the Vice President.

TWENTIETH PLENARY ASSEMBLY, INTERNATIONAL PARLIAMENTARY CONFERENCE ON COMMERCE

Mr. ROBINSON. I present a communication from the Secretary of State, with memoranda attached, and ask that the communication and memoranda be printed in the RECORD and referred to the Committee on Foreign Relations.

There being no objection, the communication from the Secretary of State, with the attached memoranda, was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, March 25, 1935.

The VICE PRESIDENT,
United States Senate.

MY DEAR MR. VICE PRESIDENT: There is transmitted herewith for your information and consideration a copy of a despatch dated February 21, 1935, from the American Embassy at Brussels, and its enclosure, a translation of an invitation from the secretary general of the International Parliamentary Conference on Commerce for this Government to be represented at the Twentieth Plenary Assembly which will be held in London on October 1, 1935. The agenda mentioned in the secretary general's letter will be forwarded to you as soon as it is received.

Invitations for the congress to be represented at the eighteenth Conference in Rome in 1933 and at the nineteenth Conference in Belgrade in 1934 have been previously transmitted by the Department, and in the present instance I should be pleased to receive an indication of the views of the Senate with regard to this invitation in order that an appropriate reply may be made to the secretary general of the Conference.

The invitation has also been referred to the Speaker of the House of Representatives.

Very sincerely yours,

CORDELL HULL.

BRUSSELS, *February 21, 1935.*

Subject: International Parliamentary Conference on Commerce.

The Honorable the SECRETARY OF STATE,
Washington.

SIR: I have the honor to refer to the Department's instruction no. 108 of August 6, 1934, and to enclose a copy and translation of a letter addressed to the Ambassador by Mr. Eugene Baie, secretary general of the International Parliamentary Conference on Commerce, inviting participation by the American Government in the Twentieth Plenary Assembly of the Conference, which will convene at Westminster Palace in London on October 1, 1935.

Ordinarily the Embassy requests nongovernmental organizations of this sort to convey their invitations through the Belgian Ministry for Foreign Affairs and the Belgian Embassy in Washington to the American Government. But since Mr. Baie was good enough to furnish the Embassy with copies of data requested by the Department in its instruction no. 729 of April 25, 1933, relating to the eighteenth assembly of the Conference which met in Rome that year, the Embassy saw no objection to transmitting his invitation with this despatch.

Respectfully yours,

DAVE H. MORRIS.

[Translation]

BRUSSELS, *February 15, 1935.*

His Excellency Mr. DAVE HENNEN MORRIS,
Ambassador of the United States at Brussels.

EXCELLENCY: I have the honor to ask you to be good enough to transmit to your country an invitation to be represented at the Twentieth Plenary Assembly of our Conference which, with the consent of the British Government and the authorities of the House of Commons, will take place at the Palace of Westminster on October 1, at the time of the royal jubilee. The agenda of this assembly, which will be an exceptionally interesting one, will be forwarded to you later. We are confident that your country will take advantage of this occasion to give evidence of its cordial sentiments both toward Great Britain, which will celebrate the twenty-fifth anniversary of the reign of its sovereign, and toward the commercial committee of the House of Lords, at whose suggestion our organization was founded.

Up to the present the United States has been represented at our assemblies by observers only. But present changed economic conditions and the services resulting from the continuity and the substantial character of our work encourage us to hope that our invitation will receive serious consideration. The value of continued contacts in the economic field, exclusive of all political factors, among legislators of all States, seems unquestionable. And we express the hope that the meeting in London will form the occasion for the United States to occupy in our assemblies the important place which is its due.

Accept, Excellency, the expression of my high consideration.

EUGENE BAIE,
The Secretary General of the Conference.

PERSONAL EXPLANATION

Mr. FLETCHER. Mr. President, the matter to which I am about to advert is not important, but on account of some confusion and several communications I have received from my constituents threatening various things to me, I wish to have inserted in the RECORD an article appearing in the Washington Herald of yesterday entitled "Hoover Leaves on Motor Trip."

This article is dated "Palo Alto, Calif., March 24, by the United Press." There is some confusion in names. The name of the distinguished chairman of the Republican National Committee is Henry P. Fletcher. The article to which I wish to enter a disclaimer states:

Chairman DUNCAN U. FLETCHER and scores of other party chieftains and Republican business leaders—

And so forth.

I have sins enough of my own to answer for without being loaded with those of others, and I wish to make a correction. The reference evidently is to the chairman of the Republican National Committee, and not to the senior Senator from Florida.

I ask that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOOVER LEAVES ON MOTOR TRIP

PALO ALTO, CALIF., March 24.—Former President Hoover stepped back into his role of "private citizen" today, evading the spotlight focused on him by his energetically worded letter to the California Republican Assembly.

With Mrs. Hoover, he left his Stanford University home early in the day for a motor trip south. Congratulatory telegrams from Republican chiefs poured into the Hoover home. Paul Sexson, secretary to Mr. Hoover, said that more than 100 such messages, "all of them most enthusiastic in tone", had been received.

Chairman DUNCAN U. FLETCHER and scores of other party chieftains and Republican business leaders sent the telegrams, Mr. Sexson said.

It was indicated the next political statement he may make would not be forthcoming until he has visited New York. Mr. Hoover is scheduled to go there next week to attend a meeting of the New York Life Insurance Co. board of directors. Mr. Sexson said the trip would be one devoted to business alone, similar to one made several weeks ago.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Lonergan	Robinson
Ashurst	Couzens	Long	Russell
Austin	Cutting	McAdoo	Schall
Bachman	Dickinson	McCarran	Schwellenbach
Bankhead	Donahey	McGill	Sheppard
Barbour	Duffy	McKellar	Shipstead
Barkley	Fletcher	McNary	Smith
Bilbo	Frazier	Maloney	Steiwer
Black	George	Metcalf	Thomas, Okla.
Bone	Gerry	Minton	Thomas, Utah
Borah	Gibson	Moore	Townsend
Bulkley	Glass	Murphy	Trammell
Bulow	Gore	Murray	Truman
Burke	Guffey	Neely	Tydings
Byrd	Hale	Norbeck	Vandenberg
Byrnes	Harrison	Norris	Van Nuys
Capper	Hatch	O'Mahoney	Wagner
Clark	Hayden	Pittman	Walsh
Connally	King	Pope	Wheeler
Coolidge	La Follette	Radcliffe	
Copeland	Logan	Reynolds	

Mr. ROBINSON. I announce that my colleague the junior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the junior Senator from New Hampshire [Mr. BROWN], the junior Senator from Illinois [Mr. DIETERICH], the senior Senator from Illinois [Mr. LEWIS], and the Senator from North Carolina [Mr. BAILEY] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the senior Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness; that the Senator from Wyoming [Mr. CAREY] and the senior Senator from New Hampshire [Mr. KEYES] are absent on official business, and that the junior Senator from North Dakota [Mr. NYE], the Senator from Delaware [Mr. HASTINGS], and the Senator from Maine [Mr. WHITE] are necessarily detained from the Senate. I ask that this announcement stand for the day.

Mr. McNARY. I announce that the Senator from California [Mr. JOHNSON] is absent from the Senate because of illness.

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

REPORT OF RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Reconstruction Finance Corporation, transmitting, pursuant to law, a report of the activities and expenditures of the Corporation for the month of February 1935, together with a statement of authorizations made during that month, showing the name, amount, and rate of interest or dividend in each case, which, with the accompanying report, was referred to the Committee on Banking and Currency.

ALLEGED IRREGULARITIES AT HOWARD UNIVERSITY

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting, in response to Senate Resolution 107 (agreed to Mar. 16, 1935), a report relating to an investigation of alleged irregularities at Howard University, Washington, D. C., during the latter part of 1934 and to date, which with the accompanying papers, was ordered to lie on the table.

DISPOSITION OF USELESS PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Administrator of Veterans' Affairs, transmitting, pursuant to law, a list of papers and documents in the Veterans' Administration which are not needed in the transaction of the current business of the Administration and have no permanent value or historical interest, which, with the accompanying papers, was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. HARRISON and Mr. COUZENS as members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolutions of the Legislature of the State of California, which were referred to the Committee on Immigration:

Assembly Joint Resolution 31

Memorializing Congress to appropriate sufficient funds and enact additional legislation to provide a comprehensive plan for the deporting of undesirable aliens and aliens who are illegally within this Nation

Whereas the United States Department of Labor is and has been charged with the duty of deporting from this Nation undesirable aliens and aliens who are illegally in this Nation; and

Whereas it has been publicly stated that funds are not available in sufficient quantity to permit active, militant action in the matter of illegally entered or undesirable aliens; and

Whereas it is the sense of the Legislature of the State of California that the Department of Labor requests the full cooperation of the United States Department of Justice in the deporting of undesirable aliens and aliens who are illegally in this country; and

Whereas the Departments of Labor and Justice have limited funds available for the carrying out of this important duty: Now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully requests and memorializes the Congress of the United States to provide permanent bureaus of record free from political interference or interruption, to carry on a continuous investigation of all subversive activities in the United States; and be it further

Resolved, That this Legislature respectfully requests and memorializes the Congress of the United States to make such immediate appropriations as needed to carry on this extensive investigation and that any and all additional laws be enacted by the Congress of the United States as will further the extensive plan as proposed by the Departments of Justice and Labor.

Assembly Joint Resolution 32

Memorializing Congress to prepare proper legislation providing for the deportation of aliens who are dependent upon public relief

Whereas the problem of public relief is of paramount importance to every city, county, State, and the Federal Government, and as the projects of public relief in every community, State, and the Nation find thousands of instances in which aliens having failed to apply for citizenship in the United States are enjoying such benefits; and

Whereas the prerequisite of admission to citizenship requires that aliens submit proof that they are not likely to become a public charge; and

Whereas the problem of unemployment for our citizens is distinctly hampered in consequence of the competition of aliens occupying public relief jobs in this country and receiving assistance from public relief projects to the obvious detriment of our own people either directly or indirectly; and

Whereas it is the duty of the city, county, State, and Federal Government to provide primarily for its citizens and taxpayers who are confronted with the impossibility of maintaining their own existence by gainful labors in commerce and industry: Now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature of the State of California respectfully requests and memorializes the Congress of the United States to pass immediately national legislation requiring the deportation of all unemployed aliens now dependent upon public charity and relief and those who may be occupying positions of employment on relief projects under the administration of any city, county, State, or the Federal Government; and it is further

Resolved, That the Legislature of the State of California respectfully requests and memorializes that in order to not impose undue hardship on those aliens having accustomed themselves to our standards of living that an exemption from the provisions of such proposed legislation be granted to such aliens over 60 years of age who have resided continuously in the United States for a period of 20 or more years.

The VICE PRESIDENT also laid before the Senate a concurrent resolution of the Legislature of the State of Minnesota, favoring the enactment of legislation imposing an immediate tariff on pulpwood and newsprint paper, which was referred to the Committee on Finance.

(See concurrent resolution printed in full when presented by Mr. SHIPSTEAD on the 23d instant, p. 4342, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of the State of Wisconsin, fa-

voring a protective tariff on barley and other farm products, and requesting the national administration not to make further reciprocal tariff or trade agreements to the detriment of the interests of the American farmers, which was referred to the Committee on Finance.

(See joint resolution printed in full when presented today by Mr. DUFFY.)

The VICE PRESIDENT also laid before the Senate a joint memorial of the Legislature of the State of Utah, protesting against the enactment of legislation providing for the repeal or modification of the long- and short-haul provisions of section 4 of the Interstate Commerce Act, which was referred to the Committee on Interstate Commerce.

(See joint memorial printed in full when presented today by Mr. KING.)

He also laid before the Senate a petition of the Citizens' Joint Committee on Fiscal Relations between the United States and the District of Columbia, favoring an increase in the amount appropriated on the part of the United States toward the support of the government of the District of Columbia, which was referred to the Committee on Appropriations.

He also laid before the Senate petitions of sundry citizens of the States of Arkansas, California, Mississippi, and Oklahoma, praying for the enactment of old-age-pension legislation, which were referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by the Junior Chamber of Commerce of Jackson and the Rotary Club of Ruleville, both in the State of Mississippi, protesting against the ratification of the Great Lakes-St. Lawrence Deep Waterway Treaty, which were referred to the Committee on Foreign Relations.

He also laid before the Senate resolutions adopted by the Film and Photo League, the German Workers' Club, the Somarian Y Circle Club, Paperhangers' Local Union No. 490, and Butcher Union No. 174, all of New York City, N. Y., protesting against the enactment of alien and sedition legislation tending to suppress civil rights, which were referred to the Committee on Immigration.

He also laid before the Senate petitions numerously signed by citizens of various States praying the immediate passage of legislation designed to halt the activities of individuals and organizations within our country seeking to overthrow our Government by force and violence, which were referred to the Committee on Immigration.

He also laid before the Senate petitions of sundry citizens of the States of Connecticut, Illinois, Maine, Michigan, Mississippi, Missouri, New York, Pennsylvania, Ohio, Tennessee, Washington, Wisconsin, and Virginia, praying for an investigation of charges filed by the Women's Committee on Louisiana relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

He also laid before the Senate resolutions adopted by the Common Council of the City of Buffalo, N. Y.; the Common Council of the Borough of Sayreville, N. J.; and the City Council of Monterey Park, Calif., favoring the enactment of pending legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which were ordered to lie on the table.

Mr. WALSH presented a resolution adopted at Wilmington, Del., by the Electrical Contractors' Association of Delaware, favoring an extension of the National Industrial Recovery Act for 2 years, with certain necessary changes to make the law more effective, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Polish American Democratic Club, of Chicopee, Mass., favoring the enactment of old-age-pension legislation, unemployment insurance, and a 30-hour work-week for industry, which was referred to the Committee on Finance.

He also presented a resolution adopted by the City Council of Fitchburg, Mass., favoring the enactment of legislation providing for the payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Finnish Federation of Lowell, Mass., protesting against the enactment of legislation penalizing mere utterance in the absence of overt acts, increasing the powers of censorship over the mails by the Post Office Department, creating any agency to deal with activities because of their political or economic character, or adding restrictions on political opinion in controlling immigration and deportation, which was referred to the Committee on Immigration.

He also presented a resolution adopted by the Holy Name Society of St. Laurence O'Toole's Church, of Lawrence, Mass., protesting against alleged religious persecutions in Mexico, which was referred to the Committee on Foreign Relations.

Mr. DUFFY presented the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Finance:

Joint resolution relating to a protective tariff on barley and barley malt

Whereas the press reports that negotiations are under way for a reciprocal trade treaty between the United States and Canada with a probable 50-percent reduction in the import duty of malt from Canada; and

Whereas in 1934, in spite of protective tariffs, nearly 6,000,000 bushels of foreign malt and a surprisingly large quantity of foreign barley entered the United States; and

Whereas the foregoing report comes to the Wisconsin Legislature, which recently adopted and forwarded to Washington a joint resolution (no. 31) urging the Congress to enact an adequate protective tariff to protect the products of American farms against foreign competition and to save the home market for the American farmer, to whom it rightfully belongs; and

Whereas the reported reciprocal trade treaty negotiations and reduction in import duty, above referred to, serve to substantiate the thought expressed in the resolution heretofore adopted that "the farmers of foreign countries are better represented at Washington and are more the concern of the administration than are the farmers of the United States of America": Now, therefore, be it

Resolved by the senate (the assembly concurring), That this legislature respectfully refers the Congress of the United States to Joint Resolution No. 31 heretofore adopted and forwarded to the Congress by this legislature, and again memorializes the Congress to provide a protective tariff adequate to protect the American production of barley and other farm products against foreign competition, and requests the national administration not to make further reciprocal tariff or trade agreements by which the interests of the American farmers are sacrificed; be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, to the Secretary of the Treasury, to both Houses of Congress and to each Wisconsin Member thereof.

Mr. KING submitted the following memorial of the Legislature of the State of Utah, which was referred to the Committee on Interstate Commerce:

Memorializing the Congress of the United States of America for the purpose of opposing passage of (1) H. R. 3263, which bill has for its objective the repeal of the long- and short-haul provisions of section 4 of the Interstate Commerce Act, or (2) any other bills that may be introduced in the Congress having for their objective the repealing or modification of the said long- and short-haul provisions of section 4 of the Interstate Commerce Act

We, your memorialists, the House of Representatives and the Senate of the State of Utah, respectfully represent that—

Whereas prior to the year 1920, freight charges on shipments originating in the central and the eastern portions of the United States and terminating in the State of Utah (or vice versa) were higher than on shipments of the same traffic which moved between the East and the Pacific coast, although said shipments passed right through the State of Utah. In fact, in many instances and for a long period of time the freight charges from the East to the State of Utah (or vice versa) were constructed by adding the low overhead rates from and to the Pacific coast to the local or backhaul rates and charges from the Pacific coast to Utah (or vice versa), which charges became known as "back-haul charges"; and

Whereas such discriminatory freight rates and charges placed a severe burden upon the shoulders of all types of industries endeavoring to operate in the State of Utah and also discouraged new industries from locating in this State; and

Whereas, in 1920, as a result of these discriminatory and unreasonable practices of the railroad common carriers, the Congress of the United States of America declared it unlawful for said railroad common carriers to make lower freight rates and charges for longer than for shorter hauls when the shorter haul is in the same route as the longer haul, with the exception that such departure would be permissive when authority was granted by the Interstate Commerce Commission under certain reasonable restrictions; said law is now known as the "long- and short-haul clause of section 4 of the Interstate Commerce Act"; and

Whereas in the administration of this law the Interstate Commerce Commission—a most qualified, disinterested, and impartial judge—has, with few exceptions, consistently refused to permit a return of such discriminatory freight charges, although the rail carriers have been persistent in seeking such departures from said fourth section; and

Whereas by reason of this fact, a strong effort is being made to strip the Interstate Commerce Commission of its present power, in the form of H. R. 3263, which, if enacted, would completely repeal this protective long- and short-haul clause of section 4 of the Interstate Commerce Act; and

Whereas Hon. Joseph B. Eastman, Federal Coordinator of Transportation, appointed by the President of the United States, has, in the pursuance of his duties, recommended to the Congress of the United States of America that said long- and short-haul clause of section 4 of the Interstate Commerce Act be neither repealed nor emasculated, and that this same recommendation was made by the legislative committee of the Interstate Commerce Commission, and both of these recommendations are of recent origin, having been submitted during the early part of the year 1934;

Now, therefore, your memorialists urgently request that the Congress of the United States of America do not pass said H. R. 3263 or any other bill having for its intent or purpose the repeal or modification in any degree whatsoever of the long- and short-haul provisions of section 4 of the Interstate Commerce Act: Be it

Resolved, That this memorial be sent to each of the Representatives of the congressional delegation from the State of Utah to the United States Congress and to each Member of said Congress.

Mr. BARBOUR presented the following concurrent resolution of the House of Assembly of the State of New Jersey, which was referred to the Committee on Banking and Currency:

A concurrent resolution memorializing the President and Congress of the United States to pass immediately "A bill to provide relief to depositors in closed national banks; to promote resumption of industrial activity, increase employment, and restore confidence by fulfillment of the implied guaranty by the United States Government of deposit safety in national banks"

Whereas millions of dollars of the life's savings of millions of depositors are now frozen and unavailable in closed national banks; and

Whereas millions of dollars of valuable securities, assets in closed national banks, are now being liquidated at a greatly depreciated value; and

Whereas unless immediate relief is given to the millions of depositors in closed national banks they will lose their homes; and

Whereas unless immediate relief is given to the thousands of small business enterprises whose assets are frozen in closed national banks they will be unable to struggle along any further in the maintenance of their business; and

Whereas unless immediate relief is given to the millions of depositors and thousands of small business enterprises the present army of unemployed and suffering human beings will necessarily increase to alarming proportions; and

Whereas there is not any adequate means of refinancing the millions of depositors and thousands of small business enterprises, leaving them at the mercy of their mortgagees and creditors throughout this State and Nation; and

Whereas one of the most deplorable conditions of today is the economic suffering of millions of depositors in closed national banks; and

Whereas such conditions strike at the very foundation of our lives and our Government, tending, if unabated, to result in absolute disregard and disruption of our moral, social, and governmental life, resulting in chaos and internal strife; and

Whereas it is of vital importance to the welfare of the people and the Government of the United States that all things be done to promote the stability of the economic life of our people and the government of the State of New Jersey and all other States throughout the Union; and

Whereas it rests within the power of Congress to protect and maintain our moral, social, and governmental life by the enactment of a bill to provide relief to depositors in closed national banks, sponsored and introduced by the Honorable W. WARREN BARBOUR and the Honorable A. HARRY MOORE, United States Senators from the State of New Jersey: Therefore be it

Resolved by the House of Assembly of the State of New Jersey (the senate concurring):

1. That the Congress of the United States be, and it is hereby, memorialized to give relief to the depositors in closed national banks by the immediate passage of the following bill sponsored and introduced in the Seventy-fourth Congress by the Honorable W. WARREN BARBOUR and the Honorable A. HARRY MOORE:

"A bill to provide relief to depositors in closed national banks; to promote resumption of industrial activity, increase employment, and restore confidence by fulfillment of the implied guaranty by the United States Government of deposit safety in national banks

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Reconstruction Finance Corporation be, and is hereby, authorized and directed to purchase and acquire from the receivers or conservators of closed national banks all remaining assets of such banks which date of closing was on or after January 1, 1930. The Reconstruction Finance Corporation, upon application by the receivers or conservators of such closed banks, and upon receipt of such remaining assets, shall immediately make available to such receivers or conservators, as payment for such assets, funds sufficient to pay 60 percent due on the proved claims of depositors in such closed banks.

"SEC. 2. If in the reorganization or reopening of any bank any depositor shall have taken capital stock or other form of property for his deposit, or any part thereof, the Reconstruction Finance Corporation is hereby authorized and directed to purchase of such depositors, on application, such portion of said capital stock or other property, as will enable said depositor to receive 60 percent in cash on his deposit after deducting whatever payment or credit said depositor has received in cash.

"SEC. 3. That upon the transfer of their remaining assets to the Reconstruction Finance Corporation and upon receipt of the funds received as payment therefor, the receivers or conservators of such closed banks shall immediately arrange to disburse such funds to the depositors of such banks: *Provided, however*, That where depositors' obligations, notes, etc., which have been pledged to the R. F. C. or other Federal agency, then in that case, the R. F. C. shall be subrogated to the depositors' rights to the amount due them from the depositors' share of 60 percent.

"SEC. 4. That the assets so purchased shall be liquidated by the Reconstruction Finance Corporation and, with the exception of assets in the form of unsecured notes, the Reconstruction Finance Corporation shall allow debtors a period of not to exceed 10 years in which to pay their indebtedness as evidenced by such assets. The Reconstruction Finance Corporation shall have full discretion concerning terms of liquidation of assets in the form of unsecured notes and may, when it deems such a course advisable, insist upon such terms of payment and such additional security from the debtor as it may deem advisable. No owner of stock in bank affected by the provisions of this act shall be relieved of any assessment or other liability to which he is subject under any existing Federal or State law previous to enactment of this act. The assessment liability of stockholders within the meaning of this act shall be construed as asset and as such shall be included with any and all other assets so purchased by the Reconstruction Finance Corporation.

"SEC. 5. That regardless of any previous contract or agreement on the part of any person, the rate of interest paid to the Reconstruction Finance Corporation on such assets by the debtors shall be reduced to 4 percent per annum, and that for the purposes of this act any statute of limitations shall be waived and held not to apply to any transaction referred to or covered by provisions of this act. Nothing herein contained, however, shall prevent any debtor from anticipating payment on any such indebtedness."

2. That copies of this resolution, duly certified by the speaker and the clerk of the house of assembly, respectively, be forthwith transmitted to the President of the United States, the President of the Senate, the Speaker of the House of Representatives of the Congress of the United States, and to each Member of the Senate and the House of Representatives of the United States, and to the Honorable W. WARREN BARBOUR and the Honorable A. HARRY MOORE, United States Senators from New Jersey, the sponsors of this measure.

3. That this concurrent resolution shall take effect immediately.

Mr. NORRIS presented the following resolution of the Senate of the State of Nebraska, which was referred to the Committee on Agriculture and Forestry:

Resolution petitioning the Congress of the United States to promote, initiate, and support any legislation for the purpose of requiring all motor-vehicle fuels to contain ethyl alcohol in a volume of not less than 10 percent of the mixture

Whereas a fuel for internal combustion engines has been developed consisting of 10 percent or more of ethyl alcohol made from agricultural products with gas; and

Whereas the use of ethyl alcohol mixed with gas has passed the experimental stage and been proved in foreign countries and by many tests in this country to increase the mileage and power obtainable from each gallon of fuel; and

Whereas a number of foreign countries, including Germany and France, require that each gallon of gas contain as high as 25 percent of ethyl alcohol, and use of such mixture has proved successful in said countries; and

Whereas the manufacturers of the alcohol used in producing this new fuel would provide a large market for the surplus corn from which the alcohol is made, thus supplying a market for corn that was practically wiped out by the substitution of the use of motor vehicles for the use of horses; and

Whereas this new market would tend to raise the price of corn and agricultural commodities and thereby improve conditions in the agricultural regions now prostrated and would furnish the gasoline consumer with a fuel equal to the best grade of gas; and

Whereas many tests have demonstrated the advisability of a mixture containing 10 percent of such ethyl alcohol or more; and

Whereas it is the sense of this senate that the highest percentage of alcohol obtainable for use in the aforesaid fuel should be required by legislation to give the utmost aid and benefit to agricultural regions and thereby speed and promote national prosperity: Therefore be it

Resolved by the Senate of the State of Nebraska in its fiftieth session assembled:

SECTION 1. That the Secretary of Agriculture of the United States, the Members of Congress from Nebraska, and the Congress be urged to promote, initiate, and support any legislation for the purpose of requiring all motor-vehicle fuels to contain ethyl alcohol made

from surplus agricultural products grown within the continental limits of the United States in a volume of not less than 10 percent of the mixture.

SEC. 2. That a copy of this resolution be sent to the Secretary of Agriculture of the United States, to the President of the United States Senate, to the Speaker of the House of Representatives of the United States, to the Members of the United States Senate, and Members of the House of Representatives from the State of Nebraska.

Mr. NORRIS also presented the following resolution of the House of Representatives of the State of Nebraska, which was referred to the Committee on Agriculture and Forestry:

Resolution memorializing the Congress of the United States to enact no livestock processing taxes

Whereas there is a proposal before the Congress of the United States to place a processing tax on livestock supposedly for the purpose of aiding the farmers and livestock men in the Middle West; and

Whereas the passage of such an act would not benefit those persons supposed to receive benefits of such proposed legislation, but would hinder and harm such persons in their property and business; and

Whereas the farmers and livestock men in this State are unalterably opposed to the principle of enacting processing taxes on livestock: Now, therefore, be it

Resolved by the House of Representatives of the State of Nebraska, in fiftieth session assembled:

1. That this house respectfully petitions and memorializes the Congress of the United States not to pass any additional livestock processing taxes of any kind, as it is the sense of our people in Nebraska that such processing taxes upon livestock are detrimental to the best interests of farmers and livestock men in our State.

2. That the chief clerk of this house is hereby ordered and directed forthwith to forward a copy of this resolution, properly authenticated and suitably engrossed, to the President of the United States, to the Vice President of the United States, to the Speaker of the House of Representatives of the United States, and to each United States Senator and Congressman representing the State of Nebraska in the Congress of the United States, to the end that our Senators and Representatives, acting in concert, shall, without delay, take such necessary steps to protect our rights and to prevent the enactment of any legislation by the Congress for placing a processing tax upon Nebraska livestock.

Mr. COPELAND presented resolutions adopted by Lincoln Council, No. 10, of Brooklyn, and Oceanside Council, No. 114, of Oceanside, of the Junior Order American Mechanics, all in the State of New York, favoring the passage of legislation reducing immigration by 40 percent, and creating in the Department of Justice a Bureau of Alien Deportations, which were referred to the Committee on Immigration.

He also presented a resolution adopted by the Women's Auxiliary of Syracuse (N. Y.) Post, No. 41, American Legion, protesting against the enactment of legislation providing that religious views or philosophical opinions against war or the bearing of arms in defense of this country shall not debar aliens otherwise qualified from citizenship, which was referred to the Committee on Immigration.

He also presented a resolution adopted by Kings Highway Youth Branch of the American League Against War and Fascism, of Brooklyn, N. Y., protesting against the enactment of alien and sedition legislation to suppress civil rights, which was referred to the Committee on Immigration.

He also presented a resolution adopted by the People's Open Forum, of Jamestown, N. Y., favoring the enactment of unemployment insurance, old-age pension, and social-security legislation, which was referred to the Committee on Finance.

He also presented resolutions adopted by the Long Island Chamber of Commerce, of New York City, and the Lions Club, of Brewster, N. Y., protesting against the enactment of legislation inimical to public utility companies, which were referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the Greece Central Parent-Teacher Association, of Greece, N. Y., favoring the enactment of legislation to establish a national film institute in the Department of the Interior, which was referred to the Committee on Interstate Commerce.

He also presented resolutions adopted by the Warsaw Village Board, of Warsaw, and Seneca Grange, No. 284, Patrons of Husbandry, of Stanley, in the State of New York, favoring the enactment of legislation to regulate motor vehicles engaged in interstate commerce, which were referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the Syracuse (N. Y.) Association of Credit Men, favoring amendments to the present bankruptcy act relating to credit matters, which was referred to the Committee on the Judiciary

He also presented a resolution adopted by the United Spanish War Veterans, Samuel M. Porter Camp, No. 45, of Jamestown, N. Y., favoring the enactment of legislation making it a crime to advocate or promote the overthrow of the Government of the United States by force or violence, and providing for the exclusion and expulsion of alien Communists, which was referred to the Committee on the Judiciary.

He also presented resolutions adopted by Stanley B. Pennock Post, No. 2893, Veterans of Foreign Wars of the United States, of Solvay, and Wolfe Tone Council of the American Association for Recognition of the Irish Republic, of New York City, all in the State of New York, favoring the enactment of legislation providing for the issuance of a commemorative stamp in honor of Commodore John Barry, which were referred to the Committee on Post Offices and Post Roads.

He also presented a petition of sundry citizens of New York City, N. Y., praying for the enactment of legislation providing for the issuance of a commemorative stamp in honor of Commodore John Barry, which was referred to the Committee on Post Offices and Post Roads.

OPERATIONS OF N. R. A.

Mr. WAGNER presented a telegram from G. A. Copeland, treasurer of Brack Container Corporation, of Rochester, N. Y., which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

ROCHESTER, N. Y., *March 25, 1935.*

Hon. ROBERT F. WAGNER,
United States Senate:

Following statistics are foundation demanding you support President fight continuing N. R. A. 2 more years: Operate small box factory employing 60 people; 1932 pay roll, $42,000; 1934 pay roll, $61,000. Raw materials purchased: 1932, $116,000; 1934, $236,000. Believe N. R. A. alone responsible for upturn. Respectfully ask you wire immediately how you will vote on this issue.

G. A. COPELAND,
Treasurer Brack Container Corporation.

ADMINISTRATION OF N. R. A.—30-HOUR WEEK

Mr. WAGNER presented a telegram from Endicott Johnson Corporation, Endicott, N. Y., which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

ENDICOTT, N. Y., *March 23, 1935.*

Hon. ROBERT F. WAGNER,
Senate Office Building:

We believe our New York Senators and Congressmen in Washington would like to know our position in respect to two vital questions now under consideration. We favor and strongly urge continuance of N. R. A. for another 2-year period, as advocated by the President. Discontinuance of all the good things that have resulted through N. R. A., meaning maximum hours, minimum wages, and abolishment of child labor, and failure to enact Federal legislation to further protect these important things would be a serious mistake that would do more harm through increasing unemployment and lowering wages to workers and further retarding recovery than anything that could possibly happen at this time. We are not in favor of and vigorously protest against the enactment of any bill that would arbitrarily set the hours of labor, as the Black bill in the Senate and the Connery bill in the House provides. Hours of work for industries should be planned through N. R. A. by industries themselves. The effect of a uniform work week of 30 hours would greatly increase prices, reduce standards of living, increase unemployment, and retard recovery.

ENDICOTT JOHNSON CORPORATION,
GEORGE F. JOHNSON, *Chairman.*
GEORGE W. JOHNSON, *President.*
CHAS. F. JOHNSON, Jr.,
Vice President and General Manager.

ENVELOP INDUSTRY CODE

Mr. FLETCHER. I present a communication from the Envelope Manufacturers' Association of America and ask that the first page be printed in the RECORD and that the entire communication be referred to the Committee on Finance.

There being no objection, the communication was referred to the Committee on Finance, and the first page was ordered to be printed in the RECORD, as follows:

ENVELOPE MANUFACTURERS' ASSOCIATION OF AMERICA,
ADMINISTRATIVE AGENCY FOR CODE
AUTHORITY, ENVELOP INDUSTRY,
New York City, March 23, 1935.

Senator DUNCAN U. FLETCHER,
Washington, D. C.

FACTS PROVE N. R. A. HELPS SMALL BUSINESS

DEAR SIR: Do codes hurt small business?

Not in the envelop manufacturing industry, where small businesses are 90 percent of the companies.

Attached figures show how under the envelop industry code:

	Percent
Big companies' volume dropped	7
Small companies' volume gained	8
Very small companies' volume gained	20

If N. I. R. A. is not extended with provisions to restrain unfair competition, the small businesses in the envelop industry will lose their gains.

A second sheet of figures is attached showing how this industry of small enterprises has increased wages 28 percent, and the number of its employees 16 percent.

If Congress allows ruthless competition to come back, envelop manufacturers will find it hard to take care of their 9,000 employees.

Very truly yours,

ROLAND R. BLISS,
Executive Secretary.

REPORTS OF COMMITTEES

Mr. COPELAND, from the Committee on Commerce, submitted a report (No. 361) to accompany the bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics and to regulate traffic therein, to prevent the false advertisement of food, drink, drugs, and cosmetics, and for other purposes, heretofore reported by him.

Mr. KING, from the Committee on the District of Columbia, to which was referred the bill (S. 395) relative to the qualifications of practitioners of law in the District of Columbia, reported it with amendments and submitted a report (No. 372) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 2333) for the relief of John W. Dady, reported it without amendment and submitted a report (No. 371) thereon.

Mr. LOGAN, from the Committee on Military Affairs, to which was referred the bill (H. R. 3071) for the relief of Second Lt. Charles E. Upson, reported it with an amendment and submitted a report (No. 368) thereon.

Mr. DICKINSON, from the Committee on Military Affairs, to which was referred the bill (H. R. 2117) for the relief of Cora A. Snyder, reported it without amendment and submitted a report (No. 369) thereon.

He also, from the same committee, to which was referred the bill (H. R. 1575) to correct the military record of John S. Cannell, deceased, reported it with amendments and submitted a report (No. 370) thereon.

Mr. DUFFY, from the Committee on Military Affairs, to which was referred the bill (S. 983) for the relief of Grady D. Coleman, reported it without amendment and submitted a report (No. 373) thereon.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. BANKHEAD:

A bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. GIBSON:

A bill (S. 2368) to promote safety of life and property at sea and to aid in preventing marine disasters; to the Committee on Commerce.

By Mr. ASHURST (by request):

A bill (S. 2369) to amend an act entitled "An act to provide for the repatriation of certain insane American citizens", approved March 2, 1929 (45 Stat. 1495); to the Committee on the Judiciary.

By Mr. FLETCHER:

A bill (S. 2370) for the relief of Okaloosa County, Fla.; to the Committee on Claims.

A bill (S. 2371) for the relief of Margaret G. Baldwin; to the Committee on Foreign Relations.

By Mr. HALE:

A bill (S. 2372) for the relief of Chase, Leavitt & Co. (with accompanying paper); to the Committee on Claims.

By Mr. STEIWER:

A bill (S. 2373) for the relief of Harry Jarrette; to the Committee on Claims.

By Mr. THOMAS of Oklahoma:

A bill (S. 2374) for the relief of Elliott H. Tasso and Emma Tasso; to the Committee on Claims.

A bill (S. 2375) authorizing an appropriation for payment to the Osage Tribe of Indians on account of their lands sold by the United States; to the Committee on Indian Affairs.

A bill (S. 2376) granting a pension to Effie Welsh; to the Committee on Pensions.

By Mr. TRAMMELL:

A bill (S. 2377) for the relief of W. J. DuRant; to the Committee on Claims.

A bill (S. 2378) authorizing the Secretary of the Navy to accept on behalf of the United States a bequest of certain personal property of the late Dr. Malcolm Storer, of Boston, Mass.; to the Committee on Naval Affairs.

A bill (S. 2379) making it unlawful to use the mails to solicit or effect insurance or collect insurance premiums in any State without complying with the insurance laws thereof, and for other purposes; to the Committee on Post Offices and Post Roads.

By Mr. REYNOLDS:

A bill (S. 2380) for the relief of Wilbur N. Fisher; to the Committee on Claims.

By Mr. NEELY:

A bill (S. 2381) for the relief of Harry V. Snyder; to the Committee on Claims.

A bill (S. 2382) granting a pension to Ella Beagle; and

A bill (S. 2383) granting an increase of pension to Samuel L. Haynes; to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 2384) to provide for cooperation with the States in the promotion of conservation education in the public elementary schools, high schools, colleges, and universities; to provide for cooperation with the States in the preparation of teachers, supervisors, and directors of conservation subjects on the natural resources; and to appropriate money and regulate its expenditure; to the Committee on Education and Labor.

A bill (S. 2385) granting a pension to Alice E. Pillsbury; to the Committee on Pensions.

By Mr. MALONEY:

A bill (S. 2386) granting a pension to Helen M. Crowley; to the Committee on Pensions.

By Mr. NORBECK:

A bill (S. 2387) for the relief of Jonathan L. Whitney (with accompanying papers); to the Committee on Claims.

A bill (S. 2388) authorizing and directing the Secretary of the Interior to cancel patent in fee issued to Victoria Arconge; to the Committee on Indian Affairs.

A bill (S. 2389) granting a pension to Martha Ross (with accompanying papers); and

A bill (S. 2390) granting a pension to James T. Lanpher (with accompanying papers); to the Committee on Pensions.

By Mr. WAGNER:

A bill (S. 2391) to amend section 4 of the United States Grain Standards Act of 1916 as relating to the use of the official grain standards of the United States on grain moved in interstate commerce from shipping points to destination points without official grade determination; to the Committee on Agriculture and Forestry.

(Mr. WAGNER introduced Senate bill 2392, which appears under a separate heading.)

(Mr. HATCH introduced Senate bill 2393, which appears under a separate heading.)

By Mr. SHEPPARD:

A bill (S. 2394) to authorize the transfer of certain military reservations to other departments of the Government, and for other purposes; and

A bill (S. 2395) to authorize exchange of lands at military reservations, and for other purposes; to the Committee on Military Affairs.

By Mr. THOMAS of Oklahoma (by request):

A bill (S. 2396) to amend section 4 of the act of May 31, 1933, enacted to safeguard the interests and welfare of Indians of the Taos Pueblo, N. Mex., in certain lands within the Carson National Forest; to the Committee on Indian Affairs.

By Mr. CONNALLY:

A bill (S. 2397) authorizing the retirement of First Lt. Lucius L. Handly, Medical Corps, United States Army; to the Committee on Military Affairs.

By Mr. CUTTING:

A bill (S. 2398) authorizing extensions of time on oil- and gas-prospecting permits, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. ROBINSON:

A joint resolution (S. J. Res. 92) making final disposition of records, files, and other property of the Federal Aviation Commission; to the Committee on Interstate Commerce.

By Mr. COPELAND:

A joint resolution (S. J. Res. 93) to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934; to the Committee on Commerce.

FEDERAL PUBLIC HOUSING LEGISLATION

Mr. WAGNER. Mr. President, I introduce a bill, and although it involves an appropriation, nevertheless, because it deals with the subject of housing, I am going to ask that it be referred first to the Committee on Education and Labor. It involves a subject which that committee has studied and is still studying. After that committee shall have completed its consideration of the bill, I shall ask that it be referred to the Committee on Appropriations.

There being no objection, the bill (S. 2392) to promote the public health, safety, and welfare by providing for the elimination of insanitary and dangerous housing conditions, to relieve congested areas, to aid in the construction and supervision of low-rental dwelling accommodations, and to further national industrial recovery through the employment of labor and materials, was read twice by its title and referred to the Committee on Education and Labor.

RELIEF OF WIDOW OF RAY SUTTON

Mr. HATCH. I introduce a bill for reference to the Committee on Claims. In connection with the bill I ask unanimous consent to have printed in the RECORD a brief explanation of its purport.

There being no objection, the bill (S. 2393) for the relief of the widow of Ray Sutton was read twice by its title and referred to the Committee on Claims.

The statement of Mr. HATCH was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR CARL A. HATCH IN CONNECTION WITH A BILL FOR THE RELIEF OF THE WIDOW OF RAY SUTTON

Ray Sutton was one of the outstanding peace officers of the West. I was personally acquainted with him for many years. His reputation as a citizen, man, and officer was very high. When I say that he was faithful and loyal in the discharge of all duties, I speak from personal knowledge and acquaintance. Many times Mr. Sutton appeared as a witness in a court over which I presided. I frequently marked the honesty and straightforwardness with which he testified and how impressive he was in his testimony before the juries of the State, and especially before those juries with whom he had personal acquaintance.

He was noted for his courage and fearlessness. He rarely resorted to force in making arrests and in dealing with criminals. In fact, it was commonly known throughout the State that Ray Sutton rarely went armed. Perhaps his very courage and bravery caused him to be a victim of what I believe to be one of the foulest and most uncalled for murders ever perpetrated in my State.

For a number of years before 1930 Mr. Sutton had been employed in the prohibition forces of the United States Government. In that capacity he served his Government with loyalty and faithfulness. On August 28, 1930, while in the discharge of official duties, we in New Mexico believe he was waylaid and murdered by criminals whose arrest he was seeking. It has been frequently said in my State that Sutton was engaged in securing evidence against an alleged gang of criminals operating in Colorado and New Mexico. On the morning of August 28, Ray Sutton disappeared. His body has never been found, and no man knows with certainty what happened to Ray Sutton. After failing to receive Mr. Sutton's daily report for several days the Government began an investigation. The Government car which he had been using was found secreted in a lonely and distant canyon in the mountain area.

It was known that Agent Sutton had his current salary check on his person at the time of his disappearance. Later this check was cashed at Trinidad, Colo., by a person who exhibited a Masonic ring and lodge card bearing Agent Sutton's name for identification purposes. This party was charged with forging the check, was tried, but was acquitted.

Many rumors are current as to how Sutton was murdered and his body so effectively disposed of, but prohibition officers, the United States attorney, and State officers all believe without question that Sutton was murdered and that his body was either buried or weighted and deposited in one of several lakes in the locality in which his car was found, or perhaps concealed in some abandoned, obsolete mines.

Sutton left surviving him a widow and two children. Ordinarily, under the Employees' Compensation Act and civil service retirement fund, his family would be entitled to compensation. But, due to absence of proof of the actual death of Sutton, it has been ruled that these benefits cannot be made payable to the widow until after the statutory period of 7 years has elapsed. The purpose of the bill I have introduced is to authorize the Secretary of the Treasury to pay to Mrs. Sutton the salary and expense-account checks which were made out to him before his disappearance, and also to make available immediately to the widow the benefits to which she would be entitled from the United States Employees' Compensation Commission and the civil service retirement fund. It goes without saying that Mrs. Sutton is in need of this money. The payment of Sutton's life insurance is also being held up until the expiration of the statutory period, I am informed.

I am told the Department of Justice concurs in my view that these payments should be made now and Mrs. Sutton should not be compelled to wait 7 years before payment is made. It may be added that the Government has spared no expense in seeking to solve the mystery which surrounds the death of Ray Sutton. The Department knows he was above the average as an enforcement officer. We in New Mexico are more than convinced, as I have said, that he was murdered in a most foul manner. We think the benefits payable to the widow should be made now, and it is not quite fair to ask her to wait the full 7 years before the payments can be made. Our chief hope is that the Government will continue its efforts to bring the guilty ones to justice, and we have faith that some day the mystery surrounding the death of Ray Sutton will be solved and his murderers will pay the penalty which they so richly deserve.

It is a pleasure for me to introduce this bill and make this statement concerning a man whom I knew to be honest, loyal, faithful, and true to every obligation of citizen and official, and who was my friend.

AMENDMENT TO AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. McGILL submitted an amendment intended to be proposed by him to House bill 6718, the Agricultural Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

After the figures 1906, in line 22 on page 4 of the bill, strike out the comma and insert a period, and strike from the bill on page 4 thereof lines 23 and 24.

AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. HATCH submitted an amendment intended to be proposed by him to House bill 6223, the Interior Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 11, between lines 11 and 12, insert the following new paragraph:

"The act entitled 'An act to fix the compensation of registers of local land offices, and for other purposes', approved May 21, 1928, is amended by striking out '$1,000' and inserting in lieu thereof '$2,000.'"

AMENDMENT TO 30-HOUR WEEK BILL

Mr. BORAH submitted an amendment intended to be proposed by him to the bill (S. 87) to prevent the shipment in interstate commerce of certain articles and commodities, in connection with which persons are employed more than 5 days per week or 6 hours per day, and prescribing certain conditions with respect to purchases and loans by the United States, and codes, agreements, and licenses under the National Industrial Recovery Act, which was ordered to lie on the table and to be printed.

REPEAL OF PUBLICITY SECTION OF REVENUE ACT OF 1934—AMENDMENT

Mr. COSTIGAN submitted an amendment intended to be proposed by him to the bill (H. R. 6359) to repeal certain provisions relating to publicity of certain statements of income, which was ordered to lie on the table and to be printed.

CHANGE OF REFERENCE

Mr. HAYDEN. Mr. President, on March 4, 1935, the Senator from Colorado [Mr. COSTIGAN] and the Senator from New Mexico [Mr. HATCH] joined in the introduction of the bill (S. 2149) to provide for the protection of land resources against soil erosion, and for other purposes. At that time the bill was properly referred to the Committee on Public Lands and Surveys. In the meantime the Soil Erosion Service has been transferred to the Department of Agriculture, and I now ask that the Committee on Public Lands and Surveys be discharged from the further consideration of the bill and that it be referred to the Committee on Agriculture and Forestry.

The VICE PRESIDENT. Without objection, it is so ordered.

HOUSE BILL REFERRED

The bill (H. R. 6511) to amend the air mail laws and to authorize the extension of the Air Mail Service was read twice by its title and referred to the Committee on Post Offices and Post Roads.

OPERATION OF N. R. A. CODES

Mr. DUFFY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, as a part of my remarks, two letters received by me with reference to the operation of codes under the N. R. A., and particularly I want to call attention to a letter from Mr. Vail, whom I knew for many years as a manufacturer of refrigerators in my home city.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

HOUSEHOLD ICE REFRIGERATOR INDUSTRY,
Chicago, March 20, 1935.

Hon. RYAN DUFFY,
Senate Office Building, Washington, D. C.

DEAR SENATOR DUFFY: The investigation being conducted by the Senate Judiciary Committee on N. R. A. is attracting wide attention, and due to some very unfavorable reports, which have been issued by the hostile press, I think it fitting that some statement should be included in the record from the side of industry.

I was engaged in the manufacture of refrigerators for upward of 20 years and have, since the signing of the Code of the Household Ice Refrigerator Industry, served as the administrative officer for the industry and have had opportunity to observe the workings of the code and results, which I shall later refer to.

During the years 1930, 1931, 1932, and 1933 conditions in the refrigerator industry were gradually growing worse. In the wild scramble for business and in the endeavor to keep factories working at least part time, prices, terms, and sound business methods were completely demoralized, with the result that there was no price on the commodity referred to, so that most of the factories lost money steadily and several were obliged to close their doors. In a situation such as this the manufacturer naturally looks for ways to reduce his costs and usually the first thing he hits upon is the reduction of labor rates.

In the industry to which I refer, previous to 1929 the average working hours were 60 hours a week and the wages ranged anywhere from 17 to 28 cents per hour. When Congress saw fit to pass the National Recovery Act, industry experienced some encouragement, and in writing the code, which was later approved by the President, they consented to shorter hours, the abolition of child labor, and a minimum wage of 35 cents an hour. They also wrote into the code specific terms and other sound trade practices.

A year's operation under this code shows that the encouragement was well founded, and the provisions of the code have been complied with by at least 95 percent of the members of the industry. On the profit side, the manufacturers have shown a substantial increase in their unit sales and an actual increase in employment of 50 percent in numbers.

The administration of the code has not worked a hardship on any member, the rate of assessment being set at 1 mill on the dollar on gross sales. There may have been racketeering in some industries but such is not the case in this one. The contributions have been entirely on a voluntary basis and no member has expressed any dissatisfaction on this score, as complete reports of production, sales, wages, etc., are furnished them monthly.

Several amendments have been made to the code and as it stands today it represents the wishes of the industry.

There has been much loose talk through the newspapers and elsewhere of cases like the battery manufacturer in Erie, Pa., who claims that he cannot afford to pay more than 25 cents an hour to his help. My answer to such individuals would be that they have no business to be engaged in manufacture, as labor cannot exist on such wages.

So far as this industry is concerned, it believes in paying a fair wage and in conducting business upon sound principles, and the members of the industry attribute their improved conditions to the operation of N. R. A.

We have heard some propaganda suggesting that the National Industrial Recovery Act be allowed to lapse on June 16, but my contact with members of not only this industry but many other industries from coast to coast leads me to the statement that if N. R. A. folds up on June 16 we will witness the worst price war that we have ever had, a slashing of wages, and general chaos in the labor market. If an attempt is made to continue the N. R. A. embodying only the hour and wage provisions, it would be another law impossible of enforcement. So long as industry is allowed to retain the trade practices it will observe the hour and wage provisions of the codes, but not otherwise.

Naturally, in the enforcing of a law of such far-reaching effect there will be some impositions and some mistakes made, but if the senatorial committee having this matter in charge will summon before them men who have had opportunity to observe the actual workings of these codes, who are not prejudiced by politics or otherwise, they will find a sentiment for the continuance of the law practically in its present form for at least another 2 years.

Yours very truly,

E. G. VAIL.

CRUCIBLE STEEL CASTING CO.,
Milwaukee, Wis., March 19, 1935.

Senator F. RYAN DUFFY,
Washington, D. C.

DEAR SIR: For 5 years we have battled red figures but from the time that the Steel Casting Industry Code was adopted our tonnage increased from 100 to 300 percent, and we have slowly and moderately come back into black figures.

Our men are happier and our hopes are revived in the belief that we can continue in business now for future years. We are a small enterprise and employ not over 250 men. We cannot state emphatically enough that the N. R. A. is the only arrangement that has done this thing for us.

We hope that your minds will not be affected by the small minority of chiselers and newspapers who are not telling the truth. The open-price plan in our particular code is a wonderful thing for our industry and should be kept up by all means.

Yours very truly,

CRUCIBLE STEEL CASTING CO.,
W. W. LANGE, *Vice President.*

IMPORTATIONS OF GRAIN ON EASTERN SEABOARD

Mr. VAN NUYS. Mr. President, I send to the desk and ask to have printed in the RECORD a letter from a constituent of mine in Indiana, together with a reply to the letter addressed to me and signed by the Secretary of Agriculture. The correspondence relates to what are stated to be heavy importations of grain into the United States, and, as bearing on this subject, it seems to me that the letter of the Secretary of Agriculture is very illuminating.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

INDIANA FARMERS MUTUAL INSURANCE CO.,
Indianapolis, Ind., January 28, 1935.

Senator FREDERICK VAN NUYS,
Senate Office Building, Washington, D. C.

DEAR SENATOR: While I have never met you personally, yet I feel that I am acquainted with you because of your public activity and the things you have done. The burden of my letter is to secure some positive information touching a certain matter in connection with agriculture. It is this:

A friend of mine who has a lifetime of experience in the grain business as a manufacturer has a son who is connected with the purchase and selling of grain and has a lot of contact with boards of trade in Indianapolis, Chicago, and elsewhere. From this point of contact I am told that no grain—that is, corn, oats, or wheat—is being sold east of Ohio's eastern State line; that the grain being supplied in the district between there and the Atlantic, which would take in all of the New England States, is imported from France and Argentina. Further, that because of this, ere many months, corn will drop back to near 50 cents per bushel, although it is commanding a rather attractive price at this time.

I would like to have your comment on this situation if such exists, or, in other words, I would like to know if it does exist. My contention has always been, Senator, that if we had the American market for the American producer we would not suffer so greatly because of not having a foreign market. Further, the question arises in my mind, Why have the hog-corn control for the Corn Belt of this country and then permit a good portion of the United States markets to go to foreign trade? If this market was had by the American farmer in the great corn and wheat producing area, it surely would help a lot toward a good price. This surely could be maintained for the American farmer by a good tariff.

Pardon me for my discussion if it seems lengthy, and I hope you will not think I have transgressed in writing you. I would like to have your comment for the reason that, while I am interested in

insurance and am connected with the second largest mutual insurance company in the United States writing like coverage, I am also interested in agriculture, having a good farm consisting of 275 acres. This is good land for any one of the grain crops. Diversified farming is followed on this farm at the present time.

Assuring you that I shall appreciate a reply, I beg to remain,

Yours very truly,

ARTEMUS H. MYERS, *President.*

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 25, 1935.

Hon. FREDERICK VAN NUYS,
United States Senate.

DEAR SENATOR VAN NUYS: In reply to your letter of February 8, 1935, transmitting an inquiry from Mr. Artemus H. Myers, president of the Indiana Farmers Mutual Insurance Co. of Indianapolis, Ind., I take pleasure in giving you a statement regarding the policies of the Department of Agriculture in respect to the production and importation of grains.

Mr. Myers states that he has heard indirectly that because of the excessive restriction of production, no domestic grain (corn, wheat, or oats) is now being sold in the Atlantic Coast States, all being supplied from France and Argentina, and that because of this importation, corn will soon decline to about 50 cents per bushel. He asks whether this is true, and states that if it is correct the restriction and tariff policies need modification. He desires higher tariffs so that the domestic market may be reserved for the American producer.

In common with many others, Mr. Myers is apparently under the impression that the Department of Agriculture has restricted the production of all grains, and that decreases in the supply must be ascribed mainly to such action. Wheat and corn are the only grain products under restriction, and heavy declines in production of oats, barley, and rye are due solely to drought. Inasmuch as the Department of Agriculture has had nothing to do with control of these latter grains, no discussion of their movement will be given, and attention will be confined to corn and wheat alone.

The United States imported 2,959,256 bushels of corn during the calendar year 1934, but it exported 2,987,419 bushels. This country is therefore not on an import basis. Both import and export were insignificant in comparison with the domestic production which was 1,380,718,000 bushels during the year. Expressed as a ratio, there was 1 bushel of corn imported for every 450 bushels raised domestically. The rumors regarding the volume of corn imports, or their effect in closing the markets in the Atlantic States, are therefore not to be taken seriously.

The potential effect of Argentine corn on domestic grain prices is also much exaggerated. There would appear to be little or no possibility that quotations for our corn will be forced to the 50-cent market, as can be seen from the following calculations:

Buenos Aires future price (Feb. 26) for corn:	*Per bushel*
For March delivery	$0.40⅞
For May delivery	.39⅜
Average	.40
Ocean freight (approximately)	.10
United States tariff duty	.25
Cost at New York, minus profit	.75

Thus the corn could not be sold in our Atlantic ports for local consumption at anything less than, say, 80 cents per bushel, and to reach interior markets would have to pay rail freight in addition.

The following table regarding corn production and prices may be of interest in connection with the discussion of restriction policies:

Year	Acreage harvested	Production		Farm value per bushel	Total
		Per acre	Total		
1932	108,668,000	26.8	2,906,873,000	$0.192	$558,902,000
1933	103,260,000	22.8	2,351,658,000	.393	924,930,000
1934	87,486,000	15.8	1,380,718,000	.786	1,085,565,000

It will be noted that the production during 1934 was somewhat less than half the 1932 figure, but that the price increased from 19.2 cents per bushel to 78.6 cents, and the farm value of the corn crop almost doubled. The decline in yield per acre was, of course, due to drought, and one-fourth of the reduction in harvested acreage was due to abandonment because of unfavorable weather. The reduction in production had a strong effect in increasing the price; but a large part of the price increase was due to vigorous Government action in 1933 and 1934, especially the corn-loan program.

The extent to which the low corn supplies were due to the drought, and the extent to which they were due to the adjustment program is indicated by the following comparison:

If there had been no acreage reduction in 1934, and an average yield per acre had been harvested (27.2 bushels), the crop would have been 2,800,000,000 bushels.

If acreage had been reduced only as much as required by corn-hog contracts, and an average yield per acre had been harvested, the crop would have been about 2,450,000,000 bushels.

With part of the planted acreage abandoned and yield per acre on the remainder cut down to 58 percent of normal, the crop was actually 1,381,000,000 bushels. The actual crop was about 1,420,000,000 bushels short of an average crop on an unreduced acreage. Of this shortage, 350,000,000 bushels (one-quarter) was due to the reduction program and 1,070,000,000 bushels (or three-quarters), was due to the acreage abandonment and low yields resulting from the 1934 drought.

As regards wheat, it is to be noted that imports amounted to 18,542,395 bushels in 1934, while exports were 16,968,589 bushels, and if we include the wheat equivalent of flour exports, approximately double this figure. Only 9,000 bushels of the imported wheat came from countries other than Canada. The imports were not extraordinarily large, having been exceeded in both 1928 and 1930, among recent years. Imports commonly average about 12,000,000 bushels, but almost none of this is imported for consumption, the great bulk of the tonnage arriving for milling in bond and subsequent exportation.

In addition to this more or less fixed "in bond" tonnage, there have also been, in 1934, considerable imports of "wheat unfit for human consumption", brought in for animal feed because of the drought; of durum, brought in because of the virtual failure of the crop of this special macaroni wheat; and of wheat for seed purposes. The drought so damaged the durum and other spring wheats that it was deemed advisable to bring in seed better capable of germinating than the stunted kernels of the domestic crop. Domestic supplies of wheat for bread-flour purposes have been adequate. The duty of 42 cents per bushel practically bars all imports for general consumption, aside from the durum attracted in over the tariff wall by reason of the acute shortage of the domestic crop.

The following tables show American wheat production and prices during the last three seasons. The effect of the drought in reducing the durum and other spring wheat production is very evident:

Domestic production

Year	Acreage harvested	Production		Value	
		Per acre	Total	Price per bushel	Total
		Bushels			
1932	57,114,000	13.1	745,788,000	$0.320	$238,828,000
1933	47,910,000	11.1	528,975,000	.679	359,048,000
1934	42,235,000	11.8	496,469,000	.871	432,441,000

The yields of the principal kinds of wheat for the 3 years are summarized below:

Year	Winter wheat	Durum wheat	Other spring wheat
1932	478,291,000	40,600,000	226,897,000
1933	350,792,000	16,737,000	161,446,000
1934	405,034,000	7,086,000	84,349,000

The same comments apply to wheat as were made in the case of corn. A smaller crop has reduced the tremendous carry-over without causing a loss of domestic markets and has at the same time almost doubled the farm value of the crop.

As regards the general matter of high agricultural tariffs and reservation of the domestic market, the Department believes that this policy can easily be carried to excess. We cannot export unless we import, and millions of our farmers are dependent on such export crops as cotton, tobacco, fruits, flour, and lard. It is impossible for this country to be self-contained in agricultural products, for certain commodities cannot be grown here, while on the other hand we have natural advantages in the production of other crops and can exchange these for the products we lack. It is impracticable, for example, to forego cotton exports, cut the acreage in half, and devote the land to some crop which we do not import, say, tea or silk. These commodities require large amounts of labor, and if produced in this country would have to sell for several times the present figure to make production remunerative. The market would be restricted by the price and few could afford their purchase. It is far easier to exchange cotton for silk, and in such cases the fewer tariff barriers, the better. The way to prosperity for our farmers does not lie through further restriction on our foreign trade. On the contrary their interest—and this applies particularly to the farmers of your own State—is on the side of restoration of foreign markets for our surplus farm products.

Sincerely yours,

H. A. WALLACE, *Secretary.*

IMPORTS OF AGRICULTURAL PRODUCTS

Mr. VANDENBERG. Mr. President, I desire to present for the RECORD certain significant import data; and then to submit a Senate resolution asking for information which it seems to me has become highly pertinent to an understanding of the economic hazard which continues to confront American agriculture.

Secretary of State Hull declared, on March 24, that we are confronting a crisis in our foreign trade, and suggested a continuation of further imports of farm and other products, and a general continuing lowering of tariff restrictions upon foreign imports. This raises a basic consideration which calls for solid facts.

Mr. President, the point I desire to emphasize at the moment is that there already is apparently an alarming increase in our farm imports. At the very moment when we are undertaking to support domestic agriculture in a substantial way by large subsidies from the Public Treasury we are supporting foreign agriculture with a constantly increasing share of the American market. That utterly paradoxical situation is confronting us. It must promptly be corrected if we are to hope for any ultimate net advantage to American agriculture or to the Republic. The latter cannot be saved until the former is adequately served.

I desire to point out, for example, that Mr. Paul Mallon reports in the Evening Star of tonight, as follows:

Foreign farm importations have been running about twice as large as last year. The March figures to be published soon will show two and one-half to three times as much as March last year.

Then he continues:

If you dig into the last official figures, you will find that the quantity of farm imports in February last year was about 15,000,000 units and this year 37,000,000. The value jumped from $3,000,000 to $10,000,000.

* * * * * * *

To afford an idea of which farm imports are increasing and how much, the following official round figures for February may be cited, showing increases over the same month of the previous year:

Butter, 3,000,000 pounds, or 5 times as much as in February 1934; live cattle, 38,000 head, 6 times as much; pork, 168,000 pounds, or 34 times as much; canned meats, 4,000,000 pounds, 3 times as much; corn, 1,800,000 bushels, or 121 times as much; wheat, 1,000,000 bushels, 28 times as much.

Mr. President, can you escape the challenge in these telltale mathematics? Can Senators indefinitely ignore these suicidal trends? Are they, or are they not, a correct reflection of the new menace to domestic agriculture and the new checkmate to domestic farm relief?

I desire also to read into the RECORD a brief paragraph from the Buenos Aires Herald indicating the viewpoint upon this problem in South America:

There is now little or no beef export trade from the United States and the existing cattle numbers are said to be from five to ten millions in excess of requirements unless the internal consumption of beef can be stimulated or the export trade revived. To add to the embarrassment of producers, thousands of cattle are imported annually from Mexico and Canada. Canned meats are imported from South America. Hides, skins, fats, and oils are imported in large quantities also.

I pause to note again that these are imports of agricultural commodities at a moment when we are attempting by Federal subsidy to support our own agriculture in the same fields. Why subsidize domestic agriculture and then defeat the advantage by permitting a large share of it, in effect, to go to alien agriculture?

I now desire to present a few more significant exhibits from South American sources, because they bear so definitely upon the problem which I am briefly discussing by way of introduction to a resolution asking for information.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Iowa.

Mr. DICKINSON. In addition to the commodities which the Senator from Michigan has already mentioned, I find, according to the report of James E. Bennett & Co., a large commission concern in Chicago, that over 1,500,000 pounds of New Zealand butter are scheduled to arrive in New York next week, and that the market shows strong indications of going still lower. I also find that live cattle have been introduced; and, according to a report from Chicago dated March 4, the week's receipts include 20 cars of Canadian cattle, which sold largely at 9½ to 10.75. Another, dated March 2, says that "yesterday's receipts of cattle were 2,500 head, including five cars of Canadian cattle."

That is a little addition to what the Senator has already read from the former report.

Mr. VANDENBERG. I thank the Senator from Iowa for the exhibit. It reiterates the proposition which I shall presently lay before the Senate in the form of a resolution asking for information.

I am proceeding on the theory that it is absolutely impossible for us intelligently to formulate either an intelligent foreign-trade policy such as the State Department and the President are now presumed to be pursuing, or an effective protective policy for our own domestic agriculture, except as we have a complete mobilization of the facts involved in these contemplations, and then face the realities and fit our policies to the realities, instead of trying to wish our way through the situation. We confront a condition, not a theory.

I desire to refer to one more exhibit before submitting the resolution.

I have before me excerpts from the trade journal named "The Review of the River Plate", published December 28, 1934, in South America. I read just a few high lights from these reports. They tell the story of what is apparently happening to American agriculture, thanks to contemporary policy. They suggest, it seems to me, that American agriculture needs more rather than less protection.

From Uruguayan ports, for example, shipments were made to Los Angeles of 9,612 cases of canned meat.

Shipments were made to San Francisco of 24,900 cases of canned meat.

This was in November and December 1934.

Shipments were made to Jacksonville of 16,420 cases of canned meat.

Shipments were made to Norfolk of 14,750 cases of canned meat.

Shipments were made to New York of 1,090 casks of tallow.

Shipments were made again to Los Angeles of 14,238 cases of canned meat.

Without burdening the Senate with the detail, I simply add a few more of the high spots.

Shipments were made to Jacksonville of 1,062 tierces of tallow. A tierce is a cask about the size of one of our gasoline barrels.

Shipments were made to Norfolk of 1,062 casks of tallow.

Shipments were made to New York of 286 cases of asparagus.

Shipments were made to New Orleans of 406 tons of oats.

Shipments were made to Houston of 305 tons of oats.

Shipments were made to Baltimore of 25 tons of maize.

Shipments were made to New Orleans of 508 tons of maize.

Shipments were made to New York of 4,420 tons of linseed.

These reports from South American sources are very complete, and they are equally significant.

I ask that the complete memorandum may be printed in the RECORD at this point in my observations.

The VICE PRESIDENT. Without objection, it is so ordered.

The memorandum is as follows:

The following are excerpts from the trade journal named "The Review of the River Plate", published December 28, 1934, which show various shipments of agricultural products from South American ports to United States ports in November and December 1934:

From Uruguayan ports—

To New Orleans, 2,000 cases canned meat.

To Los Angeles, 9,612 cases canned meat; San Francisco, 24,900 cases canned meat; Portland, 3,484 cases canned meat; Seattle, 7,520 cases canned meat.

To New York, 725 cases canned meat, 285 tierces tallow, 137 tierces stearine, 40 tierces salted tripes.

To New York, 202 bales wool; Philadelphia, 2,550 cases canned meat, 426 tons bones.

To New Orleans, 3,080 cases canned meat.

To Jacksonville, 16,420 cases canned meat; Norfolk, 14,750 cases canned meat; Baltimore, 5,750 cases canned meat.

To New York, 830 cases canned meat, 5 bales wild-animal skins, 8 bales pigskins, 1,090 casks tallow, 11 tierces tripes, 40 empty cylinders, 2 cases various.

To Boston, 750 cases canned meat; New York, 25 cases petit grain essence; Philadelphia, 1,000 cases canned meat, 785 tons bones.

To New York, 462 cases canned meat, 208 bales jerked beef, 312 cases beef extract, 25 bales wild-boar skins, 24 tierces salted tripes, 7 crates various.

To Los Angeles, 14,238 cases canned meat; San Francisco, 600 cases canned meat; San Francisco, option, 3,040 cases canned meat; Portland, 250 cases canned meat; Tacoma, 500 cases canned meat; Seattle, 250 cases canned meat.

To New York, 1,280 cases canned meat, 26 bales tanned hides, 375 bales jerked beef, 1 tierce pickled skins, 8 tierces salted tripes, 19 cases electrical materials.

From Argentinian ports—

To Jacksonville, 12,600 cases canned meat, 46 tons guano, 117 tons quebracho extract, 1,062 tierces tallow, 50 tons dried blood. Miami, 2,250 cases canned meat. Norfolk, 30 tons bones, 114 tons dried blood, 29,868 salted ox hides, 625 tons quebracho extract, 15,250 cases canned meat, 1,062 casks tallow. Norfolk-Newport News, 603 tons quebracho extract. Baltimore, 133 tierces tallow, 5,000 cases canned meat, 25 tons birdseed, 1,718 tons quebracho extract, 457 tons bones, 23 tons stearine, 286 casks tallow.

To New Orleans, 850 cases canned meat, 280 tierces tallow, 542 barrels tallow, 209 barrels stearine, 2 crates various. Mobile, 750 cases canned meat. Pensacola, 525 cases canned meat. Tampa, 500 cases canned meat.

To Los Angeles-San Francisco, 86 tons birdseed. San Francisco, 10 cylinders yerba, 1,500 cases canned meat, 25 tons birdseed, 10 tons quebracho extract, 359 salted ox hides. Oakland, 100 cases canned meat. Portland, 500 cases canned meat. Seattle, 23 tons bone powder, 100 tons guano. Tacoma, 270 cases canned meat. Honolulu, 1,000 cases canned meat, 25 cases hams.

To New York, 286 cases asparagus, 50 cases cheese, 541 cases melons, 5,000 cases canned meat, 151 tons cottonseed, 20 tons birdseed, 102 tons bran, 20 tons liver powder, 4 cases and 19 bales wild animal skins, 10 bales tobacco sticks, 138 bales sheepskins, 48 bales goatskins, 160 bales wool, 95 bales guinea straw, 42 bales cotton rags, 10 bales wild-boar skins, 10 casks bladders, 15 casks salted tripes, 13 tierces salted tripes, 3 cases dried tripes, 105 bags yerba mate, 4 cases steel cylinders, 243 casks tallow, 80 block onyx, 2 tierces gall, 3 cases motors, 4 cases various. In transit to Philadelphia, 29 bales goatskins.

To New Orleans, 406 tons oats. Houston, 305 tons oats.

To Baltimore, 25 tons maize.

To New Orleans, 508 tons maize. New Orleans-Mobile, 508 tons oats.

To New York, 4,420 tons linseed; 1,556 tons linseed; 50 tons maize; 1,340 tons linseed.

Mr. BARBOUR. Mr. President——

Mr. VANDENBERG. I yield to the Senator from New Jersey.

Mr. BARBOUR. It seems to me that very often we think only of the farmer in respect to this whole problem. I ask the Senator whether he has had any investigation made, or whether he has any figures in relation to the fishing industry. I am sure he will find a terrible situation in that industry, particularly on the Pacific coast, where the Japanese are now supplying increasingly the fish, both canned fish and fresh fish, which heretofore were caught by American citizens. I hope the Senator will include in the request he is trying to get through that field of activity, which in its way is quite as important as the agricultural activity the Senator has mentioned.

Mr. VANDENBERG. I know that the situation to which the able Senator from New Jersey refers exists, and I freely concede that the information is essential in connection with the general situation. This is a problem in all branches of agriculture and industry. But the particular resolution which I am now submitting and asking to have considered deals specifically with the agricultural problem, because it is the agricultural problem, fundamentally, which is the primary American problem at the moment. It is the agricultural problem in which we find ourselves upon the one hand paying vast sums from the Public Treasury, or vast sums by way of processing taxes to sustain it, while, on the other hand, apparently, we are constantly being infiltrated with increasing agricultural imports which serve either to dilute or ultimately to nullify the domestic policies which we are undertaking to pursue in behalf of agriculture.

Furthermore, this inquiry bears specifically upon the proposition that the Department of State and the President are engaged in the negotiation of so-called "tariff bargains" at the moment, and in every one of these tariff bargains sooner or later some agricultural product shows up as having been traded away, so far as the rights of the American farmer are concerned, in behalf of some foreign farmer in return for some theoretical advantage to some other domestic interest.

I am not attempting to argue the matter; I am asking only that the Senate request the departments of the Government where the essential information may be obtained to submit to the Senate complete studies from which it may be dependably deducted what our problem is and what the answer ought to be and whether we are on the right track.

Let us know the facts, Mr. President. Let us face the truth. Let us deal with realities. We cannot indefinitely survive upon the basis of synthetic optimism. Is it true or is it not true that at the very moment when the Department of Agriculture is making new subsidies to the American farmer in an effort to save him from extinction the Department of State is making new tariff concessions to alien agriculture which are helping drive this American farmer ever nearer to extinction? Is it true or is it not true that foreign agricultural commodities are flowing over our tariff wall in an increasing flood, regardless of these other reciprocal manipulations, which helps to drown the same American farmer whom the Agricultural Adjustment Administration is attempting to save? Is it true or is it not true that the distinguished Secretary of State cannot possibly create substantial renewal of exports in such staple crops as wheat and cotton because of the fact that our erstwhile world customers are now amply producing their own wheat and cotton? Is it true or is it not true, therefore, that the administration program is a broken reed? What are the facts? The departments have the facts. Let the facts come to Congress and the country. Then we can make intelligent decisions. I have but reported straws in the wind. Let us confront the whole authentic reality. To be sure, we have not much congressional tariff power left since we surrendered our primary authority to the President and turned protected agriculture and protected industry over to the mercies of administrators who are desperately in love with their own low-tariff ideals. But the process of mobilizing facts may prove salutary exercise for these earnest and highly respected administrators themselves and Congress, in turn, may return to its senses. Or, if all my conjectures err, the result will be a triumph for the new idea which I so fear and to which I address this scrutiny.

I am submitting the resolution which I send to the desk, and which I ask that the clerk read.

The VICE PRESIDENT. The resolution will be read.

The legislative clerk read the resolution (S. Res. 111), as follows:

Whereas it is publicly recorded that within the last 12 months there has been an influx into the United States of a large volume of agricultural products, of a kind and nature produced in the United States, which are displacing markets of our American farmers in meats, grains, and other items; and

Whereas Secretary of State Hull, in a public address on March 24, 1935, stated that we are confronting a crisis in our foreign trade, and suggests a continuation of further importation of farm products and a general lowering of our tariff restrictions; and

Whereas this country has been paying out of public funds millions of dollars to compensate farmers and stock raisers for limiting crops and reducing and destroying stock, with the object of eliminating national surpluses and thereby raising the price of the products of American farmers and stock raisers; and

Whereas the unhampered importation of competing agricultural products cannot do otherwise than injure the farmers and stock raisers by increasing our surpluses and using up our American markets, which traditionally belong to American farmers by natural law; and

Whereas it is of vital public interest, especially to Congress, that the status of the alleged imports be made known: Now, therefore, be it

Resolved, That the Secretary of the Treasury be requested to transmit to the Senate full and detailed information regarding the imports of agricultural products into the United States from January 1, 1934, to March 1, 1935, by countries of origin, dates of importation, the kinds, volume, and value in dollars of such imports, the names of the transporting ships, and the United States ports of entry; and be it further

Resolved, That the Secretaries of Commerce and Agriculture and Special Foreign Trade Adviser Hon. George N. Peek be requested to transmit to the Senate any information available in their departments covering the calendar or fiscal years from 1904 to December 31, 1934, showing the cotton acreage, annual production and consumption, and annual import and export, in volume and dollar value of the cotton produced and consumed by the separate countries of the world, together with the annual world surplus; and be it further

Resolved, That the Secretaries of Commerce and Agriculture and Special Foreign Trade Adviser Hon. George N. Peek be requested to transmit to the Senate any information available in their departments covering the calendar and/or fiscal years from 1904 to December 31, 1934, showing the wheat acreage, annual production and consumption, and annual import and/or export, and volume and dollar value of the wheat produced and consumed by the separate countries of the world, together with the annual world surplus.

Mr. McKELLAR. Mr. President, the Senator is not asking for immediate consideration of the resolution, is he?

Mr. VANDENBERG. The resolution is simply a request for information, and I am asking for present consideration. I apprehend that no Senators fear facts.

Mr. McKELLAR. I shall have to object. I ask that it go over.

Mr. VANDENBERG. Then I ask that the resolution may go over under the rule, so that it may have action on our next calendar day.

The VICE PRESIDENT. The resolution will go over under the rule.

WORLD NARCOTIC DEFENSE ASSOCIATION ADDRESSES

Mr. SHEPPARD. Mr. President, I ask unanimous consent to print in the RECORD the second and third of the series of Nation-wide broadcasts put on by the World Narcotic Defense Association in the interest of the enactment of the uniform State narcotic drug act now pending in a number of State legislatures. The second broadcast, consisting of an address by Mrs. Grace Morrison Poole, president of the General Federation of Women's Clubs, and the third of an address by Mrs. Ida B. Wise Smith, national president of the Woman's Christian Temperance Union.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

(Second of a series of broadcasts in aid of narcotic legislation by States)

(Jan. 24, 1935)

WE BATTLE WITH A BEAST

(By Grace Morrison Poole, president of General Federation of Women's Clubs)

You are all, I am sure, familiar with that old legend of the 12 labors of Hercules, and possibly you remember that the second labor was the slaughter of the hydra, a water serpent that had nine heads of which the middle one was immortal. Every time Hercules struck off the heads with his club, in place of each two new heads appeared, and it was only after a long struggle, and with the assistance of his faithful nephew that he was able to accomplish his purpose. The problem you and I are discussing today is a beast with many, many heads, and the question of his final death is a many-sided one

This afternoon we are dealing principally with the humanitarian angle of the narcotic evil and its devastating effects upon the human race, but in order that I may justify my own right to appear upon this most important program of broadcasts planned to arouse the public to the almost unbelievable effects of narcotics upon our Nation, may I remind my listeners that in 1923 the General Federation of Women's Clubs went on record with the passage of a resolution expressing realization of the evil effects resulting from the illicit peddling of drugs upon the youth of our Nation, even to children of school age, and the consequent undermining of the health and morals of the communities, and resolved to make plans for a vigorous campaign in cooperation with other agencies to wipe out this national evil.

In 1924 we went a step farther and addressed a resolution to the International Conference in Suppression of Opium and Limitation of the Manufacture of Drugs, in which we stated our belief that a major step in preventing the further spread of the drug-traffic evil would be the curtailment of production of narcotics.

In 1932 our organization addressed a resolution to the Secretary of State, the Secretary of the Treasury, and the Chairman of the Foreign Relations Committee of the Senate, in which we expressed the earnest hope that at the earliest practicable date the President and the Senate of the United States would proceed to the ratification of the convention coming out of the International Conference for the Limitation of the Manufacture of Narcotic Drugs, and would provide the necessary legislation by Congress for its effective enforcement.

At the same convention of the General Federation of Women's Clubs in 1932, realizing that the narcotic laws of many of the several States were lacking in uniformity and in greater or less degree failed to provide the basis for complete control of the illicit-drug traffic, we asked that the several States carefully examine their narcotic laws with a view to recommending such amendments as were found necessary to secure adequate statutory control and to achieve uniformity in the system of control to be provided.

We welcomed the action of the American Bar Association and the American Medical Association in approving, that same year, the principles for State legislation which had been worked out by the National Conference of Commissioners for Uniform State Legislation. We are indeed glad to work with these groups and with the Federal Bureau of Narcotics in putting the facts before our State federations and the women of the country. We are proud of the record made by Nevada, South Carolina, Virginia, Kentucky, New York, New Jersey, Rhode Island, Florida, and now Louisiana, in passing uniform legislation, and we believe that our club women have been largely instrumental in this work. In fact, Mr. Anslinger, who is heading the Federal Bureau of Narcotics, has written the South Carolina Federation of Women's Clubs, giving that body full credit for the passage of the law in that State. At our board of directors meeting here in Washington last week many of our State presidents took steps to plan for aiding passage of this important legislation in their own States. We hope we will have a part in aiding a large number of new States to place their names on the honor roll during 1935.

With this brief background which ties up the General Federation of Women's Clubs actively with the program of these various broadcasts, we would like to stress particularly this afternoon the humanitarian angle of the problem.

Only those of us who have been intimately connected with the insidious and awful effect of drug taking and drug using can fully appreciate what such a habit can do to an individual, who consciously or unconsciously comes under its influence.

When a person uses liquor it is done more or less in an open manner, and the results are apparent to every one who comes in contact with him, but the use of drugs is a very different matter. From the very beginning of the habit there develops a secrecy and cunning that are difficult to combat. For a long time unless persons know the symptoms, one may use a drug without its effects being very apparent, but during that period an iron grip has so taken hold of the drug user that before he or she realizes it, he faces a situation most difficult to overcome.

The users of drugs, as a general thing, have periods when they are normal, but the continued use of drugs leads eventually to the time when the user is a physical, mental, and moral wreck.

The users of drink, if they cannot obtain it, do not exhibit any very dangerous tendencies as a rule, but the confirmed users of drugs, if they cannot get them, will go to any length and any extreme to satisfy that abnormal appetite which has gripped them.

It is bad enough when the addict is an adult, but we have very good reason to know that at the present time in our colleges, and even in our high schools, drug peddlers are getting a lucrative living through selling a type of cigarette made from the marihuana (mar-i-wa-na) weed, which is known in the parlance of the peddlers as the "killer drug." It comes from a weed that grows in many of the States of the Union, and the student of narcotics tells us that the number of users of this particular drug is growing most rapidly in this country. The users, we are also told, are frequently turned into cruel monsters who commit the most atrocious crimes.

Now, the use of this drug is of fairly recent date, but because of its terrible reactions upon the human system we believe that there is even greater need than ever for the States to pass legislative measures for uniform control of narcotics.

Two big problems face us on the humanitarian side of this question which is linked up so closely with the necessity of legislative action. With those nations producing habit-making drug products working out a program of curtailment, the drugs will become more and more difficult to obtain; therefore, those who have already acquired the drug habit will become more and more desperate because of their inability to get that which they so ardently crave. That means that almost anything may happen in the case of the drug user. He will steal to get money to buy the drug, and in more than one instance we know, because of past tragedies, that he will not hesitate to commit murder to satisfy his appetite. Therefore, right along with the two remedial steps planned—to curtail production and manufacture and to enact State legislation that shall be uniform to control the traffic—there must be some definite plan worked out to help those who, because of conditions past and present, have been able fairly easily to get the drug.

There must be a more intelligent understanding among officers of the law in the differentiation of a man or woman fairly normal arrested for crime and the man or woman, either indirectly or directly, under the influence of a drug who has committed a crime. These in the second group are in dire need of intelligent medical treatment.

It is not easy to cure the drug habit, for it takes a person of strong will, in the last analysis, to gain a complete victory, and one of the saddest results of the drug habit is that it breaks down the strong human will and replaces it with a weak one, so in many, many instances, I am sorry to say, cures are only of temporary duration. But science has made progress along these lines and not simply must we demand legislative control measures but remedial legislative enactment as well. Hospitals and institutions equipped to deal patiently with those wrecks of humanity must have the support of our communities.

So much for those who have already formed the habits so detrimental to humanity. But there is much preventive work to do, and I am vitally concerned with this phase of the question. As I said in the earlier part of this talk, the amount of drug peddling in our schools and institutions where young people are found almost surpasses comprehension, and in these days of restlessness, disappointment, and disillusionment among our young people, one can hardly wonder that the temptation to forget all of life's troubles for a little while and dream pleasant dreams becomes too strong to be resisted.

You and I do not hesitate to put a great burden upon these young people of our Nation by saying that the mistakes we have made will be rectified by them; and we are really doing much to guarantee that they shall be the right type of young people by fighting the seen dangers that face them. But now I plead with

you, with all the eloquence I possess, to realize that the unseen danger which works so insidiously and relentlessly upon the character of our young people may be as vigorously attacked as those apparent to the naked eye.

(Third of a series of broadcasts in aid of narcotic legislation by States)

(Feb. 21, 1935)

NARCOTIC EDUCATION

(By Mrs. Ida B. Wise Smith, president of the Woman's Christian Temperance Union)

Last week was Boy Scout Week. The Nation's heart met appeals for community service in behalf of the boys who are the citizens of tomorrow and who in this time of stress and strain need safeguarding and direction as boys have never needed it before.

Following this, it is eminently fitting that the Nation's thought should be focused on a condition which menaces boys and girls and adults as well. The menace is particularly dreadful for youth, for all of life in all its years is likely to pay the price. Today is the beginning of narcotic-education week. For 9 years the World Narcotic Defense Association has rendered great service to humanity in exposing this fiendish business and in securing such world-wide interest that we are in the way to see a glimmer of hope in the sky, which not long ago did seem so dark. It is passing strange, is it not, that we need to be told more than once about the horror of drug addiction and the extent to which it grips people everywhere?

We greet you, Admiral Richmond Pearson Hobson, hero of the *Merrimac*, honored Member of Congress for many years, but now rendering possibly your best service to your country as president of the World Narcotic Defense Association. God speed your work and bless you in it.

Fifty-two nations of the world have ratified the narcotic convention, which limits the manufacture and distribution of narcotic drugs to the requirements of science and medicine; among these we stand second in our ratification.

But alas, this law, like many others, all others, is violated. Liquor was smuggled into the country, and now is between the States. Smuggling of drugs is easy because of the small space needed. For several years the worst victim nations of the illicit traffic in narcotic drugs were Egypt, the United States of America, and China. A few years ago, when I was in Egypt, those engaged in the traffic were also engaged in a strong effort to secure the removal of Russell Pasha, chief of police of Cairo, because he was reducing their contraband trade to a remarkable extent. His success has continued, but the United States and China still remain outstanding victims of this nefarious traffic.

Practically no drugs manufactured in the United States of America have entered the illicit traffic of either this or other countries. On the other hand, most of the illegally sold narcotics here were made elsewhere and smuggled in. The problem, therefore, is international whether considered from the national or from the international viewpoint.

In recent raids the chief drug seized was heroin, called the most deadly of narcotics. The main source of supply is the Far East and Bulgaria, and the "dope" seized was traced to French and Chinese ports of shipment. The morphine was found to come from Japan, China, and Honduras. In the last-named country alone, it is estimated, the morphine importations of the last 18 months would suffice for its legitimate needs for the next century, but most of this supply was intended for the contraband trade here. The cocaine was of Swiss, French, and British origin; smuggled in from Honduras, Mexico, and China, respectively.

A most alarming situation has developed in Bulgaria where at least 10 factories and laboratories producing illicit heroin, the worst of all narcotic drugs, have been located. Experts estimate that, during 1 year, enough heroin has been produced in Bulgaria to supply the total legitimate needs of the entire world for at least 4 years.

In the Far East, notably in China and Manchukuo, narcotic conditions have become so grave as to constitute a serious menace not only to China but also to the rest of the world. It is estimated that China produces annually 7 times as much as all the rest of the world together; also that 30 percent of the population of Manchuria are drug addicts. Not only is addiction to opium increasing, but the use of heroin and morphine appears to be ravishing the people of those countries. Evidence indicates that the clandestine manufacture of heroin and morphine is making rapid headway, and there is every reason to believe that quantities of those drugs are being smuggled into the United States and her colonies.

NARCOTIC CONDITIONS IN AMERICA

Why is the United States of America one of the outstanding drug victims of the world?

1. Because some nations do not effectively restrict their narcotic products to medical and scientific requirements, thus allowing large quantities to leak into the illicit traffic, whence they are smuggled into America.

2. Because many of our States neither have strong, uniform narcotic laws, nor efficient enforcement, and do not cooperate sufficiently with our Federal enforcement officers.

3. Because, with the exception of California and a few other States, the segregation and rehabilitation of drug addicts has been sadly neglected.

4. Because our youth in so many educational institutions have not been intelligently instructed concerning the narcotic problem.

5. Because among the public at large there has been a shameful ignorance and indifference toward the narcotic menace.

6. Because there is enormous wealth in the United States, and the illicit drug traffic has marked America as a most fertile field for its ignoble profits. In the illicit traffic many drugs sell for over 12 times as much as on legal medical prescription.

7. Because the boundaries of our Nation, extending over 10,000 miles, are so immense that our Federal Narcotics Bureau finds it difficult to prevent smuggling across such vast border areas.

8. Because of the highly organized criminal gangs and the great crime wave in the United States.

Listening friends, have you an adequate idea of just what this situation implies? Have you accurate knowledge of the dope menace to the life and health of the Nation?

"Dope User, 15, Tries to Kill", "Dope Peddled to High-School Students", "Paregoric, Marihuana, and Death Impulse", "Doped Cigarette Puts Hundreds in Drug Toils" have been some of the headlines greeting readers of daily papers during the Nation-wide drive of Federal authorities against the illicit drug traffic.

In Chicago the press has said: "Shocked by disclosures of dope being peddled to high-school students, police and school officials of Chicago yesterday launched a double-barreled drive against the traffic in habit-forming drugs. * * *

"Informed that peddlers of marihuana, held by crime fighters to be as vicious as narcotics or opiates, are making their headquarters near high schools, Superintendent of Schools Bogan ordered his district superintendents to launch an investigation and submit reports. Lt. William Cusack, head of the narcotic squad, revealed the marihuana weed is being grown domestically—plots of ground being devoted to it within a few miles of Chicago. * * * He has sent 197 peddlers of it to jail, deported 50 persons to Mexico for selling the weed, seized 167 pounds of marihuana and 183,000 cigarettes within the past year."

Marihuana is a derivative from a variety of hemp In the desert section of the West where it is indigenous it is called "loco weed" It is rolled in cigarettes which sell from 25 cents to a dollar. It produces an effect similar to Turkish hashish It creates delusions of grandeur and breaks down the will power and makes the addict ready for any crime, even murder The last stage is a depression during which suicide is often contemplated or even accomplished.

One of the drug-habit tragedies reads in part:

"Investigation of the sale of drugs to school children in the M. school district was ordered last night after a boy of 15 had attacked his father, a music teacher, with a knife while crazed with marihuana cigarettes. Only the father's quick action in wresting the weapon from the youth saved the parent from death or serious injury. After hearing the boy's story the officers arrested the owner of the school store and the clerk from whom the boy said he bought the cigarettes."

Another account is that of a lad of 19 who "had been brought to the verge of suicide by drugs", and who led the narcotic squad in raiding an apartment:

"The young victim said he was driven to desperation by marihuana cigarettes he had smoked there, * * * and had tried to plunge into the river." Prevented by passersby, he was taken to the boys' court, where "he confessed he had spent many nights in the apartments where, he said, the drug was sold to boys and girls who were allowed to sleep off the effect. He had been a choir boy when he fell into the clutches of a paregoric peddler. * * * He grasped at the chance to take a 3 months' cure at the Bridewell."

Within a few days during a Nation-wide Federal drive last December more than 800 peddlers and narcotic denizens of the underworld were arrested. One of the peddlers confessed that he had been selling dope at the rate of $1,300,000 a year and that many women and girls came to his apartment for their daily dope jamboree. In many cities leaders of rings have been seized who were not content with supplying addicts with drugs, but plotted to ensnare large groups of new victims by giving boys and girls free samples.

It is estimated by Federal experts that 80 percent of drug addicts become criminals, for they will lie, steal, or commit any crime to get the money to satisfy their terrible appetite for drugs. A large portion of the inmates of Federal penitentiaries are either drug addicts or were convicted for violation of narcotic laws.

What can be done to aid in this crisis?

An important matter to which all citizens should give their attention is the passage of the Uniform Narcotic Drug Act by the State legislatures. The Federal Narcotic Bureau exercises control over manufacture, importations, and interstate traffic in drugs. But the Federal Government cannot revoke the State license of a physician or dentist or druggist who violates the law. He may be convicted and serve a Federal sentence and return to his practice in his State. The cooperation of the United States in the International conference is incomplete till all States have passed such a law. Only nine States have done so.

Will not every hearer today in the other States write to the Senator and Representative of his district and urge their interest in the enactment of the Uniform Narcotic Drug Act?

There must be narcotic hospitals for the segregation and rehabilitation of these unfortunate people, for their own sakes and for the protection of society.

Finally, youth and the public at large must be educated that they may not acquire the drug habit and they may all join in the struggle to free their own and other countries from the narcotic drugs, alcohol, opium, heroin, marihuana, and any others which destroy the body and mentality of the individual and thus lower the standard of our Nation.

THE BONUS—ADDRESS BY SENATOR TYDINGS

Mr. ASHURST. Mr. President, I ask to have printed in the CONGRESSIONAL RECORD a radio speech delivered by the senior Senator from Maryland [Mr. TYDINGS] on March 25 on the subject of the so-called "bonus."

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, I am going to talk to you very earnestly about an important matter now pending before the American Congress. I refer to those bills which seek to pay off in one manner or another the soldiers' bonus certificates.

Now, what is a bonus certificate? Do you know how the amount of money shown on the face of each veteran's certificate was calculated? If you do not know, I shall first try to explain this, for unless you understand just how the amount due each veteran was arrived at, you cannot intelligently pass upon the several bills dealing with this subject. Let me explain. Congress passed the so-called "Bonus Act" in 1925. That act provided that every person who had served more than 60 days in the armed forces of the United States during the World War should receive for such service an additional pay, or bonus, at the rate of $1 per day for each day's service within the United States and $1.25 a day for each day's service outside the United States.

Due to the fact that this bonus law was passed in 1925, 7 years after the World War had closed, Congress added 25 percent to the amount found to be due each veteran.

Every veteran can count the number of days he served in our armed forces during the World War within the United States and under this law he gets an extra dollar for each one of those days; likewise, he can figure how many days he served outside of the United States, and he knows he gets $1.25 extra for each day of that foreign service. Now, if he will add 25 percent of the amount that he finds that is due him, he will know exactly what was coming to him in the year 1925.

Yet any man who had $500 coming to him in 1925 for such service has gotten an adjusted-service certificate for $1,250, or two and one-half times the amount of extra pay allowed for service under the Bonus Act. Why is this? Because the $500 was used in 1925 to buy for such a veteran a 20-year endowment life-insurance policy. This accounts for the fact that every bonus certificate issued by the United States Government to a war veteran contains an amount of money due the veteran in 1945, which is two and one-half times what his actual bonus pay would amount to as of 1925.

I hope the veterans will understand this, for if every veteran will take his bonus certificate and hold it in his hand, he will see that the amount of money due him in 1945 is about two and one-half times what would actually be coming to him on the basis of a dollar a day extra for service in this country and one dollar and a quarter a day extra for service abroad.

All endowment life-insurance policies increase in value each year, and, consequently, the amount shown on each bonus certificate is the 1945 value of that life-insurance policy which the Government has bought for each veteran. Naturally, that bonus certificate, therefore, is worth less in the year 1935 than it will be in the year 1945. Every year that the veteran holds on to his bonus certificate—which in reality is just a 20-year endowment life-insurance policy—makes that bonus certificate worth more money.

For example: In 1930 it was not worth half of the 1945 value. In the year 1935 it is worth more than it was in 1925. In the year 1945, when it matures, it will be worth the exact amount of money shown on the face of the certificate.

Now, ladies and gentlemen, I think I have made clear to you first, that the bonus act awarded extra pay to all ex-service men at a dollar a day for service in the country and one dollar and a quarter a day for service outside the country during the World War. That when the amount of money found to be due each veteran had been ascertained plus 25 percent increase it was used to buy each veteran a 20-year endowment life-insurance policy, maturing in 1945. I have also shown that the present value of that endowment policy is, of course, less than the 1945 value will be.

So, if I have made all that plain to you, as I hope I have, we can now discuss with intelligence the various bills pending before Congress.

There are three bills now being discussed. I shall refer to them by the names by which they are best known to the public. First, there is the so-called "Patman bill"; secondly, the so-called "Vinson bill", and thirdly, the so-called "Tydings-Andrews-Cochran bill."

The Patman bill and the Vinson bill are very much alike. The Tydings-Andrews-Cochran bill differs from the first two.

The Patman and Vinson bills would pay off in cash the full 1945 value of the bonus certificates at once, all regardless of the fact that the present value of those certificates or endowment policies, as I have heretofore shown, is not what they will be worth in 1945.

On the other hand the third bill, called the "Tydings-Andrews-Cochran bill", in effect gives to each veteran the present value of his bonus certificate.

Keep this essential difference in mind, that the Patman and Vinson bills pay off all the bonus certificates now in full, although they are now worth less than their 1945 value, while the Tydings-Andrews-Cochran bill gives to each veteran a little more than the present value of his adjusted-service or bonus certificate. That is one of the principal points of difference between the bills, but there are other differences as well.

The Patman bill would pay off the veterans in greenbacks to be especially printed for that purpose. The Vinson bill would pay off the veterans in regular money, such as is now in use, but that bill does not provide where the money is to be obtained with which to pay the veterans. The Tydings-Andrews-Cochran bill would substitute for each bonus certificate a regular Government bond, and such bond to mature in 1945, the same year that the bonus certificates mature. The face of each bond, plus the 10 annual interest-bearing coupons attached to it, would give to each veteran the exact sum of money which he would have coming to him because of his bonus certificate. Such bonds would be regular Government bonds. They are negotiable. If the veteran wanted to sell his bond now he would get its face value, which is slightly more than three-quarters of the 1945 value of his present bonus certificate.

If the veteran held on to his bond, then its face value, plus the annual interest-bearing coupons, would give him by 1945 the same amount of money he would get by surrendering his bonus certificate then.

These are the simple elements of the three bills. The Vinson bill would cost the Government, in principal and interest, about a billion dollars more by 1945 than was provided in the original bonus law passed in 1925.

Against this the Tydings-Andrews-Cochran bill would not cost the Government any more or any less at any time than the bonus law originally provided.

Under the Tydings-Andrews-Cochran bill the Government simply withdraws from the veteran one kind of obligation it already has out, called the "bonus certificate", and gives to that same veteran another kind of obligation in the form of a Government bond, both the bond and the certificate maturing at the same time. All it would do in fact would be to substitute a negotiable Government obligation—that is, a bond with coupons attached—for another kind of Government obligation—that is, the bonus certificate—which is not negotiable.

Under the Tydings-Andrews-Cochran bill the veteran gets all that is coming to him now if he wants to sell his bond immediately, or all that the Government owes him now if he wants to sell his bond immediately, or more than his extra service pay was originally if the veteran wants to sell his bond immediately. The Tydings-Andrews-Cochran bill makes it a crime, punishable by a fine of $10,000, for anyone to buy from a veteran a bond at less than its face value within a period of 6 months after the veteran receives the bond. This was inserted in the bill to prevent sharpers and speculators from exploiting the veterans and in an attempt to insure that each veteran would get in cash, should he desire to sell his bonds now, a hundred cents on the dollar of its face value.

Now, those who have been listening, I think, have had a clear and honest explanation of the essential elements of past and present bonus legislation. Which of these plans do you prefer? It would be but human for many veterans to want to get all that they can now, whether the Government actually owed such amounts or not. If you are a nonveteran, then you will perhaps be human enough to say that the veteran should not get anything until 1945, as now provided in the bonus law.

It would be wrong to decide such an important matter from the purely selfish viewpoint of the individual. That would neither make right nor patriotism.

The Tydings-Andrews-Cochran bill supporters take the position that if the veteran is to be paid now, in this year 1935, he has no right to be paid more than the Government owes him now. Such people take the position that it is the part of justice to all parties concerned, the veteran and nonveteran, that the Government of the United States ought not to be asked to pay the veterans in 1935 more than it agreed to pay him in 1945.

Such a bill as the Tydings-Andrews-Cochran bill creates no new Government obligation, for the adjusted-service certificates are now outstanding anyway. These are payable in 1945. Negotiable bonds, readily salable by any veteran who cares to do so, take the place of said adjusted-service certificates now outstanding; so that the Government's position is unchanged, while the veteran gets all that is now due him in good money and the taxpayer pays neither more nor less to provide the funds than he would pay in 1945 anyway.

I am an ex-soldier myself. I served on the battlefields of France. I was a machine gunner and had the honor to command about 2,200 men and 144 machine guns in actual combat. Many of the men of my command were killed and wounded in that terrific holocaust which plunged the world in misery. I am not unmindful of their sacrifices. I shall never forget the warm friendships, the comradeship of the officers and men with whom I served, many of whom went forward to death.

I say this not to be emotional, but because I think this permits me to see the soldiers' point of view, as I think I see the Government's point of view, and the point of view of the people at large.

Ladies and gentlemen, we are still in the midst of a world-wide depression; 22,000,000 people in this Republic look to Government for food and shelter. They are on the relief rolls. Ten or twelve million more are out of employment, hunting for work.

We should not lose sight of these conditions in considering payment of the bonus 10 years before it is due. The Patman and Vinson bills do pay more than is now due; the first, with printing-press money—a doubtful course for any country to embark upon—and the Vinson bill would add about a billion dollars more in interest to the expense of paying off the bonus than would be required, even if the Government waited until 1945 to cash in the bonus certificates. The President has stated that he will veto the Patman bill or the Vinson bill if either passes the Congress.

The Tydings-Andrews-Cochran bill gives to every veteran slightly more than three-quarters of the 1945 value of the bonus certificate but it costs the taxpayer no more than would have to be raised anyhow to pay off the present bonus certificates in 1945. In short, it does justice to the ex-service man, it does justice to the Government, it does justice to the taxpayer. It is mindful of the misery, the unemployment, and the relief now being administered in all parts of the country.

WAR DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT

Mr. COPELAND submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5913) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1936, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 5, 9, 19, 24, 27, 30, and 34.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 6, 13, 14, 15, 16, 18, 23, and 33, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$87,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows: "seven retired officers on active duty, $9,600"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$161,063,594"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$160,778,594"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$297,155"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$10,549,104"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$500,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$4,452,304"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$4,452,304"; and the Senate agree to the same.

On amendments numbered 7, 10, 17, 25, 26, 28, and 32 the committee of conference have been unable to agree.

ROYAL S. COPELAND,
CARL HAYDEN,
MORRIS SHEPPARD,
PETER NORBECK,
JOHN G. TOWNSEND, Jr.,
Managers on the part of the Senate.

TILMAN B. PARKS,
THOMAS L. BLANTON,
THOMAS S. MCMILLAN,
J. BUELL SNYDER,
JOHN F. DOCKWEILER,
CHESTER C. BOLTON,
D. LANE POWERS,
Managers on the part of the House.

The report was agreed to.

APPROPRIATIONS FOR TREASURY AND POST OFFICE DEPARTMENTS

The Senate resumed consideration of the bill (H. R. 4442) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes.

The VICE PRESIDENT. Under the order previously entered, amendments of the Committee on Appropriations are first to be considered. The clerk will state the first amendment.

The first amendment of the Committee on Appropriations was, under the heading "Title I—Treasury Department—Office of Commissioner of Accounts and Deposits", on page 7, after line 1, to strike out:

Salaries: For the Commissioner Accounts and Deposits and other personal services in the District of Columbia, $100,000.

DIVISION OF DISBURSEMENT

Salaries and expenses: For personal services in the District of Columbia and in the field, stationery, travel, rental of equipment, and all other necessary miscellaneous and contingent expenses, $710,700: *Provided*, That with the approval of the Director of the Bureau of the Budget there may be transferred to this appropriation from funds available for new activities and/or for the expansion of existing activities such sums as may be necessary to cover the additional expense incurred in performing the function of disbursement therefor.

DIVISION OF BOOKKEEPING AND WARRANTS

Salaries: For the chief of the division and other personal services in the District of Columbia, $168,960.

And in lieu thereof to insert:

For Commissioner of Accounts and Deposits and other personal services in the District of Columbia and in the field, including the Division of Bookkeeping and Warrants and the Division of Disbursement, and including also for the Division of Disbursement stationery, travel, rental of equipment, and all other necessary miscellaneous and contingent expenses, $996,620.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Internal Revenue", on page 15, line 4, after the word "services" and the semicolon, to insert "cost of acquisition and maintenance of automobiles seized for violations of internal-revenue laws delivered to the Secretary of the Treasury for use in administration of the law under his jurisdiction;"; so as to read:

Salaries and expenses: For expenses of assessing and collecting the internal-revenue taxes and to administer the applicable provisions of the act of October 28, 1919, as amended, and supplemented (U. S. C., title 27), the act of March 22, 1933 (U. S. C., Supp. VII, title 27, secs. 64-a to 64-o), the act of January 11, 1934 (48 Stat. 313), Public Resolutions Nos. 40 and 41, approved June 18, 1934, (48 Stat. 1020-1021); and the internal-revenue laws pursuant to the act of March 3, 1927 (U. S. C., Supp. VII, title 5, secs. 281-281-e), the act of May 27, 1930 (U. S. C., Supp. VII, title 27, secs. 103-108), and Executive Order No. 6639, dated March 10, 1934; including the Commissioner of Internal Revenue, Assistant General Counsel for the Bureau of Internal Revenue, an assistant to the Commissioner, a special deputy commissioner, 4 deputy commissioners, 1 stamp agent (to be reimbursed by the stamp manufacturers), and the necessary officers, collectors, deputy collectors, attorneys, experts, agents, accountants, inspectors, investigators, chemists, supervisors, storekeeper-gagers, guards, clerks, janitors, and messengers in the District of Columbia, the several collection districts, the several divisions of internal-revenue agents, and the several supervisory districts, to be appointed as provided by law; the securing of evidence of violations of the acts, the cost of chemical analyses made by others than employees of the United States and expenses incident to such chemists testifying when necessary; telegraph and telephone service, rent in the District of Columbia and elsewhere, postage, freight, express, necessary expenses incurred in making investigations in connection with the enrollment or disbarment of practitioners before the Treasury Department in internal-revenue matters, expenses of seizure and sale, and other necessary miscellaneous expenses, including stenographic reporting services; cost of acquisition and maintenance of automobiles seized for violations of internal-revenue laws delivered to the Secretary of the Treasury for use in administration of the law under his jurisdiction; for the purchase (not exceeding $150,000), exchange, hire, maintenance, repair, and operation of motor-propelled or horse-drawn passenger-carrying vehicles when necessary, for official use of the Alcohol Tax Unit in field work; and the purchase of such supplies, equipment, furniture, mechanical devices, laboratory supplies, law books and books of reference; and such other articles as may be necessary for use in the District of Columbia, the several collection districts, the several divisions of internal-revenue agents, and the several supervisory districts, $48,000,000, of which amount not to exceed $9,588,000 may be expended for personal services in the District of Columbia:

The amendment was agreed to.

The next amendment was, on page 16, after line 5, to insert:

That the proviso of the paragraph under the heading "Bureau of Internal Revenue" contained in the Emergency Appropriation

Act, fiscal year 1935, approved June 19, 1934, be amended to read as follows: "*Provided*, That from and after May 15, 1935, no part of the appropriation made herein, or heretofore made, shall be used to pay the salaries of persons who were dropped from the service under the Executive Order No. 6166 of June 10, 1933, and reinstated, transferred, or promoted to position in the Bureau of Industrial Alcohol, or in the Alcohol Tax Unit, upon certificates issued by the Civil Service Commission, between January 30, 1934, and May 10, 1934, unless such persons shall have passed an appropriate open competitive examination held by the Civil Service Commission after June 19, 1934, such persons being those who were separated from the service by Executive order of June 10, 1933, and who, under the terms of such order, were ineligible for reappointment unless such reappointments were made before December 10, 1933: *Provided further*, That inasmuch as the Treasury Department, under the advice of the Attorney General, has given the proviso referred to above a construction including other employees not intended by the Congress to be included in that proviso, and advising the Treasury Department that it could retain such employees without pay, there is hereby appropriated for salaries from December 1, 1934, to May 15, 1935, both dates inclusive, in the offices as follows: Bureau of Customs, $2,357.14; Bureau of Internal Revenue, $1,367,006.91; Bureau of Narcotics, $8,642.85; and Secret Service Division, $7,857.14; in all, $1,385,864.04; to pay all of said employees up to and including May 15, 1935: *Provided further*, That the employees, other than those heretofore designated, may be retained by the Treasury Department, but those designated in the first proviso hereof shall not be retained after May 15, 1935, by the Treasury Department unless they have passed an appropriate open competitive examination held by the Civil Service Commission after June 19, 1934, and, if retained, shall not be paid out of this appropriation or any other appropriation made by this act."

The amendment was agreed to.

The next amendment was, under the subhead "Secret Service Division", on page 26, line 5, after the word "exceed", to strike out "$25,000" and insert "$57,000"; and in line 13, after the word "sum", to strike out "$25,000" and insert "$57,000", so as to read:

Suppressing counterfeiting and other crimes: For expenses incurred under the authority or with the approval of the Secretary of the Treasury in detecting, arresting, and delivering into the custody of the United States marshal having jurisdiction dealers and pretended dealers in counterfeit money and persons engaged in counterfeiting, forging, and altering United States notes, bonds, national-bank notes, Federal Reserve notes, Federal Reserve bank notes, and other obligations and securities of the United States and of foreign governments, as well as the coins of the United States and of foreign governments, and other crimes against the laws of the United States relating to the Treasury Department and the several branches of the public service under its control; purchase (not to exceed $57,000), exchange, hire, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles when necessary; purchase of arms and ammunition; traveling expenses; and for no other purpose whatsoever, except in the performance of other duties specifically authorized by law, and in the protection of the person of the President and the members of his immediate family and of the person chosen to be President of the United States, $675,000, of which sum $57,000 shall be immediately available:

The amendment was agreed to.

The next amendment was, on page 26, line 14, after the word "of", to strike out "this amount" and insert "the amount herein appropriated", so as to make the proviso read:

Provided, That no part of the amount herein appropriated shall be used in defraying the expenses of any person subpenaed by the United States courts to attend any trial before a United States court or preliminary examination before any United States commissioner, which expenses shall be paid from the appropriation for "Fees of witnesses, United States courts."

The amendment was agreed to.

The next amendment was, under the subhead "Procurement Division, Public Works Branch", on page 37, line 1, after the word "for", to strike out "transportations" and insert "transportation", so as to read:

General administrative expenses: For architectural, engineering, mechanical, administrative, clerical, and other personal services, traveling expenses, including expenses of employees directed by the Secretary of the Treasury to attend meetings of technical and professional societies in connection with subjects related to the work of the Division of Procurement, Public Works Branch, and transportation of household goods, incident to change of headquarters of all employees engaged in field activities, not to exceed 5,000 pounds at any one time, together with the necessary expenses incident to packing and draying same; advertising, testing instruments, law books, books of reference, technical periodicals and journals, drafting materials, especially prepared paper, typewriting machines, adding machines and other mechanical labor-saving devices, and exchange of same, carpets, electric-light fixtures, furniture, equipment, and repairs thereto, telegraph and telephone service, freight, expressage, and postage incident to the transportation of drawings to and from the office and such other contingencies, articles, services, or supplies as the Secretary of the Treasury may deem necessary and specially order or approve in connection with any of the work of the Procurement Division, Public Works Branch; rent in the District of Columbia and elsewhere, including ground rent of the Federal building at Salamanca, N. Y., for which payment may be made in advance; $920,000, of which amount not to exceed $494,940 may be expended for personal services in the District of Columbia and not to exceed $289,060 for personal services in the field; *Provided*, That the foregoing appropriations shall not be available for the cost of surveys, plaster models, progress photographs, test pits and borings, or mill and shop inspections, but the cost thereof shall be construed to be chargeable against the construction appropriations of the respective projects to which they relate: *Provided further*, That no expenditure shall be made hereunder for transportation of operating supplies for public buildings.

The amendment was agreed to.

The next amendment was, on page 39, line 10, after the word "professional", to strike out "and/or" and insert "and", so as to read:

Outside professional services, public buildings: To enable the Secretary of the Treasury to obtain outside professional and technical services, as provided by the Public Buildings Act approved May 25, 1926 (U. S. C., Supp. VII, title 40, sec. 342), and by the act approved March 31, 1930 (46 Stat., p. 137), and to pay reasonable compensation for such services, and to employ appraisers, when necessary, by contract or otherwise, $100,000, to remain available until expended.

The amendment was agreed to.

The next amendment was, under the heading "Title II—Post Office Department—Salaries in Bureaus and Offices", on page 46, at the end of line 21, to increase the appropriation for personal services in the office of the chief inspector from $191,000 to $192,000.

The amendment was agreed to.

The next amendment was, on page 46, at the end of line 22, to increase the appropriation for personal services in the office of the purchasing agent from $35,760 to $39,260.

The amendment was agreed to.

The next amendment was, on page 46, at the end of line 23, to increase the appropriation for personal services in the Bureau of Accounts from $92,380 to $94,000.

The amendment was agreed to.

The next amendment was, under the subhead "Contingent Expenses, Post Office Department", on page 48, line 4, after the word "elsewhere", to strike out "$875,000" and insert "$900,000", so as to read:

For printing and binding for the Post Office Department, including all of its bureaus, offices, institutions, and services located in Washington, D. C., and elsewhere, $900,000.

The amendment was agreed to.

The next amendment was, under the subhead "Office of Chief Inspector", on page 50, line 13, after the word "and", where it occurs the first time, to strike out "535 inspectors, $2,098,000" and insert "550 inspectors, $2,140,000", so as to read:

Salaries of inspectors: For salaries of 15 inspectors in charge of divisions and 550 inspectors, $2,140,000.

The amendment was agreed to.

The next amendment was, on page 51, line 10, after the word "robbers" to strike out "$50,000" and insert "$55,000"; so as to read:

Payment of rewards: For payment of rewards for the detection, arrest, and conviction of post-office burglars, robbers, and highway mail robbers, $55,000.

The amendment was agreed to.

The next amendment was, under the subhead "Office of the First Assistant Postmaster General", on page 52, line 21, after the word "offices" to strike out "$65,000" and insert "$75,000"; so as to read:

Unusual conditions: For unusual conditions at post offices, $75,000.

The amendment was agreed to.

The next amendment was, on page 53, line 10, after the word "delivery" to strike out "$1,595,000" and insert $1,600,000"; so as to read:

Village delivery service: For village delivery service in towns and villages having post offices of the second or third class, and in communities adjacent to cities having city delivery, $1,600,000.

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Second Assistant Postmaster General", on page 55, line 6, after the name "Railway Mail Service", to strike out "$52,400,000" and insert "$52,500,000"; so as to read:

Railway Mail Service, salaries: For 15 division superintendents, 15 assistant division superintendents, 2 assistant superintendents at large, 1 assistant superintendent in charge of car construction, 121 chief clerks, 121 assistant chief clerks, clerks in charge of sections in the offices of division superintendents, railway postal clerks, substitute railway postal clerks, joint employees, and laborers in the Railway Mail Service, $52,500,000.

The amendment was agreed to.

The next amendment was, on page 57, line 12, after the word "countries" and the comma to insert "fiscal year 1936 and prior years", so as to read:

Balances due foreign countries: For balances due foreign countries, fiscal year 1936 and prior years, $1,000,000.

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Fourth Assistant Postmaster General", on page 59, line 18, after the word "complete", to strike out "and/or" and insert "and", so as to read:

Post-office stationery, equipment, and supplies: For stationery for the Postal Service, including the money-order and registry system; and also for the purchase of supplies for the Postal Savings System, including rubber stamps, canceling devices, certificates, envelops, and stamps for use in evidencing deposits, and free penalty envelops; and for the reimbursement of the Secretary of the Treasury for expenses incident to the preparation, issue, and registration of the bonds authorized by the act of June 25, 1910 (U. S. C., title 39, sec. 760); for miscellaneous equipment and supplies, including the purchase and repair of furniture, package boxes, posts, trucks, baskets, satchels, straps, letterbox paint, baling machines, perforating machines, duplicating machines, printing presses, directories, cleaning supplies, and the manufacture, repair, and exchange of equipment, the erection and painting of letter-box equipment, and for the purchase and repair of presses and dies for use in the manufacture of letter boxes; not to exceed $10,000 for the salvage, repair, assembly, and installation in units of lockboxes obtained from public buildings demolished or no longer used for post offices and for the purchase and installation of new lockboxes to complete and supplement such units, to be furnished to post offices of the second and third classes; for postmarking, rating, money-order stamps, and electrotype plates and repairs to same; metal, rubber, and combination type, dates and figures, type holders, ink pads for canceling and stamping purposes, and for the purchase, exchange, and repair of typewriting machines, envelop-opening machines, and computing machines, copying presses, numbering machines, time recorders, letter balances, scales (exclusive of dormant or built-in platform scales in Federal buildings), test weights, and miscellaneous articles purchased and furnished directly to the Postal Service, including complete equipment and furniture for post offices in leased and rented quarters; for miscellaneous expenses in the preparation and publication of post-route maps and rural-delivery maps or blueprints, including tracing for photolithographic reproduction; for other expenditures necessary and incidental to post offices of the first, second, and third classes, and offices of the fourth class having or to have rural-delivery service, and for letter boxes; for the purchase of atlases and geographical and technical works not to exceed $1,500; for wrapping twine and tying devices; for expenses incident to the shipment of supplies, including hardware, boxing, packing, and not exceeding $44,500 for the pay of employees in connection therewith in the District of Columbia; for rental, purchase, exchange, and repair of canceling machines and motors, mechanical mail-handling apparatus, and other labor-saving devices, including cost of power in rented buildings and miscellaneous expenses of installation and operation of same, including not to exceed $28,000 for salaries of 10 traveling mechanicians, and for traveling expenses, $2,260,000.

The amendment was agreed to.

The next amendment was, on page 64, line 7, after the word "activities", to strike out "$12,650,000" and insert "$13,000,000", so as to read:

Operating force, public buildings: For personal services in connection with the operation of public buildings, including the Washington Post Office and the Customhouse Building in the District of Columbia, operated by the Post Office Department, together with the grounds thereof and the equipment and furnishings therein, including telephone operators for the operation of telephone switchboards or equivalent telephone switchboard equipment in such buildings jointly serving in each case two or more governmental activities, $13,000,000.

The amendment was agreed to.

The next amendment was, on page 64, line 23, after the word "herein", to strike out "$4,600,000" and insert "$4,700,000", so as to read:

Operating supplies, public buildings: For fuel, steam, gas, and electric current for lighting, heating, and power purposes, water, ice, lighting supplies, removal of ashes and rubbish, snow and ice, cutting grass and weeds, washing towels, telephone service for custodial forces, and for miscellaneous services and supplies, tools and appliances, for the operation of completed and occupied public buildings and grounds, including mechanical and electrical equipment, but not the repair thereof, operated by the Post Office Department, including the Washington Post Office and the Customhouse Building in the District of Columbia, and for the transportation of articles and supplies authorized herein, $4,700,000.

The amendment was agreed to.

The next amendment was, on page 65, line 16, after the name "Post Office Department", to strike out "$550,000" and insert "$600,000", so as to read:

Furniture, carpets, and safes, public buildings: For the procurement, including transportation, of furniture, carpets, safes, and repairs of same, for use in public buildings which are now, or may hereafter be, operated by the Post Office Department, $600,000.

The amendment was agreed to.

The next amendment was, on page 66, line 25, after the word "transfer", to insert "or on reappointment heretofore or hereafter at another official station under the provisions of section 19 of Executive Order No. 6166 of June 10, 1933, and for the expenses incurred in packing, crating, drayage, and transportation of household effects and other property, not exceeding in any one case 5,000 pounds, of employees so reappointed", so as to make the section read:

SEC. 2. Appropriations for the fiscal year 1936 available for expenses of travel of civilian officers and employees of the executive departments and establishments shall be available also for expenses of travel performed by them on transfer from one official station to another when authorized by the head of the department or establishment concerned in the order directing such transfer or on reappointment heretofore or hereafter at another official station under the provisions of section 19 of Executive Order No. 6166 of June 10, 1933, and for the expenses incurred in packing, crating, drayage, and transportation of household effects and other property, not exceeding in any one case 5,000 pounds, of employees so reappointed.

The amendment was agreed to.

The next amendment was, on page 68, after line 13, to insert the following section:

SEC. 4. No part of any appropriation contained in this act shall be used for the payment of personal services not specifically authorized by law.

The amendment was agreed to.

The next amendment was, on page 68, after line 16, to insert the following section:

SEC. 5. That no part of the money appropriated under this act shall be paid to any person for the filing of any position for which he or she has been nominated after the Senate upon vote has failed to confirm the nomination of said person, or for the payment of an acting official whose name has been submitted to the Senate and withdrawn.

The amendment was agreed to.

The next amendment was, on page 68, line 23, to change the section number from 4 to 6.

The amendment was agreed to.

The VICE PRESIDENT. That completes the committee amendments.

Mr. GLASS. Mr. President, I submit a further committee amendment.

The VICE PRESIDENT. The amendment will be read.

The CHIEF CLERK. On page 16, after line 5, it is proposed to insert the following:

Provided further, That for the purpose of concentration, upon the initiation of the Commissioner of Industrial Alcohol and under regulations prescribed by him, distilled spirits may be removed from any internal-revenue bonded warehouse to any other such warehouse, and may be bottled in bond in any such warehouse before or after payment of the tax, and the commissioner shall prescribe the form and penal sum of bond covering distilled spirits in internal-revenue bonded warehouses and in transit between such warehouses.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. McNARY. Mr. President, may I inquire of the Senator in charge of the bill if the amendment just agreed to has anything to do with the Alcohol Unit employees?

Mr. GLASS. It has not.

Mr. McNARY. Very well. Let me ask the Senator what the provision is in the bill, and if we have reached that provision, which touches upon the dismissal of employees in the Alcoholic Unit last year?

Mr. GLASS. That has been adopted.

Mr. McNARY. I shall ask for reconsideration of the vote by which the amendment was adopted. At the proper time I shall do that in behalf of my colleague.

Mr. BORAH. Mr. President, may I ask the Senator what effect the amendment has upon the restoration of the employees?

Mr. McKELLAR. Mr. President, I shall be glad to explain that to the Senator.

Mr. McNARY. If there is to be discussion touching this matter, I desire my colleague [Mr. STEIWER] to be present. Therefore I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Lonergan	Robinson
Ashurst	Couzens	Long	Russell
Austin	Cutting	McAdoo	Schall
Bachman	Dickinson	McCarran	Schwellenbach
Bankhead	Donahey	McGill	Sheppard
Barbour	Duffy	McKellar	Shipstead
Barkley	Fletcher	McNary	Smith
Bilbo	Frazier	Maloney	Steiwer
Black	George	Metcalf	Thomas, Okla.
Bone	Gerry	Minton	Thomas, Utah
Borah	Gibson	Moore	Townsend
Bulkley	Glass	Murphy	Trammell
Bulow	Gore	Murray	Truman
Burke	Guffey	Neely	Tydings
Byrd	Hale	Norbeck	Vandenberg
Byrnes	Harrison	Norris	Van Nuys
Capper	Hatch	O'Mahoney	Wagner
Clark	Hayden	Pittman	Walsh
Connally	King	Pope	Wheeler
Coolidge	La Follette	Radcliffe	
Copeland	Logan	Reynolds	

Mr. ROBINSON. I reannounce the absences announced on the former roll call for the reasons then stated.

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

Mr. GLASS. Mr. President, there was so much confusion in the Chamber that I did not catch the question asked by the Senator from Oregon [Mr. McNARY], but now I understand what it is and I can explain the provision of the bill to which he referred. The committee amendment which I sent to the desk had no reference to that particular subject. That amendment was agreed to.

The VICE PRESIDENT. The committee amendments have all been agreed to, and the Chairman of the Appropriations Committee offered an amendment in behalf of the committee, which has been adopted. The question now is on the engrossment of the amendments and third reading of the bill.

Mr. GLASS. Mr. President, if I may be permitted to explain the meaning of the amendment referred to by the Senator from Oregon, I shall be glad to do so, or I shall yield to any other Senator who wishes to discuss it.

Mr. BORAH. Mr. President, I do not wish to discuss it, but I should like to have an explanation of the amendment itself.

Mr. GLASS. The amendment mentioned has reference to what is known in common parlance as the "McKellar amendment", attached to the appropriation bill last year. It related to the employment in the Treasury Department of certain persons, as the Senator contended, contrary to the Executive order of June 10, 1933. These employees, in consequence of the repeal of the prohibition amendment to the Constitution, were transferred en bloc from the Prohibition Unit to the Treasury Department; and it seemed from the testimony before the committee that they were very carefully picked so that all the transfers were of persons of one political faith.

In consequence of that, the Senator from Tennessee offered an amendment at the last session requiring that no part of the appropriation then made should be used to pay these 1,100 persons. As a result, these persons were continued in the service, as it seemed to the committee, in plain violation of the Presidential Executive order, but without pay.

The committee came to the conclusion that the persons thus retained in the service were innocent victims of the rider to the appropriation bill offered by the Senator from Tennessee; that they were in no degree to be blamed; that they had rendered service by direction of the Secretary of the Treasury, and the Secretary of the Treasury in his turn had acted upon a rather remarkable opinion of the Attorney General which seemed to the committee to be in absolute contravention of the plain text of the Presidential Executive order.

Therefore the committee concluded that these employees ought to be paid; and accordingly this provision of the bill provides for their payment until the 15th of May next. Some 500 of them, I believe, or perhaps more, are put upon notice that on or before the 15th of May next they may be continued in the service only upon passing a competitive examination.

I may add that the Secretary of the Treasury, who appeared in person before the Appropriations Committee and spoke very earnestly in behalf of these employees, is now entirely content with this provision of the bill. He so informed me. He thinks it is a fair compromise from what he first proposed and hopes this provision will prevail.

Mr. McKELLAR. Mr. President, may I ask the Senator a question?

Mr. GLASS. I yield.

Mr. McKELLAR. The Senator will recall that the original provision called for the dismissal of only about 700—698, I believe, to be exact—employees who had been put back in the service contrary to the Presidential Executive order to which the Senator has referred; but by a construction of the Attorney General the amendment was given a scope which the Congress did not intend, and certainly I did not intend—and I prepared it—and it was made to apply to about 1,300 employees, if I remember correctly.

This amendment provides that it shall apply only to the 698 employees originally referred to, those employees having been selected by a young man by the name of Berney, and put back in the service without regard to the President's Executive order. The other 600 that the Attorney General construed came within the provisions of the law are retained in the service. In addition to that, about 30 percent of the 700 who have since taken an examination and passed it will be retained in the service, so that those who go out will be in the neighborhood of 450 or 500, as stated.

Mr. BYRNES. Mr. President, will the Senator permit me to ask a question of the Senator from Tennessee?

Mr. GLASS. Yes.

Mr. BYRNES. Of the men who were in the service, and who were required to stand the open competitive examination about which we read in the newspapers, do I understand that those who failed to stand the open competitive examination now go out of the service?

Mr. McKELLAR. Those who failed to stand the examination will go out on May 15; and if the Senator could see the answers they made, he would see why they ought to go out, because I think most of them, probably all of them, made less than 50 percent.

Mr. BYRNES. Did the Senator see the questions asked in that examination?

Mr. McKELLAR. I may have, though I do not recall seeing them.

Mr. BYRNES. Does the Senator believe he himself could stand that examination?

Mr. McKELLAR. I certainly do. I will tell the Senator why I say that. The Secretary of the Treasury said he did not know whether he could stand it or not. The fact is that 30 percent of the 700 stood it.

Mr. GLASS. That is not the question. I do not believe any Senator could have stood it.

Mr. McKELLAR. I do not know. I never saw it, so far as I recall, so I cannot say.

Mr. GLASS. But whether any Senator could have stood the examination or not, it was required to be held. I think there are many civil-service examinations that no Senator could stand, for that matter; but they are nevertheless required to be held, and only the persons who stand such examinations are subject to employment.

Mr. KING. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. KING. Will the amendment which is under consideration permit a reexamination of those who may have failed in the open competitive examination?

Mr. GLASS. Undoubtedly.

Mr. KING. Then they are not foreclosed?

Mr. GLASS. They are not foreclosed from taking the competitive examination between now and the 15th of May, and may be employed if they pass it.

Mr. KING. I have understood that a number of persons who did take the examination were not regarded as eligible, in some instances, because of failure really to comprehend some of the questions asked or to take into account some of the factors that should have been considered. What I am trying to get at is, Would they be permitted again to take an examination?

Mr. McKELLAR. If an appropriate civil-service examination is conducted, they can take it at any time. The fact that they failed in one examination does not preclude them from taking another, but there is no provision for a civil-service examination in this amendment. However, they have already had the examination. I asked the civil-service officials regarding it, and they told me that about the same number stood this examination that usually stand such examinations. In other words, about 30 percent of those taking the examination passed, and that is just about the usual percentage that pass.

Mr. GLASS. There is no question in my mind, and I think there was none in the minds of the committee, that the Treasury Department, acting upon an extraordinary opinion of the Department of Justice, was solely to blame for this entire difficulty. As I see it, the action of the Department was as clear a violation of the plain Executive order of the President as could have been perpetrated; but these persons were not to blame. They were retained in employment by authority of the Secretary of the Treasury, who in turn acted under an opinion of the Attorney General that was not necessarily binding, but it was the opinion of the Attorney General; and therefore this amendment proposes to pay all those persons up to the 15th of next May.

Mr. FLETCHER. Mr. President——

Mr. GLASS. I yield to the Senator from Florida.

Mr. FLETCHER. I quite agree with the conclusion of the committee so far as the pay of these employees is concerned. It is just and right that they should be paid.

With reference to this examination, I have in my office a sample of the examination. I have not it here; but the general impression, which I think is quite universally agreed to, is that the examination was not a test of the qualifications of the persons who took the examination.

In other words, it was technical, to some extent, and had to do with questions with which these employees have no relation whatever. The general impression is that as an examination it was a fraud. Such an examination may be held under the law, and we have to abide by it, perhaps, but that kind of an examination should not prevail as a test of the qualifications of these persons for the work in which they have to engage.

If they can be allowed another opportunity, as the Senator from Utah suggests, that might cure the evil. If a reasonable examination may be given, we will have to take our chances on that, I suppose. But I believe these persons ought to be given an opportunity to stand an examination testing their qualifications for the positions in question. That would be reasonable. I do not think they ought to be excluded by reason of the fact that they took the bogus, fake examination, because they had to take it.

Mr. McKELLAR. Mr. President, will the Senator from Virginia yield to me for just a moment?

Mr. GLASS. I want to repeat that I do not think the Senate is going into the business of stipulating the nature of examinations which the Civil Service Commission shall submit. I think many of the questions are nonsensical and have no relation to the real capacity of the people who take the examinations, but I do not imagine the Senate wants to go into that matter.

Mr. PITTMAN. Mr. President, I am in favor of the amendment, because I think these employees who have worked in the Department are entitled to consideration, no matter by whom the mistake was made. But I am far more interested in the civil-service examination that was given than I am in the amendment.

I do not know what control we have over the Civil Service Commission. Perhaps the Chairman of the Civil Service Committee of the Senate knows.

Mr. McKELLAR. Mr. President, the Senator seemed to address me when he said that. I am not the Chairman of the Committee on Civil Service. The Senator from South Dakota [Mr. BULOW] is the chairman. I happen to be on the committee, and have been for many years.

I wish to say that the Senator from Florida [Mr. FLETCHER] is wholly in error in what he says. I have never seen the examination, so I do not know what it contains; but I have heard the same reports the Senator has heard, and he knows reports have been flying thick and fast for some months about the matter. I called the Civil Service Commission about the matter, and they say that those who took the examination passed in about the same proportion in which candidates pass other examinations; in other words, about 30 percent of them qualified.

I do not know that we ought to go into the question of civil-service examinations. Of those who took the examination some passed and some did not pass. It appears to me that if the Government is to have competent employees it ought to have those who are able to take the examinations, if that is the way to control the selections for the Government service.

Mr. PITTMAN. Mr. President, I want to deal with the question of competent men. I want to know whether the Senator thinks that the only competent men in this country are lawyers. We are both lawyers. Does he think lawyers are the only competent men for every activity on earth?

Mr. McKELLAR. The question answers itself. Of course, I do not think any such thing.

Mr. PITTMAN. Very well. There is what we call the Alcohol Beverage Unit, and there are investigators in that unit. Those men are detectives. That is their business. They go out to arrest bootleggers, to destroy stills, so that the Government may collect on the legitimate sale of liquor the revenue to which it is entitled under the law. Today there is practically as much bootlegging in the United States as there was before the repeal of the prohibition amendment. I assert that today not one-half of the revenue which the Government should collect on liquor is being collected. I assert that over half of the alcoholic beverages sold in this country, with the exception of beer, are "bootleg", and that the Government is receiving no revenue on them whatever.

What is the reason for that? Every one of the supervisors has reported to the Treasury Department, "It is because we have not men competent to arrest these lawbreakers."

In the southern part of my State today there are stills in every gulch where there is a spring. The whisky manufactured there is being taken by truckload into southern California and into Utah. Those who make it are as desperate criminals as Dillinger ever was. Their leader is a man who was sentenced to life imprisonment for murder, and in some way, which I do not understand, he got out of the penitentiary, and is now in charge of those illicit operations.

The Government has only four enforcement officers in that State, which is almost as large as all the New England States, a mountainous, difficult country to get through, with gulches

everywhere. These four Government officers are supposed to look after that whole territory, and arrest the gangs of outlaws.

Two of these officers were sent recently to arrest a gang of these bootleggers. They located the still; they located the truck which was in readiness to take the liquor; they followed the truck at night, and a car came between them and the truck with machine guns pointed out through the windows.

The Government enforcement officers in Nevada were ex-soldiers. One of them had served as a Texas Ranger. They were courageous men; they knew criminals; they knew how to capture them; and they have captured a number of them. These men took the examination here in question, and they failed, and let me state why. In the first place, if one is a graduate lawyer, he is competent to take the examination. If, not being a graduate lawyer, he has served 5 years in the actual practice of the law, he is entitled to take the examination. If one has had 5 years' experience as an investigator, he is entitled to take the examination. But there are exceptions. If one has been a raider in the prohibition forces, he is not entitled to take the examination; he is not an investigator, but a raider. If one is a policeman, he is not an investigator, and he cannot take the examination. If one has been a Texas Ranger, he is not an investigator, and is not entitled to take the examination.

In addition, Mr. President, in the examination the applicants were asked, What is the capital of Siam, and What is the capital of Siberia, if it has one? They were asked such questions as that. The Senator from Virginia said he could not pass the examination. I know well enough I could not pass it. There were questions asked which might have been asked of someone who was attempting to qualify as an instructor in a university.

Mr. President, we want men who are courageous, who are honest, men who are used to dealing with criminals. We want men like the Texas Rangers, men like the Canadian "Mounties"; and such men are lucky if they have ever had a common public-school education.

How are we to get such men into the service? That is what I want to accomplish. We pass a bill requiring men who have served their lives as investigators, as law officers, to take an examination prepared by a professor from the Northwestern University, who would not know a criminal if he saw him; and if he saw him, the criminal would probably borrow money from him to send home to his aged mother. [Laughter.]

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. McKELLAR. Did not the Senator say a while ago that the law was not now being enforced? He has just told us of the kind of men they had in Nevada, one a Texas Ranger, and another a policeman, and men who had had experience of that kind, and yet he says they are not enforcing the law. How does he make the two statements jibe?

Mr. PITTMAN. What a magnificent argument the Senator from Tennessee makes. I stated to the Senate that in an area as large as the New England States there were 4 men with 2,000 crooks to handle.

Mr. McKELLAR. So far as I can find out from the list none of the men on it is from Nevada. I think the Senator is talking about something with which he is not familiar, because, so far as I can find from the list—though I have not completed my examination of it as yet——

Mr. PITTMAN. From what is the Senator reading?

Mr. McKELLAR. The list of those who go out under this amendment. I do not think there are any from Nevada at all.

Mr. PITTMAN. I am not interested in the amendment. I know well enough that three of the best men we had out there were on the deferred list; they were let out, but stayed on and have worked, waiting to see what was going to happen. They were let out, and they have been working ever since in the hope that they would be paid, in the hope that somebody would have some common sense with regard to the administration of the civil service.

There is a committee of the United States Senate and there is one of the House of Representatives whose duty it is to look after civil-service legislation. No civil-service legislation is ever reported to the Senate. I do not know who is on the Civil Service Commission, and one does not know unless he goes and asks questions about it. It is the biggest absurdity that ever existed in all the world. Now, when the Treasury Department knows it is not collecting half the revenue it should receive it proposes to put on a lot of young lawyers. I have great sympathy for young lawyers. I, myself, spent a long time as a young lawyer. But I do not want to have them put in as detectives whose duty it is to protect my life and the lives of the members of my family. It seems to me that the members of the Committee on the Civil Service of the Senate and that of the House, instead of constantly coming in and voting for everything to go under the civil service, ought to investigate the civil service and see if some way cannot be devised by which common sense may rule in this matter.

Mr. BYRNES. Mr. President, I think much of the trouble in this matter arises from the fact that Congress undertook to prescribe the kind of examination which should be provided, an open competitive examination. Such officers as have been described by the Senator from Nevada, like the ex-service man, for instance, who had shown his ability as an officer, were required to stand an open competitive examination. Had it been a noncompetitive examination, in which event their experience would have been given its proper weight, we would not have had so many able, experienced officers removed from the service. I know that in my own State two or three men who had been in the service for years, who were recognized as the best officers in the service, stood this examination. The Senator from Tennessee thinks it was an easy examination, but I saw a number of the questions——

Mr. McKELLAR. Oh, Mr. President, I never saw the examination. I do not know whether it was easy or not.

Mr. BYRNES. I am glad the Senator tells me that. Had he seen the examination, had he seen the questions asked in that examination, he would have known how some of us feel toward the examination. The man who has been working as a prohibition agent for a number of years, who has been out of school for years, and who succeeds in passing that examination, is a remarkable, an unusual man. I believe if the Senator is now going to insist upon the adoption of this amendment and is going to provide again for an open competitive examination, that he is mistaken in doing so, and that it should be a noncompetitive examination, so that the man who has not recently been studying algebra or geometry, but who has been serving as an official enforcing the law, would have a fair chance to get a decent rating in the examination.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BYRNES. I yield to the Senator from Montana.

Mr. WHEELER. Under the practical working of the provision complained of there was eliminated one of the best peace officers in the whole western region of the country. He had been engaged under the Bureau of Indian Affairs in working on liquor violations, and was an excellent man; but he failed in the technical examination. As a matter of fact, that man lost one of his legs in the Government service, and was one of the very best peace officers it would be possible to find. Yet he was eliminated by reason of his failure to pass the technical examination which he had to take.

Mr. McKELLAR. What was his name? If the Senator from Montana can give me his name we can tell whether he is on the list.

Mr. WHEELER. I can give the Senator the name of the man.

Mr. McKELLAR. I think the Senator from Montana is mistaken about that case.

Mr. WHEELER. I have given the information which I received regarding this man.

Mr. KING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from Utah?

Mr. BYRNES. I yield.

Mr. KING. I desire to ask the Senator if he does not construe the language of the amendment as prohibiting a further examination; in other words, all are concluded by the examination which was taken.

Mr. BYRNES. Here is the language which is vital to the amendment, as I see it, on page 17, line 11:

Provided further, That the employees, other than those heretofore designated, may be retained by the Treasury Department, but those designated in the first proviso hereof—

Which includes the man the Senator from Montana referred to—

shall not be retained after May 15, 1935.

In other words, this is the direction by the Congress that an individual shall not be retained unless he has passed an appropriate, open, competitive examination held by the Civil Service Commission after June 19, 1934. I see what the Senator from Utah has in mind; that unless the employee passed an examination held since June 19, 1934, which has already been held, that he cannot be retained. Is that the point the Senator has in mind?

Mr. KING. Yes.

Mr. McKELLAR. And that is provided in the law.

Mr. KING. And he could not take another examination.

Mr. BYRNES. No; he would have no chance to take another examination.

Mr. McKELLAR. Until one is called, no man has a right to take an examination. He can only take one when it is called.

The PRESIDENT pro tempore. Has the Senator from South Carolina concluded?

Mr. BYRNES. I have.

Mr. McKELLAR. Mr. President, I desire to give the exact facts by which these 704 employees were separated from the service. The President, on June 10, 1933, issued the following order, which separated all these individuals from the service:

All personnel employed in connection with the work of an abolished agency or function disposed of shall be separated from the service of the United States, except that the head of any successor agency, subject to my approval, may, within a period of 4 months after transfer or consolidation, reappoint any of such personnel required for the work of the successive agency. * * *

That was 4 months from August 10. In violation of that order the Department undertook to have these men reappointed, and here is the way they did it: I have here the testimony which was taken before the Civil Service Committee. Mr. E. E. Berney, of the Treasury Department, was intrusted with the selection of these men for reappointment and restoration to the service, and following are some of the questions which were asked him and his answers thereto:

Where are you from?
Mr. BERNEY. From central Pennsylvania.
Are you a Democrat or a Republican?

Mr. BYRNES. Mr. President, who asked that question?

Mr. McKELLAR. I did. I will read out the names if the Senator wishes me to do so. I was reading it in the form indicated in order to shorten the presentation. To read the names each time will lengthen it.

Mr. BYRNES. I want to know who asked the questions.

Mr. McKELLAR. I asked the questions all the way through.

Are you a Democrat or Republican?
I do not know.
You do not know? An expert in the Bureau of Prohibition, and you do not know whether you are a Democrat or a Republican?

Mr. LONG. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LONG. Will the Senator tell us what the difference is between a Democrat and a Republican?

Mr. McKELLAR. If the Senator does not know now after his long service he will never know, and there is no use to tell him.

Mr. LONG. Mr. President, I am asking for the benefit of others.

Mr. McKELLAR. Perhaps so. I am sure the Senator is. The Senator was not asking for his own benefit.

Senator McKELLAR. You do not know? An expert in the Bureau of Prohibition and not know whether you are a Democrat or a Republican?

Mr. BERNEY. If I may place my own test, I assume the test of a man's political faith is determined by his registration in a primary. I never registered to vote in a primary in my life. I voted once in my life, in the State of Connecticut, at a general election, and I have never lined up with a political party; so I do not know.

Senator McKELLAR. How did you vote then?

Mr. STEIWER. Mr. President, will the Senator yield for another parliamentary inquiry?

Mr. McKELLAR. Surely.

Mr. STEIWER. Am I correct in my understanding that the amendment which is now being discussed, on pages 16 and 17 of the bill, was agreed to earlier in the morning?

Mr. GLASS. Yes. It has been agreed to, and no one has moved to reconsider.

Mr. STEIWER. Evidently we are leading into a rather serious and interesting discussion here. I wonder whether the Senator from Tennessee would not now permit us to straighten out the parliamentary situation by agreeing to a reconsideration of the action by which the committee amendment, on pages 16 and 17 of the bill, was agreed to?

Mr. McKELLAR. I have no objection.

The PRESIDENT pro tempore. The Senator from Oregon [Mr. STEIWER] asks unanimous consent that the vote by which the committee amendment on pages 16 and 17 of the bill was agreed to be reconsidered. Is there objection? The Chair hears none, and it is so ordered.

Mr. STEIWER. I thank the Senator from Tennessee. I may want to debate this question.

Mr. GLASS. I do not think the Senator from Tennessee is exactly in charge of this bill and can agree to a reconsideration. The Senate agrees to reconsideration.

Mr. McKELLAR. I had no desire to do that. I merely said I had no objection.

Mr. GLASS. I think we have had the most irrelevant discussion here on a provision of the bill which has already been passed. I personally have no objection to a reconsideration.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. COUZENS. I think the RECORD will show that before the last quorum call the Senator from Oregon [Mr. McNARY] asked that the vote by which this amendment was agreed to be reconsidered.

Mr. GLASS. No, Mr. President; I do not think he asked for a reconsideration. The Senator from Oregon said before he proceeded further in the matter he should like to have his colleague here.

Mr. STEIWER. I think no reconsideration was then had, but I have made a request for unanimous consent to have the vote reconsidered.

Mr. GLASS. I have no objection, but I should think the Senate ought to pass upon that question.

Mr. STEIWER. May I ask of the Chair if the Chair did not announce that reconsideration was had without objection?

The PRESIDENT pro tempore. The Chair asked if there was any objection to reconsideration on the request of the Senator from Oregon. The Chair heard no objection, and it was so ordered.

Mr. STEIWER. I thank the Chair.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. BANKHEAD. I ask unanimous consent at this time to present an amendment which was presented to the Committee on Appropriations after the pending bill had been reported. The facts were presented to the committee, and it was agreed in committee that there would be no objection to it. I ask unanimous consent that it be considered now.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Alabama?

Mr. KING. Let the amendment be stated.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 31, line 6, it is proposed, after the word "force", to strike out the numerals "$253,668" and to insert in lieu thereof "$263,668, of which $10,000 shall be immediately available for the suppression of an epidemic of typhus fever."

The PRESIDENT pro tempore. Was it the Senator's request that that amendment lie on the table?

Mr. BANKHEAD. No; that it be acted on now. I offer the amendment now.

The PRESIDENT pro tempore. There is an amendment pending at this time.

Mr. BANKHEAD. I ask unanimous consent that my amendment be acted upon at this time.

The PRESIDENT pro tempore. The Senator from Alabama [Mr. BANKHEAD] asks unanimous consent that his amendment take precedence over the pending amendment and that it be acted upon at this time. Is there objection? The Chair hears none, and it is so ordered. The question is on agreeing to the amendment of the Senator from Alabama.

The amendment was agreed to.

The PRESIDENT pro tempore. The question reverts to the pending committee amendment on pages 16 and 17 of the bill.

Mr. McKELLAR. I continue to read from the testimony:

Senator McKELLAR. How did you vote then?
Mr. BERNEY. I voted on a machine.
Senator McKELLAR. I know; but how did you vote? Did you vote for the Democratic candidate or for the Republican candidate?

This man is drawing $6,000 a year from the Treasury Department in this unit.

Mr BERNEY. I voted for both.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. NORRIS. That shows that the man was a remarkably wise man.

Mr. McKELLAR. I agree to the statement in the sense the Senator has in mind.

Mr. NORRIS. We find in all our investigations that the men of great wealth who manipulate political parties contribute to both of them; and that man was getting along well; he was a hundred percent wise.

Mr. McKELLAR. He was getting along. If the Senator will wait a few moments, he will see how well he was getting along.

Mr. LONG. Mr. President, I have been trying to listen to this discussion, but there is so much confusion that I was unable to hear the answer which the Senator just read. Will the Senator again read the answer which the Senator from Nebraska said was so good?

Mr. McKELLAR. He said he voted for both Democratic and Republican candidates for Governor of Connecticut. That is all there was to it.

Mr. LONG. I thank the Senator.

Mr. McKELLAR. I continue to read:

Senator McKELLAR. You voted for both the Democratic and the Republican candidate at the same time?
Mr BERNEY. I certainly did.

This man was educated at Yale University. I believe he testified he graduated there, and had been working for the Government since 1918, when he went into the Bureau of War Risk Insurance. He entered that Bureau by standing a competitive examination for claims examiner and reviewer. I am giving the record from the hearings. The Senator from South Dakota [Mr. BULOW], who is present, will remember the testimony.

He admitted that he was a member of the committee that prepared the list of former employees that could be restored. Here is the list [exhibiting], and I wish to show how he passed on it in a moment.

Mr. Berney did not know of President Roosevelt's order which limited the reinstatement of these employees to January 30, 1934; and these were appointed in May. He did not know how many employees selected by him were Democrats or Republicans, or he said he did not know.

Senators talk about the civil service. Let me show how this man conducted the civil service insofar as he handled this matter.

My passing on them was specifically and definitely limited to pulling records and passing out information, with certain restrictions.

All these people in my State and every other State that we have any information about belong to one political party. Mr. Berney let no one on the other side get in, and he himself was not able to testify as to a single one who had gone in.

Mr. GLASS. If Mr. Berney was on both sides, how did he manage it?

Mr. McKELLAR. I do not know. I do not believe that he was on both sides, and I want to state why I do not so believe. I quote from his testimony again:

Senator McKELLAR. You said that you were not in politics.

He said he was away above anything political.

Mr. BERNEY. Yes, sir.
Senator McKELLAR. You take no interest in it?
Mr. BERNEY. No, sir.

And about that time a young man in the audience—there was quite an audience there—walked up to me and handed me a piece of paper which was not any larger than my two fingers, merely a little scrap of paper, and he immediately said he knew what that man was telling, and this occurred:

Senator McKELLAR. Is it not a fact that during the campaign of 1932 you bet on Hoover?
Mr. BERNEY. That is an unqualified misstatement. * * * I made no bets in the campaign except one—

Now listen to this:

I made no bets in the campaign except one, which was that if the Democratic Party were successful, in my judgment, the Republican money powers over the country would so handle things that the New York Stock Exchange would close. I bet one man in the service 10 to 5 that that would happen, and I collected the bet.
Senator McKELLAR. That if the Democrats won the stock exchange would close?
Mr. BERNEY. Yes, sir.
Senator McKELLAR. I thought you said you did not take any interest in politics.
Mr. BERNEY. I didn't say I don't take any interest in politics. I said that I was not qualified and am not qualified to vote either way.

He had just testified a moment previously that he did not take any interest in politics; he so testified twice. He goes on to say:

And I did not attempt to vote either way.
Senator McKELLAR. If a man takes enough interest in politics to bet on an election of any kind, he has some political views or opinions.

Mr. Berney replied:

I still say that it never affected any official action of mine.

He first said he did not take any interest in politics, and then, when confronted with the fact that all those whom he selected out of the numerous records which he said he had before him were Republicans, he testified that—

I still say that it never affected any official action of mine, but I still think that I have the right to visualize what may take place in different political campaigns, and I am sufficiently interested in American citizenship to do so.

Remember this was a Yale graduate whom we were examining.

Mr. STEIWER. Mr. President, will the Senator yield at that point?

Mr. McKELLAR. I will yield in just a moment. I continue quoting from the testimony:

Senator McKELLAR. Were you a member of a political club known as "the Hoover-Curtis Club"?

I still had my memorandum in my hand.

Mr. BERNEY. I would say I was not. I can give you the story behind that.
Senator McKELLAR. I would be glad to have it.
Mr. BERNEY. Very well, sir. In, I believe, 1924, I was in the Veterans' Bureau, and I was invited by a subordinate of mine to attend a notification exercise for President Coolidge. I attended them. We got down to the place where they were held.
Senator McKELLAR. Where was that?
Mr. BERNEY. I believe it was Constitutional Hall. We got down there and were about to take our seats. The man I was with was

a member of the Sons of the American Revolution and other agencies of that kind in the District. Someone came to him and told him the man in charge of the door was not going to be there, and wanted him to take charge. He asked, "What does it require?" They said, "Well, we have a couple of marines to keep things in order." He said, "Mr. Berney is experienced more than I am in such things."

I do not know why he claimed that he took no interest in politics and had none, when his own friends said:

Mr. Berney is experienced more than I am in such things. Why not ask him to go to the door? I went to the door and organized these men at the Convention Hall, so that we could have order.

Senator McKELLAR. Of course, it was not the love of politics, but your love and loyalty to law and order that brought you to that Coolidge meeting in 1924.

Mr. BERNEY. It was my interest in the leader of this Nation at the time. I have had an interest in the person and I will say the personnel of the White House ever since I have been old enough to read and write.

Senator McKELLAR. But you never had enough interest to go to the trouble to vote for anybody for that office?

I digress long enough to say that all the testimony which is in the printed record shows that he lived about 100 miles away in Pennsylvania; that he was born and reared there, his family lived there, and he did not know what the politics of his father was, so he testifies; he did not know what the politics of his mother was. He said he took no interest in it, and they took no interest in such things, making a record for himself in the effort to show how carefully he disregarded politics in selecting 704 Republicans or 698 Republicans, whichever the number was.

When he was engaged on this mission of putting back employees contrary to the President's order, oh, he said, that he never had enough interest in politics to go a hundred miles in order to vote; he said he was not interested, did not have the money to go on election day, and that is the reason he did not vote; yet he was getting $6,000 a year and he would merely have to go a hundred miles. Resuming the reading of the testimony:

Senator McKELLAR. But you never had enough interest to go to the trouble to vote for anybody for that office?

Mr. BERNEY. If I could have afforded to go to Pennsylvania I would have.

Senator McKELLAR. You were getting $6,000 a year. Would not that permit you to go to Pennsylvania if you wanted to vote?

Mr. BERNEY. I have no residence there.

Senator McKELLAR. You can vote anywhere you please. You can vote in Maryland or Virginia. You can declare your residence there and vote. You never looked into that, but while you did not have enough interest to vote, you had enough interest in politics—or in law and order, not in politics—to be present at the Coolidge meeting and act as doorkeeper.

Mr. BERNEY. Senator, I would like to clear your mind on that.

Senator McKELLAR. It needs clearing very much.

Mr. BERNEY. Nothing would please me better than to be able to tell you, while I am under oath, that I am a member of one of the two great parties. Nothing would please me better. I wish that I could tell you that. I want to clear up my position as to that situation.

Senator McKELLAR. All right.

Mr. BERNEY. Sometime later I was amazed one day to open a letter in which I found a check for $5 for my services signed by somebody who was in Chicago, very likely a member of one of the committees.

Senator McKELLAR. You mean the Republican Committee, do you not?

Mr. BERNEY. Yes, sir.

Senator McKELLAR. You did not take that check?

Mr. BERNEY. I took that check and endorsed it back to the man who wrote it and returned it.

Why did he endorse the check which he returned? Remember that little memorandum was still in my hand, and he did not know what I had. I knew he had endorsed that check. Of course, it is not material except bearing upon the truthfulness of this man.

Mr. BERNEY. I took that check and endorsed it back to the man who wrote it and returned it.

Senator McKELLAR. You regarded practical politics as so debased and low that you had to send it back?

Mr. BERNEY. I did not regard it as debased or low or loathsome in the least. I regard it as a very fine proposition. It means as much to me as the citizenship of Rome meant to a Roman.

Senator McKELLAR. Go ahead. I thought you were through.

Mr. BERNEY. Not quite. In the next campaign I received a letter, the same as I received letters from the American Legion, of which I am not a member, and other agencies for contributions. I received a letter saying substantially that in Washington there was but one place established where people could vote, and to keep that place up they were asking for a donation of $5 or $10—

My recollection is he said it was $50 before the committee, but it is changed here—

as the case may have been, I don't remember which. I sent a contribution for that purpose.

Senator McKELLAR. To the Republican organization?

Mr. BERNEY. To a Presidential organization.

Senator McKELLAR. It was Republican, was it not?

Mr. BERNEY. I don't know. It had been questioned very seriously whether Mr. Hoover was a Republican or not.

Senator McKELLAR. It was a Hoover organization?

Mr. BERNEY. Yes.

And again he testified that he had done the same thing the following year.

Senator McKELLAR. As I understand it, you were doorkeeper at a Republican meeting in this city in 1924?

Mr. BERNEY. It was not a Republican meeting.

Senator McKELLAR. I would suppose that it was, if it was for Mr. Coolidge.

Mr. BERNEY. It was a notification exercise.

Senator McKELLAR. Mr. Coolidge was a good Republican. And you say that you contributed to the campaign of Mr. Hoover in 1928, and contributed again to the campaign of Mr. Hoover in 1932.

Mr. BERNEY. But my contribution was for the purpose of establishing these booths for these men and women to vote.

Senator McKELLAR. In other words, you helped Mr. Hoover's cause in 1928, the first time he ran, when he was elected; and in the same way you helped Mr. Hoover's cause in 1932 when he happened to be defeated?

Mr. BERNEY. I have given the facts, and you can draw your own conclusion.

This was the man who selected the 704 employees in violation of the President's order and put them back in the civil service without regard to the provision which requires civil-service employees to be called in the order of their standing on examination. It was a flagrant abuse of the civil-service laws. Talk about the amendment being against civil service! The amendment I have offered stands by the civil service. I cannot say that I agree with the Senator from Nevada [Mr. PITTMAN], able though he is.

Mr. HALE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Tennessee yield to the Senator from Maine?

Mr. McKELLAR. I yield.

Mr. HALE. Can the Senator tell me when these men were first put on the civil-service list?

Mr. McKELLAR. They were appointed under President Hoover's administration, I believe, sometime early in that administration.

Mr. HALE. They qualified at that time, did they not?

Mr. McKELLAR. They qualified after being put on the list. They were put on as official appointees. I think 26 of them came from my State.

Mr. HALE. They passed the examination which was given them, did they not?

Mr. McKELLAR. They passed some sort of an examination.

Mr. HALE. They were on the civil-service list, were they not?

Mr. McKELLAR. In that way. They were put in the service that way.

Mr. HALE. They were on the civil-service list, were they not?

Mr. McKELLAR. They were put on, but afterward they were separated from the service. When they were appointed the last time they were not on the civil-service list because they had been separated, and under the provisions of the Executive order they had no civil-service status.

Mr. HALE. Why did they not have a civil-service status? A man may be severed from the service, but he retains his civil-service status for sometime.

Mr. McKELLAR. That may be true, but it was a fraudulent restoration by Mr. Berney and therefore these men had no real standing.

Mr. HALE. Clearly this is a case of the Senate interfering with existing Civil Service Commission lists. If this is permitted, and if an administration coming into power can set aside the civil-service lists set up during the previous

administration, it seems to me that the beginning of the end of the civil service is in sight.

Mr. McKELLAR. This is what happened: They were separated from the civil service, and Mr. Berney put these former employees back on the list. He did not put them on the list through the Civil Service. He picked out those he wanted to come back and then got an order from the Civil Service Commission, without telling the Civil Service Commissioners that the President had already separated these employees from the service. The Civil Service Commission did not know about it. They testified to that effect before our committee. They knew nothing about it, and certainly would not have restored men of the kind who were restored in this case.

Mr. HALE. These employees had been separated from the service, but they still retained their civil-service status.

Mr. McKELLAR. They lost their status of eligibility for reinstatement in the particular department. The President had taken it away from them. He has charge of such matters. By his action they lost their status. They could have been reinstated in some other department if they were properly prepared for such other work, but they were certainly not eligible for reinstatement in this particular Department. The Civil Service Commissioners swore they knew nothing in the world about the President's order separating them from the service.

Mr. FLETCHER. Mr. President, I should like to ask the Senator whether or not the amendment conforms to the recommendation by the President in Senate Document No. 10?

Mr. McKELLAR. That is the President's message of June 10, 1933?

Mr. FLETCHER. Yes; it is.

Mr. McKELLAR. It does. The amendment conforms to it, but the people here were put back in the service in violation of that order of the President.

Mr. FLETCHER. The amendment conforms to that recommendation by the President?

Mr. McKELLAR. Yes.

Mr. FLETCHER. That is the point I wanted to make.

Mr. GLASS. Mr. President, the point is, I will say to the Senator from Florida that the President of the United States issued an Executive order giving all these employees an opportunity, up to a certain date involving a period of 4 months, to be transferred, after which date they were not to be transferred; but they were transferred after the date prescribed in violation of the Presidential order.

May I appeal to the Senator from Tennessee to let us vote on the question? It is a very simple proposition as to whether the Senate wants to pay these employees. The Secretary of the Treasury urges that they be paid. The committee unanimously agreed that they should be paid. That is involved in the amendment. The only other matter involved is whether individuals put on the roll in violation of an Executive order of the President shall be permitted to remain there willy-nilly or whether they shall be required to take an examination in order to remain there.

Mr. McKELLAR. Mr. President, I yield the floor in order that the Senate may have a vote.

Mr. BYRNES. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BYRNES. I should like to know whether or not the vote by which the amendment was agreed to was reconsidered by the Senate.

The PRESIDENT pro tempore. By unanimous consent, the vote was reconsidered.

Mr. BYRNES. I desire to offer an amendment to the amendment. I send it to the desk.

Mr. McNARY. Mr. President, was the proposal made by the Senator from South Carolina for reconsideration by unanimous consent of the Alcoholic Unit employees matter agreed to?

The PRESIDENT pro tempore. By unanimous consent, the vote by which the amendment was agreed to, on page 16, lines 6 to 25, and page 17, lines 1 to 19, was reconsidered and that amendment is now again under consideration. The Senator from South Carolina has offered an amendment to that amendment, which will be stated.

The LEGISLATIVE CLERK. In the committee amendment on page 17, line 16, it is proposed to strike out the words "have passed an appropriate open competitive examination" and to insert in lieu thereof the words "pass an appropriate noncompetitive examination to be", so as to make the sentence read:

Provided further, That the employees, other than those heretofore designated may be retained by the Treasury Department, but those designated in the first provision hereof shall not be retained after May 15, 1935, by the Treasury Department unless they pass an appropriate noncompetitive examination to be held by the Civil Service Commission after June 1934 and, if retained, shall not be paid out of this appropriation or any other appropriation made by this act.

Mr. McNARY. Mr. President, I hope the Senator from South Carolina will be good enough to permit me to suggest the absence of a quorum, in order that others interested may be here.

Mr. BYRNES. Very well.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Lonergan	Robinson
Ashurst	Couzens	Long	Russell
Austin	Cutting	McAdoo	Schall
Bachman	Dickinson	McCarran	Schwellenbach
Bankhead	Donahey	McGill	Sheppard
Barbour	Duffy	McKellar	Shipstead
Barkley	Fletcher	McNary	Smith
Bilbo	Frazier	Maloney	Steiwer
Black	George	Metcalf	Thomas, Okla.
Bone	Gerry	Minton	Thomas, Utah
Borah	Gibson	Moore	Townsend
Bulkley	Glass	Murphy	Trammell
Bulow	Gore	Murray	Truman
Burke	Guffey	Neely	Tydings
Byrd	Hale	Norbeck	Vandenberg
Byrnes	Harrison	Norris	Van Nuys
Capper	Hatch	O'Mahoney	Wagner
Clark	Hayden	Pittman	Walsh
Connally	King	Pope	Wheeler
Coolidge	La Follette	Radcliffe	
Copeland	Logan	Reynolds	

Mr. ROBINSON. I reannounce the absence of Senators as heretofore stated.

The PRESIDENT pro tempore. Eighty-two Senators have answered to their names. A quorum is present.

Mr. BYRNES. Mr. President, I desire to ask the chairman of the committee or the Senator from Tennessee whether they will accept the amendment which I have offered.

Mr. GLASS. I have no objection to the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from South Carolina to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. ASHURST. Mr. President, I apologize for taking even a couple of minutes of the time of the Senate; but I wish definitely to aline myself with the speech of the senior Senator from Nevada [Mr. PITTMAN], who now occupies the Chair. I had intended to say something on the subject, but his remarks were so clear and so concise, as is usual with him, that, in my judgment, he rendered it unnecessary for me to say anything, because nothing could be said that could emphasize his remarks. What he said was true.

I am not making an assault upon the civil service. I believe in the civil service; but when men are sent out to fight gangsters, and the lives of our fellow citizens depend upon the ability and capacity of an officer to shoot straight, I object to his being denied employment because he does not know who happened to be the last emperor of the western division of the Roman Empire.

It might seem as if the Senator from Nevada had rather indulged in overstatement as to some of the questions asked of those who were expected to enforce the law, but he did not overstate the questions or misinterpret them at all.

I wish definitely further to say that we are now engaged practically in a warfare with the underworld. A man may not be of service in fighting the underworld even if he can

readily say whether Mark Antony's speech actually overthrew the republic of Brutus and established the empire of Octavius Caesar. On such interesting subjects Senators ought to be informed, but it does not help the man who is fighting a gangster to be able readily to give an answer to such a question.

I repeat that I am not to be understood as not making an assault upon the Civil Service Commission in any sense. The Commission, as its present organization is set up, has done good work. I have learned a few things about it from the Senate.

For years I regarded the Senator from Tennessee [Mr. McKELLAR] as a man very safe to follow, and without making a close examination of his so-called "rider" I voted for it. I apologize to the American people, I apologize to the Senate and all others interested, for the vote which I cast. It was unworthy of me. I believe I have the right to say that the Senator from Tennessee himself did not know what he was doing or he would not have done it. He is too able, too sagacious, too fair a man willfully to have done what he did. Only ignorance is his plea at the bar of public opinion.

Mr. McKELLAR. Mr. President——

Mr. ASHURST. Just let me finish.

Mr. McKELLAR. Wait one minute. I do not think——

Mr. ASHURST. Ignorance on that subject, I should have said. I yield to the Senator.

Mr. McKELLAR. The Senator has already done me such great injustice——

Mr. ASHURST. I have not done the Senator an injustice. If he says he has done this willfully, then he has done himself an injustice, because his rider came very near disrupting the whole law-enforcement program of the Government.

The able Senator from Virginia [Mr. GLASS] says the Treasury Department violated the law in retaining these men. It was a question of violating a rider or allowing the whole Alcohol Tax Unit to fall into complete wreck and disrepair.

Mr. McKELLAR. Mr. President——

Mr. ASHURST. I yield.

Mr. McKELLAR. I am sure the Senator does not desire to make a statement like that. When this rider was passed last year the Treasury Department first asked, according to my recollection, that they be given 3 months, and then that the time be increased to 4 months, and then to 5 months, so that they might have no trouble about securing the proper kind of employees; and that extension was granted. Everything they asked was granted; and then the Treasury Department ignored their own request and kept these men on the rolls.

Mr. ASHURST. The Senator is not going to involve me in a controversy, because upon so many occasions he has rendered service promotive of the strength and the perpetuity and the efficiency of government that I think he will be easily forgiven for this one wild, reckless act of his—and I take nothing back. Either a willful, deliberate desire to injure the Government or gross ignorance of what he was doing is the only excuse the Senator has; and I stand on that statement.

So, Mr. President, I wish to share my part of the responsibility and the wrong done, and share as much of the responsibility of other Senators as they feel is irksome for them to bear.

I wish further to have it known that I telephoned to the Attorney General and telephoned to the Treasury Department, when it became obvious that these employees were about to be dismissed and the Alcohol Tax Unit ruined, and told them I hoped they would have the courage, the foresight, and the nerve—if I may be pardoned that expression—to go ahead and keep these men employed, so that the Alcohol Tax Unit would not be wrecked.

Mr. GLASS. Mr. President, there was no necessity for violating the law. Had the Treasury Department obeyed the Executive order covering a period of 4 months of time in which they could have obeyed it, there would have been no necessity for violating the law.

Mr. ASHURST. I am not able to discuss that question with the Senator, more than to say that the Senator from Virginia in his opening statement said that the men who were dismissed were the innocent victims of somebody's wrong.

Mr. GLASS. I say now that they were innocent victims.

Mr. ASHURST. That is all I have to say.

Mr. McKELLAR. This bill makes it right.

Mr. GLASS. But the Senator said everything would have gone to pieces if the Treasury Department had not violated the law. The Treasury Department had no business violating the law. They could have proceeded in an orderly way by observing the law, and they did not do it.

Mr. ASHURST. The Senator can quarrel about that with the Treasury Department, because he is a master at that.

Mr. GLASS. I do not care a continental about the matter one way or the other, except that I think these employees ought to be paid.

Mr. ASHURST. Before I yield the floor, I agree entirely with the last sentence of the Senator's remarks. They should be paid. Without compensation and without much hope of compensation they remained at their posts and gave an example to Senators, they gave an example to other public officials, which we may well emulate.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee, as amended.

The amendment, as amended, was agreed to.

Mr. McADOO. Mr. President, I desire to call up the amendment I sent to the desk awhile ago and have it disposed of.

The PRESIDENT pro tempore. The amendment offered by the Senator from California will be stated.

The LEGISLATIVE CLERK. On page 56, line 9, it is proposed to strike out "$8,575,000" and to insert in lieu thereof "$10,575,000." On page 56, line 10, it is proposed to strike out "$7,000,000" and to insert in lieu thereof the following:

$9,000,000 (of which $2,000,000 shall be available for the transportation of mail, including mail for island possessions and Territories of the United States, across the Pacific Ocean between California and China).

And on page 56, line 13, it is proposed to strike out "$7,000,000" and to insert in lieu thereof "$9,000,000."

Mr. McADOO. Mr. President, this amendment merely increases from $7,000,000 to $9,000,000 the appropriation in the bill for foreign air mail service. The Postmaster General already has the power to call for bids for air mail service between foreign countries and the United States, and between the United States and its possessions.

We have the opportunity now to enter upon the greatest air conquest that is open in the world; that is, to establish an air line between the Pacific coast and the great empire of China, going by way of Honolulu, Guam, and Manila to Canton, China.

The purpose of the amendment is to give the Postmaster General the available means to carry out any contract he may see fit to make with a company which is willing to undertake to transport the mails across the Pacific upon such terms and conditions as may be fixed in the call for bids for that purpose.

I hope the distinguished Chairman of the Committee on Appropriations will accept the amendment.

Mr. GLASS. Mr. President, I am not authorized by the committee to accept the amendment, but I am willing that the amendment shall go to conference, so far as I am individually concerned.

Mr. McADOO. I shall be glad if the Senator will permit the amendment to go to conference.

Mr. KING. Mr. President, will the Senator from California yield to me?

Mr. McADOO. I yield.

Mr. KING. I recall that in some of the discussions at the last session of Congress, or perhaps the session before last, there was considerable evidence tending to show that some of the ships having contracts with the Government, and operating upon the Pacific Ocean between our country and the Orient, and between our country and South and Central America, were receiving subsidies, and that the subsidies which they received for one voyage would almost pay for the vessels which the companies had obtained, and they had

received loans from the Government at 1- or 1½-percent interest.

Mr. McADOO. The Senator is speaking of ocean steamships?

Mr. KING. Yes.

Mr. McADOO. My amendment has to do with airships crossing the Pacific.

Mr. KING. Is the amendment limited to airships?

Mr. McADOO. Yes; the amendment is limited to airships, and the total amount to be appropriated is only $2,000,000. I think that we would stand in our own light if we did not encourage, to the extent at least of $2,000,000, the establishment of an air line that will bring China within 4 days of the Pacific coast of the United States.

Mr. KING. To say nothing of Japan.

Mr. McADOO. To say nothing of Japan.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from California [Mr. McADOO].

The amendment was agreed to.

Mr. O'MAHONEY. Mr. President, I offer the amendment which I send to the desk, to be inserted on page 55.

The PRESIDENT pro tempore. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 55, line 9, it is proposed to strike out "$3,250,000" and to insert in lieu thereof "$3,350,000."

Mr. O'MAHONEY. Mr. President, let me say that the law now authorizes the payment of travel allowance to railway-mail employees up to $3 a day. Under the various economy provisions the payment of such travel allowance was limited by cutting down the appropriation. Travel pay has been restored, as I understand, to practically all other employees. The amendment which I propose adds $100,000 to the figure contained in the bill as it came from the House. It is a permissive appropriation, merely authorizing the restoration, if in the judgment of the Post Office Department it should seem wise, of the full allowance to railway-mail employees.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY].

The amendment was agreed to.

Mr. GLASS. Mr. President, on page 20, line 24, I move to strike out the word "two." I have received a letter from the Secretary of the Treasury stating that if the restriction imposed by this language should remain in the bill it would seriously interfere with the operations of the Coast Guard, and therefore I have moved that the word "two" be stricken out.

Mr. McNARY. Mr. President, there was so much conversation in the Chamber that I was unable to hear what the amendment was.

Mr. GLASS. On page 20, line 24, in the language relating to "maintenance, repair, exchange, and operation of two motor-propelled passenger-carrying vehicles, to be used only for official purposes in the field", I propose to strike out the word "two." The Secretary of the Treasury has sent me a letter about the matter. Does the Senator desire to have the letter read?

Mr. McNARY. What is the amount involved?

Mr. GLASS. The amendment would not change the amount at all.

Mr. McNARY. In a word, what would it do?

Mr. GLASS. It would merely let the Coast Guard for this particular purpose use more than two automobiles.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Virginia [Mr. GLASS].

The amendment was agreed to.

Mr. GLASS. Mr. President, I ask that the clerk be authorized to correct the totals in the bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The question is, Shall the amendments be engrossed and the bill be read a third time?

Mr. KING. Mr. President, I understand the Senator from Montana [Mr. MURRAY] desires to offer an amendment to be inserted at the appropriate place.

Mr. MURRAY. Mr. President, I send an amendment to the desk and ask that it be read.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. At the proper place in the bill, it is proposed to insert the following:

For the establishment, equipment, and maintenance of an assay office at Helena, Mont., $22,000, to be immediately available.

Mr. GLASS. Mr. President, I am not only not authorized by the committee to accept this amendment, but I may say that it took us 15 years to disestablish these assay offices, and the committee has been utterly opposed to a resumption of them, so I hope the amendment will not be adopted.

Mr. MURRAY. Mr. President, the office for which I ask an appropriation is authorized by law and was in existence for 60 years prior to its elimination. During recent years there has been great interest in the development of mining in our State, and it is in the interest of the welfare of the small miners that we ask for this appropriation. At the present time the miners have to go a great distance in order to reach an assay office, and it is important that this amendment should be agreed to, to aid these small operators. The Helena office is authorized by law, the appropriation asked for is small, and the renewed operation of the office would be of great benefit and advantage in aiding and encouraging the development of the small mines in Montana at this time. In recent years there has been great activity in the mining of gold and silver.

Mr. GLASS. Mr. President, I concede that the appropriation is authorized by law. There has not been an appropriation for this purpose for 5 years, and it took us 15 years to get rid of these assay offices, the overhead of which was infinitely in excess of the benefit derived from their operation.

Mr. MURRAY. Mr. President, the Government is now undertaking a policy of encouraging the development of these small mines. A bill will shortly be introduced by the Senator from Idaho [Mr. POPE] which will propose to appropriate a large sum of money for the purpose of encouraging the operation and development of small mines. The Government has also indicated its desire along these lines in other ways, such as loans to mining companies by the R. F. C., and it seems to me that a small appropriation of $22,000, which will be of such great benefit to the small miners in our section of the country and which will tend to greatly develop new wealth, should not be objected to. Will not the Senator from Virginia permit this amendment to go to conference?

Mr. GLASS. I will let it go to conference, but the Senator may be assured that it will be stricken out in conference. I will let it go to conference.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MURRAY].

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I wish to call the attention of the Senator from Virginia, on page 57, of the bill, to the following provision:

Foreign Mail Service, Merchant Marine Act: For transportation of foreign mails under contracts authorized by the Merchant Marine Act of 1928 (U. S. C., title 46, secs. 861–889; Supp. VII, title 46, secs. 886–891x), including the cost of advertising in connection with the award of contracts authorized by said act, $28,850,000: *Provided*, That no part of the money herein appropriated shall be paid on contract no. 56 to the Seatrain Co.

As the Senator from Virginia knows, there has been a great dispute about these several contracts, and I think there ought to be an amendment submitting them to the Comptroller General. I had prepared an amendment, and had it here on my desk, but it has been mislaid. I think it should probably be to this effect, "*Provided*, That no part of the appropriation herein made shall be used to pay any contract which the Comptroller General, after an examina-

tion and the hearing of testimony, shall determine to be either illegal or invalid."

Mr. GLASS. No money can be paid on a contract if the Comptroller General decides it is illegal.

Mr. McKELLAR. I know that, but this would present the contracts to the Comptroller General for an opinion by him.

Mr. GLASS. The Senator would accomplish his purpose by the mere addition of the words at the end of the sentence, "unless approved by the Comptroller General."

Mr. McKELLAR. Very well. On page 57, line 10, I ask that language be inserted so that it would provide that "no money shall be paid on any of the foregoing contracts unless approved by the Comptroller General of the United States."

Mr. McNARY. Mr. President, may not the amendment be reported by the clerk?

The PRESIDENT pro tempore. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed, on page 57, line 10, after the word "company", to insert the words "unless approved by the Comptroller General of the United States."

Mr. McNARY. Mr. President, let the amendment be read by the clerk.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 57, line 10, after the word "Company", it is proposed to insert "unless approved by the Comptroller General of the United States."

Mr. LONG. Mr. President, does the Senator from Oregon wish the floor?

Mr. McNARY. No, Mr. President.

Mr. LONG. Mr. President, now that the heat of discussion has died down—I did not wish to make this interpolation at a time when there might have been any excited minds in the Chamber—now that we have an even atmosphere, would it not be well that at some point in the bill we insert an appropriation to be paid by someone to be selected from the Democratic side of the Chamber and someone to be selected from the Republican side of the Chamber, for research work designed to apprise us of what is the difference between a Democrat and a Republican? [Laughter.] We have so many inquiries and so much confusion, and so much bickering and hard feelings temporarily established, which are ended the moment people are brought to an understanding of what the facts are, that I feel it would be in the interest of the parties; and such innocent bystanders as myself, undertaking to remain with one party or the other, would like to know just what course they would have to pursue in order that they might have no attack made upon them that they were not of a certain party.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. O'MAHONEY. Is that a threat or a promise, that the Senator is going to undertake to stay with one party or the other?

Mr. LONG. Well, in the case of the Senator from Wyoming it would be a threat.

Mr. ASHURST. Mr. President, will the Senator yield to me?

Mr. LONG. I yield.

Mr. ASHURST. I appreciate the facetiousness of my friend the Senator from Louisiana [Mr. LONG], but I am just apprised of a matter of more serious import than his facetiousness.

I never wish willfully to wound the feelings of a Senator. I am advised by Senators upon whose sagacity and judgment I may rely, that in the heat of debate a few moments ago with the Senator from Tennessee [Mr. McKELLAR] I had spoken improperly, and in a tone or a manner in which I should not have spoken.

Let me say, first, if a Senator should say to me that I was ignorant of what I was doing, that would be true in many instances. There is no Senator here who knows all that takes place in this Chamber. It is not possible for him to know all that takes place. I meant no reflection on the character or the mentality or the learning of the Senator from Tennessee.

I do not have to stand here and eulogize him. I think, among the industrious Senators, he is one of the most devoted to the public interest. Surely that Senator is very sensitive when he is hurt or takes offense when I say he was ignorant of what he did. I was ignorant of what I did. Is he, forsooth, of more tender feeling than am I?

Had I known what his amendment was, I never should have voted for it. I was ignorant of it.

Now, if the Senator from Tennessee feels that I have been ungenerous or unjust, I tender to him an apology. If he does not want to accept it, what I said originally stands. That is all I can do. Did the Senator from Tennessee deign to listen to me?

Mr. McKELLAR. Mr. President, the Senator from Arizona, unfortunately, has so outraged my sense of what is right and proper to be said on the floor of the Senate, that I am frank to say that I did not listen to what he had to say, and I hope the country will not listen to what he had to say. The Senator made some very serious charges against me. If he is a gentleman, he will apologize for those charges; and if he is not a gentleman, he will not.

Mr. GLASS. Mr. President——

Mr. LONG. Mr. President, I decline to yield further.

Mr. GLASS. Mr. President——

Mr. LONG. I desire to continue my speech.

Mr. ASHURST. Mr. President, I think the Senator from Louisiana should permit me to interrupt him in order to clear up this matter. I think the Senator should do that.

Mr. LONG. No, Mr. President; I do not want to yield any more. I want to finish my speech.

Mr. GLASS. Let me suggest to the Senator from Louisiana, if I may, that he refer his question to the Bureau of Standards.

Mr. LONG. Mr. President, I am undertaking to state a parliamentary matter which I think will avoid a great deal of misunderstanding for the future. Our great trouble is in understanding what a Democrat and a Republican are supposed to do. During the past week I have gone over the lore of the two platforms. I find that both of us pledged ourselves to strict economy, and that all of us have voted against strict economy. I find that all of us pledged ourselves to enforcement of the Constitution and to a specific itemization of expenditures, and of course we have not done that.

I desire to say further that the remarks of my friends from Arizona and from Tennessee are well in order. We are operating here in an atmosphere of our own self-inflicted ignorance. We are constantly in an air of failing to know and to understand what we are supposed to do. I really believe we should have the parties' stands defined, and I really think that in order to avoid in the future such occurrences as we have just had it would be a good idea for the Senator from Virginia [Mr. GLASS] to insert a provision for a $10,000 appropriation, to be given half to each side of this Chamber, one-half to be spent by the Republicans and one-half to be spent by the Democrats, not to inform the country, because the country knows there is no difference, but to inform the Members of the Senate what is the difference between the Democrats and the Republicans, and what one is supposed to do and to say in order that he may not be taken for what he is not.

Mr. ASHURST. Mr. President, if I may be permitted to say a word further, I do not wish to pursue anything which might be unpleasant to the Senate; but I think if a gentleman makes an assault, or does anything that is contrary to the proprieties, the highest duty he has is to try to make amends.

I thought I had made amends for the affront I had unintentionally offered the Senator from Tennessee, but the Senator did not hear my statement. I now ask the Official Reporter to read what I said; and if the Senator will deign to listen, he will see that I wish to do all I may to make amends. I will ask the Official Reporter to read what I said with reference to the Senator from Tennessee in my last statement.

The PRESIDENT pro tempore. Without objection, the Official Reporter will read, as requested.

The Official Reporter (Mr. Carlson) read as follows:

Mr. ASHURST. I appreciate the facetiousness of my friend the Senator from Louisiana [Mr. LONG], but I am just apprised of a matter of more serious import than his facetiousness.

I never wish willfully to wound the feelings of a Senator. I am advised by Senators, upon whose sagacity and judgment I may rely, that in the heat of debate a few moments ago with the Senator from Tennessee [Mr. MCKELLAR] I had spoken improperly and in a tone or a manner in which I should not have spoken.

Let me say, first, if a Senator should say to me that I was ignorant of what I was doing, that would be true in many instances. There is no Senator here who knows all that takes place in this Chamber. It is not possible for him to know all that takes place. I meant no reflection on the character or the mentality or the learning of the Senator from Tennessee.

I do not have to stand here and eulogize him. I think, among the industrious Senators, he is one of the most devoted to the public interest. Surely that Senator is very sensitive when he is hurt or takes offense when I say he was ignorant of what he did. I was ignorant of what I did. Is he, forsooth, of more tender feeling than am I?

Had I known what his amendment was, I never should have voted for it. I was ignorant of it.

Now, if the Senator from Tennessee feels that I have been ungenerous or unjust, I tender to him an apology. If he does not want to accept it, what I said originally stands. That is all I can do. Did the Senator from Tennessee deign to listen to me?

Mr. ASHURST. Mr. President, I am content to stand on that record. Having been told, I repeat, by Senators, upon whose judgment and sagacity I may rely, that I was unfair and ungenerous, I have done all that may be done. If my friend—and our friendship goes back many years—wishes to sever our friendship after I have tried to make him honorable amends, I am powerless.

Mr. McKELLAR. Mr. President, I do not know how to construe the remarks of the Senator from Arizona. If it is an apology, of course, I should be delighted to accept an apology from a man who has made a mistake in what he said; but he does not say that he means that at all. He means to say, apparently, that what he did say in the first place was absolutely true, and repeats that it was absolutely true, and then says that if he hurt my feelings, he apologizes for it; otherwise, he does not. So I do not know how to construe it.

I know how to act, and I know how a man should act on the floor of the Senate. It is against the rules for one Senator to impute unworthy motives to another Senator; and the Senator from Arizona certainly imputed unworthy motives to me.

I think the Senator ought to make up his mind as to whether he wants to apologize for his unseemly, uncalled-for, and untrue language, or whether he does not want to do it.

Mr. ASHURST. Mr. President, I certainly do feel that I should——

Mr. McKELLAR. If the Senator wants to apologize, let it stand that way.

Mr. ASHURST. All right. I do apologize——

Mr. McKELLAR. I will accept it.

Mr. ASHURST. No, Mr. President; wait until I have finished.

Mr. McKELLAR. If the Senator is going to do that, I am not going to have anything more to say.

Mr. ASHURST. I do apologize. If my language bears any construction that would charge the Senator with any improper conduct or lack of fidelity to the public welfare, I apologize. As to his being ignorant of what he did, I do not apologize.

I am through.

Mr. McKELLAR. The Senator is so ignorant about everything he deals with that it might well be left just where it is. I will think the question over.

Mr. COPELAND obtained the floor.

Mr. ROBINSON. Mr. President——

Mr. GLASS. Let us pass the bill.

Mr. COPELAND. Very well.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Tennessee.

Mr. McNARY. Mr. President, I think that amendment should be read by the clerk. I am somewhat confused as to the proper place at which it is to be inserted in the section.

Mr. McKELLAR. If the Senator will indulge me for just a moment, I have been temporarily detoured, and I will now call his attention to the fact that if he and other Senators who are interested will look at page 57 they will find there a proviso reading:

That no part of the money herein appropriated shall be paid on contract no. 56 to the Seatrain Co.

Just after the figures "$28,850,000" preceding the proviso, I moved an amendment to insert, and it has been adopted, this language:

That no part of the money herein appropriated shall be paid on any contract which after examination by the Comptroller General is found to be invalid or illegal.

Mr. McNARY. Mr. President, I am now more confused than originally. The language now does not read like that first proposed. I do not know anything about the purposes sought to be accomplished by the amendment. The Senator has made no statement.

Mr. McKELLAR. Oh, yes I did; but the Senator did not hear it, and there was so much confusion around that it is not surprising the Senator did not hear it. However, I will state that there are many of these contracts the legality of which has been questioned, and this amendment merely refers that question to the Comptroller General to examine into the facts and report thereon.

Mr. McNARY. May I ask the Senator, was this language submitted to the committee?

Mr. McKELLAR. No; it was not. It was an amendment offered by me, and the Senator from Virginia said, so far as he was concerned, he had no objection to taking it to conference.

Mr. McNARY. I do not know what construction might be placed upon the language proposed; it has not been considered by the committee, and I suggest that it is subject to a point of order.

Mr. McKELLAR. Oh, no; I think it is not.

Mr. McNARY. It is subject to a point of order, I think, on the ground of being legislation on an appropriation bill.

Mr. McKELLAR. It is a limitation on an appropriation and not subject to a point of order.

Mr. McNARY. I am not asking the Senator to make the ruling. I will submit the question to the Chair.

Mr. McKELLAR. I am perfectly willing that the Chair should make the ruling. I understand that situation.

Mr. McNARY. I submit that, in my opinion, the amendment conflicts with rule XVI of the Senate.

The PRESIDENT pro tempore. In the opinion of the present occupant of the chair an amendment limiting an appropriation is always in order, but if coupled with any provision imposing a duty upon another officer of the Government it is in the nature of general legislation and is subject to a point of order.

Mr. GLASS. And the amendment does not necessarily involve a limitation on the appropriation.

The PRESIDENT pro tempore. The Chair is of the opinion that the point of order is well taken.

Mr. McKELLAR. Mr. President, I will not appeal from the ruling of the Chair, because on some subsequent occasion I will discuss the contracts referred to and offer an amendment where it will be in order so that this matter may be passed on. As a matter of fact, we are paying out $28,000,000 a year to 41 contractors, 38 of whom have no legal contracts on which they should be paid; and it seems to me that situation ought to be corrected, in view of such a large sum being involved.

Mr. COPELAND. Mr. President, I call the attention of the Senator to the fact that in the Independent Offices Act of 1934 provision was made that, on 60 days' notice, the President of the United States could modify or cancel any existing contract if he found reason so to do, and that, where there was such cancelation, the President should determine the amount of damages, if any, and that money should be set aside to make payment. Then, if a steamboat owner or line should be dissatisfied recourse could be had to the Court of Claims. My contention is that we have sought in an orderly way to make the head of our Government responsible for

doing, if necessary, what the Senator from Tennessee proposes. I do not think it is fair for us, without having before us the testimony as to the guilt of an individual line or corporation, to take action. We have not such testimony. I suppose if there is such evidence it will be produced in due time, but my judgment is that we have temporarily closed the gate, so far as we are concerned, and have passed over to the President of the United States the ultimate decision regarding these matters of contract.

Mr. McKELLAR. That is one of the reasons, I may say to the Senator, why I am content to accept the ruling of the Chair. I am going to offer a resolution within a day or two providing that the Postmaster General shall be required to furnish the opinions which have been forwarded to the executive department on that subject, so that we may have them before us.

Mr. GLASS. Will not Senators defer the discussion, then, until that shall have been done?

The PRESIDENT pro tempore. The Chair will inquire of the Senator from Oregon, did he make the point of order or was his suggestion in the nature of a parliamentary inquiry?

Mr. McNARY. I asked for a further elucidation of the matter, and then I became confirmed in my view that the point of order was proper, and I insist upon it.

The PRESIDENT pro tempore. The point of order is sustained.

The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. GLASS. I move that the Senate insist upon its amendments to the bill just passed and ask for a conference with the House on the amendments, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. GLASS, Mr. McKELLAR, Mr. McADOO, Mr. TRAMMELL, Mr. STEIWER, and Mr. NORBECK conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BUCHANAN, Mr. TAYLOR of Colorado, Mr. ARNOLD, Mr. OLIVER, Mr. TABER, and Mr. BACON were appointed managers on the part of the House at the conference.

REPEAL OF PUBLICITY SECTION OF REVENUE ACT OF 1934

Mr. HARRISON. I move that the Senate proceed to the consideration of House bill 6359, being the bill to repeal the publicity provision of the income-tax law.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Mississippi.

Mr. McNARY. Mr. President, I have no objection to the present consideration of the bill, but immediately after the bill shall have been laid before the Senate, I wish to suggest the absence of a quorum.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Mississippi [Mr. HARRISON].

The motion was agreed to; and the Senate proceeded to the consideration of the bill (H. R. 6359) to repeal certain provisions relating to publicity of certain statements of income, which had been reported from the Committee on Finance without amendment.

Mr. McNARY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Barkley	Bulow	Connally
Ashurst	Bilbo	Burke	Coolidge
Austin	Black	Byrd	Copeland
Bachman	Bone	Byrnes	Costigan
Bankhead	Borah	Capper	Couzens
Barbour	Bulkley	Clark	Cutting
Dickinson	King	Murray	Smith
Donahey	La Follette	Neely	Steiwer
Duffy	Logan	Norbeck	Thomas, Okla
Fletcher	Lonergan	Norris	Thomas, Utah
Frazier	Long	O'Mahoney	Townsend
George	McAdoo	Pittman	Trammell
Gerry	McCarran	Pope	Truman
Gibson	McGill	Radcliffe	Tydings
Glass	McKellar	Reynolds	Vandenberg
Gore	McNary	Robinson	Van Nuys
Guffey	Maloney	Russell	Wagner
Hale	Metcalf	Schall	Walsh
Harrison	Minton	Schwellenbach	Wheeler
Hatch	Moore	Sheppard	
Hayden	Murphy	Shipstead	

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present. The question is on the passage of the bill.

Mr. HARRISON. Mr. President, I am perfectly willing that the bill shall be passed, but I understand there is to be an amendment offered. However, before that is done I wish to make a brief statement explanatory of the bill.

The bill was recently passed in the House by a very large majority. It seeks to repeal the so-called "pink slip" provision of the Revenue Act of 1934. May I say to the Senate that in no way does it affect the old law with reference to publicity of income-tax returns.

It will be recalled that in the consideration of the last revenue bill practically the same provision which had been carried for many years was again included with reference to income-tax publicity, namely, that the President might under such rules and regulations as he prescribed, give publicity to income-tax returns. If the bill now before us should be enacted into law, the old law would remain in effect as it is. It would in no wise be affected by the repeal of the "pink slip" provision. The old law provides for publicity, as follows:

Returns are public records open to public inspection only upon order of the President under rules and regulations approved by him; open to inspection of the House Ways and Means Committee, Senate Finance Committee, Joint Committee on Internal Revenue Taxation, or any other committee of Congress so authorized by concurrent resolution, when said committees are in executive session. Such committees may report to the House and Senate the result of their investigation and thus publicity can be secured.

The present law goes further and provides that income-tax returns shall be open to inspection of proper officers of States, who may have access to corporation returns; that stockholders of record owning 1 percent or more of the outstanding stock of any corporation may have access to corporate returns; and that the names of all persons making an income-tax return shall be made public in offices of collectors.

By Executive order of the President, dated December 13, 1932, individual returns are open to inspection of State offices in those States having an income-tax return or intangible-property-tax law.

Even though the bill should pass, which seeks to repeal that provision of the law enacted at the last session, commonly known as the "pink slip" provision, the old law would remain in effect as to the provisions to which I have just invited the attention of the Senate.

The "pink slip" provision, so called, was the outcome of a conference between the House and Senate. It will be recalled that when the last revenue bill was before the Senate an amendment was adopted, offered by either the Senator from Wisconsin [Mr. LA FOLLETTE] or the Senator from Nebraska [Mr. NORRIS]—I have forgotten which; I know they both favored it. It proposed to give wide publicity to income-tax returns. The matter went to conference, and the "pink slip" provision was suggested in conference by the House conferees and finally adopted by the conference committee.

The Treasury Department officials took no part in the discussion of the publicity of income-tax returns. They took no part in the controversy before the committee as to the adoption of the "pink slip" provision in the present law. Indeed, neither the Treasury Department nor the administration took any part in the issue now before the Senate. I

have a letter from the Secretary of the Treasury. I called his attention to the proposal, and he wrote me as follows:

Responding to your letter of February 5, 1935, relating to publicity of certain information in income-tax returns, the position of the Treasury is that it will carry out both the law and the spirit of whatever policy the Congress deems wise in relation to this matter.

There is attached, for any convenience it may serve, a brief history of the legislation bearing on this question.

The matter is now before us.

Mr. NORRIS. Mr. President, will the Senator permit a question at that point?

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Nebraska?

Mr. HARRISON. I yield.

Mr. NORRIS. I wish the Senator would read the memorandum of the history of the legislation. It would be information which all of us would like to have even though we may be acquainted with the history.

Mr. HARRISON. Before I have it read let me briefly call the attention of the Senate to a little of the history relating to the publicity of income-tax returns.

The Civil War income-tax legislation, which was enacted away back in the Civil War days, did not provide that income-tax returns should be made public. Nothing was said in the law with reference to the matter. Later such returns were made public by regulation of the Treasury Department. Then developed a sentiment in the Congress against making income-tax returns public, and in 1870 a provision of law was enacted prohibiting specifically the publicity of income-tax returns.

The matter went on through the years and in the act of 1924 a provision was incorporated making public the name, address, and amount of the tax. That remained in effect for 2 years. Sentiment against it grew in the Congress and it was repealed in February 1926, in the revenue act of that year.

In 1932 there was no substantial change affecting the law of 1926. I believe it had been provided that any committee of Congress might call for the income-tax returns, and we broadened it slightly to include the Joint Committee on Internal Revenue Taxation. In 1934 there was no change in any degree made in the old law, except that the Senate adopted a publicity provision and the conferees adopted the compromise provision which came to be known as the "pink slip" provision. The "pink slip" provision provides for information to be made public as follows: Name and address, full gross income, total deductions, net income, total credits against net income for purpose of normal tax, and the tax payable.

That, in brief, is the history of income-tax publicity. I now send to the desk the memorandum attached to the letter of the Secretary of the Treasury, addressed to the Chairman of the Finance Committee, and ask that it may be read.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

HISTORY OF SECTION 55 (B), REVENUE ACT OF 1934

Section 55 (b) of the Revenue Act of 1934 reads as follows:

"Every person required to file an income return shall file with his return, upon a form prescribed by the Commissioner, a correct statement of the following items shown upon the return: (1) Name and address, (2) total gross income, (3) total deduction, (4) net income, (5) total credits against net income for purposes of normal tax, and (6) tax payable. In case of any failure to file with the return the statement required by this subsection, the collector shall prepare it from the return, and $5 shall be added to the tax. The amount so added to the tax shall be collected at the same time and in the same manner as amounts added under section 291. Such statements or copies thereof shall as soon as practicable be made available to public examination and inspection in such manner as the Commissioner, with the approval of the Secretary, may determine, in the office of the collector with which they are filed, for a period of not less than 3 years from the date they are required to be filed."

Except for subsection (b), there is no substantial change in section 55 as respects publicity of income-tax returns over corresponding sections of prior revenue acts, beginning with the Revenue Act of 1926.

Subsection (b) was inserted in the Revenue Act of 1934 by the committee of conference (see conference report—H. Rept. 1385—re amendment no. 38, at pp. 4 and 19). There was no similar provision in the House bill 7835. However, the Senate did amend section 55, providing for publicity of returns. The amendment, as offered by Senator LA FOLLETTE and adopted by the Senate (see p. 6546 of the CONGRESSIONAL RECORD, 73d Cong.) provided:

"Returns made under this title upon which the tax has been determined by the Commissioner shall constitute public records and shall be open to public examination and inspection under rules and regulations promulgated by the Secretary and approved by the President."

The action taken by the conferees appears to have been in the nature of a compromise, which does not give publicity to income returns, but provides for publicity of the statement required to be filed with the return, which statement gives information as to the following items taken from the return: (1) Name and address, (2) total gross income, (3) total deductions, (4) net income, (5) total credits against net income for purposes of normal tax, and (6) tax payable.

Under section 55 (b) the publicity of the statement required thereunder seems to be mandatory as far as the Treasury is concerned:

"* * * Such statements or copies thereof shall as soon as practicable be made available to public examination and inspection in such a manner as the Commissioner, with the approval of the Secretary, may determine, in the office of the collector with which they are filed, for a period of not less than 3 years from the date they are required to be filed."

Pursuant to section 55 (b) of the act, Treasury Decision 4500 was approved (Internal Revenue Bull., vol. XIII, no. 51, p. 2), in which form 1094 was prescribed as the form for the statement required by such action. It was also provided therein:

"Within a reasonable time after the income return is filed, the statement on form 1094, or a copy thereof, under such procedure as may be prescribed by the Commissioner, shall be available for public examination and inspection in the office of the collector for the district in which the return and statement were filed."

Mr. HARRISON. Mr. President, I have said about all I desire to say. I understand that the Senator from Wisconsin [Mr. LA FOLLETTE] has a substitute to offer for this proposal, and I imagine that will be the issue which will be presented to the Senate.

I may state that when the House passed on this question the vote in the House was 302 for repeal and 98 against repeal.

Mr. COSTIGAN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Colorado?

Mr. HARRISON. I do.

Mr. COSTIGAN. If the bill before the Senate shall become law, will the able Senator from Mississippi state to the Senate, so far as he is able, what the procedure adopted under section 55, subdivision (a), is likely to be?

Mr. HARRISON. I have not the section before me; but that is the publicity provision of the law?

Mr. COSTIGAN. That is the publicity provision of the law.

Mr. HARRISON. I can only say, as I stated in my preliminary remarks, that the President may make such rules and regulations with reference to publicity of income-tax returns as he desires; and that the Ways and Means Committee, the Finance Committee, the Joint Committee on Internal Revenue Taxation, or any other committee which may be appointed with reference to revenue matters, may get these income-tax returns. Whether or not the President of the United States would change the policy heretofore followed, and give publicity to the returns, I do not know.

Mr. LA FOLLETTE. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and to insert in lieu thereof the following:

"That section 55 of the Revenue Act of 1934 is amended to read as follows:

"SEC. 55. Publicity of returns

"(a) Returns made under this title upon which the tax has been determined by the Commissioner shall constitute public records and shall be open to public examination and inspection under rules and regulations promulgated by the Secretary and approved by the President. Whenever a return is open to the inspection of any person a certified copy thereof, shall, upon request, be furnished to any person under rules and regulations prescribed by the Commissioner with the approval of the Secretary. The Commissioner may prescribe a reasonable fee for furnishing such copy.

"(b) (1) The Secretary and any officer or employee of the Treasury Department, upon request from the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, or a select committee of the Senate or House

specially authorized to investigate returns by a resolution of the Senate or House, or a joint committee so authorized by concurrent resolution, shall furnish such committee sitting in executive session with any data of any character contained in or shown by any return.

"(2) Any such committee shall have the right, acting directly as a committee, or by or through such examiners or agents as it may designate or appoint, to inspect any or all of the returns at such times and in such manner as it may determine.

"(3) Any relevant or useful information thus obtained may be submitted by the committee obtaining it to the Senate or the House, or to both the Senate and the House, as the case may be.

"(c) The proper officers of any State may, upon the request of the Governor thereof, have access to the returns of any person, or to an abstract thereof showing the name and income of any person, at such times and in such manner as the Secretary may prescribe.

"(d) The Commissioner shall as soon as practicable in each year cause to be prepared and made available to public inspection in such manner as he may determine, in the office of the collector in each internal-revenue district and in such other places as he may determine, lists containing the name and the post-office address of each person making an income-tax return in such district.

"(e) No person shall obtain, divulge, or circulate or offer to obtain, divulge, or circulate for compensation any information derived from an income-tax return: *Provided*, That this subsection shall not be construed to prohibit publication by any newspaper of information derived from income-tax returns for purposes of argument nor to prohibit any public speaker from referring to such information in any address. Any person violating any of the provisions of this subsection shall, upon conviction thereof, be punished by a fine of not less than $100 or more than $500, or by imprisonment for not less than 1 month or more than 6 months, or by both such fine and imprisonment."

Mr. LA FOLLETTE. Mr. President, the question of whether or not income-tax returns should be made public records has been in controversy upon every revenue bill that has been considered since 1921. On three different occasions the Senate of the United States has gone on record in favor of making income-tax returns public records, just as all other records of the Government are public records.

Early in the history of the income tax—namely, in the sixties—the Government provided that tax returns should be public records. I desire to point out briefly the reaction of distinguished persons at the time it was proposed, following the Civil War, to revoke the policy then in effect of making the returns public records and to shroud them in secrecy.

In this connection I desire to read from an editorial in the New York Tribune of May 24, 1866, written by that distinguished publicist of his time, Horace Greeley:

The Evening Post has a Washington dispatch which says:

"The Committee on Ways and Means have agreed to an amendment of the tax bill providing that lists of income shall not be published nor furnished for publication, but they shall be open to private inspection at the office of the collector.

"We would like to believe this untrue. We believe that publicity given to the returns of income submitted by individuals to tax gatherers has already put millions of dollars in the Treasury and gone far toward equalizing the payments of the income tax by rogues with that of honest men and saved thousands from being imposed upon and swindled by false pretenses of solvency and wealth, made on purpose to incur debts preordained never to be paid. The knave who sought credit on assumption of wealth belied by their returns of incomes, of course, hate publicity given to those returns; but why should any honest man seek to pass for any more (or less) than he is worth?"

In another editorial on January 26, 1865, the New York Tribune said:

We learn that the publishing of the list of income-tax payers in this city, against which there has been so much absurd outcry, is likely to prove beneficial to the revenue as well as to the consciences of some of our "best citizens." Already, as we understand, considerable sums have been returned to the assessors and paid to the collectors by persons who have discovered "errors" in their original returns of incomes since the publication of the lists referred to, and assessors have received valuable information in reference to the incomes of some gentlemen who should but have not yet amended their returns.

Mr. President, these returns were matters of public record until 1871, when the fight to surround the returns with secrecy was finally successful. I grant that it is impossible, from the statistics available, to point out anything more than the indication of the effect of this change in policy upon revenue. But the fact remains that in 1871, when the returns were surrounded by secrecy, the number of returns, and presumably the amount of tax paid, decreased by more than 20 percent.

In 1870, when the returns were published, the number showing incomes over $2,000 were 94,887. In 1871, when publicity was prohibited, the number fell to 74,000—that is, from 94,000 to 74,000. In 1872 it fell to 72,000, and this in spite of the fact that, as shown by individual bank deposits, bank clearings, and so forth, 1871 and 1872 were more prosperous years than 1870.

Similarly, Mr. President, I should like to point out that in North Carolina, when the income-tax returns under the State law were published, the tax collections immediately more than doubled.

Wisconsin has had an income-tax law for a great many years. Prior to 1923 the income-tax returns in Wisconsin were surrounded by secrecy. In 1921 the legislature of the State, at a special session, authorized an audit of income-tax returns extending over the previous 6-year period, which included the years of lush profits incident to the war. This audit of back income-tax returns resulted in the collection of $3,500,000 of back taxes, which either fraudulently or erroneously had been withheld from payment in the State of Wisconsin.

As a result of these disclosures, in 1923 the State adopted a law very similar to the amendment which I have now proposed, making income-tax returns public records, and that law has remained upon the statute books during all administrations, whether they have been Progressive, reactionary, or Democratic, and no successful effort has ever been made to repeal the law.

It is true that in 1930 one of the commissioners, writing a report, made the statement which was quoted by the Senator from Iowa [Mr. MURPHY], when we had this debate before, in which the commissioner expressed it as his opinion that the law had not resulted in any beneficial effect, but that, on the contrary, it had been subjected to some abuses.

In answer to that contention, I want first of all to read from the statement of Hon. Charles D. Rosa, who has been a member of the Wisconsin Tax Commission since 1921. During his service upon the commission the law has contained a secrecy feature, and since 1923 income-tax returns in the State of Wisconsin have been public records.

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Does the Senator from Wisconsin yield to the Senator from New York?

Mr. LA FOLLETTE. I yield.

Mr. COPELAND. I have before me the quotation referred to by the Senator, and according to information given me, the statement referred to by the Senator was the report of the commission. Is that true?

Mr. LA FOLLETTE. It was the report of the commission written by Mr. Kelly, who served upon the commission only a short time, and has since retired, to become secretary of the Taxpayers' Alliance in the State of Wisconsin.

Mr. COPELAND. But it was concurred in at the time by the commission, I assume.

Mr. LA FOLLETTE. I am not certain whether or not the commission is in the habit of filing minority reports, but I have in my hand a statement which has been made—and if the Senator will permit me. I should like to read it—by a member of the tax commission who was on the commission at the time when this report to which the Senator refers, and to which I have referred, was published. This communication states:

Cannot express myself too strongly in favor of publicity of income-tax returns; 14 years on the commission, 2 of them while a secrecy statute was in force, have convinced me that secrecy makes administrative bodies star chamber courts. Under secrecy, graft, racketeering, crookedness, favoritism, and incompetence can run riot without effective check. Publicity aids materially in effective administration and contributes in making the tax equitable and acceptable to a very large majority of taxpayers.

No reason can be advanced for secrecy of the processes imposing an income tax which cannot also with equal weight be advanced in favor of secrecy of the processes imposing any other

tax. To make all tax processes secret would mean that democracy has gone far in surrendering its most effective and salutary sovereign power.

I also wish to quote a statement recently made by Hon. Harold Groves, a professor of economics in the University of Wisconsin, and formerly a member of the Wisconsin Tax Commission:

Income-tax publicity enacted in Wisconsin in 1923 in my opinion has been an important aid to the honest administration of our State income tax. Important cases of dishonest administration have been exposed because of the publicity feature. People are entitled to know the facts of income, and Wisconsin income-tax information is legitimately used. Efforts to repeal the publicity clause have been defeated by the legislature whenever attempted. Publicity of returns, I believe, is an important reason for the clean and successful administration of the Wisconsin income-tax law.

I also want to read from the statement of Hon. W. J. Conway, at the present time chairman of the Wisconsin Tax Commission:

I am decidedly in favor of publicity on income-tax returns. Wisconsin, a pioneer in such legislation, has demonstrated from experience under publicity law, as well as secrecy law, that best results obtained under publicity law. Am convinced secrecy clause will never be restored here. Light of publicity strongly contributes to filing of honest returns. Recent disclosures before United States Senate committees indicate abuses of secrecy clauses. If publicity permitted to any extent, same should be carefully safeguarded in the public interest.

Mr. President, as I see it, this is a simple issue. In every instance, so far as any other tax is concerned, whether it be imposed by a local unit of government, by the county government, by the State government, or by a municipality, the returns are matters of public record. I venture to say that if there were any proposal advanced in any municipality, in any county, or in any State, to surround property-tax returns with a veil of secrecy, it would result in a feeling of moral indignation upon the part of the people of those respective localities and communities.

It is said that income-tax returns contain information not to be obtained from the property-tax returns. The moment a government determines to employ the income tax, the return of the individual is no longer a matter of private concern between an individual and his government; it is a matter of public concern, not only because it is necessary to make certain that the law is being properly enforced but it is also necessary in order that every citizen may know that every other citizen is carrying his share of the responsibility and the burden imposed under the tax.

I know that propaganda has been distributed concerning the repeal of the "pink slip" amendment, which, as the Senator from Mississippi acknowledged, was the product of the combined judgment of the conferees upon the last revenue bill, to the effect that income-tax returns, if they are public records, will be used by kidnapers and by those desiring to prepare "sucker" lists. I say that no such result has occurred in the State of Wisconsin, where income-tax returns have been public records since 1923.

There are wealthy citizens in the State of Wisconsin. There is a large number of taxpayers there who contribute a substantial amount of money under the Federal income-tax law to the Federal Government. There are large municipalities in our community. Mr. President, during all the years when income-tax returns have been matters of public record, there has not been a single instance to which any person can point where the income-tax return being a matter of public inspection has resulted in any of the disastrous things predicted by the enemies of making income-tax returns public records. For this reason, as I stated a few moments ago, it has never been possible under any administration in the State of Wisconsin to bring about a repeal of our law.

In Wisconsin we have a record, so far as crime, its prevention, and punishment are concerned, which I am willing to stack up against that of any other State of the Union. None of the things which have been predicted by the enemies of this proposal have taken place.

I wish to quote from a well-known tax authority on this subject, Prof. C. C. Plehn.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. COPELAND. The committee has not recommended a repeal of publicity. I am sure the Senator does not want to give the impression that if this resolution should be adopted we would be going back to old conditions. The proper use of the knowledge gained through the income-tax return would be available under the 1926 law.

Mr. LA FOLLETTE. Mr. President, the Senator well knows that the section in the 1926 act is entirely permissive, and that under its terms no President has ever acted. We have never had any rules and regulations issued for the inspection of income-tax returns, so that the Senator's statement that we have publicity in the law is not true. We have in the law of 1926, which has been continued in every act since that time, the permissive authority given to the Executive to issue rules and regulations under which returns may be made public.

Mr. COPELAND. Mr. President, will the Senator further yield?

Mr. LA FOLLETTE. I yield.

Mr. COPELAND. The Senator well remembers that when we had our last tariff hearings the Finance Committee had full access to the returns of corporations in order that the committee might know whether or not there was justification for such changes in the tariff as these various corporations desired. So under the law as it was there certainly was no interference with the passing on to the Senate of the material needed to form proper judgments in tariff making.

Mr. LA FOLLETTE. There are certain provisions in the statute—they are reincorporated in the amendment which I have offered—which give access to income-tax returns on the part of the Senate Finance Committee, the Ways and Means Committee, and any specially authorized committee, to have access to this information, but certainly the Senator cannot contend that under the permissive authority extended in the first paragraph of section 55 of the Revenue Act of 1926 we have had any rules or regulations issued by the Chief Executive pursuant to that authority which have made income-tax returns public records or open to public inspection.

Mr. COPELAND. Mr. President, will the Senator yield further?

Mr. LA FOLLETTE. I yield.

Mr. COPELAND. I have no particular objection to the Senator's amendment until we reach the bottom of page 3. My objection to his amendment lies in the material on page 4—

That this subsection shall not be construed to prohibit publication by any newspaper of information derived from income-tax returns for purposes of argument nor to prohibit any public speaker from referring to such information in any address.

That immediately takes so much away from the wholesome features of the Senator's amendment that it makes it just as offensive as the present law.

Mr. LA FOLLETTE. Mr. President, the provision to which the Senator refers, if he will read the first sentence of it—

No person shall obtain, divulge, or circulate, or offer to obtain, divulge, or circulate for compensation any information derived from an income-tax return—

was incorporated in an effort to meet the fancied objections of some people that this information will be used commercially by individuals searching the returns for the purpose of preparing lists for credit organizations or for mail-order concerns. But, Mr. President, if the income-tax return is to be a public record, and if it is to be effective in its results in securing a more effective and honest administration of the law and the submission of returns which are more adequate then, of course, you cannot prohibit any public use of that information.

Mr. COPELAND. Well, of course, Mr. President, I desire to prohibit the public use of that information.

Mr. LA FOLLETTE. I am aware of that fact.

Mr. COPELAND. That is the reason I object to the last part of the Senator's amendment. I think the part down to the bottom of page 3 where the Senator's amendment provides:

> No person shall obtain, divulge, or circulate, or offer to obtain, divulge, or circulate for compensation any information derived from an income-tax return—

is right, and that is done as the result of the experience in the Senator's own State where abuse has been practiced, and I take it the Senator, knowing that situation, included a provision to guard against it in his amendment. If his amendment had stopped at the bottom of page 3, I personally would have no objection to it.

Mr. LA FOLLETTE. Yes; but if the Senator precludes the use of this information at all, how can it serve in forcing a better administration and a more vigorous enforcement of the administration of the law? What benefit is to be obtained in compelling taxpayers to make out their returns with the full knowledge that if they resort to evasion or if they resort to devices designed to permit them to escape their fair share of the tax, that it will be exposed and made a matter of public record?

Mr. VANDENBERG. Mr. President, will the Senator yield to me for the purpose of asking a question?

Mr. LA FOLLETTE. I yield.

Mr. VANDENBERG. To what extent does the Senator think that his conception of the utility of publicity would be served by permitting the free consultation of these records by all tax assessing and collecting officers, stopping at that point with the license? To what extent does the Senator think that would serve the publicity usefulness which he has in mind?

Mr. LA FOLLETTE. I think, Mr. President, that it would be helpful to some extent. If, for instance, taxing officials of municipalities had access to the returns I think that it would be effective so far as helping them in the collection of taxes which are paid to the Federal Government, but which are avoided so far as the municipality is concerned. But I do not believe that it would achieve the result which I am confident would result from full publicity as the result of the experience that we have had in Wisconsin, and as the result of the experience which the Federal Government had back in the 70's, namely, to secure a larger return of the taxes due under the law.

I now desire to read from Prof. C. C. Plehn, a well-known authority on taxation:

> To a people unaccustomed to an income tax it may seem that one's income is a very intimate, personal, and private affair, and there is a natural dread of letting one's business rivals know one's business. But as a matter of fact the income-tax statement or return will be no more likely to be examined out of sheer curiosity or for purposes of gossip than are the property-tax returns, about which no such veil of secrecy is drawn; and the business rival generally has better information already than he could possibly obtain from the returns. Against such dark secrecy it may well be urged that it is very important to feel assured that all incomes, my neighbor's as well as mine, are fairly and truly assessed, a thing that can never be if the final assessments never see the light of day. Fear of publicity is a bogey man.

Mr. President, whenever there has been an investigation of the income-tax situation from a Federal point of view it has disclosed glaring evasions of tax and in some instances maladministration, which I contend were in large part made possible by the fact that the returns of the individual making them are kept secret, and also because those charged with the administration of the law knew that they were operating under a veil of secrecy.

I venture the assertion that the revelations which were produced by the special select committee of which the Senator from Michigan was chairman of the gross favoritism and maladministration in the income-tax unit of the Treasury would never have occurred had the income-tax returns been a matter of public record and open to inspection.

As a matter of fact, one of the first things that new employees of the Bureau are warned about is this provision providing secrecy over the income-tax returns. They are urged that in conformity with their oaths which they have taken they must observe this provision of the law. And it is emphasized to them.

Now, what is the position of a person in the income-tax unit of the Treasury who finds what seems to him to be a glaring evasion of the law or maladministration of it? If he cannot secure action by taking the matter up with his superiors, he is under the law guilty of a crime if he brings it to the attention of any Senator or any Representative, or if he attempts to bring it to the attention of the general public.

It cannot be denied, Mr. President, that surrounding the income-tax returns with the veil of secrecy predisposes to a maladministration of the law, to favoritism, and to a failure upon the part of some of the taxpayers properly to make out their returns. The investigation by the subcommittee of the Senate Committee on Banking and Currency revealed shocking conditions, and, in my opinion, many of the practices thus disclosed, involving evasion of the law, through devices which were, perhaps, in the strict letter of the law, legal, would never have been resorted to except under provisions whereby the individual taxpayer knew that his return was secret and that such secrecy would be protected by the Government.

There is one other aspect of the situation upon which I wish briefly to touch. We can never have in this country conviction in the public mind that the income-tax law is being adequately and vigorously administered or that all taxpayers are carrying their fair and proportionate share of the burden imposed under the income-tax law so long as the return is protected by the secrecy provision of the existing law. I doubt very much if Senators are fully aware of the shocking effect upon the public mind of the disclosures which Senate and House committees have made of conditions under the income-tax law. The average person paying a property tax knows full well that his neighbor, if he chooses to do so, may go to the tax assessor's office and examine the return which he has made; but when he becomes aware of the fact that men of great wealth in this country have found ways and means of avoiding their share of the income tax, when he knows that their returns are protected by the seal of secrecy, when he realizes that the individuals charged with public responsibility for auditing and passing upon tax returns are working under a requirement of secrecy, there has been prepared the soil for suspicion in the mind of the average citizen that persons with great economic power are not meeting their responsibilities under the law.

I realize it is only an assertion, since I cannot prove it, and I do not wish to overemphasize it, but the returns thus far received indicate a 33⅓-percent increase over such returns last year, and, while I grant that a large percentage of that increase is due to the changes which were made in the law and the efforts of the Congress and the department to close the loopholes, yet I venture the assertion that the fact that even partial publicity was provided in the compromise measure was a factor in increasing the amount of taxes paid under the present law.

No greater step could be taken for efficiency and honest administration and for a higher degree of responsibility upon the part of the taxpayer in making his return than to adopt the amendment which I have offered.

In this connection, Mr. President, I ask unanimous consent that following my remarks there may be printed in the RECORD the yea-and-nay vote which is found in the CONGRESSIONAL RECORD of April 13, 1934, upon an amendment similar to the one which I have now offered.

The PRESIDING OFFICER. Without objection, that order will be made.

(See Exhibit A.)

Mr. MURPHY. Mr. President, I should like to inquire of the Senator from Wisconsin what the increase was, if any, in the income-tax collections following the repeal of the secrecy provision of the Wisconsin State income-tax law? I think the Senator made the statement that as of the year of repeal, or the year following—I am not sure which—a 6-year audit of the returns filed during that period was made.

Mr. LA FOLLETTE. No; the Senator misunderstood me or else I misspoke myself. In 1921 the State legislature in

special session authorized an audit for 6 years prior to that time of income-tax returns in the State of Wisconsin. As the result of that audit, approximately $3,500,000 of additional taxes were collected. As I stated, the back taxes were assessed in instances where there had been understatements, or in instances where there had been fraudulent returns made. Following those revelations and the collection of the taxes in 1923, which would be 2 years after the audit was authorized, the State repealed the secrecy provision and made income-tax returns public records, open to public inspection.

I have no detailed figures to give the Senator as to what the returns were in 1922, 1923, or 1924; I can only refer him to the statements of members and former members of the tax commission, and which I have read and which express the opinion of those individual members of the commission that publicity has been very effective in securing better administration of the law and in securing more honest returns.

Mr. MURPHY. As I understood, one of the purposes of publicity was that it would increase income-tax collections. Hence my inquiry as to whether or not there was any increase following the inauguration of publicity in Wisconsin, but as to that the Senator says he is not able to give any figures.

Mr. LA FOLLETTE. At present I can give only the information furnished by those who have been responsible for the administration of the law.

EXHIBIT A

Yea-and-nay vote on amendment of Mr. LA FOLLETTE providing publicity of income-tax returns proposed to House bill 7835. (From CONGRESSIONAL RECORD of Apr. 13, 1934, p. 6554)

The result was announced—yeas 41, nays 34, as follows:

Yeas, 41—Adams, Ashurst, Bachman, Bone, Borah, Brown, Bulkley, Bulow, Capper, Caraway, Clark, Connally, Costigan, Couzens, Cutting, Dickinson, Dill, Duffy, Erickson, Frazier, George, Gore, Hatch, Hayden, Johnson, La Follette, Logan, Long, McKellar, Neely, Norris, Nye, O'Mahoney, Overton, Patterson, Pope, Reynolds, Robinson (Ind.), Sheppard, Shipstead, Thomas (Okla.).

Nays, 34—Bailey, Bankhead, Barbour, Barkley, Byrd, Byrnes, Carey, Coolidge, Copeland, Davis, Fess, Glass, Goldsborough, Hale, Harrison, Hastings, Hebert, Keyes, King, Lewis, Lonergan, McGill, McNary, Metcalf, Murphy, Schall, Smith, Steiwer, Thomas (Utah), Townsend, Vandenberg, Van Nuys, Wagner, Walsh.

Not voting, 21—Austin, Black, Dieterich, Fletcher, Gibson, Hatfield, Kean, McAdoo, McCarran, Norbeck, Pittman, Reed, Robinson (Ark.), Russell, Stephens, Thompson, Trammell, Tydings, Walcott, Wheeler, White.

So Mr. LA FOLLETTE's amendment was agreed to.

Mr. COPELAND. Mr. President, facetiously, of course, the Chairman of the Finance Committee said to me a little while ago, "You got us into this discussion"——

Mr. AUSTIN. Mr. President, will the Senator yield in order that I may call for a quorum?

Mr. COPELAND. If the Senator from Vermont considers that important, I will yield; but I always hesitate to ask Senators to leave the tasks on which they are engaged.

Mr. AUSTIN. I think it is important, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

Mr. NORRIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. NORRIS. Has the Senator from New York made the point of no quorum?

Mr. COPELAND. No; the suggestion was made by the Senator from Vermont.

Mr. AUSTIN. I made the point of no quorum.

Mr. NORRIS. Very well. My attention was diverted.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Bulkley	Couzens	Gore
Ashurst	Bulow	Cutting	Guffey
Austin	Burke	Dickinson	Hale
Bachman	Byrd	Donahey	Harrison
Bankhead	Byrnes	Duffy	Hatch
Barbour	Capper	Fletcher	Hayden
Barkley	Clark	Frazier	King
Bilbo	Connally	George	La Follette
Black	Coolidge	Gerry	Logan
Bone	Copeland	Gibson	Lonergan
Borah	Costigan	Glass	Long
McAdoo	Murray	Robinson	Trammell
McCarran	Neely	Schall	Truman
McGill	Norbeck	Schwellenbach	Tydings
McKellar	Norris	Sheppard	Vandenberg
McNary	O'Mahoney	Shipstead	Van Nuys
Maloney	Pittman	Smith	Wagner
Metcalf	Pope	Steiwer	Walsh
Minton	Radcliffe	Thomas, Okla.	Wheeler
Moore	Reynolds	Thomas, Utah	
Murphy	Russell	Townsend	

The PRESIDING OFFICER. Eighty-two Senators have answered to their names. A quorum is present.

Mr. COPELAND. Mr. President, a moment ago I spoke of a facetious remark of the chairman of the committee, who said that I had gotten the Senate into this discussion and I must help to end it.

It is rather interesting to notice the difference in speed in relation to a bill introduced in the House and a similar bill introduced in the Senate. I observe that the bill now before us was introduced in the House on the 4th of March. The same bill, introduced by me in the Senate on the 4th of February, received little official attention. That may be a warning that on our side we should be more energetic. It may be that our unlimited debate had something to do with the delay. I have never violently opposed unlimited debate, because I have indulged myself in that pleasure, a pastime that annoys the country, I fear.

Mr. President, I said a moment ago that I have no particular objection to the proposal of the Senator from Wisconsin [Mr. LA FOLLETTE], except as regards the provision on the last page of his substitute. When I appeared before the Finance Committee to urge a report on my own bill—and I think I am divulging no secret in saying this—I was asked if I would be satisfied to go back to the language which was originally adopted by the Senate. My reply was that I would have no objection to it.

The language of the law which is offensive to some of us came out of conference, not having been voted or adopted on the floor of the Senate or on the floor of the House. The differences between the two Houses were such that they required a conference and a conference report. In this was incorporated the language which some of us believe should be eliminated.

I am sure no one of us who seek to have the "pink slip" provision repealed is in favor of absolute secrecy regarding income-tax returns. Certainly I have no such desire. I do not wish immunity to be given against the proper officers of the Government, or immunity on the part of those who make income-tax returns, permitting them to escape disclosure of the truth.

The argument that is ordinarily made in favor of publicity always relates to the big fellow, the big taxpayer. But it is getting quite difficult for him to evade the truth. It ought to be difficult for him to do so.

My appeal for the action proposed here has to do with the little fellow. It is just as much a matter of embarrassment to him—indeed, I think it is more embarrassing to him, because the skins of the modest people, the retiring people of our country, have not become so thickened as have the hides of the rich. My objection to the provision of the law now in force is the objection I have to its application to the rank and file of the country who are fortunate enough to make income-tax returns. With this group, as I see it, there is absolutely no reason in the world why their returns should be made public.

Mr. COUZENS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Michigan?

Mr. COPELAND. I yield.

Mr. COUZENS. I have just as much sympathy for the little fellow as has the Senator from New York, but I submit there are thousands and thousands of them who never make any return at all. If they have never made a return to the Bureau of Internal Revenue, the agents of the Bureau do not seek them out; but, having once made a return, of course, the agents of the Bureau may go back to see why they do not make a return in some succeeding year. As a matter of fact, there are hundreds of thousands of the little

fellows to whom the Senator refers who have never made any income-tax return.

Mr. COPELAND. That is true; but I cannot for the life of me see what that has to do with this matter.

Mr. COUZENS. Oh, I think it has much to do with it. If it were apparent that anyone was avoiding payment of income taxes, application could be made under rules and regulations of the Treasury Department to ascertain whether or not he had made an adequate return. Not even Senators or Representatives can now get such information. No matter if my next-door neighbor or my uncle or my brother or somebody else fails to make an income-tax return, even though he may have a large income, there is no way to enable a Member of Congress to find out whether that person is evading the law.

Mr. COPELAND. Let me ask the Senator, how does this law help to get the facts?

Mr. COUZENS. Because under this provision a person could go and ask whether a return had been made. A Member of Congress could go, I could go, and find out, for good legislative reasons, whether somebody whom I knew to have an adequate income had made a proper return.

Mr. COPELAND. Mr. President, I dare say I am stupid about it, but I cannot see how giving publicity to returns that are made, will help in getting on the tax roll the man who has not made any return.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Maryland?

Mr. COPELAND. I yield.

Mr. TYDINGS. I see the position of the Senator from Michigan, but I do not believe the matter works quite as he describes it.

Take the condition of relief: Frequently persons come into my office and say that relief is not being administered properly; that persons who are not entitled to relief are on the rolls, and in some cases that persons who are on relief will not take positions if they can get them. My reply to them is, "Why do you not go into your community and report such people who are fraudulently on the relief roll?" They say they do not want to do that; they do not want to get mixed up in the matter. How in the world are we ever going to have relief cleaned up and have the income-tax situation cleaned up unless there is sufficient patriotic spirit in the communities to report fraudulent cases when they come to light?

I see what the Senator from Michigan is aiming at. My contention is that I do not believe what he is aiming at will be accomplished by the "pink slip" provision.

Mr. COUZENS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Michigan?

Mr. COPELAND. I do.

Mr. COUZENS. I desire to say that I am not suggesting, by what I have said, that neighbors should snoop on each other. That is not what I am trying to get at.

Mr. TYDINGS. Certainly not.

Mr. COUZENS. Yet that is what the Senator from Maryland implies by his statement with respect to relief. In other words, individuals do not wish to snoop on their neighbors, and I am not even suggesting that, but I submit that if a public official desires to do his duty, wishes to see the law enforced, wishes to see equity between taxpayers, and wishes to go to the Bureau of Internal Revenue and see whether adequate tax returns have been made, he ought to have the right to do so.

Mr. TYDINGS. I think a Member of the Senate or the House should have that right. I should have no objection to that. What I am complaining about, however, is that under the "pink slip" law everybody can examine these slips, and I do not believe 99 percent of the people would take the trouble to tell if they thought someone was making a fraudulent return, anyhow. The cases where a man would say something about his neighbor would be very, very rare, because he might be afraid there were circumstances which he did not know.

I see the Senator's purpose, and I take no issue with him on that, but I do not believe the "pink slip" law will work that way, and I use relief as an illustration. The only point I am making is that where a fraud does occur a man will not report his neighbors. Therefore, if fraud occurs in income-tax returns, I do not believe he will report his neighbors in such cases.

Mr. COUZENS. If the Senator from New York will yield further, I am not even suggesting that. I never was a prohibitionist. I was violently opposed to prohibition. I never approved of the snooping in prohibition, and I am not even suggesting that that would occur in the case of this law; but I do contend that when these records are available to public officials in every way there will be more integrity and honesty in filing returns and less means of tax avoidance adopted.

Mr. TYDINGS. Then I did not understand the Senator. I understood the Senator to be taking the position that the tax returns were to be open to everybody. Now I understand his position to be that they are to be open only to public officials.

Mr. COUZENS. No; I do not want the Senator to misunderstand me. I want them to be public records, the same as a man's tax records are public in the municipality where his property is assessed, where there is a personal-tax assessment against his family jewelry, his furniture, his home. They are all matters of public record now in the States and municipalities. I can go into Maryland and find out what every man is assessed for in his local community. There is no secrecy about it, and I do not know of any snooping that goes on about it. During all the time I served as mayor of Detroit not a single citizen ever came in and told me that his neighbor was underassessed, and I do not believe that will happen under the present law; but I do believe it is a perfectly logical conclusion that when taxpayers know these records are open for inspection there will be less trickery and less tax avoidance in making returns.

Mr. TYDINGS. Perhaps we might amend the law so as to allow the records to be open to the inspection of duly certified public officials; but without taking any issue on what the Senator desires to accomplish, I very much question that having the "pink slips" open to everybody who wants to inspect them will result in uncovering very much, if any, fraud or will result in the collection of any more taxes.

Mr. LONG. Mr. President, will the Senator from New York yield to me since he has yielded to others?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Louisiana?

Mr. COPELAND. I yield.

Mr. LONG. The disappointing thing about this matter is that the administration will sit here and allow something to be done away with that has prevented more fraud than any other single act that has been done. Those outside of Congress who want this provision repealed are chiefly the men who are making big money, who always have made big money, and who will continue to make big money, but who are paying infinitesimal income taxes, as Morgan was found to be doing as a result of the investigation of the Banking and Currency Committee. One of the main things to which the present heavy increase in income-tax payments can be attributed is the publicity now provided for. The thing ought to be absolutely open. There is no more reason why income-tax returns should be hidden than why any personal-property tax returns should be hidden.

Mr. MURPHY. Mr. President, will the Senator from New York yield?

Mr. COPELAND. Mr. President, if Senators do not mind, I should like to make my little speech and then I will yield to everybody. [Laughter.]

The Senator from Louisiana [Mr. LONG] on occasions is right, but this time he is wrong. If he will look at his mail—and I know he gets more mail than any other human being in the United States—he will find that these protests against the "pink slip" provision are not coming from the big fellow; they are coming from the little people who have small incomes.

Mr. LONG. Mr. President, will the Senator pardon me if I say about five words to him?

Mr. COPELAND. Very well.

Mr. LONG. I do not get any protests. The big birds do not write protests to me. They know that would not do any good. [Laughter.]

Mr. COPELAND. Well, since I live in New York, I suppose they would write to me; but they have not done so.

Mr. President, I was much interested in what the Senator from Michigan [Mr. COUZENS] said; and, repeating what I said before, I have no objection at all to the language of the law as it originally passed the Senate, and which the Senator from Wisconsin has included in his amendment, that the proper officers of the States, etc., may have access to the returns. That is all right. I do not object to that. I do not want anybody who ought to pay taxes to be able to evade paying taxes. I do not want anybody who is now off the tax roll, who ought to be there, to be able to escape the payment of taxes. It is not fair to the rest of us.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. COPELAND. I yield to the Senator from Tennessee.

Mr. McKELLAR. I desire to ask the Senator if he knows of a single individual in his State or in any other State who has complained of being actually injured by the present law. I have not found a single case of the kind in my State. When persons have written me on the subject I have asked them, in my reply, if they have been injured by the present law—not some other law, but the present law—and I have not received any information on the subject.

Mr. GEORGE. Mr. President, if the Senator from New York will yield to me, I should like to ask the Senator from Tennessee if he knows of a single instance where the "pink slip" or any other publicity provision has actually accomplished any good.

Mr. McKELLAR. One thing has happened: I saw the statement in a newspaper—I cannot vouch for it except upon the authority of the newspaper which printed it—that our income-tax receipts this year are 43 percent greater than they were last year.

Mr. GEORGE. Our tax receipts are greater, and that fact is due to some increase in business, but particularly to an increase in the tax rate.

Mr. McKELLAR. There has been some increase in the tax rate, but I do not think it accounts for an increase of 43 percent. Unless the present plan of publicity is hurting somebody, unless it is working to the detriment of taxpayers and wronging them, I do not see why we should repeal it.

Mr. GEORGE. Is it not much sounder, Mr. President, to ask whether it is doing any good; and if it is not doing any good, why should we molest the citizen?

Mr. McKELLAR. There is one thing sure: Our receipts of income taxes are greater than they were last year.

Mr. GEORGE. I have explained that.

Mr. McKELLAR. And that would have to be gainsaid in some way.

Mr. COPELAND. Certainly the Senator from Tennessee does not argue that the increase in our income-tax returns is due to the "pink slip."

Mr. McKELLAR. I am not arguing that; but I am saying that, in my judgment, the publicity has increased the amount of income taxes we have received.

Mr. COPELAND. Mr. President, if I believed that this provision of law has been responsible for vastly increased incomes, I would vote for a "pink slip" and a "green slip" and a "yellow slip" and a "purple slip." I would vote for every kind of a colored slip if that would bring us more money; but, with all kindness, I say it seems to me absurd to think that the "pink slip" had anything to do with the increase in the income-tax payments.

Mr. COUZENS. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Michigan?

Mr. COPELAND. I do.

Mr. COUZENS. I think it is undeniable that the law enacted in April 1934 has brought in more taxes. When the law was passed there was no mention of a "pink slip." That has just become a byword for section 55 (b) of the law; but the Senator knows that before the returns were made there was publicity all over the Nation with respect to these figures being disclosed as a matter of public record, and I venture to say that millions of dollars of taxes came in as a result of this so-called "publicity."

Mr. GEORGE. If the Senator will examine the tax returns of the ordinary taxpayers of moderate income, he will understand exactly where the increase has come. It has come in the increased rate.

Mr. COPELAND. Now, Mr. President, I will resume in my own right, although I concede at once that my speech has been much strengthened by the arguments presented by my fellow Senators.

We have heard a good deal today and at other times about hidden returns, and failure to get the truth about persons who ought to make returns. If the returns are not accurate, if there is an evasion of tax payments on the part of persons who ought to turn in funds to the Government, if there is a juggling of books or figures to justify a false return which is made, then if the facts are not found and the truth revealed, it is the fault of the officials of the Treasury.

I do not know what the experience of other Senators may be; it may be that I am viewed with suspicion by the Treasury, but there has not been a year, not one year, since the income-tax law has been on the books, when an inspector of the Treasury has not come to my office to go over my books. I assume he has come to find out, so far as he could, the truth about my income. Frankly, in my own case, I have always thought it was a terrible waste of money. I have not believed that the income I receive justifies the expenditure of so much money on departmental experts; but they have come. Sometimes an inspector will stay 3 days. He goes over my ledger, my day book, my check book, and over my receipts for bills paid—because I occasionally pay some. He has every opportunity to discover whether I have told the truth or not in my return, and I confess that it is always a moment of relief when I hear that he has given us a clean bill!

I assume it is the practice for such investigation to be made, and I do not resent it; I think it is perfectly proper. The instructions given to my office force are these, "Give them everything they want. Put aside everything else and give attention to this matter in hand."

If there is a failure of the laws, which have been improved since we first started the collection of income taxes, if there are those who are evading the payment of proper taxes, if the facts are not disclosed, it is the fault of the Treasury. At least they have every opportunity to find the truth.

I do not believe it will ever be possible to make people good or moral by law. There will always be evasion; there will always be dishonesty. But so far as machinery of government can do it, I judge that we are getting now pretty near the truth, although I do not say we did before we passed our stringent laws.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. NORRIS. The Senator says there will always be evasion; that there will always be dishonest people. If that be true—and I think it is, and everybody will admit it—is not provision for secrecy of income-tax returns one of the best ways on earth to permit those dishonest people, those evasionists, to evade the law?

Mr. COPELAND. I am willing to go certainly as far as the Senate did when it discussed this matter before. I would go even further than that. I would be willing to take the amendment of the Senator from Wisconsin clear down to the bottom of page 3, which includes other things than those included in our original Senate proposal. This provides that—

> All bona fide shareholders of record owning 1 percent or more of the outstanding stock of any corporation shall, upon making request of the Commissioner, be allowed to examine the annual income returns of such corporation and of its subsidiaries.

I do not object to that in the slightest. In all good conscience I could vote for the amendment of the Senator from

Wisconsin through the first three pages. But when we come to the last page I could not vote for that, because, access having been given to the State officials, having been given to the shareholders of record, it upsets everything by going on to provide:

That this subsection shall not be construed to prohibit publication by any newspaper of information derived from income-tax returns for purposes of argument nor to prohibit any public speaker from referring to such information in any address.

Mr. NORRIS. Mr. President, will the Senator yield again?

Mr. COPELAND. I yield.

Mr. NORRIS. The Senator is willing for the whole substitute to go into the law, and the publicity provided for in it afforded, but in effect, I think, by objecting to the sentence he has just read, the Senator indicates he does not want anybody to say anything about it. In other words, "You can look at this return, but you must not discuss it." A newspaper in a publication or a person delivering an address would not have any right to argue the returns, or what was claimed to be fraud. A newspaper could not call attention to it in its editorial columns. In other words, "You can look at it, but you must not tell anybody."

Mr. COPELAND. This language would make it possible for the editor of a paper to say, "Confirmatory of the statement we have just made, we refer you to the fact that George Norris paid so much, his total income was so much, and his expenditures were so much," or "Walter George had a certain income."

Mr. NORRIS. The Senator is talking about the "pink slip."

Mr. COPELAND. I am talking about the "pink slip."

Mr. NORRIS. The Senator does not like it. The way to get away from the "pink slip" is to vote for the amendment offered by the Senator from Wisconsin, and we will not have any "pink slip."

Mr. COPELAND. I am not going to vote for the amendment offered by the Senator from Wisconsin if this language on page 4 is included, because then we would have exactly the same evil we have in connection with the "pink slip."

One can go into my native village and find there perhaps the widow of a doctor, who possibly receives in income a trifle in excess of the limit, and, therefore, she has to make an income-tax return. What advantage is there to my old neighbors to know that Mrs. So-and-so pays $3.50 or $10 income tax? What good will come from that? I cannot see any at all.

Mr. NORRIS. Mr. President, if the Senator will yield, the practical working of it would be that nobody would care about Mrs. So-and-so paying $3.50. The theory of those who object to this substitute, which the Senator seems to like pretty well because it would do away with the "pink slip", is that everybody is going to look into everybody else's income-tax return. They do not do that. They will not do it. But if secrecy is a good thing in income-tax returns, why not have secrecy as to all tax returns?

I could go now to the Senator's home town and find out how many automobiles he has, how many bonds he has, what salary he is getting. I can look at all that information; it is public. That has never hurt the Senator. I do not think it has hurt anybody. But what would be said if everybody who is to make tax returns should have them shrouded in secrecy, and nobody could look into the returns? We would not be able to see that this man or that man had committed fraud, it is true, because we would not know. But is it not known to everyone that secrecy in these cases always tends toward fraud?

Mr. COPELAND. I do not agree that such fraud is at all common. Mr. President, to be honest about it, I do not think that the public—and I refer to wide dissemination of the information—has any more business to have that information about Tom, Dick, and Harry than it has to come to me as a doctor and say, "Senator NORRIS was a patient of yours last week. Are you going to give publicity to what you treated him for?" Of course, in Senator NORRIS' case, there would be no objection, but there are plenty of citizens who would not want to have that information given by the doctor.

Mr. NORRIS. I think the Senator is begging the question. He is entering into the discussion of a professional and confidential communication which has nothing to do with taxation. Does the Senator believe that all tax returns should be kept secret? That would keep the public from looking at them and prying into business.

Mr. COPELAND. I am not contending for that. I am perfectly willing that those persons who are entitled to know should know, but I am unwilling to have some neighborhood gossip dig up all the facts about the different persons in the community and babble about them all around town.

Mr. NORRIS. Have they been doing that?

Mr. COPELAND. They will do it if this "pink slip" provision remains in the law.

Mr. NORRIS. Why have they not done it about the return everyone has to make about his personal property?

Mr. COPELAND. Because the information has not been made so available.

Mr. NORRIS. Oh, yes; it has.

Mr. COPELAND. No; it has not.

Mr. NORRIS. Yes; it is available to everyone today.

Mr. COPELAND. Very well; but go into the office where it is available, and get the return of a man of affairs, and it will be found there are several pages of figures involved. There are few gossips in any community who would go in and study the return and gather the material, while, under the present plan, we would give him in a little prescription form the essential facts, which would be readily available. There is no doubt in my mind that there would be publicity in every newspaper, big and little, in this country, of all these returns. To what end?

What good would it do? There would be nothing accomplished in the world, except to give a catalog to every blackmailer and kidnaper, and every thief and confidence man, and race-track tout and compilers of "sucker lists" and high-pressure salesmen, and conscienceless solicitors and ruthless competitors. That is what would happen.

I am not interested in J. P. Morgan or in Andrew W. Mellon. I do not care whether their income taxes are published on the moving-picture screen. But I do not think that the vast majority of people who make returns which they are entitled to have moderately secret, should have them made public. If there were given over to the public a list of individuals in any community of the small income taxpayers, for these conscienceless persons who seek knowledge about what house to rob, or whether to indulge in a kidnaping or some other crime, there is a ready-made catalog of prospective victims. I disapprove of it positively.

Mr. President, I notice that the Senator from Wisconsin in his able address spoke along that line. Certainly there can be no doubt that many a man now who is struggling to keep his head up above water, who is hard hit because of the depression, who has had to use up his capital in paying wages, keeping his plant or his shop or his store in operation, is going to be embarrassed by this procedure. His creditors will examine his income-tax return, and frighten him perhaps into payment of debts that he ought not to pay in full at the time, and perhaps force him into bankruptcy. We work all these hardships in order that there may be full returns of the income of every man and woman in this country who is fortunate enough to have $13 more than the limit. I can see no possible advantage in it.

I am glad the Senator from Wisconsin referred to another matter and included in his amendment a prohibition on the bottom of page 3 to the effect that—

No person shall obtain, divulge, or circulate, or offer to obtain, divulge, or circulate for compensation any information derived from an income-tax return.

I am glad he did that, because in his State there was set up an organization which sent out a letter, of which I have here a photostatic copy.

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. DUFFY. I have one of the originals if the Senator would like to see it.

Mr. COPELAND. I thank the Senator. I am much obliged to the Senator from Wisconsin [Mr. DUFFY]. Here is the original, of which I have a photostatic copy. This is written from Madison, Wis., and I suppose widely circulated:

Government and business leaders have joined in announcing a decided upturn in business during the past year, and are now declaring that the process of economic recovery is rapidly going forward. Are they correct in those statements, or are they merely indulging in the well-known "professional optimism" which has come to be associated with their declarations along this line? Every business man should be vitally interested in this question, and should find out, if he can, whether or not his competitors are forging ahead at his expense, grabbing the lion's share of this much-advertised business recovery.

For the fee of $2 per report copied, I will send to you copies of the income-tax returns of any business or individual in Wisconsin, so that you may check for yourself the position which your company is maintaining in its field. All orders will be held strictly confidential.

Income-tax reports are now being received and are rapidly being filed away at the tax commission's office, where they will be open for inspection approximately by May 1. If you wish to engage my services in this matter, please send me immediately the list of all the reports which you will want copied. Thus, if reports are open to inspection earlier than I anticipate, I will be able to more promptly fill your order.

No wonder the senior Senator from Wisconsin proposes a prohibition against that sort of rascality.

Mr. LA FOLLETTE. Mr. President, what is the date of that letter, if I may ask?

Mr. COPELAND. My copy is dated March 11, 1935.

Mr. LA FOLLETTE. In my opinion, that is in violation of the Wisconsin law.

Mr. COPELAND. Well, I hope it is, and I hope the man who wrote the letter will be sent to jail for 40 years.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. NORRIS. At any rate, it would be a violation of the pending amendment now offered by the Senator from Wisconsin.

Mr. COPELAND. Yes; that is true.

Mr. NORRIS. We should not permit anything of that kind.

Mr. COPELAND. That is the reason I said I favored everything to the bottom of the third page. To that extent there is nothing in the first three pages of the amendment offered by the Senator from Wisconsin to which I object.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. TYDINGS. Why should not a man get that information and sell it to whomever he wants to sell it to? Is it not public information? Could he not go to the property-tax books and say: "I have the assessment of everybody in my county on real estate. Would you not like to have it? I will sell it for so much a copy." Why should there be any distinction between income taxes and other kinds of taxes?

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. NORRIS. I should like to say to the Senator from Maryland that so far as I can see I do not see any objection to it.

Mr. TYDINGS. That is right.

Mr. NORRIS. But that provision is put into the amendment offered by the Senator from Wisconsin to lessen some of the fears of those people who are afraid that something of that kind might happen. If I had my say I would not have that provision in the amendment. I think such information would not hurt anyone. The same thing can be obtained now, virtually. One can go into Wisconsin, or some State which has no income tax, like my own, for instance, and can write the same thing about every man's property, whether he made an income-tax return or not would not make any difference. One can get information as to what every taxpayer has given as the property upon which he is going to be taxed.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. TYDINGS. I thank the Senator from Nebraska, because I am with him. If we are going to have publicity of income-tax returns there is no reason why that information should not be sold and handled just like publicity of any other kind of return. If we are going to make fish of one and flesh of the other, it strikes me that we are not logical.

The argument has been made that one can see any other kind of an assessment and any other kind of taxes, and one can publish anything in the world he wants to about those assessments and those taxes; so if we are going to have publicity of income-tax returns we ought not to draw any restrictions about them. We ought either to have it or not have it, and if we are going to have it we ought to have it all the way through.

The reason I am opposed to the publicity of returns, if the Senator from New York will yield for just a brief observation, is not that the Constitution prevents it but because of the philosophy of the Constitution in the fourth amendment, which reads as follows:

The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated, and no warrants shall issue—

And so on. I do not agree with those on the other side, but they think it is all right for everybody to know everybody else's business. I do not believe that. I believe just as candidly and sincerely, I hope, as those who take the opposite view, that there are some things that a man is entitled to call his own business, and one of them is how much money he makes, and I do not think he ought to be forced to tell how much money he does make, or where he made it, or how much his expenses were. That is his business. If he does not pay the right amount of tax then it is the Government's business, after examining the returns, to go and get the remainder.

Mr. COPELAND. Mr. President, I thank the Senator for what he has said. He has anticipated what I was about to remark. I had a copy of the Constitution in my hand at the time he rose. I share with the Senator the hope that what we are proposing to do is not a violation of the fourth amendment. But it is certainly, as he has said, a violation of the spirit of the fourth amendment. There ought to be some place in this world where a man is safe. The home is a man's castle, we have always heard, and he is entitled to a large degree of privacy.

Mr. TYDINGS. Mr. President, will the Senator further yield?

Mr. COPELAND. I yield.

Mr. TYDINGS. It would be just as logical, carrying out the philosophy of the "pink slip" amendment, to permit a neighbor to come in another man's house to see if that man was violating the law. Why not? Why, if the law is being violated, should not my neighbor be able to come, open the door, and go in and say, "I do not say that there is anything wrong, but I just want to see what is going on in here." If we keep on whittling away what few liberties we have there will not be any use of having any Government, because we will all be automatons, goose-stepping along.

Mr. COPELAND. And we do not want to be embarrassed in the way the Senator suggests.

Mr. LONG. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. LONG. Let me ask the Senator a question. I am legitimate this time.

Mr. COPELAND. Is this the first time?

Mr. LONG. Is it not a fact that this so-called "pink slip" was objected to by what we might call the conservative element, the home-defending element, we will call it, so that the Senator from Maryland will know what I am talking about.

Mr. TYDINGS. I do not think the Senator from Louisiana himself is going to be on the side of the home-defending element.

Mr. LONG. No; not on the "pink slip" matter. What I wish to ask is if it is not a fact that we had the open publicity on income-tax returns first, and then the so-called

"conservative" side came back and said, "The best thing we will do is not to allow this thing to be open, but we will give you this little "pink slip" information in lieu of the whole thing", and that is what really happened, is it not?

Mr. COPELAND. I think that is what happened.

Mr. LONG. The same element that favors the "pink slip" and keeping all the publicity down now wants to take away the "pink slip." We want it taken away too. I want the Senator from New York, who is an able Member of this body, and who can explain it if anybody can—and that means nobody can explain it—to tell me why we should make an exception and provide that we shall have publicity of all other tax returns and not have open publicity of income-tax returns?

Mr. TYDINGS. Mr. President, will the Senator from New York yield further at that point?

Mr. COPELAND. Very well.

Mr. TYDINGS. I am opposed to it as a matter of principle. Let me say that my observation has been that the "pink slips" do not always disclose people who evade their income taxes. There are plenty of people who, with "pink slips" or without them, have evaded their income taxes and all the pink or red or green slips in the world will not bring that fact to light.

Mr. LONG. Mr. President, will the Senator from New York yield further?

Mr. COPELAND. I yield.

Mr. LONG. What is the harm in letting the entire income-tax return be open for the public to inspect? What is the harm in letting everybody know what a man claims to deduct and what he claims to have earned? If every man's income is open, has he done more harm than if he makes a return of his physical property which he has accumulated during his lifetime?

Mr. TYDINGS. I do not want to be personal, but as long as the Senator from Louisiana has no compunction about the matter may I ask him what he made last year? [Laughter.]

Mr. NEELY. Also what he did with it! [Laughter.]

Mr. LONG. I made as much money as I spent in the Printing Office and with the United States Government as postage.

Mr. TYDINGS. Will the Senator give us the exact figures? I am interested, because I know he gave a great deal to charity; he financed two or three football games and various other activities. I am wondering in what year he made this money that he spent so generously. If he does not object, I should like to ask him now about that.

Mr. LONG. I made about $25,000 last year.

Mr. TYDINGS. Was it exactly $25,000?

Mr. LONG. No; I do not think quite exactly.

Mr. TYDINGS. Could the Senator give us the exact figures?

Mr. LONG. I cannot give them exactly, but I shall make a return pretty soon and will give the Senator a copy of it.

Mr. TYDINGS. The Senator's salary was only $9,000. I congratulate him on having such a large law business outside of the Senate.

Mr. LONG. I am giving the Senator that information because the Senator has requested it. The Senator from West Virginia [Mr. NEELY] wants to know what I did with it. In order to set a good example I will say that I spent it for brass bands, for football games, for drinks for my friends, and things of that kind. I got some good out of it.

Mr. TYDINGS. Mr. President, will the Senator from New York yield for just another statement?

Mr. COPELAND. Just one.

Mr. TYDINGS. I would not pursue this inquiry, but the Senator from Louisiana is good natured, and he does not mind these things being known. May I ask him how he made his $25,000?

Mr. LONG. I made it principally by people not having the sense that I have, because they hired me for their lawyer. [Laughter.]

Mr. TYDINGS. That is a fair answer, because the Senator said he made it out of his law practice. I want to congratulate him on being at least as good as a collector as he seems to be good as a lawyer.

Mr. BARKLEY. Mr. President, will the Senator from New York yield for an inquiry?

Mr. COPELAND. I yield.

Mr. BARKLEY. Did the Senator from Louisiana deduct from his gross income tax the amount he spent for liquor for his friends? Did he deduct that as a loss? [Laughter.]

Mr. LONG. The Senator is about to ask a personal question. Does the Senator want himself excepted?

Mr. BARKLEY. I did not get the benefit of any of the liquor, I will say to the Senator.

Mr. LONG. No; but the Senator might have had some of it, because it was free.

There is no reason why anyone should be afraid to disclose his income tax. There is no one who wants to know about income taxes nearly as much as I do. I have given a frank answer offhand. Why should not I have an opportunity to know about the Senator from Maryland and about the Senator from Kentucky as well as people outside of the United States Senate? Why should anybody be afraid? Why should not he want it known? I should like to have the public know it. The public knows already whether I have a house and lot, or whether I have a farm, or a pair of mules. That is all disclosed on my property-tax return. Any man can see how much property and the value of the property I had on the first day of the year. I have yet to see why a man should want to prevent the publishing of income-tax returns when he is willing to publish property-tax returns that everybody can see.

I will tell the Senate the difference. Here is the simple difference. When we were investigating the House of Morgan and the House of Rockefeller it was disclosed that the instructions were that the officials were not to question any income-tax return which came in with the approval of the House of Morgan on it. We did not know that, but that was in the record. They did not want these things published for good reasons.

Mr. BARKLEY. Mr. President, will the Senator from New York yield further?

Mr. COPELAND. No; not any further.

Mr. BARKLEY. I want to ask a serious question this time.

Mr. COPELAND. Very well.

Mr. BARKLEY. Is there really any analogy between making public the process by which a man arrives at his net income for income-tax purposes and making public the record of a piece of property that cannot be concealed, no matter what one happens to do with it? If I own a farm, there it is. I cannot conceal it. I cannot hide it. If I own a hotel or office building or any other form of physical property, of course, I have to return it for assessment and it is a matter of public record because I cannot hide it away. But it might be different if I were required, by the county or State assessing officers undertaking to make me tell, to disclose by what process I accumulated the money with which I bought a house or a farm or an office building or a hotel. Is there really any legitimate analogy between the assessment of physical property which lies out on the surface of the earth, and the process by which I arrive at an income upon which I must pay an income tax?

Mr. COPELAND. I agree with the Senator that it is an entirely different proposition.

Mr. President, when we give publicity to income taxes, full publicity, I not alone reveal what I receive and the sources of my income, but I have to reveal how I spend that money. I have to reveal what I pay my clerks and how much to each one. I have to reveal a great many matters which are not mine exclusively. They relate to other persons.

In the next place there is no income possessor in this country who has any heart, who is not giving money to dependents, other than direct dependents. To give full publicity to the income tax means to advertise the poverty of dependents. Under the present law, I happen to know, if one gives money to a relative, if it is in excess of a certain amount and is to be taken as an exemption, that item has

to be included in the tax return. What business is it of the world what I do with my money in the way of charity? It is no one's business.

That is not like demanding of me that I record the value of my property. Charity of that kind is a matter of a man's own business. What I may do is strictly my own business.

Mr. President, I was going to refer to the spirit of the fourth amendment, but that has already been enlarged upon. Certainly it is the spirit of that amendment to protect the right of the people to be secure in their person, houses, papers, and affairs, against unreasonable searches and seizures. Certainly the wording of that amendment is in accord with the spirit of our Americanism.

I am not going to appeal for the action we seek, on any constitutional grounds, of course, but I am going to appeal on the ground of common decency. It is not decent to give publicity through these "pink slips", and let every community have this knowledge to gossip about and talk about. To permit it is serving no public interest.

So, Mr. President, I hope the Senate will see fit to enact the bill which has passed the House. This action on our part will do away with a procedure which in my opinion is un-American and indecent, and which in no sense promotes the public interest.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. LONG. Mr. President, I thought there would be someone else to fill in; indeed, I had hoped we were not to vote on the amendment this afternoon. May I ask the Senator from Wisconsin whether he is anxious to have the vote on his amendment taken this afternoon?

Mr. LA FOLLETTE. I understand there are several Senators who desire to speak on it.

Mr. HARRISON. Mr. President, I may say to the Senator from Louisiana that I hardly think it possible for us to get to a vote this afternoon, because there are several Senators who want to speak on the bill. I have no desire to press it. I hope, however, that we can go on with the discussion until sometime after 5 o'clock.

Mr. LONG. Mr. President, in the few minutes the Senator from Mississippi may want the Senate to remain in session this afternoon, I wish to say that without any question the genius behind the effort to keep down publicity on income-tax returns comes from the makers of big money. They have been using the vehicle of the income-tax return for so many years to escape taxation that they have scores of experts engaged to figure out various ways by which they may avoid paying their income taxes.

For instance, Mr. Morgan, when he was testifying before the Committee on Banking and Currency, made the statement that he never had anything to do with making out his income-tax returns, and it developed that for a number of years Mr. Morgan had not paid any income tax at all.

The committee not only developed that Mr. Morgan had not paid any income tax at all, but they developed, when they were investigating the Morgans, and the Rockefellers, and others about like them, that there were instructions over in the Treasury Department, which I believe were in writing, ordering that if any concern filed an income-tax return there which had the breath of approval of or association with the House of Morgan or the House of Rockefeller there was to be no inquiry and no investigation made into it; and up to this time never has there been anything done to one of these returns which has been made by the Rockefellers or by the Morgans.

Unfortunately, Mr. William Randolph Hearst——

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BARKLEY. For nearly 2 years, as the result of the investigation which was inaugurated, the Committee on Banking and Currency held hearings on the stock market. It is impossible even for members of the committee to remember all the testimony which was adduced, but my recollection is that the hearings developed the fact that experts from the Treasury Department not only investigated the tax returns of those who might have had the approval of the Morgan firm, but investigated the tax returns of the Morgan firm as a firm, and the individual members thereof. The difficulty with the Morgan situation at that time was the law itself, under which Mr. Morgan did evade the payment of any income tax for 2 or 3 years, because the law allowed him to extend losses over a period of years, so as to reduce income for a given year. We have corrected that situation as the result of that investigation and that disclosure, so that such a device can no longer be resorted to.

I think it is not quite fair to the Treasury to say that such orders were issued, because my recollection is that the testimony showed that in many of those cases the Treasury experts did investigate, and found that the law itself was such that they could not do anything about it.

Mr. LONG. They found one little loophole whereby Morgan escaped, and they will find another way of escape, and we shall not know anything about it until it is too late to do anything to remedy it.

I am not condemning the Banking and Currency Committee at all. I have no idea of doing that, nor of condemning any particular individuals. I am only condemning the system. The fact is, however, Charles Mitchell was prosecuted for a violation which was found to have existed in the case of hundreds of other bankers who never have been prosecuted. The only reason why they prosecuted Mr. Mitchell, according to the way it looks now, was that Mitchell had gone financially bankrupt. They jumped on Mitchell because Mitchell had used the device of selling property to his wife and buying it back at the market value, thereby taking advantage of the loss which he had incurred in this fictitious transaction. They found that Mitchell was not the only one who did that, Mr. President. Man after man affiliated with Morgan & Co. and with Rockefeller had been doing the same thing. I know of many of them who did it. I can tell the names of others whom they know all about, names of those I know they have investigated, names of those I know they know all about. Notwithstanding the fact that they had tried Mitchell for that offense, the Treasury Department now has records of many other men who did identically the same thing that Charlie Mitchell did, for which he was prosecuted up in New York, and for which he is being sued today.

I do not question the motives of any man in this body, but those outside of Congress who do not want income-tax publicity are those who are intending to gain at the expense of the United States Government. They are the men who expect to keep from having unearthed the amount of money which they have been making every year. Until they have used their various and sundry newly discovered devices to take the place of all the abrogated old devices, until those devices have been discovered after perhaps 15 years' time, as they were the last time, no one will know anything about the incomes of these men, and the only one who will be prosecuted may be someone who has gone into bankruptcy in the meantime.

I am amazed at the turn to the right on the part of our party leaders; and I say that, Mr. President, in sadness. I am amazed at the turn to the right, and I mean away from what I consider to be right, on the part of our party leaders who are tending today to go back and cloak up the very old, corrupt, and crooked practice of the past which led to what we thought was modern legislation to prevent such a thing from happening in the future.

Mr. President, my recollection is that we voted to adopt an amendment proposed by the Senator from Wisconsin to have complete publicity of all returns of income taxes. The amendment was taken into conference, and our conferees came back to us and said, "We have not been able to keep the entire provision intact, but we have arranged for certain information, which is about all the information that anyone ought to be allowed to have, and therefore we will give you this particular slip which is now called the "pink slip."

Whose "pink slip" is this "pink slip"? This "pink slip" is the "pink slip" of the very men who are leading the fight in the United States today to do away with the "pink slip."

They are the men who now say they do not want this information disseminated to the people at all.

My friend from New York [Mr. COPELAND] spoke about having received a great many letters, and stated that I would receive a great many letters protesting against such publicity as is contained on the slip which is now allowed under the law. I desire to say that I get mail from a different class of people. I hear mostly from the common people. I get letters from some of the others, but I think they are people who understand that I am not concerned about hiding the income of anyone, nor with the way people in my district may feel if I do not help them to hide these returns. In other words, I think the people understand that I believe in the income taxes being paid by the makers of big money.

I receive practically no mail at all asking me to vote against publicity of income-tax returns. I have heard from practically no constituent in Louisiana, nor from any person outside Louisiana—and I sometimes receive letters from people in the other States—asking me to vote against that publicity. None of the common people are urging such action; but we have this eleventh hour, great, big bogey man they have created that the gangsters are going to find out how much money you are making and the criminals and the convicts are going to look over and see that last year a man made $5,000 and they are going to waylay his children and kidnap them and threaten to blackjack him and threaten to expose his secret sins since they know what he has made last year. On that kind of a flimsy pretext they have actually excited a Congress of the United States which, if it were to pass this bill, would give some people the impression that it was afraid to go home at night in the dark on account of this "pink slip" provision being in existence.

I think it is the most farcical kind of thing I have ever heard of that men over 21 years old in the United States should be worked upon with this kind of propaganda to do away with what little there is left of value in the way of publicity. Instead of repealing it, why not let us do what we started to do, and what was previously the law, and what ought to be the law—make the publicity complete.

Does anyone want to know why I should know what you pay the Federal Government? It is because it is my business to find out what you pay the Federal Government. It is my business to know whether or not you are paying your proper amount of taxes to educate my children, and my neighbor's children, and your own children. It is my business to find out whether you are making me pay an abnormal part of the taxes by reason of the fact that you are conducting a swindling game to save yourself from paying your rightful share. Do you want to know why we ought to want to know? We ought to want to know because it is our personal, pecuniary business as taxpayers and as citizens of this country. The ordinary man has just as much right to know whether or not he has been swindled or whether his Government has been swindled as some employee of the Treasury Department has a right to know.

What good will it do? It will do this much good in the beginning. It will mean that 125,000,000 people will at least be aware that one man has not the drapery of fraud surrounding him and protecting him from exposure. It will mean that every man, woman, and child may know about what a man has made and about what he has not made, and will know whether he has reported truthfully or falsely if they are allowed to see the returns. We know that condition would be a constant threat against the man who is trying to swindle the United States Government. There is not an honest man returning an honest income who is going to be afraid of his return being investigated. I make that statement and I do not even admit of an exception. I say there is no such thing as a man who has no improper motive being afraid to return every dime of his income and to claim his deductions.

Let me refer to our friends in this body, inasmuch as I was asked about my income. Perhaps some Senators are better off in the matter of the world's goods than some of the rest of us. Would the senior Senator from Michigan [Mr. COUZENS] be afraid? I make the assertion that the senior Senator from Michigan, of all men in this body, would be the last one to vote against the canceling of the publicity of income-tax returns. I make the assertion that the man who would probably have the greatest right to complain in this body will be one upon whom we can depend absolutely that he will not only be opposed to it but that he will insist upon retaining it in the law, even though his income shall be made public and be known by every man, woman, and child throughout the length and breadth of the United States.

Who is leading this fight? It is suddenly decided, just before the income taxes are to be paid, that a terrible disaster is being brought about by the the law, so that those who are leading the fight hurry along here just about the time the income taxes are to be filed for this year. I suppose most of them have extensions by this time. It is not very hard to get them. Anyone will be accommodated. I suppose by this time they all have extensions—for what reason?

One of the reasons is that last year it developed that fewer men made $5,000 than did the year before, and that more men made $1,000,000 than did the year before. In other words, fewer men made a moderate income last year and more men made an unwholesome, overburdensome income last year. The chances are this is what is going to happen again this year. If we are allowed to see income-tax returns this year we will be able to see very clearly that the poor are getting poorer, that many people are not making a living wage, that more of the bloated plutocrats are making larger fortunes than they did in the preceding year, and therefore they do not want this provision to remain in the law this year. That is the main reason. The bloated plutocracy do not want it known how well they are faring and how badly the common element are faring as a result of their good fortune. Therefore they hurry to the Congress of the United States in an effort to draw about their income-tax returns the cloak of secrecy.

If anyone needs anything to prove that this entire matter is to be used for the purpose of crooking and robbing the Government, he does not need anything more than this effort to conceal income taxes from publicity. The mere fact that those in the financial centers are trying so hard to conceal their income-tax returns is proof in and of itself that they mean to rob the United States Government in the future as they have been robbing the United States Government in the past. One reason why they want to get this provision off the law books is that they may be able to continue in the future that which has been interfered with in the last year or two. That is what they intend to do, and that is what they are going to do if this provision is wiped off the statute books.

Talk about being afraid of exposure of income! Is Morgan afraid to expose the value of his property holdings on his tax assessment? He files in the county or State in which he lives, and perhaps in the city in which he lives, an itemized statement showing everything he owns. Anyone can take the property-tax return of a concern like Morgan & Co., or any partner in Morgan & Co., or Morgan himself, or Rockefeller himself, and can find listed there every piece of real property he owns, every bond that he owns, every share of stock that he owns, every bank account that he owns. The entire list of the property owned by one of those men on the 1st day of January is contained in his tax return, and it is a matter of public record, usually bearing the sworn affidavit of the man whose property is listed on that tax return.

Are they afraid of that? If we are going to prohibit the publication of one's income-tax return, why not prohibit the publicity of all these tax returns? Why not go back and hide the whole thing? Let us keep these people safe from burglars and gangsters and curiosity seekers not only with reference to what they made last year but what they may have inherited from a hundred years ago. If this is a sound principle, let us go back and add up year by year and day by day what they have made and accumulated, and enact some kind of a law that will prevent the curious eye from visaging what these men have been making in all the years preceding.

That would be the sound thing to do. That would be the only logical thing to do.

The party in power—the Democratic Party—went out to the people of the United States and said certain things. I know they said them, because I heard them say them. I know they said them, because I read their printed documents. I know they said them, because I helped to write some of them which they had printed. That party said that Mellon, while acting as Secretary of the Treasury, had allowed deductions and had allowed refunds amounting to millions and hundreds of millions and even billions of dollars. That party went out and exposed the grand fraud, the grand swindle, the public robbery, the wholesale stealing, the fraud that had been conducted by that crowd, and promised the people that they would see to it that that system never again should reign in the Treasury Department.

It is the same Democratic Party leadership that has come here today in an effort to repeal the little flimsy protection we had enacted into law to prevent that kind of rampant swindle in the future. Nothing is being said about it. What has been the excuse for it? None. There is no excuse for it except that we have been told we must turn to the right, turn to the conservative element; that the radical element will no longer go along with the party, so now we have to bend back around and cater to the conservative element, the reactionary element, in order that the party may remain in power.

We must get away from anything that looks to be liberal, it is said, or anything that might be called radical. We must get away from anything of that kind. We have got to get away from the truth that might come out about the tax returns of these big and influential men. We have got to get away from what appears to be a liberal doctrine pertaining to the rights of 125,000,000 people. We have got to get away from that and reverse the telescope and put the big end to the eye and get the little end away from the eye.

It is being whispered about that the kind of doctrine we have been fighting for must now be reversed; that we must reverse the hands of the clock; that the kind of frauds which we have known to have occurred, which have come to be a national scandal on a wholesale scale, under the Mellon regime and under the Mills regime, are now going to be made just as possible under the regime now in office.

What difference does it make who is Secretary of the Treasury? It makes very little difference. The rank and file of the Treasury Department now is practically the same as it was under Mellon and Mills, and always will be. The employees will be kept there, generally, on their records. It is not public employees who keep men from swindling the Government on the returns they make of their incomes. It is the fact that 125,000,000 people know everything about them, if they want to. It is the fact that if a man has an enormous income that the man next door may know about, or the man in the next office may know about, ordinarily the man who is in business with the man of enormous income, or who lives in the community with him, who is honest, and who is paying his taxes, is not going to sit idly by and allow the other man to swindle the Government which he himself has not swindled. That is the reason for this publicity.

Oh, no; the administration is turning around to the right. It is about time for it to become reactionary. I see Mr. Hopkins says that 37 percent of all New York is on the dole relief rolls today. I read in the newspapers that Mr. Hopkins' department now says that out of every 100 persons in New York 37 are on the dole, and I see they are estimating that the proportion will be 50 percent before very much longer. That is about where we are landing; so we had better turn a little bit further, veer around more to the right.

Do not forget this, Mr. President: I am still speaking as a party man, because I am still a party man. I am followed pretty well by the Democrats of my State. Not only am I the leader of the democracy of my State, but I am followed by the Democrats of my State, because I am still advocating the Democratic doctrine which carries the Democratic Party into power. Do not forget the Maine campaign of 1932, when Mr. Hoover's administration had a large number of people on the relief roll. When we began to try to carry Maine for the Democratic Party, so that the first State to vote might show up well, Hoover's own crowd, the Republicans' own crowd, tried to keep the men they had on the Republican relief dole from voting, because they figured they were going to vote against them. We had a terrible argument to prevent the Republican Hoover crowd from disqualifying the people who were on the relief roll from having the right to vote in that election, because we figured they would vote against Hoover's ticket. We won out; and, as a result of the people who were on the dole being allowed to vote, we beat the Hoover ticket in the Maine election, and it was the surprise of the United States.

Mark my words: The people who are on the dole under this Democratic administration are going to feel just exactly like the people who were on the dole under the Republican administration. A dole is a dole, and the man who is on the dole knows that he is there as a result of evil. He knows he is there as a result of what is wrong in the Government. He knows he is there as a result of the fact that promises have not been kept; that what he was allowed to expect has not been performed.

This tonic that is being fed to the leadership of the Democratic Party in the States and in the Congress and in the Executive Departments, this advice that "You had better turn conservative, and turn around to the right, and turn reactionary, and get away from all these liberal and alleged-to-be radical things that you have done", is the advice to destruction and to wreckage and to ruin. This is one of the charted landmarks—one of the mileposts, you may call it—to show that we are steadily, drastically turning in that direction.

I am astonished that the President of the United States has not sent a message to Congress about this bill. I am astonished that before he left on his fishing trip he did not say something about this monstrosity. I should almost be tempted to interfere with his pleasure among the goggle-eyes and the catfish by wiring him and asking him to send a message to Congress if I were in close contact with him. That is what I should do. The idea of such a bill as this being brought in here, in the present condition of the public Treasury, when it is reported that this year our income-tax receipts are going up by leaps and bounds—why? One of the reasons is because there is a kind of half-way publicity. Experience has already proved the virtue of publishing the income-tax returns, and we are told that the receipts are going up; that they are hundreds of millions of dollars more than they would have gotten under the old system. Why turn around now and cancel out what is necessary to get more money into the Treasury?

I started to say that the President saw fit to send a message to the last Congress against the bonus. He saw fit to send a message to this Congress saying that if the McCarran amendment were enacted it would cost the United States Government an extra billion dollars, and that extra billion dollars would destroy the credit standing of United States bonds. In other words, according to the President of the United States, one more billion dollars taken out of the Treasury of the United States in this year is the difference between solvency and chaos in the national credit! That is the President's own figure; and yet we are called on to repeal a provision of law that is bringing many, many dollars—thousands and perhaps hundreds of thousands and millions of dollars—into the Treasury, because somebody has thrown up this bogey smoke-screen that "a gangster is going to go and look at my tax return in the midnight hour, and kidnap my child, and blackmail my wife."

Are sensible men, legislating for 125,000,000 people in the United States, going to be led away with that kind of a claptrap bogeyism into annulling the only thing we have today that means a thimbleful of protection against swindling the United States Treasury out of another billion dollars this year and next year? Is that the kind of a reason we are going to have on the one hand, and a contrary reason on the other hand? One time we must do nothing that will

impair the credit of the United States Government, and another time we must come along here and repeal the only thing that really makes men be honest in their reports, when they would like to swindle the United States Government!

Now I desire to say something which I have not said on this floor before, which I hope will go in the CONGRESSIONAL RECORD and be read. It is this:

I understand there is a little argument between the Rockefellers and the Morgans as to who has the inside track down here right now. It seems that the two families have become a little bit jealous of one another. Of course, they are all for the system which preserves them all; but it seems there is always a big row on as to whether the Morgan house has the inside track in Washington or whether the Rockefeller family has the inside track.

I never really appreciated that part. My national training and education has been so sadly neglected that I never understood the importance of that particular equation; but they say that there is always here a silent, undercover but determined fight over whether the Rockefellers or the Morgans shall have the first bite of the cake—that is, which one shall have the inside track; which family shall predominate in the fiscal and public affairs of the country.

I was reading the other day the book of Mr. John D. Rockefeller, Sr. He is another one of these fellows who wrote a book. I once wrote one myself, but he wrote a book in violation of the injunction in the Scripture:

Oh, that mine enemy would write a book!

He wrote a book, and in this book he said that the one great thing that had helped him to extend the control and domain of the Standard Oil Co. into foreign countries was the influence they had been able to exert through the State Department from Washington. That is the statement in Mr. Rockefeller's book. I am going to bring it over here and read it to the Senate in a day or two. He said in his book that the one great thing which had always helped the Standard Oil Co. to permeate into all other countries was the fact that they had the immediate touch and contact and feeling proclivities and insidious maneuvering of the State Department.

I understand that they have managed to keep it that way, that there is a career system in the State Department, that they keep their representatives on a career basis. The man who has made good in the lines of what they call the career grading points stays there, and his career has largely been gaged by what service he has been able to render to these proclivities of the Rockefellers and their affiliated interests.

I am told that the Secretary of State is a mere figurehead when it comes to that kind of business, the business of regulating our contacts with foreign countries. I am told that most of the time the Secretary of State does not even know what is going on. I am told that they do not even call on the Secretary of State to talk these matters over, that they will send over to the country and get our ambassador, and he will go into the executive department and discuss the matter, and that the Secretary of State is not even supposed to know what is going on about it.

I will tell the Senate how well I know that. The Senator from California [Mr. JOHNSON] was conducting an investigation in the old Commerce Committee of the Senate. There was a young man from my State by the name of Jefferson Caffery. In connection with the Bosco fraud which was pulled off in Mellon's interest down in Colombia, whereby they held up loans to be made by the United States until the Republic of Colombia granted to Mellon's company the right to lay pipe lines across the Republic of Colombia, it developed that this young man, Jefferson Caffery, from my State, had been sent to handle the entire negotiation.

After the Senator from California had made the report, I was prepared to protest in the Senate against the confirmation of Mr. Caffery. But when the young man came to me he unfolded to me that he was merely carrying out what he was supposed to do, and the executive department and the State Department insisted that it was that kind of man they needed, it was Mr. Jefferson Caffery they needed for Cuba, that they had to have him, that there was no other man so well equipped for the kind of service which had to be rendered in Cuba as Mr. Caffery.

Since Mr. Caffery made it very plain that all he had done in Colombia was done in carrying out the traditional policy of the United States, as he had been instructed, I made no objection, but voted to confirm him, in order that I might help out the executive department and the State Department to get the representative whom they said they had to have, the man who had the identical kind of experience necessary at that particular moment in Cuba.

Mr. Caffery went on down to Cuba, and, lo and behold, I found out that they did need him down there. Why? Because the Rockefeller banks and the Morgan banks, the Chase National Bank, and the National City Bank had loaned large sums of money to Cuba and to various private and public enterprises in Cuba, and the rebellion in Cuba was over the fact that the American financiers were extracting from that little fallen island so many millions and millions of dollars every year that they were not leaving enough in the country for the poor Cubans to live on. The overthrow of the Government in Cuba may have been due to the fact that they were likely to cancel the debts of these American financiers—I almost used another name—and therefore they had to have somebody to send down to Cuba who understood these manipulations from Dan to Beersheba, in order to preserve the financial solvency and the contacts which had been established by reason of these flotations made out of the House of Rockefeller and out of the House of Morgan.

Mr. Caffery is there, and today Cuba is struggling, one revolution occurring after another. They are having an awful time to keep any man down there. It can hardly be done. They will never be able to keep any government there very long, just as I said here a couple of years ago. They will not be able to keep any government there very long, because in Cuba there is practically no such thing as an independent ownership of anything. There is hardly a Cuban who owns anything, unless it is bonded for as much as he can get for it or more.

Everything has been chained and paralyzed, and therefore Cuba must be kept subdued under one of these careerists, who understands that the career system means the Pan American financial control over Latin American affairs by the House of Rockefeller and the House of Morgan and their allies. So now we begin to get a little publicity of this matter.

They go down to Bolivia and finance the war against Paraguay, so much so that the Argentine Republic had to close down a radio station operated by the Standard Oil Co. on the soil of Argentina because they found that that radio station was being used for the purpose of aiding the war of Bolivia against Paraguay. That was done by Argentina, but you did not hear a word about it, not a word in the Senate or in this country, not a word, when the Argentine Republic seized the radio station of the Standard Oil Co. and closed it down on the ground that it was being used for the purpose of promoting belligerency between Bolivia and Paraguay. There was not a word of that here.

Along about that time there showed up a gentleman whose name I have mentioned on the floor of the Senate many times. He showed up and went to testify before the munitions committee, and advised the committee that the United States ought to buy large quantities of tin immediately because some war was likely to start and the country would not have tin enough. The reason why he was advising the purchase of tin was the fact that Bolivia had a great deposit of tin, and Bolivia could not carry the war on much longer unless she sold some tin. So Brother Baruch came and advised that the United States buy a great deal of tin.

All we have to do is to go back and trace developments and we find that which has been used for the purpose of carrying forward the interests of these houses of Rockefeller and of Morgan time after time. They do not want any publicity. "Save us from the light of day," say these honest and honorable men.

There used to be a saying in politics that is apropos, and I wonder how many here have heard it. Someone said that

a fellow remarked about a man, "That man is a rascal." Another said, "I know he is a rascal, but don't say that now. He is our rascal now." [Laughter.] So now, what is the policy of our good Democratic Party? Are we going to say that this system which we claim was defrauding the people of the United States was being conducted by a set of rascals, or are we going to say "Hush, hush. They are our rascals now. We have turned to the right. We have taken the rascals in. We have shielded them from publicity. They are our rascals now."

Mr. President, that means the faith and the conservation of democracy, for which we went 3,000 miles to fight a few years ago, and then came back and tried to make this country safe for something else. It is a matter of "hush, hush", covering the matter up, glossing it over, not inquiring.

No one will find the common man kicking about anybody investigating his income-tax returns. Ninety-six percent of the people of the United States do not make any income-tax returns. How many here knew that? Ninety-six percent of the people in the United States do not make income-tax returns, do not make enough money so that they have to pay an income tax. The 96 percent are just as much concerned, and more concerned, in whether or not the select 4 percent, the chosen 4 percent, the fortunate 4 percent, are reporting upon the profits they have taken from the sweat of the brows of the 96 percent as are the ones who are making the money themselves.

Mr. President, I have consumed more time than I had expected to. Since the Senator from Mississippi stated that he thought there ought to be some discussion until 5 o'clock, I thought I would take advantage of the opportunity and save the Senate that much time, and fill in at a time when nobody else wanted to speak. I would not have taken the time of the Senate this afternoon except for the fact that there were 30 minutes when nobody else wanted to speak, and I have merely filled in, so that I might not take time from somebody else at a time when he might want to speak.

PROPOSED NAVAL MANEUVERS IN THE PACIFIC

Mr. PITTMAN. Mr. President, as Chairman of the Foreign Relations Committee, I am receiving a great many letters with regard to the proposed maneuvers of our fleet in the Pacific Ocean next summer. Grave fears are expressed with regard to that program. Some protests against it have been received. Others request that the committee urge that the maneuvers be not held.

I have received such a letter from Prof. Kenneth S. Latourette, professor of missions and oriental history at Yale University. I have the highest regard for his opinion and his ability, and the high motives which animate him in writing this letter. I ask unanimous consent to have printed in the RECORD at this point the letter from Professor Latourette and my reply thereto.

I think possibly my reply may serve as an answer to a great many letters which are being written to me. I hope it will give those who write me a better understanding of the reasons for the maneuvers in the Pacific, and why they should have no fear with regard to them.

The PRESIDING OFFICER (Mr. MALONEY in the chair). Without objection, the letters presented by the Senator from Nevada will be printed in the RECORD.

The letters referred to are as follows:

YALE UNIVERSITY,
New Haven, Conn., March 20, 1935.

Hon. KEY PITTMAN,
Chairman Committee on Foreign Relations,
United States Senate, Washington, D. C.

MY DEAR SENATOR PITTMAN: May I express to you my very grave misgivings concerning the proposed naval maneuvers of our fleet in the Pacific this summer? As one who has long been a student of Far Eastern affairs, it seems to me that this measure at this particular time threatens to put additional strain upon the relations between ourselves and Japan, which may be fraught with serious consequences. I very much hope that the Committee on Foreign Relations, under your distinguished leadership, may deem it wise and possible to suggest that the plans be altered.

Respectfully yours,

K. S. LATOURETTE.

UNITED STATES SENATE,
Washington, D. C.

Prof. KENNETH S. LATOURETTE,
Professor of Missions and Oriental History,
Yale University, 409 Prospect Street, New Haven, Conn.

MY DEAR PROFESSOR: I have the honor to acknowledge receipt of your letter of March 20, 1935.

In this letter you state, "May I express to you my very grave misgivings concerning the proposed naval maneuvers of our fleet in the Pacific this summer?" I have the highest respect for your opinion, and fully realize the patriotic and humane motives that inspired your communication. I regret to be impelled to inform you, however, that I do not have the same misgivings, nor can I concur with you in your suggestions.

Our fleet is one of the defensive arms of our military force and is intended primarily to protect our coast against hostile raids and the destruction of the lives and property of our citizens.

We have the longest coast line of any country in the world. It is lined with large cities of great wealth and beauty and inhabited by our citizens of the highest type. There may not be, nor do I believe there is, any imminent danger of an attack upon our borders; but that this peaceful condition will always exist we are not at liberty, by virtue of our duties, to presume. One of the first duties of a government is to protect its citizens in their lives and property against hostile, violent, and illegal attacks.

The Pacific Ocean is not only the largest but it is bordered by more countries than any other ocean. It is even now a great artery of commerce not only between the nations of the world but between our own States and possessions.

It is the duty of our Government to train its officers and sailors in any and all waters where naval actions may become necessary in defense of our coast. The conditions in the Pacific in many respects are quite different from those that prevail in the Atlantic Ocean. It is necessary, therefore, that we train our naval forces in the Pacific as well as in the Atlantic and in the Gulf of Mexico.

In conducting the proposed naval maneuvers it will not be necessary for our fleet to approach within 1,500 miles of the coast of any other country except Canada or Mexico, neither of which would be excited by the peaceful operations of our fleet in the Pacific.

I know of no strained relations between our Government and any other government that threaten war. There may be diplomatic differences that will ultimately require conferences and peaceful solutions, but I have no fear but that amicable understandings may be arrived at. The President of the United States longs, as no other ruler does, for peace at home and abroad. During his brief administration he has continuously and actively made every effort to establish conditions of peace throughout the world. This is known to the rulers and statesmen of all countries. It is impossible for me to even imagine that the President of the United States, who, under the Constitution, is the Commander in Chief of the Army and Navy of the United States when these forces are called into active service, and who, as Chief Executive of our Government, has exclusive jurisdiction and control over the Army and fleet in times of peace, would permit any action by our fleet that could reasonably bring about strained relations between our Government and any other government.

There are jingoes in every country who, actuated either by political ambition or expediency, longing for power, or by unjustifiable fear, are constantly crying "war." Those who have duties to perform cannot afford to be affected by such jingoism.

I may say that, in my opinion, the Committee on Foreign Relations of the Senate, or the Senate which it represents, having no jurisdiction over the operations of the fleet, would in no case attempt to interfere with or even advise the Executive with regard to the operations of the fleet unless it clearly appeared that he was about to perform some act which would gravely threaten the welfare of our people. Certainly, no such situation exists by reason of the proposed maneuvers of our fleet in the Pacific this coming summer.

Sincerely,

KEY PITTMAN.

EXECUTIVE SESSION

Mr. HARRISON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. LOGAN, from the Committee on the Judiciary, reported favorably the nomination of Hiram Church Ford, of Kentucky, to be United States district judge, eastern district of Kentucky, to succeed A. M. J. Cochran, deceased.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably Executive F, Seventy-third Congress, second session, a general treaty of inter-American arbitration, signed at Washington on January 5, 1929, with an understanding.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER (Mr. MALONEY in the chair). The reports will be placed on the Executive Calendar.

UNITED STATES EMPLOYEES' COMPENSATION COMMISSION

Mr. WALSH. Mr. President, from the Committee on Education and Labor I report favorably a nomination and ask unanimous consent for its immediate consideration. In doing so, I desire to point out the fact that there are now but two members of the United States Employees' Compensation Commission, one membership not having been filled. The member whose term has expired, and whose nomination the committee is reporting favorably, is Mr. John M. Morin, of Pennsylvania.

The act creating the Commission makes the office vacant at the expiration of the term of the Commissioner. The office is now vacant, and there is only one Commissioner operating, with the result that there is not a majority of the Commission able to sign orders or to perform the duties of the Commission.

On that account and at the request of the Senator from Pennsylvania [Mr. GUFFEY], and with the accord of the Senator from Oregon [Mr. MCNARY], I ask unanimous consent for the immediate confirmation of the nominee, who is the present incumbent, or was the incumbent before the term of his commission expired.

The PRESIDING OFFICER. The nomination will be read.

The legislative clerk read the nomination of John M. Morin, of Pennsylvania, to be a member of the United States Employees' Compensation Commission.

Mr. WALSH. I ask unanimous consent for the immediate confirmation of Mr. Morin.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts?

Mr. AUSTIN. Mr. President, I know nothing about an agreement with the Senator from Oregon.

Mr. WALSH. The Senator from Oregon has been consulted by the Senator from Pennsylvania, who was especially urgent in this matter, and was conferred with today by Mr. Morin, the gentleman whose nomination has been reported. The Senator from Oregon has no objection. I think he appreciates the importance of speedy action. Mr. Morin was the Republican member of this Commission and held office until the date his commission expired, about 2 weeks ago, with the result that he is there working but not receiving salary, and has no authority. There is only one member of the Commission, with the result that the poor people who should receive compensation payments are having their payments held up. That is the reason why we are asking that the nomination be speedily acted upon.

Mr. AUSTIN. The nomination has been pending for 2 weeks, has it not?

Mr. WALSH. No. For some reason the President failed to send the nomination to the Senate until Saturday, but Mr. Morin's commission expired 2 weeks ago. There has been an interregnum during which no one has been appointed to the position. It was announced that Mr. Morin was nominated by the President on Saturday, and therefore the committee, because of the pressing character of the situation, acted very speedily.

Mr. AUSTIN. I suggest that the nomination go over until tomorrow.

Mr. WALSH. I hope the Senator from Vermont will not ask that that be done, because here is an office which is vacant; the Commission is unable to perform its functions; and persons who have been in the Federal service and who have been injured are unable to obtain their payments, which are being held up because one man is not able to function—a man of ability, honesty, and integrity.

It seems to me there is no reason for not proceeding to confirm the nomination.

Mr. BARKLEY. Mr. President, if the Senator from Vermont will permit me to make a suggestion, I know Mr. Morin. I served in the House of Representatives with him for many years. He was appointed to this Commission many years ago, and has rendered satisfactory service. It is really only a routine reappointment. I can appreciate the urgency in this case. I am sure no objection would be urged on the part of anyone.

Mr. AUSTIN. Mr. President, all these reasons appeal to me. They appeal to my reason, they appeal to my heart, and all that; but no matter what my emotions may be, I am the only Republican present in the Chamber at this time.

Mr. WALSH. The leader on the Republican side has been consulted about the nomination, and has approved it. I knew his objection, and I said to Mr. Morin, "I know what the attitude of the Senator is, and you must get his consent." He reported that he had done so. The Senator from Vermont is undertaking to modify the agreement entered into by the Senator from Oregon.

Mr. AUSTIN. Mr. President, I am the only Senator now present on the Republican side. I cannot conceive that there is so much need for haste in the matter.

Mr. WALSH. The Senator may make his objection. While ordinarily I should much prefer that the nomination go over, I was much impressed by the fact that there are people all over the country who are waiting to get their compensation checks. It seemed to me it was a matter of human interest, not for Mr. Morin but for the people who need their money. They should be permitted to get their checks, which they cannot get until Mr. Morin is confirmed.

Mr. HARRISON. Will not the Senator from Vermont permit the nomination to be confirmed this afternoon, with the understanding that when the Senate meets tomorrow, if the Senator from Oregon should desire to move reconsideration, the Senator from Massachusetts will not object to reconsideration of the nomination?

Mr. WALSH. I desired to request also that the usual rule requiring nominations to be held over 2 days before the President is notified be suspended, because it is important to have immediate action in this case.

Mr. AUSTIN. In view of what the Senator from Mississippi [Mr. HARRISON] has said, I propose this agreement: I am willing to have the nomination confirmed with the understanding that if any Senator on this side of the Chamber shall object and request that the nomination be reconsidered, it shall be done. The hour is late, and Senators have left the Chamber without notice that this matter was coming up. I admit that all the reasons stated and all the emotional considerations appeal to me personally, and yet I feel that if the nomination is to be confirmed tonight it should be subject to such an agreement.

Mr. WALSH. I will agree to that. I say to the Senator now that I am just as anxious as he is not to permit nominations to be confirmed too hastily. I dislike very much to make this request, and at first I refused to do it; but after Mr. Morin told me of the situation, and after he had gone to the Senator from Oregon, I could not refuse to submit the request. I act under the same limitations and restrictions which influence the Senator when it comes to hastening confirmations; but it seems to me this is an unusual case, and is entitled to prompt action. I agree that there may be a reconsideration tomorrow if desired.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. WALSH. I yield to the Senator from Michigan.

Mr. COUZENS. Under the circumstances, I shall not object to the confirmation, but I shall object to notification to the President. We have had trouble with that practice before, and it has led to days and days of debate. While I do not object to the confirmation, I shall object to the President being notified.

The PRESIDING OFFICER. Is there objection to the present consideration of the nomination?

Mr. AUSTIN. Subject to the condition upon which we have agreed, I have no objection.

Mr. WALSH. That is agreed to.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

HIRAM C. FORD—EASTERN JUDICIAL DISTRICT OF KENTUCKY

Mr. BARKLEY. Mr. President, in view of what has transpired, I wish to invite the attention of the Senator from Vermont to a situation which I desire to describe.

In the eastern Federal judicial district of Kentucky there has been a vacancy for 9 months. I suppose it is no secret that Mr. Stanley Reed, who was the general counsel of the Reconstruction Finance Corporation, was agreed upon and recommended last August for this position, with the understanding that he would remain with the R. F. C. until the first of the year.

In the meantime, at the invitation of the Attorney General, he was asked to participate in the gold cases pending before the Supreme Court. About the time they were disposed of or soon after that a vacancy occurred in the office of the Solicitor General. The Attorney General and the President persuaded Mr. Reed to accept appointment to that office, which he has done. He has been confirmed and was sworn in yesterday in his new position.

This made it necessary to select someone else for the Federal judgeship. That selection was made a few days ago, the nomination was sent to the Senate, and today the Judiciary Committee reported the nomination of Judge Hiram Church Ford, of Georgetown, who is one of the outstanding State judges of Kentucky, to fill this vacancy.

For 9 months there has been no court held in that district. Men are in jail and cases have piled up because of the delay. The next important term of court will begin in Covington next Monday. It is extremely important that Judge Ford be confirmed, the commission issued, and that he take the oath of office in time to hold court next Monday in Covington.

For that reason I had intended to ask that the nomination be confirmed today and that the President be notified, because otherwise Judge Ford cannot qualify in time to hold court as I have indicated. There has been no regular term of that court held in 9 months.

I appeal to the Senator from Vermont in the circumstances that the request be granted.

Mr. AUSTIN. Mr. President, this is the appointment of a United States district judge, I understand.

Mr. BARKLEY. That is right.

Mr. AUSTIN. The nomination is not even on the calendar.

Mr. BARKLEY. It is not on the calendar because it was just reported today.

Mr. AUSTIN. Under the rule, it must go over anyway, must it not?

Mr. BARKLEY. It would have to go over except by unanimous consent.

Mr. AUSTIN. Mr. President, I feel it my duty, regardless of what the Senator has said——

Mr. BARKLEY. Let me say what I omitted to say, that I have conferred with the Senator from Nebraska [Mr. NORRIS], who is a member of the Judiciary Committee, and I have conferred with the Senator from Oregon [Mr. MCNARY] and described the situation to both of those Senators as I have described it here. Both of them agreed not to object.

Mr. AUSTIN. I feel constrained to object.

The PRESIDING OFFICER. Objection is heard. The calendar is in order.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. MCKELLAR. I ask unanimous consent that nominations of postmasters may be confirmed en bloc.

The PRESIDING OFFICER. Without objection, nominations of postmasters are confirmed en bloc. That completes the calendar.

RECESS

Mr. HARRISON. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 25 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Wednesday, March 27, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 26 (legislative day of Mar. 13), 1935

UNITED STATES EMPLOYEES' COMPENSATION COMMISSION

John M. Morin to be a member of the United States Employees' Compensation Commission.

POSTMASTERS

ALABAMA

Leo F. Walton, Lafayette.

CALIFORNIA

Robert E. O'Connell, Jr., Redwood City.

MISSOURI

David Fitzwater, Creve Coeur.
L. Dorsey Mitchell, La Grange.
Tom C. Short, Mountain Grove.
Merlin L. Grannemann, New Haven.
Grover C. Young, Niangua.

NEW JERSEY

William H. Fisher, Phillipsburg.

NORTH CAROLINA

Savannah B. Smoak, Wilkesboro.

OREGON

Sylvester D. Goshert, Nyssa.

RHODE ISLAND

Laura Francois, Alton.
George W. Jenckes, Slatersville.
Grace S. Croome, West Kingston.

TEXAS

Jasper N. Fallis, Clifton.

WISCONSIN

William J. Sullivan, Campbellsport.

Confirmation omitted from the Record of March 23 (legislative day of Mar. 13), 1935

POSTMASTER

CONNECTICUT

Inez V. Lawson, Wilton.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 26, 1935

The House met at 12 o'clock noon.

Rabbi Sidney S. Tedesche, Ph. D., of the Union Temple of Brooklyn, N. Y., offered the following prayer:

God of our fathers, great Architect of the Universe, who ordainest all Thy measures with a plan, though Thy purposes are past our finding, we pray that Thou mayest be with us this day.

Thou didst say unto men, in the early age of faith, "Not by might and not by power, but by My spirit." Mayest Thou again bring home unto us this truth from the revelations of history: Not by numbers of armed men, nor the material mass of men's wealth, but by the spirit of the Lord can nations prevail.

Implant that spirit within us, our Father, and give us an understanding of justice and equity so that, consecrated to high endeavor, we may be enabled to serve Thee and to serve our fellow men in Thy name.

May the words of our mouth and the meditations of our heart be acceptable in Thy sight, O Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5913) entitled "An act making appropriations for the mili-

tary and nonmilitary activities of the War Department for the fiscal year ending June 30, 1936, and for other purposes."

Mr. GREEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

Mr. RANKIN. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Mississippi makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and ninety-three Members present, not a quorum.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed, the Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 35]

Adair	Doutrich	Kahn	Peyser
Allen	Dunn, Miss.	Kennedy, Md.	Rayburn
Andrews, N. Y.	Dunn, Pa.	Kleberg	Robsion, Ky.
Arends	Englebright	Kvale	Rogers, Okla.
Bacon	Farley	Lamneck	Schaefer
Bankhead	Ferguson	Lea, Calif.	Seger
Bolton	Gambrill	Lesinski	Shannon
Casey	Granfield	McGehee	Smith, W. Va.
Chapman	Greenwood	McKeough	Snell
Clark, Idaho	Griswold	McLean	Stewart
Clark, N. C.	Hartley	McLeod	Tobey
Crosby	Healey	Meeks	Treadway
Crowther	Hess	Mott	Truax
Daly	Hobbs	Norton	Underwood
Dickstein	Hollister	Patton	Wood
Disney	Johnson, W. Va.	Pettengill	

The SPEAKER. Three hundred and sixty-eight Members have answered to their names. A quorum is present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

Mr. GREEN. Mr. Speaker, I renew my request to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GREEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a short bill I introduced yesterday.

The SPEAKER. Is there objection?

There was no objection.

IMMIGRATION RESTRICTION AND ALIEN DEPORTATION

Mr. GREEN. Today that great fraternal and patriotic order known as the "Elks" presented to the Presiding Officers of the House and Senate, on the front steps of the Capitol, long petitions in favor of the exclusion and deportation of alien enemies of our Government. For many months the members of this great organization have been waging a vigorous campaign of education, thus arousing sentiment in favor of legislation that would better protect us from such alien enemies within our gates. On yesterday I introduced a bill, H. R. 7079, that would accomplish this end. It is an immigration-restriction and alien-deportation bill, along the line of bills I previously introduced when on the Immigration Committee and along the lines of bills introduced by my good friend and coworker, Congressman DIES, of Texas, with whom I served and cooperated when a member of the House Committee on Immigration and Naturalization.

The bill, H. R. 7079, differs from his bills in that it would not allow an alien member of an organization that is plotting and planning the overthrow of our Government by force and violence and the assassination of public officials to avoid deportation by pleading fear and duress, would expressly require aliens admitted for permanent residence to apply for naturalization and to assume the duties and responsibilities of citizenship within the statutory naturalization period of 5 years or be deported; and would require the reporting annually to Congress of all stayed or suspended alien deportations, with all the facts and reasons therefor, as well as all petitions, recommendations, and protests in connection therewith, to the end that if Congress did not promptly affirmatively approve such delayed deportations the aliens should be forthwith deported as the existing law directs.

H. R. 7079 contains all of the strengthening amendments recommended by the Department of Labor and the Commissioner of Immigration, and more, and would take care of all meritorious hardship-deportation cases by directing the Secretary of Labor to report them annually to Congress for action. It does not contain the suggested discretions to deport or not deport alien criminals as the Secretary of Labor "finds in the public interest" and would repeal the discretion given the Secretary in the naturalization law passed in 1932 as a result of which last year there were readmitted deported anarchists like Emma Goldman, who went about the country giving out interviews and abusing our hospitality, as Strachey has been doing, by declaring she was "more of an anarchist than ever before." We have quite enough radicals of our own and of second-generation foreign stock without importing any more or tolerating any such display of bad taste and breach of hospitality as Emma Goldman, John Strachey, Willie Musenberg, Henry Barbusse, and other notorious anarchists, or direct-action Communists, have been exhibiting.

H. R. 7079 would not only deport habitual aliens, habitual alien criminals, enemies of our Government, dope peddlers, alien smugglers, aliens carrying machine and sawed-off shotguns, as practically all racketeers and gangsters do, but it would further restrict immigration by reducing existing European quotas 75 percent and applying the quota system of restrictions to countries of this hemisphere, reserving 75 percent of those quotas for the very near relatives, such as aged parents and the like, of naturalized-foreign-born and foreign-born residents lawfully in the United States able to support them.

Last year over 163,000 aliens legally entered the United States—an increase of about 9 percent over the previous year—and undoubtedly there were almost as many, if not more, aliens that entered illegally, because the Immigration Service reports a 50-percent increase in alien stow-aways, deserting seamen, and the like over the previous year, and that alien smuggling is on the increase—boats, automobiles, and even a number of airplanes being apprehended smuggling aliens into our country. A current release of the Department of State on the immigration work of the Department calls attention to the startling facts that our consular offices report a waiting list of over a quarter million and that there are in 47 of the 68 European quota countries alone 992,160 aliens desirous of coming to the United States.

During the past 10 years of quota restriction on European immigration over 3,000,000 aliens have entered the United States, and the last census reveals the largest number of foreign born, over 14 millions; the largest foreign stock population, over 40 millions; and the most aliens, over 6 millions, in our whole history. What we need is an immigration holiday; and my bill's enactment would give it to us by reducing existing quotas 75 percent, reserving them practically for parents and other near relatives, and extending quota restrictions to countries of this hemisphere whose immigrants are not now numerically limited and which countries absolutely exclude our nationals from entry for permanent residence or to work. We have over 10,000,000 unemployed and do not need and ought not to have admitted last year the hundreds of alien skilled and unskilled workers and job hunters that came in the 163,904 aliens the Bureau of Immigration reports legally entering our country during the fiscal year 1934. We have too many unemployed as it is without importing another one. Not only have we too many unemployed but we have too many applicants for relief, too many dependents, defectives, and delinquents without allowing another one to be imported. Each country should care for its own unemployed and dependents. Charity should begin at home. Immigration should be further restricted and practically suspended, as H. R. 7079 provides. If enacted, it will not only really restrict immigration, but it will deport the three or four million aliens illegally and unlawfully in the country, and by so doing go a long way toward solving our unemployment and relief problems, because the bill expressly provides that all aliens must get naturalized forthwith or get out, and aliens illegally here cannot produce

the necessary certificate of legal entry absolutely necessary for naturalization.

H. R. 7079 is as follows:

A bill to authorize the prompt deportation of habitual criminals and habitual aliens, to guard against the separation from their families of certain law-abiding aliens, to deport direct-action Communists, to further restrict immigration into the United States, and for other purposes

Be it enacted, etc., That an alien who entered the United States either from a foreign territory or an insular possession, either before or after the passage of this act, shall be promptly deported in the manner provided in sections 19 and 20 of the Immigration Act of February 5, 1917 (39 Stat. 889, 890; U. S. C., title 8, secs. 155, 156), as amended, regardless of when he entered, if he

(1) At any time after entry is convicted of an offense, which may be punished by imprisonment for a term of 1 year or more, or of a crime involving moral turpitude, the said deportation to be made by the Secretary of Labor forthwith at the time he is released from confinement, or is placed upon probation, or is pardoned; or

(2) Has been convicted of possessing or carrying any concealed or dangerous weapons; or

(3) Knowingly possesses or carries any weapon which shoots or is designed to shoot, automatically or semiautomatically, more than one shot without manual reloading, by a single function or trigger; or

(4) Has been convicted of violation of a State narcotic law; or

(5) Knowingly encouraged, induced, assisted, abetted, or aided anyone to enter or try to enter the United States in violation of law; or

(6) Does not within 1 year after the enactment of this act, or if he enters thereafter does not within 1 year after entry, declare his intention to become a citizen of the United States and fails to use due diligence and to become within the 5 years' statutory naturalization period a citizen of the United States: *Provided*, That this particular provision shall not apply to nonimmigrant aliens admitted temporarily under section 3 and to nonquota immigrant aliens admitted temporarily under section 4 of the Immigration Act of May 26, 1924, so long as the said nonimmigrant and nonquota immigrant aliens maintain the temporary admission status under which they were admitted; or

(7) Is a member of or affiliated with any organization which, or who believes in, advises, advocates, or teaches the overthrow by force or violence of the Government of the United States, or the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers (either specific individuals or officers generally) of the Government of the United States or of any other organized government, because of his or their official character, of the unlawful damage, injury, or destruction of property, or sabotage, or a doctrine which advocates the overthrow by force or violence of governments, constituted authority, or social order, existing in countries not under the control of Communists and the establishment in place thereof a regime termed "proletarian dictatorship" or a system based upon common ownership of property and abolition of private property, provided that the platform, program, or objectives of the Third Internationale or Communist International shall be held to embrace the said doctrine.

SEC. 2. That from and after July 1, 1935, the quota in the case of any nationality for which a quota has been determined and proclaimed under the Immigration Act of 1924, as amended, shall be 25 percent of such quota, but the minimum quota of any nationality shall be 100. From and after July 1, 1935, no immigration visas shall be issued under subdivision (c) of section 4 of the Immigration Act of 1924 (U. S. C., title 8, sec. 204), but all the provisions of the immigration laws shall be applicable to immigrants born in any of the geographical areas specified in such subdivision as if each of such areas had at that time a quota equal to 25 percent (but not less than 100) of the number of nonquota immigration visas issued, during the fiscal year ending June 30, 1930, to immigrants born in such area: *Provided, however*, That reciprocal arrangements may be entered into by the Department of State and the Department of Labor with the Dominion of Canada, Newfoundland, and Mexico whereby as many immigrants born in the respective foreign contiguous territories to continental United States are admitted to the United States annually as persons born in the United States are annually admitted into those respective countries. Section 6 of the Immigration Act of 1924 (43 Stat. 153), as amended (U. S. C., supp. VI, title 8, sec. 206), is amended to read as follows:

"(A) Immigration visas as to quota immigrants shall be issued in each fiscal year as follows: (1) 75 percent of each nationality for such year shall be made available in each year for the issuance of immigration visas to the following classes of immigrants: (a) Quota immigrants who are the fathers or the mothers or the husbands by marriage occurring after January 1, 1933, of citizens of the United States who are 21 years of age or over; and (b) quota immigrants who are unmarried children under 21 years of age, or the wives, or husbands, or the mother, or the father, of alien residents of the United States who were lawfully admitted to the United States for permanent residence.

"(2) Any portion of the quota of each nationality for such year not required for the issuance of immigration visas to the classes specified in paragraph 1 shall be made available in such year for the issuance of immigration visas to other quota immigrants of such nationality.

"(B) The preference provided in paragraphs 1 and 2 of subdivision (a) shall, in the case of quota immigrants of any nationality, be given in the calendar month in which the right of preference is established, if the number of immigration visas which may be issued in any such month to quota immigrants of such nationality has not already been issued; otherwise in the next calendar month."

SEC. 3. That if any alien has been arrested and deported in pursuance of law, he shall be excluded from admission to the United States whether such deportation took place before or after the enactment of this act, and if he enters or attempts to enter the United States after the enactment of this act he shall be guilty of felony and upon conviction thereof shall, unless a different penalty is otherwise provided by law, be punished by imprisonment for not more than 2 years or by a fine of not more than $1,000, or by both such fine and imprisonment: *Provided*, That this act shall not apply to any alien who has, prior to its enactment, obtained the lawful permission of the Secretary of Labor to reenter the United States and has reentered or who arrives in the United States with such permission within 60 days after this act becomes effective. For the purposes of this section any alien ordered deported (whether before or after the enactment of this act), who has left the United States, shall be considered to have been deported in pursuance of law, irrespective of the source from which the expenses of his transportation were defrayed or of the place to which deported. Section 7 of the act entitled "An act to further amend the naturalization laws, and for other purposes", approved May 25, 1932, is hereby repealed.

SEC. 4. The Secretary of Labor may suspend for not more than 1 year the order or warrant of deportation of any alien of good moral character, subject to deportation under the provisions of section 19 of the Immigration Act of February 5, 1917 (39 Stat. 889; U. S. C., title 8, sec. 155), and section 14 of the Immigration Act of May 26, 1924 (43 Stat. 162; U. S. C., title 8, sec. 214), only, provided such alien has been in the United States 10 years, or has an American citizen wife, husband, child, or aged, dependent parent, and is in sympathy with our form of government, and has declared his intention to become a citizen of the United States. As to each such said suspension, the said Secretary shall forthwith report to the Congress, if in session, or if not in session, then the first day after Congress is in session, all the facts and reasons for such suspended order or warrant of deportation, and all recommendations, petitions, appeals, protests, and the like, in connection therewith; and the Secretary of Labor shall at the end of 6 months, or upon the adjournment of Congress, whichever is sooner, after such report is made to the Congress, unless Congress shall have by law or resolution directed otherwise, execute and carry out such order or warrant of deportation. If Congress should direct the cancelation of said order or warrant of deportation the Commissioner of Immigration and Naturalization may accept any head tax therefor due and unpaid, may amend nunc pro tunc the entry record of the alien so as to establish lawful admission for permanent residence, and may issue, upon the receipt of the fee required therefor by law, a certificate of arrival.

SEC. 5. The Secretary of Labor may specifically designate persons holding supervisory positions in the Immigration and Naturalization Service to issue warrants for the arrest of aliens believed to be subject to deportation under this or any other statute: *Provided*, That no person shall act under a warrant issued by himself.

SEC. 6. The first sentence in section 21 of the Immigration Act of February 5, 1917 (39 Stat. 874), entitled "An act regulating the immigration of aliens to, and residence of aliens in, the United States, and for other purposes", is hereby amended, effective as of the date of this act, to read as follows:

"SEC. 21. That any arriving alien, who has already obtained an immigration visa in accordance with the provisions of the Immigration Act of 1924 (43 Stat. 153), as amended, liable to be excluded because likely to become a public charge or because of physical disability other than tuberculosis in any form or a loathsome or dangerous contagious disease may, if otherwise admissible, nevertheless be admitted upon the giving of a suitable and proper bond or undertaking approved by the Secretary of Labor, in such amount and containing such conditions as he may prescribe, to the United States and to all States, Territories, counties, cities, towns, municipalities, and districts thereof, holding the United States and all States, Territories, counties, cities, towns, municipalities, and districts thereof harmless against such alien becoming a public charge."

SEC. 7. Any employee of the Immigration and Naturalization Service shall have power to detain for investigation any alien whom he has reason to believe is subject to deportation under this or any other act. Any alien so detained shall be immediately brought before an immigrant inspector designated for that purpose by the Secretary of Labor and shall not be held in custody for more than 24 hours thereafter unless prior to the expiration of that time a warrant for his arrest is issued.

SEC. 8. The Commissioner of Immigration and Naturalization, with the approval of the Secretary of Labor, shall prescribe rules and regulations for the enforcement of the provisions of this act.

SEC. 9. The foregoing provisions of this act with the exception of parts of sections 2 and 3 and all of section 8, are in addition to and not in substitution for the provisions of the immigration laws, including section 19 of the Immigration Act of February 5, 1917 (39 Stat. 889, U. S. C., title 8, sec. 155), and shall be enforced as part of such laws.

SEC. 10. Clause (B) of paragraph (1) of subsection (a) of section 6 of the Immigration Act of 1924 (43 Stat. 155), as amended (U. S. C., title 8, sec. 206 (a)), which grants to quota immigrants skilled in agriculture, their wives, and their dependent children under the age of 18 years, a preference within the quota, is repealed.

THE SOUTH AND THE NEW DEAL

Mr. TAYLOR of Tennessee. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech made by my colleague, Mr. FISH, of New York, on the operation of the new deal in the South.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. TAYLOR of Tennessee. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following speech of Representative HAMILTON FISH, Jr., of New York, over the Columbia Broadcasting System, including the Dixie network, Tuesday evening, March 26, 1935:

I am grateful to the Columbia Broadcasting System for the opportunity to speak over the Dixie network and to reach 23 radio stations in the South. I hope my invisible audience, many of whom may not agree with my political views, will stay on the radio and listen to a presentation of the facts, disagreeable though they may be, affecting their own interests and livelihood.

At any rate, if ruin and disaster smites the cotton and textile industries of the South hip and thigh, don't try to place the blame on the Republicans or say that they failed to warn you that you were following unsound and disastrous economic policies leading to inevitable ruin. At least forewarned is to be forearmed.

As for me, I am a militant and unrepentant Republican of the school of Thomas Jefferson, Abraham Lincoln, and Theodore Roosevelt and have represented the congressional district in which the President lives for the past 15 years and am a member of the Farm Bureau Federation and the National Grange. I believe in placing my country's welfare above that of my party, and I recognize that the welfare of the Southland and the financial interests of the cotton and textile States and the employment of its people are not local or sectional problems but national issues, affecting the economic well-being of all the American people and the stability of our country.

Recovery under the new deal is a myth and a mirage, backed by propaganda over the radio and billions of dollars out of the Treasury. The failure of the new-deal measures was inevitable, because they were economically unsound, unworkable, and a form of imported state socialism that does not thrive in America. The southern cotton States received a temporary benefit through the Federal Government's attempts to peg cotton prices at 12 cents by use of loans. But the temporary benefits from the unsound new-deal measures have emanated from the "brain trust" pied pipers, Secretary of Agriculture Henry A. Wallace and Under Secretary Rexford Guy Tugwell, who are leading the cotton planters on to their financial and economic destruction, and the South along with them. The 25-percent reduction of cotton crops under the dictation of the A. A. A. has increased unemployment in the South and has already brought ruin and misery to the tenant farmers and share-croppers.

The rapidly vanishing foreign markets for our cotton surplus is a direct menace to the well-being and economic interests of all southern cotton States. The situation is far too serious to ignore any longer, and is attributable to the socialistic new-deal policies, which bring havoc and ruin wherever these "brain trust" experiments are tried out. What does it profit the cotton States to have temporary artificial increases in the price of cotton by the manipulations of the A. A. A. and wake up to find that our foreign markets have been lost? Last year our cotton exports declined over 2,000,000 bales, and it is much worse this season. Already our cotton exports have fallen off under 2 years of the new-deal experiments by 50 percent. The Lord only knows what will happen in the next 2 years if these mirages are still pursued.

Encouraged by the 25-percent reduction of cotton and the 12-cent price in the United States, Egypt, Brazil, Soviet Russia, India, China, and North Africa have increased their production by 3,000,000 bales, and are rapidly taking away the world markets from us, which once lost will be difficult to regain. No wonder thoughtful business men in the South are beginning to turn against the new deal when they see ruin staring them in the face.

Increased unemployment, impoverished tenant farmers, more on the relief rolls, and a huge financial and economic loss annually is what the South is facing as the cotton export trade steadily decreases.

The United States exported in normal years approximately 8,000,000 bales of cotton. These exports have declined by more than half, and the tragedy of the situation is that they are dwindling away while the "new dealers" fiddle and zig zag from right to left, but never in any sound direction. The Tugwells and the Ezekiels and the other "brain trusters" are engaged in a dance of death with the cotton planters to the detriment of the South. There is less cotton being exported than at any time since the Civil War, and as a result of the loss of our cotton exports hundreds of thousands of clerks and other employees engaged in ginning, compressing, transporting, shipping, and in warehouses and mills have lost their jobs. Whereas the A. A. A. program of reduction of the cotton crops may help some cotton farmers there are millions of people in the South directly and indirectly adversely affected, as are all consumers.

The southern shipping ports of Charleston, Savannah, Norfolk, Mobile, New Orleans, Memphis, and Galveston are all suffering from the rapid decline in our cotton exports, thanks to the plowing under of crops by the A. A. A. The economy of scarcity and restriction is reaping its own whirlwind of disastrous consequences and evil fruits through importation of shiploads of grain and meat from South America, butter from New Zealand, and cheese from Denmark. I was advised by the Department of Agriculture this morning that since last July 10,000,000 bushels of oats have been imported to compete with the oats produced in the South and Southwest; 8,000,000 bushels of barley, and 7,000,000 bushels of corn, and 6,000,000 bushels of rye In addition 16,000,000 bushels of wheat have been imported, whereas we have only exported 3,000,000 bushels and the equivalent of 12,000,000 in flour, leaving the United States, unbelievable as it may sound, a net importer of wheat, with the duty at 42 cents—a crop like cotton, which has been reduced by Government regulations.

I am opposed to the governmental policy of restriction and scarcity, when there are 12,000,000 unemployed Americans and 23,000,000 on the relief rolls. If the Government is right, that a policy of producing less makes for wealth and prosperity, then it must follow that producing next to nothing would make us fabulously wealthy. The wand wavers, and magic performers at Washington, in addition to undermining and destroying the principles of Jeffersonian Democracy, will by their costly blunders and crazy-quilt experiments, if continued for 2 more years, ruin and wreck the economic stability of the South more than anything that has happened since the Civil War.

The Republican Party should come out openly and boldly for a square deal for the farmers within the compass of the Constitution, and for an equilibrium of prices between the products of the farms, factories, and mines, which is impossible under the N. R. A. The farmers are entitled to the cost of production plus a reasonable profit, and to the preservation of both the domestic and foreign markets through sound and fair policies and not through lowering or destroying the standards of living and wages of the American people.

In the limited time at my disposal let me discuss briefly another phase of the cotton situation. The textile mills of North and South Carolina, Virginia, Tennessee, Georgia, and Alabama are all being seriously handicapped from the competition of Japanese cotton goods in the Philippines, Colombia, Cuba, Haiti, and Central America. The actual Japanese importations of cotton goods into the United States is taking on alarming proportions and will force the cotton mills of both the North and South to shut down and thereby increase the ranks of the unemployed.

I charge the administration, through the visionary free-trade policies of Secretary of State Hull, with being responsible for helping to wreck and destroy the textile industry of the South, one of its greatest sources of wealth and employment. Already the gross stupidities and blunders of the State Department in a visionary and totally impractical attempt to break down economic barriers throughout the world has sacrificed the textile industry, America's second largest industry, on the altar of free trade to the Japanese.

The time has come to tell the truth and place the responsibility where it belongs—on the shoulders of President Roosevelt and his free-trade Secretary of State, Cordell Hull. It must be self-evident that American labor cannot compete with skilled Japanese labor paid 20 cents a day and operating modern textile plants equipped for mass production. However, Secretary Hull, true to his free-trade principles, and long-distance policies, which will take effect after the southern mills have been destroyed and its labor ruined, is deaf, dumb, and blind to the welfare and interests of the American textile industry, which employs 400,000 industrious and loyal American citizens.

The South is vitally interested and its welfare is at stake. How long will its people continue to remain silent in face of the economic insanity of the administration? To illustrate how far this administration will carry its free-trade policy without regard to the interests of American labor, it turned down 6 months ago an offer of the Philippine Congress to grant adequate protection to American textiles as against Japanese, because it would interfere with the visionary principles and long-distance policies of the administration. Thus we have practically lost, through the inexcusable and almost traitorous action of the State Department, our single greatest export market for our textiles.

Last December Japan controlled 75 percent of the textile imports into the Philippines, and we controlled less than 25 percent, whereas 2 years ago it was just the reverse. Another 6 months of State Department blunders and our Philippine textile trade will be wiped out. What has happened in the Philippines has also taken place in Cuba, Colombia, the Dominican Republic, Haiti, and the rest of Central and South America where we exported previously most of our textile products.

However, that is not the entire story, because Japanese cotton goods are beginning to flood the American market. The following figures showing imports into the United States of Japanese cotton goods speak for themselves:

	Square yards
1933	1,116,000
1934	7,287,000
1935, in January alone	5,000,000

And in February one Japanese ship landed 4,000,000 square yards, and it is estimated that the total for the month will double that of January or exceed the total for 1934. Unless the shipment of Japanese goods into the United States is stopped one textile mill after another in both the North and South will be compelled to shut down, throwing American labor into the ranks of the unemployed.

The people of the South, regardless of party affiliations, do not propose to commit economic suicide for the benefit of the "new

dealers", Secretary Hull, or President Roosevelt. They do not propose to have their legitimate interests sacrificed by Secretary Hull, a free trader and an internationalist, for the benefit of Japan or any other nation.

The textile industry must be afforded adequate protection at home, and both our cotton and textile exports must be given preferences in the bargaining or reciprocal-trade treaties now being negotiated with foreign nations, which, sad to relate, is not being done.

In order to pursue fantastic mirages and nebulous experiments our free-trade crystal-gazers in the State Department have ignored the interests of both the cotton and textile industries, and have thrown them into the limbo of forgotten things to the detriment of free American labor and for the benefit and employment of labor in foreign lands.

The processing taxes imposed by the new-deal administration—I will not honor them with the name Democratic—is nothing but a tariff within the United States, hitherto a free-trade country, within its own boundaries on the necessities of life, and a means of increasing the cost of living for the American people. Shades of John C. Calhoun! To think of his party erecting tariff barriers within the United States against its own people, and refusing to raise a finger to protect our domestic and foreign markets against cheap foreign labor for both our cotton and textile industries employing more American wage earners than any other two of our industries.

There is no party today to speak for Jeffersonian principles except a liberalized Republican Party that will not pussyfoot and compromise with the unsound, socialistic, and destructive features of the "new deal", which affect the welfare, the interests, and the daily lives of every citizen in the Nation, and will not tolerate the weakening of our constitutional and representative form of government.

Our appeal must be made equally to Jeffersonian Democrats and Abraham Lincoln Republicans to uphold and defend the fundamental American principles of government, advocated by both Jefferson and Lincoln, steering clear of socialism, communism, Government ownership, regimentation, collectivism, destructive taxation, and a huge crushing superbureaucracy at Washington.

For well over a hundred years Jeffersonian Democrats have battled for their principles without fear or favor until the advent of this administration and its socialistic and Santa Claus policies. Jeffersonian Democrats for all these years have boldly proclaimed their political creed, which stood for the rights and liberties of the individual citizen under the Constitution, for economy, for State rights, against the centralization and concentration of power in the hands of the Federal Government and the use of such concentrated powers by the Federal Government to interfere with business or the rights and liberties of the individual. Every principle of Jeffersonian Democrats has been repudiated by the administration at Washington and trampled underfoot by the "brain trust", who are not and never have been Democrats.

There is an old story of Abraham Lincoln's that aptly illustrates what has happened in the last 2 years to the principles advocated by Jeffersonian Democrats for over a hundred and thirty-five years. Lincoln said that two men with overcoats on fought so hard that they fought into each other's overcoats. That is what has happened between the Republican and Democratic Parties. The Democratic Party has fought so hard that it has fought itself into the Republican overcoat of centralized government; but, not stopping there, has gone far, far beyond into Government ownership, regimentation, bureaucracy, collectivism, and actual State socialism.

No wonder real Democrats are asking what has happened to their political creed. The answer is that it has been repudiated by the "brain trust" and near-Socialists temporarily in command of the Democratic Party. A liberalized Republican Party stands today much nearer the principles of Jeffersonian Democrats and has a right to appeal to them to cross over a bridge built upon the firm foundation of the rights and liberties of the individual and the Constitution of the United States, in order to oust the present administration that has ignored State's rights and all but destroyed representative government, by erecting a gigantic, costly, and tyrannical bureaucracy at Washington to regiment the daily lives of 125,000,000 free Americans.

Let us build a bridge so that millions of deceived, disgruntled, and disgusted Jeffersonian Democrats may cross over to a liberalized Republican Party in 1936 and help elect a Republican President in order to oust the socialistic new-deal administration at Washington and save and preserve the principles of Thomas Jefferson from destruction by those within the Democratic Party who are now following false political leaders and doctrines, most of which are foreign to American ideals and a democratic form of government.

I have often been asked what kind of a platform the Republicans propose, and my answer to that is we could well take a large part of the last Democratic platform, especially those planks that have been thrown overboard, such as a 25-percent reduction in the running expenses of the Government, a balanced Budget, sound money to be preserved at all hazards, a reduction in the number of commissions, to stop borrowing and to stop deficits, and, in addition, a drastic modification of the N. R. A. and the A. A. A.

THE PARLIAMENTARY PROCEDURE IN CONNECTION WITH THE BONUS

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JENKINS of Ohio. Mr. Speaker, the fact that on last Thursday, March 21, the House of Representatives voted to substitute the Patman bill for the Vinson bill by a vote of 202 to 191, and that on the next day the House voted again on practically the same subject by a vote of 207 to 204 has caused much confusion in the minds of many who follow the proceedings of Congress. Believing that is of sufficient importance to justify an explanation, I arise to explain it briefly.

All bonus bills are referred to the Ways and Means Committee for consideration. This committee recommended the passage of the Vinson bill, thereby placing it on the calendar for consideration in its turn. In order to have a bill considered out of its turn it is necessary to pass a special rule. The Rules Committee offered a resolution to that effect, which was adopted. This special rule provided for the immediate consideration of the Vinson bill and that after 10 hours of debate it should be acted upon. And if Mr. PATMAN or others, who had introduced bonus bills, wished to offer their bills as substitutes for the Vinson bill they could do so. Mr. PATMAN offered his bill as a substitute on Thursday. A vote was had, and the Patman bill was substituted for the Vinson bill by a vote of 202 to 191. The House then adjourned.

The special rule also provided, as is the usual custom, that after a bill had been accepted by the House, a motion might be made to recommit that bill to the Ways and Means Committee again for consideration, with instructions. On Friday when Congress convened Mr. VINSON moved to recommit the Patman bill to the committee with instructions to report back forthwith substituting the Vinson bill for the Patman bill. A vote was had, and Congress refused to recommit, by a vote of 207 to 204. Thus the Vinson bill was defeated again. This was a very close vote. The vote would have been 204 for the Patman bill and 205 for the Vinson bill except for the fact that two Members who had declined to vote when this motion was called asked permission to vote for the Patman bill, raising that vote to 206, and except that another Member who had voted for the Vinson bill changed to the Patman bill, reducing the Vinson vote to 204 and increasing the Patman vote to 207.

After the failure to substitute the Vinson bill an attempt was made to substitute the Tydings bill for the Patman bill. This lost by 319 to 82. I voted for the Patman bill.

After both motions to recommit had failed the matter then came up on its final passage. The question was whether the House would accept the Patman bill or whether it would reject any bonus bill. The Patman bill was accepted by a vote of 318 to 90. I voted for the Patman bill.

Although I preferred the Vinson plan, yet when it was defeated I voted for the Patman plan on its final passage, as I feel that the important thing is to pay the bonus.

The special rule allowed for the consideration of this matter was probably more liberal and wide open than any rule ever granted by the House for any important measure. This fact, together with the fact that the same question was voted on twice on succeeding days, and that the results were so close and were changed by last minute changes of votes, makes this contest stand out as a high light in the history of Congress from a parliamentary standpoint.

PERMISSION TO ADDRESS THE HOUSE

Mr. FORD of Mississippi. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. FORD of Mississippi. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a bill that I have introduced and tables showing the benefits to the respective States operating under the bill if it was enacted into law.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. MARTIN of Massachusetts. Reserving the right to object, how long are those tables?

Mr. FORD of Mississippi. Short tables. I am going to explain them.

Mr. MARTIN of Massachusetts. Upon what subject?

Mr. FORD of Mississippi. To authorize the Reconstruction Finance Corporation to make loans to counties, parishes, road districts, and school districts in the several States for the purpose of assisting and enabling them to refinance their outstanding bonded indebtedness, and for other purposes.

The SPEAKER. Is there objection?

There was no objection.

Mr. FORD of Mississippi. Mr. Speaker, on February 27 I introduced House bill 6227, a copy of which is as follows:

A bill to authorize the Reconstruction Finance Corporation to make loans to counties, parishes, road districts, and school districts in the several States for the purpose of assisting and enabling such counties, parishes, road districts, and school districts to reduce and refinance their outstanding bonded indebtedness, and for other purposes

Be it enacted, etc., That the Congress considers the present economic condition to be in part the consequence of the issuance of a large amount of bonds on the part of counties, parishes, road districts, and school districts, bearing a high rate of interest, necessitating high tax levies annually, which has largely destroyed the true value of farms and other real estate, and has caused the sale of many homes because of the inability of the owners to pay the high taxes levied thereon, all of which has combined to impair our national economic security. It is, therefore, declared that these conditions are of national public interest and render imperative the immediate enactment of remedial legislation whereby land values will be restored, the purchasing power of our people increased, and homes saved from tax sales.

SEC. 2. The Reconstruction Finance Corporation is authorized, empowered, and directed to make loans, as hereinafter provided, in an aggregate amount of $1,000,000,000 to counties, parishes, road districts, and school districts legally existing in the several States of the United States for the purpose of assisting and enabling such counties, parishes, road districts, and school districts to reduce and refinance their outstanding bonded indebtedness. The term of any such loan shall not exceed 40 years, and the rate of interest payable by any county, parish, road district, and/or school district to the Reconstruction Finance Corporation for such loan shall not exceed 3 percent per annum.

SEC. 3. The word "division" when hereinafter used in this act shall mean any county and/or parish and/or road district and/or school district legally existing in the several States of the United States.

SEC. 4. The total sum of money to be available to the divisions in any one State shall be that percentage of the total amount authorized to be loaned herein as is the percentage of the total bonded indebtedness of the entire number of such divisions in that State when compared to the total bonded indebtedness of all such divisions in the United States. The total sum of money to be available to any one division shall be that percentage of the total amount available to the State in which same is situated as is the percentage of the total bonded indebtedness of the particular division compared to the total bonded indebtedness of all divisions in that State.

SEC. 5. Before any division shall be eligible to receive a loan under the terms of this act, the proper constituted authorities of the particular division making application for a loan shall contract, in the manner provided by the rules and regulations of the Reconstruction Finance Corporation made in accordance with the provisions of this act, to use the money received from the Reconstruction Finance Corporation for the purpose of retiring such amounts of the outstanding bonds of the district as the sum of the loan is sufficient to call in. The bonds of any division which are past due and unpaid together with those bonds that would cost the division the largest sum of money in interest charges as computed to the date of maturity shall be the first issue or issues chosen for retirement.

SEC. 6. No loan shall be made under the provisions of this act until the Reconstruction Finance Corporation has been satisfied that an agreement has been entered into between the division and the holders of its outstanding bonds whereby the division will be able to purchase or refund such bonds at a price determined by the Corporation to be reasonable after taking into consideration the average market price of such bonds over the 6 months' period ending January 1, 1935, but this provision shall not apply to divisions having legal option under the laws of its State to recall its outstanding bonds at will when the division desires to exercise such option.

SEC. 7. Upon the approval of any loan to any division such division shall issue and deliver its refunding bond or bonds to the Reconstruction Finance Corporation for the amount of said loan and shall also agree not to issue any other bonds while said refunding bond or bonds or any part thereof are outstanding unless with the consent and approval of the Reconstruction Finance Corporation.

SEC. 8. When any division shall begin repaying the money loaned to it by the Reconstruction Finance Corporation under the provisions of this act, together with the interest due thereon, said sums so repaid shall constitute a revolving fund to be used for additional loans to divisions in compliance with the provisions of this act: *Provided, however,* That all current interest obligations and expenses chargeable against the Reconstruction Finance Corporation on account of this act shall first be paid out of any moneys so repaid before any additional loans shall be made.

SEC. 9. The Reconstruction Finance Corporation is hereby authorized and empowered to make such rules and regulations, employ such personnel, and do such other acts as may be necessary for the administration of the provisions of this act.

SEC. 10. The amount of notes, debentures, bonds, or other such obligations which the Reconstruction Finance Corporation is authorized and empowered to have outstanding at any one time under section 9 of the Reconstruction Finance Corporation Act, as amended, is increased by the sum of $1,000,000,000.

Mr. Speaker, I am prompted to make this appeal for the favorable consideration of this bill because I can appreciate the very necessary relief that its enactment would bring to the overburdened taxpayers of the counties, parishes, road districts, and school districts of the entire United States.

Every person who is aware of the problems of today knows that the high rate of taxation paid by home owners and property owners was one of the chief causes for the coming of the depression. The continuation of this evil is a big factor that enables the depression to persist in spreading economic havoc from one side of the country to the other, uniformly scattering financial distress everywhere. This is true because high county and district taxes have helped to destroy the true value of farms and other real estate, have caused the sale of homes, and have limited the income of all our citizens alike.

It is common knowledge, Mr. Speaker, that it is not Federal and State government taxation that is grinding down our citizens to the point of hopelessness. That is not the chief source of our troubles. County and district taxation that is so high as to be almost unpayable has been causing the loss of our homes and other concurrent evils. That is the situation that is in such urgent need of remedy.

The purpose of the proposed legislation is briefly, yet fully set out in the title, which declares that the bill is "to authorize the Reconstruction Finance Corporation to make loans to counties, parishes, road districts, and school districts in the several States for the purpose of assisting and enabling such counties, parishes, road districts, and school districts to reduce and refinance their outstanding bonded indebtedness."

Our voters are well acquainted with the situation prevalent in every county, in every road district, and in every school district in this country. The bonded indebtedness of each and every one of them is enormous. The interest rate paid by the taxpayers on these bonds is not only high but it is extremely excessive, being in the neighborhood of 6 percent all over the country.

On the other hand, we see the Federal Government able, because of its immense resources, to obtain funds at rates lower than 3 percent. It is unnecessary and it is wrong for the local citizen, because of the limited resources of his locality, to have to pay 6 percent interest on his bonded indebtedness, when the Federal Government, at present engaged in so many beneficent enterprises at its own expense, could remedy the situation at no expense at all. It would be necessary to do nothing but extend the funds to the localities supported by their own credit and in no way lessening or attacking the stability of the credit of the Federal Government.

If the localities under discussion had sufficient funds they could at will recall at least a large part of those bonds on which they are now paying such large sums in interest charges. The United States Government could make this money available to them at less than 3 percent. Money at 3 percent instead of 6 percent would mean an annual saving of 3 percent to the taxpayers.

The total bonded indebtedness of all the counties, road districts, and school districts in the United States is over $6,000,000,000, as based on figures for the year 1932. Six billion dollars is such a tremendous sum that we cannot refund the entire amount, but there is no reason for not taking a very important step in the right direction and making a billion dollars available for refunding one-sixth of these obligations, and taking $30,000,000 a year from the big bondholders and leaving it in the hands of our substantial citizens who are staggering under an unnecessary tax burden and who are

losing their homes by foreclosure and tax sales because of excessive taxation.

My bill proposes to extend the lending power of the Reconstruction Finance Corporation by $1,000,000,000 to enable it to secure the necessary funds to be extended to the local divisions for the refunding of their bonds that now carry such heavy interest charges. The bill specifically provides that those bond issues that now carry the highest interest charges shall be the first chosen for retirement, thus making the available funds do the most good when used.

The method by which the billion dollars would be distributed is absolutely fair and impartial. There is no possibility of favoritism, because distribution will be determined on a pro rata basis. Statistical experts of the Reconstruction Finance Corporation will determine the total bonded indebtedness of all the counties, road districts, and school districts in each particular State of the Union. When that has been accomplished, the total for the entire United States will be fixed. Then each State will have allotted to its counties, road districts, and school districts such portion of the billion-dollar fund as its indebtedness compares to the total like indebtedness of the United States. This will guarantee that each State will have help according to its needs as demonstrated by its outstanding bonded indebtedness, and this will be the only standard governing the distribution of the funds. The States that most need the relief will receive such percentage of help as their needs entitle them to. There will be no question of each State's getting its share as mathematically determined by a fair rule.

The same rule that applies to distribution to States will apply to distribution to the various localities after the quota for the State has been determined, thus assuring the same fair, equitable distribution. My friends, there will not be a taxpayer in the whole United States that this bill will fail to reach, however completely forgotten he may think himself to be. Everyone will receive the same measure of relief, gaged by the need of help.

Mr. Speaker, a few critics of this legislation have declared that the credit of the United States Government is already so greatly overworked that it could not afford to take on $1,000,000,000 in additional obligations and that it must not be put to any additional expense. There will be no expense to the Federal Government involved in this bill and the net obligations of the country as a whole will not be increased. There will be a scaling down of interest charges. Every bond issued by the Federal Government to secure funds for this proposal will be supported by a bond of similar amount from the locality receiving the benefit. The bonds issued to the Federal Government by the local divisions will be supported by the taxing power of those divisions, thereby guaranteeing their value. It will be merely an exchange of bond for bond, but the new bonds on the locality, aided by the United States, will carry a rate of 3 percent instead of 6, as formerly, and therein will be found the $30,000,000 saving, the difference of 3 percent on an amount of $1,000,000,000.

Today we see the United States Government borrowing billions of dollars and in turn lending it to the home owners through the agency of the Home Owners' Loan Corporation and to the farmers through the Federal land banks and by seed loans. The Federal Housing Administration is engaged in guaranteeing mortgages on homes, this being done to prevent foreclosures. I approve all of this, for it is being done by the Administration as an attempt to safeguard property and the home as the basic institutions of this country. These huge sums are being loaned and have been loaned in an effort to cultivate and maintain the desire for property and a home, a desire that is common to all and which is the fundamental unit upon which civilization itself is based. All of these past efforts are good, and I am happy to endorse them so far as they go, but we must pass some legislation that will enable our people to keep their homes after the Federal Government has made these large sums available. In this connection I repeat the truism that excessive local taxation is the most dangerous existing menace to the continued and successful ownership of homes and property in this country. The principles of sound business dictate that if the Government desires to protect the sums it has already advanced it should see that high local taxes are reduced. They will be reduced if the bill which I have introduced is enacted into a law and the Government makes the sum available that I am seeking, for the resulting $30,000,000 saving will go a long way toward guaranteeing the success of the efforts we have put forth through the establishment and operation of the Home Owners' Loan Corporation and similar agencies. Many a home and many a piece of property will be made safe for the owner. Furthermore, it will be much easier for those who do not have a home to acquire one if the specter of unreasonable, unnecessary taxation does not haunt them every step of the way toward the realization of ownership.

What caused our people to be under the necessity of obtaining help from the Federal Government in the first place? It is beyond question that the burden of unreasonable local taxation was one of the major causes. It is folly not to remedy this situation, because failure to correct it will mean that the load on the Federal Government will become heavier and heavier instead of decreasing. The loans that have already been advanced will not be sufficiently protected. If $1,000,000,000 were made available to the counties, road districts, and school districts at 3 percent, and they used it to retire bonds that now carry an interest rate of 6 percent and over, they would save $30,000,000 annually while repaying the money to the Federal Treasury. The Federal Government, instead of losing anything, would be doing a great deal to protect money already advanced and would save many homes.

The Government has already made tremendous loans through the Reconstruction Finance Corporation to railroads, banks, and industries to help them carry on. If these large sums can be made available to one portion of our citizenry, certainly the taxpayers should receive some help. If the load were taken off their backs, they could help some of the enterprises that are forced to rely on the Government.

Let me remind you that this is not a temporary plan. In addition to meeting an emergency situation, the bill provides for a revolving fund to be established from the funds paid into the Treasury by the divisions when they discharge their obligations, and this money is to be used for the purpose of continuing this undertaking until lasting benefit has been brought to the American taxpayer.

Mr. Speaker, the soundness of the principle of this bill has already been approved by Congress and the President in extending aid to drainage districts. I ask that we extend the principle in the manner I have described in order that tax relief may be secured. There is no reason to prevent its being done. Courage has been the outstanding characteristic of the new deal, but no courage should be required for the passage of this bill. Its practicality cannot be questioned; its benefits are certain. [Applause.]

Mr. Speaker, the following table will show the estimated approximate benefits that will come to the taxpayers of each State if Congress will enact H. R. 6227 into law.

Estimated approximate amounts that will be made available in each State of the Union under the operation of H. R. 6227, as taken from 1932 figures of the Census Bureau, together with estimated savings in interest charges to the taxpayers in each State where the present interest rates are 6 percent on the outstanding bonded indebtedness of the counties, road districts, and school districts

State	Amount of loan to each State	Annual saving in interest charges to each State
Alabama	$7,200,000	$216,000
Arizona	7,700,000	231,000
Arkansas	13,400,000	402,000
California	75,400,000	2,262,000
Colorado	9,900,000	297,000
Connecticut	9,000,000	270,000
Delaware	1,700,000	51,000
Florida	45,500,000	1,365,000
Georgia	8,400,000	252,000
Idaho	9,500,000	285,000
Illinois	91,100,000	2,733,000
Indiana	23,100,000	693,000
Iowa	29,200,000	876,000
Kansas	10,300,000	309,000
Kentucky	7,000,000	210,000

Estimated approximate amounts that will be made available in each State of the Union under the operation of H. R. 6227, as taken from 1932 figures of the Census Bureau, together with estimated savings in interest charges to the taxpayers in each State where the present interest rates are 6 percent on the outstanding bonded indebtedness of the counties, road districts, and school districts—Continued

State	Amount of loan to each State	Annual saving in interest charges to each State
Louisiana	$30,000,000	$900,000
Maine	3,400,000	102,000
Maryland	7,800,000	234,000
Massachusetts	2,200,000	66,000
Michigan	31,200,000	936,000
Minnesota	18,000,000	540,000
Mississippi	15,700,000	471,000
Missouri	17,800,000	534,000
Montana	7,200,000	216,000
Nebraska	9,000,000	270,000
Nevada	1,000,000	30,000
New Hampshire	1,900,000	57,000
New Jersey	60,000,000	1,800,000
New Mexico	1,500,000	45,000
New York	85,600,000	2,568,000
North Carolina	31,900,000	957,000
North Dakota	3,200,000	96,000
Ohio	66,100,000	1,983,000
Oklahoma	16,000,000	480,000
Oregon	13,700,000	411,000
Pennsylvania	78,000,000	2,340,000
Rhode Island	100,000	3,000
South Carolina	8,500,000	255,000
South Dakota	4,000,000	120,000
Tennessee	17,200,000	516,000
Texas	70,000,000	2,100,000
Utah	3,400,000	102,000
Vermont	1,400,000	42,000
Virginia	5,200,000	156,000
Washington	13,000,000	390,000
West Virginia	7,800,000	234,000
Wisconsin	15,000,000	450,000
Wyoming	4,800,000	144,000
Total	1,000,000,000	30,000,000

THE NEW AIR MAIL BILL

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the new air mail legislation.

The SPEAKER. Is there objection?

There was no objection.

Mr. BEITER. Mr. Speaker, every well-informed supporter of air mail legislation will find cause for deep gratification in being given the opportunity to support the bill H. R. 6511, introduced by the Chairman of the Post Office Committee [Mr. MEAD]. This bill amends the present temporary air mail legislation and makes definite and important improvements as regards the regulation and compensation of the air mail carriers. The aircraft industry in America has set up an operating system which has become the envy of the rest of the world and should properly be extended a badly needed helping hand. The problem of protecting the industry is recognized as a vital one.

The Mead bill empowers the Interstate Commerce Commission to fix rates and to increase them up to a maximum of 20 percent above those in existing law.

Under this provision rates up to 48 cents an airplane-mile for the transportation of mail loads in excess of 300 pounds and 38 cents a mile for loads of 300 pounds or less may be fixed. That this is moderate compensation is evident when it is realized that it cost the Post Office Department $2.21 a mile to have the mail transported by the Army. The bill further makes the rate-of-pay findings of the Interstate Commerce Commission effective as of March 1, 1935, and thus gives promise of prompt financial relief, which is imperatively needed by the industry, in view of the fact that some companies have only sufficient funds to carry on for a few weeks or months, and that even the largest are rapidly depleting their cash reserves while operating at the sacrificial rates bid only to retain the territory which they had pioneered.

The bill further takes a long step toward preventing the paralleling of existing air mail routes, which must depend for revenue to an important degree on passenger and express receipts by lines not having an air mail contract on those routes. It also removes the power of cancelation of contracts from the Postmaster General and vests it in the Interstate Commerce Commisson after due hearing. The bill thus virtually establishes certificates of convenience and necessity, taking a step toward permanency in the business which has been lacking heretofore.

The bill contains many improvements over the air mail bill passed in the Seventy-third Congress; it affords protection to the public and has the approval of a majority of the air lines; leaves responsibility, administration, and decision where those things properly belong, and should go a long way toward the improvement of the distressed condition which threatens the air transport system of the country.

Mr. Speaker, in conclusion, I desire to make a statement clarifying the erroneous impression which seems to exist on the minority side of the House through statements that have been made by members of the minority party, because they intimate that lobbyists, including Mr. Elliott Roosevelt, the son of the President, have lobbied for this legislation. This is an absolutely untrue statement and could be expected to come only from false-hearted men, or from one who is woefully misinformed.

I am most reliably informed that neither the President's son nor any member of his family have ever contacted a single member of the Post Office Committee in behalf of this legislation, nor has young Mr. Roosevelt or any member of his family approached the Post Office Department in this connection.

My informant, for whom I have the very highest regard, advised me that the President's son is not engaged in any way in any business that has to do with the carriage of air mail. I have learned, however, that his services have been engaged by a number of transport lines, as a technical advisor and arbitrator, and has to do with express and passenger business only.

His duties require him to travel considerably; he employs a secretary and a stenographer; his expenses, including the salaries paid his employees, are all borne by himself; and his own salary is comparable to that of any man employed in a similar capacity. These attacks upon the Chief Executive and his family are unworthy of the gentleman who gave voice to them and are wholly unwarranted and unjustified.

It is my understanding that Mr. Elliott Roosevelt has never attempted to intercede in any matters dealing with the Post Office Department; in fact, so far as my informant has been able to ascertain, he has never been in the Post Office Building.

APPROPRIATIONS FOR RELIEF (H. J. RES. 117)

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 174, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 174

Resolved, That immediately upon the adoption of this resolution the joint resolution, House Joint Resolution 117, with Senate amendments thereto, be, and the same is hereby, taken from the Speaker's table; that the Senate amendments be, and they are hereby, disagreed to by the House; that the conference requested by the Senate on the disagreeing votes of the two Houses on the said joint resolution be, and hereby is, agreed to by the House; that the Speaker shall immediately appoint managers on the part of the House without intervening motion; and that the managers on the part of the House are hereby given specific authority to agree, with or without amendment, or disagree to any amendment of the Senate to the said joint resolution notwithstanding the provisions of clause 2 of rule XX.

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. Of course, this rule is not subject to amendment at present; but if we should vote down the previous question on the rule, then the rule would be open to amendment, as I understand it.

The SPEAKER. To any germane amendment, that is correct.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. RANKIN. Mr. Speaker, before the gentleman does that, let us have an understanding about how the time is going to be divided.

Mr. O'CONNOR. Under the usual practice, I yield 30 minutes to the minority member of the Committee on Rules, to yield as he sees fit. That leaves 30 minutes on this side to be yielded.

Mr. RANKIN. Mr. Speaker, as I understand it, when the gentleman speaks of the minority, he refers to the political minority, the Republican organization. We represent a group which we think is in the majority opposing the adoption of this rule. I want to know how much of that time is going to be allotted to us who oppose the adoption of the rule.

Mr. O'CONNOR. Of course, I have no idea what the minority party is going to do. On this side I have many requests for time. Until a Member speaks I have no way of knowing whether he is for the resolution or opposed. I have the distinguished gentleman from Mississippi [Mr. RANKIN], for instance, heading the list.

Mr. RANKIN. I think there is at least one member of the Committee on Rules who is opposed to this rule—the gentleman from Texas [Mr. DIES].

Mr. O'CONNOR. I understand that gentleman has time.

Mr. RANKIN. But does he have time to yield to other Members who are opposed to the rule?

Mr. O'CONNOR. No; that is never done. That is not in accord with the rules of the House to yield to a Member to yield to others.

Mr. RANKIN. Mr. Speaker, it seems to me an arrangement should be made whereby 50 percent of this time would go to the members of this House who are opposed to this rule. I want to know if they are going to yield just to two or three of us and then take up the rest of the time in favor of the rule. If that is so, I submit it is hardly fair to the Membership of the House.

The SPEAKER. That is a question that the Chair cannot answer.

Mr. RANKIN. I want to know from the gentleman from Pennsylvania [Mr. RANSLEY] and the gentleman from New York [Mr. O'CONNOR] whether they are going to yield time to Members who are opposed to the rule. I ask if the gentleman from Pennsylvania and the gentleman from New York, the Chairman of the Committee on Rules, will not agree to yield to the Members who are opposed to the adoption of this rule one-half of the time?

Mr. RANSLEY. Mr. Speaker, I have already agreed to yield 5 minutes to the only one who is known to me as a "silverite" requesting time. I cannot yield time unless Members of the House come to me and make the request. All of my time is now allotted.

Mr. MILLARD. Mr. Speaker, I demand the regular order.

Mr. BLANTON. Will not the gentleman withhold that for a moment to let me ask the gentleman from New York a question?

Mr. MILLARD. Yes.

Mr. BLANTON. While I intend to vote for the rule to send the bill to conference, the Democrats on this side of the aisle who see fit to oppose the rule, ought not to be forced to go to the other side of the aisle for time where they are opposed to any rule. I think the organization and the Democratic leadership on our Rules Committee ought to always make it possible for men of our own party to get time from our own side of the aisle.

Mr. O'CONNOR. Has the gentleman concluded?

Mr. BLANTON. Yes.

Mr. O'CONNOR. The gentleman surely understands that the Democrats have 10 Members on the Committee on Rules, among whom 30 minutes is to be divided, while the minority party has only four Members on that committee with 30 minutes to be divided among them.

Mr. BLANTON. But we have a Texas Democrat on the Rules Committee [Mr. DIES] who is opposed to this rule. A certain amount of time ought to be assigned to the members of the Rules Committee who are opposing this resolution. All of the hour should not be controlled by proponents of the rule. I understand that the gentleman from Texas [Mr. DIES] and possibly another Democrat on the Rules Committee are both opposed to the rule.

Mr. O'CONNOR. I have no such knowledge, and all I can say is that I have allotted time in opposition to the rule to every request that has been made of me. I do not know what all this fuss is about.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. DUFFEY of Ohio. Mr. Speaker, I demand the regular order.

Mr. MARTIN of Massachusetts. Mr. Speaker, I demand the regular order.

Mr. MARTIN of Colorado. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. MARTIN of Colorado. When the gentleman says that he has allotted time to all Members who have requested time, I assume that he refers to the list that I gave him?

Mr. O'CONNOR. Yes, sir; partially.

Mr. MARTIN of Colorado. That list was made up on the granting of only 10 minutes' time. We allotted that to four Members, while the gentleman from Texas [Mr. DIES] was given 5 minutes by the minority, making 15 minutes all told.

Mr. O'CONNOR. The gentleman will appreciate that the Rules Committee is bringing in a rule and that we have 10 Democratic members on the Rules Committee. Surely the custom in this House is that members of the reporting committee have prior recognition. I will say to the gentleman that those four requests are in behalf of Members of the House who are not members of the Rules Committee.

Mr. MARTIN of Colorado. What I want to make clear is this, that that 10 minutes represents all the time we could get by consent.

Mr. O'CONNOR. As to this side of the aisle, that is correct.

Mr. MARTIN of Colorado. Yes.

Mr. COCHRAN. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. COCHRAN. Why not ask unanimous consent for an extension of time of a half an hour and give it to those opposed to the resolution. I am for the resolution.

Mr. O'CONNOR. That is agreeable to me and was my intention.

Mr. COCHRAN. That is right. Let us be fair. I am with the gentleman from New York, but I think the opposition should have an opportunity to be heard.

Mr. RANKIN. Will the gentleman yield for me to make the request?

The SPEAKER. Does the gentleman from New York [Mr. O'CONNOR] yield to the gentleman from Mississippi for a unanimous-consent request?

Mr. O'CONNOR. I prefer to make it myself as I intended, because this request does not come as anything new. We had an understanding on both sides of the aisle that if there was demand for more time, I would make a request for additional time.

Mr. RANKIN. I did not know that.

Mr. O'CONNOR. We have had a lot of excitement about nothing.

Now, Mr. Speaker, I ask unanimous consent that the time for consideration of the rule be extended 30 minutes.

Mr. RANKIN. With the understanding that that 30 minutes is to be yielded to the gentleman from Texas [Mr. DIES], who represents the opposition to the resolution.

Mr. O'CONNOR. I can make no such agreement.

Mr. RANKIN. Mr. Speaker, if the gentleman wants to be fair with us, he will agree to give us this 30 minutes.

The SPEAKER. The gentleman is out of order. The gentleman from New York [Mr. O'CONNOR] has the floor.

Mr. RANKIN. But I reserve the right to object.

The SPEAKER. The gentleman from New York [Mr. O'CONNOR] has been recognized to present the rule. Does the gentleman from New York yield to the gentleman from Mississippi?

Mr. O'CONNOR. Mr. Speaker, I did ask unanimous consent to extend the time on the rule 30 minutes in spite of all this unreasonable talk about being "fair"—a bromide too often used in this House.

The SPEAKER. The gentleman from New York asks unanimous consent that the time be extended 30 minutes.

Mr. MARTIN of Massachusetts. Reserving the right to object.

Mr. HUDDLESTON. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is, the gentleman from New York asks unanimous consent that the time be extended for 30 minutes.

Mr. MARTIN of Massachusetts. Do we get our half?

Mr. O'CONNOR. Surely.

The SPEAKER. One-half of the time to be controlled by the gentleman from Pennsylvania [Mr. RANSLEY] and one-half by himself. Is there objection?

Mr. RANKIN. Reserving the right to object.

Mr. HUDDLESTON. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is, is there objection?

Mr. DOCKWEILER. Mr. Speaker, I object.

Mr. LEHLBACH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LEHLBACH. I would like to ask how much time the gentleman from New York [Mr. O'CONNOR] has consumed?

The SPEAKER. The gentleman has not consumed any time. This discussion was under a reservation.

Mr. O'CONNOR. Mr. Speaker, I yield 4 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, we are opposed to the adoption of this rule to send this bill to conference, for the simple reason that we want the Senate amendments adopted. If this bill is sent to conference, we have notice served from the other end of the Capitol that no matter what change is made, when it comes back from conference it will be debated indefinitely in the Senate.

So we are asking you to vote down the previous question on the rule, so that we may amend it and adopt the Senate amendments.

I know those amendments will be attacked. They were attacked yesterday. We were told that certain Members in control of this legislation did not care what some of us thought, but in my humble opinion the Senate has greatly improved this measure. When you talk about the ability of a committee of the House to straighten out legislation, I call attention to the fact that at the other end of the Capitol there are 96 Members who are just about as able, taken as a whole, as the membership of this House.

We were told when this bill was passed by the House that they were in a terrific hurry. They did not give us time to debate the bill and put on amendments that many of us would like to have supported. They hurried it through. It went through the House and went to the Senate and it was debated there for 2 solid months. Now they come here, because they want to get rid of certain amendments, and intimate that those amendments would destroy the bill. They are not appropriation amendments. They are legislative amendments that the House has jurisdiction to pass upon. Now they want to take it to conference and take out some of those amendments which are already proving to be beneficial.

I know there are men here who do not want any expansion, who do not want any liberalization of our financial structure, but they cannot deny the fact that since this silver amendment was adopted in the Senate, there has been a steady rise in commodity prices throughout the country.

Nothing, in my opinion, that has been done at this session of Congress will do the American people more good than to accept these amendments en bloc and send this bill to the President at once. That is the reason we are making our fight. It is not pleasant for us, we men who have been gagged, as it were, here for months; it is not pleasant to have to fight against the well-organized machine, but we are fighting the battles of the American people because we believe that if this bill is passed in its present form and sent to the other end of the Avenue and signed at once it will do more toward starting this country back on the path of recovery than anything that has been passed at this session of Congress.

For these reasons we are opposing this rule. We are going to vote against the previous question. If the previous question is voted down it gives us the right to move to amend the rule so as to accept these amendments en bloc, or to accept them one at a time. [Applause.]

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Speaker, the Senate placed on House Joint Resolution 117, 30 amendments, many of them impractical of administration, which will hamper the President in giving us an efficient administration of the vast sum appropriated.

If I had the time I could demonstrate beyond question that the bill as it has been amended by the Senate is impractical of efficient administration in many respects. I could demonstrate to you beyond question that even the allotment made for specific objects is useless, for the money is not available under the law for expenditure for those objects. I could demonstrate to you beyond question that when they make an allotment of $40,000,000 for schools, that it is less than the schools will get under another amendment if properly arranged which will be of more value in giving employment in the school system. I could demonstrate to you beyond question how unfeasible is the authorization that this money shall be available for the A. A. A., the Agricultural Adjustment Administration. The whole amount is available for that; the entire $4,880,000,000 is available under Senate amendments. The Secretary of Agriculture does not want it, he does not need it; and this amendment makes no mention of and no provision for reduction of processing taxes or elimination of processing taxes. In other words, the processing tax goes on for the support of the A. A. A. and this Senate amendment authorizes the expenditure of any amount of this appropriation also to conduct the A. A. A. Why not just turn the whole blamed business over to the A. A. A. and be done with it? That is one point.

I am not going to discuss the silver amendment, but an analysis of section 4 of the amendment shows that it vests the greatest arbitrary power in a Cabinet officer that has ever been vested by act of Congress. It gives him the power to make settlements on agreed prices for silver in satisfaction of any balances due the United States, foreign or domestic; yet they want to swallow section 4 of the silver amendment.

Another objectionable amendment is one stating that the men designated by the President or appointed by the President as personnel cannot discharge their duties or receive their salaries until confirmed by the mighty Senate, giving to the Senate an ax over the allocation of these funds; and what chance would any Member of this House have under such conditions and circumstances?

Another Senate amendment provides for classification, by means of which every employee will have to be classified before he can enter on the discharge of his duties, and even employees already in the Government service will have to be classified. Throughout, the positions created under this bill will have to be classified first, and this will take months and months.

The Senate added a road amendment. I will bet there are not 10 men in this House who can tell what it means. The road amendment appropriates even for the authorized appropriation that we carried in our agricultural bill that passed the House the other day. It provides for such a peculiar allocation of this fund that it would take a Philadelphia lawyer to tell how much this State or that State will receive.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield 2 additional minutes to the gentleman from Texas.

Mr. BUCHANAN. The Senate has adopted an amendment with regard to railroad crossings which allocates money for the elimination of crossings upon a certain rule laid down in the bill. This rule does not recognize the number of railroad crossings in the centers of population

and dense traffic, but takes them on a general population basis, road area, railroad mileage, and includes highways in Hawaii. Has Hawaii any railroad crossings at all? If so, I never saw one in that Territory. There are a few little railroads there, sugarcane roads, freight railroads, if you please, yet a vast amount of this money would be frozen until 1937, allocated under that road amendment to Hawaii.

Oh, yes, you fine Members are willing to swallow every one of these impractical and wrong amendments merely for the sake of getting the silver amendment the Senate tacked onto this bill. Now, Mr. Speaker, let me make this statement: I am not set for or against any amendment in this bill. I am holding an open mind to go to conference as a conferee should go, to adjust these amendments, agree to such amendments of the Senate as are practical, or amend Senate amendments in such a way as to give us an efficient administration of the bill and give the President an opportunity to bring about the great results he contemplates under this bill.

Mr. Speaker, the bill should go to conference to be systematized. Additional amendments should be suggested and adopted, because the bill is impractical.

If left like it is, it will hamper the administration to a certain extent, and may mean the difference between failure and success of this appropriation.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, those of us on this side of the House who are supporting the resolution are not interested in any factional warfare that may be raging over on the other side; neither do we by our vote give approval to the measure which is pending before the House. We are simply supporting the rule because we believe a great question like this, involving nearly $5,000,000,000, should be considered in the regular, orderly, and usual way. Bills invariably are referred to the conferees for their examination and consideration before being acted upon in the House. For this reason we are supporting the rule which upholds the usual procedure.

Mr. Speaker, no one sacrifices any rights he may have in sending this bill to conference as provided under the rule. All the amendments in this bill must eventually come back to the House, and ultimately the majority of the House will prevail. I am in favor of some of these amendments. For instance, I would like to have the House concur immediately in the amendment offered by Senator GEORGE, of Georgia. I believe it is a real relief amendment and one which would bring genuine relief to hundreds of thousands of workers in the textile industry, who, unless they do get relief from the processing tax, will be unable to find work. Many mills are being forced out of business because of this tax. However, I am willing to have this great problem considered by the conferees. I am willing to have their judgment, and then I am going to reserve the right, when they bring back the legislation, to insist upon the amendment. We are not afraid of an inquiry into the merits of our cause. I repeat I believe there is no justification to depart from the usual procedure and consequently will support the rule.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Speaker, it is our purpose to vote against the previous question in order to enable the House to vote on the question of whether or not they want to concur in all of the Senate amendments in gross. If the House does not want to concur in all these Senate amendments in gross, then by voting down the rule the bill goes back to the Appropriations Committee; the Appropriations Committee reports on it, and the bill comes back to the House in order to give the Members of the House an opportunity to pass on these amendments. [Applause.]

Mr. Speaker, the Senate had 8 weeks in which to consider this legislation, and yet the House is expected to delegate the authority to five conferees to go into conference and decide upon questions that this House and this House alone is entitled to decide upon. There is no use for us to deceive ourselves. The conferees are not going to agree to these amendments and the Senate conferees are not going to agree to them. If you are in favor of the amendments giving $40,000,000 to the schools, allocating $800,000,000 to roads and grade crossings, $350,000,000 to rivers and harbors, and $500,000,000 for soil erosion, irrigation, and drainage; if you favor the establishment of a principle by which the President may be guided in accordance with the Supreme Court's decision in the Amazon case; to chart his course without taking all discretion away from him, you will vote down the previous question. We will thereby say to the President: "Within this chartered course you may act." If we want to assume our constitutional responsibility, why hazard it by sending this bill to conference?

Mr. Speaker, for a long time we have been legislating by delegating authority. The Senate has been more deliberative than we have. The Senate has taken its own time. We have been asked time and time again to enact legislation in a period of 1 hour. Then the bill goes to the Senate, and the Senate adds a lot of amendments and we send it to conference. The conferees disagree. The Senate then says to the country: "We wanted to help the people, but the House of Representatives would not permit us to do so."

It seems to me that the question is squarely up to the Members of this House right now. If we favor these beneficial amendments, we ought to give the House an opportunity to concur. If we are not in favor of concurring in all the amendments, then why not vote down the rule and send it back to the Appropriations Committee? Let it come back to this great body again. Shall we sacrifice our dignity, our power, and our prerogatives? [Applause.]

There is not anyone that can say that the President is opposed to this bill. Conferences were held between the White House and the Senate during its progress. Not one man can say that the President will veto this measure. Why should we be asked to delegate our authority when the other body is proceeding under its constitutional power and giving to these matters careful consideration? Only this morning I saw a statement of the president of the Parent Teachers Association and the head of the Y. W. C. A. saying that unless this $40,000,000 appropriation is made available immediately schools will continue to close all over the country. They are closing down now. In a few weeks the C. C. C. camps will cease to exist. These amendments authorize the President to rehabilitate the stricken agricultural areas and to establish tenant farmers upon their own farms. Will we permit the C. C. C. camps to close?

Mr. RANDOLPH. In 1 more week.

Mr. DIES. Yes; in 1 more week. Relief is needed all over the country.

Mr. Speaker, a bloc has been formed in the Senate, according to the morning paper, and this bloc, according to their statement, will filibuster for 2 months or more if we do not act now upon these amendments. Are you in favor of chartering the course of the Executive? Do you think it is unreasonable for Congress to put some limitation, to direct a chartered course, to prescribe some rules to guide the President in accordance with the Supreme Court's decision in the Amazon case?

Whether we prevail or not, it is our effort to give Members of the House the full opportunity to say what you want to do with the Senate amendments. If you do not want to concur in all of them, by voting down the rule you can send the bill to the Appropriations Committee, bring it back on the floor, and let this legislative body that formerly was the greatest body on the face of the earth pass upon them. In view of the limited time allotted to me, I may extend my remarks at some later time to set forth the many reasons why we should afford the House an opportunity to pass upon these amendments and insure the immediate passage of this bill in constitutional form and with beneficial and constructive provisions. [Applause.]

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I ask that all Members who speak may have permission to revise and extend their

remarks, and also that all Members may have 5 legislative days within which to extend their own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. DOCKWEILER. Mr. Speaker, I object.

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I am for this rule because I want to send the bill to conference and take advantage of the amendments that have been made by the Senate that are good and throw out the amendments of the Senate that are bad and will not work.

The bill is bad enough anyway. [Applause.] I do not want to see it made worse by the adoption of the amendments of the Senate that are bad, and, frankly, I believe that the inflation amendment that was put in the bill is bad.

Mr. MARTIN of Colorado. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. MARTIN of Colorado. Does not the gentleman believe that the amendment will be perfectly safe in the hands of the present Secretary of the Treasury?

Mr. TABER. No, I do not. I have not the confidence in him that some of you folks who want to see a lot of paper money printed seem to have.

Mr. MARTIN of Colorado. If the gentleman will look up his record during the past 2 years I am sure he will conclude that he is perfectly safe.

Mr. TABER. Not when they have cut the dollar about in two.

This is the same bill that we had before the House of Representatives a couple of months ago, away back in January.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. This is the same bill which, at that time, had to be passed in 48 hours or the country would not have any relief money.

Mr. TABER. That is correct, and there is only $300,000,000 available now for relief money after taking care of relief all this time.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. SHORT. Does not the gentleman honestly think this is the most atrocious and abominable measure ever presented to a legislative body?

Mr. TABER. It is perfectly ridiculous. [Laughter and applause.] It is not a work relief bill, and I am going to demonstrate this.

Mr. SHORT. Does not the gentleman feel that it is a slush fund?

Mr. TABER. Yes; it is.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. TABER. I cannot yield now. I will yield in a moment.

This bill is not a work-relief bill. When the message came up here from the President of the United States we were told that he would be able to put 3,500,000 men to work by July 1. The actual fact is that the only item they have in contemplation that will provide any substantial employment is the highway item, which cannot be functioning at all before the 1st of October and cannot be functioning generally before the 1st of January next year, and most of it will take 15 months to be put in operation.

This is a bad bill from beginning to end; except for the direct relief that is contained in it, it is a fraud on the American people. [Applause.]

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes; I yield.

Mr. REED of New York. I would like to ask the gentleman when he speaks of the highway item functioning by the 1st of October or the 1st of January, does he not mean that the contracts will be let at about that time?

Mr. TABER. The contracts will be let in about that time and they will get to work in full blast perhaps a year and a half from now.

Mr. SHORT. And then the contracts are not to be let to private contractors but performed by hired day labor.

Mr. TABER. And insofar as they are performed by hired day labor it will be a waste and destruction of the people's money, with nothing to show for it.

Mr. SHORT. I agree with the gentleman absolutely.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. KNUTSON. Is there any provision in the bill for taking care of the Democratic deficit of 1934?

Mr. TABER. I do not know how they are going to be able to work that, but, maybe, it is kind of covered up like, you know.

Mr. RANKIN. Mr. Speaker, will the gentleman yield to me now for a question?

Mr. TABER. Yes.

Mr. RANKIN. Did I understand the gentleman to say that he voted against the bill on its passage when it was before the House?

Mr. TABER. Oh, certainly.

Mr. RANKIN. Some Members on the gentleman's side of the House asked that this money be allocated or that some limitations be put on the allocation of it. I was one of the men who agreed to that proposition, and now the Senate has put it in the bill.

Mr. TABER. I am going to read those allocations, so the House will know what kind of fake it is.

Mr. RANKIN. Does not the gentleman believe that that improves the bill?

Mr. TABER. Eight hundred million dollars for roads, which is the only item that might, perhaps, bring some work relief and that one year and a half hence.

Five hundred million dollars for reclamation, a fraud on the American farmer, and no work for at least a year and a half.

One hundred million dollars for electrification, which cannot provide any employment at all to speak of and is just for the promotion of a scheme on the part of the administration and is not for relief.

Four hundred and fifty million dollars for housing, which is a year away in the letting of the contracts, a year and a half away in providing employment, and then not very much employment.

Projects for professional and clerical persons, $300,000,000. I do not know what this is. I do not believe anyone else does.

Civilian Conservation Corps, $600,000,000. This is just enough to provide an increase of, perhaps, 125,000 or 130,000 above what they are running now.

Loans or grants for projects of States, Territories, and the District of Columbia or political subdivisions or agencies thereof, $900,000,000.

One hundred and thirty-eight million dollars have been allotted to one city for this purpose, and the number of people who have been given employment under it is 2,254. This is the way it works and this is the way it will work in this bill—a total loss.

Mr. BEITER. Mr. Speaker, will the gentleman yield?

Mr. TABER. Except for the direct relief, there is nothing to the bill. We do not want to make it any worse and we want to get rid of the bad things the Senate has put in and not have it as bad as it is now.

Mr. FITZPATRICK. Mr. Speaker, will the gentleman yield?

Mr. TABER. I want to call attention to one other thing about the rule, which I think the House ought to understand, before I go any further, and I cannot yield until I do this.

There has been a question raised here—not on the floor, but in private conversation on the part of several Members—

as to the construction of the language of the last part of the rule—as to the conferees being given authority—

To agree with or without amendment, or disagree to any amendment of the Senate to the said joint resolution, notwithstanding the provisions of clause 2 of rule XX.

The effect of that, as I understand it, is to permit the conferees to agree to any Senate amendment on any subject, whether it is legislation or not, put in by a Senate amendment, notwithstanding it may not be authorized by law, and to incorporate it in the conference report, so that they can be voted on at one time instead of having separate votes on the amendments.

I think the rule should be adopted and the bill sent to conference and made just as little objectionable to the needs of the country as possible. [Applause.]

Mr. Speaker, I yield back the balance of my time.

Mr. O'CONNOR. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Speaker and Members, when my namesake from Massachusetts rises in his place as spokesman of his party and for the first time in the history of this administration supports a rule of this character, it indicates to my mind that the Grand Old Party has not lost any of the wisdom and cunning of the serpent. [Laughter.] I want to say to my colleagues on this side of the aisle that if they did not know before how they ought to vote on this rule, they ought to know now. [Applause.]

They see trouble ahead for the majority in sending these amendments to conference. They see trouble ahead at the other end of the Capitol, it is openly threatened, which may keep it on the calendar for another month.

Mr. Speaker, the country demands action, and the advisers of the President would be wise if they counseled him to accept the Senate amendments and sign the bill and put it into effect at once. We have been here now nearly 3 months without completing a single piece of important legislation, and the national reaction is distinctly not good.

Throughout the country there have sprung up great schemes, enlisting great followings, to bring about prosperity. The people, in their distraction over the economic conditions they have suffered so long, make me think of a man perishing of thirst in a desert, and he sees all about him illusions of water—springs and rivers and lakes—and he rushes to plunge in and slake his burning thirst. To my mind it indicates that the morale of the people is sagging under the strain, and that if a distinct turn for the better does not come soon—and certainly if it does not come within the next 12 months—we may witness the most radical political upheaval, economic in its nature, this country has ever witnessed.

The gentleman from Texas [Mr. BUCHANAN], Chairman of the Appropriations Committee, objects to this monetary legislation and says that it is extraneous to the bill. I want to say that it is not any more extraneous to this bill than the first inflation amendment was to the farm bill. This Congress is so hampered by organization methods and powers and by gag rules, that it is only by extraneous methods we can get anything through that the people want. [Applause.]

Now, I am not for the Thomas amendment primarily for the benefit of mining, to get more mining—I am for it to get more money. We have been trying everything on God's earth to bring us out of the depression except money, and the depression is still with us. [Applause.]

[Here the gavel fell.]

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to extend this very excellent speech of mine in the RECORD. [Laughter.]

The SPEAKER. Without objection, the request of the gentleman from Colorado is granted. [Laughter.]

Mr. MARTIN of Colorado. Mr. Speaker, the Thomas amendment to the Public Works bill is the simplest and most definite and most conservative piece of monetary legislation which has been proposed in Congress during this administration. Before pointing out to you just what this amendment does, I want to call your attention for a moment to the law as it now is, as found in the Silver Purchase Act, approved June 19, 1934, the last day of the last Congress.

That act authorized and directed the Secretary of the Treasury to purchase silver, at home and abroad, in the markets of the world, at such times and upon such terms as he might deem in the national interest, with a limitation that no purchase of silver situated in the United States on May 1, 1934, should be bought at a price in excess of 50 cents an ounce. The Secretary of the Treasury was further authorized and directed to issue silver certificates against all such silver bullion in a face amount not less than the cost of all silver purchased, and it was further directed that such certificates should be placed in "actual" circulation. These silver certificates were made legal tender for all purposes, public and private, and were redeemable in standard silver dollars.

Under the Thomas amendment to the pending Public Works bill the Secretary of the Treasury is authorized and directed to issue silver certificates against all silver bullion now held or hereafter acquired at its monetary value and to place such silver certificates in immediate circulation, and, what is even more important, to keep them in circulation by reissuing them when they return to the Treasury, as has been done for the past 55 years in the case of the greenbacks of the Civil War. That is all there is to it. The other two provisions of the amendment are discretionary: The amendment that the Secretary may, in his discretion, exchange gold for silver, which he is already doing, and the amendment that he may, in his discretion, accept silver in settlement of foreign debts. He already has these powers to a limited extent in existing laws.

It may be, as claimed, that the Secretary of the Treasury has exercised very little of the discretionary power vested in him by the enabling silver legislation passed in the Seventy-third Congress, and that he has not carried out the directions of the Silver Purchase Act. Whatever the fact may be, the Silver Purchase Act has done one great thing, it has exploded the fallacy that there are available such vast stores of cheap silver that its remonetization would submerge and wash away our monetary system. This fallacy was disproved once for all by the fact that under the nationalization-of-silver provisions of the Silver Purchase Act, being section 7 of that act, the Treasury, after a campaign of 90 days in the fall of 1934, was able to capture only 112,000,000 ounces of hoarded silver in the United States, a mere trifle compared with the total of our monetary stocks, not equaling 2 percent of the total volume of five and one-half billions of money in existence in the country, equaling little more than 1 percent of the total stock of gold in the Treasury.

Ever since I can remember the great obstacle to the recognition of silver as money was the supposedly great quantity of cheap silver available for such purposes. That argument is gone forever.

In addition to the 112,000,000 ounces recaptured under the nationalization provision, it is reported that the Treasury has acquired some 200,000,000 ounces by purchase abroad. It is estimated that the Treasury, on the whole, has acquired about 400,000,000 ounces of silver at not to exceed 50 cents an ounce. If certificates have been issued against this silver at its face value, it would amount to $200,000,000. If certificates could be issued against this silver at a monetary value of $1.29 an ounce, instead of 50 cents, the price paid for it, it is estimated that it would expand the circulating medium of the country between three and four hundred million dollars, and the people need it.

Mr. Speaker, attention has been called to the fact that a limit of 50 cents an ounce was placed on the purchase price of hoarded silver. I want to call your attention to the fact that in New York and London on yesterday silver was 60 cents an ounce, an increase of 20 percent over the Government price. What would it be if we did for it what we have done for gold, which went arbitrarily, by executive fiat, from $20.67 per ounce to $35 per ounce? I have asked the question before, and I ask it again, what would be the position and value of silver in the money stocks of the world today had as much been done to preserve its historic status and value as has been done to kill it?

The Thomas amendment to the public-works bill does not require the Secretary of the Treasury to purchase an ounce of silver. It does not require him to pay any given price for it. It merely requires him to issue silver certificates against the bullion now in the Treasury or hereafter acquired. He can acquire no such amount as to result in a dangerous expansion of the currency. This was shown by the action of China placing a 20-percent export tax on her silver shortly after the Silver Purchase Act went into effect. India and China, the great silver money countries of the world, want to keep their silver and keep it cheap, so they can undersell the dear dollars of other countries. If we want to do business with them, we must bring our dollars down and bring their dollars up. We are in a position now to control the monetaray policy of the world, and it is not only to our interest to control it, but our very economic salvation depends upon it. Our dear money and higher standards of living, resulting in high costs of production, are losing us the markets of the world. It is high time we counteracted this trend. The real objection to this silver legislation should be that it is so limited that its results will be almost imperceptible. We would scarcely know in a year that it was in operation. I feel just as confident of this now as I felt a year ago that no great stores of silver were in hoarding in this country or were available in the world for purchase by this country.

Mr. Speaker, I believe that the money question will be an issue in the next campaign. I believe that the people are fed up on bonds. I believe that if the proposition before us could be submitted to a vote of the people it would be overwhelmingly approved. I believe it would carry ever farm State in the Union. A vote against this amendment is a vote against money and a vote for bonds, interest, and taxes.

Mr. O'CONNOR. Mr. Speaker, I yield 2 minutes to the gentleman from Arkansas [Mr. MILLER].

Mr. MILLER. Mr. Speaker, with all the earnestness I can command, I call the attention of the House to the position that we are about to be jockeyed into and into which we will be jockeyed if this rule is adopted. The rule provides—

> And that the managers on the part of the House are hereby given specific authority to agree, with or without amendment, or disagree to any amendment of the Senate to the said joint resolution, notwithstanding the provisions of clause 2 of rule XX.

Adopt this rule and here is what you do: You say to the conferees, Go out and represent us; we delegate to you the whole authority of the House of Representatives; go out and agree to any amendment that you want to, and reject any amendment that you want to, and report back with any amendments you may desire. Then the only question that will come to us, and the only thing that we can vote on is to vote up or down the conference report. By the adoption of this rule we are depriving ourselves of the right to pass on these amendments. Some gentlemen may do that, if they so desire, but I am not going to consent to any such procedure. I am not going to delegate my authority and my individual responsibility as a Member of this House. [Applause.] We ought to have the right under the rules of this House to say what amendments we want to adopt, in what amendments we want to concur, and the amendments we want to reject, but you cannot do this if this rule is adopted. When the vote on the previous question comes, we should vote the previous question down by voting "no", so that we may be able to amend the rule and thus be in a position to consider the amendments upon their merits. If the amendments are not proper, we may disagree with the Senate. If they are meritorious, then we should concur in them; but if this rule is adopted or if the previous question is ordered so that we cannot amend the rule, we place ourselves absolutely in the hands of the conferees and must adopt their report when it comes back, regardless of what may happen to the amendments which would give us relief for our schools and which would provide for the building of roads. It is inconceivable that any Member may willingly surrender his constitutional rights as a representative of the people who sent him here, and, in effect, say to them, I am willing for the conferees to determine these questions and I shall gladly follow them. If you vote for the previous question and thus preclude your right to amend the rule and then adopt the rule as now offered, you surrender your prerogative and right to determine what the terms of this legislation may be and will later face the question of the adoption of a conference report containing the terms of this vital legislation which you had no part in framing or adopting.

The adoption of this rule means delay in the Senate on the conference report. That body will exercise its rights and assert its judgment regardless of the conference report, but when we adopt this rule on the previous question, we foreclose all our rights as individual Representatives.

I want to be in harmony with our leadership, but I cannot and will not surrender my rights as a Representative of a free people for the sake of harmony. [Applause.] I appeal to you to exercise your own judgment in matters affecting our Nation and stop this further delegation of power and surrender of our rights. [Applause.]

The SPEAKER. The time of the gentleman from Arkansas has expired.

Mr. O'CONNOR. Mr. Speaker, I yield 2 minutes to the gentleman from Utah [Mr. MURDOCK].

Mr. MURDOCK. Mr. Speaker, about 8 weeks ago we had before us for consideration House Joint Resolution 117, which is commonly known as the public-works appropriation bill and contemplates the appropriation by Congress of approximately $5,000,000,000 for direct relief to the distressed people of the United States and for Public Works projects calculated to stimulate private industry by vast expenditures of public money. This bill, like almost all other new-deal bills, was brought in under a gag rule limiting debate on this vast appropriation to a very few hours. The argument was made at that time that the misery, poverty, and starvation of millions of people in this country demanded immediate action on our part. It was argued that the bill should be passed without the dotting of an "i" or the crossing of a "t" so that the President's great relief program could go forward unhampered, and that he be given absolute control of the expenditure of the vast sum of money to be appropriated by the resolution. The House Members at that time listened to the Chairman and prominent members of the Rules Committee and adopted the rule. We then listened to a few hours of debate on the part of the Chairman of the Appropriations Committee and the members of that committee, and, at the conclusion of debate, without having had power to amend the bill at all, we passed it as it was submitted by the Appropriations Committee and transmitted it to the Senate for action by that body.

Since then we have stood by helplessly while the Senate of the United States debated that bill for 8 weeks, sending it back to the Finance Committee of the Senate on one occasion and having it reported by that committee for the second time. During the debate in the Senate the argument was made time and time again that the suffering people of the United States were demanding immediate action on the bill by the Senate. Every argument was made by administration leaders in the Senate in favor of prompt action. The Senate, which is the other great deliberative body of Congress, thoroughly analyzed the bill, exercised its constitutional function of amendment and, on Saturday last, March 23, finally passed it, having added 31 amendments to the bill as it originally passed the House.

It was presented to this body yesterday in the hope that we would give unanimous consent that it be sent to the conference committee selected from the House and Senate. In my opinion, the Senators known as the administration leaders intend that in the conference many of the amendments perfected in the Senate shall be stricken out. I think it is also the intention of the administration leaders in the House that the conference committee will strike many of the amendments added by the Senate. After the conference committee finishes with its work, the conference report will be submitted to the House and to the Senate and will be voted

either up or down; but in all probability the House and the Senate will be precluded from taking any further vote on the bill or any of the amendments, and they will be limited exclusively to a vote on the conference report.

It is my humble opinion that the Senate amendments are mostly beneficial to the people of the United States. The President's power has to some extent been limited and the vast sum provided for is allocated to several types of public-works projects. Certainly the President should not object to some guidance from Congress in the expenditure of this vast sum of money. Certainly he cannot ask the Congress to forego its rights entirely in directing to some extent at least how this money should be spent. I am opposed to the rule now pending before us, because I am fearful that if it is passed and this bill goes to conference many weeks will pass before the bill finally becomes a law, and, while Congress debates, the people in distress will suffer. I have considered the Senate amendments and I find none that seriously impair the bill.

It is my opinion that immediate action is imperative. It is imperative to save the C. C. C. projects which will expire on April 1 unless money is appropriated to carry them on. Schools throughout the United States are closing for lack of funds; one of the Senate amendments provides $40,000,000 for the relief of schools. These relief measures are vital to the happiness and welfare of a stricken people, and the importance of prompt action is far greater than the supposed injurious effect of any amendment that is in the bill. We have listened this morning to the distinguished Chairman of the Appropriations Committee who in a general way referred to some of the Senate amendments, but certainly did not enlighten us at all as to how these amendments, or any of them, would be injurious to the administration of the bill or to the people of the United States. He simply told us that he had been advised by administrative officials and employees that the bill was unworkable.

The people choose the Members of the Senate and the House to enact legislation for them, not the heads of the administrative departments in Washington, and for my part, I would rather depend on the deliberate action of the Senate in this matter than on the criticism of the department and bureau heads. In my opinion, we are conferring a favor on the President of the United States if we concur in the Senate amendments and send this bill to the White House for his immediate action. We were advised when the bill first came to this branch of the Congress that the President was demanding immediate action. We responded to his demand, and in my opinion we should now continue to respond to his demand in concurring in the Senate amendments immediately, and sending the bill to the White House for his signature. If speed was imperative 8 weeks ago then certainly the demand for speed has not lessened in 8 weeks.

We see today in the debate the prominent leaders on the Republican side joining the distinguished Chairman of the Rules Committee and the distinguished Chairman of the Appropriations Committee in asking support for this rule. When I see the distinguished leaders on the Republican side joining with the Democrats I immediately become skeptical. They tell you that they are opposed to the bill in any form, that they are opposed to the amendments. I believe that they are telling you the truth, and in my opinion nothing would suit the Republican side of this House more than to see the passage of this relief bill held up for another month. The people are outraged at the delay already occasioned in the passage of this bill, and if I am any judge of the demand of our constituents at this time it is that we pass this bill without further delay and I urge my colleagues on the Democratic side at least to give them immediate action by defeating the rule and concurring in the Senate amendment en bloc.

Mr. RANSLEY. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, I believe that we are going through a great deal of shadow boxing this morning and making a great hullabaloo about nothing, because when the Senate and this House voted down the prevailing wage scale amendment the American workers lost their last ditch fight in the Congress of the United States. Whether or not you adopt these Senate amendments, whether you send the joint resolution to conference or do not send it to conference, is immaterial, because none of these amendments mean a thing to the wage earners of this Nation. We have thrown $4,000,000,000 into the labor market at an average scale of $28 for unskilled labor to about $55 a month for skilled labor. Mr. Speaker, this bill sounds the death knell of the American standard of living of American labor. We have reduced American labor to the economic status of the slaves who built the pyramids of ancient Egypt. None of the Senate amendments remedy this situation, and it is most unfortunate that we cannot do anything here because of our rules. That is why I say we are only shadow boxing here. If this matter comes to a record vote, I am going to vote "present" in order to record my protest against this mockery that is now going on before this House. The spokesmen of the present administration have forced the American workers to surrender their economic gains, acquired after years of struggle on the economic battle front. These spokesmen by this bill now say to American labor, "We know you are starving; and if you want to be fed, you must become regimented on the basis of a charity wage scale." The House failed to protect the workers; the Senate failed to protect them; and here we are now simply wasting time over nothing. Therefore, I shall protest against this condition and vote "present."

The SPEAKER. The time of the gentleman from New York has expired.

Mr. RANSLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Speaker, I am of the opinion, as is the gentleman from New York [Mr. MARCANTONIO], that the Congress should have approved the prevailing wage scale provision and put it into this joint resolution. I realize, however, that it is futile now to expect that we can incorporate such a provision in the joint resolution. The enactment of the joint resolution with the amendments that have been attached to it by the Senate will greatly aid not only labor but all of the people of the country. We should adopt this resolution without any delay, and I favor a motion to concur in the Senate amendments as soon as possible, and thereby make this money available at the earliest possible date. I believe it is our responsibility here to accept these Senate amendments. Therefore I am opposed to this rule, so that we may have an opportunity to concur in the Senate amendments and pass the joint resolution as it has been sent to us by the Senate.

I am in favor of the silver amendment. I believe that it has a great deal of merit. During the consideration of this joint resolution the House had very little time to debate its provisions. The Senate, however, has taken a good deal of time to deliberate on the various proposals, and in my humble judgment the resolution in its present form is as good as we liberals of this House can hope for, and I sincerely hope that we will vote down the previous question, so that we can amend the rule and concur in the Senate amendments.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I agree that there has been a considerable amount of shadow boxing about this bill placing the control of $4,800,000,000 in the hands of the President. No one has discussed the fundamental objection to the bill; that is, the destruction of representative government and the abdication of the control of the purse strings by Congress, and turning it over to the President. I am opposed to the bill from beginning to end. I am opposed to it on principle. It amounts to a change in our form of government without the consent of the governed. We deliberately propose by our votes to turn over the control of appropriations, the main power of the Congress, to the President of the United States. It makes no difference what kind of a President he is, good, bad, or indifferent, you set up an autocrat, a superman, at

the head of this Government in defiance of the Constitution and the coordinate and separate powers established by the Constitution.

Mr. RANKIN. Will the gentleman yield?

Mr. FISH. No. I am sorry, but I cannot yield.

The Senator from Michigan stated that those who were responsible for this bill should be hanged. Now, that is a little harsh. I do not want to see the authors of this bill hanged. That is a little too harsh treatment, but at least we ought to consider deporting the authors of the bill to Fascist Italy, to Nazi Germany, or to communistic Soviet Russia, where they have autocratic governments. This bill destroys the fundamental principles of our Government without the consent of the governed, and if the sponsors of this surrender of legislative power want an autocratic form of government, let them go elsewhere.

Now, Mr. Speaker, it is of little consequence to me, feeling as I do and being opposed to the general principle of the bill that delegates the powers of Congress to the President, whether this rule is voted up or whether it is voted down. Let us look at the record. Just 2 months ago this bill was brought in under a vicious and drastic rule. You Members on the majority side were told to support the bill like rubber stamps; you were given 48 hours to vote for this bill under a rigid gag rule, and were informed that unless you did millions of Americans would starve to death. What a travesty, what a mockery of representative government in the House of Representatives. Two months have gone by, and in spite of what was told you then by your own leaders, that it was necessary to pass it without amendment or debate, it has not yet been enacted into law. We told you then that the bill would be kicked full of holes in the Senate, and that you would not recognize it when it came back; that you would not recognize your own baby. The bill is back, and it is not recognizable at all. The only thing retained in it is the vicious principle of turning over the control of the purse strings to the President. But in spite of that, you acted as you were ordered, and made a laughing-stock of the House of Representatives and voted yourselves as nothing more nor less than a rubber stamp when you voted to strip yourself of your own legislative functions at the dictation of the White House and under the spur of patronage and the lash of Postmaster General Farley.

Mr. Speaker, I admit I am in a predicament. I am not in favor of inflation; but, on the other hand, I am in favor of the House of Representatives voting down gag rules and considering bills on their merits. [Applause.]

The SPEAKER. The time of the gentleman from New York [Mr. FISH] has expired.

Mr. O'CONNOR. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. MORITZ]

Mr. MORITZ. Mr. Speaker, if you will look at the CONGRESSIONAL RECORD of last Saturday and analyze the proceedings of the Senate when they passed this bill, you will then see with what trickery it was done. Three of the five Members of the Senate who have been put on this conference committee are against the passage of this bill. It was a trick. It would be a good thing for us to vote so that the amendments will stick, to fool them at their own trick. That is all they tried to do. They passed the Thomas amendment without a vote, as if to say, "We will pass it, but afterward we will cut its head off." Now let us pass this bill with the amendments as they are. I am against this rule.

The SPEAKER. The time of the gentleman from Pennsylvania [Mr. MORITZ] has expired.

Mr. O'CONNOR. Mr. Speaker, I yield 1 minute to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE. Mr. Speaker, very much is being said about inflation. I think if we study the results of the increase in currency in this country we would see that a steady increase of the volume of money put into circulation is absolutely necessary to conduct business and to maintain the price level. The effect of increasing the volume of money in circulation, commonly referred to as "inflation", has been conclusively demonstrated in the past history of this country. Let me refer you to Senate Document No. 210, containing the minutes of a meeting of the Federal Reserve Board on May 18, 1920, and the statement made to the Board by Governor W. P. G. Harding at that time, when he pointed out that as a result of an increase of $1,900,000,000 put into circulation in the period between 1914 and 1920 we had an expansion of $11,000,000,000 in credit and we had an increase in the price of commodities of 25 percent and a decrease in production. If there is anything that this Government is trying to do, it is to increase prices and decrease production. If there is anything that is necessary to the restoration of prosperity in this country, it is a rise in the price level, both in property values and commodity prices. To do this we must meet the money needs of the people by adopting a plan that will supply a flow of new money into the channels of trade to keep pace with the increase of population and the growth of business. The issuance of silver certificates, authorized by the bill we are considering, is a safe and sound plan to meet this necessity by controlled inflation.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield 4 minutes to the gentleman from Alabama [Mr. OLIVER].

Mr. OLIVER. Mr. Speaker, this rule is not an extraordinary rule. It is simply intended to follow the usual course where differences arise between the House and the Senate. It is not unusual for the House to delegate authority to a limited number of its Members, representing the committees of the House, to try to iron out differences between the House and the Senate.

The Chairman of the Committee on Appropriations has called your attention to the fact that some of the amendments which were put on are not, in his judgment, workable. I am sure that those who are opposing the rule, some of those who spoke first, have not carefully examined the amendments, and they are not now prepared to discuss before the House the different amendments which have been put on by the Senate, in order to meet the objections suggested by the chairman of the committee.

In other words, some of my good friends who are usually so frank and so very candid have not, in fact, discussed the real objections they have to the rule now under consideration. Their objective is based on one amendment they are deeply interested in, and they are prepared to discuss everything in order to get that.

If the conferees should bring back a report that a majority of the House feel is unwise and not in conformity with their wishes, then you have full authority to vote down the conference report. This is not unusual; you have done it within the last few years, I know.

Mr. KELLER. Mr. Speaker, will the gentleman yield?

Mr. OLIVER. Not now; my time is too short.

I do want to give this information since the gentleman from Texas called attention to it and it seems to have been urged as an argument in opposition to the rule. I refer to amendment 25, found on page 14, section 13, relating to public schools. It has been argued that there is great danger if you do not at once concur in the Senate's action that the schools may be affected adversely. The Senate in writing this amendment did not require a single dollar to be spent for schools. Read it and you will find it is left entirely to the discretion of the President and a definite limitation is placed on the amount that may be spent. As the chairman said, all the conferees are interested in caring for the emergency needs of public schools, and we will probably improve the amendment inserted by the Senate. I only call your attention to this to show that often when an argument is advanced purely for the purpose of registering an objection it goes too far.

Mr. BUCHANAN. Mr. Speaker, will the gentleman yield?

Mr. OLIVER. I yield.

Mr. BUCHANAN. Under the Senate amendment to the bill with respect to schools only $40,000,000 could be allocated to schools.

Mr. OLIVER. Yes.

Mr. BUCHANAN. But we are contemplating amending the Senate amendment in such a way as to make $300,000,000 available to schools.

Mr. OLIVER. Yes.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I ask the gentleman from Pennsylvania if he has any time remaining?

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. RANKIN. Mr. Speaker, may I ask how the time stands now?

The SPEAKER. The gentleman from New York has 12 minutes with the time yielded by the gentleman from Pennsylvania.

Mr. RANKIN. And this exhausts the time?

The SPEAKER. This exhausts the time.

Mr. O'CONNOR Mr. Speaker, this rule has been called a "gag" rule of various types, such as a "vicious gag rule", as the gentleman from New York [Mr. FISH] has declaimed. I maintain it is not a "gag" rule, and I say this earnestly. It is not an unusual rule, and it does not provide for unusual procedure in this House.

The gentleman from Arkansas [Mr. MILLER] spoke of the last clause in the rule, which provides that the managers on the part of the House are given specific authority to agree or disagree with any amendment on the part of the Senate—and I emphasize the word "disagree" with any amendment—which violates clause 2 of rule XX. Clause 2 of rule XX provides, in effect, that if an amendment of the Senate to a general appropriation bill—and this House Joint Resolution 117 is not a general appropriation bill—violates clause 2 of rule XXI, which prohibits legislation on an appropriation bill, and no amendment of the Senate providing for an appropriation upon any bill other than a general appropriation bill shall be agreed to by the House managers unless a separate vote is just taken on said amendment.

This last clause of this rule meets that situation. House Joint Resolution 117 is not a general appropriation bill. In effect, it is not an appropriation bill at all, but a house joint resolution providing for relief measures, to put 3,500,000 men back to work. Those thirty-odd amendments of the Senate, many of which may come within that category, could not be agreed to or disagreed to by the House managers without that specific authority.

There has been some confusion here, but it was partially cleared up by the distinguished gentleman from Alabama [Mr. OLIVER] when he stated, in effect, that we are in the same position today, and in no different position than we shall be in when the conference report comes back to us. If a sufficient number of Members here do not agree to the conference report, which represents the action on the part of the conferees, our managers, the House can vote down the conference report and then vote on any amendment to which our conferees agreed or disagreed.

Mr. KELLER. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I would rather complete my statement. Then I shall be glad to yield if I have time.

Ordinarily when a House bill comes back with Senate amendments there are four methods of procedure: One is that the bill can be referred to the committee which originated it, in this instance the Committee on Appropriations. Do those Members who have expressed such tearful sympathy with the possibility of the cessation of the C. C. C. camps, and who use that argument for quick action on this bill, want the bill sent to the Appropriations Committee? Do they want it considered by that committee almost as an original bill and then have it considered in the Committee of the Whole? The usual method, the normal method, the method used 999 times out of 1,000, is to send the bill directly to conference by unanimous consent when it comes back to the House with Senate amendments; that is almost an invariable rule, and that is what this special rule, so called, does. In the face of objection to unanimous consent, such a result could not happen without a special rule. Moreover, a special rule would be necessary that this bill be referred back to the Appropriations Committee. So we are proceeding in the orderly way—the usual way—in this House when we propose this rule.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. When I get through, if the gentleman please.

Mr. RANKIN. The gentleman is wrong in that statement.

Mr. O'CONNOR. No; I am sure I am not wrong about it. This is not a general appropriation bill and has no privileged status in this House. It has no more privileged status than though it were a bill which came from one of the standing legislative committees, a bill which did not involve appropriation or the raising of revenue.

Mr. Speaker, we are faced with the practical situation of how most expeditiously, in accordance with the orderly procedure of this House, to handle this joint resolution for relief.

Some of us who are supporting this rule are most sympathetic with some of these amendments.

Some of us have always welcomed a chance to vote for the proper recognition of silver, and if that matter came up in an orderly way some of us would feel inclined to support such a measure. If the proposal came out of the standing committee which has jurisdiction of legislation relating to silver, some of us would support it. If the measure came in even as an amendment to a general appropriation bill, some of us would feel inclined to support it, but the silver legislation has no place in this measure. House Joint Resolution 117 is a relief measure wholly and entirely. That is why we want to proceed in an orderly way in reference to this matter.

Mr. Speaker, something has been said about the "dignity" of the House of Representatives, and how it has fallen from its high pedestal. Let me say, after due deliberation, that the House of Representatives may well take pride in the fact that it can legislate orderly and expeditiously. [Applause.] This rule is proposed for that very purpose, and I, for one, do not intend to match demagogy against demagogy. [Applause.]

Mr. Speaker, this great House of Representatives can legislate expeditiously and more without the fear of any one man, whether he came by railroad train or airplane, or without the fear of any one group. We legislate in this House by a majority, and that majority can always express the will of this House. No rule from the Rules Committee can ever deprive the majority of this right.

This House must function, and it must legislate irrespective of any individual or any group, short of a majority. I for one am willing to match the method of procedure in this body as against another body. We do not rush things through to get under the wire before somebody returns to town. [Laughter and applause.] When we are faced with amendments put on a House bill that are not put on with sincerity or with any hope or expectation that they would ever stick in the bill, we, as a parliamentary body, are compelled to face that situation, and keep our feet on the floor and not be swept off our foundation by any one man or by any minority.

We have been told here today that if we pass this rule there will be a filibuster in another body, which will occupy weeks. Why, there has been an unwarranted and a disgraceful filibuster there already for nearly 2 months. We are always able to handle filibusters in this body. We are proud of that fact.

Mr. Speaker, this rule is a test of not yielding to another body, of not yielding to one man or to a small group of men in another body. This rule is the real test of maintaining the dignity of our own body. We have not lost that dignity. This rule is a test of maintaining our own dignity and maintaining the right to conduct our parliamentary deliberations in an orderly, respectable, and dignified manner. [Applause.]

Mr. Speaker, I move the previous question.

The SPEAKER. The question is on ordering the previous question.

Mr. RANKIN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 265, nays 108, answered "present" 1, not voting 57, as follows:

[Roll No. 36]

YEAS—265

Andresen	Ditter	Kennedy, N. Y.	Reed, N. Y.
Andrew, Mass.	Dobbins	Kenney	Reilly
Arnold	Dondero	Kimball	Rich
Ashbrook	Dorsey	Kinzer	Richardson
Barden	Doughton	Kloeb	Robertson
Beam	Doxey	Kocialkowski	Rogers, Mass.
Beiter	Drewry	Kramer	Rogers, N. H.
Bell	Driscoll	Lambeth	Romjue
Berlin	Driver	Lanham	Rudd
Biermann	Duffey, Ohio	Larrabee	Russell
Blackney	Duffy, N. Y.	Lea, Calif.	Ryan
Bland	Eaton	Lehlbach	Sadowski
Blanton	Eckert	Lewis, Colo.	Sanders, La.
Bloom	Edmiston	Lewis, Md.	Sandlin
Boehne	Ekwall	Lloyd	Schuetz
Boland	Ellenbogen	Lord	Sears
Boylan	Engel	Lucas	Secrest
Brennan	Evans	Ludlow	Shanley
Brewster	Fenerty	McAndrews	Sisson
Brooks	Fiesinger	McCormack	Smith, Conn.
Brown, Ga.	Fish	McGrath	Smith, Va.
Brown, Mich.	Fitzpatrick	McLaughlin	Snyder
Brunner	Flannagan	McMillan	Spence
Buchanan	Focht	McReynolds	Stack
Buck	Ford, Calif.	Mahon	Starnes
Buckbee	Frey	Mansfield	Steagall
Buckley, N. Y.	Fuller	Mapes	Stubbs
Bulwinkle	Fulmer	Marshall	Sullivan
Burch	Gavagan	Martin, Mass.	Sumners, Tex.
Burnham	Gearhart	Mason	Sutphin
Caldwell	Gifford	Mead	Taber
Carden	Gildea	Merritt, Conn.	Tarver
Carlson	Gillette	Merritt, N. Y.	Taylor, S. C.
Carmichael	Gingery	Michener	Terry
Carter	Goldsborough	Millard	Thom
Cary	Goodwin	Mitchell, Ill.	Thomas
Casey	Gray, Pa.	Montague	Thomason
Castellow	Green	Montet	Thompson
Celler	Gregory	Mott	Thurston
Chandler	Guyer	Nelson	Tinkham
Chapman	Gwynne	O'Brien	Tolan
Christianson	Haines	O'Connell	Tonry
Church	Halleck	O'Connor	Turner
Citron	Hamlin	O'Day	Umstead
Claiborne	Hancock, N. Y.	O'Leary	Vinson, Ga.
Clark, N. C.	Harlan	Oliver	Vinson, Ky.
Cochran	Hart	O'Neal	Wadsworth
Cole, Md.	Harter	Owen	Walter
Cole, N. Y.	Hartley	Palmisano	Warren
Colmer	Hennings	Parks	Weaver
Cooley	Higgins, Conn.	Parsons	Welch
Cooper, Ohio	Higgins, Mass.	Patton	West
Cooper, Tenn.	Hill, Ala.	Pearson	Whelchel
Corning	Hobbs	Perkins	Whittington
Costello	Hoffman	Peterson, Fla.	Wigglesworth
Cox	Holmes	Peterson, Ga.	Wilcox
Cravens	Hope	Pettengill	Williams
Crowe	Huddleston	Pfeifer	Wilson, La.
Culkin	Igoe	Plumley	Wilson, Pa.
Cullen	Imhoff	Polk	Wolcott
Daly	Jacobsen	Powers	Wolfenden
Darden	Jenckes, Ind.	Ramsay	Woodruff
Darrow	Jenkins, Ohio	Ramspeck	Woodrum
Delaney	Johnson, Tex.	Ransley	Zimmerman
Dempsey	Jones	Rayburn	
Dietrich	Kee	Reece	
Dingell	Kelly	Reed, Ill.	

NAYS—108

Amlie	Faddis	Luckey	Robinson, Utah
Ayers	Fernandez	Lundeen	Rogers, Okla.
Bacharach	Fletcher	McClellan	Sanders, Tex.
Binderup	Ford, Miss.	McFarlane	Sauthoff
Boileau	Gasque	McGroarty	Schneider
Buckler, Minn.	Gassaway	McLeod	Scott
Burdick	Gehrmann	Maas	Scrugham
Cannon, Mo.	Gilchrist	Maloney	Short
Carpenter	Gray, Ind.	Martin, Colo.	Sirovich
Cartwright	Greenway	Massingale	Smith, Wash.
Clark, Idaho	Greever	Maverick	South
Coffee	Hancock, N. C.	May	Stefan
Colden	Hildebrandt	Miller	Sweeney
Collins	Hill, Knute	Mitchell, Tenn.	Taylor, Colo.
Connery	Hill, Samuel B.	Monaghan	Taylor, Tenn.
Crawford	Hoeppel	Moran	Tobey
Cross, Tex.	Hook	Moritz	Turpin
Crosser, Ohio	Houston	Murdock	Utterback
Cummings	Hull	Nichols	Wallgren
Deen	Johnson, Okla.	O'Malley	Wearin
Dies	Keller	Patman	Werner
Dirksen	Kerr	Patterson	White
Disney	Kniffin	Pierce	Withrow
Dockweiler	Knutson	Pittenger	Wolverton
Duncan	Lambertson	Randolph	Wood
Eagle	Lee, Okla.	Rankin	Young
Eicher	Lemke	Richards	Zioncheck

ANSWERED "PRESENT"—1

Marcantonio

NOT VOTING—57

Adair	Dunn, Miss.	Kleberg	Sabath
Allen	Dunn, Pa.	Kopplemann	Schaefer
Andrews, N. Y.	Englebright	Kvale	Schulte
Arends	Farley	Lamneck	Seger
Bacon	Ferguson	Lesinski	Shannon
Bankhead	Gambrill	McGehee	Smith, W. Va.
Bolton	Granfield	McKeough	Snell
Cannon, Wis.	Greenwood	McLean	Somers, N. Y.
Cavicchia	Griswold	McSwain	Stewart
Crosby	Healey	Meeks	Treadway
Crowther	Hess	Norton	Truax
Dear	Hollister	Peyser	Underwood
DeRouen	Johnson, W. Va.	Quinn	
Dickstein	Kahn	Rabaut	
Doutrich	Kennedy, Md.	Robsion, Ky.	

So the previous question was ordered.

The Clerk announced the following pairs:

On this vote:

Mr. Hess (for) with Mr. Ferguson (against).
Mr. Dickstein (for) with Mr. Truax (against).

General pairs:

Mr. Bankhead with Mr. Snell.
Mr. Greenwood with Mr. Bolton.
Mr. Johnson of West Virginia with Mr. Crowther.
Mr. Lamneck with Mr. McLean.
Mrs Norton with Mr. Treadway.
Mr McSwain with Mr. Allen.
Mr. Griswold with Mr. Hollister.
Mr. Underwood with Mr. Stewart.
Mr. Kleberg with Mr Andrews of New York.
Mr. Granfield with Mr Seger.
Mr. Smith of West Virginia with Mr. Bacon.
Mr. Gambrill with Mr. Doutrich.
Mr. DeRouen with Mr. Robsion of Kentucky.
Mr Sabath with Mrs. Kahn.
Mr Schaefer with Mr. Englebright.
Mr Schulte with Mr. Cavicchia.
Mr Healey with Mr Kvale.
Mr Shannon with Mr. Arends.
Mr. Somers of New York with Mr. Dear.
Mr. Adair with Mr Dunn of Pennsylvania.
Mr. Crosby with Mr. Farley.
Mr. Kennedy of Maryland with Mr. McGehee.
Mr. Lesinski with Mr. Quinn.
Mr. McKeough with Mr. Meeks.
Mr. Cannon of Wisconsin with Mr. Dunn of Mississippi.
Mr. Peyser with Mr. Rabaut.

Mr. CHURCH, Mr. HIGGINS of Massachusetts, and Mr. FOCHT changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. ELLENBOGEN). The question is on the adoption of the resolution.

Mr. RANKIN. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER pro tempore. The Chair will count. [After counting.] Sixty-four Members have risen; not a sufficient number.

Mr. RANKIN. Mr. Speaker, I challenge the count.

The SPEAKER. The Chair may state that according to the roll call there were 371 Members present. It is very evident that the number who arose was not one-fifth of the number present as shown by the roll call.

Mr. RANKIN. Mr. Speaker, I counted 70 myself.

The SPEAKER. It would take more than 70 to order the yeas and nays.

So the yeas and nays were refused.

Mr. RANKIN. Mr. Speaker, I ask for tellers.

Tellers were ordered; and the Chair appointed as tellers the gentleman from New York [Mr. O'CONNOR] and the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. O'CONNOR. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. O'CONNOR. Do I understand the teller vote is taken on the passage of the resolution?

The SPEAKER. The gentleman is correct.

The House divided; and the tellers reported that there were—ayes 186, noes 78.

Mr. RANKIN. Mr. Speaker, I make the point of order we were entitled to a roll-call vote, because this vote shows there are not five times as many Members in the House as stood up a while ago and asked for a roll-call vote.

The SPEAKER. By the gentleman's own count of 70, he was not entitled to a roll-call vote, because it requires 75, according to the roll call which has just been completed.

Mr. RANKIN. I beg the Chair's pardon; what was the report?

The SPEAKER. This vote was on an entirely different question, and the Chair has no doubt but what many Members have gone to their offices since the roll call was completed.

Mr. RANKIN. No; Mr. Speaker, many Members have come in since then.

The regular order was demanded.

Mr. McFARLANE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McFARLANE. Is there any way by which we can get a roll-call vote at this time?

The SPEAKER. The House has refused a roll-call vote on the passage of the resolution.

So the resolution was agreed to.

Mr. BOILEAU. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BOILEAU. Mr. Speaker, is it possible to have a roll-call vote on the basis of the number of Members present, as indicated by the teller vote, if one-fifth of the number shown by the teller vote would now ask for a roll-call vote?

The SPEAKER. The Chair will state to the gentleman that quite a number of minutes—15 or 20, or perhaps one-half an hour—has elapsed since the House refused the roll call, and that roll call was requested immediately after a roll call of the House which disclosed 371 Members present. It therefore took 75 Members to order a roll call, and according to the count there were not 75 Members standing.

Mr. RANKIN. Mr. Speaker, I move to reconsider the vote by which the resolution was agreed to.

Mr. O'CONNOR. Mr. Speaker, the gentleman from Mississippi did not vote in the majority and cannot make that motion.

Mr. Speaker, I move to reconsider the vote by which the resolution was agreed to and to lay that motion on the table.

Mr. RANKIN. Mr. Speaker, I demand that the question be divided.

Mr. McFARLANE. Mr. Speaker, I demand the yeas and nays.

Mr. RANKIN. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

Mr. BOILEAU. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BOILEAU. Mr. Speaker, is this a vote on tabling the motion to reconsider or on the motion to reconsider itself?

The SPEAKER. It is on tabling the motion to reconsider the vote by which the resolution was agreed to.

The question was taken; and there were—yeas 263, nays 106, answered "present" 1, not voting 61, as follows:

[Roll No. 37]

YEAS—263

Andresen	Carlson	Dear	Fulmer
Andrew, Mass.	Carmichael	Delaney	Gavagan
Arnold	Carter	Dempsey	Gearhart
Ashbrook	Cary	Dietrich	Gifford
Barden	Castellow	Dingell	Gildea
Beam	Celler	Ditter	Gillette
Beiter	Chandler	Dobbins	Gingery
Bell	Chapman	Dondero	Goldsborough
Berlin	Christianson	Dorsey	Goodwin
Biermann	Church	Doughton	Gray, Pa.
Blackney	Citron	Doxey	Green
Bland	Claiborne	Drewry	Gregory
Blanton	Clark, N. C.	Driscoll	Guyer
Bloom	Cochran	Driver	Gwynne
Boehne	Colden	Duffey, Ohio	Haines
Boland	Cole, Md.	Duffy, N. Y.	Halleck
Boylan	Cole, N. Y.	Eaton	Hamlin
Brennan	Colmer	Eckert	Hancock, N. Y.
Brewster	Cooley	Edmiston	Harlan
Brooks	Cooper, Ohio	Ekwall	Hart
Brown, Ga.	Cooper, Tenn.	Ellenbogen	Harter
Brown, Mich.	Corning	Engel	Hartley
Brunner	Costello	Evans	Hennings
Buchanan	Cox	Fenerty	Higgins, Conn.
Buck	Cravens	Fiesinger	Higgins, Mass.
Buckbee	Crawford	Fish	Hill, Ala.
Buckley, N. Y.	Crowe	Fitzpatrick	Hobbs
Bulwinkle	Culkin	Flannagan	Hoffman
Burch	Cullen	Focht	Holmes
Burnham	Daly	Ford, Calif.	Hope
Caldwell	Darden	Frey	Huddleston
Carden	Darrow	Fuller	Igoe
Imhoff	Martin, Mass.	Rayburn	Tarver
Jenckes, Ind.	Mason	Reece	Taylor, S. C.
Jenkins, Ohio	Mead	Reed, Ill.	Terry
Johnson, Tex.	Merritt, Conn.	Reed, N. Y.	Thom
Jones	Merritt, N. Y.	Reilly	Thomas
Kee	Michener	Rich	Thomason
Kelly	Millard	Richardson	Thompson
Kennedy, N. Y.	Mitchell, Ill.	Robertson	Tinkham
Kenney	Montague	Rogers, Mass.	Tolan
Kimball	Montet	Rogers, N. H.	Tonry
Kinzer	Mott	Romjue	Treadway
Kloeb	Nelson	Rudd	Turner
Knutson	O'Brien	Russell	Umstead
Kocialkowski	O'Connell	Ryan	Vinson, Ga.
Kopplemann	O'Connor	Sanders, La.	Vinson, Ky.
Kramer	O'Day	Sandlin	Wadsworth
Lanham	O'Leary	Schuetz	Walter
Larrabee	Oliver	Schulte	Warren
Lehlbach	O'Neal	Sears	Weaver
Lewis, Colo.	Owen	Secrest	Welch
Lloyd	Palmisano	Shanley	West
Lord	Parks	Shannon	Whelchel
Lucas	Parsons	Sisson	Whittington
Ludlow	Patton	Smith, Conn.	Wigglesworth
McAndrews	Pearson	Smith, Va.	Wilcox
McCormack	Peterson, Fla.	Snyder	Williams
McGrath	Peterson, Ga.	Spence	Wilson, La.
McLaughlin	Pfeifer	Starnes	Wilson, Pa.
McMillan	Plumley	Steagall	Wolcott
McReynolds	Polk	Stubbs	Wolfenden
Mahon	Powers	Sullivan	Woodruff
Mansfield	Ramsay	Sumners, Tex.	Woodrum
Mapes	Ramspeck	Sutphin	Zimmerman
Marshall	Ransley	Taber	

NAYS—106

Amlie	Fletcher	McFarlane	Sanders, Tex.
Ayers	Ford, Miss.	McGroarty	Sauthoff
Bacharach	Gasque	McLeod	Schneider
Binderup	Gassaway	Maas	Scott
Boileau	Gehrmann	Maloney	Scrugham
Buckler, Minn.	Gilchrist	Martin, Colo.	Short
Burdick	Gray, Ind.	Massingale	Sirovich
Cannon, Mo.	Greenway	Maverick	Smith, Wash.
Carpenter	Hancock, N. C.	May	South
Cartwright	Hildebrandt	Miller	Stefan
Clark, Idaho	Hill, Knute	Mitchell, Tenn.	Sweeney
Coffee	Hill, Samuel B.	Monaghan	Taylor, Colo.
Collins	Hoeppel	Moran	Taylor, Tenn.
Connery	Hook	Moritz	Tobey
Cross, Tex.	Houston	Murdock	Turpin
Crosser, Ohio	Hull	Nichols	Utterback
Cummings	Jacobsen	O'Malley	Wallgren
Deen	Johnson, Okla.	Patman	Wearin
Dies	Keller	Patterson	Werner
Dirksen	Kerr	Perkins	White
Disney	Kniffin	Pierce	Withrow
Dockweiler	Lambertson	Pittenger	Wolverton
Duncan	Lee, Okla.	Randolph	Wood
Eagle	Lemke	Rankin	Young
Eicher	Luckey	Richards	Zioncheck
Faddis	Lundeen	Robinson, Utah	
Fernandez	McClellan	Rogers, Okla.	

ANSWERED "PRESENT"—1

Marcantonio

NOT VOTING—61

Adair	Dunn, Pa.	Kvale	Robsion, Ky.
Allen	Englebright	Lambeth	Sabath
Andrews, N. Y.	Farley	Lamneck	Sadowski
Arends	Ferguson	Lea, Calif.	Schaefer
Bacon	Gambrill	Lesinski	Seger
Bankhead	Granfield	Lewis, Md.	Smith, W. Va.
Bolton	Greenwood	McGehee	Snell
Cannon, Wis.	Greever	McKeough	Somers, N. Y.
Casey	Griswold	McLean	Stack
Cavicchia	Healey	McSwain	Stewart
Crosby	Hess	Meeks	Thurston
Crowther	Hollister	Norton	Truax
DeRouen	Johnson, W. Va.	Pettengill	Underwood
Dickstein	Kahn	Peyser	
Doutrich	Kennedy, Md.	Quinn	
Dunn, Miss.	Kleberg	Rabaut	

So the motion to reconsider was laid on the table.

The Clerk announced the following additional pairs:

On this vote:

Mr. Hess (for) with Mr. Ferguson (against).
Mr. Dickstein (for) with Mr. Truax (against).

Until further notice:

Mr. Bankhead with Mr. Snell.
Mr. Greenwood with Mr. Bolton.
Mr. Johnson of West Virginia with Mr. Crowther
Mr. Lamneck with Mr. McLean.
Mr. McSwain with Mr. Allen.
Mr. Griswold with Mr. Hollister.
Mr. Underwood with Mr. Stewart.
Mr. Kleberg with Mr. Andrews of New York.
Mr. Granfield with Mr. Seger.
Mr. Smith of West Virginia with Mr. Bacon.
Mr. Gambrill with Mr. Doutrich.
Mr. DeRouen with Mr. Robsion of Kentucky.
Mr. Sabath with Mrs. Kahn.

Mr. Schaefer with Mr. Engelbright.
Mrs. Norton with Mr. Cavicchia.
Mr. Healey with Mr. Kvale.
Mr. Lambeth with Mr. Arends.
Mr. Lea of California with Mr. Thurston.
Mr. Adair with Mr. Dunn of Pennsylvania.
Mr. Crosby with Mr. Farley.
Mr. Kennedy of Maryland with Mr. McGehee.
Mr. Lesinski with Mr. Quinn.
Mr. McKeough with Mr. Meeks.
Mr. Cannon of Wisconsin with Mr. Dunn of Mississippi.
Mr. Peyser with Mr. Rabaut.
Mr. Somers of New York with Mr. Greever.
Mr. Lewis of Maryland with Mr. Casey.
Mr. Stack with Mr. Pettengill.

Mr. AMLIE changed his vote from "yea" to "nay."

Mr. ANDRESEN changed his vote from "nay" to "yea."

Mr. CONNERY. Mr. Speaker, my colleagues the gentleman from Massachusetts, Mr. GRANFIELD, and the gentleman from Massachusetts, Mr. HEALEY, are absent today on account of official business. If present, they would vote "yea" on this roll call.

Mr. BELL. Mr. Speaker, may the RECORD show that my colleague the gentleman from Missouri, Mr. SHANNON, is absent on account of serious illness, and I ask that he may be excused from attending sessions of the House for an indefinite period.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. KENNEY. Mr. Speaker, my colleague the gentlewoman from New Jersey, Mrs. NORTON, is absent from the House on account of illness. If present, she would vote "yea" on this motion and "yea" on the passage of the resolution.

The result of the vote was announced as above recorded.

The Chair appointed as conferees on the part of the House Messrs. BUCHANAN, TAYLOR of Colorado, ARNOLD, OLIVER, TABER, and BACON.

THE CALIFORNIA-PACIFIC INTERNATIONAL EXPOSITION AT SAN DIEGO

Mr. BUCK. Mr. Speaker, I ask unanimous consent for the present consideration of the joint resolution (H. J. Res. 174) to permit articles imported from foreign countries for the purpose of exhibition at the California-Pacific International Exposition, San Diego, Calif., to be admitted without payment of tariff, and for other purposes, reported by me on order of the Ways and Means Committee on yesterday.

The Clerk read the title of the joint resolution.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain this measure to the House? As I understand it, the resolution is the customary resolution insofar as expositions are concerned.

Mr. BUCK. The resolution is in the ordinary form, Mr. Speaker, which has been adopted by Congresses in the past, permitting exporters at this exposition to import articles under bond and without the payment of tariff duties at the time they are imported; but in the event that sales of any of the exhibits are made, the tariff duties must be paid in full to the United States Government.

The measure has a unanimous report from the Ways and Means Committee and it also has the approval of the Secretary of the Treasury.

Mr. MARTIN of Massachusetts. I have no objection.

Mr. CONNERY. Mr. Speaker, reserving the right to object, I would like to ask the gentlemen on the Republican side why it is that yesterday, for instance, when something which was vital to labor came up under unanimous-consent request, they felt it their imperative duty to object, but today, with respect to another matter, there seems to be no objection. Why do they not say to these gentlemen today to let it go over until the Consent Calendar is called?

I am in favor of the gentleman's proposition, but I merely want to call this to the attention of the House. What is sauce for the goose ought to be sauce for the gander.

Mr. MARTIN of Massachusetts. Does the gentleman want to object?

Mr. CONNERY. No; by no means. I would not object to any Member's getting consideration for something that is of benefit to his city or State, particularly if it is for labor, like I tried to do yesterday.

Mr. MARTIN of Massachusetts. I do not know anything about the gentleman's request. Who was it that objected to the gentleman's request yesterday?

Mr. CONNERY. The gentleman from Pennsylvania [Mr. RICH] and the Republican leader, the gentleman from New York [Mr. SNELL].

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. CULKIN. Is the gentleman trying to lead the labor of the country bodily into the Democratic Party?

Mr. CONNERY. No; not at all.

Mr. CULKIN. I do not think this position of the gentleman is very well taken.

Mr. CONNERY. I am just calling attention to something which happened on the floor of this House yesterday with respect to two matters which the Department of Labor and the Committee on Labor wanted considered.

Mr. TABER. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk proceeded to read the joint resolution, which is as follows:

House Joint Resolution 174

Resolved, etc., That all articles which shall be imported from foreign countries for the purpose of exhibition at the international exposition to be held at San Diego, Calif., beginning in May 1935, by the California-Pacific International Exposition Co., or for use in constructing, installing, or maintaining foreign buildings or exhibits at the said exposition, upon which articles there shall be a tariff or customs duty, shall be admitted without payment of such tariff, customs duty, fees, or charges under such regulations as the Secretary of the Treasury shall prescribe; but it shall be lawful at any time during or within 3 months after the close of the said exposition, to sell within the area of the exposition any articles provided for herein, subject to such regulations for the security of the revenue and for the collection of import duties as the Secretary of the Treasury shall prescribe: *Provided*, That all such articles, when withdrawn for consumption or use in the United States, shall be subject to the duties, if any, imposed upon such articles by the revenue laws in force at the date of their withdrawal; and on such articles, which shall have suffered diminution or deterioration from incidental handling or exposure, the duties, if payable, shall be assessed according to the appraised value at the time of withdrawal from entry hereunder for consumption or entry under the general tariff law: *Provided further*, That imported articles provided for herein shall not be subject to any marking requirements of the general tariff laws, except when such articles are withdrawn for consumption or use in the United States, in which case they shall not be released from customs custody until properly marked, but no additional duty shall be assessed because such articles were not sufficiently marked when imported into the United States: *Provided further*, That at any time during or within 3 months after the close of the exposition, any article entered hereunder may be abandoned to the Government or destroyed under customs supervision, whereupon any duties on such article shall be remitted: *Provided further*, That articles, which have been admitted without payment of duty for exhibition under any tariff law and which have remained in continuous customs custody or under a customs exhibition bond, and imported articles in bonded warehouses under the general tariff law may be accorded the privilege of transfer to and entry for exhibition at the said exposition under such regulations as the Secretary of the Treasury shall prescribe: *And provided further*, That the California-Pacific International Exposition Co. shall be deemed, for customs purposes only, to be the sole consignee of all merchandise imported under the provisions of this act, and that the actual and necessary customs charges for labor, services, and other expenses in connection with the entry, examination, appraisement, release, or custody, together with the necessary charges for salaries of customs officers and employees in connection with the supervision, custody of, and accounting for, articles imported under the provisions of this act, shall be reimbursed by the California-Pacific International Exposition Co. to the Government of the United States under regulations to be prescribed by the Secretary of the Treasury, and that receipts from such reimbursements shall be deposited as refunds to the appropriation from which paid, in the manner provided for in section 524, Tariff Act of 1930.

Mr. BUCK (interrupting the reading of the joint resolution). Mr. Speaker, I ask unanimous consent that the further reading of the resolution be dispensed with and that the resolution in its entirety be printed in the RECORD.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I call the gentleman's attention to the fact that on the Consent Calendar there are two bills, one authorizing the President to ask the foreign countries to participate in these expositions——

Mr. BUCK. Mr. Speaker, may I interrupt the gentleman to say that this joint resolution has nothing to do with the

bills on the Consent Calendar? This refers to the San Diego Exposition, for which we have already appropriated $350,000 for a Government exhibit. The exposition opens on May 29, which is the reason for expediting this measure and calling it up out of order.

Mr. WOLCOTT. There are two bills on the Consent Calendar having to do with expositions, and I wondered how many exhibitions they are going to hold in California.

Mr. BUCK. Those bills refer to 1938, a long way ahead.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. ARNOLD. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARNOLD. Mr. Speaker and gentlemen, I have asked for this time for the purpose of formally bringing before the House the petitions that were presented this morning on the east steps of the Capitol by Michael F. Shannon, grand exalted ruler of the Benevolent Protective Order of Elks.

This formal presentation ceremony took place at 11 o'clock this morning, and they were received by the Vice President of the United States and the Speaker of the House in behalf of their respective bodies.

These petitions contain something like a million names of representative citizens throughout the country. They are designed to bring to the attention of the Congress a program intended to combat as far as possible the sinister influences at work throughout the country that are seeking by force and violence or other unlawful means the overthrow of the Government.

I do this because it is necessary, as I understand it, to bring the matter in some way formally before the House. The petitions, I assume, will be referred by the Speaker to the proper committee. I do not know what committee has jurisdiction, but I presume it is the Committee on the Judiciary of the House. The purposes set forth in these petitions are as follows:

First. Empower the Bureau of Investigation of the Department of Justice to investigate all subversive activities of individuals and organizations, alien or otherwise, seeking or planning the overthrow of our Government by force or violence or other unlawful means and to employ the usual investigational methods therefor. The Department of Justice should also be charged with the discretionary authority of publication of the truth about organizations and individuals engaged in subversive activities and supplied with sufficient funds and personnel to carry on the foregoing.

Second. Declare organizations which advocate the overthrow by force and violence of our Government to be illegal organizations and prohibit their existence in any territory under the jurisdiction of the United States.

Third. Declare it a felony for an individual to publicly or secretly advocate, promote, or encourage the overthrow or change of our form of government by force and violence, or to knowingly belong to any society, association, group, or organization which has for its object or one of its objects the advocacy or furtherance of the overthrow of the Government of the United States by force and violence or any unlawful means.

Fourth. Effectively close the United States mails to newspapers or other publications advocating, encouraging, or affiliated with any organization advocating or encouraging the overthrow of Government by force and violence.

Fifth. Prohibit the interstate transportation of newspapers or other publications advocating, encouraging, or affiliated with any organization advocating or encouraging the overthrow of Government by force and violence.

Sixth. Make clear the laws for the deportation of all aliens advocating the overthrow or change of our system of government by force and violence and make certain the impounding without bail of any such aliens pending deportation.

Seventh. Prohibit the entry into the United States of any individual who is known to advocate the overthrow or change of government by force or violence and clarify the law so that there can be no conflict of authority between departments of our Government in the execution of this law or regulations made under it.

Eighth. Provide for the revocation of the naturalization of any naturalized citizen who advocates the overthrow of our Government by force or violence.

This is a most worthy undertaking by this great fraternal order, and I think the House should know of the formal presentation and reception of these petitions, which are designed to impress upon the country and the Congress these evil influences at work in this country and to combat them as much as possible. [Applause.]

THE BONUS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent, provided it is not inserted in the RECORD by the Senate, to insert in the RECORD an address delivered over the radio by Senator TYDINGS, of Maryland.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

(The matter referred to is printed in the RECORD by request of Hon. HENRY F. ASHURST, of Arizona, p. 4426.)

LEAVE TO ADDRESS THE HOUSE

Mr. HARLAN. Mr. Speaker, I ask unanimous consent that at the close of business on the Speaker's table tomorrow morning I may be permitted to address the House for 25 minutes.

The SPEAKER. The gentleman from Ohio asks unanimous consent that at the conclusion of the reading of the Journal and the disposition of business on the Speaker's table tomorrow he be permitted to address the House for 25 minutes. Is there objection?

Mr. TAYLOR of Colorado. Mr. Speaker, I reserve the right to object. It has been the custom of the House not to allow long speeches where we have bills before us.

Mr. HARLAN. Does the gentleman expect to proceed with the naval appropriation bill tomorrow?

Mr. TAYLOR of Colorado. I think so.

Mr. HARLAN. Mr. Speaker, if the gentleman thinks that will interfere with his program, I withdraw the request.

FRIENDLY NATIONS

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address delivered by the Minister of the Irish Free State.

The SPEAKER. Is there objection?

There was no objection.

Mr. KENNEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following international radio address by the Honorable Michael MacWhite, Minister of the Irish Free State, delivered on St. Patrick's Day, March 17, 1935:

In the document which St. Patrick called his "confession", he tells of a vision he had in the night in which he saw a man coming, as it were, from Ireland with countless letters. And this man, he adds, "gave me one of them, and I read the beginning of the letter, which was entitled 'The Voice of the Irish', and while I was reading aloud the beginning of the letter, I thought that at that very moment I heard the voice of them who lived beside the Wood of Foclut, which is nigh unto the western sea."

Today the voice of the Irish is heard in all the lands that are watered by the seven seas, and through the courtesy of the American Irish Historical Society, which is vitally interested in everything affecting the two countries, some voices from this great Republic of the west are carrying to Ireland messages of esteem, friendship, and admiration. It was because St. Patrick devoted himself so valiantly and so whole-heartedly to the summons which came to him in the Voice of the Irish that today his feast has become a day of celebration, not for the Irish alone but for practically the people of all the countries in the world.

As the official representative of the Irish Government in the United States, it is a source of perpetual wonder and gratification to me to note the manner in which this day is observed by the American people. In every street in every one of the great cities, and in every town and village, the shop windows display some emblem or some objects that are reminiscent of Ireland.

There is no newspaper in any quarter of the country this week without reference to St. Patrick, and all these notices and references are of such a kind as to impress on one the belief that the generous people of America, whatever be their politics or religion, give to St. Patrick the same measure of devotion and veneration that they would if the voice that called him 1,500 years ago had come from nigh unto this western sea. Today in hundreds of halls and banquet rooms people gather to honor St. Patrick and to listen to orators, who tell them of his glories and achievements and of the glories and achievements of the Irish

race. The flag of Ireland flies side by side with the Stars and Stripes, and speakers and listeners alike rejoice in the conviction that in honoring St. Patrick they are at the same time expressing their devotion to the principles and purposes of which the United States has become the embodiment.

It would be no exaggeration on my part to say that the homage paid to our patron saint in this country would be a revelation to our people at home. The green favors displayed in New York alone, if joined together, would easily reach to Ireland and back again. It cannot be denied that St. Patrick is America's best venerated saint, and who can venerate St. Patrick without at the same time loving the land he made his own?

In America today the children of St. Patrick play a prominent part in public life. In church and state, in commerce and industry, in science and literature, Irish names are becoming increasingly numerous toward the top. Descendants of Irish immigrants are numerically greater in the Congress of the United States today than at any time in American history. The loyalty of American citizens of Irish origin has never been questioned. Many years ago John Randolph, of Roanoke, a great American patriot, said ," I have seen a white crow and heard of black swans, but an Irish opponent of American liberty I never either saw or heard of."

The bonds which unite the people of Ireland and the people of the United States are not of yesterday. These bonds were knit during the heroic days when America was engaged in the Revolution, and of which this great Republic rose to the full status of Nationhood. One of the first messages of the Continental Congress in 1775 was addressed to the Irish people thanking them for their friendliness to the rights of mankind and acknowledging the fact that the Irish nation had produced patriots who had already "distinguished themselves in the cause of humanity and of America."

The spirit of complete understanding of American aims, of friendship and of sympathy which led thousands of Irishmen to take their places beside the struggling patriots of the Colonies, and to make a willing sacrifice of their lives that American democracy might be born, has remained unimpaired by the passing of years Ireland and America are now one in spirit as they were then. The fervor of patriotism is no stronger in one than in the other and both are animated by the same high resolve that government of the people in any country of the world shall be by the people of that country and that democracy shall not perish from the earth.

There is a union of minds and souls between the people of the two countries that can never be broken by suspicion, rivalry, or the lust for conquest. This union is closer than any that could be established by the tenuous threads of diplomacy and too strong to be rent by the designs of international intrigue. The celebration of St. Patrick's Day, year by year, tends to bring the two countries into closer and more intimate relations and to solidify the friendship that already exists into something stronger and more enduring. No one who has the opportunity to listen to the men who are called upon to speak at the celebrations in honor of St. Patrick can escape the conviction that the American mind has a clear grasp of the place which Ireland now holds and will increasingly hold in the affairs of the world. Peace for Europe and, perhaps, for the entire world will be assured when the feeling of Ireland for America will spread eastward to other countries, and when it will not be necessary to think of international relations in terms of bombing planes, poison gases, bombproof shelters, fortresses, and vessels of war. The voice of Ireland may in the future call again to Europe and under Divine Providence it may awake in it the spirit of St. Patrick and the day may come when the entire world will be united in a common purpose as unselfish and noble as that which makes of St. Patrick's Day a world-wide festival.

It is in this spirit I wish to convey to the people of Ireland today the fraternal greetings of their myriad of friends in the United States and to the people of America the assurance of our all-abiding friendship and good will.

DEPORTATION OF JOHN STRACHEY

Mr. AMLIE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a copy of a letter which I have written.

The SPEAKER. Is there objection?

There was no objection.

Mr. AMLIE. Mr. Speaker, under unanimous consent granted me, I am herewith presenting a copy of a letter that I have written to the Commissioner of Immigration in protest against the deportation proceedings that have been instituted against John Strachey, a British subject:

MARCH 25, 1935.

Col. DANIEL W. MACCORMACK,
Commissioner of Immigration and Naturalization,
Department of Labor.

DEAR COLONEL MACCORMACK: This letter is written for the purpose of protesting against the action of the Commissioner of Immigration and Naturalization in ordering the arrest and deportation of Mr. John Strachey, Marxian author, who is now lecturing in the United States.

I realize that it may not be politic, but I feel that it is my duty to make such a protest. There are greater issues involved in this case than the mere deportation of an English subject.

In the first place, I want to state candidly that in my opinion this action on the part of the Commissioner of Immigration has been brought about through the influence of powerful and sinister forces at work in this country today.

Newspapers which have come to my desk indicate that reactionary local business interests have sought to prevent Mr. Strachey from speaking in various parts of the country. The San Francisco Chronicle for February 4, 1935, contains an editorial entitled "Intolerance usually defeats its own end." It goes on to say:

"The Los Angeles custom has been for one group to determine what speakers other groups should be permitted to hear. The method is to use pressure on owners of halls to refuse to rent them to organizations wishing to listen to addresses to which the suppression groups object. Now, for the first time the same thing has happened in San Francisco."

The editorial goes on to state that a branch of the League of Women Voters of San Francisco had invited Mr. John Strachey to give a lecture to this group. The editorial goes on to say:

"Now, we submit that it is the business of these excellent and responsible women, and nobody else, whom they wish to hear. Many of them are intelligent conservatives—but not stupid ones like those who would forbid them to hear an explanation of the radical movement from its most brilliant living exponent."

Apparently, however, these reactionary business interests have not succeeded as well as they had wished by these bludgeoning tactics and are now seeking to use the Office of the Commissioner of Immigration and Naturalization.

I believe that I am using this expression advisedly. Not long ago it came to my attention that a super-reactionary organization of big business men had raised a campaign fund of almost a million dollars for the purpose of carrying out their program.

I have learned from personal observation that when organizations capable of raising money in such sums decide to strike, they do not strike from the bottom but directly from the top.

A local newspaper carried a news item last week in which the Secretary of Labor was quoted to the effect that she would have nothing to do with this matter.

I do not know what the regular order of business may be within the Department of Labor, but I do know that the decision to arrest Mr. Strachey and order his deportation was one of far-reaching consequence. It was known that the order for the arrest and deportation of Mr. Strachey was one of far-reaching consequence before it was issued, and it was a decision of the kind that should not have been made at least without the authorization of the Secretary of Labor.

I feel that I can properly protest in this matter without the danger of being classed as a Communist. Mr. Strachey about a year ago in an article in the January issue of the American Mercury paid me the doubtful compliment of comparing my ideas with those of Adolf Hitler. I, in turn, do not feel that his notion of a social program based on the theory of the class struggle has any particular validity in the United States.

To forestall a lengthy legal brief from your office, I might say that I also realize that Mr. Strachey, an English subject, has no civil rights under the Constitution of the United States. Nevertheless this country, as well as England, has well-established traditions of free speech. These traditions are well stated in the opinions of the late Justice Holmes. The great justice is hardly in his grave before a determined effort is made to disregard these traditions and set them aside.

There is a wide-spread effort in this country today to make people believe that our democratic institutions are threatened by radicals who "predict that capitalism is doomed and that the alternative is certain to be fascism or communism." In order to save the right of free speech the exponents of this position propose to abolish freedom of speech for the time being.

I want to say that thinking people today generally realize that the democratic institutions of this country cannot long endure with 20 percent of the people on poor relief and another 20 percent self-sustaining but without income, while at the same time 1 percent of the people at the top of the social pyramid own 60 percent of the Nation's wealth. In 1929 one-tenth of 1 percent of the people of the United States had an income as great as the total income of 47,000,000 people at the bottom of the social pyramid.

I need not tell you that a great many eminently conservative people of wealth in the United States realize fully the implication of what is happening to the capitalist system throughout the world. These men were discussing, even while Mr. Hoover was still President, the possible necessity for a right-wing dictatorship in order to maintain their vested interests. I think this fact was well brought out by the testimony of Gen. Smedley Butler a few months ago before the Dickstein Committee.

It is my opinion that the great concentration of wealth and income on the one hand and the great technological capacity of the country on the other have created difficulties which cannot be solved without a complete reorganization of our economic system.

I believe it is the duty of every intelligent American at this time to try to secure all the enlightenment possible on the nature of our economic system and the manner in which it operates. I believe that an understanding of our economic difficulties necessarily requires familiarity with the teachings of Adam Smith and the classical economists, with the teachings of Karl Marx and his followers, with the work of Thorstein Veblen and the Technocrats, and with the various statistical material made available by research organizations and by the various departments of the United States Government.

Many responsible persons have come to the conclusion that the economic system under which we operate in the United States,

commonly known as "capitalism", is rapidly approaching the end of the period when it will work. After all, it does not constitute an effort to overthrow the Government or incite to violence merely to come to the conclusion that the capitalist system is doomed, and to state one's opinion to this effect. Certainly this is not a crime in the United States or England, although, of course, it is criminal to make such a statement in Italy or Germany.

I notice by the newspapers that Prof. Harold Laski, of the London School of Economics, is to speak in New York City next week. In my humble opinion Professor Laski is the most intelligent and competent political observer in the world today. I have not read his latest book, but from certain reviews which have appeared in the press I would be led to infer that Professor Laski has come to very much the same conclusions that have been reached by Mr. Strachey.

The difference between the two, as I see it, is that Mr. Strachey has come to the conclusion that capitalism is doomed, that it is not worth saving, and that the alternative is communism, to be achieved by the instrument of the class struggle; which program he has accepted with enthusiasm.

Professor Laski has apparently come to the same conclusion about the ultimate fate of capitalism. The book reviews indicate that in his last book Professor Laski feels the people will not be given opportunity to gain political control through democratic action. He seems to feel that the capitalists will impose a dictatorship before the people have an opportunity to gain political control. If this should occur, Mr. Laski and Mr. Strachey presumably would be agreed as to the nature of the weapon that remained at their disposal. Professor Laski comes to this conclusion not jubilantly but with profound sorrow.

If Mr. Strachey is to be deported, then it seems to me that the door is also open for the deportation of Mr. Laski. If Mr. Hearst should insist upon such deportation, I presume that your Department would obligingly comply.

If this treatment is to be accorded eminent subjects of foreign nations, the way is opened to deprive the average American citizen of his traditional rights. In fact, one need but read the program of the United States Chamber of Commerce and the bills which have already been introduced in Congress by the Hearstlings to know that this is a part of the general plan and merely the beginning of a process which calls for the abandonment of the traditional American and English rights of freedom of speech. These bills would make it a crime for an American citizen to discuss and criticize the workings of the economic system, just as it is now a crime to do so in Germany and Italy.

In the name of America's best traditions, I wish to protest, Mr. Commissioner, against the action that you are taking.

Very sincerely yours,

THOMAS R. AMLIE.

BUTTER SUBSTITUTES

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. CULKIN. Mr. Speaker, for several years past I have had a bill pending before the Committee on Agriculture of the House which, if passed, will prevent the manufacture and sale of butter substitutes in the United States. This bill has a threefold purpose. First, it will be a contribution to the health of the people of the United States, particularly the growing children of our land. Second, it will prevent a fraud in the manufacture and production of a necessary food. In the final instance, Mr. Speaker, it will aid 4,500,000 dairymen in America whose condition today is desperate. The A. A. A. has done nothing for the dairyman. It has, in fact, made his condition more grievous.

Two years ago I called the attention of the House to the fact that under the modern scheme of racketeering there was grave danger of the racketeer in the metropolitan areas relabeling and selling this counterfeit food as butter. I hold in my hand today a report from the assistant district attorney of the Federal district of Boston, in which he states that in 1934 there were shipped into the Boston area some 375,000 pounds of oleomargarine and butter substitutes, which were relabeled and sold as butter by the racketeers. I claim that that condition is general throughout the metropolitan areas of the United States. There are manufactured in the United States today some 250,000,000 pounds of this counterfeit food. A prosecution, ably conducted by Charles A. Rome, assistant United States attorney, of the Boston, Mass., district, under the direction of the present splendid Attorney General of the United States, brought 20 peddlers of bogus butter to justice. This brings the fact to light that while there are butter substitutes in the United States this counterfeit and fraud will be perpetrated upon the people of the United States. Canada, with only 10,000,000 people and moderate in worldly goods, adopted this law 10 years ago. My bill is a counterpart of the Canadian legislation. The enactment of this legislation will protect the public health and will give economic succor to the long-suffering dairymen.

Possible objection to the bill on the part of American producers comes from the cottonseed-oil group. Some three or four hundred thousand dollars' worth of that product goes into the production of this synthetic butter. On the other hand, the dairymen of the United States are buying a hundred million dollars' worth of cottonseed products for feed for their cattle. The beef industry sells something like a million and a half dollars' worth of beef stearin for this product. With the buying power of the dairymen enhanced by the passage of this act, the beef industry will sell $25,000,000 worth more beef to the dairymen. No other national group will be unfavorably affected by this bill.

Mr. Speaker, when this bill of mine comes from the committee, I bespeak the kindly consideration of this House for it. I repeat, it is in the interest of the health of the people of the United States and will give succor to 4,500,000 dairymen whom the A. A. A. and the administration have ignored.

Mr. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. CULKIN. Yes.

Mr. ANDRESEN. Does the gentleman's bill seek to eliminate the manufacture and sale of butter substitutes?

Mr. CULKIN. That is what it does. It is patterned after the Canadian law which has been in effect in that country for 10 years. [Applause.]

The SPEAKER. The time of the gentleman from New York has expired.

CALENDAR WEDNESDAY BUSINESS

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday, tomorrow, be dispensed with.

The SPEAKER. Is there objection?

There was no objection.

PRIVATE CALENDAR

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 172.

The Clerk read as follows:

House Resolution 172

Resolved, That rule XXIV of the House of Representatives be, and is hereby, amended by striking out paragraph 6 thereof and inserting in lieu thereof the following:

"6. On the first Tuesday of each month after disposal of such business on the Speaker's table as requires reference only, the Speaker shall direct the Clerk to call the bills and resolutions on the Private Calendar. Should objection be made by two or more Members to the consideration of any bill or resolution so called, it shall be recommitted to the committee which reported the bill or resolution and no reservation of objection shall be entertained by the Speaker. Such bills and resolutions, if considered, shall be considered in the House as in the Committee of the Whole. No other business shall be in order on this day unless the House, by two-thirds vote on motion to dispense therewith, shall otherwise determine. On such motion debate shall be limited to 5 minutes for and 5 minutes against said motion.

"On the third Tuesday of each month after the disposal of such business on the Speaker's table as requires reference only, the Speaker may direct the Clerk to call the bills and resolutions on the Private Calendar, preference to be given to omnibus bills containing bills or resolutions which have previously been objected to on a call of the Private Calendar. All bills and resolutions on the Private Calendar so called, if considered, shall be considered in the House as in the Committee of the Whole. Should objection be made by two or more members to the consideration of any bill or resolution other than an omnibus bill, it shall be recommitted to the committee which reported the bill or resolution and no reservation of objection shall be entertained by the Speaker.

"Omnibus bills shall be read for amendment by paragraph, and no amendment shall be in order except to strike out or to reduce amounts of money stated or to provide limitations. Any item or matter stricken from an omnibus bill shall not thereafter during the same session of Congress be included in any omnibus bill.

"Upon passage of any such omnibus bill, said bill shall be resolved into the several bills and resolutions of which it is composed, and such original bills and resolutions, with any amendments adopted by the House, shall be engrossed, where necessary, and proceedings thereon had as if said bills and resolutions had been passed in the House severally.

"In the consideration of any omnibus bill the proceedings as set forth above shall have the same force and effect as if each Senate and House bill or resolution therein contained or referred to were considered by the House as a separate and distinct bill or resolution."

Mr. BLANTON. Mr. Speaker, I reserve a point of order on the resolution. If the gentleman from New York [Mr. O'CONNOR], would permit, I would like to ask him a question or two on procedure.

Mr. O'CONNOR. I would like to have the point of order disposed of first.

Mr. BLANTON. Whether or not I would press the point of order would depend on the gentleman's answers. If I could ask the gentleman a question or two, probably it would save discussion.

Mr. O'CONNOR. I would rather hear the point of order before we proceed.

Mr. BLANTON. Mr. Speaker, I raise the point of order that this resolution is not privileged from the Committee on Rules; that the Committee on Rules has no authority, in the way that this rule was introduced and passed upon by the committee and reported, to report such a resolution to the House. Only a joint resolution passed by both the House and Senate, and signed by the President, could authorize this House to pass an omnibus bill, embracing the amounts carried in many private bills, and then, after passage, send all of such private bills to the Senate as bills regularly engrossed and passed by the House, as this rule proposes, when they were not so engrossed and passed.

For a hundred years it has been the practice in the House of Representatives that all bills involving a charge upon the Treasury must be considered in the Committee of the Whole House on the state of the Union, unless otherwise considered by unanimous consent. The purpose of that is very apparent, because where bills are considered in the House as in Committee of the Whole, the rule changes entirely. They are absolutely in charge of the one who has charge of the legislation on the floor that day. The one in charge of that legislation can move the previous question at any time and shut off debate.

Under this particular rule there could and probably would be thousands of bills, which in the last quarter of a century have been killed by this House, old bills, hoary with age and time, bills a hundred years old, involving millions of dollars, that could be put back on the calendar, and not a Member of this House would have an opportunity to even raise his voice to show why he made objection to their passage.

Unless there be two Members simultaneously objecting to it, the bill would be passed. That would necessitate an entire change of procedure. It would necessitate a Member who was conscientiously studying and watching improper bills going around to the offices of other Members and making an argument in the Member's office to show why a certain bill should not be passed, in order to get someone to object to it. That is not a part of the duty of a Member of the House of Representatives of this great Congress.

I have been here 18 years. I have never arbitrarily objected to a bill in my life. I have never objected to a meritorious bill. Every bill that I have ever objected to has been a bill that I conscientiously studied and looked up the facts and thought it was a bad bill. Some have been bills, like the Sevier heirs bill, a hundred years old and involving a hundred million dollars. I stopped that bill and finally killed it. But it could be revived and passed under this rule.

When I have objected to certain bills and some of my colleagues have told me the facts which would show there was reason for passing the bill and convinced me of their merit, I have universally withdrawn my objection and helped to pass the bill where there was merit in it.

I recognize full well that instances have arisen when through anger some Member has arbitrarily objected to practically all bills called up that night, but that is the exception.

Now, this is a radical change in the procedure of the House. It is an overturning of the rules that have been in existence for a hundred years, and, Mr. Speaker, if this rule were passed, we might as well take the Treasury door off its hinges and leave it wide open without a guard and let every person in the United States who wanted a big handout of several hundred thousand dollars reach his long, hairy arm in and take out what he wanted.

With this proposed rule passed it will be impossible to prevent the passage of the numerous bad bills which have been favorably reported through the years gone by. All will be passed.

Mr. TABER. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. TABER. I suggest the absence of a quorum.

The SPEAKER. The gentleman from New York makes the point of order that there is not a quorum present. The Chair will count. [After counting.] Evidently there is no quorum present.

Mr. BLANTON. Mr. Speaker, I move that the House do now adjourn.

The question was taken, and the motion was rejected.

Mr. CULLEN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 38]

Adair	Dickstein	Houston	Pierce
Allen	Dirksen	Johnson, Okla.	Rabaut
Andrews, N. Y.	Doutrich	Johnson, W. Va.	Ramsay
Arends	Dunn, Miss.	Kahn	Rayburn
Bacon	Dunn, Pa.	Kennedy, Md.	Robsion, Ky.
Bankhead	Farley	Kimball	Ryan
Beam	Ferguson	Kleberg	Sabath
Bland	Fiesinger	Kramer	Schaefer
Boileau	Flannagan	Kvale	Seger
Bolton	Fletcher	Lamneck	Shannon
Bulwinkle	Ford, Calif.	Lesinski	Smith, Wash.
Cannon, Wis.	Fulmer	McGehee	Smith, W. Va.
Carden	Gambrill	McGroarty	Snell
Casey	Gehrmann	McKeough	Snyder
Cavicchia	Goldsborough	McLean	Somers
Chapman	Granfield	McMillan	Stack
Claiborne	Greenway	McSwain	Steagall
Clark, Idaho	Greenwood	Meeks	Stewart
Cooper, Ohio	Griswold	Merritt, Conn.	Terry
Crosby	Hamlin	Mitchell, Ill.	Tobey
Crowther	Hancock, N. C.	Norton	Truax
Cummings	Harter	O'Malley	Warren
Dear	Healey	Palmisano	Werner
Dempsey	Hess	Pearson	Withrow
DeRouen	Hollister	Peyser	Wood

The SPEAKER. Three hundred and thirty-one Members are present, a quorum.

On motion of Mr. TAYLOR of Colorado, further proceedings under the call were dispensed with.

Mr. BLANTON. Mr. Speaker, I ask the Chair to hear me just a moment further on the point of order.

I make the point of order, Mr. Speaker, that the Rules Committee, with all of its power, has no authority to bring in a rule that will take away from all of the 435 Representatives of the people in the House of Representatives their representative capacity, their privilege of representing the people of the United States as Members of different districts in Congress, with the inherent right to be heard on public questions, especially upon legislation coming up in the House that takes large sums of money out of the Treasury.

Now, if this rule is passed, it will take away from every Member of this House, except the chairman of the committee in charge of legislation on private bill day, the right to be heard, the inherent right to be heard, in his representative capacity on legislation and his right to protest against the passage of bad bills that will wrongfully take large sums of money from the Public Treasury. Why, the one in charge of legislation at that time could move the previous question immediately if he wanted to, for such bills are to be considered in the House.

If the Rules Committee has authority to bring in this kind of rule, Mr. Speaker, I submit to the Chair in all earnestness it has authority to bring in a rule on the floor of this House that will prevent any Member of the House of Representatives, except a member of the Rules Committee, from being heard on any kind of bill that comes up in the House. It would permit the Rules Committee, Mr. Speaker, to bring in a rule that would force the consideration of

every supply bill, of every big appropriation bill, to be heard without any debate in the House instead of in the Committee of the Whole House on the state of the Union. Why, the chairman would have the authority to move the previous question any time he wanted to and prevent every Member on the floor except himself from being heard.

The SPEAKER. Of course, the gentleman knows that in passing on a point of order the Chair cannot take into consideration the effect of a resolution or bill that may be pending; that is a matter that must be considered by the membership itself with respect to the legislation in question.

Mr. BLANTON. The present occupant of the chair is one of the best parliamentarians in the House, and he knows that is the situation; he knows that the Rules Committee has that power; it has the power to take away from every Representative here his representative capacity.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. MICHENER. The Rules Committee brings in gag rules right along, as it has a perfect right to, rules which take away from the gentleman the very rights he is now talking about, yet he votes for them.

Mr. BLANTON. Of all the gag rules that have been brought into the House since I have been here, from both the Republican and the Democratic side, this is the quintessent prince [laughter] of gag rules that takes away from a Representative his rights, capacities, and privileges as a Member of Congress.

Mr. MICHENER. I know, but it is just progressive; it is getting better every day, more stringent.

Mr. BLANTON. Mr. Speaker, of course, if the House wants to tie its hands and feet and put a gag in its mouth; if it wants to put a bandage around its eyes and stuff up its ears so it can neither see, nor hear, nor talk, nor walk, nor even crawl, why, let it do so, by passing this unwise, unsound rule.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield, although I am through.

Mr. RICH. Will the gentleman from Texas explain to the House why it is any different from action the House itself has taken on legislation——

Mr. BLANTON. The gentleman from Pennsylvania again is going into politics.

Mr. RICH. Why is it any different for the Rules Committee to take power from the Members of Congress than it is for Members of Congress to turn their power over to the President of the United States?

Mr. BLANTON. I am not discussing partisan politics. I am in favor of some of the rules that the Rules Committee brings in to carry out the policies of the Chief Executive of this Nation, so he can put his policies into effect. I am in favor of that kind of rule and have supported them.

Mr. RICH. The only trouble is that the Chief Executive of the Nation is doing those things that are contrary to the rules; and the American people will not stand for it.

Mr. BLANTON. Oh, that is politics, pure and simple. If we pass this proposed rule, we are taking our means of properly representing our constituents away from ourselves respecting our own procedure. But I have done my duty in making this point of order and in registering my objection to this rule. I have performed my duty.

Mr. LEHLBACH. Mr. Speaker, may I be heard on the point of order?

The SPEAKER. The Chair will hear the gentleman on the point of order.

Mr. LEHLBACH. Mr. Speaker, rule XI, paragraph 45, reads as follows:

> The following-named committees shall have leave to report at any time on the matters herein stated, namely: The Committee on Rules, on rules, joint rules, and order of business.

The resolution under discussion is a resolution amending rule XXIV of the House of Representatives. This disposes of the point of order.

The only reason I can see that this point of order was raised, having absolutely no merit, and not having been pressed in any way with sincerity, was in order to give the gentleman a chance to take the floor and attack this resolution before its introducer, the Chairman of the Committee on Rules, who has charge of the debate in this House on this rule, has had an oportunity to say a word.

Mr. BLANTON. The gentleman is a Daniel come to judgment.

The SPEAKER. In disposing of a point of order it is not within the province of the Chair to consider the effect, or what may be the effect, of the passage of any rule or legislation which may be pending. After all, rules reported by the Committee on Rules must be considered and acted upon by a majority of the House, which action, of course, is controlling.

The gentleman from New Jersey has read from clause 45 of rule XI, which, with the permission of the House, the Chair will reread:

> The following-named committees shall have leave to report at any time on the matters herein stated, namely: The Committee on Rules, on rules, joint rules, and order of business.

The pending resolution proposes to amend the rules of the House, it relates to the order of business in the House, and, under the rule the Chair has just read, is made a matter of privilege.

The point of order is overruled.

Mr. COCHRAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COCHRAN. Is this resolution subject to the Ramseyer rule?

If it is, I make the point of order that the report does not comply with that rule.

The SPEAKER. The Ramseyer rule, to which the gentleman refers, has to do with reports of committees on bills which amend the statutes. This resolution proposes to amend the rules of the House, and therefore does not come within the provisions of clause 2a of rule XIII, the so-called "Ramseyer rule." The Chair, therefore, does not think that the Ramseyer rule applies to this report of the Committee on Rules.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. Speaker, there should not be so much excitement over a matter which has been before the House for so long a time. The reason we called this resolution up today is to dispose of it, as it was on the program for today and we hoped to take up the Private Calendar on Friday next to try out this new rule.

I must correct some misstatements made by the gentleman from Texas about not giving him time. The gentleman well knows that in the presence of several others this morning I said I would give him 10 minutes in opposition to the rule. So his repeated statement that he was not to be given any time is quite beside the fact.

Mr. Speaker, under the guise of a point of order the gentleman from Texas [Mr. BLANTON] proceeded to take the time to discuss the merits of the bill. The gentleman spoke about one man being entitled to certain constitutional rights in this House in connection with legislation. This rule attempts to stop one man from holding up the proceedings of this House. [Applause.] That man when he is talking could himself be stopped by any Member of the House objecting to his speaking out of order or under the guise of a reservation of objection.

Something was said to the effect that the Rules Committee could not provide for the consideration in the House rather than in the Committee of the Whole of certain legislation. That is not the fact. The Rules Committee can, and often does, provide for such consideration and could do so as to a general supply bill. The Rules Committee could provide that it be considered in the House rather than in the Committee of the Whole.

What does this rule really do? This rule has been considered thoroughly for 9 months by the Rules Committee. Every Member of the House has been written to several times. Hundreds of ideas have been collected. The proceedings of all the parliamentary bodies of the world with similar situations have been examined, and after days and

days of thorough consideration by the Rules Committee this rule was brought out for the purposes of serving the Members of this House and to prevent the disgraceful proceedings we have seen occur here in connection with the consideration of the Private Calendar.

Mr. Speaker, this rule provides 2 days a month for the consideration of the Private Calendar. It provides that on the first Tuesday the individual bills will be called up, and if objection is made by two Members the bills shall be recommitted automatically to the committee which reported them, such as the Claims Committee, the Military Affairs Committee, and so forth. The rule reported some weeks ago provided for three objectors. After reconsideration the Rules Committee reduced the requirement to two objections. That was a compromise. Why did we require at least two? Because we have seen it happen in this House that where some one Member's bill was objected to, he immediately proceeded because he was "mad"—and that is the only word that describes the situation—to object to every bill on the calendar. We thought two objections would make it a little harder for the irascible one to get a partner or a pal to join with him in "knocking out" the whole calendar.

Mr. EAGLE. Will the gentleman yield?

Mr. O'CONNOR. I would prefer to finish my statement first.

Mr. EAGLE. Replying to that remark of my friend, I do not want it forgotten that I will do the same thing during the rest of this session if one man can continue to stop the consideration of an honest bill like the one I had up for consideration last session.

Mr. O'CONNOR. We are trying to meet the gentleman's objection, and I know he is sympathetic with what we are proposing here.

Mr. EAGLE. I am entirely so.

Mr. O'CONNOR. Mr. Speaker, we are hoping that the objections will not be arbitrary. Two objections are required. Of course, you cannot look into men's minds, but there is a feeling in this House that many times an objection has been made arbitrarily and sometimes by self-appointed objectors, with no official or even unofficial standing.

If two objections are made, the bill is recommitted to the committee which reported the bill. That committee may take those bills to which objection has been made and put them in an omnibus bill.

Mr. Speaker, before I get to that subject, may I say that in connection with the first objections we prevent any reservations of objection. We prevent speeches. I will admit that is possibly a controversial point, but most of the speeches I have heard here, and maybe some of you will agree with me, were not directed to even the merits of the bill. There were speeches on collateral matters, for consumption back home or just a blanket charge against this, that, or the other type of bills, or advanced under the guise of protecting the Treasury.

Mr. Speaker, the crux of this bill is to stop this talk. You must understand there is no right of "reservation of objection" under the rules of the House. That practice is violently abused every morning, which could be cut off instantly by a call for the regular order. This abuse should not be permitted unless a Member is in earnest and desires to state his case. If he is in earnest, he can get permission to talk by unanimous consent. I am sure this House will not deny this right to a man, particularly the proponent of a bill, if he asks such unanimous consent in order to explain the bill for a few minutes.

On the third Tuesday of each month the committees are authorized to bring in or to have on the calendar on that day omnibus bills. As I said before on the floor, we hope the committee will set aside a select subcommittee of men who have not previously reported bills, and that this select committee will go through these objected-to bills and will pick out the ones they think should have their day in the House and bring them in in an omnibus bill preferably, and, if possible, bringing in bills relating to one subject, like compensation bills, tort bills, and the various subjects before the committees. We hope the committee will not perfunctorily include in an omnibus bill every bill that has been objected to. If the committees do this, then the question will be before the Rules Committee as to whether or not we should make a further effort to change this rule.

The Rules Committee holds no brief for this rule as a cure-all; perhaps it will not work; it is however, an honest attempt to give the Members of the House a chance to have their private bills passed upon.

On the third Tuesday of each month the Private Calendar is called again, and on that calendar there may be private individual bills and omnibus bills. The omnibus bills are called first. They are read for amendment by paragraphs. Any item can be stricken out, debate can be had on them, and any Member who objected to the bill before, or any other Member, can move to strike out the paragraph. If he can convince the House that the bill should not be passed, the House will agree with him. Then when the omnibus bills are passed they are broken down into individual bills and sent to the Senate.

I do not believe any individual on the Rules Committee had any particular bill in mind. Some have introduced very few private bills. However, we feel there never has been a fair chance for the consideration of these private bills.

In the last 30 years only on two occasions have private bills been considered under any rule of the House. There was a statement here today by the gentleman from Texas [Mr. BLANTON] that this rule of the House for the consideration of the Private Calendar has stood for 100 years—the method whereby you take up bills by unanimous consent. There is no such rule of the House. There never was such a rule of the House. There is a rule of the House for the consideration of private bills, but it has not worked because of a filibuster started against it the first time we attempted to use it.

We are here now with a new proposition in an attempt to stop such a filibuster. Let me state also, and this may sound a little strange, I have never comprehended why we do have so-called "official objectors" on either side of this aisle. It strikes me as a creation that is in itself offensive. On the opening of Congress, the majority, in its caucus, and the present minority, in its conference, elect members to the Claims Committee and the Military Affairs Committee and the Public Lands Committee and other committees which report private bills. The House then itself elects these men to the committees. They have faith in the members of those committees. There are always fine men and women on those committees. The committees report these private bills, usually unanimously, and yet in spite of this we have "official objectors", a supercommittee, as it were, sitting in the House overruling these standing committees of the House, committees of our own creation. I never could appreciate how such a system ever developed. It is not according to any rules of the House. Of course, some of the objectors, as I have said, are self-appointed, self-constituted "guardians of the Treasury", trying to prevent, in some instances, $100 being paid to a poor woman whose husband was injured, and at the same time voting for millions to eradicate the bollweevil or the Mediterranean fly or some similar insect in his district.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. MAY. I remember very well having received several letters from the gentleman, who is the Chairman of the Rules Committee, with regard to a correction of this rule, and not having had a chance to consider the rule before, I would like to make a suggestion or call his attention to that part of the rule on page 2, beginning at line 19, which provides that the omnibus bill when it is presented shall be read for amendment by paragraphs. I think this rule possibly ought to go far enough to provide that when an omnibus bill is reported each private bill shall be set out in a separate paragraph.

Mr. O'CONNOR. It will be, I am sure. The mechanics of working out the resolution are just that, and that is the only way it could be done. At present every omnibus bill that comes into the House, for instance, from the Pensions Committee has each item as a separate paragraph, and that method meets the intention of this measure.

Mr. FADDIS. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. FADDIS. It seems to me as if this bill is written more from the viewpoint of the Committee on Claims than any other committee. As I look at it, the Committee on Claims and the Committee on Military Affairs are the ones that produce most of the private bills.

Mr. O'CONNOR. Naval Affairs, of course, would rank with Military Affairs.

Mr. FADDIS. Yes. The resolution provides, in line 20, page 2, that no amendment shall be in order except to strike out or to reduce amounts of money stated or to provide limitations. This does not give us an opportunity in the Committee on Military Affairs or the Committee on Naval Affairs to strike out anything unless a certain amount of the appropriation is to be stricken.

Mr. O'CONNOR. Oh, the striking out is separate. You can strike out the whole provision, strike out or reduce. For instance, if it is a bill for the relief of John Jones you can strike the whole bill out.

Mr. BEITER. Will the gentleman state how many objections it takes to an omnibus bill?

Mr. O'CONNOR. There can be no objection to an omnibus bill, it is read for and is open for amendment. There can be debate on the amendments, and amendments may be offered to strike out or reduce or offer limitations. These amendments will afford opportunity for anyone to express objection to the bill.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. MARTIN of Massachusetts. Is the gentleman going to permit any amendment to this resolution?

Mr. O'CONNOR. Well, I have not thought of it.

Mr. MARTIN of Massachusetts. Will the gentleman give a little thought to it now? [Laughter.]

Mr. COCHRAN. Will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman.

Mr. COCHRAN. I am generally around when the Private Calendar is taken up, and the gentleman from New York is usually here. If we have an omnibus bill before the House, the gentleman knows well, and I know, that every 7 out of 10 men on the floor on Private Calendar day will be men who have bills on the calendar. Assuming you have an omnibus bill up, and everybody on the floor of the House is interested in that omnibus bill, and I rise and move to strike out a certain bill. Do you think I am going to get support from Members who have their bills on that calendar?

Mr. O'CONNOR. The gentleman does not think that Members are going to do any logrolling here?

Mr. COCHRAN. I am not going to say anything against any Member, but the gentleman and I both know what has transpired in the past. Members do not object when they have bills on the calendar.

Mr. O'CONNOR. I hope that will not happen.

Mr. COCHRAN. Let us hope. [Laughter.]

Mr. ZIONCHECK. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. ZIONCHECK. Why not try out objections by three Members rather than have this provision as to omnibus bills?

Mr. O'CONNOR. This matter has been before the House for 1 month at least. Every Member was invited to appear before the Committee on Rules and present his objections. Notwithstanding that invitation we have not heard any Member of the House object to this resolution, except one, and that is not the gentleman from Washington.

Mr. ZIONCHECK. I agree that sometimes bills have met with arbitrary objection. But it seems to me that if it required three objections there would not be any arbitrary objection. The gentleman from New York is interested in an $800,000 matter.

Mr. O'CONNOR. I do not know whether it is still extant, but I do know it has been kicked around here for about 17 years—a bill I inherited from my predecessors and do not even know the parties concerned.

Mr. ZIONCHECK. I know that the gentleman is very much interested in a bill carrying $800,000.

Mr. O'CONNOR. The gentleman is wrong. I have no interest in the bill, except that it has been here for about 17 years, and the Federal Reserve, as well as the Secretary of State, say that a gross injustice was done the claimant. Just because the amount is large, there has been no opportunity of passing it through the House. It has always been objected to arbitrarily, and no one can honestly deny that.

Mr. ZIONCHECK. The gentleman understands that I did not object to the bill; but I do know this: That the objectors in the House have been so liberal that the President has had to veto several bills that have been passed by the objectors. In this way every bill will have to go to the President, and the President will have to be the objectors' committee and not the House, and the Lord knows the President has enough to do without legislating for the House.

Mr. O'CONNOR. I do not agree with the gentleman that any more bills will go to the President than go now.

Mr. NICHOLS. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. NICHOLS. If committees followed the suggestion of the Chairman of the Committee on Rules and appointed subcommittees whose functions it would be to consider the bills that were referred back to the committee which had met with two objections, and the proponents and opponents of the bill were invited to come before the subcommittee and took advantage of that opportunity, would they not have more opportunity and longer time to be heard and a better opportunity to clearly state their case than they have under the present rule?

Mr. O'CONNOR. We hope that will work out and that when objections are made and the bill goes back to the committee, that the committee will invite those objectors in to state their reasons; and, if they can convince the committee, then the committee will not put that bill in an omnibus bill. I am willing to wager, however, that on very few occasions will the objectors show up.

Mr. BLOOM. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. BLOOM. In case an omnibus bill is under consideration, would it be necessary to finish that omnibus bill in its entirety before a motion to adjourn would be in order? How would you protect the omnibus bill itself and also the other bills that are included in the omnibus bill?

Mr. O'CONNOR. You cannot protect bills against a filibuster.

Mr. BLOOM. What happens to the omnibus bill if there is no quorum present and an adjournment is had?

Mr. O'CONNOR. It would, in my opinion, be still pending when the Private Calendar of omnibus bills is taken up again.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. MOTT. Since we have the right to cut off useless talk at any time by calling for the regular order, what is the reason for prohibiting a reservation of the right to object? Under this proposed rule one cannot reserve the right to object.

Mr. O'CONNOR. That is correct.

Mr. MOTT. What is the merit in prohibiting that since we already have the right to stop anyone engaging in useless talk by calling for the regular order?

Mr. O'CONNOR. I might say it was more or less a question of psychology. Reservations of objection would not be attempted if there is a rule against them, whereas reservations of objection on one bill here at the present time often takes an hour. Further, if you cut off a man, he gets mad. That is what happens. If you have a rule that there can be no reservations of objection, then you will have no talk. That is the theory of this rule.

Mr. MILLARD. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. MILLARD. Did the gentleman's committee consider the fact about the age of these bills that go into the omnibus bill?

Mr. O'CONNOR. That is within the discretion of the reporting committees. Any arbitrary rule cannot be laid down. Some committees already have such rules. Rules Committee did not care to interfere with the standing committees of the House, which are on a parity with all committees.

Mr. MILLARD. Does the gentleman not think it rather dangerous to put in bills 20 years' old into an omnibus bill?

Mr. O'CONNOR. Offhand I would not say. It depends on the particular bill.

Mr. HANCOCK of New York. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. HANCOCK of New York. What good reason is there for limiting the amendments that may be offered? We are limited here by the language at the bottom of page 2:

> And no amendment shall be in order except to strike out or to reduce amounts of money stated or to provide limitations.

There are cases when other amendments than those provided for are desirable.

Mr. O'CONNOR. It was not called to the attention of the Rules Committee that there are any other cases where honest amendments are necessary. What is attempted to be done in that provision is similar to what we do in preventing a reservation of objection. We prevent pro forma amendments. That is all we attempted to do—to prevent amendments striking out the last word, and so forth. We thought by the provision we have inserted there about amendments we had met every situation where a necessary amendment could be offered to the paragraph.

Mr. HANCOCK of New York. Would not the gentleman accomplish his purpose by making it out of order to offer pro forma amendments?

Mr. O'CONNOR. That might not meet the entire satisfaction. We did want to stop filibustering. We want to do business in the consideration of the Private Calendar. Members are often more concerned with that calendar individually than with other measures before the House.

Mr. HANCOCK of New York. Clarifying language is very frequently required in these private bills.

Mr. O'CONNOR. I believe if the gentleman had an amendment which was of a different nature than strictly permitted under this rule and offered it, he would be granted unanimous consent to do so. He could always request unanimous consent to offer it in spite of this rule.

Mr. ZIONCHECK. Will the gentleman yield further?

Mr. O'CONNOR. I yield.

Mr. ZIONCHECK. The sum and substance of this bill with the omnibus measure in it provides that every bill that is reported by the regular standing committees of the House will be passed in the House, because no bill which will be rereferred to them, will be excluded from the omnibus bill.

Mr. O'CONNOR. If that happens, as I stated before, then something will have to be done further about the rule.

Mr. ZIONCHECK. But, in my opinion, that is what will happen. Personally I am not going to be on the Private Calendar.

Mr. O'CONNOR. We shall have to meet that situation when we come to it.

Now, Mr. Speaker, this rule has been referred to as a "gag" rule. Why, it is just the opposite. This rule takes away the power and ability of one man in the House to "gag" the entire Membership of the House.

Mr. Speaker, I reserve the balance of my time.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Speaker, I hesitate to say anything in opposition to this change in the rules, because I realize that the method in effect for considering private bills in the past has been somewhat unsatisfactory. I believe, however, that the reason for this is not so much the method of consideration, as the fact that the proper amount of time has not been given this class of legislation. The Private Calendar is a sort of stepchild, as far as this House is concerned, and generally speaking has been considered only when the House had nothing else to do. This proposed rule requires that 2 days in each month be devoted to the Private Calendar. If we would adopt that provision, and perhaps a provision that there should be three objections before a bill finally goes off the calendar, I think we would have a fairly satisfactory rule as far as the Private Calendar is concerned.

Now, if we adopt this rule, what will happen is just as was suggested by the gentleman from Washington [Mr. ZIONCHECK], namely, every bill which has the favorable report of a committee of this House will be passed. The first objection, that is, the objection which is made when the bill first comes up as a separate bill, is not going to count for anything, because the bill will then go back to the committee, and it is only reasonable to suppose that the committee which reported the bill in the first instance, after giving it what we must assume was careful consideration will again report it in an omnibus bill. Now, when the bill does come back as part of an omnibus bill, there is no chance, in my opinion, to strike it out although it may be quite objectionable.

Those of us who have been here when omnibus pension bills were considered know that those bills have gone through in practically every instance by unanimous consent. Why? Because almost every Member of the House had a bill included in that omnibus bill. This is no particular reflection on Members of the House, nor is any criticism implied. The result follows, however, because each Member is interested in his own bills, which he naturally regards as meritorious, and is not concerned about any of the many other provisions of the omnibus bill. The same situation will be true under this plan, because most of those who are in attendance in the House when an omnibus bill comes up will be those interested in bills contained in that bill. It is too much to expect that they will vote to strike out a bill included in the omnibus bill upon the very small amount of information which they can get during the discussion which may be allowed incident to a motion to strike out that provision. So the result is going to be that we will pass every provision of the omnibus bill.

I think it is a very serious objection to this resolution that there is no provision for a reservation of objection, because without that provision there is nothing in the record to show why the Member who made the objection did so. The committee to which the bill is recommitted should have the benefit of that information. It would be shown in the RECORD, if Members were permitted to make a reservation of objection.

Furthermore, I know from my own experience as one of those who has had the unpleasant duty of objecting to some of these bills, that it is frequently to the advantage of a proponent of a bill to have this reservation of objection, because it gives him an opportunity to furnish information which has not been contained in the report of the committee. The committee reports generally contain the most important points of information regarding the bill, yet very frequently those reports, because they can not be too voluminous, will fail to give essential information which can only be developed by a reservation of objection.

My judgment is that the adoption of this rule will not solve the difficulties which have been met in the past in the consideration of private bills, but will add new ones, and will result in the passage of many bills which are not just claims against the Government.

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I think the Members of the House ought to understand this proposed rule and know what they are voting on before they vote.

In the first place, instead of being a rule to provide for more prompt and proper consideration of the Private Calendar, it is a rule which will do just the opposite. It will prevent proper consideration of the Private Calendar. It puts a man who objects to a bill, conscientiously, in the position of having to raise a point of no quorum every time

a bad bill is reached and he does not have anyone else who will join with him in objecting. It puts him in a position where he is free to take that position.

In the second place, it provides that no reservation of objection shall be permitted. The reservation of objection and explanation which the proponents of bills make, constitutes one of the very best features of the method by which we handle the Private Calendar, because if a man has a decent case and a decent bill, he does not object to a reservation of objection and he does not object to getting up and telling what the good points of his bill are.

Then there is a provision for an omnibus bill. If we are going to have an omnibus bill, let us look at the picture that will be presented. Suppose an omnibus bill is brought out by the Committee on Military Affairs, and suppose in that bill there is one item which goes through which wipes out a charge of desertion against a man who has no business to have any such thing done, and that there are along with that bill 8 or 10 others that are meritorious.

That one fly in the ointment will spoil the whole bill and the President will have to veto the whole bill. That is the way the thing will work, and I want the House to know just how it will work.

Mr. NICHOLS. Why could not that be corrected by simply offering an amendment to the bill at the time it was up for consideration to take that paragraph out?

Mr. TABER. That would be all right if it happened to be done, but all wrong if it did not happen to be done.

Mr. NICHOLS. If the objectors are here, as they ordinarily are, they could exercise that privilege.

Mr. TABER. There are lots of bad bills that will get into the omnibus bill.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield for a correction?

Mr. TABER. I yield.

Mr. COCHRAN. If the gentleman will read the bill, he will find, on page 3, that, if an omnibus bill passes, it is separated.

Mr. BLOOM. It is broken down, and each bill is separated.

Mr. TABER. The gentleman is correct.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. BLANTON. To change the law respecting engrossed bills, we would have to have the Senate agree to this and the President sign it.

Mr. TABER. The gentleman is correct; this would have to be a joint resolution if that were going to be done; there is no question about it; it would have to be a joint resolution; the President would have to sign it, and, even then, I do not know that it would be constitutional; it might take an amendment to the Constitution. That is about it, is it not?

Mr. BLANTON. If anybody raised the question. And the question certainly will be raised when bad bills are passed.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. ZIONCHECK. If objectors on the Democratic side of the House and on the Republican side of the House objected to bills and those bills were embodied in an omnibus bill and the omnibus bill passed, never would anyone object to a bill any more, for there would be no use in objecting.

Mr. TABER. It would destroy the morale of those who were trying to protect the integrity of the Treasury.

Mr. ZIONCHECK. If the gentleman will yield for a further question, I should like to know whether in the gentleman's experience more personal pressure is not put on for private bills than for public bills by individual Members of the House?

Mr. TABER. Frankly, I have never served on the objecting committees. I have objected to some bills that I thought were bad, but I have not had the experience that has been had by the gentleman from Washington, the gentleman from Texas, the gentleman from Kansas [Mr. HOPE], the gentleman from New York [Mr. HANCOCK], and others who served on these committees.

Mr. ZIONCHECK. If the gentleman will accept my statement, there is more personal pressure, more personality that enters into private bills than public bills in that the Claims Committee cannot thoroughly go into the hundreds and hundreds of bills they have.

Mr. HANCOCK of New York. From influences both inside and outside of Congress.

Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. HANCOCK of New York. It has been my observation, after watching the Private Calendar for 3 or 4 years, that 9 out of 10 objections that are made are made conscientiously. The arbitrary, spiteful objection is very rare; which means, if I am correct in this statement, that every bill that goes into an omnibus bill will be a questionable bill. So if we pass an omnibus bill we pass bad bills by the wholesale. That will be the result.

Mr. TABER. I think the gentleman is correct.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. TABER. Certainly.

Mr. BLANTON. Every lawyer and parliamentarian of the House knows that if you pass an omnibus bill under a resolution like this you could not afterward separate those amounts carried in the paragraphs of the omnibus bill back into separate bills and send them to the Senate and White House, when they had never been engrossed and passed, unless you had a joint resolution signed by the Senate and President authorizing it.

Mr. TABER. I do not believe you could do it even then unless you had an amendment to the Constitution.

Mr. BLANTON. And unless it were passed by the Senate and signed by the President.

Mr. TABER. Yes.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. O'CONNOR. We considered that subject and attempted to reach it by the last paragraph of the resolution, on page 3; and we felt that we had met it. The parliamentarians on the gentleman's side agreed with some of the Members on this side that in an omnibus bill just the title of the bills will be referred to, probably in some little detail. The gentleman knows we can pass a bill here just by reading the title.

Mr. TABER. We certainly can make no rule which would permit a bill to be segregated into 15 or 20 bills without the concurrence of the Senate and the President; and, frankly, I do not believe we can even then.

Mr. O'CONNOR. We do it with pension bills.

Mr. TABER. Only because the pension bill cannot be vetoed except en gross.

Mr. O'CONNOR. That is the purpose of breaking this down. If the President had an omnibus bill before him, of course, he could not veto one item but would have to veto the entire bill; so we broke down the omnibus bill and separate bills go to the Senate and to the President.

Mr. TABER. Frankly, I do not believe this can be done by a resolution of the House.

Mr. O'CONNOR. We hope so.

Mr. TABER. I do not believe it would be valid. I do not believe any student of the Constitution would say it was valid.

Mr. BLANTON. And the Comptroller General would stop payment.

Mr. TABER. I think he would stop payment of the items; and the Supreme Court certainly would overrule that sort of thing.

I do not believe that we ought to require those who are called upon as a patriotic duty and by their leaders on both sides to make a point of no quorum in order to stop the bills. I do not believe this resolution will bring about the result that the gentleman from New York has intimated he desires.

I think it might be a good thing to increase the number of objectors to two, but I think if we do that we have done all that we ought to do as a try-out for this kind of a proposition. We ought not to put into effect this omnibus proposition.

I hope that the House will vote down the previous question and amend this proposition so that an omnibus bill will not be permitted, with all the mixed-up language there is here and all the involvements there are to make consideration of the Private Calendar almost an impossibility. We have tried for years and years to correct the Private Calendar situation.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. TABER. We have always come back to the proposition of asking unanimous consent of the House to consider the Private Calendar and only permit to be considered bills unobjected to. I do not think this rule will get away from that situation. I do not believe anything can be done along that line unless we try the proposition of two objections, and I am willing to do that if the Members will vote down the previous question and strike out the omnibus business.

Mr. O'CONNOR. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. O'CONNOR. The omnibus-bill feature was suggested by a gentleman on that side of the House, the gentleman from New Jersey [Mr. LEHLBACH], than whom there is no better parliamentarian in this House.

Mr. TABER. I think the gentleman is correct.

Mr. O'CONNOR. He suggested an omnibus bill and it was practically that suggestion which was carried into this rule. I may say that this is the first time we ever heard from either side of the House an objection to the omnibus feature of the bill.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. Mr. Speaker, I view with a great deal of sympathy the attempt of the Rules Committee to solve this very difficult problem of the Private Calendar, but I am not at all convinced they have arrived at the correct solution. I think removing the privilege to reserve the right to object is a very serious thing and will prove in the end to be detrimental.

As I understand from the explanation of the gentleman from New York, the Chairman of the Rules Committee [Mr. O'CONNOR], one of the objects of this resolution is to prevent Members from becoming angry at each other. I cannot imagine a situation which would be more conducive to anger on the part of Members than for one Member to have his bill objected to and killed without having an opportunity even to offer an explanation for the bill, or to defend it in any way.

Mr. LLOYD. Will the gentleman yield?

Mr. MOTT. I yield to the gentleman from Washington

Mr. LLOYD. Would not the same result be accomplished by a request to the objecting Member to withhold his objection while unanimous consent to explain the bill is asked?

Mr. MOTT. I do not believe that would solve the problem, and I do not think it would be a proper substitute for reserving the right to object.

Mr. Speaker, it has been very properly said here today that reservation of objection is a thing much abused. We all know, of course, that it has been abused in the past. Members will reserve the right to object, and then proceed to talk about everything except what is pertinent to the bill.

However, we have a well-nigh perfect remedy for stopping that sort of thing. Because we have been lax in the past and have not exercised the right to stop abuse of the privilege of talking is certainly no reason why we should not and cannot exercise it in the future. We can if we want to. I believe when a Member deliberately abuses the privilege of speaking under a reservation of objection that such Member should be immediately called to order. I think the House can easily accustom itself to enforcing this remedy if it will make up its mind to do so.

Mr. PITTENGER. Will the gentleman yield?

Mr. MOTT. I yield to the gentleman from Minnesota.

Mr. PITTENGER. Is it not a fact that these reservations of objection in most instances are simply for the opportunity to make a speech, and if the regular order is demanded an objection is made, anyway?

Mr. MOTT. I would not say so.

Mr. PITTENGER. I may say that that has been my observation and my experience.

Mr. MOTT. I do not think that is the general rule. I think it is rather the exception to the rule.

Mr. Speaker, during the last session on several occasions I had bills on the Private Calendar which were called and to which an objection was made. In each instance I requested that the objection be withheld for the purpose of making a short, simple explanation. My recollection is that in nearly every case the explanation satisfied the objector and that the objection was withdrawn.

On the other hand, under the proposed rule, if a bill should come up on the Private Calendar that I did not quite understand, I would be very prone to object to the bill if I thought an objection was merited, but I would not be allowed even to state my reason for objecting. Under the present system, I think we are following a fairer and a better procedure than that. In such a case as I have just mentioned I can, under the present procedure, reserve the right to object, ask the author of the bill a simple question which probably will clear the whole thing up in my mind, and in that case I can then withdraw the objection. The bill can then be passed, as it ought to be passed if it is meritorious.

I think the gentleman from New York [Mr. TABER] is right in his suggestion that we first try out this new procedure by providing for 2 or possibly 3 objections to start with. This will speed up the procedure, and it will not make anyone justifiably angry on account of an objection. I think if we start that way we can get used to it very easily, and that from then on we can function under the Private Calendar in fairly good order and with reasonable speed.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. HANCOCK].

Mr. HANCOCK of New York. Mr. Speaker, I had not planned to make any comment on this resolution in addition to those I have already made. I think, however, the Chairman of the Rules Committee misspoke when he said that it was the idea of the gentleman from New Jersey [Mr. LEHLBACH] to amend the rules so as to provide for an omnibus bill to carry the bills that were objectionable. As I remember his speech on that subject made several weeks ago, his idea was exactly the opposite. He proposed that the objectors on both sides examine the bills on the Private Calendar—and there are many that are purely formal and that no one can possibly object to—and that these bills be included in an omnibus bill which could be disposed of at once.

This is my recollection of the suggestion of the gentleman from New Jersey [Mr. LEHLBACH]. He recommended not that objectionable bills should be passed by the wholesale, but that unobjectionable bills should be passed in this way.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. HANCOCK of New York. I yield.

Mr. O'CONNOR. I think the gentleman is mistaken. The difference between the suggestion of the gentleman from New Jersey [Mr. LEHLBACH] and the pending suggestion is that the gentleman from New Jersey would set up a supercommittee, elected by the House, to review the bills and that supercommittee would take the objected-to bills and would consider putting them in an omnibus bill, but we think that to set up a supercommittee over the other committees would not be a respectable recognition of the standing committees of the House.

Mr. HANCOCK of New York. Of course, if there were no such thing as an official objector, the legislative committees

a bad bill is reached and he does not have anyone else who will join with him in objecting. It puts him in a position where he is free to take that position.

In the second place, it provides that no reservation of objection shall be permitted. The reservation of objection and explanation which the proponents of bills make, constitutes one of the very best features of the method by which we handle the Private Calendar, because if a man has a decent case and a decent bill, he does not object to a reservation of objection and he does not object to getting up and telling what the good points of his bill are.

Then there is a provision for an omnibus bill. If we are going to have an omnibus bill, let us look at the picture that will be presented. Suppose an omnibus bill is brought out by the Committee on Military Affairs, and suppose in that bill there is one item which goes through which wipes out a charge of desertion against a man who has no business to have any such thing done, and that there are along with that bill 8 or 10 others that are meritorious.

That one fly in the ointment will spoil the whole bill and the President will have to veto the whole bill. That is the way the thing will work, and I want the House to know just how it will work.

Mr. NICHOLS. Why could not that be corrected by simply offering an amendment to the bill at the time it was up for consideration to take that paragraph out?

Mr. TABER. That would be all right if it happened to be done, but all wrong if it did not happen to be done.

Mr. NICHOLS. If the objectors are here, as they ordinarily are, they could exercise that privilege.

Mr. TABER. There are lots of bad bills that will get into the omnibus bill.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield for a correction?

Mr. TABER. I yield.

Mr. COCHRAN. If the gentleman will read the bill, he will find, on page 3, that, if an omnibus bill passes, it is separated.

Mr. BLOOM. It is broken down, and each bill is separated.

Mr. TABER. The gentleman is correct.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. BLANTON. To change the law respecting engrossed bills, we would have to have the Senate agree to this and the President sign it.

Mr. TABER. The gentleman is correct; this would have to be a joint resolution if that were going to be done; there is no question about it; it would have to be a joint resolution; the President would have to sign it, and, even then, I do not know that it would be constitutional; it might take an amendment to the Constitution. That is about it, is it not?

Mr. BLANTON. If anybody raised the question. And the question certainly will be raised when bad bills are passed.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. ZIONCHECK. If objectors on the Democratic side of the House and on the Republican side of the House objected to bills and those bills were embodied in an omnibus bill and the omnibus bill passed, never would anyone object to a bill any more, for there would be no use in objecting.

Mr. TABER. It would destroy the morale of those who were trying to protect the integrity of the Treasury.

Mr. ZIONCHECK. If the gentleman will yield for a further question, I should like to know whether in the gentleman's experience more personal pressure is not put on for private bills than for public bills by individual Members of the House?

Mr. TABER. Frankly, I have never served on the objecting committees. I have objected to some bills that I thought were bad, but I have not had the experience that has been had by the gentleman from Washington, the gentleman from Texas, the gentleman from Kansas [Mr. HOPE], the gentleman from New York [Mr. HANCOCK], and others who served on these committees.

Mr. ZIONCHECK. If the gentleman will accept my statement, there is more personal pressure, more personality that enters into private bills than public bills in that the Claims Committee cannot thoroughly go into the hundreds and hundreds of bills they have.

Mr. HANCOCK of New York. From influences both inside and outside of Congress.

Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. HANCOCK of New York. It has been my observation, after watching the Private Calendar for 3 or 4 years, that 9 out of 10 objections that are made are made conscientiously. The arbitrary, spiteful objection is very rare; which means, if I am correct in this statement, that every bill that goes into an omnibus bill will be a questionable bill. So if we pass an omnibus bill we pass bad bills by the wholesale. That will be the result.

Mr. TABER. I think the gentleman is correct.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. TABER. Certainly.

Mr. BLANTON. Every lawyer and parliamentarian of the House knows that if you pass an omnibus bill under a resolution like this you could not afterward separate those amounts carried in the paragraphs of the omnibus bill back into separate bills and send them to the Senate and White House, when they had never been engrossed and passed, unless you had a joint resolution signed by the Senate and President authorizing it.

Mr. TABER. I do not believe you could do it even then unless you had an amendment to the Constitution.

Mr. BLANTON. And unless it were passed by the Senate and signed by the President.

Mr. TABER. Yes.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. O'CONNOR. We considered that subject and attempted to reach it by the last paragraph of the resolution, on page 3; and we felt that we had met it. The parliamentarians on the gentleman's side agreed with some of the Members on this side that in an omnibus bill just the title of the bills will be referred to, probably in some little detail. The gentleman knows we can pass a bill here just by reading the title.

Mr. TABER. We certainly can make no rule which would permit a bill to be segregated into 15 or 20 bills without the concurrence of the Senate and the President; and, frankly, I do not believe we can even then.

Mr. O'CONNOR. We do it with pension bills.

Mr. TABER. Only because the pension bill cannot be vetoed except en gross.

Mr. O'CONNOR. That is the purpose of breaking this down. If the President had an omnibus bill before him, of course, he could not veto one item but would have to veto the entire bill; so we broke down the omnibus bill and separate bills go to the Senate and to the President.

Mr. TABER. Frankly, I do not believe this can be done by a resolution of the House.

Mr. O'CONNOR. We hope so.

Mr. TABER. I do not believe it would be valid. I do not believe any student of the Constitution would say it was valid.

Mr. BLANTON. And the Comptroller General would stop payment.

Mr. TABER. I think he would stop payment of the items; and the Supreme Court certainly would overrule that sort of thing.

I do not believe that we ought to require those who are called upon as a patriotic duty and by their leaders on both sides to make a point of no quorum in order to stop the bills. I do not believe this resolution will bring about the result that the gentleman from New York has intimated he desires.

I think it might be a good thing to increase the number of objectors to two, but I think if we do that we have done all that we ought to do as a try-out for this kind of a proposition. We ought not to put into effect this omnibus proposition.

I hope that the House will vote down the previous question and amend this proposition so that an omnibus bill will not be permitted, with all the mixed-up language there is here and all the involvements there are to make consideration of the Private Calendar almost an impossibility. We have tried for years and years to correct the Private Calendar situation.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. TABER. We have always come back to the proposition of asking unanimous consent of the House to consider the Private Calendar and only permit to be considered bills unobjected to. I do not think this rule will get away from that situation. I do not believe anything can be done along that line unless we try the proposition of two objections, and I am willing to do that if the Members will vote down the previous question and strike out the omnibus business.

Mr. O'CONNOR. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. O'CONNOR. The omnibus-bill feature was suggested by a gentleman on that side of the House, the gentleman from New Jersey [Mr. LEHLBACH], than whom there is no better parliamentarian in this House.

Mr. TABER. I think the gentleman is correct.

Mr. O'CONNOR. He suggested an omnibus bill and it was practically that suggestion which was carried into this rule. I may say that this is the first time we ever heard from either side of the House an objection to the omnibus feature of the bill.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. Mr. Speaker, I view with a great deal of sympathy the attempt of the Rules Committee to solve this very difficult problem of the Private Calendar, but I am not at all convinced they have arrived at the correct solution. I think removing the privilege to reserve the right to object is a very serious thing and will prove in the end to be detrimental.

As I understand from the explanation of the gentleman from New York, the Chairman of the Rules Committee [Mr. O'CONNOR], one of the objects of this resolution is to prevent Members from becoming angry at each other. I cannot imagine a situation which would be more conducive to anger on the part of Members than for one Member to have his bill objected to and killed without having an opportunity even to offer an explanation for the bill, or to defend it in any way.

Mr. LLOYD. Will the gentleman yield?

Mr. MOTT. I yield to the gentleman from Washington

Mr. LLOYD. Would not the same result be accomplished by a request to the objecting Member to withhold his objection while unanimous consent to explain the bill is asked?

Mr. MOTT. I do not believe that would solve the problem, and I do not think it would be a proper substitute for reserving the right to object.

Mr. Speaker, it has been very properly said here today that reservation of objection is a thing much abused. We all know, of course, that it has been abused in the past. Members will reserve the right to object, and then proceed to talk about everything except what is pertinent to the bill.

However, we have a well-nigh perfect remedy for stopping that sort of thing. Because we have been lax in the past and have not exercised the right to stop abuse of the privilege of talking is certainly no reason why we should not and cannot exercise it in the future. We can if we want to. I believe when a Member deliberately abuses the privilege of speaking under a reservation of objection that such Member should be immediately called to order. I think the House can easily accustom itself to enforcing this remedy if it will make up its mind to do so.

Mr. PITTENGER. Will the gentleman yield?

Mr. MOTT. I yield to the gentleman from Minnesota.

Mr. PITTENGER. Is it not a fact that these reservations of objection in most instances are simply for the opportunity to make a speech, and if the regular order is demanded an objection is made, anyway?

Mr. MOTT. I would not say so.

Mr. PITTENGER. I may say that that has been my observation and my experience.

Mr. MOTT. I do not think that is the general rule. I think it is rather the exception to the rule.

Mr. Speaker, during the last session on several occasions I had bills on the Private Calendar which were called and to which an objection was made. In each instance I requested that the objection be withheld for the purpose of making a short, simple explanation. My recollection is that in nearly every case the explanation satisfied the objector and that the objection was withdrawn.

On the other hand, under the proposed rule, if a bill should come up on the Private Calendar that I did not quite understand, I would be very prone to object to the bill if I thought an objection was merited, but I would not be allowed even to state my reason for objecting. Under the present system, I think we are following a fairer and a better procedure than that. In such a case as I have just mentioned I can, under the present procedure, reserve the right to object, ask the author of the bill a simple question which probably will clear the whole thing up in my mind, and in that case I can then withdraw the objection. The bill can then be passed, as it ought to be passed if it is meritorious.

I think the gentleman from New York [Mr. TABER] is right in his suggestion that we first try out this new procedure by providing for 2 or possibly 3 objections to start with. This will speed up the procedure, and it will not make anyone justifiably angry on account of an objection. I think if we start that way we can get used to it very easily, and that from then on we can function under the Private Calendar in fairly good order and with reasonable speed.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. HANCOCK].

Mr. HANCOCK of New York. Mr. Speaker, I had not planned to make any comment on this resolution in addition to those I have already made. I think, however, the Chairman of the Rules Committee misspoke when he said that it was the idea of the gentleman from New Jersey [Mr. LEHLBACH] to amend the rules so as to provide for an omnibus bill to carry the bills that were objectionable. As I remember his speech on that subject made several weeks ago, his idea was exactly the opposite. He proposed that the objectors on both sides examine the bills on the Private Calendar—and there are many that are purely formal and that no one can possibly object to—and that these bills be included in an omnibus bill which could be disposed of at once.

This is my recollection of the suggestion of the gentleman from New Jersey [Mr. LEHLBACH]. He recommended not that objectionable bills should be passed by the wholesale, but that unobjectionable bills should be passed in this way.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. HANCOCK of New York. I yield.

Mr. O'CONNOR. I think the gentleman is mistaken. The difference between the suggestion of the gentleman from New Jersey [Mr. LEHLBACH] and the pending suggestion is that the gentleman from New Jersey would set up a supercommittee, elected by the House, to review the bills and that supercommittee would take the objected-to bills and would consider putting them in an omnibus bill, but we think that to set up a supercommittee over the other committees would not be a respectable recognition of the standing committees of the House.

Mr. HANCOCK of New York. Of course, if there were no such thing as an official objector, the legislative committees

a bad bill is reached and he does not have anyone else who will join with him in objecting. It puts him in a position where he is free to take that position.

In the second place, it provides that no reservation of objection shall be permitted. The reservation of objection and explanation which the proponents of bills make, constitutes one of the very best features of the method by which we handle the Private Calendar, because if a man has a decent case and a decent bill, he does not object to a reservation of objection and he does not object to getting up and telling what the good points of his bill are.

Then there is a provision for an omnibus bill. If we are going to have an omnibus bill, let us look at the picture that will be presented. Suppose an omnibus bill is brought out by the Committee on Military Affairs, and suppose in that bill there is one item which goes through which wipes out a charge of desertion against a man who has no business to have any such thing done, and that there are along with that bill 8 or 10 others that are meritorious.

That one fly in the ointment will spoil the whole bill and the President will have to veto the whole bill. That is the way the thing will work, and I want the House to know just how it will work.

Mr. NICHOLS. Why could not that be corrected by simply offering an amendment to the bill at the time it was up for consideration to take that paragraph out?

Mr. TABER. That would be all right if it happened to be done, but all wrong if it did not happen to be done.

Mr. NICHOLS. If the objectors are here, as they ordinarily are, they could exercise that privilege.

Mr. TABER. There are lots of bad bills that will get into the omnibus bill.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield for a correction?

Mr. TABER. I yield.

Mr. COCHRAN. If the gentleman will read the bill, he will find, on page 3, that, if an omnibus bill passes, it is separated.

Mr. BLOOM. It is broken down, and each bill is separated.

Mr. TABER. The gentleman is correct.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. BLANTON. To change the law respecting engrossed bills, we would have to have the Senate agree to this and the President sign it.

Mr. TABER. The gentleman is correct; this would have to be a joint resolution if that were going to be done; there is no question about it; it would have to be a joint resolution; the President would have to sign it, and, even then, I do not know that it would be constitutional; it might take an amendment to the Constitution. That is about it, is it not?

Mr. BLANTON. If anybody raised the question. And the question certainly will be raised when bad bills are passed.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. ZIONCHECK. If objectors on the Democratic side of the House and on the Republican side of the House objected to bills and those bills were embodied in an omnibus bill and the omnibus bill passed, never would anyone object to a bill any more, for there would be no use in objecting.

Mr. TABER. It would destroy the morale of those who were trying to protect the integrity of the Treasury.

Mr. ZIONCHECK. If the gentleman will yield for a further question, I should like to know whether in the gentleman's experience more personal pressure is not put on for private bills than for public bills by individual Members of the House?

Mr. TABER. Frankly, I have never served on the objecting committees. I have objected to some bills that I thought were bad, but I have not had the experience that has been had by the gentleman from Washington, the gentleman from Texas, the gentleman from Kansas [Mr. HOPE], the gentleman from New York [Mr. HANCOCK], and others who served on these committees.

Mr. ZIONCHECK. If the gentleman will accept my statement, there is more personal pressure, more personality that enters into private bills than public bills in that the Claims Committee cannot thoroughly go into the hundreds and hundreds of bills they have.

Mr. HANCOCK of New York. From influences both inside and outside of Congress.

Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. HANCOCK of New York. It has been my observation, after watching the Private Calendar for 3 or 4 years, that 9 out of 10 objections that are made are made conscientiously. The arbitrary, spiteful objection is very rare; which means, if I am correct in this statement, that every bill that goes into an omnibus bill will be a questionable bill. So if we pass an omnibus bill we pass bad bills by the wholesale. That will be the result.

Mr. TABER. I think the gentleman is correct.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. TABER. Certainly.

Mr. BLANTON. Every lawyer and parliamentarian of the House knows that if you pass an omnibus bill under a resolution like this you could not afterward separate those amounts carried in the paragraphs of the omnibus bill back into separate bills and send them to the Senate and White House, when they had never been engrossed and passed, unless you had a joint resolution signed by the Senate and President authorizing it.

Mr. TABER. I do not believe you could do it even then unless you had an amendment to the Constitution.

Mr. BLANTON. And unless it were passed by the Senate and signed by the President.

Mr. TABER. Yes.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. O'CONNOR. We considered that subject and attempted to reach it by the last paragraph of the resolution, on page 3; and we felt that we had met it. The parliamentarians on the gentleman's side agreed with some of the Members on this side that in an omnibus bill just the title of the bills will be referred to, probably in some little detail. The gentleman knows we can pass a bill here just by reading the title.

Mr. TABER. We certainly can make no rule which would permit a bill to be segregated into 15 or 20 bills without the concurrence of the Senate and the President; and, frankly, I do not believe we can even then.

Mr. O'CONNOR. We do it with pension bills.

Mr. TABER. Only because the pension bill cannot be vetoed except en gross.

Mr. O'CONNOR. That is the purpose of breaking this down. If the President had an omnibus bill before him, of course, he could not veto one item but would have to veto the entire bill; so we broke down the omnibus bill and separate bills go to the Senate and to the President.

Mr. TABER. Frankly, I do not believe this can be done by a resolution of the House.

Mr. O'CONNOR. We hope so.

Mr. TABER. I do not believe it would be valid. I do not believe any student of the Constitution would say it was valid.

Mr. BLANTON. And the Comptroller General would stop payment.

Mr. TABER. I think he would stop payment of the items; and the Supreme Court certainly would overrule that sort of thing.

I do not believe that we ought to require those who are called upon as a patriotic duty and by their leaders on both sides to make a point of no quorum in order to stop the bills. I do not believe this resolution will bring about the result that the gentleman from New York has intimated he desires.

I think it might be a good thing to increase the number of objectors to two, but I think if we do that we have done all that we ought to do as a try-out for this kind of a proposition. We ought not to put into effect this omnibus proposition.

I hope that the House will vote down the previous question and amend this proposition so that an omnibus bill will not be permitted, with all the mixed-up language there is here and all the involvements there are to make consideration of the Private Calendar almost an impossibility. We have tried for years and years to correct the Private Calendar situation.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. TABER. We have always come back to the proposition of asking unanimous consent of the House to consider the Private Calendar and only permit to be considered bills unobjected to. I do not think this rule will get away from that situation. I do not believe anything can be done along that line unless we try the proposition of two objections, and I am willing to do that if the Members will vote down the previous question and strike out the omnibus business.

Mr. O'CONNOR. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. O'CONNOR. The omnibus-bill feature was suggested by a gentleman on that side of the House, the gentleman from New Jersey [Mr. LEHLBACH], than whom there is no better parliamentarian in this House.

Mr. TABER. I think the gentleman is correct.

Mr. O'CONNOR. He suggested an omnibus bill and it was practically that suggestion which was carried into this rule. I may say that this is the first time we ever heard from either side of the House an objection to the omnibus feature of the bill.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. Mr. Speaker, I view with a great deal of sympathy the attempt of the Rules Committee to solve this very difficult problem of the Private Calendar, but I am not at all convinced they have arrived at the correct solution. I think removing the privilege to reserve the right to object is a very serious thing and will prove in the end to be detrimental.

As I understand from the explanation of the gentleman from New York, the Chairman of the Rules Committee [Mr. O'CONNOR], one of the objects of this resolution is to prevent Members from becoming angry at each other. I cannot imagine a situation which would be more conducive to anger on the part of Members than for one Member to have his bill objected to and killed without having an opportunity even to offer an explanation for the bill, or to defend it in any way.

Mr. LLOYD. Will the gentleman yield?

Mr. MOTT. I yield to the gentleman from Washington

Mr. LLOYD. Would not the same result be accomplished by a request to the objecting Member to withhold his objection while unanimous consent to explain the bill is asked?

Mr. MOTT. I do not believe that would solve the problem, and I do not think it would be a proper substitute for reserving the right to object.

Mr. Speaker, it has been very properly said here today that reservation of objection is a thing much abused. We all know, of course, that it has been abused in the past. Members will reserve the right to object, and then proceed to talk about everything except what is pertinent to the bill.

However, we have a well-nigh perfect remedy for stopping that sort of thing. Because we have been lax in the past and have not exercised the right to stop abuse of the privilege of talking is certainly no reason why we should not and cannot exercise it in the future. We can if we want to. I believe when a Member deliberately abuses the privilege of speaking under a reservation of objection that such Member should be immediately called to order. I think the House can easily accustom itself to enforcing this remedy if it will make up its mind to do so.

Mr. PITTENGER. Will the gentleman yield?

Mr. MOTT. I yield to the gentleman from Minnesota.

Mr. PITTENGER. Is it not a fact that these reservations of objection in most instances are simply for the opportunity to make a speech, and if the regular order is demanded an objection is made, anyway?

Mr. MOTT. I would not say so.

Mr. PITTENGER. I may say that that has been my observation and my experience.

Mr. MOTT. I do not think that is the general rule. I think it is rather the exception to the rule.

Mr. Speaker, during the last session on several occasions I had bills on the Private Calendar which were called and to which an objection was made. In each instance I requested that the objection be withheld for the purpose of making a short, simple explanation. My recollection is that in nearly every case the explanation satisfied the objector and that the objection was withdrawn.

On the other hand, under the proposed rule, if a bill should come up on the Private Calendar that I did not quite understand, I would be very prone to object to the bill if I thought an objection was merited, but I would not be allowed even to state my reason for objecting. Under the present system, I think we are following a fairer and a better procedure than that. In such a case as I have just mentioned I can, under the present procedure, reserve the right to object, ask the author of the bill a simple question which probably will clear the whole thing up in my mind, and in that case I can then withdraw the objection. The bill can then be passed, as it ought to be passed if it is meritorious.

I think the gentleman from New York [Mr. TABER] is right in his suggestion that we first try out this new procedure by providing for 2 or possibly 3 objections to start with. This will speed up the procedure, and it will not make anyone justifiably angry on account of an objection. I think if we start that way we can get used to it very easily, and that from then on we can function under the Private Calendar in fairly good order and with reasonable speed.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. HANCOCK].

Mr. HANCOCK of New York. Mr. Speaker, I had not planned to make any comment on this resolution in addition to those I have already made. I think, however, the Chairman of the Rules Committee misspoke when he said that it was the idea of the gentleman from New Jersey [Mr. LEHLBACH] to amend the rules so as to provide for an omnibus bill to carry the bills that were objectionable. As I remember his speech on that subject made several weeks ago, his idea was exactly the opposite. He proposed that the objectors on both sides examine the bills on the Private Calendar—and there are many that are purely formal and that no one can possibly object to—and that these bills be included in an omnibus bill which could be disposed of at once.

This is my recollection of the suggestion of the gentleman from New Jersey [Mr. LEHLBACH]. He recommended not that objectionable bills should be passed by the wholesale, but that unobjectionable bills should be passed in this way.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. HANCOCK of New York. I yield.

Mr. O'CONNOR. I think the gentleman is mistaken. The difference between the suggestion of the gentleman from New Jersey [Mr. LEHLBACH] and the pending suggestion is that the gentleman from New Jersey would set up a supercommittee, elected by the House, to review the bills and that supercommittee would take the objected-to bills and would consider putting them in an omnibus bill, but we think that to set up a supercommittee over the other committees would not be a respectable recognition of the standing committees of the House.

Mr. HANCOCK of New York. Of course, if there were no such thing as an official objector, the legislative committees

of the House would take their duties much more seriously and many of the bills now reported would be killed in committee.

Mr. O'CONNOR. That is what I have said.

Mr. HANCOCK of New York. The fact that we have objectors makes them necessary, because time after time the committees will say to a Member, "We will report out your bill and you can take your chances on the floor." So these official objectors do perform a very necessary function.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, I have performed my duty when I have expressed my opposition to this bill. No special responsibility rests upon my shoulders to study, investigate, and oppose bad bills. I think the same responsibility rests upon the shoulders of every one of the 435 Members of the House equally to stop bad bills.

When I first came to Congress in 1917, Mr. Garner, who was in charge of the Ways and Means Committee so far as our State was concerned, placed me on the Claims Committee and asked me on behalf of the Membership to watch these claims carefully. You will find in the Claims Committee during the first 3 years I served there a whole book of adverse reports that I filed on unmeritorious-claims bills. You will find one of them involved $100,000,000.

After I went off of that committee I became interested in watching them and I continued to watch them. When Mr. Garner was Speaker of this House he asked me on behalf of the Speaker to watch bad bills, and I was one of those who did it. When Mr. Speaker Rainey was elected Speaker of this House he asked me to be one of those who would watch bad bills and I performed that duty at his request. When the present Speaker of this House was elected he asked me to perform this duty and I have been performing it all the time at the request of those in authority in the House.

The present resolution rose because one of our colleagues, although I did not agree with him, once objected to a bill of my friend, the gentleman from Texas, Mr. EAGLE, and becoming incensed, he stopped all the bills on the calendar.

Mr. ZIONCHECK. I objected to that bill.

Mr. BLANTON. Yes; it was the gentleman from Washington who objected to Mr. EAGLE'S bill on that occasion.

Mr. ZIONCHECK. And I would object to it again.

Mr. BLANTON. This occasioned all this dissension about private bills. I have seen 50 bills passed here in 1 night with all of these objectors present—good bills that should have been passed, and even then, on such rights, with all objectors watching, once in a while a bad bill would get by and the President would have to veto it.

I have no more interest or responsibility in this matter than any of my colleagues. If the House wants to pass a rule like this, it can do it, but I warn you that just as sure as it is passed it will let every single private bill go by, be passed hereafter, because there will be no way to stop them. You will find every bill on the calendar passed as called, and you will find that some of these bills are 100 years old and will involve millions of dollars that ought not to be thus wasted.

The gentleman from Washington called the attention of the gentleman from New York to his bill, the O'Connor bill, which was up in the last session, involving $800,000. The gentleman from New York is one of the leading attorneys of that city. He is a member of one of the leading law firms there. Suppose his firm had a suit in court involving $800,000, I dare say they would take a week or 10 days or 2 weeks to try it. They would not try it on affidavits. They would try it on the evidence of sworn witnesses.

But every bill that comes here is tried on affidavits. Usually you have only one side presented. You do not have the Government's side presented. There are affidavits from persons that the Membership of the House have never seen, and if they had a chance to examine them on the witness stand probably 9 out of 10 would fail. Are you in favor of trying $800,000 cases in 1 minute, upon affidavits presented by only one side, and the other side not heard? That is the way they will be tried and passed under this rule. There might be here under this proposed rule an omnibus bill that might contain a hundred and fifty bills, involving millions of dollars, which would pass unanimously on affidavits in 2 minutes' time because we could not get Members here who were the authors of such bills to stop it on private-bill night.

I remember in the last session of Congress when one of our distinguished friends from California on the first day of Congress introduced over 300 private bills, and one of them involved $5,000,000,000. Do you want such bills to be put in an omnibus bill and passed in the twinkling of an eye, when no one can be heard, and no one will be allowed to speak against them?

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, how much time has the gentleman from Pennsylvania?

The SPEAKER. The gentleman has 7 minutes remaining.

Mr. RANSLEY. I yield that to the gentleman from New York.

Mr. O'CONNOR. Mr. Speaker, I yield 7 minutes to the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Speaker, when I came to Congress in 1929 I was assigned to the Claims Committee. I am still a member of that body. At the beginning of this Congress I was entitled to the chairmanship of that committee and also to the chairmanship of the Civil Service Committee, which I took instead. The gentleman from Maryland [Mr. KENNEDY] is Chairman of the Claims Committee and is undertaking to do a real job in that capacity.

Those who have served on that committee know that members of the committee have, for the most part, at least, rendered a distinct service to the Government, and that they do endeavor to give intelligent consideration to the private bills that come before the committee.

During the 5½ years that I have been a member of the committee the majority of the bills reported from the committee have not been considered because they were not reached on the calendar, or, if they were reached, they were objected to by some Member who had made but a casual examination.

I am not criticizing any Member of this House who opposed bills. I presume he did his duty as he saw it.

The point I make to Members of the House is this: That our constituents back home who claim to have been damaged or to have suffered a loss because of some act of some agency of the Government are the people who are entitled to consideration in this House. They have no other place to go. The only possible method of redress which they have is through a private bill introduced by their Congressman and considered on the floor of this body. If you are not going to give them their day in court, let us say so; do not let us go through this farce that we have been going through here where one man can get up, because his feelings have been ruffled, and object to a bill, which bill never has a chance of consideration.

With reference to the question of reservation of objection, the reason that is in the rule, I think, is because of a suggestion I made to the Rules Committee, and that is this: We find that about 50 percent of the bills reported by the Claims Committee, on an average, are passed. For a large part, at least, they are those to which nobody has any objection. They are the only ones that have been reached so far under the present regulations. Therefore let us try to pass those without any objection, without any reservation of objection, so that the good bills, the ones that everyone thinks are good, will pass on to the Senate and have a chance to become law.

Then we provide under this rule that those to which objection is made shall go back to the Committee on Claims, and it is understood by that committee and by the Committee on Rules that we are going to have a subcommittee of five of the Claims Committee, which has not heretofore considered the bills, review those bills to which objections have been made, and such as they agree shall come out of the committee again will be reported to the full committee for its consideration and for inclusion in an omnibus bill, if the committee so directs. Then, if they come out in an omnibus bill, they will be considered on this floor on their merits. I submit to the Mem-

bers of this body that there is nothing in this procedure that prevents the gentleman from Texas [Mr. BLANTON] or the gentleman from Washington [Mr. ZIONCHECK] or the gentleman from Kansas [Mr. HOPE], or any other gentleman in this House, from stopping those bills if they are meritorious. I do not agree with the insinuations that have been made here today that Members of this House, because they have bills in the omnibus bill, will not stop other bills if such should get in the omnibus bill.

I believe there is enough courage in this House, I believe there are enough Members here who have some regard for their oath of office, to stop any bill if such should not get by under this procedure. I believe they will do it. I believe if the general Membership would not do it, that then the gentleman from Texas [Mr. BLANTON] would do it by making a point of no quorum, and he can always do that under the procedure laid down, as was pointed out by the gentleman from New York [Mr. TABER]. Let us give this method a chance, and let us remember that our constituents deserve the right to their day in court. They are being damaged by trucks of the Post Office Department, by trucks of the Civilian Conservation Corps, by various agencies of this Government, and they do not have any day in court.

Fifty percent of the bills introduced in every Congress are never reached even for consideration under the present system, where one person arbitrarily—and I do not cast any reflection on those who object—can stop the consideration of a bill, and the result is that your constituent and mine have not had their day in court. I am not disturbed about raiding the Treasury. I do not believe any Congress is going to raid the Treasury, but I am disturbed about the failure of Congress to give consideration to the rights of our people who have suffered damages on the part of some agent of the Government, and who are entitled to have a hearing at the hands of the people who represent them.

Let us give a trial to this procedure, and if it does not work out, then we can adopt something else, but certainly under the present procedure the people of this country are not getting a square deal on private bills, and they ought to have that privilege.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. HOPE. I am in entire accord with what the gentleman says, that every person who has a claim against the Government should have his day in court, and the gentleman has stated correctly that there are many bills on the Private Calendar never reached. That is because the House has neglected the Private Calendar. We do not need to pass this legislation in order to reach those cases. If the House will set aside enough days for the consideration of the Private Calendar, we will obviate that situation which I agree is deplorable.

Mr. RAMSPECK. I think we ought to try out this procedure and give the people of this country an opportunity to have their legislation considered on its merits. I do not think any bill ought to be passed by unanimous consent unless it is so meritorious that it is unanimous, and we all know that under the procedure we have here now such is not the case; a man has to get down on his knees and beg someone not to object.

The SPEAKER. The time of the gentleman from Georgia has expired. All time has expired.

Mr. O'CONNOR. Mr. Speaker, I move the previous question.

The question was taken; and on a division (demanded by Mr. TABER) there were ayes 67 and noes 27.

Mr. TABER. Mr. Speaker, I object to the vote on the ground that there is no quorum present.

The SPEAKER. Will the gentleman withhold that for a moment?

Mr. TABER. I will.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. MCKEOUGH, indefinitely, on account of important business.

To Mr. SABATH, indefinitely, on account of important business.

To Mr. KVALE, for today, on account of illness.

To Mr. FERGUSON (at the request of Mr. NICHOLS), for 10 days, on account of important business.

To Mr. HESS (at the request of Mr. JENKINS of Ohio), for balance of the week, on account of important business.

To Mr. GRAY of Indiana, for 4 days, on account of important official business.

To Mr. POLK, for 1 week, on account of important business.

PRIVATE CALENDAR

The SPEAKER. The gentleman from New York [Mr. TABER] objects to the vote because there is no quorum present. Evidently there is not a quorum present.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 6 minutes p. m.), the House adjourned until tomorrow, Wednesday, March 27, 1935, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON MERCHANT MARINE AND FISHERIES

(Wednesday, Mar. 27, 10 a. m.)

Committee will continue hearings on the President's message (Doc. No. 119) relative to subsidies.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

277. A letter from the Administrator of the Veterans' Administration, transmitting copy of letter addressed to Librarian, Library of Congress, under date of March 7, 1935, and reply thereto dated March 19, 1935, relative to certain records in storage in the Veterans' Administration, no longer of use or value, and recommended for destruction; to the Committee on Disposition of Useless Executive Papers.

278. A letter from the Chairman of the Reconstruction Finance Corporation, transmitting report of activities and expenditures for February 1935, together with a statement of authorizations made during that month, showing the name, amount, and rate of interest or dividend in each case (H. Doc. No. 146); to the Committee on Banking and Currency and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 6803. A bill to authorize funds for the prosecution of works for flood control and protection against flood disasters; without amendment (Rept. No. 486). Referred to the Committee of the Whole House on the state of the Union.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 5789. A bill for the relief of the city of Perth Amboy, N. J.; with amendment (Rept. No. 507). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. GWYNNE: Committee on Claims. H. R. 284. A bill for the relief of John N. Brooks; with amendment (Rept. No. 487). Referred to the Committee of the Whole House.

Mr. LUCAS: Committee on Claims. H. R. 350. A bill for the relief of Florenz Gutierrez; with amendment (Rept. No. 488). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 812. A bill for the relief of Cora A. Bennett; with amendment (Rept. 489). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland. Committee on Claims. H. R. 949. A bill for the relief of Irvin Pendleton; with

amendment (Rept. No. 490). Referred to the Committee of the Whole House.

Mr. CARLSON: Committee on Claims. H. R. 1292. A bill for the relief of Grace McClure; with amendment (Rept. No. 491). Referred to the Committee of the Whole House.

Mr. SOUTH: Committee on Claims. H. R. 1365. A bill for the relief of E. G. Briseno; with amendment (Rept. No. 492). Referred to the Committee of the Whole House.

Mr. GWYNNE: Committee on Claims. H. R. 1485. A bill to pay to the Printz-Biederman Co., of Cleveland, Ohio, the sum of $741.40, money paid as duty on merchandise imported under section 308 of the tariff act; without amendment (Rept. No. 493). Referred to the Committee of the Whole House.

Mr. CARLSON: Committee on Claims. H. R. 1541. A bill for the relief of Evelyn Jotter; with amendment (Rept. No. 494). Referred to the Committee of the Whole House.

Mr. STACK: Committee on Claims. H. R. 2674. A bill for the relief of G. Elias & Bro., Inc.; with amendment (Rept. No. 495). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 3107. A bill for the relief of William Louis Pitthan; with amendment (Rept. No. 496). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 3218. A bill for the relief of Fred Herrick; with amendment (Rept. No. 497). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 3230. A bill for the relief of Rufus Hunter Blackwell, Jr.; with amendment (Rept. No. 498). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 3826. A bill for the relief of John Evans; with amendment (Rept. No. 499). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. H. R. 4428. A bill for the relief of Caroline (Stever) Dykstra; with amendment (Rept. No. 500). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. H. R. 4567. A bill for the relief of Robert E. Callen; with amendment (Rept. No. 501). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 4651. A bill for the relief of the Noble County (Ohio) Agricultural Society; with amendment (Rept. No. 502). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. H. R. 4942. A bill for the relief of Patrick Henry Walsh; without amendment (Rept. No. 503). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. H. R. 5041. A bill authorizing and directing the Secretary of the Treasury to reimburse Lela C. Brady and Ira P. Brady for the losses sustained by them by reason of the negligence of an employee of the Civilian Conservation Corps; with amendment (Rept. No. 504). Referred to the Committee of the Whole House.

Mr. LUCAS: Committee on Claims. S. 931. An act for the relief of the Concrete Engineering Co.; without amendment (Rept. No. 505). Referred to the Committee of the Whole House.

Mr. NICHOLS: Committee on Claims. S. 1012. An act for the relief of Ed Symes and wife, Elizabeth Symes, and certain other citizens of the State of Texas; with amendment (Rept. No. 506). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 6968) to place George K. Shuler on the retired list of the United States Marine Corps; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

A bill (H. R. 6297) for the relief of Leon Frederick Ruggles; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 3710) for the relief of the heirs at law of Barnabas W. Baker and Joseph Baker; Committee on Claims discharged, and referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ELLENBOGEN: A bill (H. R. 7017) to regulate the use of the mails of the United States of America; prohibiting the use of the mails to all matter pertaining or concerning articles or commodities produced, manufactured, sold, or delivered by child labor; and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. JONES: A bill (H. R. 7018) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes; to the Committee on Agriculture.

By Mr. KNUTSON: A bill (H. R. 7019) to repeal the excise tax on manufactures of furs; to the Committee on Ways and Means.

By Mr. LANHAM (by request): A bill (H. R. 7020) providing for the purchase of certain inventions, designs, and methods of aircraft, aircraft parts, and aeronautical and aviation technique of Edwin Fairfax Naulty and Leslie Fairfax Naulty, of New York; to the Committee on Patents.

By Mr. PLUMLEY: A bill (H. R. 7021) to amend paragraph 1798 of the Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. WILCOX: A bill (H. R. 7022) to authorize the selection, construction, installation, and modification of permanent stations and depots for the Army Air Corps, and frontier air defense bases generally; to the Committee on Military Affairs.

By Mr. SMITH of Virginia: A bill (H. R. 7023) to establish a commercial airport for the District of Columbia; to the Committee on the District of Columbia.

By Mr. DEMPSEY: A bill (H. R. 7024) to authorize the conveyance by the United States to the municipality of Hot Springs, N. Mex., the NE½ of the SE¼ and the NE¼ of the SW¼ sec. 6, T. 14 S., R. 4 W., Hot Springs, N. Mex.; to the Committee on the Public Lands.

By Mr. KOCIALKOWSKI: A bill (H. R. 7025) authorizing the Secretary of the Interior to furnish transportation to persons in the service of the United States in the Virgin Islands, and for other purposes; to the Committee on Insular Affairs.

By Mr. HAMLIN: A bill (H. R. 7040) to promote safety of life and property at sea and to aid in preventing marine disasters; to the Committee on Merchant Marine and Fisheries.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Nebraska, regarding the importation of wheat and corn; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Wisconsin, regarding a protective tariff on barley and barley malt; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Iowa, supporting payment of the bonus; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Wisconsin, regarding tariffs to protect agriculture; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Oregon, supporting House bill 2024; to the Committee on War Claims.

Also, memorial of the Legislature of the State of Arizona, regarding antireligious outbreaks in Mexico; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of Utah, opposing House bill 3263; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Michigan, regarding the construction of a drainage canal to relieve the Sebewaing River Basin; to the Committee on Rivers and Harbors.

Also, memorial of the Legislature of the State of Nebraska, regarding a processing tax on livestock; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Nebraska, regarding the use of ethyl alcohol in gasoline; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of California, regarding the deportation of aliens on public relief; to the Committee on Immigration and Naturalization.

Also, memorial of the Legislature of the State of California, regarding the deportation of undesirable aliens and aliens who are illegally in the United States; to the Committee on Immigration and Naturalization.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEITER: A bill (H. R. 7026) to correct the military record of Nicholas Lauber; to the Committee on Military Affairs.

By Mr. BLOOM: A bill (H. R. 7027) for the relief of Mary Rita Parker; to the Committee on Claims.

By Mr. CALDWELL: A bill (H. R. 7028) for the relief of Okaloosa County, Fla.; to the Committee on Claims.

By Mr. COLE of Maryland: A bill (H. R. 7029) for the relief of Mamie E. Schaumburg; to the Committee on Claims.

By Mr. DELANEY: A bill (H. R. 7030) to place George K. Shuler on the retired list of the United States Marine Corps; to the Committee on Naval Affairs.

By Mr. DIRKSEN: A bill (H. R. 7031) for the relief of Capt. Karl Minnigerode; to the Committee on Claims.

By Mr. DRISCOLL: A bill (H. R. 7032) granting an increase of pension to Elizabeth W. Barringer; to the Committee on Invalid Pensions.

By Mr. REED of Illinois: A bill (H. R. 7033) for the relief of Capt. Roger H. Young; to the Committee on War Claims.

By Mr. HOBBS: A bill (H. R. 7034) for the relief of Mr. and Mrs. Edward J. Pruett; to the Committee on Claims.

By Mr. LEA of California: A bill (H. R. 7035) for the relief of Charles Batini; to the Committee on Claims.

By Mr. ROBSION of Kentucky: A bill (H. R. 7036) granting a pension to John C. Camden; to the Committee on Invalid Pensions.

By Mr. ROGERS of Oklahoma: A bill (H. R. 7037) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the heirs of James Taylor, deceased Cherokee Indian, for the value of certain lands now held by the United States, and for other purposes; to the Committee on Indian Affairs.

By Mr. WARREN: A bill (H. R. 7038) granting a pension to Susie A. Harmon; to the Committee on Pensions.

By Mr. WEST: A bill (H. R. 7039) for the relief of T. T. East and the Cassidy Southwestern Commission Co., citizens of the State of Texas; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5589. By Mr. BEITER: Petition of the National Association Opposed to Blue Laws, urging passage of House bill 5850, entitled "A bill to amend an act entitled 'An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia' "; to the Committee on the District of Columbia.

5590. By Mr. BLAND: Petition of six citizens of Westmoreland County, favoring a uniform Federal old-age-pension law that must be adopted by the States before any Federal aid or relief is available; to the Committee on Ways and Means.

5591. By Mr. BOLTON: Petition signed by members of the Roosevelt Parent-Teacher Association of Willoughby Township, Lake County, Ohio, endorsing the Townsend old-age revolving pension bill (H. R. 3977); to the Committee on Ways and Means.

5592. By Mr. DELANEY: Petition of the Old Glory Club of Flatbush, Inc., of Brooklyn, N. Y., favoring House Concurrent Resolution No. 2, withdrawing our recognition of Soviet Russia; to the Committee on Foreign Affairs.

5593. By Mr. HART: Memorial of the Common Council of the Borough of Sayreville and the State of New Jersey in session assembled, memorializing the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day; to the Committee on the Judiciary.

5594. By Mr. HULL: Memorial of the Wisconsin Legislature, relating to a protective tariff on barley and barley malt; to the Committee on Ways and Means.

5595. By Mr. JOHNSON of Texas: Petition of Elmer Bullock, Sam Piccolo, Roy Foster, and Sam Scarmardo, of Bryan, Tex., favoring Federal regulation of motor vehicles; to the Committee on Interstate and Foreign Commerce.

5596. Also, petition of John D. Rogers and others, of Navasota, Tex., endorsing House bill 6198; to the Committee on Flood Control.

5597. By Mr. KENNEY: Resolution of the delegates of the Veterans Alliance of Essex County, requesting Congress to enact a law classifying all marines, soldiers, and sailors who served in any expedition on foreign shores where their lives were in danger as veterans; to the Committee on World War Veterans' Legislation.

5598. Also, resolution of the New Jersey Society Sons of the Revolution of Titusville, N. J., approving the creation of a Bureau of Alien Deportation in the Department of Justice as provided for in House Joint Resolution No. 69 of the Seventy-fourth Congress; to the Committee on Immigration and Naturalization.

5599. By Mr. KRAMER: Resolution of the Ancient Order of Hibernians, Division No. 1, Los Angeles, Calif., relative to the religious situation in Mexico, etc.; to the Committee on Foreign Affairs.

5600. Also, resolution of the Council of the City of Los Angeles, at its meeting held on March 21, 1935, relative to the enactment of the Black bill, S. 1518, which provides for the establishment of a 6-hour day for carriers engaged in interstate and foreign commerce, etc.; to the Committee on Interstate and Foreign Commerce.

5601. By Mr. LUCAS: Resolution of the Greene County Association of Rural Mail Carriers of Greene County, Ill., relative to the improvement of mail route roads; to the Committee on Roads.

5602. Also, petition of the members of Farm Bureau and farmers of Scott County, Ill., relative to farm credit relief; to the Committee on Agriculture.

5603. By Mr. LUDLOW: Petition of the voters of Indianapolis, Ind., favoring the passage, without amendment, of House bill 7598, the so-called "workers unemployment and social-insurance bill"; to the Committee on Ways and Means.

5604. By Mr. McLAUGHLIN: Petition requesting the Congress of the United States to promote, initiate, and support any legislation for the purpose of requiring all motor-vehicle fuels to contain ethyl alcohol in a volume of not less than 10 percent of the mixture; to the Committee on Agriculture.

5605. Also, petition memorializing the Congress of the United States to enact no livestock processing taxes; to the Committee on Agriculture.

5606. By Mr. MERRITT of Connecticut: Petition of sundry citizens of Rowayton and West Redding in the State of Connecticut, protesting against the passage of the public-

utility bills (H. R. 5423 and S. 1725); to the Committee on Interstate and Foreign Commerce.

5607. By Mr. MITCHELL of Tennessee: Petition of the Tennessee Legislature, petitioning the President and the directors of the Tennessee Valley Authority to give early and favorable consideration to plans for commencing construction work on the Whites Creek, Chickamauga, and Hiwassee Dams during the year 1935; to the Committee on Rivers and Harbors.

5608. By Mr. PLUMLEY: Petition of Kenneth W. Sollitt and nine others of Bristol, Vt., protesting against the passage of either House bill 5423 or Senate bill 1725; to the Committee on Interstate and Foreign Commerce.

5609. By Mr. PFEIFER: Petition of the Association of Employees, Long Lines Department, American Telephone & Telegraph Co., New York, concerning the national labor relations bill; to the Committee on Labor.

5610. Also, petition of the Coat and Suit Authority, New York City, regarding the extension of the National Recovery Administration for a period of 2 years as recommended by the President; to the Committee on Appropriations.

5611. Also, petition of Joseph W. Justus, 109 Java Street, Brooklyn, N. Y., and nine other citizens of New York, concerning the Rayburn-Wheeler public-utility bill; to the Committee on Interstate and Foreign Commerce.

5612. By Mr. PLUMLEY: Petition of F. V. Winslow and seven others of Montpelier, Vt., opposing the Wheeler public-utility bill (S. 1725) and the Rayburn public-utility bill (H. R. 5423); to the Committee on Interstate and Foreign Commerce.

5613. Also, vote of the Vermont Baptist State Convention, at Ludlow, Vt., on March 22, 1935, representing some 10,000 members, protesting against enactment of the Wheeler or Rayburn bills; to the Committee on Interstate and Foreign Commerce.

5614. Also, petition of citizens of Berlin, Vt., opposing the Rayburn public-utility bill (H. R. 5423); to the Committee on Interstate and Foreign Commerce.

5615. By Mr. RUDD: Petition of Charles Adolph Wolff, 8633 One Hundred and Ninth Street, Richmond Hill, Long Island, N. Y., and four other citizens, concerning the Rayburn-Wheeler public-utility holding companies bill; to the Committee on Interstate and Foreign Commerce.

5616. Also, petition of Francis McKeever, 9705 One Hundred and Eighth Street, Ozone Park, Long Island, N. Y., and 11 other citizens of Ozone Park, concerning the Rayburn-Wheeler public-utility holding companies bill; to the Committee on Interstate and Foreign Commerce.

5617. By Mr. STEFAN: Resolution adopted by the Nebraska House of Representatives, memorializing the Congress of the United States to enact no livestock processing taxes; to the Committee on Agriculture.

5618. Also, resolution adopted by the Nebraska State Senate, asking the Congress of the United States to promote, initiate, and support any legislation for the purpose of requiring all motor-vehicle fuels to contain ethyl alcohol in a volume of not less than 10 percent of the mixture; to the Committee on Agriculture.

5619. By Mr. SUTPHIN: Petition of the New Jersey Brick Manufacturers Association; to the Committee on Appropriations.

5620. Also, petition of the Sons of the Revolution, New Jersey society; to the Committee on Immigration and Naturalization.

5621. Also, petition of the mayor and Council of Sayreville, N. J.; to the Committee on the Judiciary.

5622. By Mr. TRUAX: Petition of members of the Roosevelt Parent-Teacher Association, Willoughby Township, Lake County, Ohio, heartily endorsing the Townsend old-age revolving pension bill and asking support of same; to the Committee on Ways and Means.

5623. Also, petition of F. Davenport and numerous citizens of Toledo, Ohio, urging support of Townsend recovery plan; to the Committee on Ways and Means.

5624. Also, petition of Evelyn Hoffman and other citizens of Columbus, Ohio, stating that they will be seriously harmed if either of the public-utility bills (H. R. 5423 or S. 1725) becomes a law as they are unfair, unwise, unnecessary, and discriminatory; to the Committee on Interstate and Foreign Commerce.

5625. Also, petition of Paul Hewetson and other citizens of Columbus, Ohio, stating that they would be seriously harmed if the public-utility bills were passed as they are unfair, unwise, unnecessary, and discriminatory; to the Committee on Interstate and Foreign Commerce.

5626. Also, petition of Henry T. Fournies and other citizens of Toledo, Ohio, urging support of the Townsend plan; to the Committee on Ways and Means.

5627. By Mr. WOLCOTT: Petition of Don R. Carrigan, Exalted Ruler, Benevolent and Protective Order of Elks, No. 343, Port Huron Lodge, Port Huron, Mich., and 144 others, requesting the Congress to empower the Department of Justice to investigate all subversive activities of individuals and organizations, alien or otherwise, seeking or planning the overthrow of our Government by force or other unlawful means, and for the enactment of legislation prohibiting the promotion or encouragement of the overthrow of a democratic form of government by force or violence, and other legislation to effectuate the purpose of the petitions; to the Committee on the Judiciary.

5628. Also, petition of Ferd J. Miller, of Unionville, Mich., and 54 other members of Sebewaing Local, Farmers' Educational and Cooperative Union of America, urging the prompt enactment of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

5629. By the SPEAKER: Petition of the Mothers and Daughters' Study Club of Denver, Colo.; to the Committee on Labor.

5630. Also, petition of the Effingham Lodge, No. 1016, Benevolent and Protective Order of Elks; to the Committee on the Judiciary.

5631. Also, petition of the Omega Psi Phi Fraternity; to the Committee on the Judiciary.

5632. Also, petition of the town of East Providence, R. I.; to the Committee on the Judiciary.

5633. Also, petition of the city of San Diego, Calif.; to the Committee on Ways and Means.

5634. Also, petition of the city of Norway, Mich.; to the Committee on the Judiciary.

5635. Also, petition of the Alteration Painters, Decorators, and Paperhangers Union of Greater New York; to the Committee on the Judiciary.

5636. Also, petition of the Tierra Alta Chapter, D. A. R., Los Angeles, Calif.; to the Committee on Immigration and Naturalization.

5637. Also, petition of the National Association of Merchant Tailors; to the Committee on Ways and Means.

5638. Also, petition of the city of Buffalo, N. Y.; to the Committee on the Judiciary.

5639. Also, petition of the Townsend Club, No. 3, of San Diego, Calif.; to the Committee on Ways and Means.

5640. Also, petition by the Citizens Joint Committee on Fiscal Relations between the United States and the District of Columbia; to the Committee on the District of Columbia.

5641. Also, petition of citizens of Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, and North Dakota, presented by the Benevolent and Protective Order of Elks of the United States of America, requesting the immediate passage of legislation designed to halt the activities of individuals and organizations within the United States seeking to overthrow the Government by force and violence; to the Committee on the Judiciary.

5642. Also, petition of citizens of Alabama, Alaska, Arizona, Arkansas, Canal Zone, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, and Illinois, presented by the Benevolent and Protective Order of Elks of the United States of America requesting the immediate passage of legislation designed to halt the activities of individuals and organizations within the United States seeking to overthrow the Government by force and violence; to the Committee on the Judiciary.

5643. Also, petition of citizens of the States of Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, and Utah, presented by the Benevolent and Protective Order of Elks of the United States of America, requesting the immediate passage of legislation designed to halt the activities of individuals and organizations within the United States seeking to overthrow the Government by force and violence; to the Committee on the Judiciary.

5644. Also, petition of citizens of the States of Ohio, Oklahoma, Oregon, and Pennsylvania, presented by the Benevolent and Protective Order of Elks of the United States of America, requesting the immediate passage of legislation designed to halt the activities of individuals and organizations within the United States seeking to overthrow the Government by force and violence; to the Committee on the Judiciary.

5645. Also, petition of citizens of the State of California, presented by the Benevolent and Protective Order of Elks of the United States of America, requesting the immediate passage of legislation designed to halt the activities of individuals and organizations within the United States seeking to overthrow the Government by force and violence; to the Committee on the Judiciary.

SENATE

WEDNESDAY, MARCH 27, 1935

(Legislative day of Wednesday, Mar. 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, March 26, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed a joint resolution (H. J. Res. 174) to permit articles imported from foreign countries for the purpose of exhibition at the California-Pacific International Exposition, San Diego, Calif., to be admitted without payment of tariff, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 935) to authorize the Secretary of War and the Secretary of the Navy to lend Army and Navy equipment for use at the national jamboree of the Boy Scouts of America.

ORDER FOR CONSIDERATION OF THE CALENDAR

Mr. ROBINSON. Mr. President, I desire to submit a request for unanimous consent, and ask the attention of the Senator from Oregon [Mr. MCNARY]. I ask unanimous consent that when the unfinished business shall have been completed, the Senate shall proceed to the consideration of unobjected bills on the calendar.

The VICE PRESIDENT. Is there objection?

Mr. MCNARY. Mr. President, I am quite in accord with the request, and, therefore, of course, have no objection.

The VICE PRESIDENT. Without objection, it is so ordered.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Bulkley	Couzens	Gore
Ashurst	Bulow	Cutting	Guffey
Austin	Burke	Dickinson	Hale
Bachman	Byrd	Donahey	Harrison
Bankhead	Byrnes	Duffy	Hatch
Barbour	Capper	Fletcher	Hayden
Barkley	Clark	Frazier	King
Bilbo	Connally	George	La Follette
Black	Coolidge	Gerry	Logan
Bone	Copeland	Gibson	Lonergan
Borah	Costigan	Glass	Long
McAdoo	Murray	Robinson	Trammell
McCarran	Neely	Russell	Truman
McGill	Norbeck	Schwellenbach	Tydings
McKellar	Norris	Sheppard	Vandenberg
McNary	Nye	Shipstead	Van Nuys
Maloney	O'Mahoney	Smith	Wagner
Metcalf	Pittman	Steiwer	Walsh
Minton	Pope	Thomas, Okla.	Wheeler
Moore	Radcliffe	Thomas, Utah	White
Murphy	Reynolds	Townsend	

Mr. ROBINSON. I announce that my colleague the junior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the Senator from North Carolina [Mr. BAILEY], the Senator from New Hampshire [Mr. BROWN], the junior Senator from Illinois [Mr. DIETERICH], and the senior Senator from Illinois [Mr. LEWIS] are necessarily detained from the Senate. I ask that this announcement stand for the day.

Mr. MCNARY. I wish to announce that the senior Senator from California [Mr. JOHNSON] is absent on account of illness.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness, that the Senator from Wyoming [Mr. CAREY] is absent on official business, that the Senator from Minnesota [Mr. SCHALL] is absent because of a death in his family, and that the Senator from Delaware [Mr. HASTINGS] and the Senator from New Hampshire [Mr. KEYES] are necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

FIVE HUNDREDTH ANNIVERSARY OF THE SWEDISH RIKSDAG

The VICE PRESIDENT laid before the Senate a letter from the Secretary of State, which was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, March 26, 1935.

The VICE PRESIDENT,
United States Senate.

MY DEAR MR. VICE PRESIDENT: A dispatch has been received from the Honorable Laurence A. Steinhardt, American Minister to Sweden, reporting that this year marks the five hundredth anniversary of the Swedish Riksdag, and that a celebration, including elaborate ceremonies, to mark this event will be held from May 27 to May 30 of this year.

This information is being sent to you as of possible interest to the Congress and for whatever action, if any, may be deemed advisable in the circumstances.

Very sincerely yours,

CORDELL HULL.

DISPOSITION OF USELESS PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting, pursuant to law, lists of publications and documents on the files of the Department which are not needed in the conduct of business, and asking for action looking to their disposition, which, with the accompanying papers, was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. WAGNER and Mr. NORBECK members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT also laid before the Senate a resolution of the House of Representatives of the State of Nebraska, memorializing Congress not to impose any additional livestock processing taxes, which was referred to the Committee on Agriculture and Forestry.

(See resolution printed in full when presented by Mr. NORRIS on the 26th instant, p. 4417, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a resolution of the Senate of the State of Nebraska, favoring the enactment of legislation for the purpose of requiring all motor-vehicle fuel to contain ethyl alcohol in a volume of

not less than 10 percent of the mixture, which was referred to the Committee on Agriculture and Forestry.

(See resolution printed in full when presented by Mr. NORRIS on the 26th instant, p. 4416, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a letter in the nature of a memorial from Herbert Moscow, New York City, N. Y., remonstrating against the making of increased appropriations for the Army and Navy, which was referred to the Committee on Appropriations.

He also laid before the Senate a resolution adopted by the Woodrow Wilson Democratic Ex-Service Men's Club, of Camden County, N. J., favoring the prompt enactment of legislation providing immediate cash payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Townsend Club, No. 3, of San Diego, Calif., favoring the adoption of the Townsend old-age-pension plan, which was referred to the Committee on Finance.

He also laid before the Senate the petition of Walter Gray, of Norfolk, Va., praying for the enactment of old-age-pension legislation, which was referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by the Gilpin Street Branch of Unemployment Councils, of Denver, Colo., favoring the enactment of House bill 2827, known as the "workers" unemployment old-age and social-insurance act", which were referred to the Committee on Finance.

He also laid before the Senate the petition of Pomona Post, No. 2018, Veterans of Foreign Wars of the United States, of Pomona, Calif., praying for the prompt passage of House bill 1, the so-called "Patman soldiers' bonus bill", which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by Local No. 31, International Hod Carriers' Building and Common Laborers' Union of America, of Union City, N. J., protesting against the enactment of proposed alien and sedition legislation, which was referred to the Committee on Immigration.

He also laid before the Senate the petition of Dr. Frank G. Atwood, of New Haven, Conn., relative to the qualifications of the senior Senator from Louisiana [Mr. LONG], which, with the accompany papers, was referred to the Committee on Privileges and Elections.

He also laid before the Senate a resolution adopted by the Council of the City of Los Angeles, Calif., favoring the enactment of Senate bill 87, known as the "Black 30-hour work week bill", which was ordered to lie on the table.

Mr. MALONEY presented a petition of sundry citizens of Hartford, Conn., praying for the enactment of pending legislation providing for the issuance on July 9, 1935, of a special commemorative postage stamp in honor of the one hundred and fiftieth anniversary of the termination of Commodore John Barry's services with the American Revolutionary forces, which was referred to the Committee on Post Offices and Post Roads.

Mr. LA FOLLETTE presented a joint resolution adopted by the Legislature of the State of Wisconsin, memorializing Congress to provide an adequate protective tariff for barley and other farm products, which was referred to the Committee on Finance.

(See joint resolution printed in full when presented by Mr. DUFFY on the 26th instant, p. 4583, CONGRESSIONAL RECORD.)

Mr. CAPPER presented a resolution adopted by Whitesell-Finnell Post, No. 971, Veterans of Foreign Wars of the United States, Newton, Kans., favoring the prompt passage of House bill 1, the so-called "Patman bill", providing for the immediate cash payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also presented telegrams in the nature of petitions from Larue S. Kingsbury Post, by Roscoe Cook, commander, of Athol; Caney Post, No. 1358, by S. B. Woods, adjutant, of Caney; Cecil J. Meeker Post, No. 1654, by T. E. Cantrell, post commander, of Chanute; Post No. 1520, by P. A. Lawrence, commander, of Dodge City; John J. Haskell Post, No. 2279, by Lester Mendenhall, adjutant, of Garden City; Bob Campbell Post, by E. G. Krause, commander, of Hutchinson; Post No. 1186, by R. H. Campbell, commander, of Independence; Post No. 408, by R. M. Fero, of Kansas City; John Ferguson Post, No. 3148, of Lyons; Thomas O. Barcus Post, No. 1368, of Neodesha; Hanlin Kelly Post, No. 2258, by L. G. Ferris, commander, and F. E. Freeman, adjutant, of Paola; Robert L. Graham Post, No. 846, of Pittsburg; Post Quenemo Melvern, by Dr. E. Butler, commander, of Quenemo; Morris Jennings Post, No. 320, by R. S. Cooms, commander, of St. Paul; Lieutenant Colonel John D. Riddell Post, No. 1432, of Salina; Post No. 27009, by James Michaels, commander, of Scranton; and Post No. 112, by H. W. Mueller, commander, of Wichita, all of the Veterans of Foreign Wars in the State of Kansas, praying for the prompt passage of the so-called "Patman bill", providing for the immediate cash payment of adjusted-service certificates of World War veterans, which were referred to the Committee on Finance.

Mr. COSTIGAN presented the following joint memorial of the Legislature of the State of Colorado, which was referred to the Committee on Finance:

House Joint Memorial 10

Whereas the value of silver as fixed by law is realized to the United States Government as and when the producer thereof delivers it to the United States mints; and

Whereas one-half of this value is now being appropriated as seigniorage by the United States Government; and

Whereas it is neither wise nor just that any government should profiteer at the expense of any section of its people, who in addition thereto pay the same taxes and bear the same burdens as the rest of the people of the Nation: Now, therefore be it

Resolved by the House of Representatives of the Thirtieth General Assembly (the senate concurring therein): That the President and the Congress of the United States is hereby memorialized and urged to rectify this injustice, and pay to the producers of silver the full value thereof, deducting only a fair and reasonable charge for the cost of refining and minting; and be it further

Resolved, That copies of this resolution be sent to the President of the United States, to the Secretary of the Treasury, to the chairmen of the appropriate committees of the Senate and the House of Representatives of the Congress of the United States, and to the Senators and Representatives from Colorado in Congress.

Mr. COSTIGAN also presented the following joint memorials of the Legislature of the State of Colorado, which were ordered to lie on the table:

House Joint Memorial 4

Whereas the Congress of the United States has before it measures tending toward the reemployment of labor; and

Whereas the shorter workday for labor as an agent of economic recovery has become one of the vital issues at this time; and

Whereas the hours of labor in the United States should be reduced to a point where the slack in employment may be taken up; and

Whereas the application of the 6-hour day and the 5-day week in this country will accomplish the reemployment of labor by industry: Now, therefore, be it

Resolved by the house of representatives of the thirtieth general assembly (the senate concurring herein), That the Congress of the United States is hereby respectfully memorialized and urged to give thorough consideration to bills establishing a 6-hour day and a 5-day week for labor in industry; be it further

Resolved, that the Senators and the Representatives of the State of Colorado in the Congress of the United States are requested to take such action as will insure consideration of the aforesaid bills, and that copies be forwarded forthwith to the President of the Senate, the Speaker of the House of Representatives of the Congress of the United States, and to the Senators and Representatives of the State of Colorado.

House Joint Memorial 8

Whereas there is now pending in the Congress of the United States House Joint Resolution No. 117, a joint resolution making appropriations for relief purposes; and

Whereas there is also now pending the Hayden highway amendment to said measure, which is for the purpose of appropriating funds for the highway program, including the improving of existing road systems, constructing national highways, and the elimination of grade crossings, as set forth in the President's message to Congress on January 4, 1935; and

Whereas the adoption of the Hayden highway amendment is desirable, in that such work affords useful permanent improvements on which a large percentage of direct labor can be used, and the projects undertaken can be selected and planned so as to compete as little as possible with private enterprise; and

Whereas the State of Colorado and the Western States of the United States, have as one of their major public needs, the com-

pletion of an adequate transportation system, connecting vast public stretches of unoccupied public domain: Now, therefore, be it

Resolved by the house of representatives of the thirtieth general assembly (the senate concurring herein), That the Congress of the United States is hereby respectfully memorialized and urged to give every consideration to the said Hayden highway amendment; and be it further

Resolved, That the Senators and Representatives of the State of Colorado in the Congress of the United States be requested to give their support to, and to vote for, the aforesaid Hayden highway amendment, and that copies of this memorial be forwarded forthwith to the President of the Senate, to the Speaker of the House of Representatives of the Congress of the United States, and to the Senators and Representatives from the State of Colorado in Congress.

Mr. BONE. Mr. President, I present a joint memorial of the Legislature of the State of Washington, which I ask may be printed in the RECORD and appropriately referred.

The memorial was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

House Joint Memorial 32

To the Honorable Franklin D. Roosevelt, President of the United States, and to the Senators and Representatives from the State of Washington:

We, your memorialists, the Senate and House of Representatives of the State of Washington in legislative session assembled, most respectfully represent and petition as follows:

Whereas it is impossible to save the fruit industry of the State of Washington without a vigorous war campaign against codling moth and other pests that affect the pears and apples, and which must be carried on by frequent and numerous spraying of the trees with arsenate of lead.

The apple and pear growers of the State of Washington are facing an insurmountable problem brought on by the regulations of the United States Food and Drug Administration, which, if continued, will ruin one of our main agricultural industries as well as eliminating one of our principal and needed food supplies; and

Whereas the cleaning of fruit down to the present tolerance entails expense for solvents, analyses, expensive equipment upon which there is a frightful depreciation, extra labor, and power and water charges that have become an excessive burden. This cost in 1934 was approximately $1,000,000, and the loss from culls occasioned by reduced spray programs, damage to fruit, rewashing, repacking charges, and adjustments made to consumate deliveries would total another $2,000,000, making the total cost and loss to the apple and pear industry in this State approximately $3,000,000. The excessive heat and strong solvents applied to the fruit during the washing process in order to reduce the residue down to the minute amount permitted under the present regulations has lowered the keeping qualities of the fruit to such a degree that it is forced on the market far ahead of the normal consuming period for Washington apples, and this factor alone occasions an additional tremendous loss, and losses from both causes make carrying on of the industry impossible; and

Whereas prior to 1926 fruit was put on the market for consumption which carried up to 20 times the residue now permitted on Washington apples and pears with no injury to the consumer. The amount of residue now permitted is less than one-half the amount of impurities contained in the most highly refined chemicals. In other words, modern manufacturing industries with the best available equipment are unable to produce chemicals as free from adulteration as Washington apples and pears; and

Whereas the present known methods of residue removal are inadequate to reduce the residue down to the present tolerance, and until some substitute is found for arsenate of lead or better methods are developed for its removal, it is imperative that the present tolerance be changed. Should the tolerance be placed at three and one-half parts to a million, or one-twenty-eight-hundredth of 1 percent, practically all damage to the fruit from heat and solvent injury could be eliminated and in addition the growers could institute a sufficiently heavy spray process in their operations to secure the industry from destruction from pests; and

Whereas because of the present rules of the Department of Agriculture the smaller grower has been forced to have his fruit packed in a central packing establishment because he is financially unable to purchase equipment to perform the cleansing and packing operations on his own farm, and only the larger growers, having an amount of fruit around 15,000 to 20,000 boxes, can afford the expensive equipment necessary, and the smaller grower has been forced to accept lower prices because he has lost control of his fruit when it was turned over to a central packing plant. Growers able to pack their own fruit can save 10 cents or more per box under commercial packing charges; and

Whereas the production of apples and pears represents to the State of Washington a gross annual revenue approximating $35,000,000, and in this industry are engaged nearly 10,000 growers and many times that number of employees. These growers now face the possibility of the loss of their homes and their incomes because of mortgage foreclosures and inadequate financing, and since fruit growing is such a highly specialized form of agriculture it is improbable that they can ever be displaced by settlers from other parts of the country who would have sufficient knowledge to produce fruit at a profit under normal conditions. The removal of any percentage of these growers from the production of fruit would decrease this gross annual income to such a degree that it would represent a tremendous financial loss to the State and increase our number of unemployed; and

Whereas it is absolutely imperative to save the apple and pear industry of the State of Washington and to allow the financing of the industry for the coming season that action be immediately taken by the Department of Agriculture upon the matter herein presented.

Now, therefore, the Legislature of the State of Washington respectfully petitions the President of the United States to cause the Department of Agriculture to raise and reestablish the present rule of tolerance for spray residue of 0.018 grain of lead per pound of fruit to a higher rate in accordance with conditions set out herein, and to such point that the apple industry of the State of Washington can destroy the pests constantly attacking it without barring their fruit from the interstate and foreign markets: Be it

Resolved, That this memorial be immediately forwarded by air mail to the President of the United States and to the United States Senators of the State of Washington and the Representatives in Congress from the State of Washington.

And your memorialists will ever pray.

Passed the house March 4, 1935.

ROBT. F. WALDRON,
Speaker of the House.

Passed the senate March 12, 1935.

VICTOR A. MEYERS,
President of the Senate.

This is to certify that the foregoing is a true and correct copy of House Joint Memorial No. 32.

S. P. HOLCOMB,
Chief Clerk House of Representatives

THE COOPERAGE INDUSTRY AND THE N. R. A.

Mr. ROBINSON presented a letter from Leslie E. Bryant, secretary-treasurer of the J. M. Bryant & Sons Co., Clarksville, Ark., which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

J. M. BRYANT & SONS CO.,
Clarksville, Ark., March 23, 1935.

Senator JOE T. ROBINSON,
Washington, D. C.

DEAR SENATOR ROBINSON: I understand the Senate Finance Committee is now investigating the N. R. A. and considering the matter of its extension. No doubt you are in position to contact and have some influence with members of this committee, and I would be pleased to have you in particular give careful consideration to the restraint of trade, and especially the oppression of small-business men in the cooperage and stave and heading manufacturing industries and the monopoly granted the glass-bottle manufacturers at the expense of the cooperage industry, which is caused by the bulk-sales restrictions in the liquor codes.

It seems that a few of the larger distillers and one glass-bottle manufacturer are privileged characters, and with the aid of the F. A. C. A. and the Internal Revenue Bureau, through Dr. Doran and their code authority, which is seriously injuring the cooperage industry and the smaller distillers, who are in favor of bulk sales of liquor, also forcing the consuming public to pay unnecessarily high prices for liquor of inferior quality. The restriction of the sale of liquor to bottles without any plausible reason is conclusive evidence that prejudice has been brought to bear in making such ruling. I would like to know how a bureau or code authority can legally ruin a business by a code provision which prohibits the use of standard liquor containers, such as wooden barrels and kegs? This action on the part of the code authority has done the cooperage industry irreparable damage, resulting in the unemployment of thousands of workers.

The present restrictions of the sale of liquor to bottles are contributing to the activity and prosperity of bootleggers by aiding them to sell their products at lower prices than legal liquor, besides the quality of whisky is constantly improving as long as it remains in the wooden barrel.

The only reason I have been able to get from the F. A. C. A. or the Internal Revenue Bureau for these code regulations is that they are necessary to control liquor traffic and make tax collection more effective. The Government certainly should not enter into the promotion of monopolies, and, of course, we all recognize our present administration is not only against monopolies but is trying to destroy them and large combinations. The smaller units in the liquor business and cooperage industry certainly should be given proper consideration.

We have gone through a period of 13 years of attempted prohibition of liquor, and the Government was not able to eliminate the bootlegger during that time by legally prohibiting its sale. Every effort should now be exerted to make the sale of liquor at the lowest cost possible in order to discourage the bootlegger and the patronage of him. The proper way to attain this end is to reduce the high margin of profit and amend the liquor codes so as to permit retail dealers to buy liquor in bulk instead of requiring them to buy in expensive bottles, for which they have no use and are required to break after they are empty.

I think the ruling of the F. A. C. A. and the Internal Revenue Bureau in this connection is most drastic and certainly very inconsiderate of the cooperage industry. The Government was able to collect the tax and keep control of the liquor traffic before

prohibition without such rules and equally as effective as it is doing now, and I do not understand wherein it has the right to arbitrarily set a rule that puts me out of business.

I shall appreciate very much your giving this matter your careful consideration and using your influence to eliminate unfair regulation.

Sincerely yours,

LESLIE E. BRYANT,
Secretary-Treasurer.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. POPE presented a resolution adopted by the City Council of Coeur d'Alene, Idaho, which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Whereas the Government of the United States is now definitely committed to the policy of spending additional sums of money for the purpose of hastening recovery from the present economic crisis, the immediate cash payment at face value of the adjusted-service certificates (issued to veterans of the World War) with cancelation of interest paid, as a most effective means to that end: Therefore,

We the City Council of the city of Coeur d'Alene, Kootenai County, Idaho, recommend and petition our President, our Senators, and our Representatives in Congress, that they lend their efforts and support such measure as will accomplish and effectuate the immediate cash payment of said adjusted-service certificates together with cancelation and refund of any interest accrued, where loans have been made upon such certificates, as a means toward hastening recovery from the present economic depression.

REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, to which was referred the bill (S. 1990) to permit articles imported from foreign countries for the purpose of exhibition at the California-Pacific International Exposition, San Diego, Calif., to be admitted without payment of tariff, and for other purposes, reported it without amendment and submitted a report (No. 374) thereon.

Mr. RUSSELL, from the Committee on Appropriations, to which was referred the bill (H. R. 6718) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes, reported it with amendments and submitted a report (No. 375) thereon.

ENROLLED JOINT RESOLUTION PRESENTED

Mr. LONERGAN (for Mrs. CARAWAY), from the Committee on Enrolled Bills, reported that on the 26th instant that committee presented to the President of the United States the enrolled joint resolution (S. J. Res. 24) to authorize the acceptance on behalf of the United States of the bequest of the late Charlotte Taylor, of the city of St. Petersburg, State of Florida, for the benefit of Walter Reed General Hospital.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHEPPARD:

A bill (S. 2399) to permit citizens of the Philippine Islands to receive instruction at the United States Military Academy; to the Committee on Military Affairs.

By Mr. CAPPER:

A bill (S. 2400) amending title II, section 202 (b), of the World War Adjusted Compensation Act, as amended (U. S. C., Supp. VII, title 38, sec. 613); to the Committee on Finance.

A bill (S. 2401) granting a pension to Emma Williams (with accompanying papers); to the Committee on Pensions.

By Mr. MURRAY:

A bill (S. 2402) for the relief of Josephine M. Scott; to the Committee on Claims.

By Mr. TYDINGS:

A bill (S. 2403) authorizing the President to promote Charles T. S. Gladden to the grade of commander, United States Navy; to the Committee on Naval Affairs.

A bill (S. 2404) to grant the consent of Congress to the George Washington Memorial Bridge Public Corporation, a corporation, to construct a bridge across the Potomac River; to the Committee on Commerce.

By Mr. GIBSON:

A bill (S. 2405) to provide for a special clerk and liaison officer; to the Committee on Civil Service.

By Mr. FRAZIER:

A bill (S. 2406) for the relief of Nancy Jordan; to the Committee on Indian Affairs.

By Mr. BLACK:

A bill (S. 2407) for the relief of Gordon McGee; to the Committee on Military Affairs.

By Mr. NEELY:

A bill (S. 2408) granting an increase of pension to Frank C. Nelson; to the Committee on Pensions.

By Mr. BYRD:

A bill (S. 2409) for the relief of Lottie May Bolin;

A bill (S. 2410) for the relief of Bessie B. Hurd, formerly Bessie B. Fowlkes;

A bill (S. 2411) for the relief of Mae C. Tibbett, administratrix; and

A bill (S. 2412) for the relief of Daniel N. Farnell; to the Committee on Claims.

A bill (S. 2413) for the relief of W. B. Fountain; to the Committee on Naval Affairs.

By Mr. WALSH:

A bill (S. 2414) to amend an act entitled "An act to extend the functions of the Reconstruction Finance Corporation for 2 years and for other purposes", approved January 31, 1935; to the Committee on Banking and Currency.

By Mr. WHEELER:

A bill (S. 2415) granting a pension to James L. Sloan (with accompanying papers); to the Committee on Pensions.

By Mr. FRAZIER:

A bill (S. 2416) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. POPE:

A bill (S. 2417) to establish the Shoshone Ice Caves National Park of Idaho; to the Committee on Agriculture and Forestry.

By Mr. GORE:

A bill (S. 2418) to provide for the protection of land resources against soil erosion, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. O'MAHONEY:

A bill (S. 2419) granting a pension to Hector J. Robitaille; to the Committee on Pensions.

A bill (S. 2420) to amend the air mail laws and to authorize the extension of the Air Mail Service; to the Committee on Post Offices and Post Roads.

By Mr. MALONEY:

A joint resolution (S. J. Res. 94) establishing a commission for the participation of the United States in the observance of the three hundredth anniversary of the founding of the Colony of Connecticut, authorizing an appropriation to be utilized in connection with such observance, and for other purposes; to the Committee on the Library.

By Mr. BULKLEY:

A joint resolution (S. J. Res. 95) giving authority to the Commissioners of the District of Columbia to make special regulations for the occasion of the Seventieth National Encampment of the Grand Army of the Republic, to be held in the District of Columbia in the month of September 1936, and for other purposes incident to said encampment; to the Committee on the District of Columbia.

DEVELOPMENT OF MINERAL RESOURCES—AMENDMENT

Mr. WHEELER submitted an amendment intended to be proposed by him to the bill (S. 1476) to provide for unemployment relief through development of mineral resources; to assist the development of privately owned mineral claims; to provide for the development of emergency and deficiency minerals, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. O'MAHONEY submitted an amendment proposing to appropriate $40,000 for the establishment, equipment, and maintenance of a petroleum experimental station at Laramie, Wyo., in cooperation with the University of Wyoming, to be immediately available, intended to be proposed by him to House bill 6223, the Interior Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

HOME MORTGAGE RELIEF—AMENDMENTS

Mr. NORBECK submitted an amendment intended to be proposed by him to the bill (H. R. 6021) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes, which was referred to the Committee on Banking and Currency and ordered to be printed.

Mr. HAYDEN and Mr. SCHWELLENBACH, jointly, submitted an amendment intended to be proposed by them to the bill (H. R. 6021) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owner's Loan Act of 1933, and the National Housing Act, and for other purposes, which was referred to the Committee on Banking and Currency and ordered to be printed.

KEEPING OUT OF WAR—EDITORIAL FROM PHILADELPHIA RECORD

Mr. BONE. Mr. President, I ask unanimous consent to have printed in the RECORD a very sane, patriotic, and highly illuminating editorial on war, published in the Philadelphia Record of March 27.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Record, Mar. 27, 1935]

HOW WE CAN KEEP OUT OF WAR

We don't want war.

Ninety-five percent of Americans, including most of the officers and General Staff of the United States Army, will subscribe to that proposition.

But subscribing to it won't keep us out of war.

Signing peace petitions a mile long won't keep us out of war.

Developments in Europe bring us nearer the edge, but all we've done so far to keep out of the impending collapse is to express our determination.

Effectiveness of that is zero.

If we want peace in the United States, we must prepare for peace by as concrete a program as one designed for war.

A program for peace can be and should be as specific as machine guns, hand grenades, and tanks.

We must climb down from the rarefied discussion of the horrors of war and the beauties of peace and select a particular road that will keep us out of trouble.

Such a specific program for peace grows out of a study of the reasons for our participation in the World War.

If we don't want war, we must, on the outbreak of hostilities anywhere in the world:

1. Prohibit lending of private funds to any belligerent.

2. Ban sales and shipments of goods of any sort to any belligerents.

3. Ban sailings of American vessels across waters in any disputed area.

4. Ban traveling by American citizens into the belligerent countries except for reasons of the most urgent necessity.

5. Disavow responsibility, as a nation, for loss of property, life, or liberty by any American who disobeys the above prohibitions, and announce in advance that such disobedience is at the violator's own risk.

We were pulled into the World War because American bankers and American manufacturers tried to profit from the world holocaust.

We became entangled through expansion of credits, shipment of goods, and maintenance of the doctrine of freedom of the seas to help those who were extending credit and shipping goods.

Ambassador Page's cable to President Wilson showed clearly that we went to war first to save $400,000,000 of Wall Street's credits abroad, and, second, only to "make the world safe for democracy."

The true reasons were trade reasons. The idealism was half pretense and half nationalization.

We know that now. Let's use our knowledge.

One point more: This program may mean serious domestic repercussions once war breaks out abroad.

If not compensated by extraordinary measures at home, it might produce industrial and agricultural panic within the United States should a considerable number of our foreign customers be affected.

Such panic, however, can be effectively prevented if we will spend at home just a part of the billions we would otherwise spend for war.

Keeping aloof from the struggle we must use a part of the money the war would cost to stimulate business here, to pay high wages for large-scale public works, to engage in far-reaching construction, to pour out purchasing power to make up any slack in foreign trade because of the embargoes.

We must stand ready to pour out the billions, but do it for bread, not bullets.

If we had spent at home only twenty billions of the forty billions the World War cost us, we would have kept out of the struggle, saved thousands of American lives, and have built an enduring prosperity instead of a post-war crisis.

If we hold fast to this line, we can keep out of trouble

And have the satisfaction of knowing that inability of a foreign belligerent to get American wheat, American meat, and, above all, American cotton, base of the world's explosives, means a shorter war for those who insist on fighting.

WORK-RELIEF PROGRAM—ARTICLE BY FRANK R. KENT

Mr. BARBOUR. Mr. President, I ask unanimous consent to have inserted in the RECORD an article which appeared in the Baltimore Sun on Tuesday, March 26, 1935, by Frank R. Kent.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun of Mar. 26, 1935]

THE GREAT GAME OF POLITICS

By Frank R. Kent

A CONTRAST

WASHINGTON, March 25.—Few friends of Mr. Roosevelt who permit themselves to think clearly can fail to sense the difference between the conditions under which he has gotten his $5,000,000,000 work-relief bill and those of a year ago. That bill embodies the bulk of his 1935 program—and is the greatest grant of money and power yet made.

It has been given sullenly by a Congress which renders him lip service but at heart does not believe in the wisdom of his policies or him. The bill has gone through not because a majority was convinced of its soundness or need, but because there was no escape from its passage. The votes for it were from party, pork, patronage, and personal reasons rather than from conviction. It was more scathingly indicted by Democratic Senators than defended. The points made by the opposition were not answered in the debate. To get the bill through, despite the huge party majority, a silver inflation amendment, which it is hoped to eliminate in the conference committee, had to be accepted, and more concessions than appear on the surface were made to labor in the matter of the wage scale. The measure is received with significant absence of enthusiasm by press and public. Its magnitude, not yet fully grasped, leaves the country in a daze.

All this is a great contrast. Gone is the glamour and the enthusiasm, the blind faith, the gay confidence, the unquestioning acceptance. On the contrary, aside from the radical group, which is more noisy than numerous, there is a deep feeling of apprehension among thoughtful administration supporters in Congress and out. It is even to be noticed in the erudite editorials of the impeccable Dr. Moley who last week spoke earnestly of the pessimism prevailing in the country. It is, in fact, noticeable everywhere except among the incurable Pollyannas of the press and politics.

To touch upon these realities very likely will once again bring the charge that Cassandra speaks. That has been the fashion in this administration from the start. If you stated the plain truth, you were called names. No matter how cockeyed the scheme, it must not be criticized; no matter how clear its failure, it must not be abandoned; no matter how great the risk, it must be ignored. What the professional observers were supposed to do was to acquiesce in the unworkable and become inscrutably profound in explaining that the next step, though more expensive, would be more successful.

The point of all this is that while Mr. Roosevelt has gotten his program through—with such a majority, failure in that was hardly conceivable—this time it has been accompanied by doubt, scorn, withering criticism, and attack such as he has not known before. It is easy to call them Cassandras, but the forecast of Senator GLASS of what the bill would do to the credit of the country, by Senator TYDINGS of the inevitable waste, graft, scandal, by Senator ADAMS of its unworkability; and by Senator BYRD of the unsoundness of the whole scheme—these attacks came from Democrats of reputation, standing, character, and—at least—common sense, who cannot be dismissed with an adroit journalistic phrase or a piece of merry persiflage at a White House press conference. It may also be conceded that they are not devoid of courage.

As for the country at large, ever since it has sunk in that in the past 12 months the number on relief rolls has greatly increased, rather than diminished, there has been a growing feeling that although for 2 years Mr. Roosevelt, unlike any other President, and most unlike his predecessor, has been given everything he asked—unlimited money, unrestricted power—he has really gotten nowhere. It can hardly be denied, in face of the relief figures, that the problems he promised to solve have been aggravated, not ameliorated. It is with people in this disillusioned frame of mind that he now launches another experiment, infinitely more costly and more dangerous in its possibilities than any other, so compli-

cated and vast that it would tax the power of a superman to manage.

And there isn't a superman in sight. The largest of magnifying glasses would fail to reveal even a minor superman among the specimens the new deal has brought together here. In face of the facts, the pessimism of which Dr. Moley is so painfully aware is not hard to understand. Nor can it be as easily dismissed as in the past by calling it the "jitters." It is both too wide-spread and well-founded.

THE SCHOOL AND THE HOME—ADDRESS BY SENATOR COPELAND

Mr. COOLIDGE. Mr. President, I ask unanimous consent to have printed in the RECORD an address by Senator COPELAND before the Harvard University Teachers' Association, March 16, 1935, on the subject of The School and the Home.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

You have invited me to discuss the Home and the School—A Problem in Cooperation.

I am unwilling to confine my observations strictly to the details of cooperation between the school and the home. To deal with the subject adequately consideration must be given to the mission of the school as a vital factor in our democracy, and particularly to the fact that the effective discharge of the mission involves the whole community. It extends far beyond the door of school and home.

Assuming that to be the scope of my topic, I welcome this opportunity to lay before you and the readers of your Harvard Teachers Record certain conditions related to the work of our schools. They have so much to do, too, with the welfare of our people that, in my opinion, the problem merits the serious consideration not alone of the group represented here, but of the public at large.

For years I have been actively interested in education. Of late I have come to look upon the schools as our front line of defense in maintaining the integrity of our democracy against subversive as well as against ignorantly misguided attack.

English-speaking peoples struggled from Runnemede to Yorktown, to win the right of self-government. With victory won, our forebears set about it, deliberately and officially, to commit themselves and their posterity, both by blood and by adoption into citizenship, to certain aims essential for the preservation of orderly self-government. Those aims are epitomized in the preamble to the Constitution, ordained and established in order that "we, the people" might continuously work out ways and means of securing for ourselves unity, justice, tranquility, the common defense and welfare and the perpetuity of liberty.

The integrity of our national life requires that the policies and practices of every individual and of every institution in our land must be in harmony with the specifications in the preamble. Here is the platform upon which our forbears, with all their diverse local interests and with all their personal differences in wealth, disposition, and beliefs, agreed. Here is the platform which has been restated in many subsequent official and historic documents, and iterated and reiterated by men representing every political creed, and every religious faith. Its universal acceptance is firmly established and makes it a platform which all our people approve and upon which all stand today.

The specifications of national aims and purposes set forth in the preamble represent the openly avowed and legally authorized aspirations of our people, and noble aspirations they are! But they are not aspirations that can be realized by fixing, once for all, our economic and political arrangements, and by straight-jacketing the intellectual and emotional life of our people into conformity with those fixed arrangements.

Our people are fired with the urge to personal achievement. They are constantly searching out new things that will better their way of life, and are suffering the growing pains that attend the readjustment and redistribution of material equipment and the revamping of habits, beliefs, and practices. Our ideas and our institutions must be revised continuously in order to adapt them to the flux and flow of circumstance. That is the penalty we must pay for our success in daring to make improvements.

In our quest for betterment, the individual or group does not work single-handed and alone. We work together, and in consequence have been obliged to build up a system to provide unfailing cooperation. This machine is so intricate that in its operation our mutual dependence places each of us at the mercy of everybody else. Our own blunders are numerous and glaring, and naturally we are betrayed repeatedly and outrageously. In this social organization the demands for intelligence and fidelity on the part of all our citizens—rich and poor, public and private, business and professional—become increasingly more varied and urgent.

There is no reason to call upon the wise men to decide what really is our social obligation. There can be no doubt that there is supreme need for education of all the people, young and old, education that will enable them, as individuals and as citizens, to meet the ever-changing demands for decision and action. Those demands must be met in full harmony with the spirit of our common aim as registered in the preamble of the Constitution.

As I view it, these aims, when considered in their full meanings and implications, are as applicable to the inner life of the individual as they are to his outer life as a member of society. In fact, the inner and the outer life are like the Siamese twins; they cannot be separated without doing violence to both. To the extent that the individual and society are not at one in the pursuit of common aims, to that extent tensions, frustrations, and maladjustments, both within the individual himself and in society, are certain to arise.

In our democracy the harmonizing of individual and social aims should be the basic mission of the school. At least that is my opinion.

In the pursuit of that harmonizing mission, there is but one feasible and legitimate course open to the school. It is to indoctrinate the youth of the land with the spirit of our democratic aims, as fully and completely as their individual traits and our educational wisdom, skill, and resources will permit.

That word "indoctrination", has become closely associated in our minds with invidious, partisan, and even dangerous propaganda. In consequence we are inclined to draw back when the word is used in connection with education. But nothing is to be gained by blinking the fact that young and old are continuously subjected to indoctrination, schools or no schools.

The very assembling of children in school implies, of course, that our intent is to mold them to a pattern, in a sense to "indoctrinate" them. We do this because we believe this system is better for them and for society than to hazard the pattern they are likely to acquire if permitted to run wild. Our deliberate aim in setting up schools is to direct and control the process. We can only applaud efforts of this sort if they conform to proper moral, social, and educational standards. For myself, I have no hesitation in saying that the highest purpose of pupil indoctrination should be the democratization of spirit through sane education and not the molding of prejudice through propaganda, as the word is commonly used.

Human beings are more or less plastic to the stamping in of impressions. Also, the more energetically they are stamped in, the more permanent they become, and in that mental area plasticity to new impressions is materially decreased.

In view of the persistence of fixed impressions, what is stamped in upon the minds of impressionable children is a matter of vital importance. If it is to be dogmatic beliefs about the form our social order should take, the victim of such teachings finds himself, sooner or later, out of harmony with what the spirit of democracy should foster. Subjecting children to this wrong kind of propaganda unfits them for effective participation in the pursuit of our common American aims and denies to them the open-minded responsiveness which that pursuit is entitled to produce.

Recently a pamphlet was issued under the title, "Dare the Schools Build a New Social Order?"

If by that question is meant daring to impose upon the youth of the land a pattern of dogmas and prejudices as to the form our social order should take, my answer is unequivocally "no." Nobody can know the precise form our social order will take with the passing years. I would commend to the ardent author and those like-minded with him the wisdom of doing a little less "daring" and of devoting themselves somewhat more assiduously to something less spectacular and certainly more onerous. I refer to the task of developing in the young all the skill, understanding, and fidelity of character that they are individually capable of grasping and for which their world will be in as sore need as is our harassed world today.

I do not question the right of any individual, as a citizen participating in the ongoings of our democracy, to impress his idea upon his fellow citizens. But he must do this fairly and aboveboard, without suppression or distortion of the facts. Frankly, however, I do challenge the right of any individual to take advantage of the authority and prestige his position gives to attempt indoctrination of immature and impressionable children, to infiltrate their minds with a body of fixed ideas as to the form our social order should take.

Harmonizing individual and social aims is a process which demands the focusing of attention upon the child and child needs; it utilizes subject matter as a means to this end, not as an end in itself. For years leading educators have been urging the child-centered school. But the schools are so intimately meshed in with their several communities that whatever they attempt to do by way of broadening the interests, quickening the insight, and guiding the activities of the children, is altered by influences outside the school; they are dependent upon the extent to which there is cooperation between the community and the schools. Information and fixed beliefs can be given within the confines of the school, but when the aim becomes the development of the individual child in harmony with our common democratic aims, the whole community must be taken into consideration.

The present depression has revealed the extent to which the fate of the school is dependent upon the fortunes of the community. Reliable estimates indicate that no less than 6,000,000 boys and girls are out of school this very month because of lack of funds for school maintenance. I have been happy to vote for billions of Federal funds for work relief and for the unemployed. But I shall not be happy until a way is found to supply the millions of dollars necessary to put every one of these 6,000,000 children back in school for full-time attendance.

Returning those children to school, however, is a relatively minor detail in the total problem of adjusting our educational policies and practices to the pressing needs of the times. It is important to have all the children in school, but what is done after we get them there is still more vital.

I welcome every opportunity that comes to me to pay my tribute of gratitude and respect to the teachers of our land for their devoted and faithful services to their communities and to the Nation. It so happens, however, that our schools do not operate

in isolation; desired and necessary adjustments cannot be effected by teachers, or by any other group operating alone, no matter how consecrated and enlightened that group may be.

The bonds between the school and the community are numerous and inescapable. In this connection, by way of illustration, it must suffice to call attention to three of those bonds. First, funds are required for the support of the schools, and the adequacy of those funds is dependent upon public appreciation of school needs.

Second, boys and girls show a wide range of individual differences in interests, abilities, and dispositions. If the schools are not equipped to provide a range of activities broad enough to meet the needs of all, then a measurable number of pupils will find the services of the schools inadequate. In consequence they may suffer from the demoralizing effects of repeated failure when subjected to requirements which they have neither the interest nor the ability to meet.

Third, children are subjected continuously to the influences of the home, the streets, local institutions, and community standards. If these are not in harmony with the aims and standards of the school it is obvious that the value of the best possible school training will be largely neutralized.

Doubtless many similar relationships will occur to you. But these three are sufficient to indicate the crucial necessity of community coordination and cooperation in the conduct of our schools.

You are keenly aware of the extent to which the individual is influenced by the total program of activities which he follows during his waking hours and throughout the successive days of the whole year. To those of us who recognize this fact, it becomes a matter of real anxiety when we see 6,000,000 of young people denied the privileges of school experience. They are being returned to their homes at a time when opportunities for activity there are so narrowly limited that there is little or no chance for them to secure the vital training essential to their personal development and ultimately to their civic usefulness.

This lack of opportunity in the home also affects children still in school. But it is markedly less, of course.

During this period of economic distress the limitation upon child activities in the home has become so serious that we have labored to provide a compensatory breadth of activities in the school itself. Also, outside the school we have endeavored to maintain such character building agencies as the Boy Scouts, the Girl Scouts, the Girl Reserves, the Y. M. C. A., the Y. W. C. A., the 4-H clubs, the Catholic and Jewish organizations, playground associations, and many other worthy movements. Yet the financial support of all these agencies has been curtailed, too, just at a time when children are in greatest need of the services those agencies are organized to render.

As boys and girls reach the age of 18 they face a world of unemployment, a world of rapidly shifting vocational employment, a world that is in turmoil. They are finding great difficulty in adjusting themselves to adult life. Nearly a half million of youthful vagrants drift about the land. Is it any wonder that the peak of age distribution in our prison population is 19 years?

The Federal Government is doing something, and hopes to do more, for boys during this critical age period of their lives, through civilian conservation camps and through working scholarships for college students. Governmental concern over the critical features of training and guidance in education would seem to warrant much more extensive activity along this line.

In 1835—a hundred years ago—more than 80 percent of the children lived in farm homes and, with the exception of the tools of literacy, were trained there by their parents in all the skills, both vocational and social, necessary for their lives. They were also trained by home and church in qualities of character and tenets of religious faith that gave direction, balance, and stability to their lives.

A century ago the place of the church was second only to the home; the school was a very poor third in its influence upon the lives of the people, young and old. Today the situation tends to be reversed, due largely to active influences outside the home, the school, and the church. Economic pressure and living conditions have exercised a decentralizing effect upon the home, while diversity of interests and the multiplicity of bids for our limited time have conspired, to some extent at least, to divert attention from the church. It seems fair to say to the group represented here today that the home and the church do not begin to influence the lives of the young as they once did. Meantime, the function of guidance and training has been relegated more and more to the school.

The educational law in every State makes it the primary responsibility of the school to see to it that an education is given in all matters essential to citizenship. Chapter 77 of your General Laws of Massachusetts, for example, contains the following language:

"Maintenance of public schools: Such schools shall be taught by teachers of competent ability and good morals and shall give instruction and training in * * * the duties of citizenship * * * good behavior. * * * In connection with physiology and hygiene, instruction as to the effects of alcoholic drinks and of stimulants and narcotics on the human system, and as to tuberculosis and its prevention, shall be given to all pupils in all schools under public control. * * * Such other subjects as the school committee considers expedient may be taught in the public schools.

"Moral instruction: Section 30. Duty of instructors in colleges * * * they shall exert their best endeavors to impress on the minds of children and youth committed to their care and instruction, the principles of piety and justice and a sacred regard for truth, love of their country, humanity and universal benevolence, sobriety, industry and frugality, chastity, moderation and temperance, and those other virtues which are the ornament of human society and the basis upon which a republican constitution is founded; and they shall endeavor to lead their pupils, as their ages and capacities will admit, into a clear understanding of the tendency of the above-mentioned virtues, to preserve and perfect a republican constitution and secure the blessings of liberty as well as to promote their future happiness."

Character is certainly an essential element in good citizenship. I do not mean to undertake any technical discussion of the attitude and habits of character essential to good citizenship It is sufficient to point out that increasingly interdependent living in 1935 calls for a quality of citizenship that insures a deeper sense of trusteeship and a clearer understanding of personal responsibilities than ever before. In this field Dean Holmes, Professor Dearborn, and other educational leaders associated with the Harvard School of Education have expressed this view more fully and convincingly than I can hope to do.

As I survey the various agencies of the community, I find myself driven to the conclusion that the school must take a vastly larger place in the social scheme. It is the only agency or institution that is in a position to act as the rallying center for the coordination of community activities; certainly such activities as are directed toward development of body, mind, soul, and civic usefulness through character building.

In this connection I may say that I have been deeply interested in the effectiveness of the educational law of 1919 of the State of Utah, which places squarely upon the school the responsibility for the coordination of social activities. As many of you know, this law makes it mandatory upon the school to account for every youth for 12 months each year up to the age of 18, and provides legal support for educational policy under which the school may exercise such a supervision over the activities of children as to insure the coordination necessary for the protection of the interests of the State and the child.

I believe this precedent and experience should be studied with care by every State, both for its suggestions in solving the question of leadership in coordination and because of its bearing upon questions of school curriculum and school organization. Utah has made a substantial contribution to the development of the technique of child accounting and in the establishment of an advanced public policy.

Michigan is also contributing significant experiences in planning educational developments. State Superintendent of Instruction Paul F. Voelker, who volunteered to collaborate with the senate committee on crime prevention, over which I have the honor to preside, and which has endeavored to demonstrate procedures in education, initiated his program through the Michigan Planning Commission. He succeeded in having formulated a restatement of the Goals of Education of Michigan, prepared and approved by this representative body. He then set up two demonstrations, one in the Burton School at Grand Rapids, to establish desirable evolutions in the system of student records, and the second at Mt. Pleasant, to point out needed readjustments in our training program for teachers. These demonstrations are described in the April 1935 number of the Education Record. Back of these two demonstrations is the conviction which I have been expressing for many months—that our present emergency demands we have a new technique of administration, using new tools and new classroom procedure.

One of these new proposals is a system of record keeping of a type analogous to those of every modern physician and of every modern medical clinic. For 10 years Prof. Ben D. Wood, of Columbia University, has done work on this problem, with the results of which you are all familiar. More recently President Randall, of the Rochester Athenaeum and Mechanics Institute, who is associated with me in the crime-committee work, has made a substantial improvement in the record technique by the addition of actual personal incidents in connection with the attitude and behavior. As a matter of fact, the keeping of behavior records was first demonstrated within Mechanics Institute.

In passing I may say that President Randall has been a most effective representative of the Senate committee of which I have spoken. This statement applies particularly to the community agencies, notably in the States of Michigan and Utah, as well as in the District of Columbia.

Recently a significant forward step was taken at the Washington High School in Rochester, N. Y., where the Girl Scout leader, Boy Scout master, and the officers of the school have undertaken to work out the administrative technique of assembling into a central record behavior record materials from character-building agencies. There is promise that this demonstration at Rochester, when combined with the results of the demonstration at Grand Rapids, may disclose a procedure which will tend to promote general cooperation between the home, the school, and all other agencies dealing with children.

In this scheme of cooperation the teacher assumes responsibility for a degree of understanding of the mental and emotional health of the child, comparable to the responsibility that a physician assumes for the physical well-being of his young patient. I am confident the teacher's records and his diagnostic technique need to be comparable to those of the doctor. To meet the situation as it exists the teacher of the future must command a higher degree of respect for his professional opinion and a higher degree of public confidence in his competency and professional sincerity than teachers generally have enjoyed in the past.

I say this with every personal respect and confidence in the teacher, a feeling I have always had for this much-abused public servant. May I add for your comfort, if it is that, that the same observation could be made regarding United States Senators?

I have outlined the new plan of securing cooperation in the compilation of behavior records which will help and control the pattern of activities of each child. I emphasize it because I see in this plan a means of extending the cooperation schools have enjoyed from existing agencies, such as the parent-teachers associations.

In connection with the congressional demonstration in the District of Columbia, Superintendent Ballou, in addressing parent-teacher associations, has stressed the point that the school needs to know more about the children. To this end he invited parents to call at the schools and confer with the teachers, for the purpose of contributing significant items which might make more valuable the behavior records of their children. Dr. Ballou reports that this invitation met with most gratifying response. The congressional demonstration is described in an article by Dr. Ballou in the Education Record of October 1934.

I would speak of another matter which has to do with community cooperation. It helps to establish contacts between home and school.

We are finding out that many of us, regardless of age, can still learn. This may be due to the fact that war, industrial development, and economic depression have wrought such critical changes in our circumstances and outlooks that our old, hard-baked cakes of practices and beliefs have been broken up and we are now somewhat more eager to accept new ones. At any rate, adult education is in the air. In the interest of cooperation between the school and the home, as well as from considerations of community betterment, the aims and methods in that field should be developed with a care and diligence second only to the care and diligence shown in the development of educational policies and practices for children.

In many communities the school buildings should be the scene of a large share of the community's recreational and social activities. Recently in my own home community in the country we encouraged our school plant to provide a gymnasium and recreational hall for the use, not only of the day-school pupils but of the whole community. To my surprise, there was at first considerable objection in official educational circles to the inclusion of this feature of the plant.

There is no general acceptance of the idea that a balanced program of education involves leadership on the part of the school in the recreational and social activities of parents and the community. As I see it, not only is it uneconomical to close the school buildings at 4 or 5 o'clock in the afternoon but, on the educational side, a failure to bring the community into the school plant at night is a failure to seize the opportunity for leadership in adult education.

I have wondered whether the hesitancy to make this use of the school plant has not been due to the lack of recorded and accepted statement of the purposes of adult education. There is ample precedent, and convincing arguments in the literature, to support the contention that the objectives of public education should include leadership and participation of the teachers in the community activities. I think this is in the interest of public policy, but it will not become the universal practice until there is public acceptance of an official statement of these objectives.

As in the case of Michigan, this process may begin with a State-wide adoption of a few general "goals of education." But the process will not have developed in the traditional American way until such a plan has been made the rule for each county and each township and each district and has found popular support and adoption in a form which commands local conviction. This requires a leadership which is dependent, at every step, upon a frank and friendly relationship on the part of the teachers with the parents. In this way only can their respect be won. The adults of the community must be convinced that they are being led sincerely, as well as in a direction and along a path which they understand and approve.

The application of this procedure to adult education requires uniform and consistent application over a period of years. Frequent changes in school personnel interfere with uniform policies and practices. The transition from the propaganda stage in the development of adult education to a truly professional stage involves the concentrated attention of the teaching profession.

The burden of leadership in community coordination and in cooperation between the school and the home rests, primarily and appropriately, upon school people. That burden, however, is not as exacting as it may seem. No group of teachers is condemned to work out anew and alone its program of action. In many quarters, as I have already indicated, much is being done. Reference to reports of progress in such places will simplify planning, releasing time and energy for the study of purely local problems of organization and administration.

Perhaps the methods used in community chest drives which have met with a high degree of success throughout the country may be found suggestive. In any survey of possible modes of procedure, it should be kept in mind that the efforts to achieve community coordination and home cooperation must be unremitting. It cannot succeed unless it is based upon a vivid realization of educational and social needs and a full acceptance of the aims of a program mutually agreed upon and understood.

Above the turmoil of strife and the welter of injustice, the standard to which, in the words of Washington, "the good and honest may repair", is still the preamble of our Constitution, with its call to unity, justice, tranquility, the common defense and welfare, the establishment of liberty. The authority for that standard is still "we, the people." The burden of carrying out the declared purpose of our Government still rests upon all the people. No group or clique or block or party can or will attain them for us. It is not the mission of the teacher to devise a new political and social order and induce children to live in a school-teacher's utopia, any more than it is the mission of senator, banker, engineer, or farmer to coax them to live in one of their several utopias. The mission of the teacher is to minister to the growth of the child in physical, mental, social, and moral health. In that respect it closely parallels the mission of the physician. It helps us to understand why Christ, the teacher, is called the "Great Physician." We will do well to follow in His footsteps.

Our quest for betterment, personal and national, has led us into the midst of complex problems and baffling difficulties. We cannot escape them. Our only recourse is to face them squarely and solve them with such wisdom, skill, and honesty as we have. We are sorely in need of more knowledge of pertinent facts, of more skill in assembling and interpreting facts, of a broader vision of what is worth while in life, of a keener sense of trusteeship, of more self-control and self-reliance, of more courage in standing steadfast even though it be to our own hurt, and of more downright honesty in all our dealings with ourselves and with others; in a word, more nobility of character. When our children come to maturity and face the problems and perplexities of their world, they will then need those qualities of competence and character as desperately as we, in our troubled world, need them now. There is the mission of the school in our democracy—and a noble mission it is!

But let us not forget it is not a mission that can be achieved by the schools alone. Nothing short of faithful and persistent cooperation on the part of the entire community can bring about a general and deep-seated fidelity to our common democratic aims. Without that fidelity our democracy cannot survive. With it we can save the world. Let's do it!

THE LIVESTOCK SITUATION

Mr. DICKINSON. Mr. President, I ask unanimous consent to insert in the RECORD an article appearing in the Washington Post this morning on the livestock situation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 27, 1935]

FINANCE, BUSINESS, ECONOMICS—DROUGHT AND ADJUSTMENT PROGRAM REDUCES NUMBER OF ALL ANIMALS ON FARMS TO LOWEST POINT RECORDED IN THIS CENTURY

NEW YORK, March 26.—The decline in the Nation's inventory of farm animals during 1934, owing to the agricultural adjustment program and the drought, was considerably larger than many earlier estimates had indicated. The Department of Agriculture's year-end report on livestock numbers shows a 13-percent decline in the number of animals on farms, the largest drop for 1 year on record. Never before during this century has the number of all animals on farms fallen as low as it is at present.

While all categories of farm animals have shown a decline in numbers, the drop was by no means evenly distributed. The decimation of hog supplies was most striking, the number on farms at the end of 1934 being 35 percent lower than at the beginning. In fact, the hog supply on the farms is now the lowest in about half a century. Cattle numbers are down 11 percent, but it must be remembered that it takes roughly twice as long to build up breeding stock in the case of cattle than in hogs.

Livestock interests express particular concern over the situation because the reduction in breeding stock, by limiting future animal production, may affect meat production and prices for a long time to come.

As viewed over a longer period of time the cattle situation is not nearly as serious as that involving hogs. At the beginning of this year 61,000,000 head of cattle were reported on farms. The number was 64,000,000 in 1905 and 63,000,000 10 years later. By 1920, under the stimulus of high war-time prices, the supply rose to 70,000,000. Then followed a decade of depression and decline in the cattle-raising industry, which gave rise to much unrest in the West. By 1930 cattle numbers were down to 60,000,000, and at present the number is moderately above the low point of the century.

POPULATION INCREASE BROADENED MARKET

Throughout this period the increase in population opened a steadily expanding market for cattle products at home. However, foreign markets for beef and allied products have contracted because of trade barriers, competition from cheaper sources of supply and similar factors, so that no substantial net shortage of supply is yet indicated. Plans for a cattle-control program are being wisely abandoned this year, it seems, although farmers will get benefit payments just the same.

The situation as regards hogs is very much more acute. As a result of the hog-killing program late in 1933 and the shortage and high price of corn caused by the A. A. A. and the drought, the supply at the beginning of this year was down to 37,000,000 hogs and pigs all told. In 1905 the country had 52,000,000, and in 1920 there were 60,000,000 hogs on farms. The total did not drop below 52,000,000 until after 1920 until last year.

This reduction in livestock numbers, particularly in the case of hogs, promises to cause a protracted period of higher prices for meats. Regardless of what happens to prices of other foods, the

housewife must look forward to seeing a substantially larger portion of the family budget going to pay the meat bill. Already a drop of 7½ percent in meat consumption was reported in January, as compared with the same month a year ago.

SUPPLY OF PORK WILL BE RESTRICTED

The problem this year will require careful handling. From the abnormally small number of hogs now on farms, it is likely a substantial proportion will be taken to supply breeding stock, so that the current supply of pork and its products must obviously suffer proportionately. On the other hand, if this is not done, and done generously, the country will face for next year another acute shortage of such products. In fact, whether it is at all possible, even with Spartan diversion of available hogs for breeding purposes this year, to restore the situation to anything like normal within the short period of a year depends in a large measure upon the age grouping of existing stock on farms and other technical factors.

Despite the severe reduction in the hog supply, the A. A. A. reduction agreements require signatories to keep their hog litters this year 10 percent below the 1932 and 1933 levels. If weather conditions are adverse, and if the price of corn should rise again relative to hogs, even a modest beginning may not be made this year to restock our farms with breeding hogs. Those who followed Russia's frantic efforts to replenish her livestock supplies, after animals had been slaughtered freely in connection with the farm collectivization program, will know how difficult it is to undo the mischief of an excessive slaughter of farm animals. The output of farm livestock cannot be adjusted nearly as easily as the production of field crops. Replenishment of the Nation's animal supply, therefore, may prove a very difficult and protracted task, and meanwhile high meat prices cause hardship to consumers and may modify meat consumption habits for years to come.

REPEAL OF PUBLICITY SECTION OF REVENUE ACT OF 1934

The Senate resumed the consideration of the bill (H. R. 6359) to repeal certain provisions relating to publicity of certain statements of income.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Wisconsin [Mr. LA FOLLETTE].

The amendment proposed by Mr. LA FOLLETTE is to strike out all after the enacting clause and to insert in lieu thereof the following:

That section 55 of the Revenue Act of 1934 is amended to read as follows:

"SEC. 55. Publicity of returns—

"(a) Returns made under this title upon which the tax has been determined by the Commissioner shall constitute public records and shall be open to public examination and inspection under rules and regulations promulgated by the Secretary and approved by the President. Whenever a return is open to the inspection of any person a certified copy thereof shall, upon request, be furnished to any person under rules and regulations prescribed by the Commissioner with the approval of the Secretary. The Commissioner may prescribe a reasonable fee for furnishing such copy.

"(b) (1) The Secretary and any officer or employee of the Treasury Department, upon request from the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, or a select committee of the Senate or House specially authorized to investigate returns by a resolution of the Senate or House, or a joint committee so authorized by concurrent resolution, shall furnish such committee sitting in executive session with any data of any character contained in or shown by any return.

"(2) Any such committee shall have the right, acting directly as a committee, or by or through such examiners or agents as it may designate or appoint, to inspect any or all of the returns at such times and in such manner as it may determine.

"(3) Any relevant or useful information thus obtained may be submitted by the committee obtaining it to the Senate or the House, or to both the Senate and the House, as the case may be.

"(c) The proper officers of any State may, upon the request of the Governor thereof, have access to the returns of any person, or to an abstract thereof showing the name and income of any person, at such times and in such manner as the Secretary may prescribe.

"(d) The Commissioner shall as soon as practicable in each year cause to be prepared and made available to public inspection in such manner as he may determine, in the office of the collector in each internal-revenue district and in such other places as he may determine, lists containing the name and the post-office address of each person making an income-tax return in such district.

"(e) No person shall obtain, divulge, or circulate or offer to obtain, divulge, or circulate for compensation any information derived from an income-tax return: *Provided*, That this subsection shall not be construed to prohibit publication by any newspaper of information derived from income-tax returns for purposes of argument nor to prohibit any public speaker from referring to such information in any address. Any person violating any of the provisions of this subsection shall, upon conviction thereof, be punished by a fine of not less tha $100 or more than $500, or by imprisonment for not less than 1 month or more than 6 months, or by both such fine and imprisonment."

Mr. MCADOO. Mr. President, I desire to address myself very briefly to the pending question. The theory advanced in support of publicity of income-tax returns proceeds upon two fundamentally erroneous assumptions:

First, that by giving the public access to the taxpayer's return somebody will discover that the return is incorrect or that the taxpayer has made a false return, whereupon this somebody will give information to the Government which will result in the prosecution of the delinquent taxpayer and the recovery of taxes which otherwise would not be paid.

It does not stand to reason that someone identified with the general public knows enough about the private affairs of any taxpayer to be able to say that his tax return is false or fraudulent. By an inspection of the taxpayer's return he would gain no knowledge which would enable him to become an informer, either for or without reward. Therefore the exposure to the public of the private affairs of the taxpayer can accomplish no useful or beneficial purpose whatever either for the Government or for the public interest. It is conceivable that some discharged employee who occupied a position of trust and confidence with the taxpayer might, for purposes of revenge, turn informer if the taxpayer had made a false or fraudulent return, but such instances would be rare. Moreover, such an informer could send whatever information he possesses to the collector of internal revenue without having seen the taxpayer's return; and if he disclosed facts which justified a special investigation of the taxpayer's books and accounts, the Commissioner of Internal Revenue would undoubtedly make such an examination or investigation. To bare to the prurient and self-seeking the private affairs of the income-tax payer cannot be justified upon any conceivable ground. On the contrary, it produces grave injustices of a character not ordinarily imaginable. Most of those who examine returns when they are thrown open to the public do so for various reasons which are wholly incompatible with the purpose of the publicity law.

Not long since I asked one of the most responsible collectors of internal revenue in the United States, a man who has had long and creditable experience in this service, what, in his opinion, was the value of publicity. He replied as follows:

This thing is already showing signs of the greatest abuse. People who do not know that the publicity called for in the law is not yet available are already pouring into this office to get information about people's income. Many of them are widows seeking to find an eligible widower with a good income, and many are widowers seeking the name and address of an eligible widow with a comfortable income. Others are plainly agents of matrimonial bureaus seeking information as to likely parties whom they can circularize in their business. Some have pointed out that the information is dangerous because it gives the kidnaper exact information of the financial ability of some who might pay ransom. The automobile agencies, stock salesmen, and commercial salesment of every kind and character swamp our office to get names and addresses of persons able to buy a car or to make an investment or to buy something they have for sale. The same will be true of every other industry and business that circularizes the public for trade purposes. The publicity provision should, in my opinion, be repealed, and the act of repeal should date back to the date on which the law became effective, May 10, 1934, otherwise we shall have great confusion because some returns will be subject to publicity and others will not.

There is no doubt in my mind of the correctness of this statement. Invasion of the private rights of taxpayers, which can result in no benefit to the public or to the Government, merely subjects them to grave abuses and wrongs. It is enough for the sorely tried taxpayer to bear the burden of excessive taxation which has been forced upon him during this depression to take care of burdens not comparable to those which the Nation has suffered in any other period of its history.

In my State, California, the load of State, county, municipal, school district, assessment district, sales, and other taxes has become almost unbearable. Superimposed upon all of these are the taxes of the Federal Government. Is it not enough to take the greater part of the savings of the people

by taxation without subjecting them to needless annoyances—without exposing their affairs to the public and to their competitors in business? Any rational policy of taxation should have in view the collection of the needed revenue upon the most equitable and fair basis that can be found without the accompanying infliction of unnecessary and undeserved annoyances and penalties.

During the 6 years that I occupied the post of Secretary of the Treasury the question of publicity of tax returns came frequently before the Department. At every session of the Congress some one sought the views of the Treasury on the question of publicity of tax returns. I assembled my staff and experts of the Department, and the result of every discussion that followed was against publicity of the taxpayer's return.

After the Civil War and prior to 1870 publicity of tax returns was tried. It proved to be a failure and was repealed in 1870. In 1924 a measure of publicity was enacted. This required the publication of the names and addresses of taxpayers, with the amount of tax paid. Experience showed that it was productive of no beneficial results whatever.

In 1934 the present publicity provision was enacted. It has caused wide-spread resentment and protest from all parts of the country. The provision should be repealed.

The second erroneous assumption as to the value of publicity is that the taxpayer will be so instilled with fear and terror that he will make more truthful returns. This is based solely upon conjecture. It is theory, pure and simple. Any taxpayer who is willing to take the chance of a prison sentence, for which the law now provides, will not hesitate to take that chance even though publicity of his return is required. The taxpayer knows that no one of the general public who inspects his return knows as much about his business as he does and therefore would be unable to detect either errors or falsifications in the return.

The psychological benefits claimed by those who advocate publicity rest upon mere speculation and conjecture. The thing that deters the dishonest taxpayer is the law of the land, which stares him in the face and has always stared him in the face ever since the Federal Government imposed income taxes. That is the wholesome fear of a prison sentence if he makes a false return or fails to make a return when the amount of his income brings him within the purview of the statute.

The Commissioner of Internal Revenue has the most comprehensive and effective inquisitorial power which could be accorded by law to any official to examine the books and accounts and affairs of every taxpayer. If he finds that a taxpayer has made a false or fraudulent return, he can be, and is, prosecuted with all the power of the Federal Government. It is a rare case when a conviction does not follow an indictment for the filing of a false and fraudulent return or the failure to file a return when it is required by law. The effective arm of the Government for the detection of frauds upon the revenues and for the punishment of the guilty is the inquisitorial power of the Commissioner of Internal Revenue. We should rely upon that power and spare the honest taxpayer and patriotic citizen the wrong and injustice of invading his private affairs and exposing them to the public.

Justice and just government should be the basis and the only basis for all legislation.

Mr. BORAH. Mr. President, may I ask the Senator from California if the views he has just expressed apply to the substitute which has been offered by the Senator from Wisconsin [Mr. LA FOLLETTE]?

Mr. McADOO. Yes; they do.

CONDITION OF COTTON-TEXTILE INDUSTRY

Mr. METCALF. Mr. President, I wish to invite the attention of Senators to the photographs which I have had hung on the walls of the Chamber. They were taken by the Providence Journal. They disclose in some degree the terrible condition of the cotton textile industry of Rhode Island. All these photographs, with the exception of one, which pictures a mill in Connecticut, are of Rhode Island mills. A few of the mills are being torn down in order to escape taxation. Most of them are bankrupt, but, worse than that, the workers are thrown out of employment and have no place to go, as other cotton mills are shutting down. I have here a list of 22 mills in Rhode Island which have closed their doors.

Mr. President, we must find some way to relieve the distressing condition in which the cotton industry now finds itself. I talked this morning to a cotton manufacturer of the South. He told me he has closed one of his mills and that his other mill is being run on short time. This would indicate that it is not only a Rhode Island disaster but it is as well a national disaster.

I hope Senators will glance for a moment at least at the pictures of the large mills. There they will see one where the machinery is being taken out, another where the mill building itself is being torn down. Another photograph shows the poor laborers in a group on the sidewalk, with no place to go. If they are not now on the relief rolls, I am afraid they soon will be.

We have the processing tax, the codes, and various other elements, which, altogether, make it impossible for these mills to operate. There is no place where employment can be found for the thousands of operatives who have worked a long time in these mills. Most of the mills are in small communities where many of the men own their own homes; but there they are, left desolate, at the mercy of the Congress to rectify the terrible condition in which they find themselves.

One of the great causes of this difficulty is the processing tax. Why should the mill operatives be taxed out of their jobs?

Furthermore, why should we encourage importations from foreign countries instead of protecting the interests of our own workers, when the imported goods are made by operatives who work for wages which are only from a third to a quarter of the wages American operatives are able to earn?

During January and February of this year more cotton cloth was imported than in all of 1934. How can we expect to find work for these operatives when, as I said, the employers in foreign countries pay only a quarter of what we pay here?

Not only are the cotton-growing States of the South being ruined by the way this matter is being managed—ordinarily this country uses about 40 percent of all the cotton that is grown here, and exports some 60 percent—but, as a result of the regulations under which they are working today, the cotton farmers are going to lose the world market. These rules are encouraging the growing of cotton in India, in Egypt, and in Brazil; and the competition from them is so severe that it looks as if our cotton-growing States in the South would lose practically the only product they can grow successfully.

I am not speaking for New England only. I am speaking for the country as a whole. I am thinking of the cotton farmers.

Mr. TYDINGS. Mr. President, I will not interrupt the Senator if he prefers to have me wait.

Mr. METCALF. I yield to the Senator.

Mr. TYDINGS. I desire to point out to him that as nearly as one can figure, about 1,700,000 American farmers produce cotton as their main money crop; and, as the Senator has pointed out, over half of their cotton is sold outside the United States. It would seem logical, therefore, to say that about 800,000 farmers rely for their income upon our export cotton trade; and if we lose this export cotton trade, I do not know what these farmers can raise.

Without discussing in a partisan way the tariff question, I am wondering whether the time has not come when we must view our exports as having a larger degree of importance than we have heretofore attached to them. We have put too much stress on imports; and the question in my mind is whether, with our present economic set-up, it might not be wise even now to be making a study of possible tariff legislation, with the idea in mind of employing the maximum number of persons, and considering both exports and imports in a more relative way than we have heretofore considered them.

Mr. METCALF. I think there is a great deal of merit in what the Senator from Maryland says; but what we must do now is to increase our tariff so that we shall not have to tear down our mills and throw thousands of operatives out of work.

Mr. TYDINGS. Mr. President, will the Senator yield for another observation?

Mr. METCALF. I yield.

Mr. TYDINGS. As the Senator knows, last year, in 1934, for the first time in the world's history Japan took the lead in the export of cotton textiles, which theretofore had been held by Great Britain. Many people look down upon the Japanese as inefficient or having a lower standard of living than the people of other nations. Anybody who has seen the Japanese at work will say that they are not only efficient, but their standard of living is not low. It is a different standard of living than we have in this country, but it is a sufficient standard of living, and if we expect to keep any export trade we shall have to revise our entire policy to bring about that result.

As we are now headed—I have no reference to this administration—as we have been headed for the past 8 or 10 or 15 years, we seem to have lost all sight of the value of our export trade. From an agricultural standpoint, in my judgment the best way to revive agriculture is to give the farmers some markets abroad for the raw materials and foods which they produce.

Mr. METCALF. Then a change must be made, if the southern farmer is to be helped in the production of cotton.

The Senator has just spoken of imports. I have before me the amount of imports for January and February. I find that during those 2 months there were more imports into this country of cotton cloth than in the entire year of 1934. The total value of imports of cotton cloth for January and February was $1,549,000. Of that amount Japan sent in $306,000 worth. Japan produces largely the cheaper grades of cotton cloth. Much of it comes over here as bleached cloth, and it is printed and finished here.

Senators see, therefore, how this importation is growing. The continued growth of the shipment of cotton cloth into this country is closing the mills, both North and South; and in order to check it we should at once put on such a tariff as will enable our mills to operate.

As I have said, this is a national work that must be undertaken. What will help New England will help the Southern States.

Prior to 1932 America grew approximately 60 percent of the world's cotton crop. As a result of the administration's cotton-control program production here has been drastically reduced, and, in the 1934–35 season, totaled slightly less than 9,700,000 bales, or about two-thirds of the normal average crop. At the same time, in the past season foreign production increased to nearly 13,000,000 bales, which was a new high record—approximately 50 percent of the world's cotton crop.

That is why I say the southern planters are going to lose their world market, and particularly will they lose a large part of the consumption in our country, because we are getting our cotton cloths from abroad.

We shall have to stop the radical experiments that have been going on in this country. I think we might call some of these the "B. B. B.'s"—the "Busy Business Busters." I do not know any other name that covers them as that does. As I have said, we must provide more adequate tariff protection and we should remove the processing tax. Then I can see that our cotton mills might have a chance to continue in operation.

The pictures which have been placed on the wall of the Senate Chamber show what is happening in Rhode Island. When I was up there last Saturday I asked a man whether any more mills had stopped. He said, "Yes; another one." He said, "This mill has stopped its cotton machinery, and the owner is turning his looms over to rayon, because he cannot make a living out of his cotton machinery any more." That is one reason so much less domestic cotton cloth is being consumed in this country.

I apologize for taking up the time of the Senate when another very important matter is before us; but I wanted all the Members of this body to begin thinking about the subject I have briefly discussed, and to help us in the effort to take some action which will bring back the operatives into our mills and help the cotton farmers of the South.

I thank the Senate.

Mr. WALSH subsequently said: Mr. President, I was unavoidably absent from the Senate during the able speech of the senior Senator from Rhode Island [Mr. METCALF] this morning, when he discussed the decline in the cotton-cloth industry. I ask unanimous consent to have inserted in the RECORD following his speech some letters I have received, dealing with the same subject, from the Association of Cotton Textile Merchants of New York.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE ASSOCIATION OF COTTON TEXTILE MERCHANTS
OF NEW YORK,
New York, March 25, 1935.

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.

DEAR SENATOR WALSH: In connection with statements regarding the imports into this country of Japanese cotton products, I believe you will be interested in the attached copies of two letters to our members on this subject, one dated February 19 and the other March 22. Comparable figures for the month of February are as follows:

	Square yards
Total imports of cotton-piece goods from all countries	7,726,613
Imports of cotton-piece goods from Japan	4,854,654

Subdivisions are: Bleached goods 4,347,739 square yards from Japan out of a total of 5,345,802 square yards of bleached-piece goods imported from all countries.

Printed, dyed, or colored-piece goods 506,915 square yards from Japan out of a total of 2,124,009 square yards.

All of these figures are authentic, having been secured from the official records of the Department of Commerce. Our tabulations only include imports of cotton-piece goods, although other imports of cotton goods from Japan during recent months show increasing amounts under the following categories: Velvets, velveteens, bedspreads, quilts, and cotton floor coverings. The Japanese imports under the latter classification have been so serious that an Executive order was issued by the President about a year ago under section 3 (e) of the National Industrial Recovery Act establishing quotas on the Japanese products. The following record of square yards over the past 6 years indicates the extent to which the Japanese floor coverings have usurped this market to the detriment of American labor and industry:

	Square yards
1929	4,652,611
1930	3,540,360
1931	5,783,792
1932	6,718,041
1933	9,869,166
1934	10,502,210

The threat to the cotton textile industry does not lie in the amount of goods which have already been brought in from Japan but from the potentialities that the progressively increasing quantities represent. There is a complete disregard for competition in the sale of satisfactory merchandise at prices 25 percent below domestic costs, even if adding to the Japanese sale's price the cost of duties and equivalent processing tax. Unfortunately, it is the tendency of officials to wake up to the dangers only after serious damage has been done to the domestic industry. Our industry has accomplished too much in restoring employment and in increasing wages to have to endure the negligence of officials who cannot read the clear signs of impending disaster which is on its way unless promptly checked.

Very truly yours,

W. RAY BELL.

THE ASSOCIATION OF COTTON TEXTILE
MERCHANTS OF NEW YORK,
New York, March 22, 1935.

Subject: Japanese imports.

To all members:

During the month of January 1935 imports of cotton piece goods from Japan were approximately 50 percent of the total imports of cotton piece goods into this country—3,340,953 square yards out of a total of 6,681,745 square yards. Subdivisions were as follows, according to the Department of Commerce:

Cotton cloth—bleached:	*Square yards*
From Japan	2,633,295
From all countries	3,947,708
Cotton cloth—printed, dyed, or colored:	
From Japan	707,658
From all countries	2,334,506

In addition to the above there was about 400,000 square yards of unbleached cloth, none of which came from Japan.

The total of Japanese imports for this one month is approximately the same as the total for the 4 years of 1930 to 1933, inclusive. Bleached-goods imports for that period were only 456,000 square yards, although the total for 1934 was over 6,000,000 and for December alone about 2,000,000. Imports of Japanese printed, dyed, and colored goods in January compare with 1,243,000 square yards for 1934 and 3,234,000 square yards for the 4 years of 1930–33.

That the movement of cotton-goods shipments to this country is constantly increasing in volume may be judged by the attached list of clearances from Japanese ports since February 18, 1935, which supplements the memorandum furnished with our letter of February 19. Estimates of yardage in the bales and cases reported will not be attempted here, on account of the possible variables involved. The quantities beginning March 1 are particularly impressive.

The immediate effect of this merchandise is to beat down the prices in our markets below a living return and to retard the normal operations of domestic distributors and dealers. This is more serious at the moment than the growing losses in yardage, which mean the transference of demand away from American labor and American industry to that of Japan.

Recent statistics of the International Federation indicate that Japanese spindleage has increased to a total of 9,530,000 on January 31, 1935, against 8,641,000 on February 1, 1934. The following table shows the progressive increase in their industry:

Feb. 1, 1925	5,110,000
Feb. 1, 1926	5,447,000
Feb. 1, 1927	5,680,000
Feb. 1, 1928	6,116,000
Feb. 1, 1929	6,436,000
Feb. 1, 1930	6,837,000
Feb. 1, 1931	7,191,000
Feb. 1, 1932	7,572,000
Feb. 1, 1933	7,965,000
Feb. 1, 1934	8,641,000
Jan. 31, 1935	9,530,000

By the same authority, total cotton consumption for the year ending January 31, 1935, by Japanese mills was 3,545,000 bales, of which only 1,748,000 bales were American cotton and 1,534,000 East Indian. American consumption for the same period was 5,424,000 bales, of which only 104,000 bales were not American cotton.

Decrease in domestic textile consumption means a most probable decrease in the consumption of American cotton and a surely diminished opportunity for employment of American workers in an industry already suffering from its notable contributions to the various programs of national recovery.

With respect to cotton goods, the Japanese question is world-wide. Too often it has been belittled until irreparable damage has been done. If you share my viewpoint, may I suggest that you communicate with your Representatives in Washington to give them the facts and your appraisal of the seriousness of the possibilities that confront us.

W. RAY BELL.

CALIFORNIA-PACIFIC INTERNATIONAL EXPOSITION

Mr. DUFFY obtained the floor.

Mr. HARRISON. Mr. President, will the Senator permit me to submit a report from the Committee on Finance?

Mr. DUFFY. Certainly.

Mr. HARRISON. From the Committee on Finance, I report back favorably Senate bill 1990, to permit articles imported from foreign countries for the purpose of exhibition at the California-Pacific International Exposition, San Diego, Calif., to be admitted without payment of tariff, and for other purposes. The bill is similar to the measures which have been passed heretofore, and has the endorsement and recommendation of the Treasury Department.

The PRESIDENT pro tempore. In view of the report made by the Senator from Mississippi, the Chair lays before the Senate a joint resolution from the House of Representatives, which will be read.

The joint resolution (H. J. Res. 174) to permit articles imported from foreign countries for the purpose of exhibition at the California-Pacific International Exposition, San Diego, Calif., to be admitted without payment of tariff, and for other purposes, was read twice by its title.

Mr. McADOO. Mr. President, will the Senator from Mississippi yield to me for a moment?

Mr. HARRISON. I yield.

Mr. McADOO. I ask unanimous consent for the immediate consideration of the House joint resolution. There is no controversy about it. The exposition at San Diego is expected to be opened by the 30th of May; and the situation is a rather exigent one, because the foreign governments which are going to exhibit their products there cannot do so until they know that the exhibits may be brought into this country without the payment of tariff duties.

Mr. McNARY. Mr. President, in view of the announcement of the Senator from Arkansas [Mr. ROBINSON] that the calendar will be considered later in the day, I shall object at this time.

Mr. McADOO. I hope the Senator from Oregon will not object, on account of the exigent nature of this situation.

Mr. McNARY. Waiting from now until 3 or 4 o'clock in the afternoon will not have the slightest effect in the way of preventing the exhibition from going forward.

Mr. McADOO. I am perfectly willing to wait until that time, of course.

Mr. HARRISON. With that assurance I think it will not be necessary to ask for the consideration of the measure at this time.

Mr. ROBINSON. Mr. President, I call to the attention of the Senator from California the fact that a unanimous-consent agreement has been entered into under which the Senate will proceed to the consideration of unobjected bills on the calendar immediately following the disposition of the pending bill.

Mr. McADOO. I thank the Senator from Arkansas. In view of that statement, I shall not press the request.

The PRESIDENT pro tempore. Objection is made.

REPEAL OF PUBLICITY SECTION OF REVENUE ACT OF 1934

The Senate resumed the consideration of the bill (H. R. 6359) to repeal certain provisions relating to publicity of certain statements of income.

Mr. DUFFY. Mr. President, when we were discussing the matter of income-tax publicity in this body about a year ago it was stated that there were at that time 29 States in the Union which had State income taxes, and that there was only one—my own State of Wisconsin—which had a provision for the publicity of income-tax returns. So far as I am advised, I believe the same situation exists today.

I stated at that time that I thought there was then a rather close division of opinion in my State as to the efficacy of our publicity feature for income-tax returns.

When the Senator from New York [Mr. COPELAND] read here yesterday a letter which had been sent out by one Robert K. Levine, who gives his address as 240 Langdon Street, Madison, Wis., stating that for a fee of $2 he would provide a copy of any income-tax return filed in the State, my colleague stated that he thought that was in contravention of the Wisconsin law. I think my colleague is correct in that respect. I am of opinion that where an attempt is made for a fee, to provide the information which is contained in the various income-tax returns, that is a violation of the law of the State of Wisconsin. But it does show some of the abuses to which our law has been subjected.

I have sent to my office for a letter—and I hope to have it here before I conclude my remarks—from a concern which participated in the letting of a certain contract, and found that its competitors, from outside of the State, had succeeded in getting all of the facts pertaining to its business in the preceding year, as to whether they made any profit or not, and so forth, and that it was of considerable value to those competitors to know what this Wisconsin firm had received in the way of profits in the preceding year.

Mr. LA FOLLETTE. Mr. President, will my colleague yield?

Mr. DUFFY. I am glad to yield.

Mr. LA FOLLETTE. May I ask the Senator whether the same information could not be obtained from Dun & Bradstreet's or any of the other agencies which are now in the business of furnishing such information as is contained in statements submitted to them by persons in various lines of business?

Mr. DUFFY. I think not, I will say to my colleague. I think an income-tax return contains more information. For instance, some concern or some man may have various branches, various activities, under his or its name, and I think a great deal more information can be obtained as to the actual functioning of a business by an examination of

the income-tax returns than such a report as Dun & Bradstreet's might give as to their rating.

When the matter of the publicity of income-tax returns was before this body at the special session of the Seventy-third Congress, I voted in favor of it, and when the matter came before us last April, I voted again in favor of it, although I note from the CONGRESSIONAL RECORD of that date that I made the statement at that time to this body that I did not fully agree with my colleague as to the value that the publicity of such returns had had in the matter of disclosing covered-up incomes in my State. I gave several illustrations of how it was used, not for the purpose of showing hidden incomes, but rather for the purpose of prying into the business of a competitor, or for some similar purpose.

There is one very good use, apparently, that has been made in my State of the publicity feature, of which I have just heard recently. I understand that when several of the community-chest drives were about to be started, an examination was made of the income-tax returns of the people in the communities, and the officials in charge of the drive had a pretty good idea as to whether the citizens were making sufficient contributions to the community chests, because they had some very accurate information as to their incomes in the preceding year.

I do not object to that so much and I do not object to the theory of publicity of such returns. I have liked the idea. I do not want anybody to get out of paying his just taxes, or to think that because the returns are not open to the prying eyes of every Tom, Dick, and Harry, people can in some way succeed in covering up some of their incomes. I have liked the theory of it because it seemed to me that there was something to the psychology of it. If a man, in making his income-tax return, knew that his neighbor could find out what he paid, there might be some psychological urge for him to make a complete and accurate return. But, as a matter of fact, as it has worked out in my State, I do not believe any real instance can be pointed to where the law resulted in the disclosure of some income that had been covered up.

There is no way of telling, of course, how effective the psychology of the publicity feature may be, causing a man in preparing his return to make a full disclosure.

Mr. LA FOLLETTE. Mr. President, will my colleague yield again?

Mr. DUFFY. I yield.

Mr. LA FOLLETTE. The Senator then finds himself in complete disagreement with a majority of the commission in Wisconsin, Chairman Conway, and Mr. Rosa, who have been on the commission under conditions where returns were a matter of secrecy, and since the time in 1923 when the returns have been opened to public inspection.

Mr. DUFFY. Mr. Rosa, whom my colleague mentions, and Mr. Conway were both members of the commission, as I recall—I know Mr. Rosa was—when the Wisconsin Tax Commission made their report in 1930, which was referred to yesterday, and was referred to in the debate a year ago. I wish to refresh the memory of Senators as to some two or three sentences which appeared in that report of the Wisconsin Tax Commission at the time these two gentlemen were members of it. The report was signed, as my colleague said, by Mr. Kelley, who is no longer a member of the commission, and I do not know any more than my colleague stated he did, as to what the practice is as to filing minority reports. I have never heard of that being done. But at least this purported to be, and was, a report of the Wisconsin Tax Commission in 1930, after they had had 7 years of experience in the matter of publicity. This is stated in the report of the Wisconsin Tax Commission in 1930, under the heading, "Public Examination of Returns":

> The repeal of the secrecy clause by the 1923 legislature opened all income-tax returns to public inspection. The repeal was urged and passed upon the supposition that public inspection would result in fewer incorrect returns and in discovering much unreported income. These expected results have not materialized in any degree in the administration of either the individual or the corporation returns. There have been no instances where public inspection has brought forth unreported income, and as to its anticipated effect in producing more correct income returns, experience has shown that it has had the opposite effect.

It continues, giving the experience of the Milwaukee office.

Mr. LA FOLLETTE. Mr. President, if my colleague will yield, as I understood him, he suggested that that report was signed only by Mr. Kelley.

Mr. DUFFY. I understood my colleague to make that statement yesterday, and I assume it to be correct.

Mr. LA FOLLETTE. The Senator also, I assume, does not question the accuracy of the statements which I read on yesterday from both Commissioner Rosa and Chairman Conway concerning their very definite and positive opinion that the report from which the Senator has read is in error in every degree.

Mr. DUFFY. The Senator, however, did not read the statement from the third member of the tax commission, which is, as I understand, to the contrary effect, and was put into the RECORD in the discussion in the House of Representatives, and appears on page 3402 of the CONGRESSIONAL RECORD.

Mr. LA FOLLETTE. I assume the Senator will put that statement into the RECORD, or that those who are opposed to the pending proposal will put it in the RECORD, because it has already been used in the debate in the House. There is no desire on my part to fail to have it come out. The point I am trying to make is that the majority of the tax commission, which is a three-man commission, is not in sympathy either with the report which the Senator has read or with the statement of Mr. Johnson, who is a recent appointee on the commission, and was appointed while Governor Schmedeman was in office.

Mr. DUFFY. I state frankly to the Senate that I can see how men might reasonably disagree upon this subject. I have no very decided opinion one way or the other. I voted twice in favor of publicity of income-tax returns. Our State, however, being the only State that has had experience in the matter, the results my colleague thinks come from that publicity do not appeal to me to be so forceful. I do not think we have had so many benefits from it as my colleague has suggested. I think there has been some benefit, but I have reluctantly come to the conclusion that the objections and burdens which go with the publicity feature perhaps outweigh the benefits, although I am not a great adherent one way or the other at the present moment.

I do think I can say to my colleagues here that the investigation made of income-tax returns in my State is largely for such a purpose as the following: For instance, there will be a lawsuit pending under the Wisconsin workmen's compensation act. There will be a question of whether John Jones, who filed an income-tax return, hired Bill Smith as his employee during the preceding year. The customary thing is for lawyers to go to the income-tax return to get the information. An employer making a return has to list each of his employees to whom was paid over $700. In that way they check up as to whether a particular man was actually an employee, and was listed as such, or whether he might have been an independent contractor. Time after time lawyers have examined income-tax returns in my State, not to see whether there was any covered-up income, but to find whether it was worth while suing the man in question, whether it was probable that a judgment could be collected.

One can go to the tax rolls affecting real estate and they do not disclose anything about a mortgage which may be against the property, and the same thing applies to personal property. But going to the income-tax return, one can find whether a man made a net profit, and it discloses a much more graphic story for those who are interested in trying to find out a man's financial condition, not for the purpose of bringing forth some undisclosed income but for private purposes, so as to determine, for instance, whether or not a lawsuit might be successfully prosecuted.

Mr. LA FOLLETTE. Mr. President, I do not like to continue interrupting the Senator.

Mr. DUFFY. I am very glad to have my colleague do so.

Mr. LA FOLLETTE. I should like to ask the Senator whether all the information thus far mentioned by him could not be obtained under section 4096 of the Wisconsin statutes, which provides for an adverse examination?

Mr. DUFFY. That is the old section; it is now known as section 326.12. Under that section such examination can only be had after a lawsuit is started. What I am talking about is investigations made before any legal action is commenced. I am not saying whether or not it is a good idea to permit credit agencies and automobile salesmen to ascertain whether Bill Smith made any money last year. There have been cases—and I think my colleague must know of such cases—which came to my attention while practicing law in Wisconsin, where time after time persons used the freedom which is given to examine the returns for purely private or selfish purposes. Perhaps that is not so grave an objection. I am not urging it. I merely think Senators ought to have the benefit of what I personally know to have been the experience under the law in our particular State.

My colleague said something yesterday to the effect that when the law first went into effect the investigation to unearth income taxes of some previous years showed that there had been a large amount of taxes covered up. It seems to me that that was not the result of the 1923 amendment, but that result came about because there was a specific, and for the first time, it seemed to me, a rather intelligent investigation of the tax returns, so that many of the people in our State are now concerned about their returns who before that time had treated the matter more or less in a very haphazard manner, and today the Federal Government has very efficient methods of going into the income-tax returns of anyone or of any concern they think is not doing the square thing by the Government.

Mr. LA FOLLETTE. Would not the Senator have to admit that no such shocking condition of erroneous or fraudulent returns has ever been experienced by the State of Wisconsin since the time when the veil of secrecy was removed from the returns and they were made matters of public record?

Mr. DUFFY. I do not think the cause and effect are there at all. I think the improvement came about when the citizens knew there was going to be an accurate checking into their returns by an accountant. What does the ordinary man or woman know about the larger returns which are filed? It would take an accountant examining the books to find out whether there were inaccurate returns. But when there is some agency of the Government, which has at its command accountants, people who know how to examine books, and show a willingness and an anxiety to unearth such things, I think that causes the filing of returns based upon truth and fact, as they ought to be.

Mr. LA FOLLETTE. Mr. President, I can agree with the Senator about the psychological effect, but I hope he will not leave the Senate with the impression that during the period when erroneous and fraudulent returns were made, to the extent of $3,500,000, the State had no system of auditing the returns. The same system for auditing returns and for checking up on the returns of taxpayers existed prior to the time when secrecy was removed, as has existed since that time.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. DUFFY. I yield to the Senator from Kentucky.

Mr. BARKLEY. Most people cannot make out their own income-tax returns. They have to get experts to do it. If they cannot make out their own income returns what information could they obtain from examining someone else's which would be of any assistance to the collecting officers in determining whether there had been an erroneous return or whether there had been fraud?

Mr. DUFFY. That carries out the suggestion which I have made as to the larger income-tax payers, as to whom we are all interested, to see that they pay the full share which they ought to pay to their Government. Theirs are complicated returns; they have usually incomes from many sources, and I do not think a casual examination of that kind of return would give any information, practically. I can see that there might be a case where John Jones knows about certain income which Bill Smith received, and if he could pry around and find out whether or not it was reported, it is possible that he could give some information.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. DUFFY. I yield.

Mr. NORRIS. If it be the case that the incomes of the men whom we want to get at are so complicated that any ordinary individual cannot tell anything about them, what is the harm in having them made public? There would not be anyone who would know anything about them anyway.

Mr. DUFFY. The Federal Government now has facilities for examining them. The small taxpayer is the only one with reference to whom we might, as I see it, by any stretch of the imagination, get any benefit by virtue of publicity.

Mr. NORRIS. The Senator says that when income-tax returns are made by men of considerable means they are so complicated as a rule that no one can tell anything about them. If that be the case, I do not see why there should be any particular harm in having them made public.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. DUFFY. I yield.

Mr. LOGAN. The complaints I have had from my State and some others about the publicity of returns have come from the small taxpayers. I have had practically no complaints from the large taxpayers. It is the man in the small town who seems to object to his neighbor knowing what he is making. I have not heard any complaint, as I recall, from those who are mentioned by the Senator from Nebraska as those who could not be harmed, because no one would understand their returns. I agree that that is true; that there would be no harm done by publicity in such cases.

Mr. DUFFY. As I see it, Mr. President, as the result of the experience in our State, as a matter of theory publicity is a good thing. It was because I thought it was a good thing that twice on the floor of the Senate I supported a measure providing for publicity. I thought that the pitiless light of publicity, as it is called, possibly would have some beneficial effect. But as I have watched the experience in my State I do not think that the benefits have been sufficient to offset the harassments and burdens which go with it.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Wisconsin yield to the Senator from Texas?

Mr. DUFFY. I yield.

Mr. CONNALLY. In connection with the suggestion of the Senator from Kentucky [Mr. LOGAN] I find that there are a great many different reasons why people object. I had a letter from a taxpayer in my State the other day objecting to the publicity of income-tax returns on the ground that he had a very inquisitive mother-in-law who was constantly nosing into his business, that he was now giving her a rather adequate allowance, and if she found out about his income she would want him to increase the allowance.

Mr. DUFFY. That would be like the case where income-tax returns were examined before the community chest drive. I would not have so much objection to that.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. DUFFY. I yield.

Mr. NORRIS. Would it not be of benefit to have publicity? The probabilities are that the man the Senator from Texas speaks of was not paying his mother-in-law enough, and the publicity of tax returns would enable her to show that he ought to pay her a little more.

Mr. ROBINSON. It might be a question as to whether he should pay her at all.

Mr. DUFFY. Mr. President, I have detained the Senate as long as I wish to on this matter. I think there are some benefits from publicity of income-tax returns. I do not go to the extreme that some of my colleagues on the floor seem to have gone. I think there are some benefits—I believe mostly psychological—which flow from the publicity of income-tax returns, but I think, honestly stating the experi-

ence in my own State, that the benefits have been greatly overestimated and that the burdens and the annoyances and everything that go with disclosing reported returns really outweigh the benefits which might be derived.

Mr. CONNALLY. Mr. President, will the Senator further yield?

Mr. DUFFY. I yield.

Mr. CONNALLY. Does not the Senator, however, conclude that the wide-spread objection to publicity of income returns is quite an indication of the fact that we are getting back toward recovery and are making more money than we did during the depression?

Mr. DUFFY. I think perhaps that is correct. I yield the floor, Mr. President.

Mr. NORRIS obtained the floor.

Mr. MURPHY. Mr. President——

Mr. NORRIS. Mr. President, I will yield the floor if the Senator from Iowa wishes to discuss this question.

Mr. MURPHY. I was going to do so.

Mr. NORRIS. Very well.

Mr. MURPHY. Mr. President, the demand for wide-open publicity of income-tax returns, making them available to every Tom, Dick, and Harry who wants to inspect them, is predicated on the assumption that it will increase the revenues of Government. But not one figure is offered by the proponents of publicity that the results in Wisconsin, which may be considered a laboratory where the idea has been tested, prove there have been any increases in taxable income reported to the State.

On yesterday I addressed an inquiry to the Senator from Wisconsin [Mr. LA FOLLETTE], which appears on page 4446 of the RECORD, as to what the increase was, if any, in the income-tax collections following the repeal of the secrecy clause of the Wisconsin income-tax law. In answer to that inquiry, the Senator said:

I have no detailed figures to give the Senator as to what the returns were in 1922, 1923, or 1924; I can only refer him to the statements of members and former members of the tax commission, and which I have read and which express the opinion of those individual members of the commission that publicity has been very effective in securing better administration of the law and in securing more honest returns.

The figures the Senator was unable to supply I am myself, as the result of a little research, able to furnish. These figures are very interesting, Mr. President. They establish the very contrary of the contention made by the Senator from Wisconsin. They prove conclusively that increase in the taxable income, as reported in individual returns, has not followed publicity.

I have before me two reports of the Wisconsin Tax Commission as submited to the Governor and the legislature of that State. The report to which I shall first refer was issued in 1924 and covers the taxable income disclosed in the returns of firms and individuals for the years 1920, 1921, and 1922. The report to which I shall next refer covers the years 1923 to 1925, inclusive.

On page 78 of the report first referred to, and on page 266 of the report next referred to, are the figures I shall give to the Senate. In the first report the classification of the taxpayers by title is of "firms and individuals", and I take it that "firms" means partnerships. The income of partnerships is the income of individuals, whether distributed or not, so that the taxable income of "firms and individuals" means taxable income of individuals.

In the second report the title description is "individual income", so the taxable income reported is of individuals. For the years 1920 to 1925, inclusive, the figures of individual taxable incomes are shown to be as follows:

For 1920, $304,282,603; for 1921, $228,559,319; for 1922, $250,736,522; for 1923, $304,652,869; for 1924, $252,603,466; and for 1925, $293,419,895.

Yesterday the Senator from Wisconsin [Mr. LA FOLLETTE] stated that in 1921 the legislature authorized an audit of income-tax returns for the 6 years prior to that year. He further stated that approximately three and one-half million dollars of additional taxes were collected in 1923 as a result of that audit, and that during that year the State legislature repealed the secrecy provision.

Mr. LA FOLLETTE. Mr. President, if the Senator will permit me, I did not say that the collection came in in the year 1923, or, if I did so, I misspoke myself. What I meant to say was that as a result of the back audit for the 6-year period approximately three and one-half million dollars were collected. However, I did not have the information showing in just what years or what particular year those taxes were paid.

Mr. MURPHY. While readily agreeing to accept the Senator's interpretation of his remarks of yesterday, for the purpose merely of establishing the correctness of my own reference to the Senator's remarks, I will now quote from what the Senator said yesterday, reading from the RECORD:

Following those revelations—

As made by the audit—

Following those revelations and the collection of the taxes in 1923, which would be 2 years after the audit was authorized, the State repealed the secrecy provision and made income-tax returns public records, open to public inspection.

I call the attention of Senators to the fact that, augmented as was the revenue in 1923 by three and one-half million dollars in back taxes, which, on the assurance of the Senator that he does not know, we may dismiss as having been collected in that year, the Senator would have us believe the collections were stimulated in that year by publicity. Yet the taxable income in 1923 was practically identical with that in 1920, when there was no publicity, there being a difference in the total figures in favor of 1923 of $370,266.

As for 1924, the year following repeal of the secrecy provision, the taxable income reported fell off by more than $52,000,000, compared with 1923; and as for 1925, the falling off, compared to 1923, was more than $11,000,000.

I submit, Mr. President, that the figures do not bear out the contention that publicity is attended with an increase in the taxable income reported in individual returns; on the contrary, they disclose an actual decline following secrecy repeal.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Wisconsin?

Mr. MURPHY. I yield.

Mr. LA FOLLETTE. Has the Senator made any analysis of any changes that may have been made in the income-tax law during the period for which he is giving the figures?

Mr. MURPHY. Only of changes that could affect taxable income. My reference and my discussion do not relate to taxes themselves, because rates of taxes might be changed. I am considering only the total income, and the principle of this discussion has to do with whether or not publicity serves to increase the total amount of income disclosed.

Answering now specifically the Senator's question, I do not know whether any items of income not previously taxed were subsequently taxed or whether the contrary was true.

Mr. LA FOLLETTE. The Senator will acknowledge that it would be necessary, in order to make his deductions conclusive, that we should have information as to whether or not there have been important changes in the law which would affect the amount of an individual income which should be considered taxable?

Mr. MURPHY. I submit to the Senator that, as the proponent of this amendment, the obligation is on him to furnish to this body some figures supporting the assumption that there will be an increase in income to follow publicity; and such figures he has not submitted.

Mr. LA FOLLETTE. Mr. President, on the contrary, I have submitted—and the Senator will have to acknowledge that I have submitted—the considered and deliberate opinions of those who have been responsible for the administration of the law, and it seems to me their opinions should carry some weight in considering this question.

I am not intending by my questions to attempt to imply that the Senator from Iowa is under any obligation to have made a search of the Wisconsin tax laws, but he is quoting figures. The Senator is very familiar with tax matters, having himself been in the service, and I merely rose to inquire whether or not, as an expert on the question of taxation, he did not agree that we ought to have information concerning any changes which might have been made in the law prior to drawing conclusions from the figures which he has submitted.

Mr. DUFFY. Mr. President—

Mr. MURPHY. I yield.

Mr. DUFFY. Did I understand correctly the Senator's statement that he is now quoting figures of the total reported income irrespective of what tax might have been levied against it?

Mr. MURPHY. Yes; the total taxable income.

Mr. President, I would not be understood as contending here that publicity reduced the amount of taxable income that would otherwise be reported. It may be true that it does, but I cannot establish the proof, and therefore I do not advance the affirmation. The so-called "experts"—perhaps they are that, in fact—to whom the Senator from Wisconsin has made reference have submitted their theories and their conclusions unsupported by a fact or figure. I ask no one to accept without proof a statement of mine that is susceptible to proof. I submit that the proof is the best evidence of the accuracy of the statement.

I submit further, Mr. President, that it is incontrovertibly true that the very premise upon which this publicity provision rests—to wit, that it tends to increase the amount of taxable income disclosed—is a false premise, and that the figures submitted wreck the whole theoretical base on which the demand for the continuance of publicity is rested.

As I view it, Mr. President, the publicity provision of the income-tax law is an impudent invasion of privacy. It has been the code of gentlemen since the very beginning of social culture to respect the right of neighbors to privacy in purely personal affairs. Senators as children were taught that code in the parental rebukes administered them for addressing impudent questions to the guest in the house.

Men need protection in the constant effort they must put forth to keep their spirit from being broken. A part of the armor they wear in that struggle is the armor of privacy. It shields their weakness; it safeguards their strength.

The wide-spread demand for repeal of publicity springs from the instinctive resentment against cheapening the citizen in his own self-respect. Sharper than the serpent's tooth is the humiliation felt when a beloved Government invades the sanctity of the citizen's home. We are so insensate to the finer feelings of people, so wantonly ruthless, that we have taken the curtains and shades from the homes of our taxpayers and pulled out the walls of the bathroom to assure that the Peeping Toms shall have full and unobstructed opportunity to feast their eyes on the "pink slip."

The publicity provision is degrading not merely of the dignity of the individual but of the Government itself, for it was born of the belief that every taxpayer is a crook and a perjurer and that the way to find him out is to publicize his return of income so that the neighbors, with the little knowledge that is a dangerous thing, can carry tales to the Government.

What a fine role in which to cast government! What a libel on the millions of our citizens who pay taxes to support such libel!

I deny that the taxpayers of this country are crooks; I deny that they are perjurers. I affirm that honor and integrity and good intent are all about us.

I have before me some figures submitted at my request by the Bureau of Internal Revenue. These figures disclose that as for the year 1932, 3,877,430 persons made returns showing taxable incomes. Of this number investigators of the Bureau of Internal Revenue found circumstances suggesting fraud in only one-tenth of 1 percent of all the returns filed, specifically in approximately 3,500 cases. Of these 3,500 cases of suspected fraud—that is, the average yearly number of such cases—approximately 700 cases of fraud were established. In other words, of the nearly 4,000,000 persons making returns of income, only 700 sought willfully to defraud the Government.

Of the 3,877,430 returns made showing taxable incomes, 3,623,542 reported net income under $6,000. The senior Senator from New York [Mr. COPELAND] said here yesterday, and said well, that:

> The argument that is ordinarily made in favor of publicity always relates to the big fellow, the big taxpayer. But it is getting quite difficult for him to evade the truth. It ought to be difficult for him to do so.
>
> My appeal for the action proposed here has to do with the little fellow. It is just as much a matter of embarrassment to him—indeed, I think it is more embarrassing to him, because the skins of the modest people, the retiring people of our country, have not become so thickened as have the hides of the rich. My objection to the provision of the law now in force is the objection I have to its application to the rank and file of the country who are fortunate enough to make income-tax returns. With this group, as I see it, there is absolutely no reason in the world why their returns should be made public.

The reference of the Senator from New York was to the 3,623,542 little fellows with incomes under $6,000.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Idaho?

Mr. MURPHY. I yield.

Mr. BORAH. May I ask the Senator to repeat the total number of income-tax payers compared with the 3,600,000 little fellows?

Mr. MURPHY. The total number was 3,877,430, and the little fellows, with less than $6,000 income, numbered 3,623,542, a difference of about 200,000.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Kentucky?

Mr. MURPHY. Certainly.

Mr. BARKLEY. The statement was made here yesterday that only 4 percent of the American people made income-tax returns. According to the figures just given, a little less than 4,000,000 actually had taxable incomes. In view of the fact that most of these taxpayers are heads of families, may it not be assumed that anywhere from 15,000,000 to 20,000,000 people are represented by the income-tax returns actually made by the 4,000,000, which would be a larger percentage than 4 percent represented by the income-tax returns made by the 4,000,000 who make the returns in their own names.

Mr. MURPHY. I would reply to the Senator that it is representative of a very considerably larger number than are shown to have made returns; but how many I do not know.

Practically every return of income filed is subjected to examination by field deputy collectors and revenue agents. In 1932 there were 1,599 field deputy collectors and 2,557 revenue agents engaged in this work. Their investigations resulted in the collection of back taxes for the year 1929 in the sum of $220,084,948.61; for 1930, $245,808,138.53; for 1931, $227,314,608.65; and for 1932, $162,159,686.83. This was not income tax dishonestly withheld, except for the 700 cases of fraud to which I have referred. It was income erroneously withheld; and I may say that the taxpayer is not the only one who makes mistakes. The agents of the Government make mistakes, as attested in the refunds of overpayment of income tax made.

These investigators of the Federal Government have access to all the books and papers and to the bank accounts of the taxpayer. They are equipped with authority to make a searching inquiry into the return of the taxpayer. They have available to them, for the purposes of audit, information returns filed by individuals and corporations covering dividend payments and payments of salaries, wages, commissions, fees, and so forth. There is no avenue they cannot follow down, no rumor they cannot investigate. There is no crook they cannot catch, except possibly the crook who does his banking in his pocket or in a safety-deposit box. Given time, they can catch even him, as evidenced in the conviction of Al Capone.

I had wide personal experience with the income tax for 7 years in the service of the Government and for 10 years as a representative of corporations and individuals. As collector of internal revenue, in 7 years there came to my attention only four cases of actual fraud, and one unfortunate man, pursued by conscience, blew out his brains. I never met but a single client, in private practice, who wanted to resort to fraud in making his return. The poor fool wanted to "fix" an inventory, unmindful of the fact that the "fixing" would necessarily overtake him in a later year. I know the disposition of the taxpayer. He wants to pay the Government what is its due, and no more. I think it is true, as a general proposition, that in cases of doubt he resolves the doubt against himself, and in favor of the Government.

All the arguments advanced in support of wide-open publicity rest in the indictment of the taxpayer as a crook. I deny it. I believe him to be honest, and the records of the Internal Revenue Bureau clearly establish that he is honest. Not the records of the Federal Government merely, but the records of the State of Wisconsin, establish his honesty.

I think we should use and permit the use of income-tax returns to serve every legitimate public purpose. There is information I now should like to have from the Treasury Department for the assistance it would give me in making a study necessary to a plan of taxation I have in mind. I cannot obtain that information. I cannot make the study. I must get through Congress a resolution calling for the information necessary to me.

There is evasion of the income-tax law by legalistic methods. There are loopholes in the present law. The revenue act passed here a year ago closed many loopholes. Committees of the House and Senate closed approximately 180 loopholes.

One amendment, which I offered and which the Congress adopted, having reference to revocable and irrevocable trusts, closed one loophole and, in my opinion, will have the effect of largely increasing the tax revenues of the Government.

Another amendment which I offered, having relation to the taxation of capital gains, and which, in my opinion, ought to have been adopted to close another loophole, was rejected by the Senate because the committee had not been given opportunity for its consideration.

Examination of returns of income and study of them must be made to keep up with the fertile minds engaged by the rich to point out legalistic ways to evade the law. This study must be made by experts. It is in these returns of income that the great losses in revenues occur and not in the returns of the nearly 4,000,000 taxpayers with incomes under $10,000 a year. That study should go on here, in committee, and in the Treasury Department unceasingly. There should be relentless pursuit of the taxpayer who evades the spirit and purpose of the law by legalistic means.

I have twice voted against publicity of income-tax returns as proposed by the Senator from Wisconsin, for whom I have admiration. I am against the amendment he has proposed here in the form in which it stands, and I shall vote against it, although willing at all times to make available returns to proper public officials with a sworn duty to perform in respect to taxation.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Bulow	Dickinson	Harrison
Ashurst	Burke	Donahey	Hatch
Austin	Byrd	Duffy	Hayden
Bachman	Byrnes	Fletcher	King
Bankhead	Capper	Frazier	La Follette
Barbour	Clark	George	Logan
Barkley	Connally	Gerry	Lonergan
Bilbo	Coolidge	Gibson	Long
Black	Copeland	Glass	McAdoo
Bone	Costigan	Gore	McCarran
Borah	Couzens	Guffey	McGill
Bulkley	Cutting	Hale	McKellar
McNary	Norris	Schwellenbach	Truman
Maloney	Nye	Sheppard	Tydings
Metcalf	O'Mahoney	Shipstead	Vandenberg
Minton	Pittman	Smith	Van Nuys
Moore	Pope	Steiwer	Wagner
Murphy	Radcliffe	Thomas, Okla.	Walsh
Murray	Reynolds	Thomas, Utah	Wheeler
Neely	Robinson	Townsend	White
Norbeck	Russell	Trammell	

The PRESIDING OFFICER. Eighty-three Senators having answered to their names, a quorum is present.

Mr. NORRIS. Mr. President, I desire to try to clear up a few things which I think are beclouding this issue.

In the first place, the impression has been given—particular reference was made to it by the Senator from Iowa [Mr. MURPHY]—that this is an attempt to denounce as crooks all heavy taxpayers. I wish to deny that. Of course, when a man owing a large amount of tax is crooked, the Government loses more than when a small taxpayer is crooked; but, so far as I know, there is no intimation that those who favor publicity of tax returns are denouncing as crooks taxpayers who avoid the law if they can.

So far as I am concerned, however, I am just as anxious to expose the small taxpayer, if he is a crook, as I am to expose the heavy taxpayer, if he is a crook; and the former is a much easier thing to do, because under our jurisprudence and under our method of procedure a thief seems to be free from criminal punishment if he is a sufficiently big thief. It is becoming an axiom now that under our procedure we cannot convict a million dollars; but no claim is put forth here, so far as I know, that there is any larger percentage of wealthy men who are dishonest than of men of smaller means. But we all know that there are dishonest men in every class of our citizenship, and laws are provided and courts are set up in order to take care of the infraction of law by the small percentage of people who disregard them.

I make no claim and, so far as I know, nobody else does that there is any larger percentage of heavy taxpayers than of small taxpayers who are avoiding the law. I do claim, however, that the law should be so framed as to result in the making of as many honest tax returns as is possible, and any loopholes through which dishonest taxpayers may escape the payment of just taxes should be closed, if we can possibly close them by law.

As I see it, in its practical application the effect of a publicity provision is to a great extent a question of psychology. The junior Senator from Wisconsin [Mr. DUFFY] made on the whole a very able argument in favor of publicity of tax returns, and I am very sorry that as a result of such an argument he reaches the conclusion that he must vote against publicity of tax returns and vote in favor of having them clothed with secrecy. He said what is undoubtedly true, and is within the knowledge of every person, it seems to me, that if it is known that a tax return is to be public, it will have a tendency to lead one to make a correct return. If it is known that one's tax return is to be secret, and the taxpayer is honest, as most of them are, it will have no effect—he will make the same return as though it were to be public. But if it is to be secret and not to be found out, then the man who is crooked and the man who wants to avoid the just burdens of taxation is going to use that means of escaping or of scaling down the contribution he ought to make to the support of the Government. It seems to me that argument ought to appeal to every man who thinks. It is common knowledge; we know enough about human nature to know that to be true.

Then we come to the next argument, made by some of those who are in favor of secrecy, defying anybody to show an instance where publicity has made tax evaders honest. From the very nature of things that cannot be done.

The Senator from Iowa [Mr. MURPHY] labored for some time to show that, from the figures he had, publicity decreases the returns from taxation. Yet he concluded by saying that he did not so believe. I do not think anybody so believes. Even though one thinks publicity is inadvisable, he certainly does not believe that making tax returns public will decrease the amount collected in income taxes from the people of the United States.

Mr. President, there is no idea on the part of those supporting the amendment of starting a lot of snoopers, curiosity seekers, and others looking into tax returns. That is not the object of the amendment. I concede that here and there there may be an instance of such a thing. Very seldom would it happen, however, although it might happen. But what if it should happen? Suppose it does mean some inconvenience; suppose one would rather his tax return were not made public, and it is made public. If it is necessary for the proper adjustment of taxes, for the enactment of proper laws relating to the collection of taxes to run the Government, every citizen ought to be willing to assume the inconvenience, if such inconvenience follows.

I think that is greatly exaggerated, that it amounts to practically nothing. We ought to have publicity, even if inconvenience does occur here and there. We find it in every other activity of the Government.

Mr. President, the trial of the Hauptmann case cost the taxpayers more than a million dollars. Yet the men and the women who pay the taxes were in no way to blame for the crime that was charged against the defendant. Honest men who obey the law are compelled, under any system of government about which I know anything, to pay for the punishment of criminals as a matter of protection to themselves and their families.

We set up our Federal and State courts and put judges upon the benches, and in the aggregate there are thousands of them in this country. A great portion of their time is devoted to looking after wrongs which individuals have sustained. A great part of their time is taken up in the trial of criminals who have violated the law. But the criminals do not pay the expenses of the trial. If there is one who is able to pay the expenses, that is a good thing. If they have to try one in Chicago, and he is turned loose, he has no expense to pay; but the taxpayers have to bear the expense. In the main, the patriotic, honest men of the country foot the bill. They bear the burden. They pay what they have to pay as insurance, for the protection of government.

If there should be a hardship occasionally—I do not know of any, but I can conceive that there might be some—it would be one of those hardships incidental to every government. If we concede, which it seems to me we must, that the Government will get more honest returns if the returns are public than if they are private, then every honest taxpayer has a right to demand, and ought to demand, publicity in order that some taxpayers may not escape their just contribution to the public welfare.

Those who favor publicity have no enmity against any citizen. They are not trying to punish anyone. They are trying to meet a condition which in all other avenues of the Government we have met. We realize that taxes are always burdensome; we would all like to reduce them; we would all like to avoid them, so far as we honestly could, and for the same reason we are all anxious that there shall not be a loophole in the law by which anyone may avoid his share of the burden, or make a return of income that would be different from his real income.

Mr. President, the law referred to as the "pink slip" law is condemned by those who are going to repeal it—and I understand there are votes enough to do that—because it is said it is not any good. Who put it on the statute books? It was not put there by those in the House and in the Senate who believe in publicity of tax returns. The opponents of publicity put it there, and now they are kicking about it. I do not like it any better than they do, although I believe it is better than nothing. It was not what I wanted. It was not what any of the advocates of publicity asked for and tried to get. We passed in the Senate, three successive times, an amendment to a revenue bill which provided for making income-tax returns public. It was always rejected in the House. It always went to conference, and it is another example of legislation by conferees, five or six men. They came back here with a compromise every time, and it was necessary to reject the conference report or to take it; and, as is usually done, the Senate took it, regretfully on the part of those who believe in real publicity.

So do not blame us; blame yourselves. Senators who are fighting against publicity are to blame. If they wish to get rid of the "pink slip" annoyance, vote for the amendment which is now pending and get publicity.

Mr. President, a great deal of propaganda had been spread over the country before this bill came up, to which I am not objecting, because it is not nearly so great as other propaganda on other subjects. I am not finding fault with it or complaining; but I read some of the literature, and I laughed as I read it. I could not see any foundation for it, any reason in it; but, to my amazement, I now hear the same argument made in the Senate. It is said that unless we have secrecy we shall have kidnapers at work among us, and that all of us who have to pay big taxes are going to be kidnaped.

Do those who advance that argument believe it? Do they believe that secrecy of tax returns will cut down kidnaping? I do not think anyone believes it; and yet the argument is made, and was made today on the floor of the Senate. Senators are hard up for argument, it seems to me, when they resort to that.

It is said that publicity of income-tax returns gives rise to a lot of snoopers. I do not believe that to be so. What is the law now? In every State in the Union, I think—at least, in every State with which I am at all familiar—when a man makes a tax return to the assessor he lists all his property. The farmer has to include all his horses and his cattle and the wheat he has in the bin, and that which he has growing on the ground. He has to include his wages, his own jewelry, and any other jewelry his family may have. All the rest of us have to do the same thing. We were born into that system, and we are in it yet, and I do not know of a single voice anywhere in the United States that is complaining against it.

We are told about the use of income-tax returns in court in Wisconsin. What of it? Most Senators have tried lawsuits. Some have listened to lawsuits which were being tried. They probably have all had the experience, where it became material to an issue pending in court, that the assessor's return of property in the case of one of the parties to the suit should be brought in and offered in evidence. What of it? It all tends to honesty in government. If a man is a crook and makes a false return and gets into litigation, and the return is material, why should it not be offered in evidence? What is the objection to it? If it is an honest return and a man's defense or his prosecution of the litigation pending is also honest, it will help him out. It all goes toward the helping of honest men and to the discredit of dishonest men. Is there any objection to publicity on that account?

Is there any place where it has done any harm? If we take any great case in court where any evidence of that kind has ever been offered, it will be found that like any other evidence it was permitted by the judge because he thought it would give the jury an honest understanding of the real issues which they were called upon to settle. It always has tended toward honesty.

Suppose the title to a team of horses were involved, and one of the parties to the suit denied that he had a team of horses, would it not be a good thing if there could be brought in the assessor's return, which the man had signed, in which he said under oath that he did own a team of horses? Would that not help in the trial? Because it is a suit involving individuals, and individuals only are interested, makes the use of a return in the case no more objectionable. Its use brings out the facts. If a party to the suit lied when he was making his return, why should it not be shown in court if it can be shown? That is going to be stopped when Congress shall pass the pending bill; then such a thing cannot be done with an income-tax return. Yet in every county in the United States such a thing can be done where a man has itemized for taxation all the property which he possesses.

Is there danger, as has been said, of some man coming along, examining the tax returns and then advertising or using some other method to let it be known that he knows what the income-tax returns show? Suppose he does publish that information, who is hurt? He can now publish,

if he wants to do so, a statement of the jewelry I have in my home, which I have returned in my tax return. He can publish now if he wants to the kind of an automobile I have returned. What of it? If I had not returned that automobile, and the question came up and was material in litigation, would it not be all right if my tax return were brought into court to show what I said about it when I could not have anticipated the lawsuit and told whether I owned it, and what kind of an automobile it was? Who is hurt by that? Is that not necessary in order to run the Government and run it right, on an honest basis?

What are all the imaginary ills which are referred to? They all fade into insignificance. The truth is that if we had publicity of tax returns the situation in a few years would be just like that which now exists in the case of tax returns filed with our local taxing authorities. No one would be hurt unless he was trying to avoid the law.

Mention has been made of one neighbor prying upon the other. In your home town here is Sam Smith who runs a great big dry-goods store. You live next door to him. He has to return that stock of goods every year for taxation; tell all about it and answer all the questions. Do you go down the next day after that return is filed and find out what Sam Smith did, what value he placed on his stock? You could. Has it resulted in a quarrel between you and your neighbor, the dry-goods man, who lives next door? Would there be any more curiosity about an income-tax return than about a property return which goes into all details? You would not think of going into them. But if your neighbor has a stock of goods but fails to return it for tax purposes and some trial comes up where that was important it might even be offered in evidence. It is the same way with an income-tax return.

I think the junior Senator from Wisconsin, who I understand is going to vote to clothe all these returns in secrecy, said that one of the greatest benefits which came from publicity was the psychological benefit. I think he hit the nail on the head; I think that is the real thing involved in this controversy.

Nobody wants to snoop; nobody wants to inquire into somebody else's business; but we all have a right to know that every citizen bears his just proportion of taxation. That is all publicity means. It cannot hurt the taxpayer; it will hurt nobody. As the Senator from Wisconsin has said, it will have a psychological effect upon the taxpayer when he makes out his return. Do we not want that psychological influence to be felt? It would bring to the Treasury millions of dollars. Every student of the subject would have to admit that. It would bring in revenue greatly in excess of that which would be obtained if the taxpayer who made out the return was dishonest and knew that it would never see the light of day.

Such a law would not be any reflection upon the honesty of the taxpayer. It would defend the honest taxpayers' rights, and in these days we ought to do our utmost to defend the honest men and women of the country who always try to do their best to support the laws of the country and to uphold the Government.

I should dislike to have the impression go out to the country that those who support publicity of income-tax returns have some enmity in their hearts against taxpayers, whether they be large or small it makes no difference. I say again, Senators, that, as I view this question, it is merely one of honesty; it affects only the few taxpayers who are dishonest. It will make no change in the action of the honest citizen who tries to make an honest return.

Mr. President, one of the great things in government is publicity. We are now commencing to chisel and chip a little of it off. Should the pending bill be enacted, the movement will not end there; we shall go further and have more secrecy. Publicity is the greatest cure for evils which may exist in government. We should have publicity and more publicity; and, in the end, when universal publicity shall have been attained, we will not have injured a single person, but we shall have protected the rights of all. I do not want the country to obtain the impression that this controversy involves a quarrel between the little taxpayer and the big taxpayer. As I see it, it has nothing to do with that. It is entirely a controversy between the honest taxpayer and the dishonest taxpayer. I concede that many of the honest taxpayers are opposed to publicity because of their objection to having, as they contend, their personal business become public property. I have shown that no such condition will result; that it will not come; but if it shall come, let it come. We must bear our burdens, no matter what they may be. We are now bearing them as a result of the action of dishonest men, and this proposed legislation is only to make those who wish to avoid the law assume their just proportion of the burdens of the Government.

Mr. FRAZIER. Mr. President, for a long time I have been strongly in favor of publicity of income-tax returns; I believe it is a good thing; and I think the amendment of the senior Senator from Wisconsin [Mr. LA FOLLETTE] to be a desirable amendment, greatly preferable to the so-called "pink slip" provision which is now included in the law.

When any property owners, such as home owners or landowners, pay their taxes the records, of course, are public; when a farmer or anyone else puts a mortgage on his property that is a public record also; and it seems to me that income-tax returns should as well be public records.

I have been wondering since this debate started whether or not if we had publicity of income-tax returns there would be any necessity of the Treasury making so many refunds of taxes as have been made during the past few years.

I have on my desk one of the volumes of the CONGRESSIONAL RECORD of 1932. Some Senators will remember that during that year a great deal was said about refunds of income taxes by the Treasury, on the ground of overpayment or mistakes made, or something of that kind. I find in a volume of the RECORD where a Democratic Member of the House made a statement that, in his opinion, the Presidential campaign 2 or 3 years previously was paid for out of the Treasury of the United States in the shape of refunds of income taxes made to individuals and corporations. A few days later a Republican Member of the House made a reply to the speech of the Democratic Representative.

In the remarks of the Democratic Member of the House there is submitted a list showing the big income-tax refunds and also the contributions made to the Republican Party. In the remarks of the Republican Member of the House there appears a similar list of big income-tax refunds and also contributions made to the Democratic Party. So there does not seem to be a difference in that respect, but, in my opinion, there would be a great many fewer income-tax refunds if there were publicity given to income-tax returns.

The statement was made on the floor of the House in the discussion to which I have referred that during the preceding 10 years—that was before 1932—approximately $4,000,000,000 had been returned to taxpayers in the form of refunds because of overpayment, or for other reasons, and that the interest on the amount so refunded would run into millions of dollars. In the list given there are shown the names of many companies to which in a single year refunds were made amounting to over a million dollars.

Those big companies have high-class attorneys on their pay roll by the year, and it seems exceedingly strange to me that mistakes would be made which would warrant the refund to one company of over a million dollars and other refunds running up into the hundreds of thousands of dollars on income-tax returns. Such refunds have been made to a great many of the big business interests. I am not going to take the time to read the list, but there are many of them. Some of these organizations have contributed to both the Democratic and the Republican campaign funds, and some of them have contributed only to one campaign fund. Whether or not the refunds had anything to do with their contributions I am not prepared to say, but at any rate the fact is, it seems to me, that because income-tax returns are not public a great many mistakes are made and refunds amounting to millions of dollars are paid in many instances to big companies.

I notice the name of one big company which during a period of 3 years secured refunds amounting to much more

than a million dollars. In fact, in 1 year alone their refund exceeded a million dollars. Many prominent companies, known to everyone, are included in the list. It seems to me if the income-tax returns are made public, as I believe they should be, there would be a lessening of this evil.

The provision for publicity is not designed to do any harm to anyone. There may be some people who will take advantage of it, but that is not the question. There are some people who take advantage of any publicity if an opportunity is afforded to take advantage of it, but, as the Senator from Nebraska [Mr. NORRIS] has so well stated, I do not believe that the publicity of income-tax returns will hurt any honest income-tax payer.

The discussions which took place in the House and in the Senate in 1932 or thereabouts are very interesting, but I do not think I will bother to quote from those debates, although it was claimed that many of the big income-tax payers that received refunds were large contributors to both the great political parties in their campaigns. That is the situation. Whether the refunds had anything to do with the contributions is another question, but I believe that the publicity would do away with the necessity of making these immense refunds of income taxes. Therefore, I hope the amendment in the nature of a substitute offered by the Senator from Wisconsin will be adopted.

Mr. HARRISON and Mr. LA FOLLETTE rose.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. HARRISON. Mr. President, I believe the Senator from Wisconsin desires to have a yea-and-nay vote.

Mr. LA FOLLETTE. Yes. I had understood that the senior Senator from Michigan [Mr. COUZENS] desired to speak on the amendment. If he does not desire to do so, I myself wish to submit a few remarks in response to some statements which have been made during the debate.

Mr. HARRISON. Very well.

Mr. LA FOLLETTE. Mr. President, as was suggested by the Senator from Nebraska [Mr. NORRIS], it has been a matter of surprise that some of the arguments advanced on the floor against the pending proposal have been seriously made. The idea that it is going to injure widows, as suggested by the Senator from New York [Mr. COPELAND], or that it is going to provide information which will result in a larger number of crimes, such as kidnaping and other offenses against penal statutes, to my mind is unworthy of the caliber of debate which I think ought to take place over an important question of public policy.

Is there really any Senator who seriously believes that any gang of kidnapers, desiring to select a victim, would obtain any additional information needed by them from income-tax returns? As a matter of fact, it is well known to every Senator who has followed the news of the wave of kidnapings in the country that the families of the victims selected were people concerning whom it was a matter of common knowledge in their community that they were in a position to pay large ransoms which might be demanded.

I point out that in the State of Wisconsin, where we have a large number of wealthy residents, and where since 1923 income-tax returns have been open to public inspection, there has not been a single instance of kidnaping, which to my mind completely answers the arguments and should allay the fancied fears of any Senator who may sincerely believe the propaganda which has been circulated that information derived from income-tax returns would be made use of by those contemplating perpetrating the heinous crime of kidnaping.

The Senator from New York [Mr. COPELAND] yesterday shed copious tears over some widow living in his home town, and the fears of the Senator were aroused that some of her neighbors would ascertain that she had paid $13.50 more income tax than some neighbor who lives next door. Is there any Senator who really believes that any person would take the trouble to go to the place where the income-tax returns are on file, as would be necessary under the amendment now pending, and make written request for the inspection of that return in order to ascertain whether this poor widow, about whom the Senator from New York was so concerned, had paid $13.50 more income tax than some other person who lived in that community?

I do not know where that community is in the State of New York, but I venture the assertion that the round-trip railroad fare of any person traveling from that village to the place where the income-tax returns are on file in the office of the income-tax division in the State of New York would be more than the sum mentioned by the Senator from New York which the poor widow had paid in excess of the taxes paid by some one of her neighbors.

The junior Senator from California [Mr. MCADOO] based the major portion of his argument upon the premise that individual citizens do not have a sufficient amount of information to enable them to pass judgment upon the returns and properly to construe the law under which the returns of other taxpayers had been made, to enable them to obtain any advantageous information therefrom. I grant that in most instances that would be true, but such an argument completely overlooks the fact that we entirely alter the psychology of the individual or corporation in making tax returns if it is made known that the return is subject to inspection under proper rules and regulations.

A point which it seems to me has been completely overlooked in support of the contention that returns should be regarded as public records under proper safeguards is that in the proper collection of the taxes due under the income-tax law much depends upon the administration of that law.

Mr. President, we likewise create an entirely different psychology on the part of those who are in charge of the administration of the law if we make it known to them that the important decisions, which they are constantly called upon to make in connection with individual or corporate returns, are open to inspection under proper safeguards.

I made the statement the other day, and I do not think it can be successfully refuted, that many of the glaring examples of favoritism and maladministration of the law revealed by the select committee headed by the senior Senator from Michigan [Mr. COUZENS], which a few years ago investigated the Bureau of Internal Revenue, would never have taken place if the amendment which I am proposing had been upon the statute books.

Of course, if we assume at all times that those who are directly charged with the responsibility of administering the law, and those who are under them, are constantly endeavoring in all honesty and in all fairness to administer the law justly to the Government and to the taxpayer, the argument might fall to the ground. However, it must be remembered that we have had examples of Secretaries of the Treasury and Commissioners of Internal Revenue who were out of sympathy with the income-tax law itself. Under those circumstances, conditions such as were revealed by the inquiry conducted by the senior Senator from Michigan were exposed to the public view. I submit that they revealed shocking conditions in the administration of the law.

Only such conditions could be expected in a situation where every employee of the Bureau had taken an oath and been advised that in taking such oath of office he was subjected to prosecution if he revealed any information concerning income-tax returns or interpretations of law by persons employed in the Bureau. There were examples brought to the attention of the select committee headed by the senior Senator from Michigan where employees of the Bureau had made a valiant fight, almost to the point of being discharged, to prevent what to them seemed to be maladministration of the law, favoritism, or the defrauding of the Government of its legitimate taxes under the law. Yet those individuals were not in the position where they could go to any Senator or to any person outside of the Bureau and point out what seemed to them to be glaring instances of maladministration or of favoritism.

Mr. President, I do not wish anything I have said to be taken as a wholesale indictment of those who are employed in the Government service. On the contrary, I have always been a defender of the personnel in the Government service. I think it compares very favorably with the personnel em-

ployed in private industry, both in its intelligence, in its honesty, and in the faithfulness with which they discharge their respective duties. Senators are indeed unfamiliar, however, with the ordinary psychology of those who are employed, whether in the Government service or in any other service, if they do not recognize that persons who are superior to them may, by their attitude, prevent honest employees who are subordinates from carrying out faithfully the law as they regard it.

The Senator from Iowa [Mr. MURPHY] stated on the floor of the Senate that those who are advocating making income-tax returns public records are proceeding upon the theory that all income-tax payers, or a large percentage of them, are dishonest. I submit that to my own personal knowledge a reading of the debates which have occurred in this Chamber since 1921 upon this important question of public policy will not reveal a single word, or a single sentence, which could be construed to justify the statement made by the Senator from Iowa.

He says that to propose to make income-tax returns public records under proper safeguards is an "invasion of privacy", and an "invasion of purely personal affairs." There I must sharply disagree upon a question of public policy with the Senator from Iowa. I contend that when we employ the principle of the income-tax law as a means of equitably distributing a portion of the burdens of government, then and at that time the relations of the taxpayer to his Government are no longer upon a purely personal or a purely private basis.

I grant that such would be the case concerning information disclosed by a depositor to his banker in an effort to secure a loan. I grant that it would be true in the case of a client disclosing information to his duly employed counsel. Taxation, however, is a matter of public policy. It is a matter of public relation between the income-tax payer and the Government. We might just as well take the position that the property-tax returns in the various localities, which since time immemorial have been regarded and held to be public records, should suddenly be shrouded in secrecy, if we are to carry to a logical conclusion the position taken by the Senator from Iowa that the moment the Government imposes a tax it has assumed an obligation to protect the taxpayer in the privacy of the details of his possessions in the case of property or of his income in the case of the income-tax return.

The Senator from Iowa states that the opposition to this so-called "pink slip" provision—which, as pointed out by the Senator from Nebraska [Mr. NORRIS], was not advocated by those who favor making income-tax returns public records—comes, if I quote him correctly, from instinctive springs within the human experience, or words to that effect. On the contrary, the opposition to this provision has been promoted by a propaganda carried on all over the country; and if it be true that the instinctive reaction of the individual citizen is that this is an atrocious invasion of his privacy, why have not all the farmers in Iowa and all the business men in Wisconsin demanded that we should have legislation in those two States to shroud in secrecy the property-tax returns?

The Senator from Iowa went on further to say that the proposal to make income-tax returns public records "invades the home"; that it "pulls the curtains from the windows of the home", and "tears out the walls of the bathroom." The language employed by the Senator from Iowa is not an adequate answer to the important question of public policy that is involved in my amendment. If it is correct, then why not make it apply universally? Why not "hang up the curtains", why not "put back the walls of the bathroom", so far as property-tax returns are concerned? If it is an invasion of the privacy of an individual to ascertain how he has employed the fertile legal minds referred to by the Senator from Iowa, then why did not the Senator from Iowa rise on the floor of the Senate and protest the invasion of the privacy of J. P. Morgan & Co. and their partners, and of Charles Mitchell, when the stock-market investigation was being carried on by the Senate Committee on Banking and Currency?

While I am on that point, Mr. President, I desire to say that it is not a sufficient answer for Senators to take the position that they are opposed to this amendment because, forsooth, they believe that a continuous investigation by committees of Congress and by the departments will result in keeping in step with the fertile legal minds employed by the rich, as the Senator from Iowa phrased it. The Department of the Treasury, the Bureau of Internal Revenue, had such responsibilities during the period from 1921 to 1932. As a matter of fact, we now know from the investigations carried on by the Senate Committee on Banking and Currency and from the investigations which have been carried on in the case of Mr. Andrew W. Mellon before a branch of the Board of Tax Appeals in Pittsburgh, that these loopholes existed in the law long before they were revealed before the Senate Committee on Banking and Currency and before other committees of Congress.

Mr. SHIPSTEAD. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. Mr. Mellon wrote the tax bill, too; did he not?

Mr. LA FOLLETTE. Mr. Mellon had great influence in writing tax bills. The point is, however, that all this theoretical argument advanced by the Senator from Iowa and other Senators that we will get this information through the committees and the departments, that we will plug up these loopholes of a legalistic character ferreted out by the fertile minds of the lawyers employed by the rich, is not borne out by history. It is only when some agency of the Government under some pressure has lifted the lid of secrecy from income-tax procedure in this country that we have had not only the information but the public sentiment aroused upon which remedial legislation was based.

The Senator from Iowa goes on to say that he denies that the income-tax payers are crooks; he denies that they are perjurers. So far as I know, in the nearly 14 years that this important question of public policy has been before the Congress no Senator has ever made a statement which would justify the implication carried by the remarks of the Senator from Iowa, that all those who advocate making income-tax returns public records regard the taxpayers as crooks and as perjurers. I certainly do not, Mr. President; but I do say that in all experience through the written history of the world it has been demonstrated that policies of secrecy and the principle of democratic government are inimical; they are antagonistic; and to the extent that secrecy has been permitted to shroud the public's business, under a democratic form of government, it has been the breeder and the protector of crimes against public policy.

While I admit that the two cases are not upon all fours, let us take, for instance, the experience of our own Government in recent years.

It was the veil of secrecy placed around the naval oil reserves which made it possible for those reserves to be bartered away; and but for the persistence of my father and the late Senator from Wyoming [Mr. KENDRICK] and later the tenacious and indefatigable public service rendered by the late senior Senator from Montana [Mr. WALSH], those priceless naval oil reserves would today, in my opinion, be in the hands of the individuals who were responsible for wresting them, by fraudulent means, from the public domain.

Suppose we had carried the theory of secrecy, as advanced by the Senator from Iowa [Mr. MURPHY] and other Senators, to its logical conclusion. We never could have revealed the facts brought out by the Committee on Banking and Currency. We were there once more invading the privacy of somebody's home, we were taking the curtains off his window, we were knocking the walls out from his bathroom, if the Senator from Iowa chooses to use those terms. But I say, Mr. President, that it was in the public interest that those investigations should have been made, and they were largely responsible for finding the loopholes in the then

existing income-tax law, which had been ferreted out by the fertile minds of high-priced lawyers.

Those revelations, Mr. President, those invasions of privacy for a public purpose, were responsible for plugging up the loopholes, and not the activities of the Department on which the Senator from Iowa wants us to rely.

A select committee of the United States Senate, under the able chairmanship of the junior Senator from North Dakota [Mr. NYE], has been invading the privacy of individuals engaged in the munitions industry. Yes, they have been invading the privacy of Government departments themselves. They have been lifting the lid from the procedure of the Navy Department in letting contracts. They have been getting information from munitions makers. In my opinion, no more distinguished service has been rendered in the public interest by any committee in recent years than that already discharged by this able committee.

If we followed the arguments of those who are opposed to making income-tax returns public records to their logical conclusion, then we would shear off from the legislative branch of the Government its most effective arm in protecting the welfare of the citizens of this Republic—the right of investigation.

Mr. President, I desire to point out briefly that there is a very marked and substantial difference between the pending amendment and the so-called "pink slip" proposal, which is now upon the statute books and which came out of the fertile brains of the representatives of the House Ways and Means Committee and the Senate Finance Committee when considering the last revenue bill before us. Every Senator here knows that an overwhelming majority of the representatives of the Senate Finance Committee on that conference were opposed to making income-tax returns public records.

The difference in practical procedure between the proposition which I am offering now and the one I offered at the time it passed the Senate by a substantial majority just a little over a year ago is just this: that under this partial publicity feature, devised by the distinguished gentlemen on the conference committee, a slip is made out by every taxpayer, and it is provided under the law that all of the slips shall be made available to public inspection.

A practical working out of that procedure inevitably means that all of the slips will be placed in alphabetical order and that any person desiring to make use of the information in them or any newspaper desiring to publish the information has only to send someone to the office and to copy off the information which has been correlated and gathered together by the employees of the Bureau of Internal Revenue.

Under the proposal which I have offered, and the one which has been advocated here by every Senator who has supported in principle the proposition of making income-tax returns public records, the return, under rules and regulations to be promulgated by the Secretary of the Treasury and approved by the President, would be open to inspection. What is the practical working out of that procedure?

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. BONE in the chair). Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. LA FOLLETTE. I yield.

Mr. BORAH. As I understand, under the substitute offered by the Senator from Wisconsin the information which may be in the Department with reference to income taxes can only be passed out to the public under rules and regulations made by the Secretary of the Treasury and approved by the President?

Mr. LA FOLLETTE. Yes; but I want to be perfectly frank with the Senator. The amendment provides that it shall be a mandatory duty of the Secretary and the President to issue reasonable rules and regulations for the inspection of the returns.

Mr. BORAH. I so understood.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. BARKLEY. Under the language of the Senator's amendment the records are to be public records, and open to the inspection of the public, under rules and regulations prescribed by the Secretary of the Treasury.

Mr. LA FOLLETTE. And approved by the President.

Mr. BARKLEY. Those rules and regulations could only provide the method by which or the circumstances under which, and so on. They could not go far enough to deny to anybody who wanted to inspect them the right to do so.

Mr. LA FOLLETTE. Of course not. What would be the sense of offering this amendment if we were satisfied with leaving it within the discretionary power of the Secretary and the President as to whether the returns should be made public records or not, when we reflect that there has been permissive authority on the statute books since 1926, and no President and no Secretary of the Treasury has ever acted under it. It goes to the whole question of whether one believes that these returns should be public records or not. If anyone is opposed to that, of course he will vote against the amendment.

Mr. BARKLEY. I am suggesting that, under the language of the Senator's amendment, the Secretary of the Treasury, with the approval of the President, might make regulations which would in effect prevent them from being public records, because they might make the regulations so rigid and restrictive that the public could not see the returns. I agree with the Senator that this is all a question revolving around the problem of whether or not the records ought to be open to the inspection of everybody who wants to see them.

Mr. LA FOLLETTE. Mr. President, I do not question the Senator's position at all, but I simply want to be perfectly frank, and to say that the only discretion the Secretary of the Treasury and the President together could exercise, under the amendment as it now reads, would be to draw up reasonable rules and regulations for the inspection of the returns upon demand.

Mr. President, if this amendment shall become law, any person who desires to examine a return has, first of all, to go to the office of the collector of internal revenue where the return is on file. He has to make out an application to inspect the return, and if he desires to have a copy of it, he has to pay an appropriate fee, which is to be fixed by the Treasury Department, to cover the cost of providing the copy.

The chief distinction between these two propositions is just this, that under my amendment returns are only going to be inspected when there is some good reason for their inspection, because, as I pointed out a few moments ago, I do not think any of the neighbors of the widow in New York whom the Senator from New York had in mind are going to bother to make a trip down to New York and go to the office of the collector of internal revenue and make out an application to see the widow's return.

On the other hand, Mr. President, if the amendment should become law, it would enable any person who desired to inspect a return, if he believed the reasons sufficient to warrant him in making the effort, to do so. In the second place, as I pointed out in the debate on yesterday, it provides an entirely different psychology, so far as those who make out the returns are concerned, and so far as those who are charged with the administration of the law are concerned.

I do not think it would make any difference to a large percentage of the taxpayers in the way in which they make out their returns, but I do think it would make a great deal of difference to a small but an important percentage, from the point of view of efficient administration and equitable and justifiable administration of law. The small percentage will be affected by the fact that we have adopted a policy of making the returns open to public inspection.

I am not unaware of the situation which exists in this Chamber so far as votes on this proposal are concerned. This is not the first time I have been licked on it, and I expect to be licked on it again, because there never will be a revenue law considered in this body, so long as I am a Member of it, when Senators will not have to face this

issue. While I am not a prophet, and do not pretend to be one, I predict here and now that if a policy of secrecy concerning income-tax returns and the administration of the law is adopted, the next time Congress or the Senate, through a duly constituted committee, authorizes an investigation which will either directly or indirectly result in lifting the lid upon income-tax returns, we will find shocking conditions similar to those which have been disclosed in every investigation which has taken place since I have been a Member of this body.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE] in the nature of a substitute for the bill.

Mr. HARRISON. Mr. President, I ask for the yeas and nays.

Mr. COUZENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Lonergan	Reynolds
Ashurst	Couzens	Long	Robinson
Austin	Cutting	McAdoo	Russell
Bachman	Dickinson	McCarran	Schwellenbach
Bankhead	Donahey	McGill	Sheppard
Barbour	Duffy	McKellar	Shipstead
Barkley	Fletcher	McNary	Smith
Bilbo	Frazier	Maloney	Steiwer
Black	George	Metcalf	Thomas, Okla.
Bone	Gerry	Minton	Thomas, Utah
Borah	Gibson	Moore	Townsend
Bulkley	Glass	Murphy	Trammell
Bulow	Gore	Murray	Truman
Burke	Guffey	Neely	Tydings
Byrd	Hale	Norbeck	Vandenberg
Byrnes	Harrison	Norris	Van Nuys
Capper	Hatch	Nye	Wagner
Clark	Hayden	O'Mahoney	Walsh
Connally	King	Pittman	Wheeler
Coolidge	La Follette	Pope	White
Copeland	Logan	Radcliffe	

The PRESIDING OFFICER. Eighty-three Senators have answered to their names. A quorum is present.

The question is on the amendment in the nature of a substitute offered by the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. COUZENS. Mr. President, I do not know that there is anything I can add to what has already been said, although during the last 10 or 12 years I have perhaps had more intimate contact with the Treasury Department and income-tax returns than most any other Senator.

What the Senator from Wisconsin [Mr. LA FOLLETTE] has said and what the Senator from Nebraska [Mr. NORRIS] has said is absolutely confirmed by the RECORD.

In 1926 the select committee appointed by the Senate to investigate the Bureau of Internal Revenue of the Treasury Department made a report of some 500 pages, showing the result of that investigation. The disclosures were so bad, the maladministrations were shown to be so vicious that Congress itself enacted a law providing for the Joint Tax Commission. This Joint Tax Commission is made up of 5 members of the Ways and Means Committee of the House and 5 members of the Finance Committee of the Senate. This Joint Tax Commission of the two bodies of Congress has a staff which takes up with the Treasury Department or the Bureau of Internal Revenue the question of refunds, credits, and other matters which it is believed the Congress should interest itself in. So far as the Joint Tax Commission and staff has to do with the matter, it is my opinion that it has done a good job. It has, in many cases, developed situations which ought to have been developed. But there is no means of determining, even through that excellent organization, whether or not tax returns are made by everyone who ought to make them, nor does any question arise between the Joint Tax Commission and their staff and the Treasury Department unless there is a controversy, or when the taxpayer makes a claim for a refund or a credit.

There is one feature which I think has been overlooked in this discussion, and that is the failure to have a so-called "pink slip" is an indication that no tax return has been made. One of my colleagues said to me a few moments ago, "I like the La Follette amendment, but I do not like the 'pink slip' because I do not think the 'pink slip' is fair to the taxpayer." And he asked me what the advantage of the "pink slip" was as compared to what is provided in the amendment proposed by the Senator from Wisconsin. Obviously I prefer the amendment proposed by the Senator from Wisconsin, and I voted for it, together with 41 or 42 other Senators, in April 1934.

When that amendment went to the conference between the conferees of both Houses of Congress, the House conferees said, "We are willing for a certain amount of the tax returns to become public records, but we do object to the source of the income in these returns being matters of public record. We do not think it is anyone's business where a man gets his income from, so long as his income is known, and whether or not he pays taxes." And after some considerable discussion the Senate conferees accepted the modifications proposed by the conferees of the House.

The compromise settlement between the conferees has developed form 1049, the so-called "pink slip." That was accepted by the Senate conferees and the Senate for the obvious reason that there was some doubt as to the wisdom of disclosing the source of a man's income. The question was whether or not he had an income which should be reported, and whether or not he had reported it, and whether or not he had reported it accurately. That was the question to be decided, and, as I said, the Senate conferees accepted the substitute proposed by the House Ways and Means Committee. Then it went on for nearly a year, and as the income-tax returns had to be made by March 15, the so-called "Sentinels of the Republic" started a propaganda campaign against the so-called "pink slip."

Now it may be true that the "pink slip" is not the ideal way, it is not my idea of the ideal method, but it served better than no record at all, although as I said previously, the proposal of the Senator from Wisconsin is my idea of what these records ought to be.

The Senator from New York [Mr. COPELAND] yesterday laid great stress upon the little merchant and the widow and the orphan, and all that sort of thing, and I want to point out that during all the propaganda which has gone on practically no criticism, or at least no propaganda has reached me, from the big people, from the big taxpayers, from the big concerns. They have obviously gotten behind the mountain of little taxpayers and used them as their shield.

Now, as evidence of what I said a while ago about the "pink slip" in its indicating whether a tax return had been made or not, or whether there was any taxable income, I want to refer to the report of the Banking and Currency Committee made by the distinguished senior Senator from Florida [Mr. FLETCHER] in June last with respect to our investigation on banking, stock-exchange practices, and other matters.

On page 321, chapter V, the Banking and Currency Committee reported under the authorship of the chairman of the committee, the Senator from Florida [Mr. FLETCHER], the following:

> The evidence developed by us in open hearings brought to light a variety of methods whereby the payment of income taxes was avoided or deferred until profits were more or less offset by losses. Those disclosures laid the basis for legislative action designed to prevent tax avoidances and to simplify the revenue laws. Many changes have since been made in the income-tax laws directly aimed at the practices described in this chapter.
>
> The need for reform, either in the law or its method of enforcement, or both, was made abundantly clear when the income-tax returns of some of the leaders of American finance for the years since 1929 were examined by the subcommittee. For the year 1929 the partners of J. P. Morgan & Co. collectively paid about $11,000,000 in taxes to the Federal Government. For the year 1930, 17 Morgan partners, including J. P. Morgan, paid no tax and 5 paid aggregate taxes of about $56,000. For the year 1931 not a single Morgan partner paid any tax. For the year 1932 not a single Morgan partner paid any tax.

I wish to inject at this point that during all these years the Treasury Department at no time notified any committee of Congress of that condition. It is only by such investigations as that conducted by the Banking and Currency Committee that such conditions have been disclosed, and the ways and means found to combat the avoidance of taxes.

Why did not the Treasury Department come here and say, "We have discovered all these ways and means of avoiding taxation and we suggest a remedy to prevent it"? Oh, no; they never came here, but it is a matter of record, on high authority, that the former Secretary of the Treasury asked the Commissioner of Internal Revenue how many ways there were of avoiding taxation, and the Commissioner of Internal Revenue advised the Secretary of the Treasury that there were eight well-known ways and means of tax avoidance. It has been disclosed in the hearings before the Board of Tax Appeals at Pittsburgh that Mr. Mellon used seven of those ways and means of avoiding taxation, and there is not a record anywhere that he ever appealed to Congress to close up those methods of tax avoidance. Even today there is no request here to change the tax laws in order to put an end to these methods of tax avoidance.

I submit that if we had made income-tax returns matters of public record any Member of Congress could have inquired as to whether or not these big taxpayers were paying taxes, and had we discovered that they were paying no taxes we would have instituted an inquiry, even in opposition to the Secretary of the Treasury, to ascertain how and by what means taxes were being avoided.

Mr. LA FOLLETTE. Mr. President——

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Michigan yield to the Senator from Wisconsin?

Mr. COUZENS. I yield.

Mr. LA FOLLETTE. May I suggest to the Senator from Michigan that those who are advising us to rely upon the initiative of the Treasury Department, on the face of the record, are suggesting that we lock the door after the horse has been stolen.

Mr. COUZENS. No; that is not quite correct, because they want to leave the door open all the time; they do not even want the door locked at any time.

Mr. SHIPSTEAD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Minnesota?

Mr. COUZENS. I yield.

Mr. SHIPSTEAD. The evasions to which the Senator refers occurred during the time when we were passing tax bills sent down to us by the Treasury Department.

Mr. COUZENS. That is true.

Mr. SHIPSTEAD. Does not that show the danger to which Congress subjects itself and the country when it accepts measures sent down by the various departments with the request that they be passed without crossing a "t" or dotting an "i"?

Mr. COUZENS. That is entirely correct, and that is specifically true and importantly true when such measures have to do with money matters.

From the time the select committee of the Senate started the investigation of the Bureau of Internal Revenue away back in 1924 and 1925 efforts have been made to put an end to these methods of evasion; yet at the present time there are still ways and means existing for avoiding taxation.

I wish to continue reading from the report of the Banking and Currency Committee for a moment:

> For the year 1929 the partners of Kuhn, Loeb & Co. collectively paid about $1,900,000 in taxes. For the year 1930 Kuhn, Loeb partners, including Otto H. Kahn, paid no tax; and four paid aggregate taxes of about $100,000. For the year 1931 six Kuhn, Loeb partners paid no tax, and the other State taxes totaling less than $2,000. A similar situation prevailed in 1932.
>
> The limitations of time prevented the subcommittee from determining how wide-spread this immunity from income-tax liability actually was among persons prominent in industry, commerce, and finance.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. COUZENS. I yield.

Mr. BARKLEY. In that connection I think it ought to be stated that the reason why the men to whom the Senator has referred, of the House of Morgan and the House of Kuhn, Loeb & Co., paid no taxes for 2 or 3 years was because at that time the law permitted them to charge up their losses in any one year for a period of 2 years in advance, and they did deduct their losses in a certain year from their income the following 2 years, which wiped out their income altogether. We discovered that the law itself was responsible for that situation and created that loophole. We did close that one as the result of the investigation, so that such deductions can no longer be made; but, if it had not been for that law, these men would have been chargeable with an income tax on their net income for the year without any deduction for losses incurred in previous years.

Mr. COUZENS. I am not discussing the legality of deductions and the fact that they paid no taxes; I am not raising that issue, and I am not charging them with adopting illegal practices. I am——

Mr. BARKLEY. But the Senator——

Mr. COUZENS. Just a moment. I am trying to point out that the Congress never knew of these evasions until the investigation of the Banking and Currency Committee, and as soon as they learned of these facts through the investigation they stopped up the loopholes. I insist that it should have been the duty of the Treasury Department back in 1932 to have advised the Congress that such methods were being employed in order to avoid taxes and that we should have stopped them sooner than we did.

Mr. BARKLEY. I do not dispute that statement at all, but I thought the Senator was using the circumstances that these men paid no taxes in that year as an argument in favor of opening up the income-tax returns to the general public; and in that connection I think it is true that no one among all the general public, if he had had opportunity to investigate or to study the tax returns of any one of these men, in all probability could have made any contribution to the closing of the legal loopholes which resulted finally in the amendment of the law.

Mr. COUZENS. That is a conclusion the Senator has a right to reach; but I submit that if many of us had had access to these returns, the shameful evasions in the Mellon case which are now being brought out at Pittsburgh would never have gone on for these years and the shameful evasions brought out by the Banking and Currency Committee would not have continued; but it was not possible for those of us who are charged with legislation to obtain the facts. We have no access to these records.

In a meeting of the Joint Committee on Internal Revenue Taxation the other day there was an application made by two Members of Congress for an inquiry into the returns of two individuals or corporations—I forget which. The Member of Congress believed that there was some tax evasion, but he had no way of ascertaining the facts. He appealed to the Joint Committee on Internal Revenue Taxation to have them ascertain whether or not there was any tax evasion or if the returns had been properly made. The Joint Committee on Internal Revenue Taxation authorized their staff to make an investigation of these two cases, with the stipulation that the result of the investigation would be made to the joint committee, and then that the joint committee itself would determine whether it was justified in giving the information to the Member of Congress. I think that is an absurd restriction upon Members of Congress, resulting, as it does, in denying them, as good citizens, ways and means of prosecuting efforts to get just and fair taxes from all citizens.

I read further from page 322 of the report of the Banking and Currency Committee:

> Otto H. Kahn, of Kuhn, Loeb & Co., testified that on December 30, 1930, he sold five blocks of securities to his daughter, Maude E. Marriott, which he later reacquired by assignment in writing. Although the assignment was dated December 31, 1930—

Mark this—

> he stated that the document was actually executed in March 1931.

In other words, 3 months afterward, when he came to make his income-tax return, he antedated the assignment of stock, thereby placing the transfer just beyond the 60-day limitation period.

> Through this method a loss of $117,584 was established, whereby Kahn was enabled to deduct upwards of $16,000 from his income tax for the year 1930.

Charles E. Mitchell, chairman of the National City Bank, sold to his wife in 1929, 18,300 shares of National City Bank stock at a loss of $2,872,305.50. This transaction, Mr. Mitchell admitted, was entered into for the express purpose of establishing the loss for income-tax purposes. He later repurchased the stock from his wife.

To show the activities engaged in by those who have inside information as to how these evasions may be practiced, I refer to page 331 of the report, where it is said:

In a letter dated July 5, 1932, addressed to a customer, Chase Harris Forbes Corporation advised him that through an exchange of securities which could be effected by Chase Harris Forbes Corporation he could establish a substantial loss for income-tax purposes without sacrificing the security of his investments.

In a memorandum from G. A. Kinney, an officer of the Chase National Bank, to another official, dated December 18, 1931, it was stated:

"Please sell the attached 1,000 shares of Chase stock in the name of Charles E. Keaton at the market, check to his order to be mailed to him at Hempstead, Long Island. Mr. Keaton is a member of the advisory board of the Hamilton Trust branch and is taking a loss for tax purposes with the intention of repurchasing after 30 days."

The Chase National Bank was lending the facilities and personnel of the bank and its securities affiliates to assist customers in avoiding the payment of income taxes. At the same time the bank was holding out the temptation of avoiding taxation as a means of inducing customers to "switch" securities.

A rule has recently been promulgated by the Internal Revenue Bureau requiring each taxpayer to file a statement disclosing what assistance he has received in the preparation of his income-tax return.

I wish to draw to the attention of Senators a paragraph on the same page headed "Laxity in Enforcement", as follows:

Internal-revenue agents accepted without examination income-tax returns prepared by J. P. Morgan & Co. on the assumption that preparation by that firm ipso facto established the correctness of the returns. For example, the tax return of Mrs. Margaret Y. Newbold for the year 1928, prepared by J. P. Morgan & Co., bore the following legend:

"Returned without examination for the reason that the return was prepared in the office of J. P. Morgan & Co., and it has been our experience that any schedule made by that office is correct. The books of the taxpayer are located in Philadelphia, and, if necessary, schedule C may be verified in that city. This office, however, recommends that the return be accepted as filed."

That legend is signed "C. M. Sheppard, Internal Revenue Agent", who is now, I understand, a special tax representative of Andrew W. Mellon.

When a department of the Government, a most important and vital part of our Government, accepts ipso facto the returns of J. P. Morgan or the returns of their friends prepared by them, it is time those records were made public.

Opposition to the amendment used the sweet language of the Senator from Iowa [Mr. MURPHY] to stir up personal animosity about a man's personal living, which has no connection whatever with his relations with his Government. Whenever we pursue the theory or continue to persist in the policy that any individual in the United States, whether he be of J. P. Morgan & Co. or not, is entitled to have his returns accepted ipso facto as correct, then we have developed the greatest evil of secrecy. These conditions could not have existed had these records over the years been public records.

Mr. MURPHY. Mr. President——

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). Does the Senator from Michigan yield to the Senator from Iowa?

Mr. COUZENS. I yield.

Mr. MURPHY. Does the Senator as a member of the committee contend that as a result of its investigations there was a correction of some of the known evils in the tax law?

Mr. COUZENS. Yes; but how long did it take us to find out about those evils? We never received any advice or assistance from the Treasury Department.

Mr. MURPHY. The Senator will not contend that the correction of those evils has followed upon the publicity of income-tax returns as proposed in the pending amendment, will he?

Mr. COUZENS. I do not understand the Senator's question.

Mr. MURPHY. The Senator will not contend that the disclosures made by the committee followed because of publicity of income-tax returns as proposed in the amendment pending, will he?

Mr. COUZENS. I still do not understand the Senator's question. We have never had this proposal in practice.

Mr. MURPHY. The committee went into this question. Were not its efforts directed toward a correction of the administrative evils of the law which existed in the Treasury Department?

Mr. COUZENS. That is correct.

Mr. MURPHY. To attain that end it was not necessary to publicly broadcast each individual's income-tax return, was it?

Mr. COUZENS. If that is the philosophy of the Senator from Iowa, I cannot accept it. I am unwilling to let these evils continue over three or four administrations before they can be disclosed.

Mr. MURPHY. If the Senator from Michigan would propose an amendment which will accomplish the end he seeks without the broadcasting publicity proposed, I should be in favor of it.

Mr. COUZENS. There is no broadcasting proposed. I do not know of any proposal for broadcasting.

Mr. MURPHY. On the contrary, it makes every single return of income, or rather a distorted statement of the contents of the return, subject to publicity.

Mr. COUZENS. What publicity?

Mr. MURPHY. In the first place, the "pink slip."

Mr. COUZENS. We are not talking about the "pink slip." We are talking about the La Follette amendment.

Mr. MURPHY. Wide-spread publicity does not prevent distortion of the facts relating to one's income. I should not contend that the "pink slip" does that. The Senator is criticizing conditions, and I am entirely in sympathy with his criticism. If he will suggest a way to correct those conditions without the wide-spread publicity to which I have referred, I shall follow along with him. I am just as anxious, as I suggested in my remarks this morning, to attain a correction of these evils as is the Senator from Michigan. I do not wish to humiliate all the persons in the country making returns. I do not desire to subject them to the humiliation which will follow making the returns public. The Senator may not believe there is any humiliation.

Mr. COUZENS. Certainly I do not.

Mr. MURPHY. I think there is.

Mr. COUZENS. I should oppose it if there were any humiliation in connection with it. I cannot conceive of how the relations of a taxpayer with his Government, if honestly conducted, can bring about any humiliation.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Louisiana?

Mr. COUZENS. I yield.

Mr. LONG. As a matter of fact, the Government never did get the money out of Morgan until conditions were exposed by the committee. Regardless of whether the committee did it or whether the publicity of the returns did it, Morgan and his partners understand all the facts about how to evade their income-tax payments. They were exposed. Probably they would not have paid any income tax last year if they had not been exposed.

Mr. COUZENS. That is not exactly it. As I stated, I do not claim there were any illegal returns. I said Congress was at fault for leaving the law in such condition that such tax evasions could take place.

Mr. LONG. There was never any agitation of any sort made to correctly inform Congress of the defects in that law until the tax returns became a matter of public notoriety.

Mr. COUZENS. That is entirely correct. The internal revenue agent, now Mr. Mellon's expert tax adviser, wrote a memorandum to his chief in which he said that the Morgan returns were ipso facto correct and needed no investigation. Yet, prior to the Committee on Banking and Currency sending their experts into the Morgan House for an investigation of their accounts, and, I think the testimony shows, prior to our entrance into the House of Morgan, they employed 287 accountants from Price, Waterhouse & Co. to check their accounts.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. COUZENS. Yes.

Mr. TYDINGS. I am not familiar with the investigation to which the Senator refers. I was not on the committee. I have often wondered, however—as a matter of fact, I do not know—whether or not the returns were correct.

Mr. COUZENS. So far as I know, they were. We did not go into that question. We went into the fact that no taxes were paid.

Mr. TYDINGS. I know that no tax was paid, as the Senator says; but I have often wondered whether or not since that time it has been shown that a tax should have been paid.

Mr. COUZENS. I think not, under the law.

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

Mr. COUZENS. Certainly.

Mr. FLETCHER. In reference to the payments, the Banking and Currency Committee report, which is printed and available to all Senators, shows that for the year 1932 not a single Morgan partner paid any tax.

Mr. COUZENS. I read that statement while the Senator from Florida was out of the Chamber.

Mr. FLETCHER. I was not aware of that. I happened to be out at the time.

Mr. TYDINGS. Mr. President, will the Senator from Michigan yield further?

Mr. COUZENS. Yes.

Mr. TYDINGS. I will say to my friend from Florida that I have often wondered why none of the Morgan partners paid any tax, and I was interested in ascertaining whether under the law they should or should not have paid taxes upon their several transactions.

Mr. COUZENS. It was the opinion of the committee, I believe, that they were within the law, because no criminal prosecutions were started against them. At no time have I contended that they committed illegal acts.

Mr. FLETCHER. Mr. President, I think under the law as it then existed, under expert advice which they were able to command, the individual partners and the firm were able in numerous instances to avoid the payment of taxes. The Revenue Act of 1934 undertook to stop up some of the loopholes which existed prior to that time and which developed during the investigations of the Banking and Currency Committee. I am not sure whether or not the act of 1934, prompted by the exposures which had been made before the Senate committee and taken up by the Ways and Means Committee of the House, cured these defects in the law. I should like to ask the Senator's opinion on that subject.

Mr. COUZENS. So far as the Finance Committee and the Ways and Means Committee and, I think, Congress could do so, it closed up the loopholes. I think every effort was made on the part of both committees and the Congress itself to close those loopholes; but whether or not these smart attorneys will find some other devious ways of getting around those laws, no one can tell.

That is the reason why I am insistent, so far as I can be, in supporting the La Follette amendment, so that we shall not have to wait for years and years, and conduct another investigation, before we ascertain whether other devious ways of avoiding taxation have been found.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. COUZENS. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. The Senator considers, does he, that this was legal evasion of the tax laws?

Mr. COUZENS. I thought so at the time.

Mr. SHIPSTEAD. The Senator also stated that this had been going on for three or four administrations?

Mr. COUZENS. Oh, yes. We had three Presidents serving under Andrew W. Mellon, and, of course, it went on during all that time.

Mr. SHIPSTEAD. If the Senator from Michigan will permit me, I should like to ask him another question. Is it not true that it not only would have been proper, but it was the duty of the Treasury, whose duty it was to collect the taxes and which assumed the authority to write the tax bills for Congress, to report these things to Congress?

Mr. COUZENS. That is what I am complaining about. I am complaining about the fact that during all three of those administrations, during which I was a Member of the Senate, no recommendations came to Congress to stop up the loopholes which in 1933 were discovered by the Banking and Currency Committee.

Mr. SHIPSTEAD. And Congress knew nothing about them?

Mr. COUZENS. Absolutely not. Otherwise, they would have done just what they did in 1934.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. COUZENS. I yield to the Senator from New Mexico.

Mr. HATCH. The Senator from Iowa [Mr. MURPHY] stated to the Senator from Michigan that if certain obnoxious features of the amendment could be eliminated, he would support it. It has occurred to me that if the following words were stricken out:

Whenever a return is open to the inspection of any person a certified copy thereof—

And so forth. If those words were stricken out, it would meet the objection of the Senator from Iowa, and still leave the return a public record, which, after all, I believe, is the important thing about the amendment.

Would the Senator from Wisconsin consider dropping those words?

Mr. LA FOLLETTE. Mr. President, will the Senator from Michigan yield to me?

Mr. COUZENS. Certainly.

Mr. LA FOLLETTE. So far as I am concerned, if it makes the amendment any more acceptable to Senators, I have no objection to the elimination of the language referred to by the Senator from New Mexico.

Mr. NORRIS. Mr. President, then let us find out what the language is.

Mr. LA FOLLETTE. I shall be glad to read it:

Whenever a return is open to the inspection of any person a certified copy thereof shall, upon request, be furnished to any person under rules and regulations prescribed by the Commissioner with the approval of the Secretary. The Commissioner may prescribe a reasonable fee for furnishing such copy.

To my mind, that provision is not important so far as the general principle involved in this amendment is concerned; and upon the suggestion of the Senator from New Mexico that it would be more acceptable to him and other Senators I so modify my amendment by striking out those words.

Mr. TYDINGS. Mr. President, will the Senator from Michigan yield?

Mr. COUZENS. I yield.

Mr. TYDINGS. I know the Senator has devoted considerable time to this subject. In the event that the amendment should be adopted, I, for one, should like to see it made retroactive. I think—and I say this sincerely—it would be a good thing if we could include the returns for a period of 5 years anyway during the depression. Has the Senator given that phase of the matter any thought?

Mr. COUZENS. I do not understand that the provision is not retroactive now. It does not say anything about future tax returns only being made public records; and I construe the amendment to include all tax returns which are now available. I should like to ask the Senator from Wisconsin whether or not that is a correct interpretation of the amendment?

Mr. LA FOLLETTE. Mr. President, it is my understanding that the amendment proposes to amend section 55 of the Revenue Act of 1934. Therefore, my construction would be that it applies only to the returns submitted during the taxable year for which that law was enacted. I will say to the Senator from Maryland further, with the permission of the Senator from Michigan, that it seems to me it perhaps would not be equitable to provide for a retroactive feature of the law.

Mr. TYDINGS. From an administrative standpoint?

Mr. LA FOLLETTE. From an administrative standpoint, and also from the standpoint that it seems to me retroac-

tive legislation never should be indulged in except under the most extraordinary circumstances. I mean, as a general matter of law and legislation, it seems to me retroactive legislation is usually unwarranted.

Mr. TYDINGS. If the Senator from Michigan will yield to me, I think the position of the Senator from Wisconsin on that point is sound. In the matter of tax returns, however, in a period like this, if there is to be publicity—and I very much question the wisdom of it, to be frank about it—I am one who feels that if we are to have publicity of tax returns, it would be a good thing if we could have that information for the period we have just passed through, when many supposedly rich people did not pay any income tax. Therefore, if the amendment is to be adopted, I should like to see it in that form. Of course, there probably would have to be some provision for administrative details; but it strikes me that during the depression there probably has been more inclination toward fraud than there would be in any comparable time.

Mr. COUZENS. I had in mind somewhat the idea expressed by the Senator from Maryland when I offered an amendment to the pending bill, which is now on the desk, to provide an excess-profits tax. If we are to take advantage and get the benefit of any upturn in business, it seems to me now is the time to pass the law. If what seem to be the inordinate expenditures that are now being made to "prime the pump", create profits and income, certainly it is the Government's duty to take its share of the profits and income now, and not wait until it is all over and we have another depression, and then try to collect taxes.

Mr. President, I desire now to refer to a few more parts of the report filed by the Chairman of the Banking and Currency Committee, the senior Senator from Florida [Mr. FLETCHER]; and, by the way, while I am on the subject, I desire to commend to Senators the reading of this report, because it is a very able report, gotten up very carefully by the chairman after a long and tedious study extending over a period of several years.

On page 330 there is a heading:

MISCELLANEOUS PRACTICES

(a) Assistance rendered by financial institutions to customers in avoiding taxes.

It shows that these so-called "good citizens", these respectable men of our community, have devised ways and means of avoiding the support of their Government; and when the taxpayer himself cannot think of ways and means to do it, he may secure the assistance of his banker to find out how to beat the Government.

The Chase Harris Forbes Corporation, in an effort to cultivate and maintain the goodwill of its customers, voluntarily and gratuitously offered to assist them in establishing losses which could be deducted from their income-tax payments.

In a letter dated August 17, 1932—

In the midst of the depression—

from Chase Harris Forbes Corporation to William Mitchell Kendall, one of its customers, it was stated:

"Enclosed is a memorandum telling the story of what we are trying to do to help our customers establish certain losses which can be deducted from their income-tax payments. The law passed by the last Congress has made it very difficult to establish losses this year because losses through the sale of so-called "taxable securities" can be established only as an offset against gains, and, of course, very few people made any profits which can be used against losses on taxable securities.

"Provision has been made, however, which makes it permissible—

Mind you, "makes it permissible", after we had just passed a law covering up what we thought were the loopholes—

"to establish losses through the sale of municipal and Government bonds, both domestic and foreign. Just why Congress should have allowed losses on foreign political divisions I do not know, but such is the case.

"Where we can we are trying to exchange over into practically the same security so that the question of safety is not involved, and if it saves a few dollars to the holder it seems to be worth while. The only thing you need to do is to let me know if it is all right to go ahead and work out, as we can, what savings are possible on your next income-tax return.

"If you want more details not contained in the memorandum, please do not hesitate to call upon me."

Mr. President, I do not know that it is necessary to make any further demonstration of these practices at this time.

Mr. LONG. Mr. President, before the Senator leaves that, I was just about to say to him a moment ago that while he and the Senator from Florida think they have covered up the loopholes, the designing, ingenious disposition of these bankers will find plenty of other ways, with a Treasury Department that is not overdiligent, of getting just as many deductions as the Morgans have been getting. Unless there is the constant light of publicity, I think the Senator will find in a little while that all that was done to them in 1934 will not amount to much. They will be killing the rats at the same stand.

Mr. COUZENS. I made a statement a while ago to the effect that, so far as I could find out, as a member of the Committee on Finance, we did all we possibly could to close up the loopholes, but I added, before the Senator from Louisiana spoke, that undoubtedly ways and means would be found by smart attorneys for establishing these losses.

I particularly desire to call the attention of the Senate to chapter V of the report submitted by the Senator from Florida [Mr. FLETCHER], which covers a lot of ways and means of tax avoidance other than those I have mentioned, such as tax avoidance by transfer of securities to relatives, tax avoidance by sale of securities through foreign corporations, tax avoidance in connection with short sales, tax avoidance by dissolution of partnerships at propitious intervals, and tax avoidance by miscellaneous practices.

Mr. President, all through the discussion in the press, and much of it on the floor of the Senate, there has seemed to be confusion about the operation of the La Follette amendment. Under the law on the books in 1926, when collectors of internal revenue posted in their offices the whole list of taxpayers from A to Z, with the amount of taxes paid, of course, the newspapers went in and grabbed off the list and published it in the papers day after day and day after day, all, of course, to the annoyance of the taxpayers. That would be hardly possible under this amendment. I do not see how it would be possible, because an individual or a newspaper would have to go into the office of the collector of internal revenue or the Treasury Department and ask for the return of a single individual, before the information would be available. They would hardly go in and ask for a copy of every return made, from A to Z. So making the records public as proposed in the pending amendment, and publicity such as we had in 1926, are not comparable, and should not be confused.

Some of these old financiers were aware, undoubtedly, of what was coming, because I found in the public library a little book entitled "The Century Association", published in 1934, which purports to give a discussion between the elder Morgan and his pastor, William Stephen Rainsford, from which I quote the following:

Rainsford's acquaintance in all sections of New York cititzenship was of the widest. He took the measure of each acquaintance shrewdly, and usually found something in each that no one else had discovered. That was because Rainsford, himself the embodiment of frankness, had the rare capacity of inducing each of them to turn to him a side of their personality, which pride, or sensitiveness, or conventionality, had made them hide from others. He was always the close friend of the elder Morgan, but where their judgments on any question of procedure clashed, it was usually Rainsford who would bend to his own ideas that iron-willed financial superman. Yet Rainsford always insisted, in the face of public incredulity, that it was temperamental shyness which made the overlord of Wall Street conceal his really humane instincts and face the outside world with forbidding sternness. A critical moment in the country's business organism elicited a remark from Morgan which the doctor rightly treasured up as a sidelight on characters and events. Rainsford had asked what the trouble really was. Morgan rejoined, "The fools won't show each other their books." "But you," suggested Rainsford, "would not show your books to anyone." Morgan's reply was: "Well, Rector, the time is coming when all business will have to be done with glass pockets."

Morgan was wise to the fact that business had to be done, if it was done honestly and legitimately, with glass pockets.

Then there appeared what has been quoted frequently in the press, a statement made by the able chairman of the

Securities Exchange Commission recently in a speech in New York, in which he quoted Elihu Root, whom no one has ever charged with being radical. This is what Mr. Root is supposed to have said 20 years ago:

As any community passes from simple to the complex conditions, the only way in which the Government can deal with the increased burdens thrown upon it is by the delegation of power to be exercised in detail by subordinate agents, subject to the control of general directions prescribed by superior authority. * * *

There can be no withdrawal from these experiments. We shall go on, we shall expand them, whether we approve theoretically or not, because such agencies furnish protection to rights and obstacles to wrongdoing, which under our social and industrial conditions cannot be practically accomplished by the old and simple procedure of legislatures and courts.

Publicity such as that provided in the pending amendment is but a step which in the process of evolution is bound to be realized if we are to remain an honest and clean administrative democracy. So I am unable to see why Senators faced with these frivolous arguments should refrain from taking the next step.

Mr. HARRISON. Mr. President, if no other Senator desires to speak on it, I intend to ask for the yeas and nays on the pending amendment.

Mr. LA FOLLETTE. Mr. President, there is just a little information I want to put into the RECORD in order to complete it.

Reference was made today by the junior Senator from Wisconsin [Mr. DUFFY], my colleague, and yesterday by the Senator from New York [Mr. COPELAND], to a letter which had been sent out by Robert Levine, of Madison, Wis., to business men in the State offering to secure for a fee of $2 a copy of any return under the Wisconsin law which they desired.

I have ascertained that Mr. Levine is a second-year student in law school; that without carefully examining the statute he hit upon this device of helping him through his law course; that the infraction of the statute has been called to his attention; that he has desisted from any further attempt to carry on this practice; and that because of all the circumstances he is not going to be prosecuted for violation of the law.

The Senator from Iowa [Mr. MURPHY] today introduced some figures into the RECORD tending to show that the repeal of the secrecy clause in Wisconsin had not had any effect upon revenue. At the time I tried to point out that I thought figures of this character were not conclusive, because not only do the provisions of the law affect such figures but also general economic and business conditions affect them.

Merely to complete the record, I wish to give some figures which have been furnished to me showing the amounts collected under the Wisconsin tax law. They are as follows, and I give only round figures:

1923	$7,300,000
1924 (the first year the returns were open to public inspection)	11,900,000
1925	16,200,000
1928	19,300,000
1929	20,900,000
1930	21,100,000
1931	18,400,000
1932	18,400,000
1933	11,900,000

SAIL ON, YE MIGHTY!

Mr. LONG. Mr. President, just before the Senator from Mississippi asks for the yeas and nays, I wish to say that a number of years ago, in reviewing some letters which were published, I believe in one of the Hearst magazines, there was shown correspondence exchanged between a legal firm, probably such a firm as that of which Mr. Root was the head, and some of the Morgan and Rockefeller houses, in which they said, "We have called upon our attorneys to find us a way of avoiding these provisions of the law", or something to that effect, "and it seems that with the bright legal minds we have there ought to be some way of escaping these provisions." The correspondence went on to show that the attorneys wrote them back that, after mature deliberation and study, they had not found any way of avoiding these particular provisions of the law, whereupon they wrote them back again that with their legal brains they knew there was some way by which they could devise something that would escape these particular provisions, and after they had told them that they could find some, the lawyers finally found that there was a way by which they would not be held to the provisions which appeared to be mandatory.

It does not make any difference what the law is so long as you have got a friendly Treasury Department and a friendly Judiciary Department, which capital will always have—and I say that without expecting to be contradicted—capital always has a friendly judiciary.

Said the Industrial Relations Commission in 1916: "To be a successful lawyer, in common parlance, means you are a corporation lawyer to be successful, and to be a judge appointed to one of the courts you must be a successful lawyer." Hence, it means that in the ordinary run of events, to go on to one of the high courts of the country you come up through the route of being a corporation lawyer. That is as true today as it was before.

We had the Standard Oil Co. and the American Tobacco Co. tied down with a half dozen decisions of the Supreme Court on the antitrust laws. No lawyer need go back farther than to read the Standard Oil decision in the antitrust case and the cases before that. The Supreme Court of the United States held in one decision, and in the second decision, and in the third and in the fourth and in the fifth—five times—that there was no rule of reason in the antitrust law; that any restraint of trade was a violation of the antitrust law. But, lo and behold, the sixth time the bold and courageous counsel went before the Court, and thereupon they found that the rule of reason had to be written into the antitrust law, and therefore there was no such thing as a practical enforcement of the antitrust law.

So it was that in 1934 the Senator from Michigan [Mr. COUZENS] and the Senator from Mississippi [Mr. HARRISON] and others sat on the Finance Committee and endeavored to correct just what Morgan had been shown to be doing and what Rockefeller was doing. Do not leave out Rockefeller in this business. It seems they hardly dare mention him here, but the committee undertook to correct what Morgan and Rockefeller had been doing—these two scribes. It seems like Rockefeller has the inside corner around here now, and that we use Morgan's name more than we do Rockefeller's.

Now, we, 96 learned Senators, sat up here thinking that we had passed an income-tax law, and with all the ingenuity and skill in comes the House of Morgan and told us, "Why, wise as you are, all of you drawing $10,000 a year to represent the United States Government, the whole kit and caboodle of you do not know how to draw up an income-tax law to get a dime out of Morgan & Co. during the past years", and Morgan had to come and tell us how that was done before we knew how to cover up that keyhole. He probably has more than 500 other developments since that time, and the Treasury Department is the only Department which can complain, and as long as they can convince them, and after that, if necessary, a friendly court, with these modern new things that have developed, and devices and crevices through which they found it necessary to slide and to slip through, we will never collect a dime from the House of Morgan or the House of Rockefeller.

The Senator from Michigan read a letter they are sending out. They are writing letters already saying, "Keep in touch with us. They have made the law a little bit stronger, but keep in touch with us. They have covered up a few loopholes that we had before, but write us", they say, "a new letter and we will find out just what the thing is in the future to do to keep from paying under the same law."

We had a hearing before the committee of which the Senator from Florida [Mr. FLETCHER] is chairman, the Senate Committee on Banking and Currency. A man came before that committee whom we never hear mentioned, and swore to something which has never been mentioned in the Senate. Nobody ever hears about it. I read it in the testimony of the committee. I was startled at reading it. The man's name was either Woodbine or Woodhouse—his name began with

Wood something—I do not know what it is, but anyway here is what he said: "I went over to the Internal Revenue Bureau and undertook to find out what income had been reported by the people who paid an income tax." He said, "They did not have any figures to show how much total income had been reported by the men paying income tax and making returns. There were no statistics in the Treasury Department to show how much the gross income was, but", he said, "I managed to get in there and I added up, and through the help that I managed to secure I found that the 4 percent who returned a report to the Treasury Department declared that their total gross income was over $400,000,000,000."

Now, that is his testimony. That has never been heard from in this Congress since. We have been taught, Mr. President, that the total national income was somewhere between $42,000,000,000 and $95,000,000,000 annually, depending upon the prosperity of the country at the time that the income is collected, but he said that the 4 percent—4 percent, not 100 percent—that the 4 percent of the people who returned an income tax to the Government declared that their gross income was $400,000,000,000 for that year. He handed the figures in to the Banking and Currency Committee, and he said—perhaps I do not quote him exactly, but words to this effect—"The Treasury Department, through their administration, have kept down these figures, because they show that instead of the gross income of this country being shared to such an extent as they claim it is, in the hands of labor and in the hands of agriculture, that as a matter of fact only a very small part of the gross income of this country ever touches the man physically producing the wealth of this country."

That was the testimony which was given before the committee. That is in the record of the testimony given before that committee.

So many things began to come out through publicity of these income-tax returns that the good old parties were called in to cover them up. The situation is coming to be realized, Mr. President, by what Mr. Mellon set out as a defense. Mr. Mellon let the cat out of the bag when he said that one-tenth of 1 percent of the taxpayers were paying a great part of the taxes—perhaps over half of them. That was the same as to have said that one-tenth of 1 percent of the taxpayers had about all the income.

So many things were coming to light and are coming to light constantly showing the income of this country is not shared by the people at all, and so many things are coming to light which show that by various devices they do not intend to ever allow the wealthy and the prosperous to be saddled with the burdens of the Government which gives them their prosperity. There are so many embarrassing things that the public is getting notice of through the publicity of these income-tax returns, that now, the Republican Party having been put out of power, Wall Street is fixing to promote its control of the Democratic Party, and "heaven belongs to its own." The two parties now are undertaking it. They ran it under the Republican Party. They kept this swindle game going under the Republican Party—and it was a rampant, damnable swindle. Every man who was sent out to lecture for the Democratic ticket was handed a chart of what to tell the people on every stump. We had boiler-plate information which we gave out. We prepared it in the Democratic headquarters in New York, and I helped to write some of it. We prepared boiler-plate copy to go to the public saying that through the secrecy that had been maintained and the manipulation that had been done under Mellon and Morgan they had raped the Treasury of the United States Government and brought along the depression by dishing out money, even after it had been paid into the Treasury, up to billions of dollars through the rulings of Mr. Mellon. If anyone questions it, I will go back and get some of it. And we told the people that we were going out to turn the light of day on these thieves and these crooks; that we were going to open up the lid; we were going to take the barrel off and let the people see what was under the barrel. And we did to some extent.

Now we have been in office about 2 years, and suddenly we find out that Wall Street belongs to the Democratic Party and not to the Republican Party at all. We find out that there has been a mistake made here. While we were cussing these Wall Street manipulators of finance who were raking in all there was in the Treasury, even after it got in there, in the mistaken belief that they belonged on this side of the Chamber, lo and behold, we found out that after we were in office a couple of years they were not such bad fellows after all.

Why, we did not lose Mr. Baruch. Lo and behold, it is kind of like the case of the old woman whose daughter had married. Someone said to her, "I hear you lost a daughter." "No," she said, "I have not lost a daughter. I have got a son-in-law."

We did not lose Mr. Baruch. Oh, no; we did not lose him. No; he just gained the Democratic Party. That was all there was to that. He came in here after having advised how to run the Treasury Department under Mr. Hoover and under Mr. Coolidge probably—he came in here after having set the sails to run that course, and lined up a whole lot of Democrats with him at the same time, and we belligerent insurgents got up here and would not stand for him, and finally cleaned them out and defeated some of the things they were trying to pass through the Senate and the House by means of a little coalition which we were able to keep in line about half the time. But when we finally went with the Democratic Party they all showed up back here again. And now it is the Democratic Party which passed the law to make public in part only the returns of the income-tax payers of this country, which is today fixing to vote that we have got to protect these men from the gangsters.

The only argument that has been made has appeared in the newspapers to the effect that we have to protect people from gangsters; we have to protect children and their families from the kidnapers, from the ravages of the kidnaping gangs that are liable to be inflicted upon those families. We have to keep the gangsters and kidnapers from finding out who is making money. We have got to keep them from finding out who is making the money?

Bless your soul, Mr. President, the best thing you could do in order to keep the kidnaper from hurting anybody would be to have income-tax-return publicity, because there are only 4 percent of the people who file an income-tax return and therefore 96 percent of the people would be immune from the kidnaper, the blackmailer, and the gangster and would need no further protection. [Laughter.]

That is a practical suggestion. Only 4 percent of our people would ever again be attacked by a kidnaper or a blackmailer or a highway robber if we just made public the income-tax returns, because according to the logic which has been given to us, the men in fear and trembling are only those who are found to have returned an income, and I think we can provide police protection to the income-tax payer at such an infinitesimal cost that it would be almost a sure preventive of a crime wave in the future.

It is almost enough to make one want to go back and forget that there ever was any such thing as government. I am tired and sick and disgusted with parties sending out and getting money from washerwomen and day laborers and sawmill hands to send out propaganda that "you have been defeated in your rights for years and years and years through the secrecy that has been given to income-tax returns and the rulings of the Treasury Department."

How was the condition discovered? We never would have known a thing on earth about it if there had not been such a public demand that we finally had to have a senatorial investigation. There was an effort made to shut up that investigation too. The first thing proposed was that we investigate the situation through the Judiciary Committee. Then it was decided that it was not desirable to have the matter investigated by the Judiciary Committee, but that we wanted it investigated by the Banking and Currency Committee. It developed that we had a greater investigation there than anybody figured on getting. They leaped out of the frying pan into the fire. If it had not been for the investigation

before the Banking and Currency Committee, my belief is that Morgan would not pay an income tax even this year.

Mr. President, I know what is going to be done with the pending amendment. When I came here in 1932 I said something to that effect. I like my party leaders in both parties. I am a subject of all of them. I belong to all parties as long as they are given their rights. Of course, I am affiliated with and a leader in the Democratic Party too. I like to have party leaders with me in anything I am advocating for the United States Government. They are men of influence and are listened to, and they should be listened to

However, if I wanted to enact any legislation, if I had in mind something I wanted to become a law, I should rather have the endorsement of the House of Rockefeller and the House of Morgan than of all the political parties in the United States put together. If I had something I wanted to have become the law and stay the law—and I am talking now from common understanding and experience—I should rather have the House of Rockefeller and the House of Morgan with me than to have the Democratic platform and the Republican platform back of me. Those platforms would not make a bit of difference.

The non-partisan league at Wall and Broadway never goes out of office. It stays in office, and all our pledges and our promises to the people count for naught when they come down here and ask for something else. We promised, and we made the Republicans promise—of course, they did not want to come out as boldly as we did, but we stepped out in advance and then they had to step out, too—we promised and we made the Republicans promise that the practices which prevailed under the Republican regime should not occur under the Democratic regime. We were going to have an airing of income-tax rates and income-tax returns. We promised and we exposed our enemies who had done the contrary. The Democratic Party is now fixing to turn face about. Our cry now is, "Do not talk about the rascals. They were the rascals of the Republican Party year before last, but they are our rascals now. Do not talk about them. Do not legislate against them. We are liable to wake up the baby again. Hush! Hush! Keep the thing rocking smoothly." We are doing a good job. We are doing a fine job. We are right on the road to recovery. We are just going along fine. If we will put a little secrecy over how well the makers of big fortunes are getting along we will go along right fine.

Do not the income-tax returns show there were more men who had an income of $1,000,000 on the reports filed last year than there were year before last? Does not that prove prosperity? Did not Mr. Roper, our distinguished Secretary of Commerce say, "If you will look at the corporation earnings you will find they are more than they were the year before. Does not that prove prosperity?"

Yes; but there is another set of returns which shows that the men making an income of $5,000 a year are 80,000 less in number than they were the year before. Therefore, the ship of prosperity wafts merrily along, destined to one harbor. The ships are coming into port! We are watching for ships that never come into port. But the ships are coming into port, but they know only one port, and that is the port of Baruch and Morgan and Rockefeller. The ports of the 125,000,000 other people have remained open, with their lights trimmed and burning, but have seen no sign of an approach of the ship of prosperity. On the contrary, according to what I have been told, the relief rolls have gone up in New York City now to the point where 37 out of 100 people are on the dole and they expect to have 50 out of every 100 on the dole in a short length of time.

Therefore we in the Senate today are turning right back, turning right to the same point in order that the ravages may continue, the starvation can go higher, the plunder can go on rampant as ever, in order that the shroud of secrecy, the cloak of alleged virtue, the approval of parties, may protect them as it did prior to the exposure made which resulted in the upheaval of 1932. Let us go ahead and end it. That is what we are going to do. We are going to repeal this provision of law.

Mr. BONE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Washington?

Mr. LONG. I yield.

Mr. BONE. I wonder if the Senator would enlighten us by telling us where he got the information about the income to which he first referred in speaking of the gentleman named "Woodlock" or "Woodchuck", or whatever the name was? Where can that information be obtained?

Mr. LONG. I copied that out of the committee hearings and printed it on the front page of a newspaper for which I write.

Mr. BONE. Where can a Member of the Senate find it?

Mr. LONG. I will get it for the Senator. I will look up the issue.

Mr. BARKLEY. Mr. President, did the Senator say "four hundred million" or "four hundred billion"?

Mr. LONG. Four hundred billion—four hundred billion—$400,000,000,000.

Mr. BARKLEY. Oh, I got it the first time. It is not necessary for the Senator to contort himself in such fashion in order to make it known. I got it in the first instance as either four hundred million or four hundred billion.

Mr. LONG. Four hundred billion.

Mr. BARKLEY. I happened to be on that committee; and while, of course, we cannot all remember even testimony that we heard 2 years ago——

Mr. LONG. That is true.

Mr. BARKLEY. I do not recall the name of such a witness, and I certainly do not recall that any such witness made the statement that the gross income of all the people of the United States was $400,000,000,000, nor do I believe that any such witness made any such statement.

Mr. LONG. I shall have to show the Senator, as I have often done before, that he does not remember what he heard; but it is there in the record.

Mr. BARKLEY. The Senator does not have to be shown.

Mr. LONG. I shall have no trouble getting it, because I not only saw it but I sent for the witness and found him, and he came to my room in the Mayflower Hotel and there and then we went over it, and he swore that the 4 percent reported a gross income in excess of $400,000,000,000.

Mr. HARRISON. Mr. President, will the Senator yield for a question?

Mr. LONG. If the Senator from Kentucky is through, I will yield.

Mr. BARKLEY. Yes; I am through on that point.

Mr. LONG. All right. Now I yield.

Mr. HARRISON. I have no doubt the Senator got the information to which he refers, but I know the Senator wants to be correct with reference to the information. I desire to state that the Commerce Department reports that the whole wealth of the United States today is just $300,000,000,000.

Mr. LONG. I understand that. I am not talking about that.

Mr. HARRISON. And the Commerce Department reports that at the high point it was only $380,000,000,000.

Mr. LONG. Yes, sir.

Mr. HARRISON. I may say to the Senator further that in 1932 the gross incomes of all the individual income-tax payers amounted to only $14,392,000,000. I have here the figures for the year 1928 through to 1932.

Mr. LONG. That is the net income.

Mr. HARRISON. No; that is the gross income. So I think this man just overstepped the boundary of the facts.

Mr. LONG. All right. Whether or not he overstepped it, I will get up the information again. I will state further that the witness stated on the witness stand—the testimony is here, and I shall be pleased to get it—that they had never even added up these incomes in the Treasury Department, but, on the contrary, the figures had been assembled by taking a filing cabinet of returns, measuring 12 inches of it, adding up the amounts for those 12 inches, and multiplying that by the total footage. [Laughter.] That is how he said they got their total returns, and that is probably where the Senator got that information.

Mr. President, I desire to correct a statement I made. I find that I was conservatively erroneous. My friend from Florida [Mr. FLETCHER] tells me that the name of the witness who testified was Woodhouse, and that his testimony was not that there was $400,000,000,000 but $600,000,000,000 of gross income in the United States, so I want to correct that error.

Mr. CONNALLY. Six hundred billion?

Mr. LONG. Six hundred billion. I have that information from my friend from Florida.

Mr. BARKLEY. Comparatively speaking, that is a small error for the Senator.

Mr. LONG. Of course, that is insignificant.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. LONG. I yield.

Mr. BARKLEY. A moment ago the Senator stated that the income-tax returns for 1934 showed that the number of men who earned more than a million dollars had increased over the previous year, and that the number of those who had earned less than $5,000 had decreased. The income-tax returns for the whole United States were made on the 15th of March, less than 2 weeks ago. They were filed with the various collectors all over the United States. The only report I have seen which could be said to be at all official was that the total income-tax returns for last year were about 30 percent greater than for 1933. I am wondering how the Senator could obtain the information to which he refers when the Treasury Department has not been able even to gather together the income-tax reports for 1934, which were filed less than 2 weeks ago.

Mr. LONG. I said income taxes returned in 1934, which were returned for the year 1933.

Mr. BARKLEY. The Senator's statement, then, was intended to refer to the income taxes for 1933?

Mr. LONG. Yes; those returned in the year 1934. This is not a matter of argument. I will also show the distinguished Senators, as I often have to do, that what I said on the floor earlier in the day is correct, and they will never argue it again. Do not leave what I talked about earlier in the day. I am going to come back to that; but, referring to what the Senator has just said, the income-tax returns for 1933 were made in the year 1934. Not all of them were made on March 15.

Mr. BARKLEY. There were some extensions, of course.

Mr. LONG. I got one of 90 days myself. I usually get one during the session of the Senate. Those returns showed 26 more million-dollar incomes, and 80,000 less $5,000 incomes. In other words, every newspaper had on its front page the picture that the wealthy were steadily growing wealthier, and the poor were steadily growing poorer. That is a laughable kind of a comment, but that is what the newspapers had.

Mr. BARKLEY. Mr. President, of course the Senator realizes that in the first half of 1933 the peak of unemployment in this country occurred, as compared to the period prior to that, from 1929 on down.

Mr. LONG. Will the Senator say that again?

Mr. BARKLEY. As compared to the time since then, we had reached the peak of unemployment in this country in the early part of 1933.

Mr. LONG. That is right; and, notwithstanding that, the millionaire made more money than he did the year before the peak of unemployment was reached. In other words, he drew more out of the veins of the poor man, just as the Senator from Kentucky says.

Mr. BARKLEY. No; the Senator from Louisiana must not put words in my mouth.

Mr. LONG. The rich man made more money, and the poor man made less.

Mr. BARKLEY. What I mean is that it is possible that 26 more men—which, of course, is a small number in comparison to 125,000,000—26 more men may have made a million dollars than made it in 1932; but the fact that the peak of unemployment and the peak of the depression came to the country as a whole in the early part of 1933, I will say from January up to June or July, might very easily account for the fact that, taking the country as a whole, fewer men made less than $5,000 than the year before.

Mr. LONG. Yes; and that is just what I want the Senate to remember. The Senator from Kentucky has made a much better speech than I could have made on the subject.

Mr. BARKLEY. I always do that. [Laughter and applause in the galleries.]

Mr. LONG. I know that.

The PRESIDENT pro tempore. It is the duty of the Chair to announce to the occupants of the galleries that they are the guests of the United States Senate; that it is against the rules of the Senate to have audible conversation or to make any undue noise in the galleries. The occupants of the galleries have been instructed as to this by the doorkeepers. They have cards conveying this information. If a disturbance occurs again, the Chair will order the galleries closed.

The Senator from Louisiana will proceed.

Mr. LONG. Mr. President, I am going to repeat the words of the Senator from Kentucky in parlance that Members of the Senate may understand even better. I will ask him to wait until I repeat his statement. Not having had a classical education, I can speak only in language that is understandable by all people. I have an advantage over my friend from Kentucky in that what I say does not transcend the common, ordinary understanding of the common man of the street.

Mr. BARKLEY. The Senator said he understood what I said; and I think if he could, almost anybody could.

Mr. LONG. Just a moment, now. I am going to translate the Senator's statement in plain language.

The Senator from Kentucky gave us to understand that the year 1933 was the peak of distress. That is what he said. He gave us to understand that our low mark of prosperity, our greatest day of hunger, our greatest day of want, was the year 1933, the year when there were 26 more million-dollar incomes than in any preceding year. That is what he said, and that is the fact. They do not want any more of these income-tax figures published. They do not want it shown here in the United States that the more hungry people we have, the more unemployed we have, the more dying we have, the greater the income of the millionaire and the less the income of the common man. They do not want that. They have to do something about it. They have called in the party leaders over the United States and said, "Here! Get busy; get busy! We do not want this publicity to go any further, whereby it is shown that the more blood and the more bone that is decayed from the rank and file of humanity the wealthier we are becoming in the meantime. Therefore, get busy, get busy, get busy! Cover up that showing! It is bad for the people to know about it. It is bad that they should know the evils with which they are afflicted."

Mr. BARKLEY rose.

Mr. LONG. I yield again to my friend.

Mr. BARKLEY. In order that we may put in the RECORD the figures from which the Senator has gathered his increase of 26 million-dollar incomes, I wish to state, if the Senator will yield, that in 1928 there were 511 men in this country who earned over a million dollars. In 1929 there were 513. In 1930 there were 150. In 1931 there were 74. In 1932 there were 20. In 1933 there were 46.

Mr. LONG. Yes.

Mr. BARKLEY. So the number of men who made a million dollars or more increased from 20 to 46 in 1933.

Mr. LONG. Yes.

Mr. BARKLEY. Which compares with 511, 513, and so on, back in 1928 and 1929.

Mr. LONG. Has the Senator there the figures for 1920?

Mr. BARKLEY. No; I have not the figures for 1920; but in 1928 the number who earned between $500,000 and a million dollars was 983. In 1929 it was 976. In 1930 it was 318. In 1931 it was 149. In 1932 it was 86. In 1933 it was 84. So there was a drop-off of two in the number of those who earned between $500,000 and a million.

Let us go to the next bracket, of those who earned between $300,000 and $500,000. In 1928 there were 1,756; in

1929 there were 1,641; in 1930 there were 552; in 1931 there were 268; in 1932 there were 140; and in 1933 there were 139. So that there was a drop-off there of one.

Going to the bracket of those who earned between $25,000 and $50,000, if the Senator will still yield—and these are interesting figures—in 1928 there were 68,048; in 1929 there were 63,689; in 1930 there were 40,845; in 1931 there were 24,308; in 1932 there were 18,480; and in 1933 there were 18,168.

So that in order to draw a fair comparison I think we ought to take a period of years, such as five—say, from 1928 to 1933—not simply make an income of a million dollars the dividing line, but taking the incomes of the people as a whole; because, after all, there is not much difference between an income of $1,100,000 and an income of $990,000, as far as the value and validity of a comparison is concerned.

I wanted these figures to go into the RECORD, because I think they all ought to be considered.

Mr. LONG. Will the Senator let me take that book? I thank him for the information.

Mr. BARKLEY. It is a book published by the Treasury called "Statistics of Income."

Mr. LONG. I know the book is all right.

Mr. BARKLEY. It was published in 1933.

Mr. LONG. I merely want to use it a little. The figures are very illuminating for this reason: Bad as these Republican officials were—and they are bad enough, certainly, so bad I do not want anything to do with them [laughter]—as bad as they get to be, at the same time, as the unemployment grew in 1929 the incomes of the millionaires fell. When the unemployment grew in the year 1930 the incomes of the millionaires fell again. When the unemployment grew in 1931 the incomes of the millionaires fell again. In 1932, when unemployment grew greater, the number of millionaires went down to 20. But in 1933, in the year of our Lord 1933, when the incomes of the common people went lower and when unemployment grew greater than it had ever been before, the process was reversed and the number of millionaires went up. The statistics show that, the statistics which my friend the Senator from Kentucky has read.

My distinguished colleague the Senator from Michigan [Mr. VANDENBERG] does not like to have me read these figures from the Republican side, so I will step across the aisle and read them from the Democratic side. [Laughter.]

Mr. President, this is very interesting information, and it cannot be discounted, according to what my friend the Senator from Kentucky says.

In the year 1931 there were 77 millionaires. The unemployment was greater, therefore the millionaires were making less money. They were making too much money; but, still, as there were more men out of work the millionaires were feeling the effect of the depression and they were making less money for the millionaires.

The next year, 1932, there was more unemployment than in 1931, and the number of millionaires dropped from 77 to 20. There were only 20 men with a million-dollar income. Unemployment was greater, therefore, the incomes of the millionaires fell.

In 1932 unemployment was still greater and the number of millionaires was 20 again.

The next year, 1933, according to my friend the Senator from Kentucky, who is always right, unemployment was still greater, but the million dollar incomes went from 20 up to 46. In other words, the bold statement had to be made that "We have shaved everything out of the income-tax returns that we can, and you Representatives and Senators have come here and done an iniquitous thing, and you have made these incomes that are returned to the public, and notwithstanding the fact that the unemployment list has grown, according to my friend the Senator from Kentucky—and he knows what he is talking about—notwithstanding that fact, we have had to admit that the millionaires have had incomes away above what they claimed even in better times." That is the fact.

And now, with that before us, what happens? They say, "Something must be done, something has to be done. Publicity has required of us that in these days of falling prices, in these days of increasing unemployment, in these days of greater distress, we are having to report more money." There was less to be made by the man at the bottom, more to be made by the man at the top! more for the men who do not need, less for the men who do need. "Hurry! hurry! hurry! Cover up this publicity."

When we had a vice crusade on in New Orleans, they went out and got some petitions from the churches to the effect that they opposed this kind of information, blackening the character of that city, being given out, that they were not in favor of that kind of publicity that was casting a blight upon the whole community.

Whenever you begin to uncover the rampant corruption and fraud right underneath a carcass, or right in the carcass itself, that is when they come here and say, "Something must be done. Our children are going to be kidnaped, our wives and our daughters will be blackmailed, our secret sins will be exposed. Something must be done, something must be done" because 4 percent of the people stand in constant danger of something being done to them because they found out they made an income-tax return in the preceding year. That is what they come and tell us.

They will vote it, too. They will vote it, I tell you. I do not care what kind of argument we hear from the Senator from Nebraska, I do not care how eloquent the Senator from Wisconsin or from Michigan may become, this thing has been ordered, this thing is going to be done. It is coming. It has to come. It has to be done. There is no fooling about this business.

Eloquence? That belongs over yonder among the Greeks. Logic? That belonged in the Chicago Convention. Promises? They belonged on the hustings before the election. We are down to the basic principle itself.

Something has to be done. Something will be done. So we send our message to Mr. Morgan and to Mr. Rockefeller. "No more pestering you."

Sail on, sail on, sail on—not ship of state, but sail on, you who are mightier, you who are more powerful, you who claim the voice of command to the state!

Then to the people we say, "Get under cover, the storm is coming. Distress is your lot." Oh, no; it is not sail on for them, but sail under. We bury their hopes with this kind of vote.

But the abyss yawns for all!

Mr. FLETCHER. Mr. President, I am sorry I was necessarily detained from the Senate during a large portion of the splendid address by the Senator from Michigan [Mr. COUZENS]. I heard some of it. I do not know to what extent he referred to the report of the Committee on Banking and Currency on stock exchange practices, which has been made a Senate document; but I know he made reference to it. I will not undertake to repeat what is set forth in that report on the subject of income-tax evasion and avoidance. I draw attention to title V of the report, and those who desire information as to what was developed before that committee may read title V and ascertain the actual facts developed before the committee.

Of course, I do not now recall the testimony mentioned by the Senator from Louisiana [Mr. LONG], but it is barely possible that some witness before the committee may have made some wild, extravagant, and irresponsible statement. That will occur before any committee, in any investigation. Such a statement is not proof. It is simply the statement of an individual or of some particular witness.

I undertook to go through all these hearings, some 20 volumes or more of them, and I can say it would be rather difficult to wade through all these volumes to find the testimony of a particular witness. The testimony can all be found, however. I spent the whole of my vacation last year going through the testimony, and prepared the committee report. The report is based upon the evidence, not on the wild statements of some particular individual. It is based upon the

unquestionable and proven and established facts as developed before the committee.

Mr. President, after the disclosures before the Committee on Banking and Currency, the House Ways and Means Committee took up the subject of tax avoidance and tax evasion, and amendments to the revenue law were discussed and studied, hearings were had, and finally a bill was reported, and that bill came to the Senate. It is the Revenue Act of 1934. By the provisions of that act it was intended to cure many of the evils which were developed in the hearings before the Committee on Banking and Currency. I think likely most of them are taken care of by the Revenue Act of 1934. I have examined that act and studied it to some extent. It is available to all of us, of course. I think most of the vicious practices and evils, the existence of which was established before the Banking and Currency Committee, have been prohibited and will be stopped under the Revenue Act of 1934. Some other defects may develop, however, which will have to be taken care of by legislation.

That leads me to the thought as to what more can be accomplished by the effort at publicity. I am quite sure that the practices, the existence of which was developed before the committee and which we attempted to prevent by the Revenue Act of 1934, could not be prevented by publicity. The problem now is whether any more evasions or avoidances of tax payments can be prevented by publicity. Will making public the returns of the individual taxpayers accomplish what is aimed at in the pending provision? That is the principal question now before us.

I see no harm in what is provided by the amendment, but I question very much whether we are going to get any great and beneficial results from that sort of thing. That is a problem in my mind.

Undoubtedly there were some bad practices which led to very grave and serious results, and they existed under the laws prior to 1934. Those practices have now been prevented and prohibited. I think many of those evil practices, with their bad consequences, have been done away with by the Revenue Act of 1934.

The question before us now is whether we shall accomplish any further beneficial results by the method of publicity proposed in the pending amendment. That is the sole question before us, it seems to me.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. LA FOLLETTE], as modified, in the nature of a substitute.

The amendment proposed by Mr. LA FOLLETTE as modified is to strike out all after the enacting clause and to insert in lieu thereof the following:

That section 55 of the Revenue Act of 1934 is amended to read as follows:

"SEC. 55. Publicity of returns.

"(a) Returns made under this title upon which the tax has been determined by the Commissioner shall constitute public records and shall be open to public examination and inspection under rules and regulations promulgated by the Secretary and approved by the President.

"(b) (1) The Secretary and any officer or employee of the Treasury Department, upon request from the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, or a select committee of the Senate or House specially authorized to investigate returns by a resolution of the Senate or House, or a joint committee so authorized by concurrent resolution, shall furnish such committee sitting in executive session with any data of any character contained in or shown by any return.

"(2) Any such committee shall have the right, acting directly as a committee, or by or through such examiners or agents as it may designate or appoint, to inspect any or all of the returns at such times and in such manner as it may determine.

"(3) Any relevant or useful information thus obtained may be submitted by the committee obtaining it to the Senate or the House, or to both the Senate and the House, as the case may be.

"(c) The proper officers of any State may, upon the request of the Governor thereof, have access to the returns of any person, or to an abstract thereof showing the name and income of any person, at such times and in such manner as the Secretary may prescribe.

"(d) The Commissioner shall as soon as practicable in each year cause to be prepared and made available to public inspection in such manner as he may determine, in the office of the collector in each internal-revenue district and in such other places as he may determine, lists containing the name and the post-office address of each person making an income-tax return in such district.

"(e) No person shall obtain, divulge, or circulate or offer to obtain, divulge, or circulate for compensation any information derived from an income-tax return: *Provided*, That this subsection shall not be construed to prohibit publication by any newspaper of information derived from income-tax returns for purposes of argument nor to prohibit any public speaker from referring to such information in any address. Any person violating any of the provisions of this subsection shall, upon conviction thereof, be punished by a fine of not less than $100 or more than $500, or by imprisonment for not less than 1 month or more than 6 months, or by both such fine and imprisonment."

Mr. BARKLEY. I demand the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. NYE (when his name was called). Upon this question I have a pair with the junior Senator from Illinois [Mr. DIETERICH]. I understand if he were present he would vote "nay." If permitted to vote, I should vote "yea."

Mr. O'MAHONEY (when his name was called). On this question I have a pair with the senior Senator from Illinois [Mr. LEWIS]. I understand, if present, he would vote "nay." If I were permitted to vote, I should vote "yea."

Mr. POPE (when his name was called). On this question I have a pair with the junior Senator from North Carolina [Mr. REYNOLDS]. If he were present, he would vote "nay." If permitted to vote, I should vote "yea."

Mr. SHIPSTEAD (when his name was called). On this vote I am paired with the senior Senator from North Carolina [Mr. BAILEY]. I am informed, if present, he would vote "nay." If permitted to vote, I should vote "yea."

The roll call was concluded.

Mr. AUSTIN. I announce that the Senator from Minnesota [Mr. SCHALL] is absent on account of a death in his family, that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness, that the Senator from Wyoming [Mr. CAREY] is absent on official business, and that the Senator from New Hampshire [Mr. KEYES] and the Senator from Delaware [Mr. HASTINGS] are necessarily absent, detained from the Senate.

All the Senators mentioned would, if present, vote "nay" on the pending question.

I wish further to announce that the Senator from California [Mr. JOHNSON] is absent on account of illness.

The Senator from Oregon [Mr. MCNARY] has a general pair with the Senator from New Hampshire [Mr. BROWN]. The Senator from Oregon is detained from the Senate on official business. I am not advised how either Senator, if present, would vote on this question.

Mr. BULKLEY. I have a general pair with the senior Senator from Wyoming [Mr. CAREY], who is necessarily absent. If present, he would vote as I intend to vote, and I am therefore at liberty to vote. I vote "nay."

Mr. LOGAN. I have a general pair with the senior Senator from Pennsylvania [Mr. DAVIS], who is absent on account of illness. I understand that if present he would vote as I am going to vote. Therefore I am at liberty to vote, and vote "nay."

Mr. CLARK. On this vote I have a pair with the senior Senator from Delaware [Mr. HASTINGS]. If he were present, he would vote "nay." If I were permitted to vote, I should vote "yea."

Mr. ROBINSON. I announce that the junior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON] are necessarily detained by illness. I am not informed how these Senators would vote if present.

I desire also to announce that the following Senators are necessarily detained from the Senate: The Senator from North Carolina [Mr. BAILEY], the senior Senator from Illinois [Mr. LEWIS], the junior Senator from Illinois [Mr. DIETERICH], and the Senator from North Carolina [Mr. REYNOLDS]. I am advised that if present these Senators would vote "nay."

The Senator from New Hampshire [Mr. BROWN] is necessarily absent. His general pair has been announced.

The result was announced—yeas 25, nays 51, as follows:

YEAS—25

Bilbo	Cutting	McCarran	Schwellenbach
Black	Donahey	McKellar	Sheppard
Bone	Fletcher	Murray	Trammell
Borah	Frazier	Neely	Wheeler
Capper	Hatch	Norbeck	
Costigan	La Follette	Norris	
Couzens	Long	Russell	

NAYS—51

Adams	Coolidge	King	Smith
Ashurst	Copeland	Logan	Steiwer
Austin	Dickinson	Lonergan	Thomas, Okla.
Bachman	Duffy	McAdoo	Thomas, Utah
Bankhead	George	McGill	Townsend
Barbour	Gerry	Maloney	Truman
Barkley	Gibson	Metcalf	Tydings
Bulkley	Glass	Minton	Vandenberg
Bulow	Gore	Moore	Van Nuys
Burke	Guffey	Murphy	Wagner
Byrd	Hale	Pittman	Walsh
Byrnes	Harrison	Radcliffe	White
Connally	Hayden	Robinson	

NOT VOTING—19

Bailey	Davis	Lewis	Pope
Brown	Dieterich	McNary	Reynolds
Caraway	Hastings	Nye	Schall
Carey	Johnson	O'Mahoney	Shipstead
Clark	Keyes	Overton	

So Mr. LA FOLLETTE's amendment, as modified, in the nature of a substitute, was rejected.

Mr. NORRIS. Mr. President, there is one great matter of consolation which I think we can all derive as a result of this vote, and as a result of the vote which will pass the bill and repeal the little publicity that is left. I think we can all be happy about it. When the bill shall have passed and become a law, and the present publicity provision shall have been repealed, the country will be free from one of the greatest pests of modern civilization. There will be no more kidnaping.

We have paid out of the taxpayers' money in the last year or two many millions of dollars on account of the various kidnapings which have taken place. All that money will now be saved to the country. We are about to enter upon an era of economy and secrecy which will save the taxpayers untold amounts of money. No longer need there be any fear on the part of the fathers and mothers of the country because of the possible kidnaping of their children. The enactment of this bill into law, as it undoubtedly will be enacted, will relieve the public of a great deal of anxiety, a great deal of expense, and will save the taxpayers an enormous amount of money.

There ought to be coupled with the bill, however, an amendment repealing all laws relating to kidnaping, so that at one fell swoop we might be able to save further enormous expense and economize further in that way for the benefit of the taxpayers.

Mr. LONG. Mr. President, I had hoped the Senator would not fail to remind the country that the passage of the bill will also help relieve the country of blackmailing and highway robbery. The Senator overlooked those matters.

Mr. NORRIS. They are unimportant compared with the crime of kidnaping.

Mr. COSTIGAN. Mr. President, I send to the desk an amendment which I offer and ask to have read.

The PRESIDENT pro tempore. The amendment will be read.

The LEGISLATIVE CLERK. On page 1, line 5, it is proposed to strike out the word "repealed" and insert in lieu thereof the words "amended to read as follows" and the following:

(1) All returns filed under this title shall be open to examination by any official, body, or commission of any State or political subdivision thereof lawfully charged with the administration of any State or local tax laws and while engaged in the performance of official duties. Such examination shall be made in a manner prescribed by the Commissioner and approved by the Secretary.

(2) Any information thus secured by an official, body, or commission of any State or political subdivision thereof shall be used only in connection with the administration of State or local tax laws and for no other purpose. Any such official or employee or agent of any such body or commission who divulges, except in the performance of his official duties, or when called upon to testify in any court or official proceedings, any information acquired by him through examination of said income-tax returns, shall be guilty of a misdemeanor and shall upon conviction be punished by a fine of not less than $500 and not more than $1,000.

Mr. COSTIGAN. Mr. President, the amendment which has been read by the clerk comes in response to certain representations made in behalf of the National Association of Tax Assessing Officers, the United States Conference of Mayors, and the American Municipal Association. They have prepared an impressive statement which I think should be read at the desk. I send it to the desk and ask that it may be read by the clerk.

The PRESIDENT pro tempore. Without objection, the clerk will read as requested.

The legislative clerk read as follows:

STATEMENT SUGGESTING AN AMENDMENT OF H. R. 6359 PROVIDING FOR PUBLICITY OF FEDERAL INCOME-TAX RETURNS

If some amendment of the present revenue act with respect to the so-called "pink slip" provision is deemed by Congress to be desirable, we most earnestly urge that the right of examination of income-tax returns must be secured to local assessing officials, boards of review, and State tax commissions.

For years personal wealth worth many billions has enjoyed an extra-legal tax exemption. Each year the tax base has grown narrower and the burden on real property heavier. The local assessor, boards of review, and other assessing agencies have received plenty of criticism but no help. Their attemps to get billions of personal property on the tax rolls were made ineffective by the very nature of personal property and the lack of proper legal machinery. As the result of this situation intangible securities—the great repository of accumulated wealth—have gone practically untaxed by State and local governments.

There is no legitimate reason why the right of examination, regardless of the matter of publication, should be denied to local assessment officers.

It is estimated that in the city of Chicago alone there exists $30,000,000,000 of taxable, but untaxed, personal property. If only half of this could be placed on the rolls the equalization of the property-tax burden would practically cease to be a problem. Real property would be given a new lease on life. The numerous ill-conceived tax-reduction, tax-limitation, and homestead-exemption schemes would practically vanish. What is true in Chicago is true in every part of the United States.

The whole theory of the general property tax presupposes that all taxable property is going on the tax roll. When less than half of it gets there, the disturbance to the tax balance is terrific.

Personal property constitutes about half of the Nation's wealth. Very little of it ever sees a local tax roll. If local assessors are helped by making Federal income-tax returns available for examination, much of the tax-equalization problem will be solved. Adequate safeguards may easily be inserted to insure that the right of examination will not be abused.

Tax evaders have had too much favorable legislation in the past; it is time that the taxpayers, especially the small, inarticulate, local, and honest kind, be given the consideration they deserve.

The undersigned associations of local public officials believe that the ends of justice demand that this right of examination be retained.

Every resource of the Federal Government should be placed behind local and State officials in their efforts to determine the actual taxable resources in their jurisdiction and to tax the same. There is no question but that very few are receiving the benefits of such taxable wealth, and it would seem inconsistent, indeed, for the Federal Government to be making grants of Federal funds to local governments should it then withhold very necessary measures to help the same State and local governments to help themselves. Increased cooperation between the Federal Government and the State and local governments on this matter is important and will prove highly beneficial to all.

Submitted by:

NATIONAL ASSOCIATION OF TAX ASSESSING OFFICERS.
UNITED STATES CONFERENCE OF MAYORS.
AMERICAN MUNICIPAL ASSOCIATION.

Mr. COSTIGAN. Mr. President, I have no intention of detaining the Senate by any considerable discussion of the amendment. The statement of the public officials to whom I have referred, and their associates, must make it clear that the purpose of the amendment is somewhat different from that of the preceding amendment, which I have been reluctant to see defeated.

I ought to say at once that it is a source of regret to me that I did not decide to offer this amendment until after the Finance Committee had concluded its hearing on the subject of the pending bill. Nevertheless, the merits of the amendment are outstanding and entitle it to present consideration and adoption.

Its fundamental purpose is to provide, through Federal legislation, assistance to local and State officials charged

with responsibility for the assessment and collection of taxes.

As indicated in the statement which has been read at the desk, there are very substantial amounts of intangible property which now escape taxation because there is not now provided a simple and efficient procedure by which local and State officials may ascertain the existence of such intangibles in connection with the names of the particular owners. Large public ends are to be served by making it possible for local and State officials to secure the information they require in order properly and fairly to assess and collect taxes. If that course shall be adopted, as indicated, it will be possible for the tax structure of America to be improved from the bottom to the top.

The publicity phase of the amendment provides that State and local tax officials shall not disclose the information to which they are to have access, except in court; and a penalty is attached, somewhat different from and less severe than that which those who are urging the amendment originally planned.

My change in that respect is in the direction of moderation, on the assumption that public officials do not need to be penalized as heavily as some others with respect to any disclosure in violation of the law, because any breach of law of that sort on their part would be disastrous to them personally and in their official capacities.

Under the Revenue Act of 1934—which, by its terms, refers to the provisions of the Revenue Act of 1926—some advances have been made in the direction of the amendment which is now proposed. Under existing law, if he so orders, the President of the United States may permit the sort of access for which I am now seeking statutory authority, provided also the Governors of the several States in certain instances separately request access to particular income-tax returns. Action, however, is left discretionary with respect to both the President and the Governors.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. COSTIGAN. Will the Senator permit me to finish? Then I will yield with pleasure.

Action, however, as I have said, is left discretionary. Presidents, and different Presidents, may change the policy, and the entire procedure is subject to rules and regulations which, in fact, thus far have not successfully achieved the ends in view.

I have no doubt that if this amendment could have been considered by the Finance Committee, along the normal channels of examination and discussion, it would have been accepted at once without dispute, for I have consulted different authorities on the subject of taxation who approve it entirely in principle and in the form in which it is submitted.

It is my understanding that the able Chairman of the Finance Committee, the Senator from Mississippi [Mr. HARRISON] desires to make a statement on the subject. Before he does so, does the Senator from Texas [Mr. CONNALLY] wish me to yield to him?

Mr. CONNALLY. Mr. President, I wish to ask the Senator if it is not true that under the present law—which will remain in effect regardless of the amendment offered—any State which has an income-tax law has access to the Treasury records with respect to incomes?

Mr. COSTIGAN. Permit me to say, in answer to the question of the Senator from Texas, that under the present law we have this provision. I read only part of section 257 (a):

> Returns upon which the tax has been determined by the Commissioner shall constitute public records.

The clause expressly omits returns as to which there may be a dispute. The importance of that limitation will be at once evident to all Members of the Senate, since the final determination of such questions often takes many years.

Mr. CONNALLY. That is true, but let me ask the Senator whether he thinks it fair for the Federal Government to divulge to a State or to any person a return before the Federal Government, whose responsibility it is, makes a determination?

Mr. COSTIGAN. If the return has been made by an individual or a corporation, I see no objection to such disclosure to officials who deal directly with taxation problems.

It should also be said that, under the same section, it is provided that these disclosures shall only be upon order of the President. It is further provided in another subdivision of the same statute that the proper officers of any State may, upon the request of the Governor thereof, have access to the returns of any corporation, or to an abstract thereof.

One of the difficulties about the latter provision of the law is that it apparently requires a separate request by the Governor in the case of each corporation, and there may be difficulties, as a practical matter, in securing such requests from the Governor in particular cases.

In other words, the law as it now exists is so hampered by restrictions and difficult procedure that the hindrances ought to be swept away, and what is left to option, request, and circumlocution should be made a straight path.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. COSTIGAN. I yield.

Mr. GEORGE. Has the Senator from Colorado been reading from the law or from an Executive order? The Senator from Colorado referred to it as the law.

Mr. COSTIGAN. I was referring to section 257 (a) originally, and section 257 (c) of the Revenue Act of 1926, title II.

Mr. GEORGE. I had the impression that a general Executive order had been issued which substantially covers the amendment which the able Senator has offered.

Mr. COSTIGAN. It is my understanding that the Secretary of the Treasury is not unwilling to provide rules and regulations which will permit, under the safeguards of the statute, the ends to be sought. What I am now urging is that the law should be clarified, and that what is now possible by grace shall be made certain by law, for the use of our local and State tax-assessing officials.

Mr. HARRISON. Mr. President, I hope the amendment will not be adopted. I conferred with the representatives of the Department yesterday at the request of the Senator from Colorado. There is today nothing in the law to prevent the making of proper rules and regulations which would permit the individuals referred to to inspect the records. As I have said, I took the matter up with the Treasury Department, and I feel quite sure that the regulations will be broadened so as to permit the inspections to be made under such rules and regulations as may be prescribed in order that the inspections may be fair and reasonable. I hope the pending amendment will not be agreed to at this time and make a conference necessary.

Mr. LONG. Mr. President, supplementing what I stated before, I have been furnished a list of the positions of those who administer the law in the Bureau of Internal Revenue. This list shows the positions the various gentlemen held prior to the 4th of March 1933 and the positions they hold at the present time. I assume the list is fairly correct and I want to read a few of the names.

Mr. HARRISON. Mr. President, will not the Senator permit the list to go into the RECORD, so that we may finish the consideration of the bill tonight? I do not think there is more than one more amendment to be offered.

Mr. LONG. This will take but a moment or two. I do not intend to read all of the names.

W. T. Cardwell was chief of the audit section prior to March 4, 1933, when the Democratic Party took control. He is now chief of conference section.

H. B. Robinson was head of Audit Review Division. He is now head of Audit Review Division.

H. G. Nichols was assistant head of Audit Review Division. He is still assistant head of Audit Review Division.

C. C. Haig was chief of review unit. He is still chief of review unit.

C. P. Suman was chief of audit section. He is now chief of section A.

F. R. Leary was chief of audit section. He is now chief of section B.

P. H. Sherwood was chief of audit section. He is now chief of section C.

L. M. Simpson was chief of audit section. He is now chief of section D.

F. L. Hudson was chief of audit section. He is now chief of section E.

S. A. Mitchell was chief, claims control section. He is still chief, claims control section.

S. P. Hatchett was head of valuation division. He is still head of valuation division.

E. L. Lindsey was assistant head of valuation division. He is still assistant head of valuation division.

Frank H. Madison was chief, mining section. He is still chief, mining section.

Lewis P. Andresen was chief, oil and gas section. He is still chief, oil and gas section.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BARKLEY. Does the Senator know what proportion of these men are civil-service employees?

Mr. LONG. I cannot give the Senator that information off-hand.

Mr. BARKLEY. It is true that practically all of them are, is it not?

Mr. LONG. Perhaps they are, but I will give the Senator the names of some who are not.

Mr. BARKLEY. I wish the Senator would.

Mr. LONG. There is one by the name of Irey, whom the Senator from Kentucky mentioned, not in good terms at all, during the time when we were discussing the nomination of a Mr. Helvering.

Mr. BARKLEY. I remember the incident. I do not know whether he is a civil-service employee or not.

Mr. LONG. He is not a civil-service employee, and he has more authority now than when the Senator was denouncing him on the floor of the Senate.

Mr. BARKLEY. I am not responsible for that.

Mr. LONG. I know the Senator is not responsible. The point I am making is that the administration of the law is in the same hands it was in when we made all our complaints, and that the good that was done was done by making the matter public rather than through the administration.

Ralph S. Gayton was head of the securities unit. He is now chief of the securities section.

Dean W. Martin was chief, timber section. He is still chief, timber section.

James M. Clack was chief, appraisal section. He is still chief, appraisal section.

Mr. President, I have another long list, just verified, which I shall send to the desk and ask to have printed in the RECORD, together with the exhibit to which I have just been referring.

A statement was made by the Senator from Kentucky, and I knew that what the Senator from Kentucky was stating was true, because when Mr. Helvering's name was before us for confirmation, someone called on me one evening and wanted to bring in a large stack of data to be used against Mr. Helvering's confirmation as Commissioner of Internal Revenue.

I knew Mr. Helvering. I had been out in Kansas campaigning, and I knew him at the convention in Chicago. I had known of him for a number of years and I personally was very much convinced Mr. Helvering was a good man.

The party to whom I have referred gave me to understand that Mr. Irey would be glad if I would be willing to spread the information he would furnish in the Senate and oppose Mr. Helvering, and he wanted to give me this stack of stuff. I told him I was not interested in anything of the kind, so I said nothing about it.

A few days later I heard my friend the Senator from Kentucky saying that he had been made the chairman of the subcommittee of either the Finance Committee or the Committee on Banking and Currency, to which had been referred the nomination of Mr. Guy Helvering. He stated that if anyone had any information regarding Mr. Helvering that was in any respect against him, he, as chairman of the subcommittee, should have had it, and that he had given notice that he would like to have it. He said that no such condemnatory data had been submitted to him, but that none the less a certain gentleman had submitted all these condemnatory data, which he said made a pile a foot thick, about Mr. Helvering, without ever bringing anything to him.

I remember he was asked who that man was, and he stated his name was "I-r-e-y." He spelled it in order that whoever was asking him about it might know who he was.

I remember the Senator from Kentucky said that it was his hope and his belief that the appointment of Mr. Helvering as head of the Bureau of Internal Revenue would mean the dismissal of such men as Irey and his kind. While I did not say anything about it, I joined with him in that feeling, and the hope that good results would come.

I merely want it to be known, however, that instead of that having occurred, on the contrary, Mr. Irey and all of his kind are still there. No one need ever doubt, when he votes for this bill as it now is, and amendments now being submitted are voted down, that it is going to mean that the whole matter is bound to revert to the exact status in which we found it before the campaign was fought in 1932.

Mr. President, I send to the desk the data to which I have referred, and ask to have them inserted in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Name	Position prior to Mar. 4, 1933	Present position
W. T. Cardwell	Chief of audit section	Chief of conference section.
H. B. Robinson	Head of Audit Review Division.	Head of Audit Review Division.
H. G. Nichols	Assistant head of Audit Review Division.	Assistant head of Audit Review Division.
C. C. Haig	Chief review unit	Chief, review unit.
C. P. Suman	Chief of audit section	Chief, section A.
F. R. Leary	do	Chief, section B.
P. H. Sherwood	do	Chief, section C.
L. M. Simpson	do	Chief, section D.
F. L. Hudson	do	Chief, section E.
S. A. Mitchell	Chief, claims control section	Chief, claims control section.
S. P. Hatchett	Head of Valuation Division	Head of Valuation Division.
E. L. Lindsey	Assistant head of Valuation Division.	Assistant head of Valuation Division.
Frank H. Madison	Chief, mining section	Chief, mining section.
Lewis P. Andresen	Chief, oil and gas section	Chief, oil and gas section.
Ralph S. Gayton	Head of securities unit	Chief, securities section.
Dean W. Martin	Chief, timber section	Chief, timber section.
James M. Clack	Chief, appraisal section	Chief, appraisal section
Paul F. Cain	Member special advisory committee.	Member of technical staff.
Milton E. Carter	Law partner of present Commissioner.	Do.
Frank T. Eddingfield	Member special advisory committee.	Do.
Grover C. Hammond	do	Do.
Wm. H. Lowder	do	Do.
Porter Linder	Revenue agent in charge, New Haven, Conn.	Do.
Leonard C. Mitchell	Member special advisory committee.	Do.
Timothy C. Mooney	Associate technical advisor of Deputy Commissioner.	Do.
Ferel O. Replogle	Revenue agent	Do.
Perley J. Rose	Member special advisory committee.	Do.
Wm. J. Steiner	Assistant to Commissioner	Do.
Henry L. Young	Attorney, office of General Counsel for Bureau.	Do.

MEMORANDUM ON INCOME TAX UNIT (KEY MEN)

The following is a list of key men in the technical divisions of the Income Tax Unit, the positions which they held prior to March 4, 1933, and the positions which they now occupy.

Name	Position prior to Mar. 4, 1933	Present position
Wright Matthews	Attorney, office of General Counsel, Bureau of Internal Revenue.	Assistant to the Commissioner.
E. P. King	Head, Review Division, office of General Counsel for Bureau of Internal Revenue.	Special Deputy Commissioner.
W. T. Sherwood	Assistant Deputy Commissioner.	Assistant Deputy Commissioner.
Chas. T. Russell	Revenue agent in charge, St. Louis, Mo.	Deputy Commissioner of the Income Tax Unit.
Ralph R. Reed	Technical adviser to Deputy Commissioner.	Technical adviser to Deputy Commissioner.
A. R. Marrs	Assistant to the Commissioner.	Head technical staff.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Colorado [Mr. COSTIGAN].

Mr. COSTIGAN. Mr. President, the Senator from Mississippi made a statement all of which was not heard in this portion of the Chamber. For the purpose of the RECORD, may I ask whether the Senator has given the Senate assurance that the Treasury Department is prepared to open the way, through rules and regulations, for the accomplishment of the purposes of the pending amendment?

Mr. HARRISON. I may say to the Senator from Colorado that I had a communication from the Secretary of the Treasury, which, in part, is as follows:

> The Treasury Department has, in its recommendations to the President regarding the use to which income-tax returns may be put, endeavored to open returns for all reasonable and legitimate use, and I assure you that the Department would be sympathetic to any suggestion broadening the scope of the regulations regarding inspection by State officials if it should be found necessary for any reasonable or useful purpose.

I may say to the Senator from Colorado that, so far as it is within my power, I shall join with him in trying to obtain authority from the Finance Committee and employ such influence as we may possess to obtain a regulation from the Treasury Department which will cover what the Senator proposes in his amendment.

Mr. CLARK. Mr. President, will the Senator from Colorado yield to me for the purpose of asking a question of the Senator from Mississippi [Mr. HARRISON]?

Mr. COSTIGAN. I yield.

Mr. CLARK. If the Treasury Department has no objection to this proposal, why should it not be written into the law? Why should it be necessary for the Finance Committee to go down on their hands and knees and ask for a regulation when the Treasury Department says its has no objection to the proposal?

Mr. HARRISON. Under the law today the Treasury Department has full power to make these regulations, but if we have to have a law to cover every one of these matters it seems to me we shall never finish the bill.

Mr. CLARK. Has the Senator any objection on his own part, or does he know of objection on the part of anybody else to the amendment proposed by the Senator from Colorado?

Mr. HARRISON. I was just saying that the Treasury Department would feel kindly toward promulgating proper regulations to accomplish what is desired.

Mr. CLARK. Is the Senator able to say how the Treasury Department feels toward Congress writing into the law, in pursuance of its constitutional duty, a provision as to the matter which the Treasury Department is willing to regulate? I object to our going on our hands and knees and asking the Department for a regulation as to something which Congress ought to regulate by law.

Mr. HARRISON. As one member of the Finance Committee, I object to amendments being offered on the floor of the Senate which have never been considered by the committee and which should be considered by the committee before being acted on. I think it is bad practice in the first instance to legislate upon the floor of the Senate. These matters should have been brought to the attention of the committee considering the bill.

Mr. CLARK. Since the Senator from Mississippi has brought up the question of committee practice, I may say to the Senator that this bill was reported out of the committee after a 15-minute session. I happened to be present at the meeting of another committee in the Senate Office Building, and when I arrived at the Finance Committee room I found that the bill had been considered and reported out in 15 minutes. So it seems to me it comes with bad grace to say that the amendment should not be acted on before it has had proper consideration by the committee.

Mr. HARRISON. The Senator from Missouri received due notice of the meeting. Several amendments were offered in the committee, all of which received consideration of the committee, and were voted up or down; and, as I recall, the Senator was present at the meeting.

Mr. CLARK. I was not present at the committee meeting. I had asked the Senator from Wisconsin [Mr. LA FOLLETTE] to cast my vote on the amendment which he proposed to offer, and on the question of reporting the bill. As to any consideration being given by the Committee on Finance to various amendments to the bill, however, I can only repeat that it must have been an extremely brief consideration, because while the committee was called to meet at 2 o'clock, I arrived at 20 minutes after 2 from another meeting, and found that the meeting of the Committee on Finance had adjourned.

Mr. HARRISON. The Senator is correct. The hearing did not last long, because there was one simple question before the committee; namely, the repeal of the particular provision touching the "pink slip." Other amendments were offered dealing with taxation, most of which were voted down, because we did not believe they ought to originate in the Senate, but thought they should originate in the House.

Mr. BARKLEY. Mr. President, I understand the point to be that the amendment offered by the Senator from Colorado is unnecessary because the passage of the bill now before us will not affect the publicity provisions of the Revenue Act of 1926, under which the President and the Secretary of the Treasury now have authority to open up the returns to State authorities. Am I correct about that?

Mr. HARRISON. That is true; and already the President has issued an Executive order providing that in those States which have income-tax laws the proper officers of the State may be permitted to make investigation of the income-tax returns.

Mr. CLARK. Mr. President, will either the Senator from Mississippi or the Senator from Kentucky be kind enough to explain, if the statements made by both of them are correct, what possible harm could be done by the amendment offered by the Senator from Colorado?

Mr. BARKLEY. It would be a repetition of the law now on the statute books.

The PRESIDENT pro tempore. Senators are violating the rules of the Senate by taking the floor without asking the Senator who now has the floor, the Senator from Colorado [Mr. COSTIGAN] to yield?

Mr. CLARK. Mr. President, will the Senator from Colorado yield to me?

Mr. COSTIGAN. I yield to the Senator from Missouri.

Mr. CLARK. In reply to the Senator from Kentucky, who has asked what good might come from the inclusion in the bill of this amendment, I should like to state that certainly it may be of benefit by obviating the necessity of the Finance Committee going on its hands and knees to the Treasury Department and asking for a regulation which the Department says it is ready to make.

Mr. BARKLEY. Mr. President, will the Senator from Colorado yield?

Mr. COSTIGAN. I yield to the Senator from Kentucky.

Mr. BARKLEY. I do not understand that it is necessary for the Finance Committee to go on its hands and knees, or that it would be construed as being in that posture if it should make a request of the Treasury Department or a recommendation to the Treasury Department, as the law provides it may do, for the opening up of these records to State authorities.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. COSTIGAN. I yield to the Senator from Florida.

Mr. FLETCHER. I think the amendment is a very excellent one, one which should be adopted, one which should be approved. I believe the public officials mentioned in the amendment are entitled to the information, and that good will come from their having it. I am in favor of the amendment.

Assurance is given by the chairman of the committee which encourages me very much to believe that the amendment is not necessary. I am glad to have the assurance. I think, however, that the amendment is desirable and ought to be approved.

Mr. LONG. Mr. President, will the Senator yield?

Mr. COSTIGAN. I yield to the Senator from Louisiana.

Mr. LONG. As I understand the amendment, the Senator is merely seeking to give a State the right to have access to the income-tax returns which may be made to the Federal Government. That is all the amendment provides; is it not?

Mr. COSTIGAN. That State officials and local officials having to do with taxation may have access to the returns.

Mr. LONG. I wish to state, if the Senator will allow me, that we have had a case or two in Louisiana where a man would report to the State one thing, and to the Federal Government another thing, and if the Federal income-tax return of such a person were not open to the inspection of the State officials it might result in depriving the State of an immense amount of money.

I should like if the Senator from Colorado would permit me to answer the question which the Senator from Missouri has asked. Of course, I can see what in some quarters might be considered a valid objection to the amendment being written into the law, rather than having the matter left to a Treasury ruling, because it might be that some of the Rockefeller or Morgan firms would not want little old two-by-four States like Missouri and Louisiana to inquire into their business. I can say that they have been stating one thing in their returns to the Federal Government and another thing to the State government.

Mr. HARRISON. Mr. President, will the Senator from Colorado yield?

Mr. COSTIGAN. I yield to the Senator from Mississippi.

Mr. HARRISON. I merely desire to say that under the Executive order of the President it is now permissible for any State, through its proper officers, to inspect Federal income-tax returns.

Mr. GORE rose.

Mr. LONG. If the Senator will permit me—what is the objection to the amendment, if by Executive order that right could be taken away tomorrow?

Mr. HARRISON. Oh, yes; it could be taken away.

Mr. LONG. Do not write it into the law, because some queer things are done in my State in connection with these matters.

Mr. COSTIGAN. I yield now to the Senator from Oklahoma.

Mr. GORE. I rose to propound an inquiry to the Chairman of the Finance Committee, but in the meantime he has answered the question I intended to submit to him. The doctrine of the pending measure would not take away the publicity provision of the law of 1926 under which the Executive order was issued. That is correct, is it not?

Mr. HARRISON. That is true.

Mr. GORE. I would merely add that I think the income-tax returns ought to be open to inspection for all proper purposes. I think they ought to be available to the State authorities. Authority ought to be vested some place where others could have access to them for proper public, scientific, and statistical purposes.

It is the matter of morbid curiosity to which I am opposed, and the danger that one competitor might ascertain the condition of a weak competitor and make use of that information as a basis of cutthroat competition and other unfair practices to destroy such competitor. If a provision to safeguard against that possibility is embodied in the amendment of the Senator from Colorado, I cannot see any objection to its adoption, because it corresponds to the existing order.

Mr. COSTIGAN. Mr. President, it is gratifying to discover that so many Senators are aware of the virtues of the amendment I have offered.

The National Association of Tax Assessing Officers, the United States Conference of Mayors, and the American Municipal Association stress, in part, these points: That every resource of the Federal Government should be placed behind local and State officials in their efforts to determine the actual taxable resources in their jurisdictions and to tax the same; that personal property constitutes about half the Nation's wealth and very little of it ever sees a local tax roll; that the whole theory of the general property tax presupposes that all taxable property is going on the tax rolls; and that in the city of Chicago—citing that city as merely one illustration—as much as $30,000,000,000 of property has been escaping taxation because of the inability of the local tax officials to see these returns.

These are facts which, it is submitted to Senators, should not be left for discovery to discretion or regulations of the Treasury. It ought to be manifest that something needs to be done by law that reaches beyond regulations which may or may not disclose the actual situation.

Mr. HARRISON. Mr. President, I am in thorough accord with what the Senator from Colorado is trying to accomplish. I have demonstrated that by my efforts and by my conferences with Treasury officials. I feel quite sure that the law is adequate today to take care of the situation. If the Senator insists upon his amendment under the circumstances as I have explained them and in view of the letter from the Treasury from which I have read, then I am not going to interpose any objection, even though I had hoped that the bill might be passed without the necessity of taking it to conference. If the amendment should be adopted, naturally the bill must go to conference.

Mr. COSTIGAN. I apologize to the able Chairman of the Finance Committee for failure to present the amendment in time for consideration by the committee. Nevertheless, under the circumstances, because of the strong array of public reasons for the adoption of the amendment, I am satisfied that I ought to request the Chairman of the Finance Committee to accept it.

Mr. HARRISON. I shall not at this late hour in the afternoon, when everyone wants to have the matter disposed of, offer further resistance to it. So far as I am concerned, I accept the amendment.

The PRESIDENT pro tempore. The question is on the adoption of the amendment of the Senator from Colorado.

The amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, in a moment I intend to offer an amendment designed to increase the revenue derived from the income-tax schedules of the existing law.

Senators are very familiar with the position I have consistently taken during the depression—namely, that we cannot continue the extraordinary expenditures made necessary by the crisis unless at the same time we meet the responsibility of the Government by increasing taxes. I am confident that the amendment I am about to offer will produce $275,000,000 annually from income taxes over and above the amount we are now receiving.

I understand that the Senator from Mississippi [Mr. HARRISON], the chairman of the committee, intends to make the point of order that the amendment, being in the nature of a revision of tax schedules in the existing law, cannot be considered by the Senate under the constitutional provision giving the House the exclusive right to originate measures raising revenue. However, realizing that once the amendment is offered, and the point of order is made, and the Chair submits it to the Senate, I can no longer debate it, I merely wish to state prior to offering the amendment that it is my firm conviction that the House having passed the particular piece of legislation now before us, it is clearly within the constitutional power of the Senate to consider such an amendment, for the simple reason that, according to my firm conviction, the bill now under consideration providing for the repeal of the so-called "pink slip" provision will in and of itself affect the revenue and tend to diminish the revenue collected by the Government.

I now offer the amendment, Mr. President; and in order to save the time of the Senate, I am perfectly willing to ask unanimous consent that it shall be considered as having been read and be printed in the RECORD.

The amendment offered by Mr. LA FOLLETTE is after line 5 insert a new section reading as follows:

"SEC. 2. (a) Section 11 of the Revenue Act of 1934, relating to the normal tax on individuals, is amended by striking out '4 percent' and inserting in lieu thereof '6 percent.'"

(b) Section 12 (b) of the Revenue Act of the 1934, relating to rates of surtax, is amended to read as follows:

"(b) Rates of surtax: There shall be levied, collected, and paid for each taxable year upon the surtax net income of every individual a surtax as follows:

"Upon a surtax net income of $4,000 there shall be no surtax; upon surtax net incomes in excess of $4,000 and not in excess of $8,000, 6 percent of such excess.

"$240 upon surtax net incomes of $8,000; and upon surtax net incomes in excess of $8,000 and not in excess of $10,000, 7½ percent in addition of such excess.

"$390 upon surtax net incomes of $10,000; and upon surtax net incomes in excess of $10,000 and not in excess of $12,000, 9 percent in addition of such excess.

"$570 upon surtax net incomes of $12,000; and upon surtax net incomes in excess of $12,000 and not in excess of $14,000, 10½ percent in addition of such excess.

"$780 upon surtax net incomes of $14,000; and upon surtax net incomes in excess of $14,000 and not in excess of $16,000, 12 percent in addition of such excess.

"$1,020 upon surtax net incomes of $16,000; and upon surtax net incomes in excess of $16,000 and not in excess of $18,000, 15 percent in addition of such excess.

"$1,320 upon surtax net incomes of $18,000; and upon surtax net incomes in excess of $18,000 and not in excess of $20,000, 18 percent in addition of such excess.

"$1,680 upon surtax net incomes of $20,000; and upon surtax net incomes in excess of $20,000 and not in excess of $22,000, 21 percent in addition of such excess.

"$2,100 upon surtax net incomes of $22,000; and upon surtax net incomes in excess of $22,000 and not in excess of $26,000, 24 percent in addition of such excess.

"$3,060 upon surtax net incomes of $26,000; and upon surtax net incomes in excess of $26,000 and not in excess of $32,000, 27 percent in addition of such excess.

"$4,680 upon surtax net incomes of $32,000; and upon surtax net incomes in excess of $32,000 and not in excess of $38,000, 31½ percent in addition of such excess.

"$6,570 upon surtax net incomes of $38,000; and upon surtax net incomes in excess of $38,000, and not in excess of $44,000, 36 percent in addition of such excess.

"$8,730 upon surtax net incomes of $44,000; and upon surtax net incomes in excess of $44,000 and not in excess of $50,000, 40½ percent in addition of such excess.

"$11,160 upon surtax net incomes of $50,000; and upon surtax net incomes in excess of $50,000 and not in excess of $56,000, 45 percent in addition of such excess.

"$13,860 upon surtax net incomes of $56,000; and upon surtax net incomes in excess of $56,000 and not in excess of $62,000, 48 percent in addition of such excess.

"$16,740 upon surtax net incomes of $62,000; and upon surtax net incomes in excess of $62,000 and not in excess of $68,000, 51 percent in addition of such excess.

"$19,800 upon surtax net incomes of $68,000; and upon surtax net incomes in excess of $68,000 and not in excess of $74,000, 54 percent in addition of such excess.

"$23,040 upon surtax net incomes of $74,000; and upon surtax net incomes in excess of $74,000 and not in excess of $80,000, 57 percent in addition of such excess.

"$26,460 upon surtax net incomes of $80,000; and upon surtax net incomes in excess of $80,000 and not in excess of $90,000, 60 percent in addition of such excess.

"$32,460 upon surtax net incomes of $90,000; and upon surtax net incomes in excess of $90,000 and not in excess of $100,000, 63 percent in addition of such excess.

"$38,760 upon surtax net incomes of $100,000; and upon surtax net incomes in excess of $100,000 and not in excess of $150,000, 65 percent in addition of such excess.

"$71,260 upon surtax net incomes of $150,000; and upon surtax net incomes in excess of $150,000 and not in excess of $200,000, 66 percent in addition of such excess.

"$104,260 upon surtax net incomes of $200,000; and upon surtax net incomes in excess of $200,000 and not in excess of $300,000, 67 percent in addition of such excess.

"$171,260 upon surtax net incomes of $300,000; and upon surtax net incomes in excess of $300,000 and not in excess of $400,000, 68 percent in addition of such excess.

"$239,260 upon surtax net incomes of $400,000; and upon surtax net incomes in excess of $400,000 and not in excess of $500,000, 69 percent in addition of such excess.

"$308,260 upon surtax net incomes of $500,000; and upon surtax net incomes in excess of $500,000 and not in excess of $1,000,000, 70 percent in adidtion of such excess.

"$658,260 upon surtax net incomes of $1,000,000; and upon surtax net incomes in excess of $1,000,000, 71 percent in addition of such excess."

(c) Section 143 of the Revenue Act of 1934, relating to withholding of tax at the source, is amended by striking out "4 percent" wherever appearing in such section and inserting in lieu thereof "6 percent."

(d) Section 25 (b) (1) of the Revenue Act of 1934, relating to personal exemption, is amended by striking out "$1,000" and inserting in lieu thereof "$800"; and by striking out "$2,500" wherever appearing in such subsection and inserting in lieu thereof "$2,000."

(e) Section 213 of the Revenue Act of 1934, relating to personal exemption of nonresident aliens, is amended by striking out "$1,000" and inserting in lieu thereof "$800."

(f) Section 51 of the Revenue Act of 1934, relating to individual returns, is amended by striking out "$1,000" and inserting in lieu thereof "$800"; and by striking out "$2,500" wherever appearing in such section and inserting in lieu thereof "$2,000."

(g) The provisions of this section shall apply only to taxable years beginning on or after January 1, 1935. Income taxes for taxable years beginning prior to January 1, 1935, shall be levied, collected, and paid as if this section had not been enacted.

Mr. TYDINGS. Mr. President, will the Senator from Wisconsin, in a few minutes, tell us what the proposed taxes are? I am not adverse to voting now for some increased taxes if I know what I am to vote upon.

Mr. LA FOLLETTE. It seems to me logical to have the Senate determine the point of order before I consume more of the Senate's time.

Mr. BORAH. Mr. President, may I ask the Senator from Mississippi whether he is going to make a point of order?

Mr. HARRISON. Yes; I am.

Mr. BORAH. When the point of order shall have been made, will it be debatable?

The PRESIDENT pro tempore. The Chair will hold that the point of order, when decided by the Chair, will be subject to an appeal; and an appeal from the Chair is debatable.

Mr. BORAH. The only point I have in mind is that this amendment presents a very important subject for us to consider, and I should not wish to be precluded from discussing the amendment or considering it. I doubt very much whether the point of order can be sustained upon the theory that the amendment is contrary to the constitutional provision. This bill has come over from the House. It deals with the subject of taxation. It is not at all clear to my mind that we have not a right to attach to the bill other provisions which also affect taxation.

I do not like to dispose of the amendment at such a late hour in the afternoon.

Mr. GORE. Mr. President, I desire to ask the Senator from Wisconsin if his amendment proposes increased rates, or makes provision for the imposition of tax rates of any sort?

Mr. LA FOLLETTE. It does.

Mr. GORE. I have not had access to the amendment. In the light of that statement, I believe the amendment is obnoxious to the provision of the Constitution requiring revenue bills to originate in the House of Representatives.

I base that statement on the fact that some years ago the House passed a bill regulating dealings in cotton futures on the various commodity exchanges. The Senate amended the bill, and imposed a tax on future contracts. The act was contested in the courts; and the court held that the Senate could not take a House bill which did not impose tax rates, and superimpose upon tax rates. They held that such action was in contravention of the Constitution.

Mr. NORRIS. Mr. President, will the Senator from Oklahoma yield for a suggestion?

Mr. GORE. Yes.

Mr. NORRIS. How can the Chair pass on a point of order, and how can the Members of the Senate intelligently vote on it if any Member wishes to take an appeal from the ruling of the Chair, unless we know what the amendment is? Why not proceed in the regular way, and let the amendment be read? Then we shall be able to pass upon it.

Mr. GORE. Mr. President, that is the reason why I asked the Senator from Wisconsin whether or not his amendment imposes rates. It is my judgment that if it does impose rates, it is obnoxious to the constitutional provision.

Mr. NORRIS. The only way in which we can determine that question is to have the amendment read.

Mr. GORE. Whatever else the amendment may provide, if it carries with it an imposition of tax rates, I do not believe the Senate can constitutionally attach the amendment to the House bill.

Mr. NORRIS. But nobody now knows what it is.

The PRESIDENT pro tempore. The Chair will direct that the amendment be read.

Mr. GORE. I may add that the case to which I refer was decided in the United States District Court for the Southern District of New York. The case was not appealed

by the Government to the Supreme Court of the United States. The Government rather conceded error.

Mr. HARRISON. Mr. President, I have no desire to impose upon the Members of the Senate by keeping them here at an unreasonably late hour. I thought we should be able to conclude the consideration of the bill by this time. Of course, if a debate shall ensue with reference to the point of order, we will be here quite late. I desire to make the point of order; and in order that we may have the matter before us tomorrow, under the circumstances, if that is the desire of the Senate, I am about to move that the Senate proceed to the consideration of executive business.

MUNITIONS AND WAR PROFITS—SPEECH BY SECRETARY DERN

Mr. BONE. Mr. President, yesterday the Secretary of War made a speech in Philadelphia in which he indulged in what seem to me to be invidious comments, at least comments which I believe the country will construe to have been invidious, with reference to what seem to be the views of the committee investigating munitions and war profits.

Mr. Dern in his speech said he was tempted to "lift his eyebrows" at certain suggestions; but I submit, in view of his defense of private munition makers, that there will be a general elevation of eyebrows over the country as to his attitude and comments.

I shall refer to his speech for a moment only and should not do even that save for one statement attributed to Mr. Dern by the press. He ridicules first the suggestion of the committee that the Federal Government should take over the manufacture of war munitions. Then the article which relates to his speech states:

> Personal investigations, he said, have revealed that the few small munitions plants which the Government now owns are hopelessly out of date, antiquated of machinery, poorly arranged, and should be remodeled, if not rebuilt. Roofs leak and Congress will not appropriate money to repair them.

Mr. President, I desire now to refresh the minds of Senators about one matter which I think is a full and complete answer to the inferences and rather blunt statements of Mr. Dern. Senators will recall that last year on the floor of this body and in the Committee on Naval Affairs I offered amendments to broaden the activities of those agencies of the Government through which the Government could manufacture its own munitions of war. One of my amendments would have called on the United States Government to expand its airplane facilities—that is to say, its factories, which are capable of building and repairing airplanes—to the point where they could ultimately handle the naval building airplane program.

I offered an amendment calling upon the Government to expand its navy yards so that it might ultimately take up the building of all its battleships instead of being compelled to rely on private shipbuilding yards, which within a period of a year and a half raised their bid prices 100 percent to the Government because they thought they could get away with it.

It lies illy in the mouth of the Secretary of War to assert that Congress will not vote the necessary money in the light of what happened when those amendments were disposed of in conference. Part of them were agreed to on the floor of the Senate; but before they were adopted representatives of the Navy Department came to the Committee on Naval Affairs and objected to the amendments which I had offered and stated it was the policy of the Navy Department not to further indulge in Government building.

When the bill went to conference, containing some of the amendments which I had offered and had placed in the Vinson bill, those amendments of mine were stricken out, and they were stricken out largely at the request of the representatives of the Navy Department.

I think it lies illy in the mouth of any representative of the Government, even though he be a member of the President's Cabinet, to let the inference arise from his speech that Congress is unwilling to appropriate money for these purposes when representatives of the Navy Department come here and make a fight on expansion of the facilities which the Government has for doing its own work.

I tried to have the Government build its own airplanes for military and naval purposes, and to build its own battleships. Senators will recall the scope of those amendments which were struck out in conference at the request of the Navy Department.

I think it time that someone challenges some of the blunt and sweeping statements being made that Congress is unwilling to appropriate money for these purposes. The reason Congress did not expand navy-yard facilities to do our building was because representatives of the Navy Department came down here and violently objected to the Government doing that sort of business.

I do not intend that statements to the contrary shall go unchallenged.

REGULATION OF PUBLIC UTILITY HOLDING COMPANIES

Mr. WHEELER. Mr. President, I desire to announce that tomorrow I expect to address the Senate and analyze title I of the so-called "Rayburn-Wheeler bill."

So much propaganda against the bill has been sent out by the power interests and the holding companies, and there has been so much misrepresentation of it, that I expect to take up title I, which deals with holding companies, and analyze it for the benefit of Members of the Senate who may be interested.

EXECUTIVE SESSION

Mr. HARRISON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting a nomination, which was referred to the appropriate committee.

(For nomination this day received see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters, which were ordered to be placed on the Executive Calendar.

The PRESIDENT pro tempore. If there are no further reports of committees, the calendar is in order.

THE JUDICIARY

The legislative clerk read the nomination of Hiram Church Ford to be United States district judge, eastern district of Kentucky.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. BARKLEY. Mr. President, there has been a vacancy in the judgeship in the eastern district of Kentucky for 9 months; no regular terms of the court have been held; and, in view of the fact that the court term will begin next Monday and it is necessary to have the commission of the new judge issued so that he may qualify and be in a position to take the oath by that time, I ask unanimous consent that the President be notified of the confirmation of Judge Ford. I have conferred with the Senator from Oregon [Mr. McNARY] and the Senator from Nebraska [Mr. NORRIS], and they are both agreeable to this course being taken.

The PRESIDENT pro tempore. Is there objection? The Chair hears none; and the President will be notified.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. Mr. President, I ask that the nominations of the postmasters be confirmed en bloc, except the three appearing on the calendar under the heading "Pennsylvania." The junior Senator from Pennsylvania [Mr. GUFFEY] has asked that these nominaions be recommitted to the Committee on Post Offices and Post Roads; and I ask that the three Pennsylvania nominations be returned to that committee, and that the other nominations be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the three nominations of postmasters in Pennsylvania will be recommitted to the Committee on Post Offices and Post Roads, and the other nominations are confirmed en bloc.

That completes the calendar.

RECESS

Mr. HARRISON. As in legislative session, I move that the Senate take a recess until 12 o'clock tomorrow.

The motion was agreed to; and (at 5 o'clock and 40 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Thursday, March 28, 1935, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate March 27 (legislative day of Mar. 13), 1935

COLLECTOR OF CUSTOMS

Joseph J. Cunningham, of North Providence, R. I., to be collector of customs for customs collection district no. 5, with headquarters at Providence, R. I., in place of Emery J. San Souci.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 27 (legislative day of Mar. 13), 1935

UNITED STATES DISTRICT JUDGE

Hiram Church Ford to be United States district judge, eastern district of Kentucky.

POSTMASTERS

COLORADO

Arthur D. Robb, Flagler.
Charles L. Dunn, Johnstown.

DELAWARE

Philip E. Touhey, Yorklyn.

GEORGIA

Bernie C. Chapman, Porterdale.

INDIANA

Orlin F. Reinhardt, New Salisbury.

MARYLAND

Guy K. Motter, Frederick.

NEW JERSEY

Frank J. Baker, Carlton Hill.
James K. Grimes, Clifton.
Elizabeth MacBrair, Essex Fells.
Irma M. Adams, Hammonton.

SOUTH CAROLINA

Hobson B. Taylor, Kershaw.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 27, 1935

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

They that trust in the Lord are as Mount Zion, which cannot be moved, but abideth forever. Thy holy name be praised for Thy mercy, which never faileth. O divine Power, make and keep us sweet until we meet blow with forbearance, cruelty with forgiveness, grievous wrong with tenderness, and poverty with pity. Heavenly Father, be abroad day and night throughout our land on a mission of recovery. May many who are shattered and reduced to weakness, standing on a threatening precipice, be made free, full of hope and victory. O God, so dwell with us that we shall willingly dedicate our powers to Thee, realizing that we rise into our highest estate only when we surrender to the best and the lasting things of life. Blessed, thrice blessed are they who watch and pray, for they are likened unto the tree of life, planted by rivers of water, which brings forth fruit in its season. The leaves of its influence shall live and tell the old, old story of our divine Lord in the midst of life's little day. We pray in the name of our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4442. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House thereon, and appoints Mr. GLASS, Mr. MCKELLAR, Mr. MCADOO, Mr. TRAMMELL, Mr. STEIWER, and Mr. NORBECK to be the conferees on the part of the Senate.

The message also announced that the Vice President had appointed Mr. HARRISON and Mr. COUZENS members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments", for the disposition of useless papers in the Veterans' Administration.

The message also announced that the Vice President had appointed Mr. WAGNER and Mr. NORBECK members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments", for the disposition of useless papers in the Interior Department.

THE PRIVATE CALENDAR

The SPEAKER. The unfinished business is on ordering the previous question on House Resolution 172.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that a typographical error in the resolution be corrected. On page 2, line 16, the last four letters have been left off the last word, "resolution." I ask unanimous consent that these letters be added.

The SPEAKER. Without objection, the correction will be made as indicated by the gentleman from New York.

There was no objection.

BOY SCOUTS OF AMERICA

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HILL of Alabama. Mr. Speaker, as we all know, the Boy Scouts of America are going to have a great jamboree here in August next. Some 35,000 Scouts are expected to attend this jamboree. The Senate has passed a bill authorizing the Secretary of War and the Secretary of the Navy to lend tents and other War Department and Navy Department property to the Boy Scouts for this jamboree. The House Committee on Military Affairs has unanimously reported this bill favorably to the House. So far there has been no objection to the bill. The Boy Scout executives are very anxious to secure its passage at the earliest possible date, as they need to go forward with their plans.

I, therefore, Mr. Speaker, ask unanimous consent for the present consideration of the Senate bill 935, to authorize the Secretary of War and the Secretary of the Navy to lend Army and Navy equipment for use at the national jamboree of the Boy Scouts of America.

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, and I shall not object to the consideration of this bill because similar measures have frequently been passed unanimously on other occasions, I want to take this opportunity to state the position of the minority. Yes-

terday a bill came up for consideration, and unanimous consent was asked. No objection was made because it, too, was a simple measure, easily understandable, and there was no opposition. One of the members of the majority complained because objection had been made to consideration of his bills on the previous days. Now, I want to say the attitude of this side of the House is this: Bills which are of a controversial nature, bills which are important, ought to come up in the regular and orderly way and be given the full consideration of the House. We are going to object to any legislation of such a character which comes up out of order and requiring unanimous consent. We believe it is not in the interests of good legislation. We have no objection to simple resolutions of the type of the one now under consideration.

Mr. FITZPATRICK. Mr. Speaker, reserving the right to object, I introduced a similar bill in the House. Is the Senate bill the same as the bill I introduced?

Mr. HILL of Alabama. It is identical with the bill which the gentleman from New York introduced. I am asking that the Senate bill be passed in the interest of expedition.

Mr. MICHENER. Mr. Speaker, reserving the right to object, I make this reservation of objection for the purpose of expressing the hope that in the future the custom which previously prevailed in the House will be adhered to; that is, that where a Member is recognized to ask unanimous consent to consider a bill which has passed the Senate that he at the same time be required to state that it is an emergency matter.

Mr. HILL of Alabama. Mr. Speaker, I will state that this is an emergency matter.

Mr. MICHENER. Further reserving the right to object, the gentleman represents the Committee on Military Affairs.

Mr. HILL of Alabama. I do.

Mr. SHORT. And I may say he is a very able representative of the committee.

Mr. HILL of Alabama. I thank the gentleman.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of War and the Secretary of the Navy are hereby authorized, at their discretion, under such rules and regulations as they may respectively prescribe, to lend to the Boy Scouts of America, a corporation chartered by act of Congress approved June 15, 1916, for use at the national jamboree of the Boy Scouts, to be held at Washington, D. C., during the summer of 1935, such tents, cots, blankets, and other articles of camp equipage as may be desired by said Boy Scouts of America and available for its approximately 35,000 Scouts and officials, and also furnish a camp site on the Fort Myer Military Reservation, Fort Myer, Va.: *Provided*, That the Secretary of War or Secretary of the Navy, before delivering such property, shall take from such corporation a good and sufficient bond for the safe return of such property in good order and condition, and the whole without expense to the United States.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

A similar House bill (H. R. 3800) was laid on the table.

PROGRESS UNDER THE N. R. A.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the RECORD excerpts from a speech of the Honorable Donald Richberg on Progress Under the N. R. A.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DOUGHTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following excerpt from an address by Donald Richberg, March 18, 1935:

Nearly 2 years ago the President asked the Congress for authority to launch a great adventure in the reconstruction of our industrial system. He proposed to establish cooperation within trades and industries, between industries, between management and labor, and between business and the Government, so that all could work together more effectively for the common good. The Congress passed the law. The National Recovery Administration was created.

The N. R. A. has accomplished a great deal in the reemployment of labor, in improving wages, hours, and working conditions, in eliminating unfair competition, in protecting small enterprises, in balancing production against consumption, in establishing a better, fairer industrial system capable of greater and more sustained service to the general welfare.

The N. R. A. has made many mistakes, as was inevitable. But its most dangerous and dubious policy lay in the effort to accomplish a far-reaching reorganization of business in a few months, and in the resort to coercion and emotion in order to drive management, labor, and consumer into the acceptance of sweeping changes in customary methods of doing business, and in the relations between industry and government. There were many valid reasons for rapid vigorous action. Many good results were achieved by speed, excitement, and compulsion. Idle workers were employed and wages were advanced to an extent unprecedented in the recovery from any previous depression.

But at the same time hostility was generated along with much sullen acquiescence instead of willing cooperation. Resistance to methods was begotten even when principles and purposes were approved. The vast complexity of the operations of the N. R. A. increased the difficulty of understanding. Many of those who sought to learn something about it became exasperated with the difficulty of learning enough about it for intelligent criticism, and became emotionally inspired with an unreasoning antagonism to the whole performance.

Now we face an accumulation of hostilities to the N. R. A., which as expressed presents an insane inconsistency. Spokesmen for big business charge the N. R. A. with restraining their monopolistic efforts to dominate their field. Spokesmen for small enterprises charge the N. R. A. with control by big business and with the oppression of the little fellow. Employer associations claim the N. R. A. has been administered for the benefit of organized labor, while labor organizations complain of employer control and failure to protect the interests of the employees.

The truth is that the principles and purposes of the N. R. A. support none of these charges. But the methods and procedures in special cases give some support to all of them. The law itself and the fundamental, flexible means of its administration offer every economic element ample protection and aid in the promotion of its just interests. All these interests must be conserved and brought into cooperation in any industrial system which is to provide security of investment, security of employment, the maintenance of profitable business, and the payment of good wages.

We have tried without success in the last 50 years to accomplish these results through hampering cooperation and encouraging undisciplined competition. Monopolies have grown, small enterprises have been exterminated, investments have become more insecure, unemployment has been chronic, millions of wage earners have suffered from long hours of work at starvation wages. There is no hope whatsoever of removing these evils by going back to the old, unregulated system which fostered them.

The whole problem presented to the Congress, as a deliberative body of intelligent men representing all the people, is how shall the framework and administration of the N. R. A. be improved and strengthened, so that through it our industrial system may be improved and strengthened.

The thorough-going reactionary, who wants to return to a discredited system, who wants to lead us back to chaos, is, of course, beyond the reach of argument. He does not want any planning, or self-government, or discipline in our economic system—just an anarchistic struggle to survive. God pity him and those who follow him! He and his kind have written most of the bloody pages of history, moved by and glorifying the most brutal, selfish instincts of the human animal.

The destroyers will stand with the Old Guard against the appeal to reason and cooperation in that self-service and public service which are the inseparable aims and obligations of private business. Like the Old Guard, they want industrial warfare and they scorn an agency of peace.

But the remainder of the Congress, the large majority, must be relied upon to determine how the law should be rewritten to preserve its demonstrated power for good and to safeguard the public interest against weaknesses or abuses of power in its administration? Every just criticism of the act or its administration has been met in the proposals of the administration for its extension and revision. Who that is sane would tear down a house to get rid of bugs in the kitchen or rats in the cellar?

The lessons of 2 years have been learned by those who have lived in daily contact with the work of the N. R. A. Business men operating big and little enterprises throughout the fields of trade and industry have voted by overwhelming majority for the extension of the law. Organized labor, without a dissenting voice, has called for its continuance. Economists and political scientists may have criticized this or that policy, but they have generally conceded the far-reaching gains that may be realized in carrying forward the principles and purposes of cooperation in the adjustment of producing and consuming power and in the elimination of unfair competition.

The last stronghold of an irreconcilable opposition appears to lie in legalistic arguments over the powers of the Federal Government. Here, again, public opinion is confused by sound and fury emanating from the bench and bar instead of light. When judges and lawyers loudly proclaim that the power of the Federal Government to regulate interstate commerce does not authorize the regulation of manufacturing or mining or trade within a State they are not stating the law. They are simply dodging the law and repudiating the express and repeated rulings of the Supreme Court of the United States.

The law has been absolutely settled long ago that the Federal Government can regulate trade and commerce within a State when-

over that is necessary for the protection and regulation of interstate commerce. The activities of organized labor in mining coal before interstate commerce began and in cutting stone after interstate commerce had ended have been held subject to Federal control. Would anyone venture to argue that a strike can be prevented by the Federal Government, but that the conditions which produce that strike cannot be remedied?

Let the Supreme Court itself answer. I quote from a recent opinion (291 U. S. 293):

"But we need not decide when interstate commerce ends and that which is intrastate commerce begins. The control of the handling, the sales, and the prices at the place of origin, before the interstate journey begins, or in the State of destination where the interstate movement ends, may operate directly to restrain and monopolize commerce * * * intrastate acts will be enjoined wherever necessary or appropriate for the protection of interstate commerce against any restraint denounced by the act."

The quibblers and evaders of the law should not be allowed to confuse opinion as to the power of the Federal Government to restrain unfair competition in business practices or in labor conditions for the protection of interstate commerce. There is no question of the power. There is only the question of how and where that power should be most widely exercised.

That is a question that cannot be answered by a demagogic appeal to prejudice or class interest or by the wise-cracking of national comedians. It cannot be answered by personal attacks in the language of the barroom.

It cannot be answered soundly by emotional exhortations to protect the liberty of men to make money out of the sweat and sorrow of the underpaid, overworked men and women. It cannot be answered soundly by the clamor of monopolists to be free from governmental interference, or by the wailing of sweatshop operators for the same liberty.

It can be answered soundly only by a sober, sensible review of the great progress made under the N. R. A., and by gathering together the progressive leadership of the Nation in a common purpose to support the program of the President who has led the way out of the depression and has pointed out where the road leads on to a lasting recovery.

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. KRAMER. Mr. Speaker, yesterday morning on the east steps of the Capitol Michael F. Shannon, the grand exalted ruler of the Benevolent and Protective Order of Elks of the United States of America presented to the Vice President and the Speaker of the House of Representatives a memorial containing around a million signatures obtained throughout the Nation by the Benevolent and Protective Order of Elks, the American Legion, and other fraternal organizations, which signatures were obtained for the purpose of asking that at this session of Congress some legislation be enacted to prohibit the use of subversive publications and to halt activities of individuals or organizations within our country to overthrow the Government by force and violence.

In this connection I have introduced a bill (H. R. 6427), which bill is now pending before the subcommittee of the Committee on the Judiciary:

A bill to prohibit statements and publications advocating overthrow of the Government by violence, and for other purposes

Be it enacted, etc., That any person who knowingly makes any statement orally or in writing, which advocates or urges the overthrow of the Government of the United States, or of any State or Territory, by force or violence, or by assassination of the executive head or any other official of such government, or other unlawful means, and any person who knowingly prints, publishes, issues, edits, circulates, sells, distributes, or displays in public any written matter containing any such statement, shall, upon conviction thereof, be punished by a fine of not more than $5,000 or imprisonment for not more than 5 years, or both.

SEC. 2. As used in this act the term "person" includes an individual, partnership, association, or corporation.

Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein the address delivered by the grand exalted ruler of the Benevolent and Protective Order of Elks of the United States of America at the time he made the presentation yesterday morning.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, was not that address printed in the RECORD yesterday by someone else?

Mr. KRAMER. Not that I know of; I understand it has not been.

Mr. TAYLOR of Colorado. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from California if the gentleman from Illinois [Mr. ARNOLD] did not make a similar request yesterday, a very full statement, and print this speech in yesterday's RECORD?

Mr. KRAMER. I understood from Mr. Michael Shannon that no one had offered to make such a presentation of his speech and that the address was not published in the RECORD of yesterday.

Mr. TAYLOR of Colorado. It is my impression that the gentleman from Illinois did yesterday.

Mr. KRAMER. As late as 3 o'clock yesterday afternoon no one had made the request. I attempted to bring this up yesterday, but the House adjourned before I could submit my request.

The SPEAKER. The Chair is advised that this address was not put in the RECORD by the gentleman from Illinois [Mr. ARNOLD].

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, does the gentleman mean to print this in the Appendix [of the daily RECORD] or in the main body of the RECORD?

Mr. KRAMER. In the Appendix [of the daily RECORD].

Mr. MARCANTONIO. Mr. Speaker, reserving the right to object, is this address of the ruler of the Elks more of the so-called "red scare" propaganda that is going on?

Mr. KRAMER. Well, whatever his remarks were are set forth in the copy I presented for publication.

Mr. MARCANTONIO. Are we not entitled to know? Does not the gentleman know what it is?

Mr. KRAMER. Yes.

Mr. MARCANTONIO. Mr. Speaker, I object.

Mr. KRAMER. It was a speech regarding the subversive propaganda that is being spread about the country by individuals and organizations and that a remedy by some legislative action be taken against such activities in our country.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. MARCANTONIO. Mr. Speaker, I object.

IN PRAISE OF DR. TUGWELL

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain references to Dr. Tugwell.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, the announcement that Under Secretary of Agriculture Rexford G. Tugwell will have charge of the administration's land-relief program is encouraging news.

Few men in the United States, in my judgment, are better equipped to supervise rural rehabilitation, soil-erosion work, submarginal-land activities, and the like. If Mississippi Valley development should also be placed under Dr. Tugwell's direction, as I believe is likely, no mistake would be made.

It might be mentally beneficial to some of our reactionaries—if they have not passed the stage of being able to learn anything—if they would read and ponder certain of the able speeches of this able man. I quote a few random parts of a lecture given by Dr. Tugwell before the Chicago Dental Society recently and commend them to the thoughtful consideration of those who are imploring us to go back to cave-man society and who rant against paternalism, bureaucracy, and socialistic tendencies:

It seems to me significant that recently there should have been so general an acceptance of governmental responsibility for insecurity. * * * Even the American Federation of Labor has had to reverse its earlier pronouncement against insurance for unemployment. Public authorities are now caring for those people to whom our business system has denied the possibility of making a living and doing it without protest of any significance except from the politically embittered. * * *

Governmental action has, therefore, ceased to be debatable as a principle; and argument now turns to methods for accomplishment. * * * We should be very cautious in our borrowings and very bold in our experiments.

A CONGRESSMAN GIVES WARNING AND A SUGGESTION

Mr. EAGLE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD upon the subject of "Cotton."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. EAGLE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

Unlimited and unrestricted production brought the price of cotton down to about 5 cents a pound at the time President Roosevelt was inaugurated on March 4, 1933. The result was the bankruptcy of the cotton-producing class. They could not pay their accounts, their taxes, the interest on their mortgages, or any maturity of their mortgage debt on their farms.

For the first time in the history of this Government a President and a Congress undertook to do for the producer what had always theretofore been done for manufacturers; that is, by law to aid them to receive a higher price for what they produced.

The A. A. A. Act was passed, and under it cotton lands were rented out of cultivation, acreage was plowed up under benefit contracts, and 10 and 12 cents per pound was lent upon cotton produced in order to prevent glutting the market. Last year, in addition, the Bankhead bill was passed, the idea being to secure a total American cotton production of 10,400,000 bales. To accomplish this object prohibitory taxes were levied upon the ginning of any excess above 10,400,000 bales. The net result of both laws then and now in operation was to lift the price to the farmer for his cotton up to 12 or 14 cents per pound. Both laws were temporary and intended for the emergency existing. There was no thought of their being permanent laws. The result has been to lift the producer class from bankruptcy to better conditions.

It seems now evident that the A. A. A. and the Bankhead bill are to remain in effect for this year 1935. Therefore all that can be done by legislation is to make corrections in those two laws so as to ease certain burdens and cure certain injustices. In that connection I have worked constantly with the Committee on Agriculture to secure an exemption of 2-bale production for each individual farmer, and I think that will be done. There are several other provisions I think the committee will report and the Congress enact. While there are multitudes who would have both laws repealed at once, the overwhelming vote of those farmers in the poll who voted on the matter, as well as sentiment of the Congress, the administration, and the President indicates that those two laws will stay in effect for this year 1935, as corrected and amended.

I urged the committee to make compensation to the ginners for the extra expense they were put to during 1934 as collecting agents for the Government without pay. At this time it is doubtful whether the act will be amended to make that payment apply to 1934, but it was practically agreed that 25 cents per bale would be allowed for such bookkeeping and clerical services during the year 1935.

While benefits came to the producer by those two laws during 1933 and 1934, there were resultant injuries to every other branch of the cotton industry—the cotton picker, the ginner, the transportation, the compressor, the warehouseman, the cotton merchants, and the innumerable laborers, clerks, and services connected with one and all of those branches.

The result of those laws has been greatly to reduce the amount of American cotton sold in foreign trade, because other countries, while producing an inferior grade, have produced an increase in amount of cotton that will practically take the place of American cotton and have sold it cheaper than American cotton, the price of which was pegged at around 12 or 14 cents by the administrationtion of the A. A. A. and the Bankhead bill.

It would be ruinous to continue such laws and policies for any considerable length of time, and it is injurious to all other branches of the cotton industry, except the producer, to continue them in effect another day. The very stream of commerce is clogged and will be more and more clogged as these laws and the administration of them result in piling up American surplus under loan to the United States of around 12 cents a pound; and, of course, a time would come when there would be tragedy and ruin to everybody.

Between those two extremes—unlimited production, untaxed and unregulated, on the one hand, which has ruined and will continue to ruin the producer; and, on the other hand, a continuation of those two acts, which injures every branch of the cotton industry except the producer and ultimately would also wreck the producer—the sane and sensible thing to do, while those two acts are yet in force, during the present year—and as speedily as possible—to enact a permanent cotton law.

I have prepared such bill—and it is H. R. 5579—to provide a permanent program to maintain the cotton-producing industry on a sound basis—that is the practical application of the theory of a domestic allotment cotton plan.

Under it (H. R. 5579) the producer would receive around 17 cents per pound for about 40 percent of his production, and raise as much as he wants to raise without hindrance or taxation or regulation by the United States to be sold by the producer at world prices.

For the amount of cotton produced in the United States that is consumed in the United States—called "domestic consumption"—a bonus is to be paid by the Government to the producer in the difference between market price and parity price. The parity price being around 16 or 17 cents, if the market price should be 8 or 10 cents, a processing tax to be paid by the whole American people would be levied and collected by the Treasury and passed out to the farmer as a gratuity. That is exactly what the Government does to the manufacturers of cotton goods under the tariff laws.

If it is right to protect the manufacturer and throw him blessings and bounties and gratuities through a tariff, which forces the farmer to buy all his supplies on a highly protected market and hence at a very high figure, for the benefit of the manufacturer, why is it not equally right and just that the portion of the farmer's crop consumed in America should have a compensating bounty benefit in the form of such parity payment, for his benefit, when he is compelled to sell his cotton in a highly competitive and unprotected world market in competition with cotton from all the world produced on cheap land with cheap labor?

Of course, the better plan would be to take these high tariffs off of what the farmer has to buy for himself and his farm and his family, and then he could compete with all the world without any Government help. But that cannot be done at this time, as all men know, due to political and economic and financial considerations that exist throughout the Nation and in the public thought and in the Congress and in the Government.

Therefore, until justice can be done to the cotton farmer by a national change of sentiment and conditions under which the tariff can be reduced, the only other blessing that can be thrown to the cotton producer as a compensation is a bounty, as proposed in my bill, on that part of his production consumed in the United States.

If my bill were law as of January 1, 1936, each farmer could and would then produce as much or as little cotton as he desired, without being prohibited or regulated; but upon 40 percent of his crop he would be sure to receive 16 or 17 cents a pound, and the balance of whatever he chose to produce would sell on the world market for whatever it would bring. That would take care of every injury caused by the A. A. A. and the Bankhead bill as to cotton, and would make for the permanent prosperity of the cotton industry and of each branch of it from the producer to the ultimate market.

LENGTHENING OF TERM OF MEMBERS OF THE HOUSE OF REPRESENTATIVES TO 4 YEARS INSTEAD OF 2

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOUSTON. Mr. Speaker, when the makers of our Constitution were debating the laws which were to govern the establishment and perpetuation of the legislative branch of the Government of the United States, they sought, as we well know, to make of the House of Representatives a body more purely representative than the Senate. They, therefore, decreed that each Member be elected for a term of 2 years. There were those who felt that the term should be but 1 year; others who advocated 3 or 4 years. But, in their wisdom, the majority wisely chose to fix the term as it is at present.

When I say that the founding fathers were wise in their final decision, I speak in retrospect. Transportation and communication undoubtedly dictated this decision, just as the modernization of these vital agencies of progress finally caused the elimination of the "lame duck" session of Congress through the ratification last year of the twentieth amendment to the Constitution.

As a first-term Representative, I believe I can speak with some authority when I say that the next logical move in bringing our National Legislature more in step with modern times should be the further amendment of the Constitution so that the term of office for Members of the House of Representatives shall be 4 years instead of 2.

While the changing times dictate this extension of the term, it is not for the same reason as that which motivated the proponents of the "lame duck" amendment. If the same arguments, based upon the improvement of transportation facilities, were to be marshaled in behalf of the amendment I propose, it would appear more desirable to reduce the term to 1 year instead of 2.

Why was the term originally fixed at 2 years?

It appears, according to the debate among the members of the Constitutional Convention, that the principal considerations were two: First, the Representative should be forced to give the voters an accounting of himself at intervals frequent enough to assure that he truly represents the peculiar interests of his district; second, the Representative should be allowed a term of sufficient length to per-

mit him to exert his best efforts in behalf of his constituents; to properly familiarize himself with the many problems by which his people are confronted.

It goes without saying that the second consideration noted above is the first essential to proper performance of duties of the truly representative Member of the House of Representatives.

With what does the average Representative find it necessary to cope in the proper performance of his duties? At the outset the newly elected Member is already familiar with the problems of those he represents. He has given, presumably, careful consideration to the wants and needs of his constituents before he permits his name to be placed before the voters. In addition, he has studied the problems confronting the Nation as a whole. But, in the final analysis, he is under the Constitution, first, the representative of his district and, secondly, the representative of the whole country.

The problems of my own district, embracing the five counties of McPherson, Harvey, Sedgwick, Butler, and Sumner, in the State of Kansas, are, perhaps, less numerous and less complex than those of many congressional districts represented in this House. But, I ask you, would the framers of our Federal Constitution have voted for a short, 2-year term if they could have envisioned this modern day and its accompanying complex problems to which I am about to refer? Could they imagine that any mortal being could, after 2 short years in Congress, be able to face his constituents and conscientiously say, "I am satisfied that, despite the clamoring of those among you who sought special treatment and governmental aid and protection, I have, at all times, made wise decisions and have taken decisive action in a manner which was always equitable and fair to all of you."

Could these men whose wisdom and forethought gave us the most enduring instrument of government which the world has ever known come back to us today and maintain the same view they held almost 150 years ago? The answer, obviously, is "No!"

In addition to general questions related to education, transportation, highways, professional groups, public health, and relief of destitution, the specific interests of my constituents may be roughly outlined as follows:

Agriculture, airplane factories, alfalfa and grain farming, apiaries, awning and tent manufacture, bakeries, banking, bottling works, broomcorn raising and broom manufacture, building-materials production and supply, candy manufacture, cattle raising, chicken hatcheries, creameries, dairying, farm-implement manufacture, filling-station-equipment industry, flour mills, food-products industry, fruit growing, fruit packing and canning, gas-burner manufacture, gas wells, grain elevators, livestock, machinery manufacture, meat-packing plants, medical products, novelties manufacture, oil production, oil refining, oil-well supplies, petroleum products, pipe lines, poultry- and egg-packing plants, printing and publishing, railroad shops, salt mining, salt refining and packing, steel fabrication, tie-treating plants, toilet-articles manufacture, tool plants, vault and monument works, and wood and metal working.

This outline is, of course, by no means complete. The problems of the people which are common to all parts of the United States are not absent from Kansas, despite our occasional patriotic and loyal utterings to the contrary. The owners of about 75,000 passenger cars and trucks have their many problems—questions which certainly could not have been anticipated 150 years ago.

Mr. Speaker, the present short term of 2 years is a great factor in favor of the demagogue. The irresponsible but oratorical candidate for office has a tremendous advantage over the conscientious one-term Representative who has honestly tried to cope with the problems of the people he serves. Do not misunderstand me; I contemplate no such opposition should the voters of my district decide that I should be returned to Washington in 1937. The 2-year term also militates against the honest aspirant who opposes the demagogue already seated. In fact, until a Representative has served more than one term, it seems that he is almost forced to place the more onerous interpretation upon the word "politics" in order that he might have the opportunity to properly serve his constituents.

The brief argument I have offered today presents but one aspect regarding the need of extending the term of Members of the House. I hope, however, that this small contribution will aid in hastening this much-needed and vital reform, so that the conduct of our representative form of government may be brought into step with modern times and more truly representative of the problems of this age.

PRIVATE CALENDAR

The SPEAKER. The unfinished business is on ordering the previous question on House Resolution 172.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 111, noes 36.

Mr. YOUNG. Mr. Speaker, I challenge the vote on the ground there is not a quorum present.

The SPEAKER. Evidently there is no quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify the absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 294, nays 70, not voting 67, as follows:

[Roll No. 39]

YEAS—294

Andresen	Cummings	Hook	Norton
Arnold	Daly	Houston	O'Brien
Ashbrook	Darden	Huddleston	O'Connell
Ayres	Dear	Hull	O'Connor
Bacharach	Deen	Igoe	O'Day
Bacon	Delaney	Imhoff	O'Leary
Barden	Dempsey	Jacobsen	O'Malley
Beam	Dickstein	Jenckes, Ind.	O'Neal
Beiter	Dies	Johnson, Okla.	Owen
Bell	Dietrich	Johnson, Tex.	Parks
Berlin	Dingell	Johnson, W. Va	Parsons
Biermann	Disney	Jones	Patman
Binderup	Dobbins	Kee	Patterson
Bland	Dockweiler	Keller	Patton
Blanton	Dorsey	Kelly	Pearson
Bloom	Doughton	Kennedy, N. Y.	Peterson, Ga.
Boehne	Doxey	Kenney	Pfeifer
Boileau	Drewry	Kerr	Pittenger
Boylan	Driver	Kloeb	Plumley
Brennan	Duffey, Ohio	Kniffin	Quinn
Brewster	Duffy, N. Y.	Knutson	Rabaut
Brooks	Duncan	Kocialkowski	Ramsay
Brown, Ga.	Eagle	Kopplemann	Ramspeck
Brown, Mich.	Eaton	Kramer	Randolph
Brunner	Eckert	Lambertson	Rankin
Buchanan	Edmiston	Lambeth	Rayburn
Buck	Eicher	Lanham	Reilly
Buckler, Minn.	Ekwall	Larrabee	Richards
Bulwinkle	Ellenbogen	Lea, Calif.	Richardson
Burch	Evans	Lee, Okla.	Robertson
Burdick	Faddis	Lemke	Robinson, Utah
Burnham	Fernandez	Lesinski	Rogers, N. H.
Caldwell	Fiesinger	Lewis, Colo.	Rogers, Okla.
Cannon, Mo.	Fish	Lewis, Md.	Romjue
Carden	Fitzpatrick	Lloyd	Rudd
Carmichael	Flannagan	Lucas	Russell
Carpenter	Fletcher	Luckey	Ryan
Carter	Ford, Calif.	Ludlow	Sadowski
Cartwright	Frey	McAndrews	Sanders, La.
Cary	Fuller	McClellan	Sanders, Tex.
Castellow	Fulmer	McCormack	Sandlin
Cavicchia	Gasque	McGrath	Schneider
Celler	Gassaway	McLaughlin	Schuetz
Chandler	Gavagan	McLean	Scott
Chapman	Gehrmann	McMillan	Scrugham
Christianson	Gifford	McReynolds	Secrest
Citron	Gilchrist	McSwain	Shanley
Claiborne	Gildea	Maas	Sirovich
Clark, N. C.	Gillette	Mahon	Sisson
Cochran	Gingery	Mansfield	Smith, Conn.
Coffee	Gray, Pa.	Martin, Colo.	Smith, Va.
Colden	Green	Mason	Smith, Wash.
Cole, Md.	Greever	Maverick	Snyder
Collins	Gregory	May	Spence
Connery	Haines	Mead	Stack
Cooley	Hancock, N. C.	Merritt, N. Y.	Starnes
Cooper, Ohio	Harlan	Miller	Steagall
Cooper, Tenn.	Hart	Mitchell, Ill.	Stubbs
Corning	Hennings	Mitchell, Tenn.	Sullivan
Costello	Higgins, Mass.	Monaghan	Sumners, Tex.
Cox	Hildebrandt	Montet	Sutphin
Cravens	Hill, Ala.	Moran	Tarver
Cross, Tex.	Hill, Knute	Moritz	Taylor, Colo.
Crosser, Ohio	Hill, Samuel B.	Murdock	Taylor, S. C.
Crowe	Hoeppel	Nelson	Taylor, Tenn.
Cullen	Hollister	Nichols	Terry

Thompson	Vinson, Ga.	Werner	Withrow
Tobey	Vinson, Ky.	West	Wolcott
Tolan	Wadsworth	Whelchel	Wolverton
Tonry	Wallgren	White	Woodrum
Turner	Walter	Whittington	Zimmerman
Turpin	Wearin	Wilcox	Zioncheck
Umstead	Weaver	Williams	
Utterback	Welch	Wilson, La.	

NAYS—70

Amlie	Focht	Marshall	Sauthoff
Andrew, Mass.	Ford, Miss.	Martin, Mass.	Short
Blackney	Gearhart	Massingale	South
Buckbee	Halleck	Merritt, Conn.	Stefan
Carlson	Hancock, N. Y.	Michener	Sweeney
Church	Harter	Millard	Taber
Cole, N. Y.	Higgins, Conn.	Mott	Thom
Colmer	Hoffman	Oliver	Thomason
Crawford	Holmes	Perkins	Thurston
Culkin	Hope	Pierce	Tinkham
Darrow	Jenkins, Ohio	Polk	Treadway
Dirksen	Kimball	Powers	Wigglesworth
Ditter	Kinzer	Ransley	Wilson, Pa.
Dondero	Lord	Reece	Wolfenden
Doutrich	Lundeen	Reed, Ill.	Woodruff
Engel	McLeod	Reed, N. Y.	Young
Englebright	Mapes	Rich	
Fenerty	Marcantonio	Rogers, Mass.	

NOT VOTING—67

Adair	Farley	Kahn	Robsion, Ky.
Allen	Ferguson	Kennedy, Md.	Sabath
Andrews, N. Y.	Gambrill	Kleberg	Schaefer
Arends	Goldsborough	Kvale	Schulte
Bankhead	Goodwin	Lamneck	Sears
Boland	Granfield	Lehlbach	Seger
Bolton	Gray, Ind.	McFarlane	Shannon
Buckley, N. Y.	Greenway	McGehee	Smith, W. Va.
Cannon, Wis.	Greenwood	McGroarty	Snell
Casey	Griswold	McKeough	Somers, N. Y.
Clark, Idaho	Guyer	Maloney	Stewart
Crosby	Gwynne	Meeks	Thomas
Crowther	Hamlin	Montague	Truax
DeRouen	Hartley	Palmisano	Underwood
Driscoll	Healey	Peterson, Fla.	Warren
Dunn, Miss.	Hess	Pettengill	Wood
Dunn, Pa.	Hobbs	Peyser	

So the previous question was ordered.

The Clerk announced the following pairs:

On this vote:

Mr. Granfield (for) with Mr. Hess (against).
Mr. Driscoll (for) with Mr. Allen (against).
Mr. McFarlane (for) with Mr. Robsion of Kentucky (against).
Mr. Bankhead (for) with Mr. Thomas (against).
Mr. Buckley of New York (for) with Mr. Bolton (against).
Mr. Somers of New York (for) with Mr. Goodwin (against).
Mr. Maloney (for) with Mr. Crowther (against).
Mr Sabath (for) with Mr. Seger (against).
Mr. McKeough (for) with Mr. Stewart (against).
Mr. Warren (for) with Mr. Hartley (against).

General pairs:

Mr. Kleberg with Mr. Snell.
Mr. DeRouen with Mr. Lehlbach.
Mr. Greenwood with Mr. Guyer.
Mr. Montague with Mr. Andrews of New York.
Mr. Lamneck with Mrs. Kahn.
Mr. Goldsborough with Mr. Kvale.
Mr. Griswold with Mr. Arends.
Mr. Underwood with Mr. Gwynne.
Mr. Gambrill with Mr. Adair.
Mr. Healey with Mr. Casey.
Mr. Kennedy of Maryland with Mr. Hamlin.
Mr. Peterson of Florida with Mr. Meeks.
Mr. Schulte with Mr. Clark of Idaho.
Mr. Sears with Mr. Dunn of Mississippi.
Mr. Shannon with Mr. McGehee.
Mr. Smith of West Virginia with Mr. Cannon of Wisconsn.
Mr. Pettengill with Mr. Crosby.
Mr. McGroarty with Mr. Dunn of Pennsylvania.
Mr. Farley with Mr. Hobbs.
Mr. Truax with Mr. Wood.
Mrs. Greenway with Mr. Ferguson.

Mr. CARTWRIGHT changed his vote from "nay to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the adoption of the resolution.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 185, noes 40.

Mr. BLANTON. Mr. Speaker, while it may be futile, I demand the yeas and nays.

The yeas and nays were refused.

So the resolution was agreed to; and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, while we have under consideration an amendment of the rules, there is a question in this connection, in the nature of the privilege of the House, I should like to discuss.

Ever since this Congress convened there has been widespread criticism of the Members of the House because of their vote on the adoption of the discharge rule. In the newspapers and over the radio Members of the House have been condemned and excoriated because they voted for this rule, on the grounds that it was a "gag rule."

High-paid columnists, in the newspapers, professed "authorities" on current topics occupying a 15-minute period each week over the radio, and legislative lobbyists who seek to impress the organizations which pay their salaries, have denounced in unmeasured and intemperate terms the rule and all who voted for it. A weekly paper published by a farm organization came to my desk recently with a display on the front page listing the Members of the House who voted for the rule as public enemies and those who voted against it as public benefactors. In that list faithful Members from agricultural districts, who had fought for farm legislation here on this floor for a decade, were given a rating of 0 percent and other Members who had never knowingly voted for a farm bill in their lives were rated at 1,000 percent.

Now, the outstanding thing about this windmill tilting by all these Don Quixotes is that not a single one of them has ever yet explained to his readers or his audiences what a gag rule is. The reader or the listener is left with the impression that a gag rule is a very reprehensible thing, whatever it may be. He is never enlightened as to exactly what it is, but the one conviction firmly implanted in his mind is that in comparison with a Member of the House who would stoop so low as to vote for this rule Benedict Arnold was a patriot and Judas Iscariot an angel of light.

As a matter of fact, Mr. Speaker, the discharge rule is not a gag rule at all. On the contrary, it is quite the opposite. Now, what is a gag rule? How can you recognize a gag rule? The distinction is simplicity itself. A gag rule has two functions.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to proceed for 3 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. A gag rule has two functions: First, to prevent amendment; and second, to prevent debate. That is why it is called a "gag" rule. It prevents either discussion or amendment.

This being true, what would lead anyone to believe that the discharge rule is a gag rule? It does not prevent amendment. It does not suppress debate. It has not a single element of a gag rule by the remotest stretch of the imagination. On the contrary, it operates to bring up a bill in the House for the very purpose of amendment and debate.

Instead of limiting the rules it liberalizes the rules. Under the rules of the House—and under the rules of every other legislative body on earth—no bill can be brought up for consideration until it has been reported by a committee. That is a very salutary provision. Without it no deliberative assembly could operate effectively, if at all. But the discharge rule, this so-called "gag rule", on the strength of which Members of the House have been so roundly castigated, provides for consideration and amendment and debate, whether a committee reports the bill or not. It is as far from being a gag rule as the North Pole is from the South Pole.

The truth about the matter, Mr. Speaker, is that the whole thing is a tempest in a teapot. It does not make an iota of

difference whether we have the discharge rule or not. It will not affect legislation in this or any other Congress in whatever form we adopt it or do not adopt it. In other words, a discharge rule in any form is unworkable. Ever since the bipartisan parliamentary revolution of 1910, the ablest statesmen and parliamentarians this Nation has produced have worked earnestly and indefatigably to produce a practicable discharge rule. The rule has been amended or rewritten in nearly every succeeding Congress—but without avail. In the quarter of a century that has intervened since the rule was first drafted, a quarter of a million bills have died in the pigeonholes of the committees of the House, and of all of them not a single bill has ever been enacted into law by operation of the discharge rule in any form that could be devised. It is like the quest for perpetual motion, the search for the philosopher's stone—the pot of gold at the end of the rainbow. Whenever the House desires to consider a bill, it will find some way to consider it. And whenever the House does not wish to consider a bill, all the rules that have ever been adopted from the days of the ancient Saxon witenagemot down to the present time will not compel the House to consider it.

But, Mr. Speaker, the fact remains that regardless of the merits or demerits of the discharge rule it is anything in the world—anything in all the realm of parliamentary jurisprudence—but a gag rule. And the knowledge of the rules of the House possessed by these gentlemen of the press and the microphone is aptly described by Speaker Cannon's comment when he said:

Members of the House have made the air lurid with protestations that the rules fettered them when they would not know the rules if they met them in the street.

[Laughter.]

I regret, Mr. Speaker, to take time on so busy a day, but in view of the prevalence of this unwarranted and unfounded criticism of Members of the House, attention should be called to the fact that there is still some patriotism and integrity in the Congress as well as out of it. [Applause.]

Mr. CARTER. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CARTER. Mr. Speaker, I regret exceedingly that I have to rise here to make the statement that I am about to make. It involves one of our colleagues. It involves one of my colleagues from the State of California; and if I did not feel that it was my absolute duty to make this statement in order to preserve the integrity of the proceedings of the House, I assure you I would not make it.

The colleague is the gentleman from California [Mr. KRAMER]. Is the gentleman from California [Mr. KRAMER] on the floor?

Mr. KRAMER. I am.

Mr. CARTER. I did not want to make the statement in his absence. Several days ago, on the floor of the House, he and I engaged in a colloquy. In due time the transcript was handed to me, and I made some interlineations and also added some additional sentences. I returned the transcript to the desk as usual.

After that the transcript was delivered to the gentleman from California [Mr. KRAMER], and he crossed out my statement and returned the transcript to the desk.

I have here the original transcript that I obtained from the Printing Office. It shows in two different places that the gentleman from California [Mr. KRAMER] crossed out the statement that I had written in there.

I might say to you here that after making these statements I received permission to revise and extend my remarks, which permission is on page 2980 of the CONGRESSIONAL RECORD of that day. I wrote in two short sentences and in one place an interlineation which consisted of the words "from California [Mr. KRAMER]", because in my remarks there was this sentence:

Did not the gentleman from Montana [Mr. MONAGHAN] announce that he proposed to follow that course and send the gentleman a letter to that effect?

In that sentence I wrote "the gentleman from California [Mr. KRAMER]." Evidently that gentleman did not desire to let it be known who the individual was.

He crossed out those words.

Mr. KRAMER. Will the gentleman yield?

Mr. CARTER. I yield.

Mr. KRAMER. Were the remarks that the gentleman put in made on the floor at the time? Were they made at the time you said you made them?

Mr. CARTER. No; but I had permission to revise and extend my remarks.

Mr. KRAMER. If the gentleman will look at the RECORD he will not find that he had permission to revise and extend remarks. He asked me if I would yield, and asked a question. I asked to correct the RECORD of that day regarding the remarks made by my colleague [Mr. HOEPPEL]. After he sat down, there was not a word or a syllable said. The gentleman, Mr. CARTER, from California, wrote in the RECORD a great deal that did not take place, and that was what I struck out. I do not know whether the gentleman, Mr. CARTER, wrote it or if someone else did. I only struck out what was not said on the floor of the House.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. CARTER. Yes.

Mr. O'CONNOR. What date was this colloquy?

Mr. CARTER. I think it was on March 5.

The SPEAKER. The time of the gentleman from California has expired.

Mr. CARTER. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. CARTER. I want now to yield to the gentleman from California [Mr. KRAMER] to state any other reason he had for crossing out my remarks.

Mr. KRAMER. I have no other reason excepting that I had not any information that those remarks which the gentleman said he wrote in there were written by him—Mr. CARTER—or someone else and emanated from him, because I knew he made no such statement on the floor of the House, and as the gentleman has just now stated that he did not make such additional statement.

Mr. CARTER. Whether I made such a statement or not, the gentleman had no right to change my remarks. I asked and received permission to extend my remarks on that date, and if the gentleman will look in the RECORD at page 2980 he will find that is so, because I checked it up with the head stenographer that night. I asked him if he had that notation and he told me that he had.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. CARTER. Yes.

Mr. COCHRAN. Did the additions which the gentleman from California [Mr. CARTER] states he made, in any way change the construction of his reply to his colleague?

Mr. CARTER. No; it is right along the line of the statement I made—just two short sentences on the topic under discussion. My purpose in calling this to the attention of the House is because of the statement made to me by the gentleman from California [Mr. KRAMER] when I asked him afterward why he deleted my remarks. He said, "Oh, I didn't know whether you wrote them in there or not." Mr. Speaker, according to his code, whether he knew that was my handwriting or not, he has a perfect right to modify and change and delete the remarks of any Member of the House. I say that that is a flagrant violation of the rules of the House, and it is a flagrant violation of the precedents and decisions of this House. I might have claimed the floor on the grounds of personal privilege; I might have claimed it on the grounds of the privileges of the House. The precedents hold, I might say for the edification of the gentleman from California [Mr. KRAMER], that a Member should not correct the notes of his own speech in such a way as to affect the remarks of an opponent in controversy, without bringing the correction to the attention of that Member. That applies to his own remarks. A Member having so revised his remarks so as to affect the import of words

uttered by another Member, this House itself by a vote corrected the RECORD. The gentleman says that he did not know who wrote that in there. That does not give him a right to take it out. Really, my good colleague, I appreciate your solicitude in looking out for my welfare, for correcting my remarks, but in the past I have always felt competent to do that without your gentle guidance and assistance, and in the future I want you to know that I feel amply able to look out for myself in that regard. My object in taking the floor today, as much as I regret to do it, is to preserve the integrity of the RECORD and the rights of Members here. The gentleman, even according to his own confession here, still feels that he has a right to change remarks. That is something that I cannot subscribe to. It is something that I believe the Membership of the House should not countenance.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. CARTER. Yes.

Mr. O'CONNOR. I cannot find in the RECORD of March 5 that the gentleman from California [Mr. CARTER] ever got permission to revise and extend his remarks.

Mr. CARTER. It is in there at page 2980. On the floor I obtained permission to revise and extend my remarks, and the permission was granted, and in talking with the stenographic service that night, they told me that they had a notation of it.

Mr. O'CONNOR. It is not in the RECORD of March 5, I say to the gentleman.

Mr. CARTER. I don't know that that is the right date, I am not sure.

Mr. KRAMER. It is on page 2967, and nothing appears there that the gentleman from California [Mr. CARTER] asked to extend and revise his remarks.

Mr. KELLER. Mr. Speaker, will the gentleman yield?

Mr. CARTER. Yes.

Mr. KELLER. Has any man the right to change a solitary word in the colloquy on the floor of the House?

Mr. CARTER. Not without the permission of the other Member, and my office was never communicated with in reference to this change.

Mr. KRAMER. Mr. Speaker, I desire to submit a parliamentary inquiry. Is it proper for a Member who asks another Member to yield to ask to have his remarks extended unless he has the consent of the member interrogated? I granted no consent to the gentleman for the purpose of inserting anything in the RECORD. I still maintain I am correct in my statement when I say I did not know that he made any addition, and the additions and remarks were not stated on the floor at the time.

Mr. CARTER. Mr. Speaker, will the gentleman yield?

Mr. KRAMER. No; I refuse to yield. I ask the Chair to rule whether I am correct in a parliamentary way. Has the gentleman a right to insert anything in the RECORD by way of an extension of remarks without the consent of the other Member who yielded—that is to insert them in my speech?

The SPEAKER. He must have the consent of the Speaker and of the Member, if he is undertaking to change the import of what a Member said who had addressed the House. The Chair states that a Member making a revision must have the consent of the Member who has yielded to him in order to make the correction, especially if the correction is such as to change the import of the question which he has asked.

Mr. KRAMER. That is my understanding.

Mr. CARTER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CARTER. As I understand, the gentleman from California [Mr. KRAMER] attempts to justify his striking out what I wrote in on the ground that he had authority to do that. My inquiry is, Has any Member the right to strike out any portion of any other Member's remarks, whether it is in there by his permission or not?

The SPEAKER. No. If those remarks were made in the course of the debate and with the consent of the Member.

Mr. COCHRAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COCHRAN. If a Member in a discussion with another Member asks a question and later receives permission to revise and extend his remarks, is he not permitted to add a sentence if it in no way changes the nature of his reply?

The SPEAKER. The Chair did not understand the gentleman's last remark.

Mr. COCHRAN. If a Member receives unanimous consent to revise and extend his remarks, can he not add to what he has already said if the addition in no way changes the answer to his colleague?

The SPEAKER. If he has consent of the House to revise and extend his remarks and the consent of the Member who has yielded to him. He cannot, however, change the import of the question which he has asked or the remarks he has made without the consent of the Member who has the floor.

The Chair will state in connection with this inquiry that a Member who has interrupted another Member who has the floor may not, without the consent of the Member having the floor, extend his remarks by inserting an additional statement. In other words, a Member having the floor and yielding to another for the purpose of asking a question may not in his revision change the question asked, nor may the interrogating Member make such change unless the other Member affected thereby consents.

DISPOSITION OF EXECUTIVE PAPERS

Mr. O'CONNOR, from the Committee on Rules, submitted a favorable report on the resolution (H. Res. 173) to amend clause 44 of rule X of the House of Representatives.

AVIATION CADETS IN THE NAVAL RESERVE

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 168.

The Clerk read as follows:

House Resolution 168

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 5577, a bill to provide for aviation cadets in the Naval Reserve. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. O'CONNOR. Mr. Speaker, this is one of four rules which have been reported by the Rules Committee for the consideration of four bills reported by the Naval Affairs Committee which were considered of importance and in the nature of an emergency. I understand there is no desire on the other side to discuss these rules. There is no request at this time for time on this side.

In order to expedite matters, I move the previous question on the adoption of the rule.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

Mr. VINSON of Georgia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5577) to provide for aviation cadets in the Naval Reserve.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5577, with Mr. BERLIN in the chair.

The Clerk read the title of the bill.

Mr. VINSON of Georgia. Mr. Chairman, I ask unanimous consent to dispense with the first reading of the bill.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. VINSON of Georgia. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. DELANEY].

Mr. DELANEY. Mr. Chairman, on last Saturday a committee of the Committee on Naval Affairs went to Hampton Roads to make an inspection of the air station located there, and we observed the finest demonstration of aerial activities that it has been my pleasure to see during my term in Congress. The aircraft carrier *Ranger* is located at Hampton Roads. This carrier can accommodate about 100 planes. I think if the Members of this House would take the time to make a visit to this station and see the development they would come back with a better idea of the possibilities of our great naval activities.

Mr. Chairman, the purposes of this bill are manifold. In the first place, it is contemplated to build 2,000 planes for the Navy. That of necessity will require getting together an organization to man those planes. At the present time we depend upon the Naval Academy to provide the necessary number of men to man the planes. To get a sufficient number of men from Annapolis will require perhaps 4 years, and even then the number would be insufficient. At that time our naval aviation unit will be much larger than it is at the present time. So we have provided in this bill for what we call a "naval aviation corps" in the Reserves of the marines and the Navy. In general, there will be provided about 350 to 450 young men who will be enlisted in the naval services as seamen, second class. They will apply to the different stations in various parts of the country. There are 13 of those stations from the east to the west coast and from the north to the south and adjacent to our populous cities. They are located at New York, Boston, Philadelphia, Norfolk, Miami, Los Angeles, Oakland, Seattle, Detroit, Chicago, Minneapolis, and St. Louis. Those boys will be recruited from universities and colleges, and they will be enlisted in this service at those stations to find out whether or not they are qualified to fly in the air force of the Navy.

Mr. SWEENEY. Will the gentleman yield?

Mr. DELANEY. I yield.

Mr. SWEENEY. Must they have aviation experience?

Mr. DELANEY. No, sir.

Mr. SWEENEY. None at all?

Mr. DELANEY. No.

Mr. SWEENEY. What are the qualifications?

Mr. DELANEY. The qualifications I think, in the main, are a college or university education. If they are air-minded they will be given a course of training at this particular station. Then they will be sent to Pensacola, Fla., to spend the rest of the year in training practice. After that they will be enlisted in the service in the Navy for the next 3 years.

Mr. SWEENEY. How much personnel will there be?

Mr. DELANEY. Does the gentleman mean in numbers?

Mr. SWEENEY. How many will they absorb?

Mr. DELANEY. The first year we figure upon between 400 and 450; the second year the number will be about the same. It will depend entirely upon the emergency of the occasion. As I said before, we plan now for about 2,000 planes, and we must have the men to man these planes. These are reserve men.

Mr. TAYLOR of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. DELANEY. I yield.

Mr. TAYLOR of Tennessee. I am very much in sympathy with this legislation, because I regard the Air Service as our chief means of national defense; but it seems to me that there ought to be some requirement for competitive examination in the selection of these cadets just as we have in the selection of cadets for the Coast Guard.

Mr. DELANEY. Answering the gentleman's question, of course, it is very difficult to have these men sit down and take a written examination. The men must appear at the station and be examined by a board to see if they are qualified. The principal thing to find out is whether they are in the proper physical and mental qualifications, and whether they are adaptable to the Air Service.

Mr. TAYLOR of Tennessee. But thousands of young men will apply for this service.

Mr. DELANEY. Yes.

Mr. TAYLOR of Tennessee. And then it would seem as though competitive examinations ought to be held.

Mr. DELANEY. They will be held. The men will apply at these different stations, will be given an examination to find whether they are qualified for this work. In other words, the gentleman may send a boy from his district to the commandant of the station who will put him through an examination and in that way learn whether the boy is air-minded. The experience at Annapolis is that out of 100 men 40 are not qualified physically for air service, 20 do not apply for it, and the remaining 40 enter Pensacola.

Mr. TAYLOR of Tennessee. But, in order to avoid any possible pressure or influence from the outside it seems to me the selections should be made as a result of competitive examinations.

Mr. DELANEY. That will be done; that is an administrative feature.

Mr. VINSON of Georgia. Mr. Chairman, if the gentleman will yield, as a matter of fact they will be apportioned throughout the country in the various naval districts according to population.

Mr. DELANEY. The question of the gentleman from Tennessee is whether it would not be better to have the selections made by competitive examination.

Mr. VINSON of Georgia. I assume the gentleman is apprehensive lest some section might not receive its proportionate share of the appointments and for this reason it might be best to have an examination.

Mr. TAYLOR of Tennessee. No; that is not my object. It seems to me in order to avoid pressure and influence, political or otherwise, in the selection of these men that the selection ought to be made as a result of competitive examinations.

Mr. DELANEY. That will follow. They are going to get the best men; they are not going to use a man because he may happen to have influence; they are going to select the best men qualified to do the work, for we cannot afford to take a chance on the qualifications of the men who handle planes costing from $125,000 to $150,000. You can depend on the Navy Department to secure the best available prospects.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. DELANEY. I yield.

Mr. WHITE. There ought to be a provision in the bill for the appointment of these cadets in the same manner the cadets to the Military and Naval Academies are appointed—by examination.

Mr. DELANEY. The selection will be practically the same. They will have the same status. In other words, about the same method will be used, because they are given examinations at these air stations where the Reserves are situated, and they will be put through a course of sprouts there to find out whether they are fitted to fly or not.

Mr. WHITE. Does not the gentleman think it would be well to continue a system which has worked out so well in the case of the Military and Naval Academies?

Mr. DELANEY. This will be along the same lines.

Mr. DITTER. Mr. Chairman, will the gentleman yield?

Mr. DELANEY. I yield.

Mr. DITTER. Will the gentleman, during the course of his remarks, speak about the probable cost of the program? Will that be included in the gentleman's presentation?

Mr. DELANEY. I think if the gentleman will read the statement of Admiral King in the hearings he will find the figures in full.

Mr. DITTER. But will not the gentleman tell the House at this time, in order to justify the program, what it is estimated it will cost? Understand, I am in entire sympathy with the program. My thought is to allay any possible suspicion that funds are being used that should not be used; that it might be helpful if the gentleman would tell the House the contemplated cost.

Mr. DELANEY. I will be very glad to do that. I assume in the appropriation bill an allocation of funds has been made for this purpose.

Mr. DITTER. That is the reason I am interested, to see that we are not going to duplicate that. A little later I may add a contribution to the discussion.

Mr. DELANEY. The situation is that we send 450 men the first year to Pensacola and these different training stations. While they are training they receive $75 a month. When they go to Pensacola they get $125.

Mr. DITTER. And subsistence.

Mr. DELANEY. And subsistence; and in addition they will also be the beneficiaries of life-insurance policies in the amount of $10,000 each. Then, at the end of 4 years' service, 3 years of actual service and 1 year in training, they will receive a lump-sum payment of $1,500, which will be in lieu of the amount of money they may have lost through their absence from commercial activities.

Mr. DITTER. My own thought was that we should not duplicate, through this bill, other efforts along the same lines and leave the avenue open for the Navy Department to benefit by the appropriations that are being considered by the Naval Appropriation Subcommittee at the present time.

Mr. DELANEY. The real purpose of this bill is to get a sufficient number of qualified and trained men. It we had to wait for them to graduate from the Naval Academy it would take us over 4 years.

Mr. DITTER. I am heartily in sympathy with the program. I am only watchful of the cost of the program so far as naval appropriations are concerned.

Mr. DELANEY. The Navy will save money.

Mr. DITTER. It is my opinion that this will be a saving.

Mr. DELANEY. It will be a saving.

Mr. SWEENEY. Will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from Ohio.

Mr. SWEENEY. Section 5 is the section that refers to the insurance feature?

Mr. DELANEY. Yes.

Mr. SWEENEY. It is contemplated that the lives of the cadets from the time they are inducted into service will be insured for the sum of $10,000?

Mr. DELANEY. After they are accepted. First of all they are put through a period of training. It will take about 2 months' time to develop how much knowledge the applicant may possess to fit him for aviation duty.

Mr. SWEENEY. Before he starts to fly his life will be insured for $10,000?

Mr. DELANEY. Yes.

Mr. SWEENEY. And the premium is paid by the Government?

Mr. DELANEY. Yes.

Mr. SWEENEY. Why could not that insurance service be extended to Navy fliers in general?

Mr. DELANEY. That is something that this bill does not comprehend, nor did we consider that matter.

Mr. SWEENEY. Does the gentleman know how much this is going to cost?

Mr. DELANEY. The whole thing?

Mr. SWEENEY. The premium on these policies.

Mr. DELANEY. I am not an insurance man. If I knew a Member who was familiar with the insurance business I would yield to the gentleman to answer that question. It is a very small amount.

Mr. SWEENEY. I am in favor of this, but I think it ought to be extended to all Navy fliers.

Mr. DELANEY. The gentleman has the privilege of presenting such a bill if he so desires.

Mr. COCHRAN. Will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from Missouri.

Mr. COCHRAN. There is a section in this bill which provides that the Secretary of the Navy is authorized to discharge at any time any aviation cadet or to release him from active duty. Does not the gentleman feel the cadet ought to get a little protection. The bill gives unlimited power to the Secretary.

Mr. DELANEY. I may say to the gentleman from Missouri that the Navy Department is thoroughly fair in these matters. I think their first and foremost thought is to get the best men they can for the service. I know the Navy Department plays the game fairly and without partisanship. If a man is worthy of being received in the Navy organization, I do not think he will have to worry about the decision of the Navy Department.

Mr. COCHRAN. The gentleman thinks the cadet will be protected without language to that effect?

Mr. DELANEY. I do not think there is any question regarding that proposition.

Mr. TERRY. Will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from Arkansas.

Mr. TERRY. It is provided in this bill that the cadets shall be appointed by the Secretary of the Navy under such regulations as he, the Secretary, may prescribe. Mention was made a while ago of certain educational qualifications. Is it contemplated that the Secretary of the Navy will prescribe the educational qualifications?

Mr. DELANEY. Not necessarily; no.

Mr. TERRY. The gentleman spoke a moment ago about the fact that he would get college graduates for this purpose. Is it the gentleman's idea to limit the applicants to college graduates?

Mr. DELANEY. Not necessarily; because, personally, I believe that you might get a college graduate who would not be a bit air-minded. We feel a man who has a college education or a university education will probably be better qualified mentally than the man who only has a high-school education. I think the question answers itself.

Mr. TERRY. It seems to me that these rules should be definitely understood, as the gentleman said a while ago about the competitive examinations. It should be left open so that all men who by examination qualify themselves may have the right to apply for these positions.

Mr. DELANEY. They will have that right. It may not be well understood by the Members of the House just how this is done. In different parts of the country we have what are termed "reserve fields." An example of that is in my own home town, Brooklyn, N. Y., where we have the Floyd Bennett Field. We have 250 men and officers training there practically all the time. Every month a certain number of Reserve officers fly at that base.

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. DELANEY. The young men who live in that vicinity or near that location apply at the field. They are carefully examined, mentally and physically, and if they are qualified for the Air Service they are kept there for a short space of time, then sent down to Pensacola for further training.

Mr. KENNEY. Will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from New Jersey.

Mr. KENNEY. Is the Floyd Bennett Field exclusively a Naval Reserve station?

Mr. DELANEY. No. It is a municipal station.

Mr. KENNEY. Does the gentleman feel there is a dearth of naval airports at the present time?

Mr. DELANEY. I would not say that there may be, however, when the air force is expanded in the next few years. We are going to expand the force by nearly 2,000 planes.

Mr. KENNEY. How many naval airports are there at the present time?

Mr. DELANEY. There are 13 scattered around the country.

Mr. KENNEY. That is all?

Mr. DELANEY. There are about 15 naval stations and many of these naval stations have the naval airports.

Mr. KENNEY. Has the gentleman considered the construction of additional airports throughout the country?

Mr. DELANEY. Of course, that is a matter which may be discussed in another bill.

Mr. KRAMER. Will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from California.

Mr. KRAMER. How are these naval cadets going to be selected?

Mr. DELANEY. They present themselves at these reserve stations. They first make an application. Their qualifications are examined into, and if they show an ability to fly, or if they are qualified, they will be kept there for a period of training, after which they will be sent to Pensacola, Fla., for further training.

Mr. KRAMER. Do they require any particular schooling or education or preliminary recommendation?

Mr. DELANEY. As I answered a similar question a moment ago, the bill contemplates having young men apply who have a college or university training.

Mr. KRAMER. And they may enter at any of the airports which we now have, either in California or on the east coast.

Mr. DELANEY. Yes; and there is such a place near the gentleman's district in Los Angeles.

Mr. KRAMER. I understand, and this is applicable to any one of them.

Mr. DELANEY. Yes; these stations are usually found in the larger cities of the country.

Mr. KRAMER. Does the gentleman understand that flying conditions in California are much better than on the east coast?

Mr. DELANEY. I dispute that very vigorously. I think flying conditions in the East are as favorable as they are in the West.

Mr. PFEIFER. Mr. Chairman, will the gentleman yield?

Mr. DELANEY. I yield.

Mr. PFEIFER. Upon the completion of their active duties, what commission do these gentlemen get, if any?

Mr. DELANEY. He becomes a flying cadet.

Mr. PFEIFER. The same as the boys coming from the Naval Academy?

Mr. DELANEY. Yes; practically.

Mr. PFEIFER. Are the requirements in this bill for such a naval candidate high?

Mr. DELANEY. May I say to the gentleman that after they finish a period of training and then go into active service for 3 years, they are retired and then go into the Naval Reserve. They are not kept in active service.

Mr. PFEIFER. It is stated in the measure, "If they are found eligible." Does it require 4 years to find out whether a man is eligible or not?

Mr. DELANEY. Oh, no; the gentleman will find a provision in the bill that states that at any time during their training or while they are in active service, the Secretary of the Navy may dismiss any of these men from the service.

Mr. PFEIFER. We only want to clear ourselves so far as the selection of these men is concerned, and would it not be better to have some provision here considering our young men who lack that higher education? We have very many men who are undoubtedly familiar with the airports and with planes who are flyers, and many of them, no doubt, would be anxious to get into this service.

Mr. DELANEY. We shall endeavor to get the best possible men for this service from the standpoint of education as well as from the standpoint of flying ability.

Mr. PFEIFER. And we do not want to have any conflict with the men coming from Annapolis.

Mr. DELANEY. No; we do not.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. DELANEY. I yield.

Mr. HOUSTON. No congressional endorsement is required, under this set-up, like we have it at the present time?

Mr. DELANEY. No.

Mr. HOUSTON. We will not be bothered with that?

Mr. DELANEY. You will be bothered with it, somewhat, because these men may apply to you, and I think we would be justified in suggesting the name of the boy or in sending him to a station with a letter of recommendation and letting him have an opportunity to prove himself capable.

Mr. HOUSTON. That is true; but such a boy would not have any preference over one who had applied in person.

Mr. DELANEY. No.

Mr. HOUSTON. Is each district allowed a certain quota or a certain proportion?

Mr. DELANEY. Of course, a large district will have more than a small one.

Mr. HOUSTON. But it will all be proportionate.

Mr. DELANEY. Certainly.

Mr. PFEIFER. At this time, in the height of the depression, when there are so many of our young men idle, is it not possible to get a greater number of men for training purposes at a smaller figure than that stated in the bill?

Mr. DELANEY. The gentleman understands that these boys leave their business activities and go into this service, and I believe that a young man who trains and assumes the risks which they will have to take and receives $75 a month while training and $125 a month while in active service is receiving little enough.

Mr. PFEIFER. It is little enough, but we have so many young men who are now idle it seems to me this is the proper time to train them if we can.

Mr. DELANEY. Of course, as the gentleman from Pennsylvania [Mr. DITTER] has stated, there is a question of expense involved here, too.

[Here the gavel fell.]

Mr. DARROW. Mr. Chairman, while I do not believe there is any real opposition to this bill, still I should like to avail myself of this opportunity to make a few remarks about it.

At the present time the number of naval aviators is greatly insufficient to man the aeronautical organizations of the Navy. Consequently, the purpose of this bill is to create a corps of Navy and Marine Corps cadets to supply this deficiency.

I think this deficiency is going to increase, for under the act of March 27, 1934, Congress authorized the Navy Department to increase the number of planes from 1,000 to a number sufficient to at least take care of the needs of a treaty Navy, which is also authorized, and it is assumed that this would require at least 1,910 planes. Admiral King testified that with the money now in the appropriation bill we shall have active-service planes in good flying condition to the number of about 1,450 in the fiscal year 1937.

At the present time we have 988 planes in the aviation department in good flying condition, but for the operation of those planes we have only 806 qualified aviators, which leaves an actual shortage at the present time of 182 qualified aviators.

Now, experience shows us that this shortage is going to increase as we continue to build the Navy up to treaty strength, rather than decrease, inasmuch as these qualified pilots cannot be obtained from graduates of the Naval Academy.

It is also estimated that out of every 100 midshipmen who graduate, only about 40 percent are physically qualified for aviation; and it not being compulsory but only optional with the midshipmen, only about half of that number apply for that line of service.

In creating this corps it is also estimated that of those who go to Pensacola for training only 24 out of 40 will be able to qualify, both physically and mentally, for the service.

So it seems to me to meet this serious growing shortage it is very essential to have some system of this kind in order to supply the needs which are apparent to everybody familiar with the situation.

Therefore we propose to give the opportunity to young men—college graduates or having a technical knowledge equal to a college graduate—to receive training to qualify as efficient naval aviators.

They are enlisted for 4 years; whereupon they are sent to Pensacola for intensive training for 1 year, and then serve 3 years in active service, after which they return to the Naval Reserve where they are available, in case of necessity, to be called back into the service; and where they can continue their flight training.

It therefore seems to me very essential to have a corps of this kind to supply the growing needs of the Navy. I think we all recognize that aviation is one of the very important branches of the national defense. By creating this corps we

will have, in the course of a few years, at least a sufficient number of trained pilots to operate our planes.

There should be at least one pilot for every plane in flying condition. So far as the expenditures are concerned, I understand that of the fund necessary a portion will be transferred from the current appropriation of the Navy Department. To take care of 348 cadets to be sent to Pensacola it is estimated that the cost will be $3,228,252. I understand it will only require an additional appropriation at this time of practically one-half of that amount or about $1,600,000.

Mr. DITTER. Will the gentleman yield at that point?

Mr. DARROW. With pleasure.

Mr. DITTER. Do I understand that the gentleman feels that the cost as a result of the transfer made will be $1,569,000?

Mr. DARROW. That is about it.

Mr. DITTER. Is it true that there is a possible reduction of cost in the program being provided for in this bill for 348 men at present in the Navy?

Mr. DARROW. My colleague is a member of the Committee on Appropriations and its naval subcommittee, and therefore has more information upon that feature than I have. However, I think he is absolutely correct.

Mr. DITTER. Will the gentleman accede to this observation? If this bill is passed by the House, then the subcommittee on naval appropriations will understand that the provision for the pay of 348 men, presently in the pay of the Navy, can be taken out of the present appropriation bill, to pay a part of the cost contemplated by the bill under consideration, so that our item will be reduced for that particular purpose to approximately $200,000.

Mr. DARROW. I am not informed as to the exact amount. It is a transfer from one fund to another.

Mr. DITTER. And the Appropriations Committee can therefore assure themselves that there will be no overlapping of the 348 cadets provided for by this bill and 348 additional men through the regular naval appropriations?

Mr. DARROW. I do not think there will be any overlapping.

Mr. FENERTY. Is the length of the course to be 4 years?

Mr. DARROW. The training will be 1 year, then they will be required to serve actively in the Navy for 3 additional years.

Mr. FENERTY. Under the terms of the bill they become part of the Naval or Marine Reserve?

Mr. DARROW. Yes.

Mr. FENERTY. And are available in case of any national emergency.

Mr. DARROW. Yes.

Mr. MITCHELL of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. DARROW. Yes.

Mr. MITCHEL of Tennessee. Is this contemplated as a continuous program from year to year, depending upon the needs of the Navy?

Mr. DARROW. That will depend, I think, upon the needs of the Navy. It is assumed at least that the request of the Navy Department for additional midshipmen, one additional in the next fiscal year and one in 1937, which is the number authorized by law and will require no additional legislation, but simply an appropriation, and in time, which will probably be about 1948 or 1950, that might supply the needs, but, of course, what may occur in the future I, for one, would not like to prophesy.

Mr. MITCHELL of Tennessee. At this time you have need for around 348 additional cadets. Is that what I understand?

Mr. DARROW. This is supposed to provide about 348 additional cadets for operating planes. We now have a shortage of 182, and then with the additional planes that have been appropriated for, that shortage will increase and they cannot be supplied from graduates of the Naval Academy.

Mr. MITCHELL of Tennessee. It is assumed, as I understand, that the Secretary of the Navy will allocate these cadetships equitably all over the country.

Mr. DARROW. I would assume that they would be drawn from every State in the Union, naturally.

Mr. ANDREW of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. DARROW. Yes.

Mr. ANDREW of Massachusetts. It is true, is it not, that under our present plan we will not have reached the treaty Navy until 1942?

Mr. DARROW. In ship construction.

Mr. ANDREW of Massachusetts. So that we will need these additional cadets more in the years to follow than in the coming year, and our point is there will be an increasing need as the new vessels are constructed.

Mr. DARROW. Congress has already authorized nearly twice as many planes as we now have under the limitations prior to the 1934 act, which limited the number of planes in flying condition to 1,000.

Mr. THURSTON. Mr. Chairman, will the gentleman yield?

Mr. DARROW. Yes.

Mr. THURSTON. Will this increase create a hump in the commissioned personnel in the Navy comparable to the one we have had in the Army for so many years?

Mr. DARROW. I think not. I think that will probably be taken care of in a bill we hope to consider following this bill.

Mr. Chairman, I reserve the remainder of my time and yield 10 minutes to the gentleman from Minnesota [Mr. MAAS].

Mr. MAAS. Mr. Chairman, as a matter of fact, this bill, if it becomes a law, will save the country a great deal of money, because the only alternative to this plan is to commission ensigns in the Regular Establishment and second lieutenants in the Marine Corps. This is a means devised, first of all, to avoid a large increase in appropriations that would otherwise be necessary to provide the pilots for the increases in the aeronautical branch of the Navy, because these pilots will have the rank of only air cadets, although they will perform every function of an ensign or a second lieutenant in the Marine Corps. They will get exactly the same training—a year at Pensacola—and will then be placed on 3 years' active duty. They will be the pilots who will man the squadrons. They will fly the wing positions in the formations. The commanding positions, the leaders of flight sections and of the divisions and squadrons, will be regular Naval Academy graduate pilots. In addition to getting the personnel to fly the planes which we have already built or have appropriated for, we will be building up the Reserve at a very low cost. We are actually going to be able to man these planes, for which we have already built carriers and are building the planes, at a much lower cost to the Government than if we had to commission ensigns in the Regular Navy for permanent commissions. These Reserve officers as air cadets can perform all of the functions that the regular Naval Academy graduates would during their first 3 years as pilots, and we avoid, first of all, the expense of the 4-year Naval Academy course; and we avoid the higher cost of pay of an ensign as against an air cadet, which is very considerable; and we avoid the retired pay which would accrue to these officers if they were regularly appointed into the Regular Naval Establishment.

In addition to all of that economy, however, we are getting a secondary benefit of even more importance. At the end of the 4-year period these air cadets then go back into civil life as Reserve officers and are assigned to our Naval and Marine Corps Reserve organizations located throughout the country.

The philosophy of our national defense is not large standing military or naval establishments. It is rather for a well-trained civilian reserve, because a well-trained civilian reserve is the greatest possible peace insurance. The man who has a home, who has a family, who has an income in civil life, does not want war. He is not interested in making war. He has nothing to gain by it; but if he is trained to defend his country, he becomes a very powerful force for peace. A large, well-trained Reserve is the greatest insurance we have. It does not make any difference if we have a million or ten million young men who are willing to spring to arms

overnight, if they are not trained to do it they are of no value in defending our country or our homes from invasion.

This is one of the finest means of national defense at the lowest possible cost, because we get the manning of our regular fleet and build up our Reserve at the same time.

Mr. DELANEY. Will the gentleman yield?

Mr. MAAS. I yield.

Mr. DELANEY. I know the gentleman has had much experience along these lines. Does not the gentleman feel that there should be provided in many of our universities a course in aviation as a part of the curriculum?

Mr. MAAS. I think it would be a very fine thing, and I have some information that the enactment of this bill will assist in that very thing, because there will be a very considerable outlet for graduates of aeronautical courses in the universities. It will stimulate those courses. I believe you will find colleges and universities all over the country instituting courses, so that we will get boys who have a very fine foundation for this, at no expense to the Government.

Mr. DELANEY. Commander Hickey, who is the commanding officer at Floyd Bennett Field, informed me that it is surprising the number of boys who come down to that field submitting models of airplanes that are workable. He spoke of a small plane that a boy 14 years of age made, and it actually flew. It carried a small Diesel engine of a cheap type, and a little gasoline tank, and it actually flew.

Mr. MAAS. That is evidence of the great interest in aviation among youngsters. If they have the outlook of going to college and taking an aeronautical course, with the further possibility of entering the reserves, it will be a splendid thing for aviation in general as well as for the protection of our country.

Mr. VINSON of Georgia. Will the gentleman yield in order that the gentleman from Alabama may make a short statement? He cannot remain longer.

Mr. MAAS. I am glad to yield to the gentleman.

Mr. OLIVER. Mr. Chairman, I have given considerable study to this matter, having at one time been a member of the legislative committee on naval affairs and for a long time a member of the Navy Subcommittee on Appropriations. I think this is an excellent bill. I concur in the statements just made by the gentleman from Minnesota [Mr. MAAS], who has kindly permitted this interruption. While this legislation confers a broad discretion on the Department, and it should, yet my high regard for the Secretary of the Navy and for naval officers is to me ample assurance that the authority conferred will be fairly and wisely administered. [Applause.]

Mr. MAAS. I thank the gentleman for his very helpful statement.

Mr. MITCHELL of Tennessee. Will the gentleman yield?

Mr. MAAS. I yield.

Mr. MITCHELL of Tennessee. May I ask the gentleman if he knows the difference in cost between a graduate from Annapolis and the probable expense to the Government under this cadetship proposed legislation, in dollars and cents, approximately?

Mr. MAAS. I yield to the chairman of the committee to answer the gentleman.

Mr. VINSON of Georgia. The pay of an ensign who qualifies as an aviator will be $2,949. The pay of an aviation cadet under this bill will be $2,400.

Mr. MITCHELL of Tennessee. And does the gentleman know the cost incident to graduating a student at Annapolis?

Mr. VINSON of Georgia. Some have said it costs about $10,000. It is approximately $10,000.

Mr. PFEIFER. Will the gentleman yield?

Mr. MAAS. I yield.

Mr. PFEIFER. Is there anything in this bill to take care of those who are qualified practically in aeronautics but never had an opportunity of securing a higher education to qualify them for this position?

Mr. MAAS. No. I will say to the gentleman it is not practical, because the air cadets, in addition to merely being able to learn how to fly airplanes, must be officers of the Navy, must be available for assignment in the event of war, as active naval officers. During these 3 years they must function as officers. In order to understand the working of aeronautical and naval problems it is necessary to have a college education. I will say to the gentleman it would be quite impossible to work out the missions of a naval aviator without a very considerable mathematical education.

Mr. PFEIFER. I realize all that, and I am fully in accord with it; but I am trying to look out for that individual who is skilled in aviation, but who has not had the benefit of a college education. I have seen youngsters 16 or 17 years of age who can do anything with an airplane, but they had never received a high-school education. Col. Charles A. Lindbergh himself, for instance, never received a college education.

Mr. MAAS. Well, he attended the University of Wisconsin for a couple of years. [Applause.] But I doubt very much if Colonel Lindbergh would be able to function as even an ensign in the naval aviation without special training for that duty.

Mr. PFEIFER. Well, he served his duty as far as aviation is concerned.

Mr. MAAS. Of course, Colonel Lindbergh has received a great deal of technical training in aviation and in navigation, especially since he made his trip to Paris, but that is not the point. This education is necessary to understand and be able to participate in military missions and in naval aviation, not merely to fly an airplane.

Mr. PFEIFER. It is not called for here in this bill as far as that is concerned; that is fixed.

Mr. MAAS. But a naval aviator has to be able to figure out a naval mission.

Mr. PFEIFER. Yes; that is true. But what is going to happen to these young men who are so skilled?

Mr. MAAS. There is an opportunity, I will say to the gentleman, for them to become pilots in the Navy as enlisted pilots.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. VINSON of Georgia. The young men the gentleman refers to will have the same privilege as the others; they may file applications with the commandant of their district and be considered just as well as one of the graduates or students of some college or university; everyone has an equal opportunity.

Mr. PFEIFER. It is not necessary for them to have a college education?

Mr. VINSON of Georgia. Not at all. It is entirely up to the commandant as to whom he enrolls. An education, of course, always is an asset in any undertaking.

Mr. PFEIFER. The gentleman is entirely correct.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. DONDERO. How many cadets are provided for in this bill?

Mr. MAAS. The number is not specified, for the reason that it will vary from year to year. At the present time we want to qualify something in excess of 400. The number will vary, depending upon the condition of the program of the building of the airplane; and we shall have to continue this method until such time as we have enough graduates of the Naval Academy who can qualify to fill these positions. Some years the number may drop down to as low as 100 or 150, and other years it may rise to 350 or 400.

Mr. DONDERO. I want to make this observation: I think this bill and this provision of law will meet with a very popular reception by the youth of our country, because every high-school boy today is interested in aviation. I am certain this will prove a very popular and very valuable thing as a matter of national defense.

[Here the gavel fell.]

Mr. DARROW. Mr. Chairman, I yield 2 additional minutes to the gentleman from Minnesota.

Mr. THURSTON. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. THURSTON. Will promotions be available to these ensigns so they will have a rank comparable with graduates of the Naval Academy?

Mr. MAAS. These will be Reserve officers. The gentleman raised the question a moment ago of creating a hump, such as we have had in the past. This will not create that situation, because these are only Reserve officers; they do not retain appointments in the Regular Navy at all. During the 4 years of this duty they will not be eligible for promotion; they are on the same basis as the cadets in the Regular Navy, who are not eligible for promotion either until after 3 years of service.

Mr. THURSTON. Is the gentleman familiar with the age requirements?

Mr. MAAS. There are no age requirements in the Reserve; that is only in the Regular Navy. There is no limitation as to the age in the Reserves as there is in the regular service.

Mr. THURSTON. I think this is a wonderfully fine proposal, but I just wondered whether promotions would be available to this personnel.

Mr. MAAS. The promotions are approximately those of the regular service. When they have finished this 4-year tour of duty they will be assigned to Reserve squadrons, and in these Reserve squadrons they will be treated as if they were in the Navy, in that they will be promoted within the organization as vacancies occur. So they will have a normal chance for promotion, and should they be called back into active duty they will attain the approximate rank made by the Naval Academy class of the same year.

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. HOEPPEL].

Mr. HOEPPEL. Mr. Chairman, this bill, in my estimation, is a very good bill; in the interest of national defense it should have been enacted into law years ago. There are one or two features in the bill, however, which I think ought to be corrected.

I notice that this bill provides adequately for the dependents of these cadets. If the cadets happen to be killed in an accident, the dependents will receive $10,000 plus a pension; but there is no protection whatever to the cadets themselves if they are maimed or disabled as a result of the flying training. The most they can receive under existing law, even though they be totally disabled, is $45 per month. I know of a case of a Reserve officer, injured in an airplane accident, who is totally disabled and bed-ridden and who has been in the Army hospital in San Francisco for 2 years, receiving no pension nor retired pay. I think this bill ought to be amended to take care of such situations.

Mr. MAAS. Mr. Chairman, will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. MAAS. If the gentleman will read section 4 he will find it provides that if a cadet is injured in line of duty he may be retained on active duty.

Mr. HOEPPEL. That is well and true, but such disabled men certainly do not wish to stay in a hospital the balance of their lives. Therefore, it is my opinion that this bill ought to be amended to provide the same consideration to these aviation cadets when they are disabled as is extended to officers on similar duty. They should be retired on a certain proportion of their pay, which in the instance of officers is three-fourths of the pay of their rank. Aviation cadets should not be sent out into the world totally disabled on a maximum of $45 per month.

Another provision of this bill should be corrected in the interest of the taxpayer. I am speaking from an experience of 4 years in the Air Service. It is my opinion that 2 years of aviation training is adequate. This bill should be changed to provide 2 years of training. This is sufficient to train our aviators. In addition a 2-year tenure of service would be an added incentive to the youth of America to enter this Service. The average young man does not like to sacrifice 4 years of his life to be trained as an aviator, and then, on leaving the Service, find himself out of touch with the world. The bill ought to be changed to provide for a 2-year term.

Mr. MAAS. Mr. Chairman, will the gentleman yield further?

Mr. HOEPPEL. I yield.

Mr. MAAS. The purpose is not one of training entirely; the purpose of providing 3 years of active duty is to man the naval planes.

Only 1 year is involved as a matter of training. The period of 4 years is not for the purpose of training. It is to get the personnel to man the airplanes.

Mr. HOEPPEL. Why not double the complement and shorten the term of training, which would give us twice the number of trained aviators without an increase in cost to the taxpayers? By making it possible for greater numbers of our American youth to be trained in aviation, we would not only be adding to our national defense by increasing the number of trained men available, but we would at the same time popularize this very necessary branch of our national defense.

[Here the gavel fell.]

Mr. DARROW. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Chairman, in order that there may be no possible misunderstanding with respect to my position on the bill before us today, may I make it clear that I join with the other Members of the House in stating that the purpose of this bill will receive the approval of the country. I do feel, however, that the matter of cost should be considered. I feel that duplication should not be permitted in the matter of the cadet group and the group coming from the Naval Academy. If we are to provide 348 men under this present bill, then certainly in the naval appropriation bill we can reduce the provision presently in that bill by approximately $200,000.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. DITTER. I yield to the gentleman from Georgia.

Mr. VINSON of Georgia. Do I understand the gentleman to contend that because we are creating here a group to be known as "aviation cadets" the appropriations which go for the Naval Academy men who go into aviation should be decreased?

Mr. DITTER. That is my thought.

Mr. VINSON of Georgia. The gentleman is clearly wrong, for the reason that on the basis of 3 appointments for each congressional district the aviation number of naval aviators will eventually stabilize at 1,200; on a 4-year appointment, at 1,421; on a 5-year appointment, at 1,650. It must be remembered that only 40 out of 100 qualify to go from the academy through Pensacola. We have an aviation program of 1,910 planes. Of course, we have to have every one of these boys from the academy that we can get, plus those who come from civilian life. So, if the gentleman would reduce the appropriation for the aviation education of those who come from the Naval Academy, he would be hitting it a very severe blow because we would not have enough aviators.

Mr. DITTER. Do I understand the gentleman from Georgia to indicate that we should have the complement provided for by the present appropriation bill, plus the 348 additional men?

Mr. VINSON of Georgia. And more than that, until we secure the number necessary to man 1,910 planes.

Mr. DITTER. I am speaking of the appropriation for the coming year.

Mr. VINSON of Georgia. I would say that the appropriation for the coming year should be used to take care of the number of men from the Naval Academy who go to Pensacola, plus what is enrolled under the provisions of the aviation-cadet bill, whatever the department thinks they need, depending on the number of airplanes that are built.

Mr. DITTER. Does the gentleman from Georgia know that the present appropriation bill contemplates approximately $199,000 for 348 men?

Mr. VINSON of Georgia. Under this bill?

Mr. DITTER. No; under the present appropriation bill now being considered by the committee.

Mr. VINSON of Georgia. Of course, that is this group or else it is a group that should come in under the Naval Reserve, who will ultimately get commissions as ensigns.

[Here the gavel fell.]

Mr. VINSON of Georgia. I yield the gentleman 1 additional minute.

Mr. DITTER. The 348 provided by this present bill is to supplement those provided for in the regular course and in the present appropriation bill?

Mr. VINSON of Georgia. Yes. These aviation officers must come from two sources, namely, the Naval Academy and civil life. The appropriation bill should be fixed so as to take care of those who come out of the Naval Academy, and to take care of those who come out of the civilian organization.

Mr. DITTER. Is the House to understand then that the Naval Appropriation bill is to be increased by $3,228,000?

Mr. VINSON of Georgia. I cannot make that statement, because I have not the privilege of serving on the Appropriations Committee. I do hope, however, that the gentleman, a Member of that committee, will cooperate with the Navy Department in appropriating sufficient money to take care of those who go from the Naval Academy and those that come under this bill.

[Here the gavel fell.]

Mr. DARROW. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. FENERTY].

Mr. FENERTY. Mr. Chairman, I believe that this bill will meet with an overwhelming and enthusiastic response from the country at large, because there never was a time when the American Nation stood in such urgent need of aviators as at the present time.

There has been some question raised as to whether or not the applicants for these aviation positions must be college graduates.

I believe that in seeking applicants for cadet and Reserve aviators the selection should not be confined merely to college graduates but should extend to all those young men who have adequate technical and other training to make them efficient aviators. College graduates do not necessarily have a monopoly on the intelligence of humanity. I am myself a graduate of a couple of colleges, but I know some men who never went to school who have more brains than I ever expect to possess. There are few men in America, for example, who possess the clearness of vision, the statesmanship, and sincerity of Gov. Alfred Smith, the so-called "brain trust" to the contrary notwithstanding, and yet the "happy warrior" was obliged to leave school at the age of 10 years. There are men, like Colonel Lindbergh, referred to in this debate, who, although not college graduates, have such complete scientific and technical knowledge that their worth has been universally recognized. And here let me say that immediately after Colonel Lindbergh's audacious flight to Paris, his ability and achievement received their first academic acknowledgment when my own alma mater, St. Joseph's College, in Philadelphia, in the presence of a distinguished group of European and American statesmen, conferred upon him the degree of bachelor of science in aeronautics. As Daniel Webster said in the famous Dartmouth College case, so may Colonel Lindbergh say with the other alumni of my alma mater: St. Joseph's is a small college, but there are those who love her. So let us, too, not confine opportunity in this bill to college graduates alone. Let us also recognize the training of such men as Colonel Lindbergh and keep America the land of opportunity for young men of every station and origin in life.

This bill will involve an expenditure of approximately $1,500,000, and these aviators will be available for the defense of the Nation, not only overseas but within the boundaries of our country. When you consider that we have tremendous wealth in property and business in this country and overseas possessions and trade totalling billions of dollars, you will see that this bill provides the Nation with insurance against loss and destruction at a cost actually less than fire insurance at the lowest possible rate. The best peace insurance is adequate preparedness for war. Last week I voted to pay the bonus to America's veterans. Let us now vote for this measure so as to assist in the prevention of future wars. The bill will be whole-heartedly supported by all real Americans.

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I yield 1 minute to the gentleman from Virginia [Mr. DARDEN].

Mr. DARDEN. Mr. Chairman, in reference to the question which was asked a moment ago by the gentleman from Pennsylvania [Mr. DITTER], while the present plan contemplates an ultimate expenditure of $3,659,089, there will only be required for the current fiscal year $122,306.

Mr. DELANEY. Mr. Chairman, if the gentleman will yield, there is some confusion regarding the qualifications prescribed. This bill does not provide that these men must be college graduates or university graduates. Men from the ordinary walks of life may join these reserve forces and they will not be expelled or disconnected from the service because they are not college graduates. It is important they should have good mental qualifications, but it is not absolutely necessary that they shall be college graduates.

Mr. DARROW. If the gentleman will permit, that was my understanding. I was of the opinion that they must have the practical equivalent of a college or university education.

Mr. VINSON of Georgia. Mr. Chairman, this legislation is required because there is at present a shortage of naval aviators and because this shortage will markedly increase as naval aviation is built up to treaty navy requirements.

The normal source of supply of naval aviators is graduates of the Naval Academy. The established physical requirements for entry—and graduation—are such that, compared with established physical requirements for flight training, experience to date shows as follows:

Out of 100 Naval Academy graduates:	
Not physically qualified for flying	40
Physically qualified	60
Do not volunteer for flying	20
Enter Pensacola	40

Sixty percent of entrants, 24 graduate.

On a basis of three appointments per congressional district, the available number of naval aviators will eventually stabilize at about 1,200; on a four-appointment basis, at about 1,425; on a five-appointment basis, at about 1,650. Stabilization occurs when attrition from all causes equals the graduates from Pensacola.

Seven years—4 years at the Naval Academy, 2 years at sea, and 1 year at Pensacola—must elapse before additional appointments are qualified as naval aviators. Extended experience has proven that 2 years at sea is the minimum required for Naval Academy graduates to obtain a reasonable grounding in general naval duties afloat.

Years of analyses of personnel requirements for various aircraft programs indicate that a thumb rule of one naval aviator for each of total number of aircraft is applicable. In each operating plane—two-thirds of total—at least one naval aviator is required. In patrol planes capable of 20 hours continuous flight, two naval aviators are required. The remaining naval aviators are required for administrative duties in the Navy Department, at air stations, and at test and experimental stations; for ship's duties on carriers and tenders; flight instructors at air naval stations and bases; postgraduate training at Naval Academy and colleges, together with miscellaneous details.

There has been developed through the years an efficient system of training college graduates as naval aviators, commissioning them as ensigns in the Naval Reserve, and assigning them to Naval Reserve aviation squadrons, frequently after a year's training on active duty in fleet aircraft. With this system available and with knowledge that the Army is now by law allowed up to 550 Army reserve aviators on active duty, this solution was considered to be in every way the best available.

A careful and extended study of the naval aviator situation, analysis of all practicable methods of solution, with regard to efficiency of operation, safety of personnel and material, and costs involved, has forced the conclusion that the only procedure which will adequately provide the number of naval aviators necessary to meet the requirements of the fleet is to supplement Regular service officers with Reserve naval aviators on active duty for periods of 3 years.

No doubt Members of Congress will receive many requests from prospective candidates as to how they may be appointed aviation cadets.

In order that all of you may know how these cadets will be selected I will give you the procedure the Navy Department will follow in making the selections.

First. The Department will decide upon the number they want qualified. From this number they compute how many men will be first accepted for aviation. In this connection, the experience of the Bureau of Aeronautics is that of each 100 accepted, but 35 are finally qualified as naval aviators.

When the number to be accepted has been determined the Department assigns to each naval district a pro rata share or quota of this number. These quotas being based on the sources of supply and population of each district.

The commandant will then appoint a board of three officers (two naval aviators and a flight surgeon) to recruit and select candidates. One effective method of securing applicants is for members of the board to describe to the senior classes about to graduate from colleges and universities what Reserve aviation training amounts to and what it offers. From the applications thus received, the board selects those that it considers the best qualified to fill the quota assigned to the particular district.

The next step—which is designed to further improve the quality of aviation students sent to Pensacola to reduce attrition there, and hence is more economical—is to enlist the applicants as seamen second class in the Naval Reserve and order them to 30 days' primary training at the nearest Naval Reserve aviation base. During this primary training period the class is rated according to aptitude for flying and officerlike qualities. Upon the termination of primary training approximately the upper half of the class will be appointed aviation cadets and sent to Pensacola and the lower half given honorable discharges from the Naval Reserve.

The course of training at Pensacola is the same for Reserve as for the Regular personnel. The air syllabus consists of 300 hours of flying and extends over a period of a year. Aviation subjects are also taught in the ground school during this period.

Aviation cadets who fail at Pensacola will be given honorable discharges. Those who successfully complete the course will be ordered to sea duty with operating aircraft squadrons for a period of 3 years.

Upon the termination of this latter duty the aviation cadet will be given a commission in the Naval Reserve if he so elects, and revert to inactive duty to take up the pursuits for which his earlier education has fitted him or to seek success in the aviation industry.

As an inactive Reserve aviation officer the individual will continue to maintain his proficiency as a naval aviator by drilling and performing training duty at a Naval Reserve aviation base. These reservists are subject to mobilization in a national emergency, and so continue to be valuable to the country.

There are now organized 31 Naval Reserve aviation divisions, which fly, drill, and train regularly at 13 locations, as follows:

District	Located at	Divisions
First	Boston	5
Third	New York	5
Fourth	Philadelphia	2
District of Columbia	Washington	1
Fifth	Norfolk	1
Sixth, seventh, and eighth	Miami	1
Ninth	Detroit	2
	Chicago	2
	Minneapolis	2
	St. Louis	1
Eleventh	Long Beach, Calif.	4
Twelfth	Oakland, Calif.	2
Thirteenth	Seattle, Wash.	3

Each division is normally 8 officers and 16 enlisted men.

Consequently, it can be seen that the plan herein outlined will serve two important purposes:

First. Provide a satisfactory solution for manning the Navy's aeronautical organization—and this is essential.

Second. Build up the inactive Naval Reserve aviation organization. The Federal Aviation Committee in its report commended the organization and training of this element of the national defense but went on to say that its numbers are far inferior to any possible war-time need for immediate service.

Suppose the Navy Department finds that for next year they will want 140 aviation cadets as qualified aviators. This means that 200 candidates will be sent to Pensacola this year for the training—about 70 percent qualify. With 200 to be sent to Pensacola it will mean that 400 will be enrolled as seamen second class for the primary training period at a Naval Reserve aviation base—at the bases 50 percent are selected for the training at Pensacola.

Now, suppose the pro rata share for the fourth naval district is 10 percent. Then 40 candidates will be enrolled and sent to Philadelphia for the month's preliminary training. Of this 40, 20 will be selected for the flight training at Pensacola. As about 70 percent of those sent to Pensacola finally qualify, it means that of the 40 originally sent to Philadelphia about 14 will become naval aviators.

Going a step further, if there is a young man living in Pittsburgh who desires to join the class, he submits his application to the commandant of the fourth naval district at Philadelphia, Pa. When all applications are in, the board goes over them and selects the 40 assigned to this district to be enrolled as seamen, second class.

First naval district takes in the following States: Maine, New Hampshire, Vermont, Massachusetts, and Rhode Island. The headquarters for this district is at Boston, Mass. There is one Naval Reserve aviation base in this district, located at Boston, Mass.

Third naval district takes in the following States: New York, Connecticut, and the upper half of New Jersey. The headquarters for this district is at New York City. There is one Naval Reserve aviation base in this district, located at New York.

Fourth naval district takes in the following States: Pennsylvania, Delaware, and the lower half of New Jersey. The headquarters for this district is at Philadelphia. There is one Naval Reserve aviation base in this district, located at Philadelphia.

Fifth naval district takes in the following States: Maryland, Virginia, and West Virginia. The headquarters for this district is at Norfolk, Va. There is one Naval Reserve aviation base in this district, located at Norfolk.

Sixth, seventh, and eighth naval districts take in the following States: North Carolina, South Carolina, Georgia, Florida, Tennessee, Alabama, Mississippi, Louisiana, Arkansas, Oklahoma, and Texas. The headquarters for these districts is located at Charleston, S. C. There is one Naval Reserve aviation base for these districts, located at Miami, Fla.

Ninth naval district takes in the following States: Ohio, Michigan, Indiana, Kentucky, Illinois, Wisconsin, Minnesota, Iowa, Missouri, Kansas, Nebraska, South Dakota, and North Dakota. The headquarters for this district is at Chicago, Ill. There are four Naval Reserve aviation bases in this district, one each located at the following cities: Detroit, Chicago, Minneapolis, and St. Louis.

Eleventh naval district takes in the following States: New Mexico, Arizona, and the lower section of California. The headquarters for this district is at San Diego, Calif. There is one Naval Reserve aviation base in this district, located at Long Beach, Calif.

Twelfth naval district takes in the following States: Colorado, Utah, Nevada, and the upper part of California. The headquarters for this district is at San Francisco. There is one Naval Reserve aviation base in this district, located at Oakland, Calif.

Thirteenth naval district takes in the following States: Wyoming, Montana, Idaho, Oregon, and Washington. The headquarters for this district is at Seattle, Wash. There is one Naval Reserve aviation base in this district, located at Seattle.

District of Columbia has one Naval Reserve aviation base, located in Washington, D. C., and is under the commandant of the Washington Navy Yard.

A total of 13 Naval Reserve aviation bases.

Mr. PFEIFER. Mr. Chairman, will the gentleman from Georgia yield for a question?

Mr. VINSON of Georgia. I yield.

Mr. PFEIFER. It is not so stated in the bill, insofar as college graduates are concerned, and to find the intent of the bill, so far as these requirements are concerned, we must go back to the report, and the report states "composed of college graduates." There will be some conflict unless we change the language of the bill in some way so as to give the young men who are not college graduates equal opportunity.

Mr. VINSON of Georgia. Mr. Chairman, in reference to the question raised by the gentleman from New York [Mr. PFEIFER], let me assure him that every young man in this country has an equal opportunity to file his application with the commandant of his naval district, and the commandant will appoint two aviation officers and a flight surgeon, and they will go over these applications, and every applicant will be given an opportunity, whether he is a college graduate or not, to go to the aviation unit, and there he will be given a trial of about 30 days to determine whether or not he has the necessary qualifications. If he has the qualifications, he goes to Pensacola, and if he has not the qualifications he is disenrolled immediately.

Mr. PFEIFER. Is that the understanding of the Secretary of the Navy?

Mr. VINSON of Georgia. The letter of the Secretary of the Navy and the hearings confirm my statement.

Mr. VINSON of Georgia. Mr. Chairman, I ask unanimous consent that all Members who have addressed the committee on this bill may have 5 legislative days within which to revise and extend their remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the grade of aviation cadet is hereby created in the Naval Reserve. Aviation cadets shall be appointed by the Secretary of the Navy from male citizens of the United States under such regulations as he may prescribe: *Provided*, That each aviation cadet shall sign an agreement, with the consent of his parent or guardian, if he be a minor, to serve for a continuous period of 4 years on active duty, unless sooner released: *Provided further*, That the Secretary of the Navy is authorized to discharge at any time any aviation cadet, or to release him from active duty. Aviation cadets shall, if qualified, be eligible after completion of their period of active duty, for commission in the Naval Reserve or in the Marine Corps Reserve, with date of precedence as of date of appointment as aviation cadet.

With the following committee amendment:

Page 1, line 4, after the word "Reserve", insert the words "and Marine Corps Reserve."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 3. Aviation cadets shall, while undergoing training, be issued necessary uniforms and equipment at Government expense. Upon first assignment to duty after the completion of training, aviation cadets shall, in addition, be paid a uniform allowance of $150.

With the following committee amendment:

Page 3, line 3, strike out the word "sea."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 4. Aviation cadets shall, except as otherwise provided in this act, be subject to all the laws and regulations prescribed for other members of the Naval Reserve. They shall take precedence next before warrant officers of the Naval Reserve: *Provided*, That when aviation cadets contract sickness or disease or suffer injury in line of duty while performing active duty, they may, in the discretion of the Secretary of the Navy, be retained on such active-duty status beyond the specified date of termination thereof.

With the following committee amendments:

Page 3, line 8, after the word "Reserve", insert the words "or the Marine Corps Reserve."

Page 3, line 10, after the word "Reserve", insert the words "or Marine Corps Reserve."

The committee amendments were agreed to.

The Clerk read as follows:

SEC. 5. During their period of active duty aviation cadets will be issued Government life insurance in the amount of $5,000, the premiums on which shall be paid out of current appropriations as provided in section 6. Upon discharge or upon completion of active duty, aviation cadets will have the option of continuing such policies at their own expense.

With the following committee amendments:

Page 3, line 18, strike out "$5,000" and insert in lieu thereof "$10,000."

Page 3, line 20, strike out the figure "6" and insert in lieu thereof the figure "7."

Page 3, after line 22, insert a new section to read as follows:

"SEC. 6. Aviation cadets of the Naval Reserve and Marine Corps Reserve shall, upon release from a period of active duty of 4 years or more, be paid a lump sum of $1,500, which sum shall be in addition to any pay and allowances which they may otherwise be entitled to receive."

The committee amendments were agreed to.

The Clerk read as follows:

SEC. 6. The pay and allowances of aviation cadets of the Naval Reserve and the premiums on their life insurance shall be paid from the current appropriations "Naval Reserve."

With the following committee amendments:

Page 4, line 3, strike out the figure "6" and insert in lieu thereof the figure "7."

In line 4, after the word "Reserve", insert the words "and Marine Corps Reserve."

In line 6, after the word "Reserve", insert "and 'Pay, Marine Corps', respectively."

The committee amendments were agreed to.

The CHAIRMAN. Under the rule the Committee automatically rises.

The Committee rose; and the Speaker having resumed the chair, Mr. BERLIN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (H. R. 5577) to provide for aviation cadets in the Naval Reserve, and had directed him to report the same back with sundry amendments adopted by the Committee of the Whole House on the state of the Union.

The SPEAKER. Under the rule, the previous question is ordered. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The Committee amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill to provide for aviation cadets in the Naval Reserve and Marine Corps Reserve."

NAVAL CADETS

Mr. PFEIFER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. PFEIFER. Mr. Speaker, this bill, providing for the training of young men as aviation cadets in the Naval Reserve and Marine Corps Reserve, is worthy of the support of all Members of this House, in that any constructive training of the youth of today will reflect beneficially on the Nation as a whole.

It is generally conceded that many of the youths between the ages of 15 and 18 are today more air-minded than the youths who are now finishing their college careers, their age range being between 20 and 25 years. It is a well-known fact that aviation itself requires a certain amount of daring, valor, and good, sensible flying instinct, which cannot be acquired in a college. It is true, theory is of some value, but not the best criterion to select those who will in turn make the best aviators. This being the intent of this bill, the report of which states that the personnel to make up this group will be drawn from every State in the Union and will be composed of college graduates.

I object to this paragraph on the ground that this higher education should not be mandatory for the simple reason that many of our youth today are flying aeroplanes and have a good technical knowledge of aeronautics without ever having attended a college. The qualifications of many of our youth are natural and not always acquired. You, as well as I, know that many of our outstanding aviators of today were not college graduates before being recognized by the world for their remarkable feats in aeronautics. Col. Charles A. Lindbergh, Amelia Earhart, Frank Hawks, Clarence Chamberlain, Wiley Post, and others were not college graduates, and they have had more to do with our present status in aeronautics than any college in the country.

Therefore I insist that consideration be given not only to the college graduate but also to those of our youth who, through no fault of their own, lack this higher education, but, on the other hand, reveal a natural instinct for aviation and are unable to develop this natural gift due to financial handicap. I, personally, believe that this country would benefit by the selection of some of these young men. I do think that at the end of the 4-year period of training this type of youth will be able to fill the purport of this bill.

I also regret very much that this bill limits the number of men to be selected. Because of the rapid growth of naval aviation throughout the world it would seem fitting that we try and find some means of training the young men of today so as to keep abreast of the world in aviation.

On the other hand, this would have a twofold effect. It would not only be taking many of the young men who are idling away this period of their lives, which is the most important developmental stage, and placing them in an instructive atmosphere for constructive work, but also, in the event of a national emergency, would be a source from which to obtain trained and skilled men.

THE PRIVATE CALENDAR

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that on Friday of this week it may be in order to consider bills on the Private Calendar under the Private Calendar rule.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. COCHRAN. Reserving the right to object, are we to consider these bills under the new rule?

Mr. O'CONNOR. They will be considered under clause 6, rule XXIV.

Mr. COCHRAN. Does not the gentleman think it is fair to go back to the beginning of the calendar and start the consideration of the bills?

Mr. O'CONNOR. I understand that they will be called from the beginning of the Private Calendar.

Mr. COCHRAN. All right, I have no objection.

Mr. MICHENER. Reserving the right to object, what will be taken up tomorrow?

Mr. O'CONNOR. Tomorrow has been set aside as District day.

The SPEAKER. Is there objection?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, I neglected to state that the Democratic whip, Mr. BOLAND, of Pennsylvania, was unavoidably absent, and if he was here he would have voted "aye" on the motion for the previous question on the rule for the amendment of the Private Calendar rule.

TO REGULATE THE STRENGTH AND DISTRIBUTION OF THE LINE OF THE NAVY, AND FOR OTHER PURPOSES

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 170.

The Clerk read as follows:

House Resolution 170

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 5599, a bill to regulate the strength and distribution of the line of the Navy, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. O'CONNOR. Mr. Speaker, I understand there is no desire for time on this rule. I therefore move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the rule.

The question as taken, and the resolution was agreed to.

Mr. VINSON of Georgia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5599, to regulate the strength and distribution of the line of the Navy, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5599, with Mr. O'NEAL in the chair.

The Clerk read the title of the bill.

Mr. VINSON of Georgia. Mr. Chairman, I ask unanimous consent to dispense with the first reading of the bill.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. Under the rule there is 1 hour of general debate, to be equally divided between the majority and the minority. The Chair recognizes the gentleman from Georgia [Mr. VINSON].

Mr. VINSON of Georgia. Mr. Chairman, I yield myself 10 minutes. I shall endeavor to explain this bill so that everyone will thoroughly understand its objects and purposes as the bill is being read for amendment under the 5-minute rule. The bill is of paramount importance to the Navy. It is a departmental measure. It has the approval of the Director of the Budget and the administration.

The primary purpose of this bill is to build up the line-officer strength of the Navy to meet the essential demand of the "treaty" Navy now authorized and in the process of construction. This "treaty" Navy will be completed in 1942.

At this time there are in the process of construction 68 vessels and the naval appropriation bill for the fiscal year 1936 carries money for the laying down of 24 additional vessels, making 92 ships. However, there still remain to be built 54 ships not yet appropriated for to bring the Navy up to treaty strength. When the Navy has been brought up to treaty strength it will consist of 191 fighting ships, of which 15 will be battleships, 6 airplane carriers, 18 heavy cruisers, 17 light cruisers, 13 destroyer leaders, 84 destroyers, and 38 submarines. To support the fighting fleet requires 122 other ships, such as mine layers, gunboats, ammunition ships, storage ships, hospital ships, cargo ships, mine sweepers, oilers, transports, repair ships, submarine rescue vessels, submarine tenders, ocean tugs, aircraft tenders, patrol vessels, and

destroyer tenders, making a total number of 313 vessels in the American Navy.

It naturally follows that there must be officers and men to man these ships, and it is estimated to man the "treaty" Navy in peace times will require 7,941 line officers, of which number 1,908 will be aviators, and that it will require in the neighborhood of 110,000 enlisted men.

The total number of enlisted men in the Navy today is 82,500, and the appropriation bill makes provision for an enlisted personnel of 93,500. Under the law today the authorized enlisted strength of the Navy is fixed at 137,485. The officer line of the Navy by law is based upon the authorized enlisted strength and not upon the actual enlistment. The statute fixed 4 percent of the authorized enlisted strength of the Navy as the number of line officers that can be had in the Navy. Therefore the authorized officer line of the Navy is 5,499, or 4 percent of 137,485.

This proposed bill increases the percentage from 4 percent to 4¾ percent, which will give an authorized officer strength of 6,531. However, to meet the needs of the Navy and to take care of the surplus graduates of the Naval Academy, Congress has authorized by temporary legislation this number to be exceeded so that on June 30, 1934, the line officer strength of the Navy was 6,132, including 806 aviators.

This bill proposes to authorize the strength of 6,531 line officers, an increase of 399 over the number in the Navy at the end of the last fiscal year, or an increase in the present authorized strength of 1,032 officers.

As the present source of supply of officers to the line is from the Naval Academy, the authorized strength of 6,531 officers will not be reached until 1945, or 10 years from today. The appropriation bill to meet this shortage in line officers on account of building the Navy up to treaty strength carries money permitting each Congressman and Senator to name an additional midshipman to the Navy during the year 1935 immediately after the naval appropriation bill has been passed, to enter the academy in September of this year; and in the calendar year 1936, then each Congressman and Senator will be permitted to name an additional midshipman, allowing a Congressman and Senator to have 5 midshipmen at the academy instead of as now 3.

The percentage distribution in grades continues in accordance with the existing law with the numerical limitation in times of peace on the number of rear admirals, captains, and commanders and with the excess to be carried in the grade of lieutenant commander, the distribution in grades to be made on a basis of 5,499 line officers until June 30, 1936, and thereafter on the actual number of line officers on the active list. With an authorized strength of 6,531, distributed in grades as provided in this bill, there will be 58 rear admirals, 240 captains, 515 commanders, 1,016 lieutenant commanders, 1,959 lieutenants, and 2,743 lieutenants (junior grade) and ensigns.

The bill retains in service those lieutenants and junior lieutenants who have served 14 and 7 years, respectively, but have not been selected for promotion by a selection board, provided they have not become 45 years old, and extends this 7 years to each grade. Therefore, if a lieutenant or junior lieutenant has failed to be selected by a selection board, he will remain in the service 21 years and 14 years before he can be retired for having failed to have been selected, provided he is under 45 years of age. The requisite age of a junior lieutenant is from 22 to 29 years and that of a lieutenant from 29 to 36 years.

The shortage of officers in the Navy to man the treaty Navy requires that these officers be retained at least for the time being. The majority of them are warrant officers who served in the war and have failed to be selected.

You will observe that section 3 was written in this bill by the committee, and were it not for section 3, over 600 officers in the grades of junior lieutenant and lieutenant would in all probability go out during the year 1936. It did not seem to the Naval Affairs Committee, with such a shortage of officers and seeking to increase the officer strength which is absolutely essential to man the ships, that this wholesale retirement should occur.

If these officers are not retained the Navy Department would ask that when they go on the retired list they be called back to active duty; so the committee was of the opinion that the best way to handle the situation was not to retire them because when they are retired they have no opportunity of promotion, and as long as they are carried as provided for in section 3 of the bill, they still have an opportunity of being selected for promotion, and therefore it is an incentive to render the highest degree of service—while on the retired list the door of hope is closed to them.

The bill authorizes an increase in the number of dental officers in the Navy from 1 for each 1,000 of the total authorized officers and enlisted men in the Navy and Marine Corps to 1 for each 500 of the actual number of officers and men. At present there are 186 Dental Corps officers, and the bill proposes to provide for 211.

This bill will not increase the cost this year, but next year there will be an increase over the present appropriation of $1,927,201. In approximately 6 years from now the Navy Department will have to again come before Congress and ask that the line-officer strength be increased to bring it up to 7,941, as it requires that many officers to man the Navy in peace times.

It should be borne in mind that it requires 7,941 line officers to man the treaty navy, of which number 1,908 are aviation officers. It will require approximately 13 years to obtain that number of officers as the only method of obtaining officers is from the Naval Academy. So in this bill we are merely legislating for officers for the next 10 years, but in approximately 5 or 6 years from now it will be necessary for the Naval Affairs Committee to again come before Congress and ask that an additional number of officers be provided for, because it is absolutely essential to have officers at the various stations on these various ships, and the different character of ships now being smaller than formerly, they require additional officer personnel. To man a treaty navy with line officers, men on the fighting ships will ultimately require in the neighborhood of 7,941 officers. This bill today increases the number only to 4¾ percent.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. MARTIN of Massachusetts. I have received a request from four officers of the Navy, not graduates of Annapolis, who claim they are being penalized by this legislation. In other words, they claim that they will not get the benefits of their service.

Mr. VINSON of Georgia. If it were not for section 3 being retained, I presume they would be passed out on the retired list, but section 3, if they are not over 45 years of age, and if they are in the ranks of lieutenant and lieutenant commander, will hold them in an additional 7 years in each grade.

Mr. MARTIN of Massachusetts. As I understand it, the benefit of retirement counts from the date of their commission and they are not getting the advantage of the time they served previous to that.

Mr. VINSON of Georgia. I see what the gentleman has in mind. This is the commissioned service. If they came up as warrant officers and ultimately by act of Congress were given a commission, then, for longevity purposes and for pay purposes, they count all of their enlisted service, but for the purpose of selection, nothing but the commissioned service affects their going out.

Mr. MARTIN of Massachusetts. Does not the gentleman think that is unfair for men coming up from the ranks?

Mr. VINSON of Georgia. No; we are taking care of the very people the gentleman is complaining about, because were it not for retaining section 3, these men would go out of the service immediately. As a matter of fact, over 600 would go out next year, and this retains these men in the service in their respective grades and gives them an addi-

tional opportunity to be selected, provided they are under 45 years of age.

Mr. DARDEN. Is it not true that if the enlisted service were counted, they would sooner arrive at an age at which they would be forced out?

Mr. VINSON of Georgia. Yes; that is correct. We are taking care of these warrant officers who, by the act of 1921, received commissions, who, on account of their education may not be able to compete with a graduate of the Naval Academy. On account of the shortage of officers we will retain their services for an additional 7 years in each grade.

Mr. PFEIFER. What increase in personnel does this bill call for?

Mr. VINSON of Georgia. It calls for an increase of 1,032 more line officers in a period of 10 years.

It will take 10 years to get that number of officers.

Mr. PFEIFER. Will it also call for an increase in the ordinary seamen?

Mr. VINSON of Georgia. No; it does not at all. The appropriation bill will take care of that by appropriating money.

Mr. PFEIFER. Of these additional officers, how much increase will there be in the Medical Corps?

Mr. VINSON of Georgia. None at all. The only increase in the Staff Corps is in that of Dental Corps. Instead of having 1 dental officer for every 1,000 men or authorized enlisted strength based upon 1,000 men, we have 1 for each 500 men actually in the Navy.

Mr. PFEIFER. In the bill it refers to the Medical Corps. It says "increased by one."

Mr. VINSON of Georgia. No. The Medical Corps is not increased at all. That is simply quoting the law as it exists today, and the next paragraph shows how the law is amended. The only amendment in the present law will be in the Dental Corps.

Mr. COCHRAN. Will the gentleman yield?

Mr. VINSON of Georgia. Yes; with pleasure.

Mr. COCHRAN. Going back to the answer which the gentleman gave the gentleman from Massachusetts [Mr. MARTIN] the gentleman stated that the men in question must be below the age of 45.

Mr. VINSON of Georgia. In those two ranks; yes.

Mr. COCHRAN. Why?

Mr. VINSON of Georgia. Because the requisite age for a man to perform satisfactorily the duty of junior lieutenant should be between 22 and 29 years; for lieutenant between 29 and 36 years. Approximately 600 of these men have been passed over, and were it not for this provision in the bill which the Naval Affairs Committee wrote in themselves a great many of those 600 men who served during the war would automatically go out between now and 1936. We are taking care of those men, provided they are under 45 years of age, within these two classes.

Mr. COCHRAN. If there are men who are 47 years of age, would the gentleman put them out of the Navy?

Mr. VINSON of Georgia. The duty in these two ranks requires that men assume command at a younger age in order to render satisfactory service.

Mr. COCHRAN. That same thing might apply to Members of Congress. We had better be careful.

Mr. VINSON of Georgia. I agree with the gentleman, and that is the reason I tried to come here when I was quite young.

Mr. COCHRAN. I think the gentleman's committee is making a mistake, because I feel that even if a man be 55 years of age he is able to perform this duty the same as a man who is 35 or 36 years of age. If we are going to set an example by retiring men and taking their positions away from them when they reach the age of 45, it is justification for private business to do the same thing. I repeat, I think the committee is making a mistake.

Mr. VINSON of Georgia. The gentleman is clearly mistaken. For instance, a man who reaches the rank of admiral is not retired until he is 64 years of age. He is not retired when he reaches the rank of captain until he has reached the age limit of 55 years; but in these positions, at the very beginning of the service, if a man is 45 years of age, he is too old for that rank.

Mr. COCHRAN. That is the gentleman's opinion. I do not agree with the gentleman.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. TAYLOR of Tennessee. What duties are performed by these warrant officers?

Mr. VINSON of Georgia. There is nothing in this bill that applies to warrant officers. The bulk of these officers, which section 3 refers to, were warrant officers in the Navy who served during the war and who were given a commission by act of Congress after the war. They are commissioned officers now.

Mr. TAYLOR of Tennessee. Do they perform the same duties as regularly commissioned officers?

Mr. VINSON of Georgia. Oh, yes; they are regularly commissioned officers. When a man gets a commission he is on equal footing with any other officer in that particular grade.

Mr. MILLARD. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. MILLARD. Did I understand the distinguished chairman to say that each Senator and Representative in Congress would receive five midshipman appointments instead of three?

Mr. VINSON of Georgia. Permit me to make this statement: The Budget carries the recommendation, and the Appropriations Committee will submit to the House next week, I am informed, sufficient money to enable each Congressman and each Senator, based on the appropriation bill, to have the privilege of designating a midshipman to the Naval Academy between now and September, when the school commences. That is for this year. They will also have authority to appoint another one in the fiscal year of 1936.

Mr. MILLARD. In addition to the vacancy which occurs next year?

Mr. VINSON of Georgia. In addition to whatever vacancies you may have.

Mr. STEFAN. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. STEFAN. With reference to the age limit, that is a regular naval regulation, is it not?

Mr. VINSON of Georgia. That has been the law for 15 or 20 years.

Mr. STEFAN. And the amount covered by this bill is really covered in the regular appropriation bill?

Mr. VINSON of Georgia. It is.

Mr. Chairman, I reserve the balance of my time.

Mr. DARROW. Mr. Chairman, I yield 5 minutes to my colleague from Minnesota [Mr. MAAS].

Mr. MAAS. Mr. Chairman, I do not know that it will be necessary to take 5 minutes, but to supplement what the distinguished chairman of the committee has said in regard to the one question which seems controversial, namely, the age limit, the committee, we feel, was very generous in providing, on its own initiative, at the suggestion of the chairman, section 3 of the bill. Otherwise under existing law some 600 lieutenants and lieutenants (junior grade) would have gone into civil life, and, I may say, with a very small retired pay.

Under this provision they would be retained an additional 7 years unless they are over 45 years of age. The reason for this age limitation, Mr. Chairman, is the necessity of having an officer of appropriate age to perform the duties of his rank. The grades of lieutenant (junior grade) and lieutenant correspond to the grades of first lieutenant and captain in the Marine Corps. You can very easily visualize serving in the field under a lieutenant or captain 50 years of age when such service requires a young man, a man whose vigor will permit him to take active leadership in the field. There are appropriate ages for all the various grades. The appropriate maximum age limit for a lieutenant in the Navy is 36. The committee has set 45, giving a 9-year margin, to be generous to these officers, most of whom previously were enlisted men and who were commissioned during the war. It is treating them, I think, not only with due consideration but

with generous consideration. It is obviously unfair to subject enlisted men to serve in the field under an officer who is 10, 15, or 20 years too old for the service required.

Mr. FENERTY. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. FENERTY. Does the gentleman think 50 years is too high?

Mr. MAAS. Yes; I do. I think 50 is a little bit on the overside for these grades, where the requirement is for much younger men.

Mr. FENERTY. The reason I ask this is because at this time a year ago I was on the battleship *Maryland*, being in the Reserve. There were officers of the rank of lieutenant and lieutenant (senior grade) who made some of the best officers on the ship; yet under this bill they would be retired involuntarily.

Mr. MAAS. That is quite true. There may be some specific instances, of course, where a man has unusual vigor at that age. So the Members may understand how this came about, let me say that formerly selection in the Navy applied only above the grade of lieutenant commander. Up to that point in their career, therefore, the officers had nothing to do with promotion; it was not a question of merit or record at all; he was simply commissioned and went in on a single list for promotion and was promoted solely according to the vacancies ahead of him; age had nothing to do with it. Selection has not been extended down to the grade of lieutenant (junior grade), and this makes an entirely new situation. In order to get the promotion lists properly corrected so that we shall not have these humps, so that we shall not have men who are out of the proportionate age for the grade, it will be necessary that some be retired. It is no discredit upon these officers at all; they were very fine enlisted men and they were commissioned because of their records, but they are now not in a grade proportionate to their age, and it is impossible to put them in that grade, they not having served long enough in the Navy as officers to jump them up two or three grades where they should be for their age.

[Here the gavel fell.]

Mr. DARROW. Mr. Chairman, I do not want to take much time, because I think the distinguished Chairman of the Naval Affairs Committee, the gentleman from Georgia [Mr. VINSON], has covered the situation and the points in this bill very thoroughly.

We all realize, of course, that it is necessary to have our Navy well officered if it is going to be built up to treaty strength. A naval officer cannot be produced overnight; he has to have years of careful training before he is put in these responsible positions.

Under the present law the authorized enlisted strength of the Navy is 137,485. This bill simply changes the percentage on that number from 4 to 4¾, making an increase in the number of commissioned officers of 1,032, which seems, by those who have given it careful consideration, a reasonable number at the present time. As the chairman has said, it may be necessary at some future time to increase the number even more.

A good deal has been said in reference to section 3 of the bill. I am sure you will all understand that the committee tried its best to be fair to all in the service while at the same time it tried to accomplish the desired end of not creating a stagnant condition where there was no opportunity for men to advance. As has been said, they have been allowed seven additional years before forced retirement unless they reach the age of 45, making the service 14 years in the grade of lieutenant (junior grade), and 21 years in the grade of lieutenant. The attempt is made also to carry the uniform system as far as it is possible, as it applies to officers all through the line.

On my part I want heartily to endorse the bill; and so I hope the bill passes.

Mr. FENERTY. Mr. Chairman, will the gentleman yield?

Mr. DARROW. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. FENERTY].

Mr. FENERTY. Mr. Chairman, I have requested this moment merely to ask if the committee would accept an amendment, on page 5, line 11, raising the age limit from 45 to 50 years?

I believe that the naval officers, because of the life they live, are probably at their best at the age of 50 or thereabouts. I think the Navy would be deprived of many of their most efficient officers if the age be kept at 45, as set forth in this bill, instead of 50.

Mr. VINSON of Georgia. I may say to the gentleman that has been the law for some considerable time.

Mr. FENERTY. I realize that, and it is only because of a personal experience I had last year while serving on the *Maryland* that I say 50 is a better age than 45. I met several officers who are capable and efficient, but who may be retired under this bill. We should not lose them in times like these.

Mr. VINSON of Georgia. I may say to the gentleman that the experience in the Navy Department has convinced that Department years ago that the age as set forth here is approximately the correct age.

Mr. FENERTY. Of course, I realize that the committee has given serious thought to the matter.

Mr. VINSON of Georgia. May I assure the gentleman that when we get this increased personnel, as provided in the bill, we will be more than delighted to have the gentleman appear before the committee and will take up the question to see whether or not the age should be 45 for these men or a lower age.

Mr. FENERTY. The reason I made the statement is because in military life men of the age of 50 are still pretty active, and the last war was conducted by generals over 70 years of age.

Mr. VINSON of Georgia. Yes; but the bulk of the fighting was done by men under 30.

Mr. FENERTY. That is true, too. I was among the overseas boys. I was merely speaking for those older than myself. I am glad that the committee, with its usual efficiency, has so thoroughly considered the question.

[Here the gavel fell.]

The Clerk read as follows:

SEC. 2. That so much of the Naval Appropriation Act approved August 29, 1916 (39 Stat. 576; U. S. C., title 34, sec. 4), as amended by the act approved March 3, 1931 (46 Stat. 1482; U. S. C., Supp. VII, title 34, sec. 4), as provides: "That the total number of commissioned line officers on the active list at any one time, exclusive of commissioned warrant officers, shall be distributed in the proportion of 1 in the grade of rear admiral, to 4 in the grade of captain, to 8 in the grade of commander, to 15 in the grade of lieutenant commander, to 30 in the grade of lieutenant, to 42 in the grades of lieutenant (junior grade) and ensign, inclusive: *Provided*, That no officer shall be reduced in rank or pay or separated from the active list of the Navy, as the result of any computation made to determine the authorized number of officers in the various grades of the line", is hereby amended to read as follows: "That the total number of commissioned line officers on the active list at any one time, exclusive of commissioned warrant officers, shall be distributed in the proportion of 1 in the grade of rear admiral, to 4 in the grade of captain, to 8 in the grade of commander, to 15 in the grade of lieutenant commander, to 30 in the grade of lieutenant, to 42 in the grades of lieutenant (junior grade) and ensign, inclusive: *Provided*, That no officer shall be reduced in rank or pay or separated from the active list of the Navy as the result of any computation made to determine the authorized number of officers in the various grades of the line: *Provided further*, That for the purpose of making any computation to determine the authorized number of officers in the various grades of the line above the grade of lieutenant (junior grade), the number of commissioned line officers on the active list, exclusive of commissioned warrant officers, shall, until June 30, 1936, be assumed to be 5,499, and after that date any computation to determine the authorized number of officers in the various grades of the line shall be based on the total number of commissioned line officers on the active list at any one time not below 5,499, exclusive of commissioned warrant officers: *Provided further*, That except in time of war, the following numbers, exclusive of additional numbers in grade, in the grades as indicated shall not be exceeded: In the grade of rear admiral, 58; in the grade of captain, 240; in the grade of commander, 515: *And provided further*, That except in time of war, if any computation made to determine the authorized number of officers in the various grades of the line would, except for the immediately foregoing proviso, give a greater number of rear admirals than 58, or a greater number of captains than 240, or a greater number of commanders than 515, such

excess number shall be carried in the grade of lieutenant commander and an increase in that grade above the 15 percent of the total number of commissioned officers on the active list at any one time, exclusive of commissioned warrant officers, is hereby authorized for that purpose."

With the following committee amendment:

On page 4, after line 15, insert the following new section:

"SEC. 3. That section 4 of the act approved May 29, 1934 (48 Stat. 814), is hereby amended to read as follows:

"'That after June 30, 1936, lieutenants and lieutenants (junior grade) who shall not have been recommended for promotion to the next higher grade by the report of a line selection board as approved by the President shall, on and after June 30 next succeeding the date of the approval of said line selection board, if they have completed 14 or 7 years, respectively, of commissioned service, be carried as additional numbers in grade, but shall be included in the authorized number of commissioned officers of the active list of the line of the Navy in any grade to which later promoted. That for the purpose of extending section 3 of the act of March 3, 1931 (46 Stat. 1483; U. S. C., Supp. VII, title 34, sec. 286a), to officers below the rank of lieutenant commander, the said section is amended so that the length of service therein prescribed shall be 21 years for lieutenants and 14 years for lieutenants (junior grade): *Provided*, That lieutenants with less than 21 years' commissioned service shall become ineligible for promotion on June 30 of the fiscal year in which they attain the age of 45 years: *Provided further*, That no officer of said rank shall become so ineligible prior to June 30, 1936: *And provided further*, That the restriction on the number of involuntary transfers in any fiscal year to the retired list prescribed in section 7 of the act of March 3, 1931 (46 Stat. 1484; U. S. C., Supp. VII, title 34, sec. 286e), shall not apply to the grade of lieutenant and lieutenant (junior grade).'"

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 3. That so much of the act approved June 30, 1914 (38 Stat. 404), as amended by the act approved August 29, 1916 (39 Stat. 576, 581), as further amended by the act approved July 1, 1918 (40 Stat. 703), which, as contained in the United States Code, title 34, section 3, provides:

"The total authorized number of commissioned officers of the active list of the following staff corps, exclusive of commissioned warrant officers, shall be based on percentages of the total number of commissioned officers of the active list of the line of the Navy as follows:

"Supply Corps, 12 percent; Construction Corps, 5 percent; Corps of Civil Engineers, 2 percent; and the total authorized number of commissioned officers of the Medical Corps shall be sixty-five one hundredths of 1 percent of the total authorized number of the officers and enlisted men of the Navy and Marine Corps, including midshipmen, Hospital Corps, prisoners undergoing sentence of discharge, enlisted men detailed for duty with the Naval Militia, and the Flying Corps: *Provided*, That hereafter the authorized number of surgeons in the United States Navy be, and it is hereby, increased by one.

"Dental Corps: There shall be one dental officer in the Navy for each thousand of the total authorized number of officers and enlisted men of the Navy and Marine Corps.

"Corps of Chaplains: The total number of chaplains and acting chaplains in the Navy shall be 1 to each 1,250 of the total personnel of the Navy and Marine Corps as fixed by law, including midshipmen, apprentice seamen, and naval prisoners", is hereby amended to read as follows:

"The total authorized number of commissioned officers of the active list of the following staff corps, exclusive of commissioned warrant officers, shall be based on percentages of the total number of commissioned officers of the active list of the line of the Navy as follows:

"Supply Corps, 12 percent; Construction Corps, 5 percent; Corps of Civil Engineers, 2 percent; and the total authorized number of commissioned officers of the Medical Corps shall be sixty-five one hundredths of 1 percent of the total authorized number of the officers and enlisted men of the Navy and Marine Corps, including midshipmen, Hospital Corps, prisoners undergoing sentence of discharge, enlisted men detailed for duty with the Naval Militia, and the Flying Corps: *Provided*, That hereafter the authorized number of surgeons in the United States Navy be, and it is hereby, increased by one.

"Dental Corps: The total authorized number of commissioned officers of the Dental Corps shall be 1 for each 500 of the actual number of officers and enlisted men of the Navy and Marine Corps.

"Corps of Chaplains: The total authorized number of chaplains and acting chaplains in the Navy shall be 1 to each 1,250 of the total personnel of the Navy and Marine Corps as fixed by law, including midshipmen, apprentice seamen, and naval prisoners."

With the following committee amendment:

On page 5, line 19, strike out the figure "3" and insert in lieu thereof the figure "4."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 4. That section 3 of the act approved March 3, 1931 (46 Stat. 1483; U. S. C., Supp. VII, title 34, sec. 286a), is hereby amended by inserting after the word "*Provided*," appearing in line 10 of said section 3 of Statutes at Large, volume 46, page 1483, the following clause: "That the term 'service in grade' shall be construed to include service on the promotion list for his grade: *Provided further*,", so that the said section will read as follows: "Except as provided in section 7, captains, commanders, and lieutenant commanders, who shall not have been recommended for promotion to the next higher grade by the report of a line selection board as approved by the President prior to the completion of 35, 28, or 21 years, respectively, of commissioned service in the Navy, shall be ineligible for consideration by a line selection board, and any officer in said grade shall likewise be ineligible for consideration who on June 30 of the calendar year of the convening of the board shall have had less than 4 years' service in his grade: *Provided*, That the term 'service in his grade' shall be construed to include service on the promotion list for his grade: *Provided further*, That the commissioned service of Naval Academy graduates, for the purpose of this section only, shall be computed from June 30 of the calendar year in which the class in which they graduated completed its academic course, or, if its academic course was more or less than 4 years, from June 30 of the calendar year in which it would have completed an academic course of 4 years: *Provided further*, That except as provided in section 7, officers of any grade commissioned in the line of the Navy from sources other than the Naval Academy, shall become ineligible for consideration by a selection board when the members of the Naval Academy class next junior to them at the date of their original permanent commission as ensign or above become ineligible for consideration under the provisions of this section."

With the following committee amendment:

On page 8, line 3, strike out the figure "4" and insert in lieu thereof the figure "5."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 5. That the President of the United States is hereby authorized, by and with the advice and consent of the Senate, to transfer and appoint officers of the line of the Navy, not above the grade of lieutenant commander, to the corresponding grade in the Construction Corps, Civil Engineer Corps, or Supply Corps, without regard to the age of the officers so transferred and appointed.

With the following committee amendment:

On page 9, line 13 strike out the figure "5" and insert in lieu thereof the figure "6."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 6. That the President of the United States is hereby authorized, by and with the advice and consent of the Senate, to transfer and appoint officers of the staff corps of the Navy not above the rank of lieutenant commander to the corresponding rank and grade in the line of the Navy, and the officers so transferred and appointed shall have the lineal position and precedence in the line which they would have held had they remained in the line or had their original appointments been in the line. Any officer so transferred and appointed shall be carried as an additional number in the grade in which he is serving and to which he may hereafter be promoted.

With the following committee amendment:

On page 9, line 20, strike out the figure "6" and insert in lieu thereof the figure "7."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 7. That exclusive of student aviators and qualified aircraft pilots of the Navy and Marine Corps, the number of tactical and gunnery observers of the Navy and Marine Corps detailed to duty in aircraft and involving actual flying shall hereafter be in accordance with the requirements of naval aviation as determined by the Secretary of the Navy. So much of section 20 of the act approved June 10, 1922 (42 Stat. 632), as amended by section 6 of the act approved July 2, 1926 (44 Stat. 782; U. S. C., Supp. VII, title 37, sec. 29), which is inconsistent with or in conflict with the provision of this section, insofar as it relates to the Navy and Marine Corps, is hereby repealed.

With the following committee amendment:

On page 10, line 7, strike out the figure "7" and insert in lieu thereof the figure "8."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 8. That so much of the Naval Appropriation Act approved June 10, 1896 (29 Stat. 361; U. S. C., title 34, sec. 883), as provides: "That hereafter no payment shall be made from appropriations made by Congress to any officer in the Navy or Marine Corps on the active or retired list while such officer is employed, after June 30, 1897, by any person or company furnishing naval supplies or war material to the Government; and such employment is hereby made unlawful after said date", is hereby amended by striking out the words "or retired" in the above clause, and by

adding the following proviso to said clause: "*Provided*, That no payment shall be made from appropriations made by Congress to any retired officer in the Navy or Marine Corps who for himself or for others is engaged in the selling of, contracting for the sale of, or negotiating for the sale of, to the Navy or the Navy Department, any naval supplies or war material.", so that the clause, as amended, will read as follows: "That hereafter no payment shall be made from appropriations made by Congress to any officer in the Navy or Marine Corps on the active list while such officer is employed, after June 30, 1897, by any person or company furnishing naval supplies or war material to the Government; and such employment is hereby made unlawful after said date: *Provided*, That no payment shall be made from appropriations made by Congress to any retired officer in the Navy or Marine Corps who for himself or for others is engaged in the selling of, contracting for the sale of, or negotiating for the sale of, to the Navy or the Navy Department, any naval supplies or war material."

With the following committee amendment:

On page 10, line 19, strike out all of section 8.

The committee amendment was agreed to.

The Clerk read as follows:

S53. 9. That all laws and parts of laws which are inconsistent herewith or in conflict with the provisions hereof, insofar as they relate to the Navy and Marine Corps, are hereby repealed.

Mr. VINSON of Georgia. Mr. Chairman, I ask unanimous consent that on page 12, line 1, where there is a typographical error, that the "S53" be changed to read "SEC. 9."

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. Under the rule the Committee automatically rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. O'NEAL, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 5599) to regulate the strength and distribution of the line of the Navy, and for other purposes, under the rule, reported the same back to the House with sundry amendments adopted by the Committee.

The SPEAKER. Under the rule the previous question is ordered. Is a separate vote demanded upon any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read the third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UN-AMERICAN AND ITS REMEDY

Mr. KRAMER. Mr. Speaker, this morning I asked unanimous consent to extend in the RECORD the address of the grand exalted ruler of the Benevolent Order of Elks, Michael Shannon. The gentleman from New York has since seen this address, and, I understand, has withdrawn his objection.

Mr. MARCANTONIO. Mr. Speaker, reserving the right to object, and I am not going to object, but I simply wish to state I am withdrawing my objection as a matter of courtesy to the gentleman from California. However, I wish to serve notice that hereafter I am going to object to cluttering up the RECORD with any more of this red-scare propaganda which is being inserted in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. KRAMER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement made by Mr. Michael J. Shannon, grand exalted ruler of the Benevolent and Protective Association of Elks at the presentation to the Vice President and the Speaker of the House of Representatives of a petition against circulation of subversive literature advocating the overthrow of our Government by force and violence.

Mr. Vice President, Mr. Speaker, and Members of Congress, I am not unaware of the unusual honor that you have accorded me as grand exalted ruler of the Benevolent and Protective Order of Elks of the United States of America.

It has been given only to the Order of Elks to have the rare privilege of an organization here meeting its distinguished members who are also Members of the Congress.

As I approached this historic spot, traversing Pennsylvania Avenue, the broadest avenue in the most stately city in America, I could not be unmindful that down this historic thoroughfare have marched the victorious armies of three great wars, or that the funeral cortege of three murdered Presidents came this way.

Down this same avenue and up the steps of this Capitol have marched through the years a great army of men with missions, petitions, and requests to Congress.

It is not an indictment of the sincerity of any of the countless thousands of American citizens who have come in peaceable array to ask of Congress the passage of laws to correct, to punish, to protect, or to reward, when it is said that others have not always been wholly unselfish.

It is, I think, a momentous occasion worthy of thoughtful consideration when the citizenry of the country memorialize the Congress for the passage of legislation which cannot enrich or benefit any individual or group of individuals excepting as their heritage may be enriched in common with the heritage of every American worthy of the name.

I bring to you gentlemen today a petition for legislation signed by hundreds of thousands of American citizens in every section of the country.

It is not the memorial of the members of any one political party; it is not the memorial of a single patriotic group; it is a memorial of American citizens, in which the signers have joined even from far-away Alaska and the islands of the Pacific.

We could have presented, with honor and good faith, by the adoption of the usual commercial promotional methods, a memorial 10 times the size, with 10 times the number of signatures, written on this great memorial we are presenting

We preferred to present a memorial for which not 1 cent of money was expended to circulate, to publicize, or to promote

It is quite natural that the members of the Order of Elks as one unit of an aroused citizenry should exert themselves when the flag of the Nation, which is a most sacred symbol of their order—draped over every altar and flying from every lodge home—is assailed, and when aliens and citizens in increasing numbers are permitted to advocate that the Republic for which it stands and the Constitution that guarantees its existence shall give way, by force and violence or other unlawful means, to a form of government utterly at variance with American traditions, ideals, and needs.

It is not a mere figment of the imagination of overzealous patriots that a powerful, well-organized menace threatens the existence of our Government.

Since the termination of the World War, two Secretaries of State of the United States—one a Democrat and one a Republican—with full knowledge of the responsibility and significance of their utterances, have referred to the existence within the United States of a disciplined party created by and completely subservient to a foreign organization, and equipped with a program aimed at the overthrow of the institutions of this country by force and violence.

Two successive committees of the House of Representatives of the United States have made exhaustive investigations covering substantially the period beginning with the close of the World War and ending with the year 1934. Both investigations have confirmed with sworn testimony and documentary evidence the continued existence of a foreign revolutionary movement within the United States of America.

The president of the American Federation of Labor in a report submitted to the State Department of the United States Government in July of 1934, said in part: "The hunger marches, the street fights, the demonstrations before the city halls, the riots, and the protest gatherings are all training operations for the war to come. Thus, the reds have their cantonments engaging in practice, not with dummies but with American policemen and American civilian citizens. The aim in these preliminary demonstrations is to learn tactics, to grasp the technique of the kind of war that is expected to follow."

The people of the United States generally, I think, are unaware of the fact that there is no department of our Federal Government authorized, empowered, and financed to investigate and gather the facts so that our Government may be continually forearmed with knowledge of subversive activities

So dear to the hearts of American citizens, so deeply embedded in our traditions as well as our Constitution, are the principles of free speech and a free press that the well-meaning might properly criticize poorly considered legislative suggestions for the limitation of individual utterances or written publications.

I point to the fact that in the eight suggestions for legislative action embodied in this memorial each and every one is indissolubly bound to the idea of outlawing organizations, individuals, and publications advocating or acting for the overthrow of the Government of the United States of America by force or violence or other unlawful means.

I am not fearful that this Government will be overthrown, but I have in mind an editorial which recently appeared in a St. Louis newspaper relating to this memorial, which aptly said: "It is the American habit to put up with affairs until they become unendurable and then take much more drastic action than would have been necessary if earlier action were taken."

To wait much longer will be to wait until affairs are utterly unendurable.

I believe that already the disciplined strength of that organization referred to and denounced by former Secretaries of State and former committees of the House of Representatives has reached the point that it can and that it will, as it has promised to do, prevent economic recovery, unless the Congress of the United States

with courage enacts and executives with firmness administer well-considered laws.

Patriotic organizations such as ours are anxious to leave entirely to the duly constituted officers of our Federal Government the orderly and constitutional suppression of criminal attempts against our national life.

We should like to devote our patriotic endeavors exclusively to teaching respect for the law of the land, confidence in the men whom we elect to public office, and the inculcation of love of our country based upon an intelligent understanding of its true worth.

Mr. Vice President, to you, sir, I present, for the Senate, and Mr. Speaker, to you, sir, I present, for the House of Representatives, in separate volumes, the hundreds of thousands of signatures to the memorial to the Seventy-fourth Congress, which is the cooperative undertaking of the various units of the Benevolent and Protective Order of Elks of the United States of America, together with the American Legion, the National Junior Chamber of Commerce, and many other patriotic organizations.

May this memorial be considered an earnest of our abiding faith in the principle first enunciated by Thomas Jefferson that "the people can set right by the peaceable exercise of their elective rights" anything that may have gone wrong with this Nation, and the sentiment spoken by Abraham Lincoln that "among free men there can be no successful appeal from the ballot to the bullet."

To the Honorable Senate of the United States and to the Honorable the Speaker of the House of Representatives of the United States of America:

The undersigned citizens of the United States of America respectfully submit that individuals, alien and otherwise, have been permitted to develop within the United States organizations and activities aimed at the destruction of the United States Government by force and violence.

That the constituted authorities of the National Government may by lawful and orderly methods eradicate all subversive movements, we ask of the Congress of the United States the immediate enactment of legislation covering the following eight objectives:

First. Empower the Bureau of Investigation of the Department of Justice to investigate all subversive activities of individuals and organizations, alien or otherwise, seeking or planning the overthrow of our Government by force or violence or other unlawful means and to employ the usual investigational methods therefor. The Department of Justice should also be charged with the discretionary authority of publication of the truth about organizations and individuals engaged in subversive activities and supplied with sufficient funds and personnel to carry on the foregoing.

Second. Declare organizations which advocate the overthrow by force and violence of our Government to be illegal organizations and prohibit their existence in any territory under the jurisdiction of the United States.

Third. Declare it a felony for an individual to publicly or secretly advocate, promote, or encourage the overthrow or change of our form of government by force and violence, or to knowingly belong to any society, association, group, or organization which has for its object or one of its objects the advocacy or furtherance of the overthrow of the Government of the United States by force and violence or any unlawful means.

Fourth. Effectively close the United States mails to newspapers or other publications advocating, encouraging, or affiliated with any organization advocating or encouraging the overthrow of Government by force and violence.

Fifth. Prohibit the interstate transportation of newspapers or other publications advocating, encouraging, or affiliated with any organization advocating or encouraging the overthrow of Government by force and violence.

Sixth. Make clear the laws for the deportation of all aliens advocating the overthrow or change of our system of government by force and violence and make certain the impounding without bail of any such aliens pending deportation.

Seventh. Prohibit the entry into the United States of any individual who is known to advocate the overthrow or change of government by force or violence and clarify the law so that there can be no conflict of authority between departments of our Government in the execution of this law or regulations made under it.

Eighth. Provide for the revocation of the naturalization of any naturalized citizen who advocates the overthrow of our Government by force or violence.

CALIFORNIA PRODUCTS BENEFIT BY RECIPROCAL TRADE AGREEMENTS

Mr. BUCK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter from Dwight K. Grady, of the Dried Fruit Association of California, to the President of the United States.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. BUCK. Mr. Speaker, a short time ago I called to the attention of Members of the House the fact that under the Cuban reciprocal trade agreement exports of California products to Cuba had materially increased, in the case of one item, to seven times more than the value of exportations for a comparable period before the agreement was in existence. There could be no attempt to dispute these figures, for they are official. Nevertheless, one of the hidebound stand-pat organizations which are disseminating propaganda throughout California in an effort to wreck any fair approach to a sane solution of the international trade problem issued a statement belittling these figures by stating that a reduction of the tonnage figures to dollars represented a sum not much greater than the gross return on the carloads of winter vegetables which have been excluded from the eastern market by the competition of the peasant-produced vegetables of Cuba, which are now allowed into this country under a low seasonal tariff.

The recipient of such a statement or the casual reader who saw it reproduced in the newspapers would undoubtedly be led to believe that California vegetables had been excluded from eastern markets as a result of the Cuban trade agreement, or at least that the growers had suffered materially in price returns. Such is far from the case. The reductions in our import duties on Cuban perishables are seasonal only and apply to a very limited number of articles, practically none of which are of interest to California producers. The reductions on vegetables affect lima beans, white potatoes, tomatoes, cucumbers, egg plant, okra, peppers, and squash. The reduction period ranges from December 1 on all except peppers, which reduction starts on January 1, to periods varying from February 29 to May 31, the latter being the extreme limit in the case of lima beans. Imports of these articles from Cuba are consumed in the eastern seaboard market. They rarely reach the Middle West, and, as far as I know, never reach the far West. During the periods referred to above, California shipments of potatoes do not go east of the Mississippi River. Tomatoes are not grown in California during the period mentioned. They are imported from Mexico. Lima beans, cucumbers, egg plant, okra, peppers, and squash production is almost nil. In the comparable period before the agreement, December 1933 to February 1934, there were only 5 cars of lima beans shipped from California eastward, 2 cars of peppers and none of the other varieties, with the exception of some tomatoes in December 1933, which shipment occurred due to a very late season. In the same period after the agreement the same 2 cars of peppers were shipped east and 5 cars of tomatoes left California, the only decrease being the 5 cars of lima beans.

I am advised by the manager of the California Growers and Shippers Protective League that the prices realized this year for these vegetables, with the exception of Imperial Valley lettuce, on which no tariff reduction has been made, have been slightly better than last year. Cuban imports have not affected prices adversely. In spite of the fact that the New York prices of tomatoes, however, were very much higher during January and February 1935 than for the same months of 1934, the insignificant quantity of five carloads were shipped from California.

The accuracy of this statement, which was peddled to the press, and the high altruistic motives of the organization which peddled it, which would condemn the producers of California's fruits, the growers of its barley, its raisins, the canners of its sardines, its petroleum producers, to abandon all effort to continue and expand its foreign trade, can thus clearly be seen.

Those who are engaged in the actual production and distribution of perishable and semiperishable products of California are extremely grateful to the administration for the work that it has already accomplished in connection with the Cuban agreement, and for what we believe will eventuate in connection with other agreements. Important concessions have been given by Brazil, which have reduced her duties on sardines by 60 percent, on preserved fruits by 20 percent, on canned asparagus by 50 percent, and has agreed not to place duties on fresh fruits which are now on the free lists. Belgium made approximate reductions in duties as follows:

Honey, 30 percent; dried apricots, 25 to 30 percent; dried peaches, over 50 percent; dried pears, over 25 percent; prunes, 25 percent; sardines, 25 percent; canned fruits, over 25 percent.

The duty on fresh pears has been reduced from 1.7 cents per pound to 1.29 cents per pound; grape fruit, 8.9 cents to 4.3 cents per pound.

Fruit imports into Belgium from the United States under the items involved in these concessions amounted to nearly $1,200,000 in 1933. We anticipate a material increase in our exports and Belgian imports as a result of these concessions.

Let me conclude these remarks, which have been necessarily brief, and which I intend to expand to cover other trade situations when the opportunity presents itself, by including a copy of the letter written by Dwight K. Grady, vice president of the Dried Fruit Association of California, to President Franklin D. Roosevelt, which is indicative of the true sentiments of producers of California:

SAN FRANCISCO, CALIF., *March 16, 1935.*

The PRESIDENT,
White House, Washington, D. C.

SIR: The members of this association, who pack more than 95 percent of the entire dried-fruit production of this State, wish to take this means of recording with you their approval of and appreciation for the treatment accorded American dried fruits in the recently signed reciprocal agreement between the United States and Belgium.

The members of this industry recognize the very real significance of the tariff concessions granted to dried fruits by the Belgian Government and express the belief that these concessions substantially modify the effect of influences formerly very restrictive upon our commerce with Belgium.

We wish to take this means further of expressing our conviction that this agreement and others like it which may be made with other European countries can do much to bring about a restored equilibrium to this country's world commerce in Pacific coast horticultural products.

We should like to further point out that, since approximately 50 percent of the dried-fruit production on the Pacific coast is dependent upon export outlets for its market, a restoration of this trade can do much to stimulate agricultural rehabilitation in California and other Pacific coast States. The annual production of dried fruits on the Pacific coast exceeds 550,000 tons, and represents approximately 2,000,000 tons of fresh fruits. The successful marketing of these crops annually, therefore, can lead to a stabilization of the entire Pacific coast deciduous fruit operation.

May we also take this opportunity of expressing the hope that reciprocal negotiations with other European countries will be carried forward expeditiously and toward a rapid consummation of equally beneficial trade agreements.

I have the honor to remain, sir,

Your most obedient servant,

DRIED FRUIT ASSOCIATION OF CALIFORNIA,
DWIGHT K. GRADY, *Vice President.*

CONSTRUCTION OF PUBLIC WORKS

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 169.

The Clerk read as follows:

House Resolution 169

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 5576, a bill to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. O'CONNOR. Mr. Speaker, there is no desire on either side of the aisle to debate this resolution, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. VINSON of Georgia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5576) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5576, with Mr. WILCOX in the chair.

The Clerk read the title of the bill.

Mr. VINSON of Georgia. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON of Georgia. Mr. Chairman, I yield 15 minutes to the gentleman from Virginia [Mr. DARDEN].

Mr. DARDEN. Mr. Chairman, I shall not trespass long on the time of the House. This is an authorization bill for shore station construction of the Navy. It is made necessary by the increase in our fleet and the necessity of repairing many of our present facilities. The bill speaks for itself, and I shall review it very rapidly. The report which accompanies it gives detailed information in reference to each item. The time allotted me requires that I touch on only the more important features.

The first item is a small expenditure for the Boston Navy Yard to house the marine guard. The present building is temporary. The maintenance cost is high, and it is proposed to replace it with a permanent structure.

The next item is a storehouse and accessories building, $800,000, for the Mare Island, Calif., base. At present we are storing our supplies there in approximately 60 buildings, many of them of a temporary nature and unsuited for the purpose. The supplies are very valuable. This is not feasible nor is it economical. Our purpose is to replace these buildings with one modern fireproof structure, costing, roughly, $800,000.

We also want to build at Mare Island a graving dock, services and auxiliary construction, costing approximately $3,500,000. Our docking facilities on the Pacific coast are inadequate.

During the past 10 years numerous studies have been made as to the maximum docking requirements in San Francisco Bay to meet the mobilization requirements as laid down by the Department for the docking of the United States fleet preparatory to a primary naval movement. In addition to the requirements for the docking of naval vessels, there is introduced a second factor brought about by the necessity for the rapid alteration and conversion of merchant shipping for use as naval auxiliaries. From the results of studies made along the above-mentioned lines, the indications are that there is a shortage of 14 docks in the San Francisco area to satisfactorily meet the docking needs of the fleet. In arriving at the number of docks required, all docking facilities, both commercial and Government-owned have been considered.

A report of the inspecting officers for battleships on the Pacific coast section states:

Lack of sufficient time in drydock is a contributing cause to many of the unsatisfactory conditions found during material inspections. This is believed largely due to the lack of sufficient drydocks on the Pacific coast. In order properly to maintain satisfactory material conditions of naval vessels, more drydocks should be provided on the west coast.

The third item is a time-signal station building and accessories, costing $35,000. The present building is a temporary structure. It houses very expensive time-signal devices and it is necessary that it be replaced with a modern fireproof building.

The next item deals with the navy yard, Puget Sound, Wash. The Puget Sound Navy Yard is the main repair yard for the capital ships of the battle fleet when located on the west coast. There are at present two drydocks at this yard, one of which has capacity for the capital ships; the other being limited to the smaller vessels of the fleet. The docking and routine repairs are of such volume that it is impossible under present conditions to allow sufficient time in dock for the thorough drying out of inner compartments preparatory to repainting. The statements relative to the preceding item are equally applicable to the Puget Sound Navy Yard. An additional dock will materially relieve the congestion and will overcome to a large extent the difficulties in inner-hull

repairs by allowing a longer stay of the ships in dock with the consequent result that the inner sections can be thoroughly dried before protective painting is proceeded with.

This project contemplates the construction of a concrete drydock at the Puget Sound Navy Yard capable of taking any vessel which can pass through the Panama Canal. This yard is admirably suited to dock construction by reason of the fact that foundation conditions are such that piling is not necessary.

The next items are for Pearl Harbor, Hawaiian Islands. The largest authorization provides for the construction of a floating drydock at a cost of $10,000,000. This item contemplates a closed-end floating dock of the general type of the *ARD–1*, recently completed and now with the fleet on the west coast. The *ARD–1* was built to test the possibilities of this type of dock, and it has been so successful in its preliminary tests as to warrant the construction of such a dock of a larger size. This new dock will accommodate the largest battleships, the aircraft carriers *Lexington* and *Saratoga*, and all other ships of the fleet, singly or in groups.

The dock will be equipped with duplicate Diesel electric power plants for the operation of its own machinery and will be self-contained in every way except that it will not be self-propelled, dependence being placed instead on towing for mobility. Suitable crew's quarters will be provided on the dock, together with steering mechanism, a full complement of shops for the various classes of repair work, and weight, ship handling, and other facilities will be of a type suitable for the classes of ships to be accommodated in the dock. A stern gate will be provided for economy and speed in docking.

The dock is urgently needed because of our general lack of properly equipped advanced bases, and for this reason the item has been designated by the Chief of Naval Operations as no. 1 on the Navy's priority list of new construction.

There is also authorized the construction of a smaller floating dry dock, commonly known as "type D", to cost $750,000. A somewhat similar dock has been in use in the Hawaiian Islands for some time and has proven very satisfactory.

The remaining expenditures which are authorized for the Hawaiian Islands are made necessary by the expansion of cur naval activities in the Pacific. A power plant, building, and accessories, $500,000.

The constantly increasing demand for power at Pearl Harbor and the extent of the additional load anticipated in connection with the repair basin and other projects under the development plan will require power-generating capacity beyond the capability of the present power plant.

The present plant is old, inefficient, and the boilers, turbogenerators, and air compressors, besides having insufficient capacity, involve constant expensive maintenance charges which not only increase the cost of all forms of power but in addition cause a severe drain on the appropriation, "Maintenance, yards and docks", in providing for extensive overhaul and repair. The condensing water facilities are insufficient for any appreciable increase in the load and facilities for expansion to provide additional space are limited.

The commandant of the fourteenth naval district recommends that the power-generating facilities be increased.

COLD-STORAGE PLANT, BUILDING, AND ACCESSORIES, $595,000

This item contemplates the construction of a new cold-storage plant, ice-freezing equipment, and refrigerating machinery for the naval operating base to store food supply for the fleet. The present plant is old, worn out, and inadequate for the yard's requirements at present. It was installed in 1915. The lay-out contemplated will have a daily capacity of ice of 72,000 pounds and approximately 530,000 cubic feet of refrigerated storage space.

INDUSTRIAL SHOP BUILDING AND ACCESSORIES, $1,400,000

The repair basin with its wide slips, pier, quay walls, and crane facilities is primarily for repair work on large ships. Shore shop facilities for ship-fitters' work, sheet-metal work, forging, rigging, pipe work, electrical work, boiler manufacture and repair, and so forth, are required for the proper execution of repair work. The existing shops for this work are inadequate in size and arrangement to properly take care of this increased work load. In addition, these shops are located on the westerly waterfront near the drydock where ship-repair work has heretofore been done. Even if the present shops had sufficient capacity and facilities to care for the increased amount of work, their location is too far away from the new center of activities to permit economical handling of the work. In particular the present shipfitters' shop is entirely inadequate. The proposed project contemplates the construction of a modern, well-lighted and ventilated building suitable for tropical climate, at the head of the new basin, for structural sheet metal, boiler, and forge shops and the construction of three smaller shops for electrical, pipe, and copper work and galvanizing activities. These buildings will provide adequate facilities properly laid out and arranged for all the industrial work mentioned above not only for the normal work load but also for emergencies.

BARRACKS AND MESS HALL FOR ENLISTED MEN, $225,000

This project contemplates the construction of a three-story barracks building 240 feet long by 52 feet wide, plus a gallery annex approximately 40 by 50 feet in area, with capacity of housing 220 men plus 30 chief petty officers.

There is very great need for a building to house enlisted men who live in improvised quarters in the navy yard without proper messing facilities. In addition to the enlisted men performing navy-yard duty, boat crews, musicians, and so forth, there are frequent occasions when considerable numbers of crews of submarines undergoing repairs must be temporarily accommodated for long periods of time.

The next two items are for the naval station at Balboa, Canal Zone.

QUARTERS FOR OFFICERS, $176,500

An appropriation was made for the fiscal year 1931 for quarters for the commandant and four officers. This project contemplates 13 additional officers' quarters.

No Canal Zone quarters are available for Navy personnel attached to the district, who, consequently must live in Panama or in the Hotel Tivoli in the Canal Zone. Suitable residences in Panama are scarce and expensive, and hotel accommodations are beyond the means of the average officer.

STOREHOUSE AND ADMINISTRATION BUILDING AND ACCESSORIES, $200,000

This project contemplates the construction of building or buildings to house the district headquarters and storehouse of the Fifteenth Naval District. The district now occupies a portion of the third floor of the Mechanical Division Office Building of the Panama Canal, rented for $3,000 per year. The space is entirely inadequate, crowded, and is not conducive to the highest efficiency nor does it permit the concentration of all district headquarters activities. The tenure is uncertain as the Navy can be required to vacate at the end of any lease year.

NAVAL STATION, TUTUILA, SAMOA

Quarters for chief petty officers, $48,000

The need for suitable quarters for married chief petty officers is clearly set forth by the following extracts quoted from official correspondence:

> The commander in chief, battle fleet, suggests the desirability of provision at Samoa for quarters for married chief petty officers and petty officers first class. The voluntary character of duty at Samoa should be maintained as a matter of good business and because of effect in station morale.

NAVAL TORPEDO STATION, NEWPORT, R. I.

Carpenter shop building and accessories, $80,000

The present carpenter shop is a two-story wooden structure supported on piles. It is 28 years old and in danger of collapse because of extreme deterioration of the piling and superstructure. It is also a serious fire hazard. The building has been condemned except for very limited use. Replacement with a structure of permanent construction is urgently necessary.

It is proposed to house in the new building both carpenter shop and a machine shop, the latter for the overhaul of motor-boat engines and other general maintenance work. Certain new equipment will be required to augment the equipment now in use.

NAVAL PROVING GROUND, DAHLGREN, VA.

Purchase of land for safety zones, $22,000

In view of the occasions on which fragments of projectiles have fallen at considerable distances from the plate battery butts, in some instances outside of the proving-ground territory, it is necessary that approximately 288 acres of land be purchased for reasons of safety to civilian population, and to obviate any possibility of damage suits arising in the future.

Quarters for officers, $100,000

The need for additional family quarters for commissioned and warrant officers at this station is urgent. At present, two commissioned officers and all the warrant officers are living in small cottages designed and built for chief petty officers. Another commissioned officer is living in an old farmhouse on the reservation. These living accommodations are inadequate in size and unsuitable in all other respects. Officers detailed to this station, even for temporary instruction, are obliged to live on the reservation because of its isolation and the nonexistence of houses to rent.

This project contemplates a four-family apartment house and five single houses.

NAVAL AMMUNITION DEPOT, PUGET SOUND, WASH.

Industrial building and accessories, $100,000

Covers a fireproof building to replace nine temporary buildings of small value which now require high annual expenditures for maintenance and repairs. The new building will provide for centralization of industrial activities in one building well adapted to the purpose, and remove several existing fire hazards. This will promote economy due to more efficient handling of ammunition containers, and will reduce operating and maintenance costs. The building will include heating plant to serve itself and six other buildings in the immediate vicinity.

NAVAL AMMUNITION DEPOTS, BALBOA AND COCO SOLO, CANAL ZONE

Ammunition storage facilities, including building and accessories, $2,000,000

The only present storage for naval ammunition and explosives in the Canal Zone is located at the submarine base, Coco Solo. This storage consists merely of 1 magazine 50 by 162 feet, and 3 small buildings about 10 by 10 feet. The capacity is inadequate even for the submarine base alone, and a serious explosive hazard exists by reason of the location within the base and the character of construction. The Navy has thus been prevented from storing at Coco Solo or elsewhere in the Canal Zone the ammunition necessary for the forces based there, and has had to bring back to the United States a part of the high explosives formerly stored at Coco Solo, in order to decrease the peace-time hazard.

Storage facilities are essential for reserve ammunition for fleet forces which would be based on the Canal Zone and for the ready issue of ammunition to the submarine base and the air station at Coco Solo. There is not available on present naval reservations the area required for storage which will meet the safety standards of House Document No. 199, Seventieth Congress.

NAVAL TRAINING STATION, SAN DIEGO, CALIF.

Trade school and auditorium buildings and accessories, $475,000

This project contemplates a new, detached, fireproof building of three wings, comprising approximately 120,000 square feet of floor space for classrooms and auditorium for seating approximately 1,000, and general and administrative offices, together with all connecting arcades and permanent fixtures complete.

The general educational training of recruits and the advanced technical training of enlisted men in the various trades constitute two of the basic objects of the training station. These objects cannot be efficiently accomplished unless the station is equipped with permanent school facilities properly designed and adequate for the purpose. To date no school facilities as such have been provided for this station, all such facilities being entirely improvised, using the old Winchester Building, which was originally a block of small stores taken over since the station was first occupied, and also various scattered dormitories in the main barracks group. The Winchester Building is an old, cheaply constructed structure in an advanced state of general deterioration, and is poorly lighted, heated, and ventilated and improperly arranged for use as a school. The building is unsightly and badly located, and should be surveyed and dismantled. It is totally unfit for use as a school building.

Mr. BURNHAM. Mr. Chairman, will the gentleman yield?

Mr. DARDEN. Yes.

Mr. BURNHAM. That old Winchester building was never intended for use at the naval training station. It was a small 1-story building about 25 by 40.

Mr. DARDEN. It was utilized because nothing else was available.

Mr. BURNHAM. Yes; it happened to be on the ground.

Mr. DARDEN. The $120,000 for the fleet school building and accessories contemplate a new, detached fireproof structure, approximately 132 by 66 feet, with all service connections and fixtures, complete and ready for use as a torpedo school.

SUBMARINE BASE, PEARL HARBOR, HAWAII

Quarters for officers, $95,500

This project provides for the construction of seven sets of quarters for married officers attached to the submarine base. In view of the lack of space on the submarine base, the quarters will be located on the navy yard in the officers' quarters section. This is new construction, no previous facilities having been provided. No quarters whatever are provided at the submarine base for officers. It is essential for administrative purposes to provide quarters for the commander of the submarine base, executive officers, and other heads of departments. All officers attached to the submarine base receive commutation for quarters and find it necessary to occupy houses in Honolulu, approximately 10 miles from their commands. A considerable saving will result from the construction of these houses, and a greater degree of efficiency and executive administration will result.

SUBMARINE BASE, COCO SOLO, CANAL ZONE

Replacement of buildings and accessories, $2,534,500

The submarine base, Coco Solo, was built in 1918 as a war emergency measure, by the Panama Canal. Practically all the structures composing the base are of wood construction. Termites and teredos have so invaded and damaged the buildings and water-front structures that they are no longer safe. Immediate maintenance costs to keep the buildings at all usable are so high as to be greatly out of proportion to the value of the structures themselves. The submarine base is one of the most essential portions of the Navy's defense of the Panama Canal, and is of the utmost military importance.

NAVAL AIR STATION, NORFOLK, VA., $500,000

Barracks and mess hall for enlisted men, $500,000

The existing barracks are of emergency war-time frame construction, in poor condition, requiring excessive maintenance costs. Their usable life is estimated to be only 2 or 3 years, and replacement with modern buildings of permanent construction to house 1,000 men is urgently needed.

The existing mess halls are of emergency war-time construction similar to the barracks, and are in urgent need of replacement. This item will provide a permanent mess-hall unit, including galley equipment, capable of accommodating a total of 1,500 enlisted men.

The buildings were constructed in 1918 of so-called "3-year construction." They have been in constant use now for 16 years and the funds expended for their upkeep have been a heavy drain on current maintenance appropriations. These appropriations have been so reduced that it is extremely difficult to keep these buildings habitable. The construction of these buildings will accomplish another thing. It will allow us to enlarge our present air field. The field now in use is not large enough to accommodate the planes of the *Saratoga* and the *Lexington* at one time with any degree of safety.

The construction of this new building and the tearing down of some of the old war-time structures will give us additional space. It will not give as much space as is needed but it will help.

NAVAL AIR STATION, PENSACOLA, FLA.

As we all know, we have for many years done all of our naval aviation training at Pensacola. It is an admirable station.

For the past several years the Navy Department has been seriously concerned over the situation that exists at the naval air station. This station was originally established as a navy yard more than 100 years ago and it was designated as the Aviation Training School for the Navy in 1914. It has been and is now necessary to conduct this important and expanding work with plant facilities of extreme inadequacy and under conditions most improper from the standpoints of efficiency and economy. For the most part the principal buildings occupied are those of the old navy yard with temporary war-time structures inserted where available space would permit. The result is a haphazard arrangement of unsuitable buildings, the great majority of which are improperly adapted for aircraft work. All of the aviation training for the Navy, including both primary and advanced, landplane and seaplane, and ground and flight courses are conducted at this station. This work necessitates the employment of approximately 200 aircraft, 1,100 officers and enlisted men, including students and 750 civilians for administration operations, repair, and maintenance. Ample space on Government-owned property is available and a comprehensive plan for the reconstruction and modernization of this station has been worked out and should be proceeded with.

Barracks and mess hall, $650,000

This item covers the replacement of existing temporary and worn-out personnel buildings with modern sanitary buildings. This item contains two subitems.

(a) Two 500-man barracks are necessary to replace two large temporary barracks (war-time wood construction) which are in poor structural condition, expensive to maintain, and extremely difficult to keep in a sanitary and vermin-free condition. The existing buildings are in such a bad structural condition that the cost of structural repairs during the current fiscal year will be in the neighborhood of $25,000. The two new buildings will provide about 800 cubic feet of room space for each man in the dormitory, this liberal allowance being necessary in the semitropical climate of Pensacola.

(b) Two mess halls, galley, and bakeshop are necessary to replace the mess hall and galley now housed in Building No. 238 and the bake shop in Building No. 263. Both of the above existing buildings are temporary wood-frame structures which are in the same general condition as the existing barracks mentioned above.

Mr. SEARS. Mr. Chairman, will the gentleman yield?

Mr. DARDEN. Yes.

Mr. SEARS. Modesty would perhaps prevent my colleague from stating what I would like the RECORD to show, that he received his air training at the naval air station at Pensacola during the World War. He is speaking with personal knowledge of what he really knows of Pensacola and the needs there.

Mr. DARDEN. I thank the gentleman. It is very necessary that this station be built up. It is unfortunate that this bill does not carry a larger authorization, because the station is in great need of many repairs and improvements.

Assembly and repair shop, $675,000

The assembly and repair activities now are housed in a variety of buildings. Some—105, 2, and 108—are of flimsy construction, now deteriorated, requiring replacement in the near future. Others—1 and 38—are permanent buildings, but old, requiring expensive upkeep and poorly adapted as regards size and arrangement, for assembly and repair activities. The remaining buildings are modern, but not efficiently located and proportioned for assembly and repair activities, besides being desirable for other purposes. Repairing, replacing, and extending present shop buildings and rearranging shop activities would require heavy expenditures without providing an efficient shop arrangement or adequate modern shop facilities.

This project contemplates a one-story building with mezzanine, about 300 by 460 feet in size, to replace above facilities.

Quarters, student officers, $500,000

Student officers' quarters and mess hall and galley are at present very old wooden structures which are unsatisfactory and will be entirely unsuitable for use within a comparatively short time. In addition, these buildings must be removed to make way for the extension of the station field. This item would provide the foregoing accommodations for about 120 student officers ordinarily and 180 in an emergency. It is most essential that all officers, so far as practicable, be quartered on the station. The station is nearly 9 miles from town and necessarily is a separate entity. Station officers should be available at all times for their necessary duties which extend into night operations and emergencies of various sorts. Students should be quartered on the station for proper discipline and training.

Quarters for officers, $300,000

There are at present 2 apartment buildings for junior married officers, containing a total of 8 apartments. These buildings are of temporary construction, are badly deteriorated and are in the area scheduled for the development and expansion of the station field. The recommended apartments for junior married officers will accommodate the average maximum number of junior married officers attached to the station. These, as in the case of senior officers and station bachelor officers, should, so far as practicable, live on the station, in view of the long distance to town and the frequent demands on various officers outside of normal working hours.

The proposed buildings will consist of 6 four-family apartment houses, housing 24 officers.

Quarters for senior officers, $253,000

This project contemplates the construction of 18 sets of single quarters for the commanding officers of the air station, department heads, and senior instructors. These officers are now required to live in Pensacola, some 7 miles distant, requiring considerable loss of time in transportation, or in old quarters which have been enlarged from Civil War constructed servants' quarters. These quarters are obsolete and should be replaced with modern accommodations in keeping with the proposed new development of the station.

General storehouse, $500,000

At present materials and equipment are stored in various structures scattered throughout the station, many of these structures being temporary in nature, all of which involves unwarranted risk from fire, increases the expense of storage and issue, and prevents proper administration of supply activities. This project will provide a four-story reinforced concrete and brick storehouse building approximately 180 by 360 feet in size in a central location, and its provision will correct the unsatisfactory situation that now prevails there.

Hangars, $160,000

This project contemplates the provision of two land-plane hangars, each 110 by 160 feet in size, which are required to house operating planes at the landing field which is proposed to be extended. These new buildings will replace two old temporary structures just south of the field which are entirely unsuitable for the purpose and which will have to be dismantled before the field can be extended.

NAVAL AIR STATION, SAN DIEGO, CALIF.

Aviation facilities and rifle range, including buildings and accessories, San Nicolas and San Clemente Islands, $247,000

This project contemplates the development of either San Nicolas Island or San Clemente Island, to provide certain temporary aviation facilities, which will permit the aircraft squadrons of the fleet to carry out aerial bombing and gunnery exercises without the restrictions or hazards imposed by the highly congested air conditions now existing in the vicinity of North Island.

Galley and mess hall for enlisted men, $300,000

The present galley and mess-hall facilities at the naval air station are inadequate for the number of men attached

to the station, fleet, and other aircraft when based on this station. Much of the present galley and bakeshop equipment is old, requiring frequent repairs, and will soon reach the point where further repair will not be economical. The present bakeshop, butcher shop, and refrigerating rooms are located about 200 yards from the galley and mess hall, which arrangement is very unsatisfactory and necessitates the transportation of meats prepared for cooking, bread, pies, and pastry to galley and mess hall on special hand trucks.

Barracks for enlisted men, $300,000

This project contemplates a new, detached, two-story, fireproof building of approximately 55,000 square foot floor area, together with service connections, permanent fixtures, connecting arcade, and passages to make it complete and ready for use as a barracks.

Hangars, $360,000

This project contemplates the construction of 3 new, fireproof, sea-proof, seaplane hangars, with all service connections and permanent facilities to make them complete and ready for use in housing 18 patrol planes or 3 squadrons.

The need for additional hangars is urgent, as 7 planes now operating from this station and 2 additional squadrons of 12 patrol planes which are expected to base here in 1936 will be without covered storage space unless these additional facilities are provided within the next year.

From an economic standpoint, it is very expensive to let patrol planes stand in the open the year round.

General storehouse building and accessories, $300,000

The necessity for this structure is acute, since all available storage space is utilized, and, in addition, it has been necessary to assign several hangars for supply depot uses. The project has been specially urged by the commanding officer and the commandant of the Eleventh Naval District, and it is recommended with high priority by the Bureau of Supplies and Accounts and Bureau of Aeronautics.

Aircraft storehouse building and accessories, $140,000

Storage space at the naval air station, San Diego, is now at a premium for both general and technical stores to such an extent as to interfere with current operations. With the treaty Navy increase in aircraft, storage space will have to be more than doubled.

Quarters for bachelor officers, $200,000

This project contemplates the construction of a new, detached, fireproof, two-story building of approximately 40,000 square feet floor area, together with all service connections and permanent fixtures, and an addition and improvements to existing quarters "F" to provide for mess attendants' quarters and additional galley and mess facilities for officers.

On account of the increase in station activities, the number of officers housed and messed at the bachelor officers' quarters far exceeds its original designed capacity.

FLEET AIR BASE, PEARL HARBOR, HAWAII

Barracks and mess hall for enlisted men, $587,500

This project provides a new barracks building of fireproof construction for the housing of 800 enlisted men who are regularly assigned to this base. At the present time the enlisted men are housed in a two-story wooden building, which is rapidly deteriorating. Repairs to the building would be uneconomical in the near future. The present building constitutes a serious fire hazard and the early construction of a new and modern fireproof building is an imperative necessity.

The project further provides a building of fireproof construction for the adequate messing, galley, and storeroom facilities for the 800 men assigned to this base. The present mess hall is contained in a wooden building which is rapidly deteriorating, due to the ravages of termites and the normal wear and tear of the weather.

Quarters for officers, $216,000

This project contemplates the construction of 16 detached sets of quarters for married officers attached to the fleet air base. There are approximately 50 officers on duty at this base, and there are only quarters for 3 married officers. New quarters should be provided at the earliest practicable date, as the base is isolated and the distance to Honolulu, where most of the officers live, is too far for convenient commuting. The savings in rental allowances now paid officers not quartered on the station will amount to approximately $20,000 per year, so that the project would almost be amortized in 10 years.

Quarters for chief petty officers, $180,000

This project contemplates the construction of quarters for 24 chief petty officers.

There are at present only nine sets of quarters for chief petty officers with families, which are home-made affairs made from lumber from old airplane crates, and so forth. Proper quarters should be provided for as many chief petty officers as possible, owing to the great difficulty they have in finding suitable living places in the vicinity of Pearl Harbor, within their means. The presence of chief petty officers on the base at practically all times is a great advantage from many points of view, including emergency flight operations, which are frequently called for.

FLEET AIR BASE, COCO SOLO, CANAL ZONE

Hangar, $195,000

With the additional hangar now under construction at the fleet air base, Coco Solo, there still remains shortage of hangar space for planes assigned and proposed for assignment to the base. Due to climatical conditions, it is considered essential that all planes be kept under cover to prevent deterioration, requiring excess maintenance and overhaul. Due to the strategic location of this base, it is of the utmost necessity that all planes be kept in a high state of repair and readiness at all times, and the housing of planes under cover will greatly aid in material readiness of planes. This project contemplates the construction of a hangar 330 by 160 feet, located adjacent to the hangar now under construction and forming an additional unit of the new fleet air base facilities. Space is available for its construction, and work can be proceeded with almost immediately.

MARINE BARRACKS, QUANTICO, VA.

Quarters for officers, $1,050,000

This project contemplates the construction of additional apartment houses, three stories high, with attic and basement, approximately 31 by 96 feet, of brick and concrete construction, identical with those constructed about 1929. Each building will provide six apartment houses suitable for officers up to and including the rank of captain. These will provide seriously needed activities for officers on duty at the barracks for whom no accommodations are now available, and also will replace deteriorated temporary frame structures hastily constructed during the early days of the post.

Quarters for noncommissioned officers, $981,000

This project contemplates the construction of 20 three-story brick and concrete buildings of 6 apartments each to make available 120 apartments for noncommissioned officers. There are now at Quantico 93 sets of quarters for marine noncommissioned officers of the first 3 pay grades. Eighty-eight of these are in old, converted, two-story barracks buildings, which were of indifferent construction in the beginning, and were converted into quarters by station labor. These quarters are mere makeshifts, and do not compare favorably with slum tenements. They have been used because nothing better was available. All of them are occupied. Even though the proposed new buildings be constructed, the number of marine noncommissioned officers entitled to quarters is so great that some of the temporary buildings will still have to be used. The situation, however, would be very greatly relieved by the new buildings, the need for which is regarded as most urgent.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. DARDEN] has expired.

Mr. VINSON of Georgia. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. DARDEN. I yield.

Mrs. ROGERS of Massachusetts. Was there a sum of $22,000 for the Boston Navy Yard?

Mr. DARDEN. Yes.

Mrs. ROGERS of Massachusetts. Is that all that was asked for?

Mr. DARDEN. It is not all that was asked for, but that is all that could be given. It contemplates barracks for the Marine Corps.

Mrs. ROGERS of Massachusetts. It does not seem fair that so much more has been given to other parts of the country.

Mr. DARDEN. That is true; but practically all of this money is being spent on the west coast, the Hawaiian Islands, and in the Canal Zone, because we felt it is needed there. It is primarily a national-defense bill. We are authorizing the expenditures where we felt it is absolutely necessary.

Mrs. ROGERS of Massachusetts. Would the gentleman not be willing to give more to Massachusetts?

Mr. DARDEN. I personally would be delighted to see Massachusetts have a great deal more, but under the circumstances I do not think we could. I felt the same way about my own station at Hampton Roads. Hampton Roads is badly in need of new construction.

Mrs. ROGERS of Massachusetts. Ours is the smallest amount.

Mr. DARDEN. Yes; that is true.

Mr. MILLARD. Will the gentleman yield?

Mr. DARDEN. I yield.

Mr. MILLARD. Is it not true that we are going to take our committee up the Atlantic coast in the future?

Mr. DARDEN. Yes.

Mr. VINSON of Georgia. The committee will inspect the naval activities in Massachusetts after the national defense has been fixed up on the west coast. Then we hope we will be justified in making expenditures on the east coast; but it is highly important from the standpoint of national defense that this authorization bill go through just as early as possible.

Mrs. ROGERS of Massachusetts. And perhaps within a month the committee will consider the other?

Mr. VINSON of Georgia. That is true.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. DARDEN. I yield.

Mr. MARCANTONIO. What is the attitude of the Secretary of the Navy with regard to these additional navy yards?

Mr. DARDEN. He is in hearty accord with these authorizations.

Mr. MARCANTONIO. I have a statement before me dated March 1, in which the Secretary states as follows:

> The Navy does not need or want any more money put into navy yards other than what is required to fill its peace-time needs. There are now more navy yards in existence than the legitimate needs of the fleet require, yards which for years the Navy has been trying to close, but without success.

Mr. DARDEN. What the Secretary means, I think, is that he does not contemplate the building of additional yards. There is nothing in this bill looking to that end. It is simply to improve some of the yards and stations now in use.

Mr. MILLARD. This bill is not an appropriation bill.

Mr. DARDEN. It is an authorization bill, but, of course, expenditures will of necessity follow. I regret that I have no further time. I refer you to the report for additional information.

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I yield myself 2 minutes.

Mr. HULL. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. HULL. If it is not contemplated that we are going to make appropriations for these items, why make the authorization? Is this just a gesture?

Mr. VINSON of Georgia. I will state it is to be hoped the appropriations will be made for each of these items.

Mr. HULL. When?

Mr. VINSON of Georgia. Whenever the Appropriations Committee has an opportunity to take up these matters.

Mr. HULL. Almost immediately?

Mr. VINSON of Georgia. Well, I do not know whether it will be this session of Congress or not. It must be done in the near future.

Mr. HULL. How many of these projects come under the provisions of the work-relief bill, under the Borah amendment? How many of them can be worked in on work-relief funds?

Mr. VINSON of Georgia. I doubt very seriously whether any money would be made available for this under the $4,000,000,000 appropriation.

Mr. HULL. But under the Borah amendment, is there not a provision in there that allows just this kind of work to be carried on, in this country in particular?

Mr. VINSON of Georgia. If it is, it will be done; but if not, then Congress will make the appropriation.

Mr. HULL. Mr. Chairman, will the gentleman yield for one more question?

Mr. VINSON of Georgia. Certainly.

Mr. HULL. I am wondering if Congress really will have anything to say about making the appropriation, when we get down to brass tacks about the matter.

Mr. VINSON of Georgia. The gentleman will have ample opportunity either then or now to make any comment he sees fit.

Mr. Chairman, I yield to the gentleman from California [Mr. BUCK] such time as he may desire.

Mr. BUCK. Mr. Chairman, I desire to speak particularly on behalf of the authorization contained in this bill for the improvement of storehouses and the building of a new drydock at Mare Island. Need for storage facilities and a new drydock there have been amply demonstrated by the gentleman from Virginia.

I desire to speak particularly of the authorization for the storehouses and a new drydock at Mare Island Navy Yard. The storage facilities there are now contained in some 60 structures of a temporary nature and unsuited for use as storehouses, making the storage problem at this yard extremely expensive and inefficient. This project contemplates the construction of an eight-story reinforced concrete structure, located in the central part of the yard, for the storage of industrial stores used within the yard proper. The construction of this building will coordinate the storage activities, will greatly add to the efficiency of the supply activity, and will remove valuable stores from temporary inflammable houses in which they are now located, and will concentrate the industrial stores of the yard in one structure for quick and efficient distribution to the yard activities.

The need for an additional drydock at Mare Island Navy Yard has been recognized for some time past. In the hearings before the committee on this bill Admiral Smith called attention to the lack of commercial or naval docking facilities on the Pacific coast. While the hearings were confined to the question of an additional dock at Puget Sound, Admiral Smith showed conclusively that additional facilities in and about San Francisco Bay were necessary. I do not for a moment contend that this additional dock is the only additional facility of its kind that would be necessary in time of war or advisable even now, but it is one that I feel is urgent to authorize. As previously stated by the gentleman from Virginia, there is a shortage of 14 docks in the San Francisco area.

Since the fleet has been in Pacific waters there has been an increased demand for drydock facilities at available navy yards. Puget Sound and Mare Island are the only naval establishments providing these facilities. The naval vessels assigned for repair and overhaul to the Mare Island Navy Yard consist of heavy and light cruisers, destroyers, submarines, submarine tenders, auxiliaries, aircraft carriers, tankers, cargo ships, transports, and so forth. Generally speaking, the mean draft of the heavy cruisers is 19 feet 6 inches. The U. S. S. *San Francisco* when leaving the yard fully loaded drew 23 feet mean draft. The light cruisers draw about 18 feet mean draft; the submarine tenders and ships of the *Whitney* and *Dobbin* class draw about 24 feet mean draft; the aircraft carriers draw a maximum of about 24 feet 6 inches mean draft; the *Arctic* and tankers, fully

loaded, draw 26 feet 5 inches mean draft, which is the maximum of vessels now assigned for repair and overhaul to Mare Island Navy Yard. The controlling depth between San Francisco Harbor and Mare Island is that of the channel of Mare Island Strait. Pinole Channel has a project depth of 35 feet at mean low water. At the present moment, since the completion of the dredging in December 1934, the Mare Island Strait average channel depth is 33 feet, sometimes being even 41 feet, with a minimum depth of about 30 feet. All vessels assigned to Mare Island Navy Yard have traversed this channel safely and without any concern to naval authorities. The extension of Dike No. 12, authorized with P. W. A. money, has provided additional assurance against shoaling, and the Army engineers are prepared to keep Pinole Channel and Mare Island Strait open to the depth necessary to provide adequate access to this additional drydock. Even as the channel exists at the present time there is at least 8 feet of water at mean low-water datum below the bottom of the heaviest loaded vessel coming into Mare Island Navy Yard; that is, tankers completely loaded.

The actual overhaul and repair schedules require that additional facilities be completed at the earliest possible moment. I submit herewith a table showing the number of vessels docked at Mare Island and Puget Sound during the fiscal years 1930 to 1934, inclusive, and since then Mare Island. I have not the later figures for Puget Sound.

Location	Fiscal years—				July 1934 to date
	1	1932	1933	1934	
Mare Island DD no. 1	25	23	37	27	30.
Puget Sound DD no. 1	17	40	32	25	Not known.
Mare Island DD no 2	86	80	90	91	46
Puget Sound DD no 2	40	12	18	20	Not known.

The dockings in Drydock No. 1 at Mare Island, a 459-foot dock, are compared with those in Puget Sound Drydock No. 1, a 619-foot dock; and, similarly, Mare Island Drydock No. 2 is 730 feet long with 31 feet over the sill at mean high water, as compared with Puget Sound Drydock No. 2, which is 788 feet long, with 38 feet over the sill at mean high water. Generally speaking, Mare Island Drydock No. 1 docked a greater number of vessels than did Puget Sound Drydock No. 1, with the exception of the year 1932. It is of particular interest, however, to note the relative number of dockings in Drydocks Nos. 2 at these yards. Mare Island No. 2 has averaged from twice to 7.4 times as many vessels as the Puget Sound Dock since July 1, 1930, and has docked almost five times as many vessels since July 1, 1932. It seems to me that these data conclusively show that these docks have been in the past used to their utmost capacity. The scheduled docking for the coming year is exceptionally heavy, and a real need exists for another drydock.

About a year and a half ago the U. S. S. *Chicago* was rammed by a freighter outside the San Francisco Heads and was forced to proceed to Mare Island for immediate docking and repair. In the drydock at that time were two destroyers, and it was necessary to remove these vessels in order that the *Chicago* might be docked. Any accident of this kind, therefore, interrupts the regular schedule prepared by the Navy Department and tends to throw the orderly process of overhaul out of gear. Moreover, as the situation now is in many cases, the work of repairing and overhauling cannot be done with a normal work load. Extra shifts are necessary, causing temporary employment of labor for brief periods, and this is thereafter often followed by furloughs, all of which tends to destroy a regular work load by the yard.

The work incident to the maintenance of the fleet in Pacific waters requires the addition of this docking facility at the earliest possible moment, and in addition thereto it is insurance against accident in time of peace or disaster in time of war. It is highly important that this legislation go through at the earliest possible moment.

Mr. VINSON of Georgia. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. CALDWELL].

Mr. CALDWELL. I want to commend the committee for its most careful and painstaking work in connection with this bill. I have been vitally interested in certain projects included in the bill and it has been my privilege to observe the close attention given the entire subject matter. I want to particularly commend the active participation of my colleague from Florida [Mr. SEARS], a member of the committee, and say that his untiring efforts have contributed materially to the favorable aspect of the entire program and, especially, that portion of it having to do with the Pensacola Naval Air Station.

In view of the able and comprehensive statement made by the gentleman from Virginia [Mr. DARDEN] it is unnecessary to go far into detail but I desire to call particular attention to certain salient facts connected with the Pensacola Naval Air Station item.

This station was established more than 100 years ago as a navy yard. In 1914 it was designated "the aviation training school for the Navy." It is at Pensacola that all of the primary and advanced aviation training of the Navy is carried on. This important and greatly expanding work is now necessarily conducted with extremely inadequate plant facilities and under circumstances conducive to inefficiency and waste.

The principal buildings now used are those of the old navy yard with temporary war-time structures interspersed. The result is a haphazard arrangement of unsuitable buildings not adapted to aircraft work. As I have stated the Navy conducts all of its aviation training, primary and advanced, land plane and seaplane, at the Pensacola Station. This work necessitates the employment of approximately 200 aircraft, 1,100 officers and enlisted men, and approximately 750 civilians for administration operations, repair, and maintenance.

The barracks and mess-hall facilities now used are antiquated and insanitary. The proposed program of the Department calls for the expenditure of approximately $650,000 with which to construct two 500-man barracks to replace the existing structures which, by the way, are of war-time frame construction, now in poor condition and most expensive to maintain. Because of the bad structural conditions of the present buildings the repairs during the current fiscal year will cost about $25,000.

The existing mess halls, galley, and bake shop are temporary frame buildings in very much the same general condition as the barracks just referred to. The Department proposes to replace these insanitary buildings. I have personally inspected these structures and can only say that it is my opinion that they should have been condemned and replaced years ago. It is practically impossible to keep them in a sanitary and vermin-free condition.

The assembly and repair activities of the station are now housed in a number of different buildings, some of which are of flimsy construction and in bad shape. A few are of the permanent type, but quite old, and cannot easily nor economically be adapted to the purposes of the activity. Any attempt to repair or extend the present shop buildings to meet the demands of the station will necessitate disproportionate expenditures and will not provide efficient or adequate facilities. The Department now contemplates the replacement of the present shop assembly with a new building and at a cost of around $675,000.

Under present conditions, it is necessary that most of the station officers and students obtain quarters in the city of Pensacola, several miles from the station. Any such arrangement is, of course, bad from the standpoint of the service. Station officers should be available at all times for their necessary duties which extend into night operations and emergencies of various sorts. Students undergoing training should be quartered on the station for many reasons. The need for student officers' quarters, quarters for junior officers, and quarters for senior officers have been rather fully covered. It is unnecessary that I do more than add that the present facilities consist of very old wooden structures for the most part, now in deplorable condition, and which will not be usable for more than a compara-

tively short time. You may be interested in knowing that certain of the quarters now used by senior officers quartered on the station were servants' quarters prior to the Civil War. These quarters are, of course, obsolete and should be replaced with modern accommodations.

Two other items covered by the authorization contained in this bill are the general storehouse and the hangars. At present materials and supplies are stored in many structures scattered throughout the station. These buildings are for the most part temporary in nature. Their use involves an unwarranted risk from fire, increases the expense of storage and issue, and makes impossible an efficient administration of supply activities. It is proposed to replace these buildings with a four-story reinforced-concrete and brick structure.

This program contemplates the provision of two land plane hangars of sufficient size to house operating planes at the landing field. There are now in use two temporary hangars which are unsafe and unsuitable for the purpose, and which will, in any event, have to be dismantled before the field can be extended in accordance with present plans.

In addition to the items specifically referred to, there are a number of others essential and necessary to the proper development of the station, but which need no special legislative authorization. It is not necessary to comment upon them at this time.

I trust this bill may be approved by the House without delay. The increased training activities at Pensacola will necessitate a more efficient and modern plant than we now have here.

Mr. DARROW. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I do not desire, of course, to criticize any member of the committee. Rather, I desire to praise them because I know they are men of real ability and that in framing legislation they consider all sections equally.

I was rather interested in the remarks made by the distinguished gentlewoman from Massachusetts [Mrs. ROGERS] a few minutes ago in which she seemed to feel that the Commonwealth of Massachusetts had, somehow or other, been overlooked. I would call the attention of the gentlewoman from Massachusetts to the fact that the Boston Navy Yard in this bill is authorized to receive the huge sum of $22,000. She must have overlooked this sum.

Then, as I read the bill over, I failed to find where any more money had been authorized for any northern State, including the State of Massachusetts. I understand there is an item here of $500,000 for the Naval Air Station at Norfolk, for barracks and a mess hall for the enlisted men, and that there is another sum of $100,000 for the Naval Proving Ground in Virginia, and another rather large sum hidden somewhere in the bill for the Marine Barracks at Quantico, $1,050,000. I am not objecting to any of these sums, because I believe in preparedness; I am speaking of them only in hope that in some future bill the North will not be overlooked entirely. Otherwise we shall have to elect a Republican President; I do not see any other way out.

Mr. DARROW. Mr. Chairman, I think the purpose of this bill is very clear, it authorizes the Secretary of the Navy to proceed with certain shore activities of the Navy which are considered very necessary. They are located chiefly, of course, on the Pacific coast. We members of the committee from the Atlantic coast offered no objection to this, because we think every item in the bill is needed; and I want to say to the gentlewoman from Massachusetts that Boston has been considered; but that greatest of all navy yards and naval ports, Philadelphia, was not mentioned in the bill. So there was no intention to slight any section.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. DARROW. I yield.

Mr. FISH. I am sure the gentleman cannot feel unkindly to me just for thinking that possibly there had been an unholy alliance between the South and California.

Mr. DARROW. No; I cannot subscribe to that.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. DARROW. I yield.

Mrs. ROGERS of Massachusetts. Will the gentleman help us fight for our appropriations in a week or so?

Mr. DARROW. I always like to fight alongside the aggressive young lady from Massachusetts, because I think she is always right in her demands.

Mr. MILLARD. We have the confidence to believe that our committee will be for the Atlantic coast when our bill comes up in the very near future.

Mr. DARROW. I think that is true. This is not a sectional question. The only purpose has been to serve the best interests of the country regardless of where the money was to be spent; and in granting the major portion of this to the Pacific coast sectionalism did not enter into the discussion at all. The only question was, perhaps, as to the advisability of one or two items. The largest item, for instance, is that for a floating drydock to take care of our battleships in Pacific waters. The Department thought it best; after careful consideration and having tested a smaller one of this kind they felt that it was more practical to build a floating drydock of this type than a graving dock in the Hawaiian Islands.

I do not see how a valid objection can be raised to any single item in this bill; we have carefully considered every one, and the bill has the unanimous approval of the Committee on Naval Affairs.

Mr. HULL. Mr. Chairman, will the gentleman yield me a little time?

Mr. DARROW. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. HULL].

Mr. HULL. Mr. Chairman, I do not feel that in 2 minutes I can ask the questions I would like to about this bill, but inasmuch as this is all the time that has been yielded to me I will say that I am not acquainted with any of these projects. I did admire the frankness of the gentlewoman from Massachusetts when she wanted to know if there was not some way of taking care of Boston; and that impelled me to ask if stabling for the "horse marines" at Black River Falls, Wis., could get in on it. But it does seem strange to me with my limited experience in the House, and I am comparatively a new Member, that a bill authorizing the expenditure of $38,000,000 should not be more fully explained; for, when the appropriation bill comes along these items will go through just as though the ways had been greased for them, and nothing will be said, not even a roll call had, though the items be $400,000,000, $500,000,000, or $600,000,000.

There are items here for $4,000,000 for officers' quarters. If we are in danger of war, it seems to me the officers ought to be somewhere else than around new apartment houses. Here is a provision covering six 4-family apartment houses to house 24 officers, $200,000.

Mr. MAAS. Will the gentleman yield?

Mr. HULL. I yield to the gentleman from Minnesota.

Mr. MAAS. I will say to the gentleman that that is an item of economy. Under the law we must provide either quarters or an allowance for quarters, and it costs less to provide quarters in Government buildings than it does to provide the allowance. We have the Navy, we have the officers, we have to pay them, and they have to live somewhere.

Mr. HULL. But whenever we bring up a bill for the agricultural sections of the country we are told the country is broke and Government credit is in danger. There is a proposition here covering the construction of apartment houses at $50,000 a family when we have a lot of experts and "brain trusters" trying to use $750,000 for the construction of rehabilitation homes at an expense of $500 a family.

This whole thing does not fit into the picture of depression. I do not say that I am at all familiar with these things. The projects may be necessary. I will not say they are not, but with all the preaching of economy and with all the stories going around about the bonds of our country going to a dis-

count because of impairment of our credit, and all of the stories that we cannot buy this nor buy that because there is nothing to pay with, we ought to consider more carefully an expenditure involving $38,000,000.

This bill authorizes $38,000,000 of new appropriations, and that for a Navy that is getting a larger sum than any other navy in the world at this time. We find here in the report a statement that they have valuable instruments stored in a wooden building at Mare Island, and that will not do. Of course, those instruments have been stored in there for years and not until now has it been found necessary to come in and get $25,000 to house them.

Mr. MAAS. The gentleman talks about having the largest appropriation of any navy in the world. The gentleman would not have the impression go out to the people that we have the largest Navy, when this is because we pay our officers and our men more than any other navy in the world.

Mr. HULL. In connection with all this talk about peace and all this talk about economy and this talk about retrenchment, we are spending more money to build the biggest navy in the world, or the biggest navy of any two countries in the world.

Mr. MAAS. That is because we have a higher standard of living, and we pay probably more than they do.

Mr. HULL. We have a higher standard of living for the Navy officers, but why not have a higher standard of living for our taxpayers, our farmers, and our laboring people? Why not try to maintain them on the same high standard we are maintaining for the Navy?

Mr. MAAS. That is what we are trying to do, to prevent anybody else from coming over here and taking it away from us.

Mr. MARCANTONIO. Whom are we going to fight?

Mr. HULL. And when?

Mr. MAAS. Anybody that might wish to take it away from us.

[Here the gavel fell.]

Mr. DARROW. Mr. Chairman, I yield the gentleman 1 more minute.

Mr. HULL. Mr. Chairman, if we are going to fight somebody, tell us whom. If we are going to fight somebody, let us use the money to fight with, and not to build million-dollar dormitories. There is $4,000,000 here for officers' quarters, as well as all the rest of the small stuff you have tucked away in this bill. If anyone knows whom we are going to fight, I would like to hear from them. If they know when, I would like to know that.

Mr. Chairman, here are 38 Members of Congress present considering an authorization involving $38,000,000 for a Navy that has already approximately a billion dollars to work on. It seems to me if we are going to consider this authorization we need a larger number present than we have here.

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I yield such time as the gentleman from Missouri [Mr. COCHRAN] may desire.

Mr. COCHRAN. Mr. Chairman, I want to thank the gentleman for being so generous. I do not think I shall use much time. While the report and the hearings, of course, will not become law, nevertheless I am gratified to note the naval officers say they are going to use Diesel power for the drydocks. However, I am sorry that they do not mention Diesel power for the power plant at Pearl Harbor. I hope they will use Diesel engines for this purpose. The Diesel-engine industry is a great arm of our national defense and should have assistance and encouragement from the Navy Department.

There seems to me to be no reason why Diesel engines should not be used to generate the power for the new plant at Pearl Harbor. In the end, taking into consideration cost of fuel, and so forth, it will be much cheaper to the Navy if the Diesel engines are used.

The first Diesel-engine plant in the United States was opened in my city, St. Louis, by the late Adolphus Busch. It was Mr. Busch's money that assisted, in part, in enabling Dr. Diesel to develop his engine. Mr. Busch obtained the American rights at the time and constructed a great factory in St. Louis, spending millions of dollars not only for the plant and equipment but also to improve the engine.

I have for years urged the Navy to give more attention to the Diesel engine. In recent years, however, the Diesel industry has received practically nothing in the way of orders for Diesel engines. The same applies to our merchant marine.

While Lloyd's register tells us the construction of merchant vessels of all types during last year and the preceding year about doubled, the following table will show what happened insofar as the United States is concerned:

	Gross tons, 1934	Gross tons, 1933
Great Britain and Ireland	459,877	133,115
United States	24,625	10,771
Other countries	482,917	345,130
World total	967,419	489,016

Do not overlook the fact that without a proper merchant marine this country would be helpless in time of war. Every ship that Great Britain interests launch is approved by the officials of the British Navy, and can be converted immediately if necessary. Our Navy officers know the needs of our Navy in this respect, and I am of the opinion if a statement was issued giving a true picture of our condition it would certainly not be pleasing to those who would issue it.

Every maritime nation in the world, with the exception of the United States, has seen the wisdom of constructing motor ships. I have asked on many occasions before, Can they all be wrong and the United States right?

The figures, representing gross tons, I am showing by the following table what happened in the construction of motor ships for the last 2 years:

	1934	1933
Great Britain and Ireland	188,994	47,825
Japan	125,688	65,273
Denmark	53,886	20,887
Sweden	48,031	10,860
Germany	45,009	40,150
Holland	43,171	35,699
Italy	25,668	16,560
United States	6,402	1,607
Other countries	26,752	48,960
World total	563,601	337,821

I ask again, can they all be wrong?

The figures quoted warrant me in saying that the Departments of Commerce and Navy should get together. We should build merchant ships subject to the approval of the Navy and start now to build up an auxiliary that will make our Navy worth while.

Not only should our merchant ships be motorships, but it is time that we should follow the example of other countries, and recondition some of our fighting ships and install Diesel engines. The day of experimentation has passed. The value of the Diesel-propelled ship has been established beyond question.

Mr. DARROW. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, we are about to authorize $38,000,000 for naval purposes with less than 38 Members present on the floor of the House. In view of the squeamishness that we show when it comes to making appropriations for the unemployed, the veterans, or for farm relief, I think we should give this bill more study and have it presented and debated before a larger Membership.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Georgia.

Mr. VINSON of Georgia. May I advise the gentleman that each and every one of these items was taken up by the Director of the Budget, and under the rules and regulations the Budget necessarily carries the approval of the administration. This bill has the approval of the Director of the

Budget as well as the approval of the administration. With our fleet being based in the Pacific, it is absolutely necessary that these improvements be made. And, as the gentleman will observe, practically every item deals exclusively with the Pacific coast, including Pearl Harbor and Coco Solo. There are only two other items, one dealing with aviation down at Pensacola, Fla., which is a very important arm of our Government; the other is the Marine Corps, which is also a very vital arm of national defense.

This bill was carefully studied, recommended by the Director of the Budget, approved by the administration, and every item in the bill has been closely scrutinized. It is based entirely upon national defense and not upon any "pork barrel" proposition.

Mr. MARCANTONIO. I do not doubt the gentleman's statement at all. I do not believe this is a "pork barrel" proposition. I want to have that distinctly understood; but I do think that to be appropriating or authorizing an extra expenditure of $38,000,000 for naval purposes at this time, we are deliberately waving the war flag on the Pacific coast, which I think is highly dangerous.

Mr. MAAS. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. MAAS. Has the gentleman studied this bill?

Mr. MARCANTONIO. The only study I have been able to give this measure is the study I have given it during the last 20 minutes on the floor of the House, and I understand it thoroughly.

[Here the gavel fell.]

Mr. DARROW. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. MAAS. Is there any specific item the gentleman objects to?

Mr. MARCANTONIO. I object to the general principle of having an important item of $38,000,000 for war purposes passed before a House which has less than 38 Members present. I believe we should not freely and carelessly authorize millions and millions of dollars for war purposes and then preach economy when it comes to appropriating money for a living wage to the unemployed of this Nation under the $4,800,000,000 bill.

Mr. MAAS. This is not for war purposes; this is to prevent war. This is for defense purposes.

Mr. MARCANTONIO. I disagree with the gentleman. Under the guise of defense you prepare for war, and when you prepare for war you are bound to have war. I do not believe it is fair to authorize $38,000,000 without giving this bill more consideration. What we are doing here is simply letting this measure go through the House this afternoon without giving it the proper kind of consideration on the part of the whole House.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman.

Mr. O'CONNOR. I do not entirely disagree with the gentleman at all. For one, I feel that the Navy Department is a conceited, self-perpetuating institution that asks more than it is entitled to, but if the gentleman made a point of no quorum he would accomplish no purpose except to put this over until next week. It was on the program to be completed today. There was a unanimous report from the Naval Affairs Committee, with both sides represented. It would pass surely next week. We are anxious to get it out of the way, and I hope the gentleman does not do that, because we have passed appropriation bills, with hundreds of millions of dollars in them, with less than a quorum present. It was expected today there would be no roll call and that the bills would be disposed of.

Mr. MARCANTONIO. I do not intend to make the point of no quorum, because it will serve no purpose. I intend, however, to register my protest.

I think what we are doing here now illustrates that the policy of this House during the short time I have been here has been simply as follows: When it comes to appropriating or authorizing funds for militaristic purposes there are less than 38 people here, and we let these things go right through without scrutiny or careful consideration. There has been neither study nor protest on the part of the majority of the Members. When it comes to farm relief you have the great economists preach against farm relief. When it comes to voting the veterans a bonus you have a close division. When it comes to appropriating for the relief of the unemployed of this Nation we make an inadequate appropriation and we say they must work at an average charity wage of $50 a month. I think this is a proper time for me to register my protest. I agree with the gentleman from New York that there is nothing for me to gain by making a point of no quorum, but I cannot sit here and have an authorization of $38,000,000 for war purposes go through with less than 38 Members on the floor and with very little or no serious consideration.

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. COLDEN].

Mr. COLDEN. Mr. Chairman and members of the Committee, I want to compliment the Committee on Naval Affairs for making these provisions for national defense on the Pacific coast. All these years the western coast of the United States has not been properly protected. I call attention to this condition. It is approximately 2,500 miles from the Panama Canal to southern California. It is 1,400 miles to Puget Sound—almost a distance of 4,000 miles from the Panama Canal to a drydock that can take care of a capital ship. Then there is the coast of Alaska, consisting of many thousand miles more.

I call your attention to the fact that the Navy is the only defense of California. We have a population in Los Angeles County alone of 2,000,000 people. A million and a quarter people get their supply of water from an aqueduct 240 miles long that might be easily destroyed by a foreign enemy.

We have great reservoirs of oil that might be attacked by a foreign enemy. Our only defense is a fleet on the Pacific coast located at my home town of San Pedro.

I think it would be economy to build a drydock at San Pedro for taking care of capital ships. It costs $8,800 for a capital ship to go to Puget Sound and back again. That is a great expense in time of peace. It would be absolutely disastrous in time of war, and it seems to me there are two strategic points where we should have a drydock for capital ships on the Pacific coast. One at Puget Sound, where we already have it, for the reason that Alaska is a vulnerable point of attack, and certainly we should have a drydock and other facilities in southern California. I want to add that not only is it necessary because of the defense of the coast but it is an ideal location on account of the climatic conditions.

We should not only have a drydock at San Pedro for the defense of the Pacific coast but also, from the standpoint of economy, for the repair of ships in southern California.

I know that you are authorizing a considerable sum for the improvement of a drydock at Mare Island. That is fine. The channel at Mare Island has a draft of only 30 feet, and capital ships cannot enter Mare Island or the drydock there. They must go on up to Puget Sound, a distance of about 1,160 nautical miles, and, as I have said, at an expense of about $8,800 a trip.

Southern California is one of the most vulnerable parts of the United States. It lacks adequate land defense and is dependent upon the Navy for protection. Vast quantities of oil are in storage near the city of Los Angeles, the destruction of which would result in great property loss and endanger the safety and the lives of the population of a great city. The storage of water for city water supply, and also the reservoirs for irrigation, afford an invitation to a foreign power to destroy these stores of water and oil, which, if effective, would bring tremendous damage to southern California. No other part of the United States is so dependent upon the reservoirs of water as is southern California. The destruction of these reservoirs and the resulting floods would not only destroy millions of dollars worth of property but the lives of a great many people, and would reduce our population to a supply of water wholly inadequate for their use.

The members of the Naval Affairs Committee who have preceded me have pointed out the necessity of increased naval facilities on the Pacific coast. I fully concur in the statements they have made.

In this connection, I desire to submit a statement made by Rear Admiral Norman M. Smith, Chief of Civil Engineers of the Navy and Chief of the Bureau of Yards and Docks, whose testimony is found in the hearings upon this particular bill. Admiral Smith said:

A comparison with the docking facilities of the British Navy indicates a marked deficit in the docking capacity of the United States, particularly on the west coast, and if anything like a parity between the two fleets is to be obtained, steps must be taken at an early date looking toward the establishment of adequate docking facilities for the United States Fleet, particularly on the west coast.

A report of the inspecting officers for battleships on the Pacific coast section states:

"Lack of sufficient time in drydock is a contributing cause to many of the unsatisfactory conditions found during material inspections. This is believed largely due to the lack of sufficient drydocks on the Pacific coast. In order properly to maintain satisfactory material conditions of naval vessels, more drydocks should be provided on the west coast."

Mr. VINSON of Georgia. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. SCOTT].

Mr. SCOTT. Mr. Chairman, there are many reasons why I am not in thorough sympathy with this bill, but it would take more time than I can get now to explain them. I ask unanimous consent to extend my remarks and to include those reasons and also to correct a couple of statements made on the floor—that is, that the bill was reported unanimously from the committee. It was not. I voted against it.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SCOTT. I know that this House is in a "preparedness" frame of mind this session. Several different factors have contributed to this. But, just the same, I think that we should hesitate some time before we authorize, by the vote of from 30 to 40 Representatives, $38,000,000 to be spent in the manner provided in this bill.

When people are in need of food and clothing and schools are being closed for lack of funds, it seems at least questionable that good sense is being used when we authorize the expenditure of $38,000,000 for war purposes. Just by way of personal opinion, we have by this act contributed $38,000,000 to the fund being raised by all nations of the world for the propagandizing of a new war.

There is another reason why I am not in sympathy with this bill. Three resolutions are now pending before the Naval Affairs Committee. These will be incorporated into one and undoubtedly reported to the House. This resolution will call for the creation by the Navy Department of a board of experts to make a survey of the west coast to see what is needed in the way of naval defense. Either one of two things may happen. They may bring back a report that we do not need any of the projects mentioned in this bill or that we have located them in poor places. On the other hand, since we have already authorized the construction, they may think it wise to recommend that the action by the House be followed to the letter. At any rate, I think it rather foolish to provide for $38,000,000 worth of naval construction on the west coast and then send out a board of experts to see what is needed.

I think, in addition, that it is rather foolish to base the Navy in one port—Long Beach—and then build up the servicing equipment one and two thousand miles away so that it costs $8,800 each time a battleship has to have some work done. It costs that much to get her there and back.

This may be an intelligent bill, Mr. Chairman, but I am inclined to doubt it.

Mr. VINSON of Georgia. Mr. Chairman, I ask now that the bill be read for amendment.

The Clerk read the bill.

The CHAIRMAN. Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WILCOX, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 5576, and, pursuant to House Resolution 169, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider the vote by which the bill was passed was laid on the table.

BRIDGE ACROSS OHIO RIVER AT CAIRO, ILL.

Mr. KELLER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill S. 1308, to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Cairo, Ill.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. What is the bill?

Mr. KELLER. It is for an extension of time for the beginning and completing a bridge over the Ohio River.

Mr. MARTIN of Massachusetts. I object to its being considered at this time. I do not see anybody here on our side from the Committee on Interstate and Foreign Commerce.

Mr. KELLER. I talked with the gentleman about it yesterday, and to two of the objectors on this side. Everybody agreed that it ought to pass.

Mr. MARTIN of Massachusetts. I shall object at this time.

Mr. KELLER. We have only a few days to go, and the bill has already once passed the House.

Mr. O'CONNOR. It is only a little bridge bill.

Mr. MARTIN of Massachusetts. Yes; but one member of the committee on our side is opposed to it, and he is not on the floor at the present time.

Mr. KELLER. It seems to me that, having talked to the objectors on both sides, there should be no objection to it.

Mr. MARTIN of Massachusetts. Mr. Speaker, I object.

EXTENSION OF REMARKS

Mr. COLDEN. Mr. Speaker, I ask unanimous consent to extend my remarks, including a brief quotation from Admiral Norman M. Smith, of the Bureau of Yards and Docks, which applies to the remarks I made this afternoon.

The SPEAKER. Is there objection?

There was no objection.

NAVAL APPROPRIATIONS

Mr. McGRATH. Mr. Speaker, I ask unanimous consent to extend my remarks on H. R. 5576.

The SPEAKER. Is there objection?

There was no objection.

Mr. McGRATH. Mr. Speaker, it is unfortunate that in the midst of the world's greatest depression we are compelled to give such a large proportion of our time and attention to a discussion of war. However, we live in a world that has seemed to make war its main business.

A beneficent Providence has blessed our part of the American continent with the greatest collection of natural resources to be found anywhere on earth. The genuine sacrifice and plain hard work of our forefathers have so developed these blessings that we are today, in spite of panics and depressions, the richest existing nation.

Again we are confronted with a most realistic condition. Spurred on by economic necessities, passion, ambition, and desire to attain places in the sun, the nations and their rulers all too frequently disregard the possessions and rights of others. In other words, nations, like individuals, yield to temptation. The absence of the policeman from his beat is an invitation to the crook; the absence of adequate national defense opens the door to unscrupulous powers.

Prior to the World War our problems were largely internal. The 3,000 miles of the Atlantic, the broad sweep of the Pacific, and the absence of strong competing peoples to our north and south presented barriers to foreign nations. As long as we remained at home we were safe, and as a usual

proposition our financial interest, as well as our residents, were confined to the continental United States. If the World War taught anything, it was that even an assassin's bullet in an almost forgotten Balkan village could and did send the youth of America to die under alien skies. Happily for us, our involvement in the war came at a time when we could call upon the British Navy and an allied army to stand between us and the enemy until we could prepare ourselves. The emergency preparations were hasty and inadequate. The waste amounted to billions of our resources, and I most deliberately charge that the loss of many American lives was due solely to our attempt to face a modern military machine with the hastily snatched up weapons of the moment. Since 1917 the world has grown smaller, until the Hawaiian Islands are just across the street from San Francisco, and the Orient is scarcely beyond the horizon.

We must not regard adequate national defense as preparation for war. It is assurance against war. Bandit gangs are not staying away from the vaults of the Chase National Bank and of the Bank of America because of high moral standards, but because every device and weapon effected by modern science and human ingenuity protects those vaults. The good old western sheriff with his six-shooter could compete with the cattle rustler, but it takes the highly trained personnel and modernized weapons of the Department of Justice to hold the modern criminal within bounds. The Minute Men, who stood at Lexington and Concord and who defended the hills of Boston with all their high courage and devotion, would be lost without a trace in the face of modern machine guns, mobile tanks, to say nothing of poison gas and high explosives.

We have built an empire on the Pacific coast, where natural resources, soil, and climate combine to make life worth living. We have developed a people, whose loyalty and devotion to our highest ideals is unsurpassed. In time of peace and war, the sons and daughters of the Pacific proudly place themselves and their lives and fortunes at the call of our common country.

This bill proposes, in a small way, to establish the basis for an adequate national defense, as far as the Navy is concerned, on our most vulnerable coast.

Under the leadership of our President we are restoring our Navy to full treaty strength. We are providing the matériel and personnel on the surface, under the sea, and in the air. As Napoleon wisely said, "An army marches on its stomach", so today it may be said with even more force that a navy lives on its bases, drydocks, and shore stations.

Let us assume that at the present moment war should break and that a single one of our first-line ships should be crippled anywhere in the Pacific waters. Its repair would exhaust our last available dry-dock facilities west of the Panama Canal. A major engagement would leave our fleet without facilities for repair or recuperation. Unless the enemy fleet were totally destroyed, the result would be disaster. This measure provides not a maximum but a minimum. To oppose it is exactly as sound as it would be to oppose the establishment of a repair garage for the fire equipment of a lumber center. The present cost is infinitesimal compared with the certain waste which would follow war with our present facilities.

I desire your permission to pause for a moment to comment upon one phase of national defense for the purposes of peace as well as for the purposes of war. It is vital that we should have at our command an adequate force of trained mechanics, repairmen, and shipbuilders. In the latter part of the last century we had developed a shipping industry on the Pacific coast which furnished employment and training for one of the finest bodies of master craftsmen which has existed anywhere, but we have absolutely stopped construction in the private yards on the Pacific coast. Not a single sea-going ship has been constructed in a private yard on the Pacific coast since the World War. The art of shipbuilding is being lost, the personnel scattered and probably never to be gathered together again. In the construction of the ships provided for by the Seventy-third Congress not one is being constructed in a private yard on the Pacific coast, in spite of the fact that the lowest bids were submitted by Pacific coast shipbuilding yards.

I recognize that these bids were not accompanied by the adequate bonds, but I most solemnly and deliberately charge that sufficient facts have been developed to justify a most searching investigation of the reason for the absence of such bonds and for the failure of the entire construction program, so far as the yards of the Pacific coast are concerned.

Use a single illustration of a similar point. There is on the San Francisco Bay and in the city and county of San Francisco what is supposed to be one of the best-built plants and drydocks anywhere in private hands. I refer to the Hunters Point Drydock and the Union Iron Works Plant of the Bethlehem Ship Building Corporation. These plants are declared by ranking officials of the Navy Department to be at the present time inadequate for even major repair work. Why? Because, according to the official reports, the owning company has refused or neglected to equip them with the facilities necessary for either the construction or repair of Navy vessels.

While I most emphatically approve the appropriation for Mare Island, also located on San Francisco Bay, it compels me to call your attention to the indisputable fact that even these improved facilities at Mare Island provide no facilities whatever for battleship construction or repair involving the use of drydocks. The very location of the yard and the nature of the channel preclude the handling of a first-line battleship.

I am gratified to know that the Navy Department is now appointing a committee of experts to examine the existing facilities on San Francisco Bay and the whole Pacific coast. I pray that sufficient time will be given us to take advantage of their report.

If you will study the map you must become convinced that San Francisco Bay is the only spot on the entire Pacific coast which is so situated that it could be used as a repair base for crippled vessels where they could be protected from enemy action. I defend each and every item of the present bill, but I am expecting and demanding that it be supplemented by further action immediately after the report of the naval experts.

I have spent considerable time at my own expense in visiting the points on the Pacific coast from Bremerton to the Panama Canal, and I have had the opportunity of spending several days examining the defenses of Pearl Harbor. My personal investigations have confirmed my approval of the requests of the Navy Department found in the bill. My sole objection is that it does not go further. With every major nation arming as never before in all history, and with major complications taxing the genius of the world diplomats, I am asking for the speedy and unanimous passage of this national insurance policy.

NATIONAL MONETARY CONFERENCE

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein the proceedings of the Monetary Conference held in Washington March 6, 1935.

The SPEAKER. Is there objection?

There was no objection.

Mr. SWEENEY. Mr. Speaker, there is pending for consideration in the Seventy-fourth Congress a measure designed to restore to Congress its constitutional power to issue money and regulate the value thereof; this measure is known as the "Nye-Sweeney bill" (S. 2162; H. R. 6382). I include in this extension of remarks the resolutions adopted by the National Monetary Conference held in the city of Washington, D. C., on March 6, 1935.

Whereas following in detail the resolutions adopted at the first session of the National Monetary Conference held at Washington, D. C., January 16, 1935, the National Union for Social Justice has caused to be introduced the Nye-Sweeney bill (H. R. 6382; S. 2162), with the following title:

"A bill to restore to Congress its constitutional power to issue money and regulate the value thereof; to provide for the orderly distribution of the abundance with which a beneficent Creator has blessed us; to establish and maintain the purchasing power of money at a fixed and equitable level; to restore the values of

property to just and equitable levels; to increase the prices of agricultural products to a point where they will yield the cost of production plus a fair profit to the farmer; to provide a living and just annual wage which will enable every citizen willing to work and capable of working to maintain and educate his family on an increasing level or standard of living; to repay debts with dollars of equal value; to lift in part the burden of taxation; and for other purposes."

Whereas the National Farmers' Union has sponsored the Thomas-Massingale bill (S. 1220; H. R. 4298) to "provide additional relief by securing to the farmers a minimum price for agricultural commodities of not less than the cost of production thereof", in accordance with the resolutions adopted at the session of the National Monetary Conference held January 16, 1935.

Whereas the National Farmers' Union has also sponsored the Frazier-Lemke bill (H. R. 2066; S. 212), to "liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, through the use of the Farm Credit Administration, the Federal Reserve Banking System, and creating a board of agriculture to supervise the same"; and

Whereas the Thomas-Patman bill (H. R. 1; S. 2) is designed to carry into execution the declared purpose of Resolution No. 4, adopted by the National Monetary Conference at its first session, to wit:

"That to secure immediately a substantial increase in the purchasing power on the part of the most widely distributed group of creditors and potential consumers—in fact, the only group of creditors of the United States Government who have accepted its obligations and are willing and anxious for their redemption in noninterest-bearing legal-tender notes, namely, the holders of adjusted-compensation certificates—that these veterans be paid forthwith in full in the currency of the United States."

Resolved, That it is the unanimous expression of this conference that its full and active support be placed behind the Nye-Sweeney bill, the Thomas-Massingale bill, the Frazier-Lemke bill, and the Thomas-Patman bill; and be it further

Resolved, That it is the sense of this conference, unanimously expressed, that an amendment to the Nye-Sweeney bill be presented to the committees to which the bill is referred authorizing and directing the central bank, as provided therein, to acquire the assets of banks closed since January 1, 1930; and be it further

Resolved, That this conference favors the establishment by law of a just and living annual wage for labor; and be it further

Resolved, That there be prepared a joint resolution of the United States Senate and House of Representatives directing the Secretary of the Treasury of the United States to report to Congress the names and addresses of all owners of the obligations of the United States Government as of January 1, 1935, invoking to that end the power of the Secretary of the Treasury and the power of the Comptroller of the Currency over the banks under the jurisdiction of their joint and several offices.

Mr. KENNEDY. Mr. Chairman, I move the adoption of the resolutions.

(Motion to adopt the foregoing resolutions was duly seconded and carried.)

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Chairman LOUIS B. WARD. Dr. Bigelow is recognized.

ATTACK ON REV. CHARLES E. COUGHLIN

Dr. HERBERT S. BIGELOW (president the People's Power League, Cincinnati, Ohio). Night before last a prominent citizen of the United States made an address, some sentiments of which were spread on the front page of the newspapers of the United States, an address that unfortunately injected the spirit of religion for the first time, I think, in the discussion of the very grave problems that are before us.

With your consent I want to introduce a brief resolution relating to that incident. I present this resolution with very deep feeling and sincerity. A Protestant minister myself for 40 years, I take especial interest in doing what I can and my people can do to keep religious bigotry out of this discussion, and I am glad to present this resolution, because it relates to this splendid and beloved leader of the great masses of people of the United States, Father Charles E. Coughlin.

As a Protestant minister, I know of no finer expression of the mission of organized religion on this earth than was made by a conference of Roman Catholic bishops some years ago when they said that it was the duty of all of us to try to let the light of the Savior of the world shine through the economic institutions of our country. No one in the United States has done so much as this friend of ours at Royal Oak to do this thing. Therefore it seems to me that we owe it to him to vote approval of this resolution this afternoon:

"*Be it resolved*, That the National Monetary Conference and allied organizations, representing millions of Americans, protest against the speech delivered by Gen. Hugh Johnson at the Waldorf Astoria Hotel, New York City, on March 4, 1935. We condemn such utterance as bigotry and unworthy of any citizen, especially one who has held public office or trust. General Johnson owes an apology to his country.

"*Resolved further*, That a copy of these resolutions be forwarded to the National Broadcasting Co. and the Redbook magazine."

I move the adoption of that resolution.

Mr. ROBERT M. HARRISS (World Monetary League, New York). Mr. Chairman, may I have the honor of seconding that?

Dr. IRVING FISHER. I rose too late to second it, but may I be the third?

I feel very strongly on this, not only because of the matter that the bishop has raised, Dr. Bigelow, but also because as an economist I do not like to see General Johnson interfere with the processes in progress of monetary reform, which is getting us out of the depression, when his philosophy under the N. R. A. was getting us into the depression; because, as Professor King has well said, the N. R. A. was not a national recovery act but a national retardation act. It isn't necessary to put this in, but it explains why I feel very strongly on it. [Applause.]

Chairman WARD. Senator Owen is recognized.

Ex-Senator ROBERT L. OWEN. I should like also to second that resolution. If there has been in the United States a more distinguished and useful servant of God than Charles E Coughlin, I cannot recall it. He has been struggling to save the people of this country and has sounded a high, true, and pure note of patriotism throughout his various addresses. And, in addition to this resolution, when it shall have been disposed of, I shall ask the honor of moving a resolution of special respect and honor to the name of Charles E. Coughlin.

Mr. ROBERT H. HEMPHILL. I second that motion.

Mr. SAMUEL BOTTOMLEY (American Society of Martians). I am one like my friend here, who is a Protestant. In a book that I just published I pay Father Coughlin perhaps—well, I can't say more than I have. That is, I believe that Charles E. Coughlin has done more for this country and the human race in taking the position that he has than any other representative of the church that I know. But at the same time I just want the conference to take a second thought, and that is, is it really wise that we should recognize the slander of General Johnson or should we let it pass quietly and say nothing at this time?

I just make that suggestion. I do not want to drag in religion or politics, if we can help it. This seems to me a conference devoted wholly to humanity, irrespective of color or religion or politics; and, as I say, I just merely suggest a second thought as to whether it is wise to take up that measure, whether we would add fuel to the flame, or whether it would be wise to let it pass, and ignore it.

Mrs. JENKS. I thoroughly endorse the last speaker. I think that it is unwise to drag in, so far as we can avoid it, religion in any way, shape, or manner, or politics in any way, shape, or manner, and that it should stand aside.

Mr. EVERSON (president National Farmers' Union). Mr. Chairman and ladies and gentlemen of the conference, the organization that I have the honor to represent, National Farmers' Union, specifically sets forth in its constitution and bylaws that our organization is strictly nonpartisan and nonsectarian. For that reason we resent any person or any citizen trying to inject sectarian religion or partisan politics into these economic problems that are threatening the very life of our civilization, and I feel just as the reverend did here, as a protestant and as having been brought up as a protestant—I feel that this is entirely unwarranted on the part of General Johnson and that it ought to be rebuked, not only by the conference here assembled but by the people of this country. [Applause.]

Dr. EDWARD OWINGS TOWNE. Mr. Bottomley has said that he thought possibly it would be wise to give this matter a second thought. I think that we would not be doing our duty if we did not uphold the hands of Father Coughlin in every way. Therefore, I am in favor of this resolution. [Applause.]

Mr. OWEN. This resolution does not mention religion. This religion condemns a man who in violent, uncouth, indecent language denounces one of the purest men in this country, who speaks not as a Catholic but as a great American citizen entitled to be heard on the economic questions of the day. And when this man, leading this fight as he has been doing in the most marvelous manner, receiving the support of thousands, of tens of thousands, of millions of men and women in this country of all denominations, that he should be denounced in this brutal way by Hugh Johnson, it deserves the rebuke of those who are assembled here, in my opinion, and I am glad to have the opportunity of joining in rebuking Hugh Johnson.

It was Hugh Johnson who at Berkeley announced with great emphasis that a year before the election of 1932 Barney Baruch had organized a "depression clinic"—that meant on or about May 1931—at a time when the Goldsborough bill to maintain and restore the value of money in this country and to hold it at an equitable level of 1921 to 1929 was before the House of Representatives, a bill which had such a great following that it passed by 5 to 1—and he then organized a "depression clinic", of which Hugh Johnson was the leading light, and Hugh Johnson's contribution at Chicago on the 2d of August last was to declare that nobody in this country knew what caused the value of money.

It is that kind of leadership under Bernard Baruch's depression clinic which has prolonged this depression 2 years. It could have been ended in July 1933, and here we are advancing into 1935 with comparatively little relief and with policies which have falsified the all-commodity index. And when I say that, I say it with great gravity, because that index has been unjustly and unfairly changed by causing the agricultural commodities that go to Europe to be overvalued in terms of the gold dollar there, without any corresponding benefit whatever to the debtor class and to those who have to pay taxes and interest and the principal upon debts in this country.

Moreover, that index has been profoundly affected by the destruction of agricultural products in this country. It has been affected, moreover, by drought; and the things which have affected that commodity index, if they had not been charged into the com-

modity index, we would have had that index very much higher than it is—and therefore it is illusory because of these things done under the advice of a Bernard Baruch depression clinic. Mr. Hugh Johnson is its chief lieutenant, and the vulgarity and the brutality of the man is sufficiently evidenced by the speech he made. For that reason I think, upon second thought, that our first thought was right. [Applause.]

Mr. BOTTOMLEY. Mr. Chairman, would you have the gentleman read the resolution again?

[Chairman Ward reread the resolution.]

Chairman WARD. Are you ready for the question?

(The question was called for, put to a vote, and carried unanimously.)

Mr. OWEN. Mr. Chairman, may I make the suggestion that this conference approve in the administration's banking bill the provisions with regard to changing the Federal Reserve Act as it relates to the eligibility of bills subject to rediscount by the Federal Reserve Board so as to leave the Federal Reserve Board with full authority to determine that matter on the basis of the actual value of the paper rather than its technical form?

That is one suggestion I wish to offer, and if that meets your approval or your disapproval, there is another which I will present when that has been disposed of.

Chairman WARD. There is a motion by Senator Owen to the effect that this conference place itself on record as favoring those sections of the administration's banking bill regarding the eligibility of paper, which enable the Federal Reserve banks to discount paper on the basis of its real value rather than upon its form.

You have heard the resolution. Is it seconded?

The resolution is made and seconded. Discussion. Mr. Hemphill is recognized.

Mr. HEMPHILL. I would like to say something that I forgot to say this morning. But this brings the matter up—that there is some chance that we may be able to get the important sections of our bill, which we have adopted here, into the administration's bill. That is what we hope to do. We don't know how good the chance is But if we can get title 2 of the administration's bill thrown out and this bill that we have here this morning substituted, in my opinion it will pass at this Congress; and that is what we are very hopeful of doing.

I don't know what our chance is now, but we are very hopeful of doing that, and we are going to work hard in that direction to have that done. Of course, if we can do that it would make any reference to this Federal Reserve Act unnecessary. However, the Senator has offered an important resolution here which may not be well understood.

I will say this—that there is very little of the paper which is offered to a Federal Reserve bank or is owned by other banks and is offered to Federal Reserve banks for discount which comes within any technical construction of the Federal Reserve law; and if the Federal Reserve bank is to continue as it now is, Senator Owen's resolution, the motion he offers here, is very important, and I for one would be glad to second the motion.

Chairman WARD. The resolution is made and seconded. Is there further discussion?

(The question was called for, put to a vote, and carried unanimously.)

Senator Owen is recognized.

Mr. OWEN. Mr. Chairman, there is another suggestion I would like to make in the form of a motion. I move that the conference approve, as a proposed amendment to the Nye-Sweeney bill, the provision which is found in the administration's bill with regard to real-estate loans running for 20 years, with an amortization provision.

That is a very important amendment proposed by the administration bill, and it would open up a very large amount of capital and make it available for use, based upon the security of real estate. I think that such an amendment would strengthen in a very substantial and important way the Nye-Sweeney bill, and I make that suggestion because I think when it comes to the point of attempting to substitute the Nye-Sweeney bill for the title II in the administration measure, it would advance the opportunities for doing that, because we should have adopted all that is of special value in the administration bill which we do not already cover.

Dr. FISHER. Mr. Chairman, wouldn't Senator Owen be just as well satisfied if we endorsed that as a part of the administration bill, because if our measure doesn't pass and the administration bill passes, that would put it in; and if we incorporate ours in the administration bill, it could be arranged separately.

Mr. OWEN. The suggestion, of course, is on the theory that our bill would not be substituted for title II. That is only a possibility, of course; but when we endorse it as an amendment to the bill to which we have given our support, it will be equivalent to an endorsement of that part of the administration measure.

Chairman WARD. The Chair feels, if I may say so, that we don't want to go around to the adoption of these resolutions when we already have a committee on resolutions, and predicating resolutions on the possibility of one bill passing and one not passing. However, we should abide by the pleasure of the conference.

Do you want that resolution put?

Mr. OWEN. I think it would be advisable.

Mr. HEMPHILL. I would like to say that if the bill we endorse passes, there will be no limitations whatever on the loans of banks.

Mr. OWEN. If that be the case—and I haven't considered that aspect of it—I will withdraw the suggestion I made.

Chairman WARD. The Senator has withdrawn his suggestion in the light of the intent being taken care of by the Nye-Sweeney bill.

A NATION IN ARMS

Mr. FADDIS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FADDIS. Mr. Speaker, this bill, H. R. 5529, is a bill to prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense and promote peace. It is the product of the patriotic and altruistic mind of its author, Hon. JOHN J. MCSWAIN, Chairman of the House Committee on Military Affairs, and represents years of untiring effort and of careful and conscientious study on his part. Its enactment will be a most fitting tribute to this kindly gentleman and splendid statesman, as it exemplifies his lifelong attitude toward his country and his fellowman. He was aided and encouraged in his labors by various patriotic organizations and individuals. Certainly it is an important forward step in the affairs of the human race, both nationally and internationally.

To my mind it might further be called a bill to assist in promoting international peace without entangling us into agreements whereby we surrender valuable concessions and gain nothing in return. It is a blow at those selfish interests throughout the world which have in the past promoted wars in order to gain materially thereby. If enacted, it will promote the national defense of this Nation to such an extent that other nations will be forced to follow, as a matter of course, in order to be on a par with us in respect to their national credit, if for no other reason. National credit is one of the most important sinews of war. Any nation engaging in a war is, by the very nature of the undertaking, certain to be subject to an internal rise in prices, unless protected by just such restrictions as this. This internal rise in prices is certain to impair its credit. A nation is dependent upon uninterrupted contacts with other nations to such an extent that it would, in case of a prolonged war, be exceedingly difficult to maintain such contacts without sound credit.

Wars are not fought to determine the physical superiority of one nation over another. Almost without exception, wars are fought for the control of commerce and commercial routes or for the control of natural resources. If we should become involved in a war, and the war has been brought to a successful conclusion as to the physical contest, we must be in position to secure the advantage the possession of which was our only justification for fighting. If we are economically exhausted, we cannot do so. International commerce is necessary to our existence, and we must consider any threat to it as a threat to the Nation. To be well prepared to protect it is its surest and most economical protection. Today one can hardly imagine a commodity which cannot be classed as ammunition of war, even though it may not be a lethal weapon. Because of this fact, what might otherwise be a small local war may quite naturally develop into a world conflict.

This legislation is predicated upon the very proper theory that every citizen owes as much to his Nation in time of war as does the soldier. The very fact that a man is in uniform does not increase his debt to his country. Too often in the past the burdens of wars have been borne by those whose only motives for fighting were patriotic ones. The more a man has at stake in a nation the more ardent should be his desire to protect it. If war becomes a grim necessity each and every citizen owes it to the common cause to sacrifice whatever is necessary in order to bring the war to a successful conclusion. The manner and character of the service of various individuals is a matter to be determined by the abilities of the individuals and by the exigencies of the situation. Certainly it is unthinkable to place one man in grave jeopardy of life, limb, and health and to permit another to reap a fortune at the same time.

The ultimate object of warfare is to overcome the hostile will to resist. Throughout the past this has usually been

accomplished by the defeat of the fighting forces. Modern war has brought new methods into the picture. It is quite possible to imagine a situation wherein the armed forces are victorious, but for economic reasons the will of the country to resist might be broken. In purely passive defensive warfare, if such a condition might be possible, such a system, as one we propose to establish, would be invaluable.

Under section 8 of the Constitution Congress is given the power "to provide for the common defense and general welfare of the United States." The Committee on Military Affairs of the House and Senate are standing committees on the matter of national defense. Such legislation is certainly within their powers and most certainly is their duty. Not only as members of these committees is it our duty to provide for national defense, but as Members of Congress it is our duty to provide for the general welfare. This legislation will do both.

We do not seek by this legislation to conscript industry and labor in time of war—because we believe this would be both undesirable and inefficient. We do not seek to force industry to operate gratis in time of war, but we do seek to force it to operate upon a fair margin of profit. We do not seek to take the management of industry into the hands of the Government, but to direct all of our national energies into the proper channels necessary for the successful prosecution of the war. We do not seek to conscript industry or any part of it but we do seek to preclude the possibility of it ever being necessary to do so. We do seek, however, to provide against profiteering and the inevitable rise in commodity prices by fixing a ceiling beyond which prices may not go. This ceiling is to be fixed as of a date when prices are normal and may be fixed as the result of an emergency declared by Congress due to the imminence of war. We do not seek to place the Nation under martial law, but to provide against such action ever being necessary. We realize that the most competent management of industry is its natural management.

Not only is it wrong to compel a few to make all the sacrifices for the many and take no guard against internal economic disruption; but it is a weak defensive policy. The morale of the civilian population is as important as is the morale of the fighting man, and is a most important factor in warfare. History is full of instances of valiant armies defeated on the field because of the failure of the industrial force supplying them. How much the improvement in the morale of the soldier, when he knows that back home his family is not subject to the merciless profiteers ever abundant in war times. Modern war will tax all the resources of a nation to the limit. If it is ever justified it must be prosecuted in such a matter as to result in a victory, the fruits of which are shared alike by the entire population. It must not result in the rich growing richer and the poor growing poorer; or the power and authority of the nation being more concentrated because of it.

This ceiling of prices, combined with the order or priority of raw materials, foodstuffs, or manufactured products, will divert the energies of the Nation into those channels necessary for the common good. It will promote efficiency and prevent waste. It will equalize the burdens of the war and will prevent the usual disastrous aftermath of war—depression, due to the necessary adjustment. By stabilizing prices, rent, compensations, and so forth, we will prevent internal dissension, confusion, delays, and misunderstandings.

It has been hitherto held that money is one of the most important sinews of war. This has been so in the past, but it is not as important as it has appeared to be. Under such a plan as the one under consideration actual money is rather unimportant. With a price ceiling such as is contemplated, only that money necessary to purchase those commodities purchased abroad is important. Under this plan the money within the Nation would be properly circulated and controlled and would be sufficient. The resources of the Confederacy during our Civil War were so utilized that money was a minor factor. Those of Germany during the World War were utilized in a similar manner. The importance of money during war time is an idea which has been sold to the world by the banker, just as they have sold to the world the idea that a government must borrow money and pay interest when it is necessary to increase the money in circulation.

This legislation would not, of course, regulate the price paid by foreign nations for American commodities exported in time of war. This problem will be met by the Government paying the established domestic price and selling to the foreign buyer. The surplus will be used, in a like manner, to adjust the price of imports. During war times certain foreign commodities would be at a premium in American markets. Likewise, certain American commodities will be at a premium in foreign markets. There are certain essential commodities, necessary in time of war as well as in peace; which we do not and cannot produce. Among these are tin, manganese, antimony, nickel, and many drugs. If our freedom of the seas should be denied, or even curtailed, we would be in a sorry position in regard to such commodities. Such legislation as this should include a guarantee of at least a 2-year supply of these essential commodities in reserve.

One of the very worst features of war is the aftermath of depression which has always followed, because of the necessary adjustment. We have experienced these depressions following every war in which we have engaged. Overexpansion has resulted; inflation, especially of credits has taken place and a general stagnation of business occurs. The discharged armies throw upon the labor market much labor to be absorbed. Wages and prices are out of balance. This legislation, by preventing the usual inflation and consequent high prices, would prevent the worst features of this aftermath. In this manner, Congress is fulfilling its duty in providing for the general welfare. A war should be fought on a pay-as-you-go basis. As has been previously stated, the sacrifice should fall upon all as nearly equally as possible. Taxes for the time being should be so adjusted as to provide for this; then when the war is over the bill would be paid, as far as the financial part is concerned.

During the last war the United States raised during the war 42 percent of the money we spent by taxation. We can hardly imagine an emergency which would require more than 5,000,000 men under arms. This would be less than 4 percent of our population. By a sacrifice of the civilian population, by observing wheatless days, meatless days, heatless days—in other words, tightening their belts a little, as the men at the front are often forced to do—the lack of man power caused by those at the front could be neutralized. Since the earning power of the soldier is compulsorily reduced, something of a similar nature must be instituted as regards those not in arms. We have in our past history countless instances of heroism and superhuman exertion by our fighting forces in war times; but, sad to say, each such instance is matched by instances of merciless profiteering and plundering of the Public Treasury by selfish interests at home. Here is an attempt to strike such shameful blots from our national escutcheon.

The history of the world is a history of invasions and supplanting of peoples. Every nation in this world is builded upon the ruins of nations which preceded it. When our fathers founded this Nation they did so by conquering both the natural and human obstacles in their way. The law of the survival of the fittest is one of the fundamental laws of the world and cannot be ignored.

Human nature is the most unchangeable factor in the world since Genesis. If prayers could avert wars, there would have been no wars since womankind learned to pray. Treaties and mandates have proven to be as futile as prayer, and much more entangling. Hasten the millenium, but who can guarantee it? The first idea of every patriotic citizen should be the preservation of the Nation, but it is horrible to think of sending men to death in battle. It is abhorrent to consider what would happen at times if it were not done. If we must send men on such missions, we certainly owe it to them to send them well trained and equipped, hardened in body and mind and backed by a national system, in which each individual within it is making, as nearly as possible, sacrifices similar to those made by the fighting man.

We earnestly hope that it shall never be necessary for us to engage in another war. If fight we must, however, let us fight from the first as a Nation with every man, every dollar, every wheel of industry, and every resource, cooperating like the works of a clock—working for a victory for the entire Nation. Let us be, in every sense of the word, a Nation in arms.

CONDITION OF THE PUBLIC SCHOOLS

Mr. LEE of Oklahoma. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. LEE of Oklahoma. Mr. Speaker, the schools in my State are in a serious condition. Before the normal school term is finished 250,000 school children will be turned out of the schools. That is true in 26 States. Three and a half million children will be turned out of school before the normal terms of school are closed unless we get Federal aid.

I ask unanimous consent to extend my remarks in the RECORD upon this question.

Mr. TAYLOR of South Caroina. Mr. Speaker, will the gentleman yield?

Mr. LEE of Oklahoma. Yes.

Mr. TAYLOR of South Carolina. Doubtless my State is among those 26, but does the gentleman not think that the people back home in the respective States ought to meet their own responsibilities instead of bringing them here and dumping them into the lap of the Federal Government?

Mr. LEE of Oklahoma. I would like the time to answer that completely, but I asked for only 1 minute. I think when we are dumping money, as we are, for instance, in a bill asking for $1,000,000 to build roads, we should surely keep the school bells ringing.

[Here the gavel fell.]

Mr. LLOYD. Mr. Speaker, I ask unanimous consent that the gentleman have 2 additional minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. LEE of Oklahoma. I yield.

Mr. MARCANTONIO. What is the number of children who will be thrown out of school for lack of funds?

Mr. LEE of Oklahoma. In my own State, 250,000. Three and one-half million in the 26 States which are in distress.

Mr. MARCANTONIO. And the gentleman from Washington [Mr. LLOYD] said that people should go to their own States to get relief?

Mr. LLOYD. I have not stated that yet, because I have not stated anything.

Mr. MARCANTONIO. I think the gentleman's [Mr. LEE] remarks are very timely, coming when we have authorized an appropriation of $38,000,000 for naval and war purposes in less than 1 hour's time and with less than 38 Members present, and here we have 3,000,000 children who will be thrown out of schools because of lack of funds.

Mr. LLOYD. Will the gentleman yield?

Mr. LEE of Oklahoma. I yield.

Mr. LLOYD. Did the legislature meet in the gentleman's State during the last year?

Mr. LEE of Oklahoma. Yes.

Mr. LLOYD. And did it appropriate money sufficient to carry on the schools?

Mr. LEE of Oklahoma. Yes; and they added to that a million and a quarter additional appropriation. Besides the regular ad valorem tax we have a general sales tax and a 3-cent cigarette tax and we have a gasoline tax, we have squeezed the orange dry.

Mr. LLOYD. If the legislature of the gentleman's State appropriated money sufficient to meet the expenses of running the schools, why are they going to close?

Mr. LEE of Oklahoma. The people just do not have the money with which to pay the taxes. Even with the extra appropriation it would carry our schools only 7½ months.

Mr. LLOYD. Well, why did they not appropriate more?

Mr. LEE of Oklahoma. It would not do any good to appropriate it if it could not be raised.

Mr. MICHENER. Will the gentleman yield?

Mr. LEE of Oklahoma. I yield.

Mr. MICHENER. How does the gentleman suggest that this money be raised now?

Mr. LEE of Oklahoma. I have a bill before the Committee on Education at the present time to authorize $30,000,000 to be used for this purpose. I do not go so far as to say how it should be raised, but, in my opinion, if we can increase our appropriation for armaments and increase our appropriation for battleships and increase the appropriation to build roads out of Federal money, we can help educate our children, since education is fundamental to democracy itself.

Mr. MICHENER. How about a further tax on gasoline?

Mr. LEE of Oklahoma. We have a 4-cent tax on gasoline at this time.

School doors have already closed in the face of 8,600 pupils in my State of Oklahoma.

This is the statement of John Vaughn, State superintendent. He applied for $1,600,000 Federal aid January 16, was allocated $200,000, but none has been received as yet, and even if that amount allocated is received and even with one and one-half million dollars additional appropriated by the State legislature, still the schools of Oklahoma will be able to run for only 7½ months.

In Maine 38 schools have already closed. It is estimated that 1,200 more would close if full cash payment of the teachers' salaries were required..

In Nevada 14 schools have closed up to date. In Texas 250 schools have already closed and 1,000 more will close within 2 weeks if Federal aid is not secured.

In Mississippi 80 percent of all schools would be closed if full cash payment of the teachers' salaries were required, and the average pay of the teachers in that State is $49.

In short, gentlemen, unless Federal aid is granted, this year 42,000 schools will close short of a normal term, turning out three and one-half million school children and putting out of employment 102,116 teachers.

In my opinion this is a serious situation. We have been holding hearings in the Education Committee on two bills for relief, one introduced by myself—H. R. 5923.

This bill calls for an appropriation of $30,000,000, the lowest possible amount it is estimated that it will take to carry the schools their full terms.

The other bill was introduced by Mr. DEEN, of Georgia. I am hoping that our committee will report one of these bills out a week from tomorrow, at which time we hold executive session.

I am bringing this matter to your attention now with the hope of creating interest in Congress that will make it possible for us to rush through Federal aid for our schools.

SURVEY OF SCHOOL SITUATION

Soon after this session of Congress opened I began receiving letters and telegrams from different parts of Oklahoma requesting Federal aid for schools; not for colleges and universities or junior colleges, but for public schools. This aid was not for extra frills, but sought in order that those schools might be kept open 9 months.

Feeling that this need might be universal, I sent the following telegram to the superintendents of 48 States:

> How much Federal aid money, if any, do you estimate will be needed in your State to insure 9 months' term in all your public schools? If possible, base estimates on actual figures. What is your attitude toward Federal appropriations as means of equalizing educational opportunities as permanent policy and distinct from emergency relief? Expect to submit bill as soon as possible. Appreciate immediate reply.

Thirteen States replied that they did not need aid; namely, Connecticut, Delaware, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, West Virginia, Indiana, California.

Illinois and Minnesota did not reply. The other States replied almost immediately, stating that it would be necessary for them to have Federal aid in order to keep their schools open for the full 9 months' school term.

Then I called in Mr. Cammack from the Office of Education and asked his aid in arriving at the lowest possible estimate of Federal aid that would make it possible to keep

the schools open for 9 months. After studying the replies I had and from certain data available to him through the Office of Education, we arrived at the lowest possible figure, that of $30,000,000.

In the meantime the requests for aid became more urgent. Many schools in my own State, Oklahoma, would have closed March 1, but it is my understanding that in most cases, at least, the teachers are teaching on without pay in the hope that we will pass some bill authorizing Federal aid.

TEACHERS DESERVE CONSIDERATION

Having been a school teacher myself, I sympathize with the teacher. The teacher has a 12-month outgo and a 9-month income in normal times, and when that income is cut down to 5 and 6 months it is rather difficult for the teacher to make ends meet.

During the parade of the teachers at Chicago when they were protesting against teaching on hot checks, as the teachers passed by with their banners, some enthusiastic sympathizer from the side lines shouted, "Long live the teacher!" One of the teachers answered back, "On what?"

It is my opinion that our teachers deserve great consideration for having been so patient. I believe it is because most of them look upon their profession as being more than a means of earning a livelihood.

But be that as it may, it is necessary for the teachers to live, and in this time when we are furnishing funds for the employment of workers in every field and occupation, I believe the teachers should also be given consideration.

TAXES ARE DELINQUENT

In Oklahoma we have exhausted almost every avenue for resources. Our ad valorem tax has fallen short for two reasons, one because our assessments have been lowered, and this is as it should be; the other reason is because the people have not had money enough to pay their taxes. Many taxes are delinquent. A man who was sent by the Government to audit some of the county records told me that in a number of counties more than a majority of the land already belonged to the State, because of delinquent taxes; therefore, the sources of revenue to which we have been looking in the past for school money have dried up.

In addition to this, we have a State gasoline tax, a 3-cent cigarette tax, and general sales tax, and still we are unable to keep our schools open for the full school term.

I understand the State legislature has just passed an additional appropriation for schools of a million and a quarter dollars, but even with this it would only run our schools 7½ months.

I mention this situation in Oklahoma because it is my opinion that that is just about typical of at least 25 of the States.

There are 25 States that undoubtedly need Federal aid. There are in these 25 States over 32,000 school districts where the schools will not be kept open unless Federal aid is granted.

There are in these districts 42,200 schools; in these schools there are 3,429,920 pupils and 102,116 teachers.

No doubt more money than is authorized in my bill, H. R. 5923, could be well used for the schools of this Nation, but I placed the figure at the lowest possible estimate. It is my information from data which I have mentioned, and other data available to me through Mr. Cammack, that $30,000,000 will make it possible for these schools to keep open for a full term.

EDUCATION A UNIVERSAL OBLIGATION

Gentlemen, you will notice that the Northeastern States are in better condition than the Southern and Middle Western States, but I believe that our Nation cannot exist half ignorant and half educated, any more than it could exist as half free and half slave. I believe it is a mistake to try to pit one section of the country against another; to try to make the people of one State believe that they are not interested in the condition of the people in other States. In this day of modern inventions the States have been drawn close together. With our modern transportation, speeding automobiles, high-speed zephyr trains, and airplanes, State lines are gradually fading, geographically speaking.

It is therefore important to the wealthier Northeastern States that the children of the Southern and Middle Western States receive an education, because if children grow up ignorant in those States that are unable to furnish them 9 months' education, it is possible that these same children will be the citizens of many of the wealthier States.

Education is a universal matter; it does not belong to one State alone but in a sense to the whole Nation.

SCHOOL FOUNDATION OF DEMOCRACY

Our Government depends upon education for its existence. It is not for higher education that I am pleading, but for the fundamentals of the proverbial "little red schoolhouse", which institution I believe is essential if our Government is to endure, for where did we learn the first lessons of patriotism? Was it not at the feet of the teacher? Where did you first learn of the midnight ride of Paul Revere and the Battles of Concord and Lexington? Was it not at the little red schoolhouse? Where did you first hear the thrilling stories of the signing of the Declaration of Independence and the ringing of the Liberty Bell? Was it not at the feet of the teacher?

All of these glowing spots of American history were learned in the grade school. Through the school America has become Americanized, for as new immigrants have come to America, unable to speak our language, their children have attended our public schools and there at the feet of the teacher learned these thrilling stories of American history, and then in the evening by the warm glow of the firelight these stories have passed from child to parent, and thus has America become Americanized.

The school is fundamental to our Government. We cannot, we must not, let the school doors close. Less enlightened nations than our own could not have stood the strain of this depression. Our form of government is based upon the intelligence of our people. Our form of government places the power to govern in the hands of the governed. With power goes responsibility; with responsibility there must be intelligence; intelligence enough to know how to use that responsibility.

My friends, we must keep the school bells ringing in America.

FEDERAL FUNDS FOR OTHER PURPOSES

The Roads Committee has just reported out a bill calling for $1,000,000,000 for the construction of Federal highways across this continent; and may I say I hope it passes, for good roads bring a nation closer together, makes it possible for the farmer to get his commodity to market, and this particular program will give employment to the unemployed; but, my friends, are not the children of America worth more even than roads?

If we are to spend $1,000,000,000 of Federal funds on the roads of America, can we not spend as much as $30,000,000 for the education of our children?

We have also increased the military appropriation this year. Are we consistent if in the face of that increase we allow the school doors to swing shut in the face of three and one-half million children? While we appropriate a public-works program of $4,880,000,000, can we not ask that thirty million of that be spent to keep 102,116 teachers employed teaching our children the fundamentals of education? Surely the more fortunate States of the Union will not close their ears to the distressing need of three and one-half million school children. This is not a sectional matter; in my opinion, it is a matter of national patriotism.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. LEE]?

There was no objection.

PROMOTION, RETIREMENT, AND DISCHARGE OF COMMISSIONED OFFICERS IN THE MARINE CORPS

Mr. O'CONNOR. Mr. Speaker, I had intended to call up House Resolution 171 for the consideration of H. R. 4016, but I understand it is a very short bill, and I ask unanimous consent to call up H. R. 4016, to repeal section 16 of the act entitled "An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the

Marine Corps, and for other purposes", approved May 29, 1934, and that the same be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. O'CONNOR]?

Mr. MARTIN of Massachusetts. Reserving the right to object, will someone explain the bill to the House?

Mr. DREWRY. I intend to explain it right now.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. O'CONNOR]?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That section 16 of the act entitled "An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes", approved May 29, 1934 (48 Stat. 811), be, and the same is hereby, repealed

Mr. DREWRY. Mr. Speaker, the purpose of this bill is to further regulate the promotion and retirement of commissioned officers of the Marine Corps, simply to bring into uniformity with the promotion system of the Navy the promotion system of the Marine Corps. It repeals an old section of the bill of last year, May 29, 1934, and thereby brings into relation with the Navy the grades of lieutenant colonel and major in the Marine Corps. It saves $204,000, and as far as I know, there is no objection to the bill on the part of anyone.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. DREWRY. I yield.

Mr. MARTIN of Massachusetts. If there is any bill brought into this House which saves the country money, it ought to be passed.

Mr. VINSON of Georgia. This bill saves $204,000 a year.

Mr. DREWRY. Mr. Speaker, the purpose of this bill is to further regulate the promotion and retirement of commissioned officers of the Marine Corps, thereby bringing the promotion system of the Marine Corps in uniformity with that of the Navy. In this particular the legislation is affected by a repeal of section 16 of the act of May 29, 1934.

There are many reasons why there should be uniformity with the Navy, as the Marine Corps is a part of the Navy—the marines accompanying the fleet in whatever service they may be called upon to perform. The training of the Marine Corps is carried out along with the training of the Navy, and no other troops could operate with the Navy with equal efficiency, for it is only by going to sea that men become familiar with the ways of the sea, and after the men and officers have had many years of service with the Navy they have acquired the sea habit and are a part of the Navy.

The Marine Corps is really an emergency force to be used by the Navy in shore operations connected with fleet activities. The troops are specially trained and always ready for emergency landings in disturbed areas. They are prepared in time of war to establish and hold advanced bases.

In time of peace the Marine Corps is used for policing operations whenever called upon at home or abroad. They furnish garrisons for naval stations at home and beyond the seas which guard Navy property. They are also called upon when other emergencies arise, such as protection of the mails, and even at times have aided in Army operations.

This brief statement shows the necessity for having the Marine Corps system of promotion uniform with that of the Navy. Originally all promotion was by seniority. The rate of promotion under this system was so slow that it frequently happened that splendid officers did not reach the higher grades until they were too old to perform efficiently the duties of these grades. So there was evolved for the Navy a system of promotion by selection, with eliminations in the grades of captain, commander, and lieutenant commander, and later this system was modified by having the commissioned service in grade substituted for age in grade, and it is believed that this system has worked satisfactorily in the Navy.

However, legislation for the Marine Corps, along the same line, has not moved at the same pace, but on May 29, 1934, Congress passed a law which provided for the Marine Corps the same system of distribution, promotion, retirement, and discharge as had been provided for the Navy.

But at the time that act was passed section 16 of said law provided that lieutenant colonels and majors who were not selected for promotion would not be involuntarily retired, but would remain on the active list of the Marine Corps. While this was recognized as a defect in the law, yet it was necessary in order to prevent large increased cost to the Government; and so in these grades of lieutenant colonels and majors involuntary retirement was stopped. When hearings on the Marine Corps personnel bill were held in 1933 and 1934 it was considered necessary to include section 16 in order to comply with the financial policy of the President as announced by the Bureau of the Budget.

The repeal of section 16 will result in the retirement of not more than 6 lieutenant colonels and 10 majors each year and permit officers who have been promoted to receive the pay of the grades to which promoted.

The purpose of section 16 was to prevent additional cost to the Government; however, it now appears that unless section 16 is repealed it will result in increased cost to the Government, and that repeal will result in a considerable saving.

This change has come about for the following reason:

During the time which has elapsed since the first hearings in 1933 on the Marine Corps personnel bill by this committee were held a large number of officers have become entitled to increases in pay because of the longevity features of the pay act now in force. In other words, the cost of the active list of the Marine Corps is now considerably greater than it was in 1933, and the cost will continue to increase unless section 16 is repealed.

At the time the Marine Corps personnel bill was enacted many years of stagnation of promotion had resulted in all of the grades except that of second lieutenant being filled with officers of long service and consequent high rates of pay. Whenever a vacancy occurred in any grade it was filled by an officer in the next lower grade who, because of long service, was entitled to the same pay, and in some cases a higher rate of pay, than the officer whose vacancy he filled. Consequently there was no saving on the active list, but the cost of the retired list was materially increased.

As a result of the action of selection boards, a comparatively large number of officers with long service were passed over and a corresponding number of younger officers promoted. These younger officers have much lower rates of pay, and it has been determined by careful calculation that the savings in the cost of the active list will more than pay for the additional cost of the retired list and also permit the Marine Corps to fill the vacancies in the grade of second lieutenant and still show a considerable saving for a period of 5 years.

After that act was passed, additional legislation was enacted extending the selection downward to include the grades of lieutenant commander and lieutenant in the Navy and correspondingly in the Marine Corps. This legislation increased the flow of promotion, and it was found by computation that if section 16 was repealed it would result in a saving over a period of 5 years of $204,116. Now that the Navy line-personnel bill provides for the selection of lieutenants and lieutenants (junior grade) and the retirement of officers of those grades, and that law automatically applying to the Marine Corps, there is no reason for the inclusion of section 16, and its repeal will result in the saving above noted. The report of the Secretary of the Navy is as follows:

As the law now stands with respect to the Marine Corps, officers in the grades of first lieutenants, captain, and colonel, who become ineligible for promotion by reason of nonselection, retire under the same conditions as officers of the corresponding rank of the Navy. Officers in the grades of lieutenant colonel and major who are not selected remain on the active list. This condition is most harmful on the morale and efficiency of the Marine Corps. The ill effects of retaining on the active list a group of officers who have not been selected cannot be overestimated. Loyalty, professional interest, ambition, and initiative are among the essential attributes of an efficient officer personnel. An exhibition of those qualities by officers who have not been selected for promotion but who remain on the active list cannot be expected in that high degree required in an efficient organization. In addi-

tion, the retention of those officers on the active list will have the certain result of causing stagnation of promotion to the grades of lieutenant colonel and major and over-age officer personnel.

The financial aspects of the situation are, however, of minor importance when the evil effects of section 16 on the future efficiency of the Corps are considered.

The primary purpose of the Marine Corps Personnel Act is to provide a reasonable, regular flow of promotions in order that officers will serve in each grade at an age appropriate to the mental and physical requirements of such grade.

The enactment of this legislation has already been of great benefit to the Marine Corps, but in order to derive the full benefit, section 16 must be repealed.

It is apparent that, if this is not done, the grades of lieutenant colonel and major will, in a few years, be entirely filled with officers who are not considered qualified for promotion, and the only vacancies which will occur in these grades will be those which are created by death or voluntary retirement.

The law provides that colonels, captains, and first lieutenants who are not recommended for promotion are retired when they have completed certain periods of commissioned service, but officers in the grades of lieutenant colonel and major may remain on the active list until they reach the mandatory retirement age of 64. This is not only a discrimination in favor of lieutenant colonels and majors, but creates a situation which will adversely affect the morale and efficiency of the corps.

It is particularly desirable that the officers in the grades of lieutenant colonel and major should be young, vigorous, and efficient, for it is from these grades that all executive officers of regiments are taken, as well as all battalion commanders, some post commanders, and the staff officers for the higher commands. It will greatly handicap the administration and training of the corps if these positions are filled with officers who are not considered qualified for promotion. Moreover, the law provides that only the upper four-sevenths of any grade may be considered for promotion. If officers who have been passed over in the grades of lieutenant colonel and major do not request retirement after 30 years' service and remain on the active list until they reach the age of 64 years, a situation will be created when vacancies in the grade of colonel can only be filled by the promotion of lieutenant colonels who are not considered desirable. A similar situation will exist in the promotion of officers in the grade of major to the grade of lieutenant colonel. This situation was not foreseen at the time of enactment of the Marine Corps personnel bill.

Summing up, then, the reasons for the elimination of section 16, it is found that the passage of this bill will make promotion and retirement uniform for all grades, and will give the Marine Corps the same system that is now used by the Navy; that it will help to preserve the morale and increase the efficiency of the corps; that it will give younger men an opportunity for the promotion which was denied them under past legislation, thereby increasing their activity and energy in their work, and will result in a very considerable saving to this Government. [Applause.]

Mr. Speaker, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. DREWRY: At the end of the bill strike out the period, insert a colon, and the following proviso: "*Provided*, That officers in the grades of lieutenant colonel and major shall not be retired because of not being on a promotion list prior to June 30, 1936, and shall until that date retain their eligibility for selection and promotion."

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. Without objection, House Resolution 171 will be laid on the table.

There was no objection.

Mr. MAAS. Mr. Speaker, the reason for the repeal of section 16 of the Selection Act for the Marine Corps is due to the fact that when selection was agreed upon for the Marine Corps it had to be with the understanding that it would not cost the United States Government any money. To apply selection and not make it a charge upon the Treasury by building up the retired list, the act prohibited any officers not selected for promotion from being eliminated from the active list and placed on the retired list, which is the usual procedure. At that time selection applied only down through the grade of major. Lieutenants and captains were still promoted in order of seniority as vacancies occurred; and prior to that act promotion by selection in the Marine Corps applied only to the rank of colonel and above. In the meantime, however, naval legislation has extended selection down to and including lieutenants (junior grade) and first lieutenants in the Marine Corps.

We now find ourselves in the situation where colonels who are not selected and who reach a certain age are eliminated and placed on the retired list. The same situation exists for captains and first lieutenants, but with majors and lieutenant colonels, who are in between, remaining on the active list until they reach the age of 64, regardless of whether they are promoted or not.

To make it uniform throughout the whole service, both Navy and Marine Corps, section 16 must be repealed. The amendment which the committee approved is to delay the effect of repeal until July 1, 1936. This is done for the reason that the Naval Affairs Committee of the House feels that the selection board was altogether too drastic in its application of the law and unnecessarily applied provisions which will otherwise result in the elimination of certain valuable officers in the grade of lieutenant colonel and major. The main purpose of delaying the operation of the repeal until July 1936 is so that the majors and lieutenant colonels who were not selected and who would otherwise go out in June of this year will be given another opportunity tunity for selection and promotion.

We hope that the members of the board will take this into consideration and will not force out of the Marine Corps any majors or lieutenant colonels who have good records and who are valuable officers. It is the intention of Congress that the selection board shall, in effect, review its action, and we are hereby giving the Marine Corps another opportunity to again consider these officers who were passed over with the hope and expectation that some of these officers will be picked up.

Mr. DARDEN. Mr. Speaker, the consideration of H. R. 4016 is of great importance to all of us who are interested in the future of the Marine Corps. This bill proposes to repeal section 16 of the act approved May 29, 1934, which deals with the distribution, promotion, retirement, and discharge of officers of the Marine Corps.

The legislation of 1934 applied selection to the Marine Corps. It is a system of promotion which has long been in use in the Navy and which, I believe, notwithstanding certain disadvantages, has greatly improved the naval service.

Section 16 of the act of 1934 provided that the majors and lieutenant colonels of the Marine Corps were to be left undisturbed for the time being, notwithstanding the fact that they were not selected for advancement. This bill repeals that section and the result will be that these officers, unless they have been selected, will be forced to retire.

Many of us believe that the operation of the selection boards of 1934 and 1935 has been too drastic, and it is with a great deal of pleasure that we see the chairman of the Marine Corps subcommittee offer the amendment which will allow the officers affected by section 16 of that act to again be reconsidered.

I feel, and I believe that my feeling is shared by many other Members of Congress, that they have been dealt with too harshly; and I have no doubt that the next board which will consider this matter will see that this situation is corrected. It is for this purpose that the amendment is being presented.

We are vitally concerned with the administration of the act setting up selection. We believe that in justice to those officers affected by section 16 that they should be reconsidered and that the board should give full consideration to the fact that the application of an entirely new system of promotion will of necessity require some time and that the wholesale elimination of officers will injure rather than aid the corps.

I realize that the work of the previous boards has been very trying. They have had a very difficult task to perform. However, Congress has a definite responsibility in this matter and it should be ever on guard to prevent legislation working undue hardship.

STILL DRIFTING

Mr. FOCHT. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include a short editorial from the Philadelphia Record.

The SPEAKER. Is there objection?

There was no objection.

Mr. FOCHT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Lewisburg (Pa.) Saturday News:

With the daily deficit piling up, millions of people are wondering how long America's reserve wealth is going to hold out.

Those who led the Nation into the wilderness of the N. R. A. offer no promise of an early balanced Budget; in fact, no one would be rash enough to believe the Democratic administration, as now captained and officered, will ever be able to pull the country out of the wrecked industrial morass.

The only hope now left to encourage those who have long been promised by the President that good times are "just around the corner" is a shifting in the President's policies. But there are no more corners to go around. We have gone around all of them and found nothing that looked like anything excepting the increase of taxes and increased cost of living, with no work to produce wages that alone can provide sustained purchasing power.

Relief to cover temporary distress must be provided where necessary, but it can be but a hollow mockery of the kind of prosperity that prevailed under the operation of the Republican protective policy, which provided steady work and good wages for all who would work.

These days will come again when we can repeal the sliding-scale tariff that admits all kinds of cheap European and Asiatic products made by the cheap labor of those competing sections.

In the meantime let us see how we are getting along as the world's greatest farmer under the Democratic A. A. A. program. It might startle some farmers to learn that under the Roosevelt flexible tariff we import more farm produce than we export, and yet the Democratic cry in Washington is for more exchange of our best market in the world for the world's cheapest and poorest markets.

Right now our farm exports are the lowest in 50 years. Here are some figures covering recent years, and they are most impressive:

Exports of farm products January 1915, $163,710,000; January 1920, $370,865,000; January 1934, $71,780,000; January 1935, $61,009,000.

There are Democrats who do not favor this program that is ruining our farmers by destroying their home market with more foreign agricultural products brought here than we send abroad.

Here we have a vigorous protest contained in the Philadelphia Record, a Democratic paper that is supporting the administration, but preferring to hit Secretary Hull rather than anathematize the President, who is actually responsible for all this as he sails away from the wrath of the people and leaves Hull to take it.

The Record breaks on the subject as follows:

"Just at present nearly all Americans who can read are alarmed at the danger of another general European war.

"No current of public opinion is stronger than the emphatic demand that America stay out of it.

"The public realizes as never before that economic entanglements got us into the last war, and that they will get us into the next unless they are broken.

"America, naturally, looks to its Secretary of State, Mr. Cordell Hull, for leadership in guiding the Nation to a spot of safety and isolation should the expected conflict in Europe develop. Mr. Hull should be drafting neutrality laws, making it plain to the world that America will not become involved.

"But Mr. Hull chooses this particular moment to come forward with a familiar lecture on the evils of economic isolation and the blessings of free trade. And he especially urges the development of American trade with the Continent of Europe.

"To say that Mr. Hull is out of step with the country would be inaccurate.

"He is marching in the opposite direction.

"Tariff reduction has been Mr. Hull's objective throughout his long and active political life. Today it is almost an obsession with him. He sees in it not only the key to world peace but the 'Open Sesame' to national business recovery.

"According to Mr. Hull's argument, we have only to open our ports to foreign goods and the depression will be over, provided that we can induce other countries to be equally 'reasonable.'

"Even with the most perfect 'cooperation' from abroad, it is difficult to see how stimulating world trade in this manner could produce world recovery.

"At present the purchasing power of the United States public is so low that it cannot begin to buy the goods which its own factories are able to produce. On the other hand, those factories would be in no need of foreign markets if the American consumer were earning a decent wage.

"To concentrate on developing foreign trade only begs the question at both ends.

"We forget about the great potential home market in the effort to stimulate sales abroad. And the new imports would further accentuate unemployment by competing with American products.

"If and when Americans are able to buy the necessities of life from American factories in sufficient quantities to insure a stable business structure, we can begin to import, in larger quantities, specialty products made better or more efficiently abroad.

"Meanwhile, let's not try to save the world with a free-trade panacea."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. COOLEY, for 2 days, on account of death in family.

To Mr. MCFARLANE, for 2 days, on account of illness.

To Mr. DUNN of Mississippi (at the request of Mr. DOXEY), for today and tomorrow, on account of illness.

COMMITTEE ON PUBLIC LANDS

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the Committee on Public Lands may sit tomorrow afternoon during the session of the House.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ADJOURNMENT

Mr. VINSON of Georgia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 32 minutes p. m.) the House adjourned until tomorrow, Thursday, March 28, 1935, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON PUBLIC LANDS

(Thursday, Mar. 28, 10 a. m.)

Committee will hold hearings on various bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

279. A letter from the Chairman of the United States Tariff Commission, transmitting a copy of Digest of Trade Data with Respect to Products on Which Concessions Were Granted by the United States in the United States-Belgo-Luxemburg Trade Agreement; to the Committee on Ways and Means.

280. A letter from the Secretary of State, transmitting a copy of a despatch dated February 21, 1935, from the American Embassy at Brussels, and its enclosure; to the Committee on Foreign Affairs.

281. A letter from the Acting Secretary of the Interior, transmitting lists of useless papers of various divisions no longer needed or useful in the transaction of the business of the Department; to the Committee on Disposition of Useless Executive Papers.

282. A letter from the Secretary of War, transmitting draft of a bill to authorize the disposal of portions of certain military reservations no longer required and in exchange therefor to acquire title to lands required for military purposes; to the Committee on Military Affairs.

283. A letter from the Secretary of War, transmitting draft of a bill to authorize the transfer of certain military reservations, or portions thereof, to other departments of the Government; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. CROWE: Committee on the Territories. H. R. 6085. A bill to authorize the incorporated town of Petersburg, Alaska, to undertake certain municipal public works, including the filling, grading, and paving of streets and sidewalks and construction of necessary bridges and viaducts in connection with the same, and for such purposes to issue bonds in any sum not exceeding $40,000; with amendment (Rept. No. 508). Referred to the House Calendar.

Mr. BINDERUP: Committee on the Territories. H. R. 6723. A bill to authorize the incorporated town of Valdez, Alaska, to construct a public-school building and for such purpose to issue bonds in any sum not exceeding $50,000; and to authorize said town to accept grants of money to aid it in financing any public works; with amendment (Rept. No. 509). Referred to the House Calendar.

Mr. O'CONNOR: Committee on Rules. House Resolution 173. Resolution to change the designation of the Committee on the Disposition of Useless Executive Papers to the Committee on the Disposition of Executive Papers; without amendment (Rept. No. 510). Referred to the House Calendar.

Mr. WEAVER: Committee on the Judiciary. House Joint Resolution 26. Joint resolution requesting the President to proclaim October 9 as Leif Ericson Day; with amendment (Rept. No. 513). Referred to the House Calendar.

Mr. RAMSEY: Committee on the Judiciary. H. R. 29. A bill to amend the laws relating to proctors' and marshals' fees and bonds and stipulations in suits in admiralty; with amendment (Rept. No. 514). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. TURNER: Committee on Military Affairs. H. R. 2293. A bill for the relief of William Kelley; without amendment (Rept. No. 511). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. S. 1605. An act authorizing the President to present Distinguished Flying Crosses to Air Marshal Italo Balbo and Gen. Aldo Pellegrini, of the Royal Italian Air Force; without amendment (Rept. No. 512). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 2718) granting a pension to Frances E. Tucker, and the same was referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McSWAIN: A bill (H. R. 7041) to promote national defense by creating a Department of Air; to the Committee on Military Affairs.

By Mr. ANDREW of Massachusetts: A bill (H. R. 7042) to amend an act entitled "An act to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes", approved January 31, 1935; to the Committee on Banking and Currency.

By Mr. BERLIN: A bill (H. R. 7043) for the improvement of the Youghiogheny River Watershed, Pa., beginning at McKeesport, to provide flood control; and to encourage agricultural, industrial, and economic development; to the Committee on Flood Control.

By Mr. DEAR: A bill (H. R. 7044) authorizing the State of Louisiana and the State of Texas to construct, maintain, and operate a free highway bridge across the Sabine River at or near a point where Louisiana Highway No. 6 in Sabine Parish, La., meets Texas Highway No. 21 in Sabine County, Tex.; to the Committee on Interstate and Foreign Commerce.

By Mr. GASSAWAY: A bill (H. R. 7045) to amend and reenact section 44 of chapter 2, title 28, of the Code of Laws of the United States of America, relating to trial of cases in the district courts of the United States; to the Committee on the Judiciary.

By Mr. McANDREWS: A bill (H. R. 7046) to provide for the establishment of a Coast Guard station on the shore of Illinois at or near Belmont Harbor, Cook County; to the Committee on Merchant Marine and Fisheries.

By Mr. QUINN: A bill (H. R. 7047) for the improvement of the Youghiogheny River Watershed, Pa., beginning at McKeesport, to provide flood control; and to encourage agricultural, industrial, and economic development; to the Committee on Flood Control.

By Mr. SNYDER: A bill (H. R. 7048) for the improvement of the Youghiogheny River Watershed, Pa., beginning at McKeesport, to provide flood control; and to encourage agricultural, industrial, and economic development; to the Committee on Flood Control.

By Mr. TONRY: A bill (H. R. 7049) to amend section 602 of the Revenue Act of 1934; to the Committee on Ways and Means.

By Mr. WALTER: A bill (H. R. 7050) to amend the Judicial Code; to the Committee on the Judiciary.

By Mr. FENERTY: A bill (H. R. 7051) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching; to the Committee on the Judiciary.

By Mr. WERNER: A bill (H. R. 7052) to transfer Wind Cave National Game Preserve from the Department of Agriculture to the Department of the Interior; to the Committee on Agriculture.

By Mr. BOYLAN: A bill (H. R. 7053) to amend an act entitled "An act to adjust the compensation of certain employees in the Customs Service", approved May 29, 1928, as amended by the act of December 12, 1930, insofar as they relate to the United States customs guards; to the Committee on Ways and Means.

By Mr. DEMPSEY: A bill (H. R. 7054) to provide for the protection of land resources against soil erosion, and for other purposes; to the Committee on Agriculture.

By Mr. JONES: A bill (H. R. 7055) to provide for the protection of land resources against soil erosion, and for other purposes; to the Committee on Agriculture.

By Mr. MEAD: A bill (H. R. 7056) to provide for the appointment and promotion of substitute postal employees, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. SUMNERS of Texas: A bill (H. R. 7057) to provide for the appointment of two additional judges for the southern district of New York and one additional judge for the eastern district of New York; to the Committee on the Judiciary.

By Mr. HANCOCK of New York: Joint resolution (H. J. Res. 230) giving authority to the Commissioners of the District of Columbia to make special regulations for the occasion of the Seventieth National Encampment of the Grand Army of the Republic, to be held in the District of Columbia in the month of September 1936, and for other purposes, incident to said encampment; to the Committee on the District of Columbia.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUCKLEY of New York: A bill (H. R. 7058) to refund the duty of peanut oil by the New York Tank Barge Co., Inc.; to the Committee on Claims.

By Mr. BLAND: A bill (H. R. 7059) to provide for an examination and survey of Meachim's Creek, Middlesex County, Va., and of channel connecting said creek with the Rappahannock River; to the Committee on Rivers and Harbors.

By Mr. BLOOM: A bill (H. R. 7060) for the relief of the Concord Casualty & Surety Co.; to the Committee on Claims.

By Mr. BYRNS: A bill (H. R. 7061) for the relief of Emma Jenkins; to the Committee on Claims.

By Mr. CASTELLOW: A bill (H. R. 7062) for the relief of Robert Cleve Ellis; to the Committee on World War Veterans' Legislation.

By Mr. CROWE: A bill (H. R. 7063) granting a pension to Cyrus M. Flick; to the Committee on Pensions.

By Mr. DOBBINS: A bill (H. R. 7064) granting a pension to Emma Temple; to the Committee on Invalid Pensions.

By Mr. DOXEY: A bill (H. R. 7065) for the relief of Laurence Muse; to the Committee on Naval Affairs.

By Mr. DRISCOLL: A bill (H. R. 7066) granting a pension to Mary M. Diehl; to the Committee on Pensions.

By Mr. FARLEY: A bill (H. R. 7067) granting a pension to Grace V. Lawrence; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7068) granting a pension to Worth Wareham; to the Committee on World War Veterans' Legislation.

By Mr. GAMBRILL: A bill (H. R. 7069) for the relief of H. Bluestone; to the Committee on Claims.

Also, a bill (H. R. 7070) granting a pension to Roy E. Proskey; to the Committee on Claims.

By Mr. GREENWOOD: A bill (H. R. 7071) granting an increase of pension to Mary L. Garrison; to the Committee on Pensions.

By Mr. HALLECK: A bill (H. R. 7072) granting a pension to Maggie A. Bernethy; to the Committee on Invalid Pensions.

By Mr. LARRABEE: A bill (H. R. 7073) authorizing the appointment and retirement as a captain, United States Army, of J. C. Lewis; to the Committee on Military Affairs.

By Mr. McANDREWS: A bill (H. R. 7074) for the relief of Harry B. Hissong; to the Committee on Military Affairs.

By Mr. PERKINS: A bill (H. R. 7075) for the relief of Charles Somogi, Sr.; to the Committee on Claims.

By Mr. RYAN: A bill (H. R. 7076) for the relief of the heirs of John Schrodl; to the Committee on Claims.

By Mr. UTTERBACK: A bill (H. R. 7077) granting an increase of pension to Alice J. Robinson; to the Committee on Invalid Pensions.

By Mr. WERNER: A bill (H. R. 7078) granting a pension to Charlie Kills-In-Sight or Kills In; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5646. By Mr. ROGERS of Oklahoma: Petition headed by L. Buremon, of Shreveport, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5647. Also, petition headed by Jim Drayton, resident of the parish of Caddo, in the State of Louisiana, favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5648. Also, petition headed by Frank Kilpatrick, of Cleveland, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5649. Also, petition headed by C. Besse, of St. Anne, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5650. Also, petition headed by J. R. Breeding, of Minor Hill, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5651. Also, petition headed by S. Bailey, of Rochester, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5652. Also, petition headed by L. G. Chapman, of Hayti, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5653. Also, petition headed by Manuel Trujillo, of El Rito, N. Mex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5654. Also, petition headed by William R. Jones, of Draper, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5655. Also, petition headed by R. Boyse, of Malden, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5656. Also, petition headed by Benjamin F. Hancock, of Corydon, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5657. Also, petition headed by W. Smith, of Florence, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5658. Also, petition headed by J. Morley, of Greenwood, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5659. Also, petition headed by S. J. Richard, of Marietta, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5660. Also, petition headed by William A. Hill, of Schaal, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5661. Also, petition headed by R. S. O'Bannon, of Lauderdale, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5662. Also, petition headed by William Granderry, of Arlington, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5663. Also, petition headed by Jeff Jones, of Minter City, Miss., favoring House Bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5664. Also, petition headed by P. Cobb, of Aiken, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5665. Also, petition headed by K. Tucker, of Lena Station, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5666. Also, petition headed by O. E. Knowles, of Portland, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5667. Also, petition headed by Albert Hicks, of Shaw, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5668. Also, petition headed by M. C. Copeland, Sr., of Mayo, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5669. Also, petition headed by L. Romine, of Oneco, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5670. Also, petition headed by Richard Earle, of Memphis, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5671. Also, petition headed by M. McCullough, of Fort Payne, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5672. Also, petition of B. P. Leach and numerous citizens of Chula, Ga., favoring House bill 2856, embracing a Federal system of old-age pensions of $30 per month to citizens of the United States above 55 years of age not engaged in the field of competitive earning; to the Committee on Ways and Means.

5673. By Mr. BOYLAN: Resolution adopted at a meeting of the Coat and Suit Code Authority, New York City, favoring the extension of the National Recovery Administration for 2 years; to the Committee on Appropriations.

5674. By Mr. BUCKLER of Minnesota: Petition of Ernest W. Winter, chairman, and Willard M. Munger, secretary, of the Fergus Falls Unit of the Farmer-Labor Association of Minnesota, praying for the passage of the workers' unemployment, old-age, and social-insurance act (H. R. 2827), by Mr. LUNDEEN, which provides for the establishment of unemployment, old-age, and social insurance, and for other purposes; to the Committee on Ways and Means.

5675. Also, petition of Max Goldberg and five other members of the legislative committee of the Chamber of Commerce of Moorhead, Minn., urging the prevention and opposition to passage of the so-called "30-hour-week bill"; to the Committee on Labor.

5676. By Mr. DELANEY: Petition of the Eastern States Carton Corporation, of Brooklyn, N. Y., urging the continuance of the National Recovery Administration; to the Committee on Appropriations.

5677. By Mr. FORD of California: Resolution of the Council of the City of Los Angeles, urging upon Congress the necessity for early enactment of Senate bill 1518, providing for the establishment of a 6-hour day for carriers engaged in interstate and foreign commerce, and Senate bill 87, providing a 30-hour week; to the Committee on Labor.

5678. By Mr. HALLECK: Petition of 110 citizens of Ambia, Ind., and vicinity, urging the enactment of old-age pension legislation; to the Committee on Ways and Means.

5679. Also, petition of the Holy Name Society of St. Lawrence Church, of La Fayette, Ind., protesting against the activities of the Mexican Government in the prosecution of its citizens on account of their religious belief; to the Committee on Foreign Affairs.

5680. By Mr. HOOK: Resolution passed by the Lions Club, Lake Linden, Mich., as being opposed to House bill 6082, a bill to make potatoes a basic farm commodity under the Agricultural Adjustment Act; to the Committee on Agriculture.

5681. Also, resolution passed by the Michigan Workers' Committee on Unemployment and a petition signed by 61 persons residing in Ironwood, Mich., and forwarded by Raymond E. Garvey, chairman of this committee, asking that increased allotment be given to persons receiving relief; to the Committee on Appropriations.

5682. By Mr. LESINSKI: Resolution of Wayne Post, No. 111, the American Legion, Wayne, Mich., petitioning the President of the United States and the Congress of the United States to authorize and appropriate sufficient moneys to build a Veterans' Administration hospital of 500-bed capacity in the Detroit area; to the Committee on World War Veterans' Legislation.

5683. Also, resolution of Detroit Federation of Post Office Clerks, Local No. 295, condemning the curtailment of the postal service in Detroit and making for an increase in the regular personnel; to the Committee on the Post Office and Post Roads.

5684. Also, resolution of the Veterans of Foreign Wars, Henry A. Dennison Post, No. 2222, River Rouge, Mich., petitioning the President of the United States and Congress of the United States to authorize and appropriate moneys to build a Veterans' Administration hospital of 500-bed capacity in the Detroit area; to the Committee on World War Veterans' Legislation.

5685. Also, resolution of the City Council of the City of Wyandotte, Mich., petitioning the President of the United States and the Congress of the United States to authorize and appropriate sufficient moneys to build a Veterans' Administration hospital of 500-bed capacity in the Detroit area; to the Committee on World War Veterans' Legislation.

5686. Also, resolution of the Michigan Engineers and Architects Guild of Michigan, Detroit Chapter of Federation of Architects, Engineers, Chemists, and Technicians, supporting the works-relief bill, the prevailing-wage amendment, and denouncing the alternative proposal of the dole; to the Committee on Appropriations.

5687. Also, resolution of the Abraham Lincoln Society, a beneficial and cultural society of Detroit, Mich., urging the enactment of the Lundeen bill no. 2827; to the Committee on Labor.

5688. Also, resolution of the Slovak Gymnastic Ladies Union, of Detroit, Mich., urging the enactment of the workers' unemployment, old-age, and social-insurance act (H. R. 2827); to the Committee on Labor.

5689. Also, petition headed by Olive Franks and other voters and taxpayers of the city of Plymouth, Mich., urging the support for the passage of the Wheeler-Rayburn bill, to abolish utility holding companies; to the Committee on Interstate and Foreign Commerce.

5690. Also, House Concurrent Resolution 43 of the Michigan State Legislature, Lansing, Mich., memorializing Congress to provide an outright grant of $100,000 or such portion thereof as necessary to construct a relief drainage canal along the boundary line between Huron and Tuscola Counties to relieve the Sebewaing River Basin of its water burden and to be drained into Saginaw Bay and that the construction of this canal and the expenditure of the funds be under direction of such agencies of the United States Government as Congress may direct, thereby providing labor for hundreds of persons under the work-relief program as set up by the administration and for the protection of the health and well-being of thousands of persons residents of the State of Michigan; to the Committee on Rivers and Harbors.

5691. Also, petition of voters and citizens of River Rouge, Mich., urging the enactment of the Townsend old-age revolving pension bill; to the Committee on Ways and Means.

5692. By Mr. LUCAS: Resolution of the County Commissioners of Scott County, Ill., relative to the improvement of secondary roads; to the Committee on Roads.

5693. By Mr. MEAD: Petition of the New York Shorthand Reporters' Association, requesting Congress to pass House bills 4886 and 4887; to the Committee on the Judiciary.

5694. Also, petition of the City Council of the City of Buffalo, N. Y., requesting Congress to pass, and the President to approve, if passed, the General Pulaski memorial resolution now pending before Congress; to the Committee on the Judiciary.

5695. By Mr. MERRITT of New York: Petition of Hannah J. Reiner, of 840 West End Avenue, New York City, N. Y., and 30 additional residents of New York and Brooklyn, urging Congress to defeat the Wheeler-Rayburn public utility bills; to the Committee on Interstate and Foreign Commerce.

5696. Also, resolution of the Coat and Suit Code Authority, of 132 West Thirty-first Street, New York City, N. Y., that this code authority places itself on record as unanimously approving the recommendation of the President of the United States that the National Recovery Act be extended for an additional period of 2 years, etc.; to the Committee on Appropriations.

5697. Also, petition of Elizabeth L. Specchio and some 340 citizens of Penn Yan, Elmira, Hammondsport, and sundry New York towns, urging Congress to defeat the Rayburn-Wheeler public utility bill; to the Committee on Interstate and Foreign Commerce.

5698. By Mr. MURDOCK: Resolution of the Utah Motor Transport Association, opposing the reenactment of the Federal gasoline tax; to the Committee on Ways and Means.

5699. By Mr. PFEIFER: Petition of Hanson & Orth, New York City, concerning House bill 6653 and Senate bill 2209; to the Committee on Insular Affairs.

5700. Also, petition of the Association of Employees, Long Lines Department, American Telephone & Telegraph Co., New York City, concerning the National Labor Relations Act (S. 1958); to the Committee on Labor.

5701. By Mr. PLUMLEY: Petition of George H. Lockwood and some 25 other citizens of Woodstock, Vt., favoring a uniform Federal old-age pension law; to the Committee on Ways and Means.

5702. By Mr. RUDD: Petition of the Association of Employees, Long Lines Department, American Telephone & Telegraph Co., New York, concerning the National Labor Relations Act; to the Committee on Labor.

5703. Also, petition of the United Spanish War Veterans, favoring the passage of House bill 6995, to restore the rights of Spanish War veterans; to the Committee on Pensions.

5704. Also, petition of the Endicott-Johnson Corporation, Endicott, N. Y., concerning the continuance of the National Recovery Administration for another 2 years as advocated by the President of the United States; to the Committee on Appropriations.

5705. Also, petition of the Coat and Suit Code Authority, 132 West Thirty-first Street, New York City, concerning the continuance of the National Recovery Administration for another 2 years as advocated by the President of the United States; to the Committee on Appropriations.

5706. Also, petition of Hanson & Orth, New York City, concerning the Kocialkowski bill (H. R. 6653); to the Committee on Insular Affairs.

5707. By Mr. TREADWAY: Resolution adopted by Group No. 82, Polish National Alliance of the United States of North America, urging that October 11 of each year be designated as General Pulaski's Memorial Day; to the Committee on the Judiciary.

SENATE

THURSDAY, MARCH 28, 1935

(Legislative day of Wednesday, Mar. 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, March 27, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 5576. An act to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes;

H. R. 4016. An act to repeal section 16 of the act entitled "An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes," approved May 29, 1934;

H. R. 5577. An act to provide for aviation cadets in the Naval Reserve and Marine Corps Reserve; and

H. R. 5599. An act to regulate the strength and distribution of the line of the Navy, and for other purposes.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Lewis	Radcliffe
Ashurst	Couzens	Logan	Reynolds
Austin	Cutting	Lonergan	Robinson
Bachman	Dickinson	Long	Russell
Bankhead	Donahey	McAdoo	Schwellenbach
Barbour	Duffy	McCarran	Sheppard
Barkley	Fletcher	McGill	Shipstead
Bilbo	Frazier	McKellar	Smith
Black	George	Maloney	Steiwer
Bone	Gerry	Metcalf	Thomas, Okla.
Borah	Gibson	Minton	Thomas, Utah
Bulkley	Glass	Moore	Townsend
Bulow	Gore	Murphy	Trammell
Burke	Guffey	Murray	Truman
Byrd	Hale	Neely	Tydings
Byrnes	Harrison	Norbeck	Vandenberg
Capper	Hastings	Norris	Van Nuys
Clark	Hatch	Nye	Wagner
Connally	Hayden	O'Mahoney	Walsh
Coolidge	King	Pittman	Wheeler
Copeland	La Follette	Pope	White

Mr. ROBINSON. I announce that my colleague the junior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON] are absent because of illness, and that the Senator from North Carolina [Mr. BAILEY], the Senator from New Hampshire [Mr. BROWN], and the junior Senator from Illinois [Mr. DIETERICH] are unavoidably detained from the Senate. I ask that this announcement stand for the day.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] and the Senator from California [Mr. JOHNSON] are absent on account of illness; that the Senator from Wyoming [Mr. CAREY] and the Senator from Oregon [Mr. MCNARY] are absent on official business; that the Senator from Minnesota [Mr. SCHALL] is absent because of a death in his family; and that the Senator from New Hampshire [Mr. KEYES] is necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

ANNUAL REPORT OF THE ARCHITECT OF THE CAPITOL (S. DOC. NO. 42)

The VICE PRESIDENT laid before the Senate a letter from the Architect of the Capitol, transmitting the annual report of the office of the Architect of the Capitol for the fiscal year ended June 30, 1934, which, with the accompanying report, was referred to the Committee on Public Buildings and Grounds and ordered to be printed.

CORNER IN DECEMBER SUGAR FUTURES

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, submitting, pursuant to Senate Resolution 41 (agreed to on Jan. 14, 1935), a report concerning the 1934 Cuban sugar crop and the alleged December corner in sugar futures on the New York Coffee and Sugar Exchange, which, with the accompanying report, was ordered to lie on the table.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the Townsend Old-Age Revolving Pension Club, No. 1, of Findlay, Ohio, favoring the adoption of the Townsend old-age pension plan, which were referred to the Committee on Finance.

He also laid before the Senate petitions of sundry citizens of the States of California, Illinois, Indiana, Massachusetts, Missouri, New Jersey, New York, Tennessee, and Vermont, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

He also laid before the Senate resolutions adopted by the Common Council of the City of Madison, Ill., and the Council of the City of Campbell, Ohio, favoring the enactment of legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which were ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. COPELAND, from the Committee on Commerce, to which was referred the joint resolution (S. J. Res. 93) to extend the time within which contracts may be modified or

canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934, reported it without amendment and submitted a report (No. 377) thereon.

Mr. FLETCHER, from the Committee on Commerce, to which was referred the bill (S. 1994) to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended, reported it without amendment and submitted a report (No. 376) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 448. A bill to authorize a preliminary examination of Coquille River and its tributaries in the State of Oregon with a view to the control of its floods (Rept. No. 378);

S. 449. A bill to authorize a preliminary examination of Umpqua River and its tributaries in the State of Oregon, with a view to the control of its floods (Rept. No. 379); and

S. 1317. A bill authorizing a preliminary examination of the Nehalem, Miami, Kilchis, Wilson, Trask, and Tillamook Rivers, in Tillamook County, Oreg., with a view to the controlling of floods (Rept. No. 380).

Mr. SHEPPARD, also, from the Committee on Commerce, to which was referred the bill (S. 865) authorizing a survey of the Willamette River and its tributaries, in the State of Oregon, with a view to controlling floods, reported it with amendments and submitted a report (No. 381) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 1533) to provide funds for cooperation with Marysville School District, No. 325, Snohomish County, Wash., for extension of public-school buildings to be available for Indian children, reported it without amendment and submitted a report (No. 382) thereon.

Mr. POPE, from the Committee on Agriculture and Forestry, to which was referred the bill (H. R. 2881) authorizing the adjustment of contracts for the sale of timber on the national forests, and for other purposes, reported it with an amendment and submitted a report (No. 383) thereon.

Mr. O'MAHONEY, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 1571) granting the consent of Congress to the States of Montana, North Dakota, South Dakota, and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Little Missouri River, reported it with an amendment and submitted a report (No. 384) thereon.

He also, from the same committee, to which was referred the bill (S. 1077) to further extend the time in which the States of Washington, Idaho, Oregon, Montana, and Wyoming may enter into a compact or agreement respecting the disposition and apportionment of the waters of the Columbia River and its tributaries, reported it without amendment and submitted a report (No. 385) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ASHURST (by request):

A bill (S. 2421) to amend the act entitled "An act forbidding the transportation of any person in interstate or foreign commerce, kidnaped, or otherwise unlawfully detained, and making such act a felony", as amended; to the Committee on the Judiciary.

By Mr. NEELY:

A bill (S. 2422) for the relief of Harry C. Anderson; to the Committee on Military Affairs.

By Mr. BORAH:

A bill (S. 2423) granting a pension to Mary A. Williams (with accompanying papers); to the Committee on Pensions.

By Mr. KING:

A bill (S. 2424) to provide for the establishment and maintenance of a central research and experiment station of the Bureau of Mines at Salt Lake City, Utah; to the Committee on Mines and Mining.

By Mr. McKELLAR:

A bill (S. 2425) for the relief of Alice Markham Kavanaugh; to the Committee on Claims.

By Mr. TRAMMELL:

A bill (S. 2426) to provide for the creation of a memorial park at Tampa, in the State of Florida, to be known as "the Spanish War Memorial Park", and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. McCARRAN:

A bill (S. 2427) authorizing the Secretary of the Interior to erect and lease or operate custom mills for the treatment of gold and silver ore; to the Committee on Mines and Mining.

By Mr. DUFFY:

A bill (S. 2428) to amend the Revenue Act of 1934 to allow as deductions from gross income contributions to unemployment benefit funds; to the Committee on Finance.

A bill (S. 2429) to provide for the acquisition of a site and the erection thereon of a Federal building at Park Falls, Wis.; to the Committee on Public Buildings and Grounds

AMENDMENT OF BANKRUPTCY LAW

Mr. WALSH. Mr. President, I ask consent to introduce a bill to amend the bankruptcy law, and I ask also to have printed in the RECORD a letter explanatory of the proposed amendment.

The VICE PRESIDENT. Without objection, it is so ordered.

The bill (S. 2430) to amend "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto", approved June 7, 1934, was read twice by its title and referred to the Committee on the Judiciary.

The letter presented by Mr. WALSH is as follows:

JACKSON & CURTIS,
Boston, January 28, 1935.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR WALSH: Please find enclosed a draft of proposed amendment to section 77 (b) of the so-called "Bankruptcy Act." As you will remember in my conversation with you, I explained that this amendment was necessary in order to enable the mortgage and title companies outside the State of New York, generally speaking, to reorganize. New York has its Schnackno Act, which enables mortgage and title companies to reorganize. In spite of this, however, there has been terrible confusion, and from credible sources I think the mortgage situation in New York has not been handled as well as it might have been. It is my opinion that even in New York, if 77 (b) had been available for reorganization of mortgage and title companies, much more progress could have been made.

Here in Massachusetts the principal company interested is Conveyancers Title Insurance & Mortgage Co. This company has an honorable and successful history dating back to 1889 until the present depression. In 1932 a voluntary reorganization cutting down interest to be paid to parti-mortgage receipt holders and to certificate holders was put through. This was effected with no commissions and at a total expense of around $10,000. Real-estate conditions have become increasingly worse since that date so that for some time the company has been unable to live up to the terms of this reorganization. It faces, therefore, either receivership, bankruptcy, or reorganization. Either receivership or bankruptcy destroys values and would be not only ruinous to security holders but would also be very detrimental to equity owners in property mortgaged. Our policy has been to preserve the rights of the equity holders so far as we can without endangering the principal of the mortgage. Our attorneys inform us that on our certificates, which are secured by a pool of mortgages, we cannot take interest received on one mortgage and apply it toward payment of taxes on another mortgage or piece of real estate. As a result, we have practically no working capital and we owe the city of Boston and surrounding cities and towns a very substantial sum for past and present taxes. One very constructive feature of a reorganization would be to enable us to postpone temporarily payment of interest to our security holders and apply the money toward taxes. We have consistently followed a policy of cooperating with the owners of properties on which we have a mortgage. Where we believe in their management we have left them in possession, even though they have been unable to keep up taxes and interest. As I have indicated before, receivership or bankruptcy would work a great hardship on these unfortunate people.

It seems to me that this matter might well be taken up with the so-called "Sabath committee", which, I understand, is a committee on investigation of real-estate bondholders' reorganizations. I understand the chairman is Hon. ADOLPH J. SABATH, of Illinois.

The only reason that I can see why anybody might object to this amendment is the possible damage resulting to holders of title insurance. Title insurance is unlike any other form of insurance. It is such a technical subject that it is not feasible to discuss it in this letter. I can merely say that our experience of

nearly 50 years has resulted in our title insurance proving in fact to be a theoretical liability only. We have never had a loss. As security for our title-insurance contracts we have segregated under the control of the commissioner of insurance $600,000 par value of mortgages Any plan of reorganization would leave this deposit intact and would not affect our title insurance at all, except that the holder of the policy would, of course, be in the stronger position of having a claim against a "live" company.

If you think there is a reasonable chance of this amendment being adopted and believe it would be worth while, I should be glad to come down to Washington with our executive vice president, Mr. Preston S. Cotten, and discuss the matter more fully with the proper people.

I appreciate very much your offer of cooperation, and I feel emphatically that it is a constructive move entirely in the public interest.

Very truly yours,

JAMES J. MINOT, Jr.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred to the Committee on Naval Affairs:

H. R. 5576. An act to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes;

H. R. 4016. An act to repeal section 16 of the act entitled "An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes", approved May 29, 1934;

H. R. 5577. An act to provide for aviation cadets in the Naval Reserve and Marine Corps Reserve; and

H. R. 5599. An act to regulate the strength and distribution of the line of the Navy, and for other purposes.

AMENDMENT TO AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. THOMAS of Utah submitted an amendment proposing to increase the appropriation to enable the Secretary of Agriculture to make soil-erosion investigations from $281,362 to $531,362, intended to be proposed by him to House bill 6718, the Agricultural Department appropriation bill, which was ordered to lie on the table and to be printed.

CAMP MERRITT, NATIONAL SHRINE

Mr. MOORE presented an article appearing in the March 1935 issue of the National Republic, by Hon. EDWARD A. KENNEY, Representative from New Jersey, entitled "Camp Merritt, National Shrine", which was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

CAMP MERRITT NATIONAL SHRINE—THROUGH CAMP MERRITT EMBARKATION CAMP PASSED MILLIONS OF AMERICAN BOYS DURING THE WORLD WAR—MOVEMENT ON FOOT TO RECONSTRUCT IT AS NATIONAL SHRINE DESERVES SUPPORT

(By Hon. EDWARD A. KENNEY, Representative in Congress from New Jersey)

Less than 3 years ago the then Governor of the State of New York forcibly recognized the historic significance of Camp Merritt and its right to commemoration. In the archives of the Camp Merritt Memorial Association, Inc., formed for the purpose of perpetuating the memory of the camp and the activities there during the World War, is a valued message sent by him to the association through Colonel Valle, its head.

President Franklin D. Roosevelt, for it was he, therein proclaimed:

"Camp Merritt, in my opinion, should be a national shrine, as troops from every State in the Union passed through it either going over or returning from overseas. It was the greatest of our embarkation camps during the war and the busiest of our debarkation centers following the armistice. The majority of the A. E. F., at one time or another, were guests of Camp Merritt, some for days, others for weeks, according to the availability of transports.

"And to the permanent garrison of Camp Merritt, I should like to pay a tribute. Many of them lost their lives while performing necessary tasks on this side, not being permitted to go overseas, as their work here was considered of vast importance. They wanted to 'shove off' with the thousands who left daily for 'over there', but had to be contented with duty here."

We of New Jersey, yearly, at the sacred site pay homage to those of the camp who gave up their lives for us—and all of us. But, while situated in our State, Camp Merritt rightfully belongs to the Nation.

The only vestige of the great military cantonment is a granite spire, a lonely monument, standing in the middle of the public crossroads. The camp lands were leased; the Government never acquired title to them. The camp buildings, following the war, were demolished and removed. Nothing remains of the foremost of the World War encampments but the shaft of stone erected to preserve its memory and bearing the inscription which in part reads:

"This monument marks the center of the camp and faces the highway over which more than a million American soldiers passed on their way to and from the World War, 1917–19."

Is this to be the memorial for those who consecrated this hallowed place? Or is Camp Merritt to become, as it deserves, a national shrine?

Let it be remembered that there is in this country no national shrine or monument which vivifies or portrays our military activities in the United States during the greatest of all conflicts. The nearest approach to the battlefield was the cantonment or embarkation camp. Camp Merritt was the most important of these camps. Had it not been for the work done there, it would have been impossible to send troops to France fit for the task they were to encounter.

With the entry of the United States into the World War on the side of the Allies, entailing the sending of troops to foreign soil on a scale never before undertaken, it was absolutely necessary that a camp be established for the unprecedented number of troops to be transported overseas from the port of embarkation at Hoboken, N. J. The facilities at the port were not such as to meet the requirements essential for the proper care and preparation of the troops. Accordingly, in July 1917, it was proposed to set up an embarkation camp in convenient proximity to the port.

The site of Camp Merritt, situated in a beautiful and historic section of Bergen County, was recommended and chosen for the purpose.

The camp site lies upon a ridge between the Hudson and Hackensack Rivers, in the Borough of Bergenfield, Cresskill, Demarest, Dumont, Haworth, and Tenafly. It is distant only a few miles northwest of the George Washington Bridge which now spans the Hudson River between the States of New Jersey and New York.

The construction of the camp may be divided into three periods. The first began August 20, 1917. Buildings for 7 regiments of infantry were erected along with 6 warehouses, various miscellaneous structures, and a base hospital for 500 beds, having a total capacity of 28,881 persons.

The second construction period commenced after authorization, on December 20, 1917, of buildings for a regiment of infantry, 2,000 casuals, warehouses, and additional miscellaneous structures and a 1,000-bed addition to the hospital, increasing the capacity of the camp to 36,980 persons.

The third period of construction was authorized June 20, 1918. Immediately thereafter work was started for the erection of additional buildings for 5½ training battalions, a 500-bed addition to the base hospital, warehouses, and other miscellaneous buildings. Upon completion, the camp, exclusive of the hospital, had a capacity of 1,480 officers and 40,490 enlisted men. Besides, the base hospital had quarters for 60 officers, 450 enlisted men, 200 nurses, and 2,385 patients, aggregating a total camp capacity of 45,065 persons.

In the course of time, through the liberality and good will of various benevolent organizations, additional buildings arose, all designed for the comfort, convenience, and entertainment of the enlisted men. The Y. M. C. A. provided a building in each of the four corners of the camp and also constructed a large auditorium in a central location. The Knights of Columbus contributed two large buildings, the Jewish Welfare Board added its building, and just outside the camp grounds the Christian Science Welfare Board erected a building as its contribution. The Red Cross Society built two large buildings within the camp. The camp became in reality a focal point for the patriotic, humanitarian, and hospitable spirit of America.

The first transient troops arrived October 1, 1917. The first big troop movement began on December 7, 1917. Thereafter troops were sent there as fast as they could be moved, and remained at the camp for varying periods until they could be sent to Hoboken for embarkation.

Life at the camp presented a spectacle of military mobilization unparalleled in the history of the United States. The youth of the Nation came there to muster, remain a while, and then depart, many never to return. Daily vast numbers were summoned to the last round-up; thousands upon thousands at a time left the camp for the ships awaiting them nearby. It was the last stopping-off place for the greatest number of our expeditionary forces and the first to receive myriads of the returning victors.

Men from every section of the country arrived there as soldiers and, while there, were thoroughly equipped, physically examined, and thoroughly prepared for the journey overseas. Camp Merritt served as a clearinghouse for the expeditionary forces. Undesirables were weeded out, alien enemies disposed of, conscientious objectors properly handled, and all of the problems dealt with which confronted our Army at home.

When the homeward movement of troops began, our returning soldiers passing through the camp underwent the sanitary processes, were segregated according to States, had their records checked, and were dispatched to the camp nearest their homes for final discharge.

The veteran well remembers the historic camp, its military bustle, and all that was done to make camp life comfortable for him. It is endeared to the hearts of veterans. All who occupied its soil remember fervently the favorable, conspicuous, and important part it played as the principal gateway to and from the battlefields.

Parents, relatives, and friends of departing veterans had the privilege of there meeting them and sharing with them their last days in this country.

Gold-star mothers will never forget the hospitality of the camp. Quarters were provided on the grounds for them to be near their sons and many a mother bade her last farewell to her son at Camp Merritt. Her fond memory returns to that hallowed place. It furnished the last bit of comfort and friendly encouragement for her departed. She cherishes the sacred site.

No word of Camp Merritt would suffice without reference to the distinguished soldier whose name it bore. He was Gen. Wesley Merritt, a brilliant Cavalry leader developed by the Civil War. After his graduation from West Point, in 1860, he entered the Cavalry branch of the Army and his distinguished service led to his promotion until he became brigadier general on June 8, 1863. As such he fought gallantly at Gettysburg and shortly afterward took command of the Cavalry operating in Virginia. He was in the Richmond campaign of 1864 commanding the first division of Sheridan's army in the Shenandoah Valley.

By his gallant and distinguished service he became, at the age of 27 years, a major general. He was with Grant at the surrender of Appomattox, and General Grant appointed him one of the three commissioners to carry out the peace terms. At the close of the Civil War he continued his service in the Cavalry, taking part in various Indian campaigns until 1882. At that time he was appointed superintendent of the United States Military Academy at West Point. Nearly all the general officers holding important commands in the World War received all or part of their military education under General Merritt's supervision. General Pershing was a cadet at West Point during the years that General Merritt was its superintendent.

Upon leaving West Point General Merritt had command of different military departments in the East and West. When the Spanish War broke out he was appointed military governor of the Philippines and commanded the Eighth Army Corps which was dispatched there. With Admiral Dewey he received the surrender of Manila on August 13, 1898. Later, at Paris, he was a member of the commission appointed to arrange the terms of the treaty of peace with Spain. He died December 3, 1910.

Surviving him at the time of our entry into the World War was his widow, who took a distinctive interest in the camp and its occupants. Out of her own funds she generously donated the sum of $10,000 for the erection of a building which was intended to be, and was, a dispensary of true hospitality. "Merritt Hall", as it was called, proved to be the favorite retreat of the service man. It was the hearth and heart of the camp.

If Camp Merritt is reestablished, sufficient of the original land site should, in my opinion, be acquired so that the most important of the camp buildings may be reproduced. The new buildings ought to be of permanent and lasting construction, but should conform to the design of the original structures, which were of wood, rudely built in an emergency. In such case anyone visiting the Camp Merritt National Monument could visualize the main features of the camp as they existed during the war.

The commemoration of the camp in this manner would in its building give employment to vast numbers of unemployed, many of them veterans, in the region of the camp. It would from its inception do a great deal of practical good in meeting the immediate needs of the labor problem of the vicinity, which is acute. The land could now be acquired on terms more reasonable perhaps than at any other time in years. A large amount of money would not be required for the perpetuation of the great cantonment, which in its making would lend great benefit to our people.

Furthermore, the new camp would serve a practical need in furnishing quarters for our veteran, military, and patriotic organizations, many of which will willingly contribute a portion of the expense for its upkeep.

Revenue could also be had from the sale of souvenirs to countless visitors who will frequent the shrine. Atop the Palisades, it will be ideally located to attract the throngs that annually find their way to metropolitan New York.

Above all, the commemoration of Camp Merritt along the lines proposed, besides exhibiting the activities of the camp in the great war against war, will recall vividly to our visiting countrymen the vital necessity of preparedness and adequate national defense to keep this land of ours inviolate and free from the threat and invasion of enemies. Mementos, inside and outside the building, should depict the World War in all its horrors, the frightful scenes of the battlefields, the carnage and slaughter of the trenches, the hellish shell fire, the inhuman gas attacks, and the havoc wrought by the bombing planes and airships, from which we have most to fear in the future. Especially should the development of aviation be stressed, since it must hereafter constitute our first line of defense.

Rendering an indispensable service during the World War, Camp Merritt, as a national shrine, can permanently serve the country by quickening our people to the full realization of the enormity and cost of the holocaust of nations pitted against each other and the prime importance of being ever ready and prepared to make war against war for the preservation of our peace.

Now pending before the Congress of the United States is a bill, introduced by the writer, to provide for the establishment of a national monument on the site of Camp Merritt in New Jersey. Known as H. R. 27, it should be one of the bills to receive early consideration by the Committee on the Public Lands.

By its provisions the Secretary of the Interior is authorized and directed to acquire, on behalf of the United States, such portion of the site of Camp Merritt as may be necessary and suitable for the establishment of a national park or monument, which shall be a public national memorial to the members of the American Expeditionary Forces who occupied the camp during the World War. The Director of the Office of National Parks is to have supervision, management, and control of this national shrine, which shall be designated as "Camp Merritt National Monument."

REPEAL OF PUBLICITY SECTION OF REVENUE ACT OF 1934

The Senate resumed the consideration of the bill (H. R. 6359) to repeal certain provisions relating to publicity of certain statements of income.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE]

The amendment offered by Mr. LA FOLLETTE is after line 5 insert a new section reading as follows:

SEC. 2. (a) Section 11 of the Revenue Act of 1934, relating to the normal tax on individuals, is amended by striking out "4 percent" and inserting in lieu thereof "6 percent."

(b) Section 12 (b) of the Revenue Act of 1934, relating to rates of surtax, is amended to read as follows:

"(b) Rates of surtax: There shall be levied, collected, and paid for each taxable year upon the surtax net income of every individual a surtax as follows:

"Upon a surtax net income of $4,000 there shall be no surtax; upon surtax net incomes in excess of $4,000 and not in excess of $8,000, 6 percent of such excess.

"$240 upon surtax net incomes of $8,000; and upon surtax net incomes in excess of $8,000 and not in excess of $10,000, 7½ percent in addition of such excess.

"$390 upon surtax net incomes of $10,000; and upon surtax net incomes in excess of $10,000 and not in excess of $12,000, 9 percent in addition of such excess.

"$570 upon surtax net incomes of $12,000; and upon surtax net incomes in excess of $12,000 and not in excess of $14,000, 10½ percent in addition of such excess.

"$780 upon surtax net incomes of $14,000; and upon surtax net incomes in excess of $14,000 and not in excess of $16,000, 12 percent in addition of such excess.

"$1,020 upon surtax net incomes of $16,000; and upon surtax net incomes in excess of $16,000 and not in excess of $18,000, 15 percent in addition of such excess

"$1,320 upon surtax net incomes of $18,000; and upon surtax net incomes in excess of $18,000 and not in excess of $20,000, 18 percent in addition of such excess.

"$1,680 upon surtax net incomes of $20,000; and upon surtax net incomes in excess of $20,000 and not in excess of $22,000, 21 percent in addition of such excess.

"$2,100 upon surtax net incomes of $22,000; and upon surtax net incomes in excess of $22,000 and not in excess of $26,000, 24 percent in addition of such excess.

"$3,060 upon surtax net incomes of $26,000; and upon surtax net incomes in excess of $26,000 and not in excess of $32,000, 27 percent in addition of such excess.

"$4,680 upon surtax net incomes of $32,000; and upon surtax net incomes in excess of $32,000 and not in excess of $38,000, 31½ percent in addition of such excess.

"$6,570 upon surtax net incomes of $38,000; and upon surtax net incomes in excess of $38,000 and not in excess of $44,000, 36 percent in addition of such excess.

"$8,730 upon surtax net incomes of $44,000; and upon surtax net incomes in excess of $44,000 and not in excess of $50,000, 40½ percent in addition of such excess.

"$11,160 upon surtax net incomes of $50,000; and upon surtax net incomes in excess of $50,000 and not in excess of $56,000, 45 percent in addition of such excess.

"$13,860 upon surtax net incomes of $56,000; and upon surtax net incomes in excess of $56,000 and not in excess of $62,000, 48 percent in addition of such excess.

"$16,740 upon surtax net incomes of $62,000; and upon surtax net incomes in excess of $62,000 and not in excess of $68,000, 51 percent in addition of such excess.

"$19,800 upon surtax net incomes of $68,000; and upon surtax net incomes in excess of $68,000 and not in excess of $74,000, 54 percent in addition of such excess.

"$23,040 upon surtax net incomes of $74,000; and upon surtax net incomes in excess of $74,000 and not in excess of $80,000, 57 percent in addition of such excess.

"$26,460 upon surtax net incomes of $80,000; and upon surtax net incomes in excess of $80,000 and not in excess of $90,000, 60 percent in addition of such excess.

"$32,460 upon surtax net incomes of $90,000; and upon surtax net incomes in excess of $90,000 and not in excess of $100,000, 63 percent in addition of such excess.

"$38,760 upon surtax net incomes of $100,000; and upon surtax net incomes in excess of $100,000 and not in excess of $150,000, 65 percent in addition of such excess.

"$71,260 upon surtax net incomes of $150,000; and upon surtax net incomes in excess of $150,000 and not in excess of $200,000, 66 percent in addition of such excess.

"$104,260 upon surtax net incomes of $200,000; and upon surtax net incomes in excess of $200,000 and not in excess of $300,000, 67 percent in addition of such excess.

"$171,260 upon surtax net incomes of $300,000; and upon surtax net incomes in excess of $300,000 and not in excess of $400,000, 68 percent in addition of such excess.

"$239,260 upon surtax net incomes of $400,000; and upon surtax net incomes in excess of $400,000 and not in excess of $500,000, 69 percent in addition of such excess.

"$308,260 upon surtax net incomes of $500,000; and upon surtax net incomes in excess of $500,000 and not in excess of $1,000,000, 70 percent in addition of such excess.

"$658,260 upon surtax net incomes of $1,000,000; and upon surtax net incomes in excess of $1,000,000, 71 percent in addition of such excess."

(c) Section 143 of the Revenue Act of 1934, relating to withholding of tax at the source, is amended by striking out "4 percent" wherever appearing in such section and inserting in lieu thereof "6 percent."

(d) Section 25 (b) (1) of the Revenue Act of 1934, relating to personal exemption, is amended by striking out "$1,000" and inserting in lieu thereof "$800"; and by striking out "$2,500" wherever appearing in such subsection and inserting in lieu thereof "$2,000."

(e) Section 213 of the Revenue Act of 1934, relating to personal exemption of nonresident aliens, is amended by striking out "$1,000" and inserting in lieu thereof "$800."

(f) Section 51 of the Revenue Act of 1934, relating to individual returns, is amended by striking out "$1,000" and inserting in lieu thereof "$800"; and by striking out "$2,500" wherever appearing in such section and inserting in lieu thereof "$2,000."

(g) The provisions of this section shall apply only to taxable years beginning on or after January 1, 1935. Income taxes for taxable years beginning prior to January 1, 1935, shall be levied, collected, and paid as if this section had not been enacted.

Mr. HARRISON. Mr. President, I make a point of order against the amendment offered by the Senator from Wisconsin. I do not think I formally made it yesterday, because the Senator from Wisconsin said he desired to make a brief statement. He made that statement yesterday afternoon, and I now make the point of order that the pending bill is not, in a strict sense, a revenue bill, and that for the Senate to attach a tax proposal to the bill at this time would be contrary to that provision of the Constitution requiring all bills for raising revenue to originate in the House of Representatives.

The VICE PRESIDENT. The Chair is ready to rule on the point of order, unless some Senator desires to discuss it.

Mr. HARRISON. I do not desire to discuss it further.

Mr. LA FOLLETTE. Mr. President, the Vice President was not in the chair yesterday when I made my statement. Briefly, my contention is that the proposed repeal of the section of the law involved in the pending House bill will affect the revenue. I realize that that is merely an opinion, and that other Senators may hold a contrary opinion, but, it seems to me, that under the circumstances, where there is a sharp division of opinion as to whether or not a bill which has passed the House will affect the revenue, the question of doubt should be resolved in favor of permitting the Senate to act in any way in which a majority of the Senate thinks necessary.

In the second place, I should like to point out, so far as the contention is concerned, that this legislation affects only an administrative feature of the law and not rates, that our experience with the last revenue law has been a complete demonstration of the fact that the administrative features of the law are equally important with the rates imposed, so far as the net revenue to the Government and the amount which it collects under any revenue law are concerned.

In the third place I should like to direct the attention of the Chair to many of the rulings of Vice President Marshall and other presiding officers of the Senate, which have been followed since that time, which proceed on the theory that the House, having opened the way to legislation which might, under a strict interpretation of the rule, preclude the Senate from taking action, the rather general trend of the precedents in the Senate has been that the Senate, under such circumstances, is not controlled by a strict interpretation of the rules of the Senate. I recognize, I may say, that they do not apply to the constitutional question involved, but I cite them in the hope that the Chair will feel in making his ruling, that a question which I admit is debatable should be decided upon the basis of permitting the Senate to exercise its equal and coordinate responsibility with the House of Representatives under the Constitution.

Mr. HARRISON. Mr. President, I was of the opinion that perhaps the question was so clear upon its face that it would require no argument to convince any one that we would be violating precedents and not acting in accordance with the Constitution if we should attempt to write a revenue amendment upon a bill which seeks merely to repeal the "pink slip" provision of the law.

It will be noted that the title of House bill 6359 is "To repeal certain provisions relating to publicity of certain statements of income." Those provisions deal solely with administrative purposes and features of the existing law; in no way, not by the wildest stretch of the imagination, can they be construed to affect the raising of revenue.

Mr. Story, in section 880 of his works on the Constitution, makes this statement with reference to the constitutional provision:

What bills are properly "bills for raising revenue", in the sense of the Constitution, has been matter of some discussion. A learned commentator supposes that every bill which indirectly or consequently may raise revenue is, within the sense of the Constitution, a revenue bill. He therefore thinks that the bills for establishing the post office and the mint, and regulating the value of foreign coin, belong to this class, and ought not to have originated—as in fact they did—in the Senate. But the principal construction of the Constitution has been against his opinion. And, indeed, the history of the origin of the power already suggested abundantly proves that it has been confined to bills to levy taxes in the strict sense of the words, and has not been understood to extend to bills for other purposes, which may may incidentally create revenue. No one supposes that a bill to sell any of the public lands, or to sell public stock, is a bill to raise revenue, in the sense of the Constitution. Much less would a bill be so deemed which merely regulated the value of foreign or domestic coins, or authorized a discharge of insolvent debtors upon assignments of their estates to the United States, giving a priority of payment to the United States in cases of insolvency, although all of them might incidentally bring revenue into the Treasury.

In one of the most important cases decided by the courts of the United States, the case of *Twin City Bank* v. *Nebeker* (167 U. S. 202), the court said:

The case is not one that requires either an extended examination of precedents, or a full discussion as to the meaning of the words in the Constitution, "bills for raising revenue." What bills belong to that class is a question of such magnitude and importance that it is the part of wisdom not to attempt, by any general statement, to cover every possible phase of the subject. It is sufficient in the present case to say that an act of Congress providing a national currency secured by a pledge of bonds of the United States and which, in the furtherance of that object, and also to meet the expenses attending the execution of the act, imposed a tax on the notes in circulation of the banking associations organized under the statute, is clearly not a revenue bill which the Constitution declares must orginate in the House of Representatives. Mr. Justice Story has well said that the practical construction of the Constitution and the history of the origin of the constitutional provision in question proves that revenue bills are those that levy taxes in the strict sense of the word, and are not bills for other purposes which may incidentally create revenue (1 Story on Constitution, sec. 880). The main purpose that Congress had in view was to provide a national currency based upon United States bonds, and to that end it was deemed wise to impose the tax in question.

Throughout the decisions the same construction of the constitutional provision has been given by the courts.

I desire to cite a few precedents relative to what has been done with reference to bills which originated in the House which were not revenue bills, upon which some revenue amendment was tacked by the Senate, and the House later refused to accept the amendment, returning the bill to the Senate.

In the Sixty-fourth Congress, second session, February, March 1917, the Senate added an amendment to the naval appropriation bill (H. R. 20632) authorizing the Secretary of the Treasury to borrow certain sums on the credit of the United States and to prepare and issue bonds therefor (proposed by Mr. Swanson).

The House, on March 2, 1917, returned the bill and amendment to the Senate with the statement that it contravened the first clause of section 7 of article I of the Constitution and was an infringement of the privileges of the House.

The Senate subsequently reconsidered the vote on the passage and engrossment of the bill and amendments, and a motion was agreed to whereby the amendment providing for the bond issue was stricken from the bill.

In the Fifty-eighth Congress, third session, 1905, the Senate added an amendment to the annual agricultural appropriation bill (H. R. 18329), as follows: That paragraph 234

of the act of July 24, 1897—a revenue act—shall not be held to be affected by the provisions of section 30 of said act.

The House adopted a resolution ordering the bill returned to the Senate, with the statement that the amendment contravened the first clause of the seventh section of article I of the Constitution and was an infringement of the privileges of the House.

After debate in the Senate, that body reconsidered the vote on the passage and engrossment of the bill, and the amendment in question was then disagreed to, and the bill again passed with the objectionable amendment eliminated.

On June 30, 1864, the bill (H. R. 549) further to regulate and provide for the enrolling and calling out of the national forces was passed by the Senate with an amendment, among others, providing for a 5-percent duty on incomes. The House ordered the bill returned to the Senate with the statement that the amendment in question contravened the first clause of section 7 of article I of the Constitution and was an infringement of the privileges of the House.

The Senate on the same day reconsidered the bill and eliminated the objectionable amendment.

Mr. President, so it goes on down the line. I submit that the bill now before us, which deals solely with the repeal of an administrative provision of law, namely, the pink-slip provision, affects in no way the revenues of the Government.

Mr. Justice Story and the courts say a bill must go further than incidentally to affect the revenues of the Government and must deal directly with the revenues before the Senate may take cognizance to the extent of adding revenue provisions.

It seems to me it is without question that the Senate ought to sustain the point of order, if submited, or, if the Chair desires to rule without submitting the question to the Senate, he should sustain the point of order. Certainly the Senate of the United States ought not to assume, in view of the provision of the Constitution to which I have invited attention, the privilege and the right of writing a revenue bill in this way.

Sooner or later at the present session of Congress we may be forced to consider a revenue bill which might have a tendency to increase taxes or to extend the application of those taxes which by operation of law would otherwise lapse on June 30. Certainly, when that time comes the House ought to be given its privilege and right, which it has always exercised, to construct its own revenue bill without the Senate assuming in the beginning to write a revenue bill and send it to the House. I think the House would have just cause to feel it was an abuse of their privilege, and, so far as I am concerned, I am not willing to go that far. Therefore, I have made the point of order.

Mr. LA FOLLETTE. Mr. President, will the Chair permit a brief statement?

The VICE PRESIDENT. Certainly; the Chair will be glad to hear the Senator.

Mr. LA FOLLETTE. Mr. President, so far as the commentaries from Justice Story are concerned, I should like to point out that they were made prior to our experience with the income-tax law, and without any knowledge of the important relation between the administrative features of such a tax law and the rates imposed under it.

I also should like to point out that the four precedents which the Senator from Mississippi has cited—cases in which the Senate attached amendments relating to revenue to bills passed by the House—are not at all on all fours with the instant case. One case which he mentioned was a naval appropriation bill; another was a bill concerning postal rates; another was an agricultural appropriation bill; and another was a bill in 1864, relating to calling out additional forces during the war.

Mr. President, it seems to me that this case must be considered upon the basis that the bill which the House has passed is a bill relating directly to the revenue laws, relating directly to the income tax, and that the House having opened the door in connection with the provision concerning the administrative features of the law, the Senate should have an opportunity to take whatever action it sees fit to take in the premises dealing with other features of the law.

Mr. NORRIS. Mr. President, as everybody knows, I am bitterly opposed to the passage of the pending bill. I think it would be a serious mistake to pass it; and I should not hesitate to do anything which in my judgment was legal to prevent its passage or to delay it. At the same time, in order to accomplish those objects I do not believe we would be justified in violating, not the rules of the Senate, but the Constitution of the United States.

As I look at the matter, it is perfectly plain that the point of order ought to be sustained. I should like to accomplish what the amendment seeks to accomplish. While it has not been read, I understand that the amendment imposes increased rates in some of the brackets of the income tax. I am very heartily in favor of that. I should do anything I thought was legal in order to accomplish that end; and if this were a simple question of a violation of the rules of the Senate, I should feel much more like taking a chance and resolving any possible doubt in favor of such an amendment.

As I see it, however, the question goes farther than that. The Constitution has plainly laid down the rule which we are compelled to follow; and, whether we like it or not, I think we ought to follow it. Even though we could gain a temporary advantage, I should not desire to gain it at the expense of violating the Constitution, which I think adopting this amendment would involve.

Mr. LONG. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. LONG. As the Senator knows, I have a great regard for his opinion, and would hardly dare even argue against his opinion on a constitutional question; but all this proposed legislation might be under the title "A bill relative to the collection of income taxes."

In my State we have a constitutional provision that no bill may have more than one object, which must be expressed in its title. If this were a State bill, there would be no trouble in covering its object under the one line "relative to the collection of income taxes."

Mr. ROBINSON. Mr. President, will the Senator from Nebraska permit me to interrupt him?

Mr. NORRIS. I yield.

Mr. ROBINSON. I call the attention of the Senator from Louisiana to the fact that the language of the Constitution is different from that which he refers to in the Louisiana statute.

Mr. LONG. What is the language in the Constitution?

Mr. ROBINSON. The language is:

All bills for raising revenue shall originate in the House of Representatives.

Mr. LONG. That is true.

Mr. ROBINSON. Therefore, unless the bill provides for raising revenue, it does not come within that restriction. I agree unqualifiedly with the statement which the Senator from Nebraska is making.

Mr. NORRIS. Mr. President, as I see it, we cannot afford to take a chance of that kind. If we do, our action will come home to roost some time. We cannot afford to violate what seems to me to be the plain provision of the Constitution.

We might have a bill here that would increase or decrease the salary of somebody in the Internal Revenue Bureau, having direct application to the particular matter in dispute. Would anybody contend that we could hang on that a revenue bill to increase taxation?

The matter seems to me too plain for argument. I do not think we can afford to accomplish the end in this way, even if the amendment could be adopted. I do not know but that it could be adopted if we were voting on it upon its merits. I certainly should support it in that case; but, even if the end were accomplished in that way and the amendment became a law, I think the method would be so unjustifiable that we could not afford to do it in that way.

That, however, would not be the result. The House of Representatives is jealous, as it should be, of its right to

originate revenue bills. The House of Representatives undoubtedly would return the bill to the Senate and refuse to consider this amendment, because the House would say, as I think it would have a right to say and ought to say, that the amendment takes away the constitutional privilege given to the House to originate revenue bills.

Referring to the suggestion that the bill may affect the revenue, I call attention to the fact that a reduction of the salary of an official of the Internal Revenue Bureau would also affect the revenue. There are those who believe that if we had publicity of income-tax returns the revenue would be increased. I am one of them; but such an increase would be only incidental. I ought to say also that others just as conscientious and more able than I am believe that publicity of income-tax returns would not affect the revenue. At least, this bill is not intended to raise revenue. It says so on its face; and I do not see how the Senate has any constitutional power to put such a construction on the bill as to revolutionize its purpose entirely and make it a revenue bill.

Mr. NEELY. Mr. President, I rise to make a point of order.

The VICE PRESIDENT. The Senator from West Virginia will state it.

Mr. NEELY. Mr. President, my point of order is that the debate on the pending question is out of order, because it clearly violates a standing rule of the Senate—rule XX—the first part of which is as follows:

> A question of order may be raised at any stage of the proceedings, except when the Senate is dividing, and, unless submitted to the Senate, shall be decided by the Presiding Officer without debate, subject to an appeal to the Senate.

The question before the Senate is one of order. It has not been submitted to the Senate by the Chair. Therefore, the debate should be discontinued.

Many times during the last 10 years I have, without success, endeavored to have this rule enforced. But, inasmuch as the present occupant of the chair, the distinguished Vice President, is a profound parliamentarian and a fearless administrator of parliamentary law, the enforcement of the rule in question is now hopefully if not confidently invoked.

Mr. President, I move that further debate on the question before the Senate be declared to be out of order.

The VICE PRESIDENT. The point of order is well taken. The Chair is ready to rule.

The present occupant of the chair has at no time declined to construe the rules of the Senate; and if this were a matter of the rules of the Senate, he would not hesitate for a moment to express his opinion about it and make a ruling.

It seems to the Chair, however, that this is purely a constitutional question; and under the rulings and under the precedents for more than a hundred years, where constitutional questions are involved as to the right of the Senate to act, the Chair has universally submitted the question to the Senate.

The Chair thinks the logic of that rule is correct, the reasoning of it is good, because the Chair might undertake to interpret the Constitution when a majority of the Senators would have a different viewpoint. So the Chair is going to follow a long line of precedents and submit to the Senate the question whether or not it is constitutional for the Senate to propose this amendment; and it occurs to the Chair that the only question involved is, Is this a bill to raise revenue?

So the Chair is going to submit to the Senate of the United States the question as to whether or not the Senate, under the Constitution, has a right to propose this amendment.

Mr. BORAH. Mr. President, must that question be determined without debate?

Mr. LONG. No; it is subject to debate.

The VICE PRESIDENT. The point of order has been made by the Senator from Mississippi [Mr. HARRISON] to the amendment of the Senator from Wisconsin [Mr. LA FOLLETTE]. The question before the Senate is whether or not the point of order shall be sustained. That question is debatable.

In connection with his ruling on the point of order made by the Senator from Mississippi, the Chair asks unanimous consent to insert in the RECORD some decisions and precedents prepared by the parliamentary clerk. Is there objection? The Chair hears none.

The matter referred to is as follows:

[From the Constitution of the United States, as revised and annotated, 1924]

ARTICLE 1 SECTION 7, CLAUSE 1, REVENUE BILLS

All bills for raising revenue shall originate in the House of Representatives; but the Senate may propose or concur with amendments as on other bills.

"All bills for raising revenue."

"The construction of this limitation is practically settled by the uniform action of Congress confining it to bills to levy taxes in the strict sense of the word, and it has not been understood to extend to bills for purposes which incidentally create revenue."

U. S. v. *Norton* (91 U. S. 566).

Twin City Bank v. *Nebeker* (167 U. S. 196).

Millard v. *Roberts* (202 U. S. 429).

QUESTIONS INVOLVING CONSTITUTIONALITY OF BILLS ARE SUBMITTED TO SENATE

Wednesday, January 16, 1924

The Senate, in a call of the calandar under rule VIII, reached the bill (S. 120) to provide for a tax on motor-vehicle fuels sold within the District of Columbia, and for other purposes.

Mr. MCKELLAR made a point of order against the bill on the ground that it was a revenue measure and that under the Constitution of the United States all revenue-raising measures must originate in the House of Representatives, and that the bill had no place on the Senate Calendar.

The question was argued, and Mr. Lenroot made the contention that it was not the function of the Chair to pass upon the question of whether bills are or are not in violation of the Constitution.

After further argument, the President pro tempore (Albert B. Cummins, of Iowa) made the following ruling:

"The Chair is of the opinion that he has no authority to declare a proposed act unconstitutional. The only precedent which the Chair has been able to find since the question arose was presented to the Senate in 1830, and the Vice President then in the chair ruled in accordance with the suggestion which the Chair has just made, holding that it was a question which must be submitted to the Senate and one which could not be ruled upon by the Chair, which entirely concurs with the views of the present occupant of the chair in the matter. The question before the Senate, therefore, is, Shall the point of order which is made by the Senator from Tennessee [Mr. MCKELLAR], which is that the bill now under consideration is unconstitutional and should have originated in the House of Representatives, be sustained? [Putting the question.] The ayes have it, and the point of order is sustained. The bill will be indefinitely postponed."

January 22, 1925

The Senate had under consideration the bill (S. 3674) reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes.

Pending debate,

Mr. Swanson raised a question of order, viz, that that portion of the bill dealing with increased postal rates proposed to raise revenue, and, under the Constitution, must originate in the House of Representatives, and was therefore in contravention of the Constitution.

The Presiding Officer (Mr. Jones of Washington) held that the Chair had no authority to pass upon the constitutionality of a bill, and submitted to the Senate the question, Shall the point of order be sustained?

On the following day the Senate, by a vote of 29 yeas to 50 nays, overruled the point of order.

The bill was subsequently passed and transmitted to the House of Representatives. On February 3 the House returned the bill to the Senate with the statement that it contravened the first clause of the seventh section of the first article of the Constitution and was an infringement of the privileges of the House.

The message and bill were referred to the Committee on Post Offices and Post Roads, and no further action taken. A House bill, H. R. 11444, of an identical title, was subsequently passed by both Houses and became a law.

* * * * * * *

March 2, 1931

Mr. Capper moved that the Senate proceed to the consideration of the bill (S. 5818) to regulate commerce between the United States and foreign countries in crude petroleum and all products of petroleum, including fuel oil, and to limit the importation thereof, and for other purposes.

Mr. Ashurst made the point of order that the bill was a revenue-raising measure, and, under the Constitution, should originate in the House of Representatives.

The Vice President submitted the point of order to the Senate.

Mr. Capper's motion was subsequently laid on the table, and the point of order was not passed upon.

December 17, 1932

The Senate had under consideration the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and provide a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

Mr. Dickinson offered an amendment imposing on imports of pearl buttons or shells, in excess of 800,000 gross in a year, the same rates of duty imposed on like articles imported from foreign countries.

Mr. Walsh of Montana raised a question of order, viz, that the amendment proposed to raise revenue and could not, under the Constitution, originate with the Senate.

The Vice President submitted to the Senate the question, Is the point of order well taken? and

It was determined in the affirmative.

Subsequently, Mr. Dickinson stated that the amendment above indicated was identical, except as to the commodity, with the language in the bill dealing with sugar and coconut oil; when

The President pro tempore ruled that in view of the language contained in the House text, the amendment was in order.

Mr. VANDENBERG. Mr. President, I should not assume for a moment to argue the constitutional point, and it would be only with the greatest temerity that I would disagree with the distinguished Presiding Officer, for whom I have profound respect, and with the able Senator from Nebraska [Mr. NORRIS] and the able Senator from Mississippi [Mr. HARRISON]. It seems to me, however, that finally a question of construction is involved. A layman may hazard a view on rules of construction.

I realize that there is no direct analogy between precedents dealing with the rules of the Senate and precedents dealing with a constitutional interpretation. Nevertheless, there is a very definite analogy in questions of construction, and I am constrained to submit to the Senate, which must now decide the question, the language of Vice President Marshall on July 15, 1916, ruling upon a point of order against legislation offered to an appropriation bill. I repeat, I recognize the sharp distinction between a rule of the Senate and a constitutional inhibition, but I also repeat that finally a question of construction is involved. I have never heard a more lucid statement in respect to construction upon this score than was uttered by Vice President Marshall on July 15, 1916, in deciding the point of order raised at that time, and I want to read what this eminent predecessor of the distinguished present Vice President said at that time. I quote:

Notwithstanding the rule of the Senate to the effect that general legislation may not be attached to an appropriation bill, still when the House of Representatives opens the door and proceeds to enter upon a field of general legislation * * * the Chair is going to rule * * * that the House, having opened the door, the Senate of the United States can walk in through the door and pursue the field.

Mr. ROBINSON and Mr. NORRIS addressed the Chair.

The VICE PRESIDENT. Does the Senator from Michigan yield; and if so, to whom?

Mr. VANDENBERG. I yield to the Senator from Arkansas.

Mr. ROBINSON. Does the Senator from Michigan regard that precedent as applicable to the question now before the Senate?

Mr. VANDENBERG. Not literally.

Mr. ROBINSON. This is a case——

Mr. VANDENBERG. Let me answer the Senator.

Mr. ROBINSON. This is a case, as has been pointed out by the Senator from Nebraska and others, of the application of the constitutional provision, and the case cited by the Senator involved the interpretation of the Senate rules, a question in no wise related to the matter immediately before the Senate.

If the House of Representatives had placed in this bill a provision for raising revenue, if it had changed a single rate in existing law, or proposed the imposition or levy of a new tax, then the case which the Senator is citing would be applicable; but clearly it can have no application to the issue now before the Senate, in which it is not contended that the bill before the Senate is one for raising revenue. The only contention made is that suggested by the Senator from Wisconsin, that the bill has a relationship to the subject of revenue and may incidentally affect the revenue.

Mr. VANDENBERG. What is the Senator's question to me?

Mr. ROBINSON. I first ask the Senator whether he is contending that the precedent which he is citing is applicable to the issue now before the Senate.

Mr. VANDENBERG. I want to answer the Senator, if he will permit me.

Mr. ROBINSON. I conclude by suggesting that the door has not been opened; the House has not levied any tax, and does not propose to change any tax.

Mr. VANDENBERG. Mr. President, first I think the precedent is applicable, not because a rule of the Senate happens to be involved, because a rule is not involved, but it is applicable because a question of construction is involved, and I am submitting the very lucid language of the former Vice President as an amazingly persuasive statement of a rule of construction as it appeals to me as a layman. In the final analysis this is a question in construction.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield, although I should like to complete my answer to the question of the Senator from Arkansas, if the Senator from Nebraska will permit me.

Mr. NORRIS. Very well. I will propound my question later.

Mr. VANDENBERG. First, therefore, I think the language of Vice President Marshall is pertinent. Secondly, the Senator from Arkansas says that the door has not been opened. I must resist his logic at that point. I think that when Vice President Marshall said, " The House having opened the door, the Senate of the United States can walk in through the door and pursue the field ", that was directly applicable to a measure which touches any section of the Revenue Act of 1934, because that is the field to which the House has opened the door. That is my view of the application of the precedent I am reading.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. VANDENBERG. First let me yield to the Senator from Nebraska.

Mr. NORRIS. Mr. President, the Senator has partially stated his position on the question I was about to ask him. I am not contending, and I do not think anybody would contend, that the decision of Vice President Marshall was wrong. I think it is in no way involved here. A parliamentary principle as old as parliamentary law itself was stated in very concise language by Vice President Marshall when he made the ruling which the Senator has read; that is, that under the rules an amendment providing for legislation cannot be attached to an appropriation bill. However, if the House sends us a bill and includes legislation in it, or if we have an amendment before us which itself is subject to the rule, we can offer an amendment to that which, standing alone, would be objectionable under the rule, but there could be no objection when it was offered to a provision in the bill which itself was a violation of the rule.

I contend, and it seems to me to be plain, that in the bill from the House now before us, they have never opened the door. They have not provided in the bill for raising revenue, as that subject is referred to in the Constitution, and hence there is no exercise by the House of that constitutional privilege upon which we can hang an amendment providing for raising revenue.

Let me ask the Senator a question: Suppose the bill provided only that a certain officer in the Bureau of Internal Revenue, having to do with income-tax matters, who drew a salary of $10,000 a year, should have his salary increased to $12,000. Does the Senator think we could then write a revenue bill as an amendment and attach it to the bill?

Mr. VANDENBERG. It would be my view that any time the House of Representatives sends us an amendment to the Revenue Act of 1934, it has opened the door to the Revenue Act of 1934.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

Mr. VANDENBERG. I yield.

Mr. BARKLEY. Does the Senator from Michigan think that the bill now under consideration could have been introduced in the Senate and considered and passed as an original proposition?

Mr. VANDENBERG. De novo?

Mr. BARKLEY. Yes.

Mr. VANDENBERG. Not at all.

Mr. BARKLEY. Why not?

Mr. VANDENBERG. Because legislation of this character should originate in the House of Representatives, unless the House opens the door to the revenue legislation and permits the Senate to enter it.

Mr. BARKLEY. The language of the Constitution is that bills for raising revenue shall originate in the House. This bill——

Mr. VANDENBERG. Let me answer the Senator. The law which is sought to be amended did originate in the House of Representatives.

Mr. BARKLEY. Yes; but that was a law which levied rates of taxation, which really raised revenue.

Mr. VANDENBERG. That is the law which is here sought to be amended.

Mr. BARKLEY. The bill before us raises no revenue, it does not affect the revenue.

Mr. VANDENBERG. That is a question of argument. It is asserted that it does affect the revenue.

Mr. BARKLEY. There are those who say that the mere publication of an income-tax report may indirectly affect the revenue, but this certainly cannot be said to be a revenue-raising bill. If somebody, incidentally and indirectly, might be induced to pay less taxes than he would otherwise pay on account of the elimination of publicity, certainly that does not make the bill a revenue-raising bill within the meaning of the Constitution.

Mr. VANDENBERG. Is the Revenue Act of 1934 a revenue-producing measure?

Mr. BARKLEY. Of course.

Mr. VANDENBERG. Of course it is.

Mr. BARKLEY. But that is not the measure we have before us.

Mr. VANDENBERG. That entire law is before us, so long as the House has opened the door.

Mr. BARKLEY. Not at all.

Mr. VANDENBERG. That is my contention.

Mr. BARKLEY. That measure is not before us. We could have amended that law in any particular, and we did in many particulars amend it. The fact is that we added this particular provision to it.

Mr. VANDENBERG. I ask the Senator to make the argument in his own time. If there is any interrogatory he wishes to address to me I shall be very happy to try to answer.

Mr. BARKLEY. I may not have an opportunity to make my argument in my own time, but I will desist at this time if it interferes with the Senator. I was simply answering the question the Senator asked me a moment ago as to what the Revenue Act of 1934 was. Of course it had to originate in the House, because it had to do with raising revenue. The bill before us has nothing to do with raising revenue.

Mr. VANDENBERG. It is my position that this is precisely what Vice President Marshall was describing when he defined the latitude and the prerogative of the Senate of the United States in 1916.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. BORAH. It seems to me this entire matter turns upon the question of whether the bill which came to us from the House of Representatives was a bill for raising revenue.

Mr. VANDENBERG. It undoubtedly would relate to raising revenue, finally.

Mr. BORAH. The question is, does the bill which has been presented to us purport to raise revenue, or does it substantially affect the question of revenue? That, in my opinion, is the point upon which the entire argument turns. I am unable to see how it can be said this is a bill to raise revenue, or how it in fact raises revenue, and that is the question which I should like to hear the Senator discuss.

Mr. VANDENBERG. Mr. President, of course I have not drawn the boundary with any such close limitation as the able Senator from Idaho would indicate. I am standing upon the proposition, as analyzed by Vice President Marshall, that when the House of Representatives sends us legislation which opens the Revenue Act of 1934—and that is precisely and literally what occurs here—it has opened all of the Revenue Act of 1934; and particularly in view of the fact that the pending proposal does affect revenue in the viewpoint of some of the Members of the Senate, I think the precedent is doubly applicable.

Mr. ROBINSON. Mr. President, will the Senator yield to me for a brief statement?

Mr. VANDENBERG. I yield.

Mr. ROBINSON. The difficulty about the Senator's proposition is that the Constitution does not provide that if the House opens the door by changing administrative provisions of a revenue statute the Senate may amend tax rates. It provides that "all bills for raising revenue must originate in the House." Therefore the only question that arises on the constitutional issue, in my judgment at least, is whether this is a bill for raising revenue within the meaning of that provision, and it would be difficult for any lawyer——

Mr. VANDENBERG. Which I am not.

Mr. ROBINSON. To maintain that this is a bill for raising revenue, because, as already pointed out, and frequently pointed out during the course of debate, it does not even purport to raise revenue. Granting that it is difficult for a lawyer to do it, I think it is impossible for a layman to do it.

Mr. VANDENBERG. Mr. President, I concede the difficulty which a layman confronts; but in view of the average demonstration made by a group of any two or more lawyers in the construction of any point I ever heard them discuss, I fail to find an opinion pronounced by a lawyer conclusive simply because it arises in that source.

Mr. ROBINSON. No one maintains, if the Senator will permit me, that the opinion of a lawyer is conclusive; but all opinions ought to be founded upon reason and fair judgment.

Mr. VANDENBERG. And obviously the Senator from Michigan thinks his view is founded upon reason, or he would not present it. At any rate, it is a view based upon the analysis by the Vice President of the United States presiding over the Senate in 1916, respecting what seems to me to be a sane construction of the rights of the Senate in a situation of this character, and that is all I wish to say.

Mr. HARRISON. I have heard the Senator many times pay very just tribute in his own inimitable and eloquent way to the Supreme Court of the United States.

Mr. VANDENBERG. That is quite correct.

Mr. HARRISON. Yes. How does the Senator reconcile his view with that of the opinion of Justice Harlan in the case of Twin City Bank versus Nebeker in 1896, when he said:

> Mr. Justice Story has well said that the practical construction of the Constitution and the history of the origin of the constitutional provision in question proves that revenue bills are those that levy taxes in the strict sense of the word, and are not bills for other purposes which may incidentally create revenue.

Mr. VANDENBERG. The Senator's answer is that the Revenue Act of 1934 is precisely the type of legislation which the Justice was describing, and that whenever the House of Representatives opens the door upon that legislation we are entitled to pursue the field.

Mr. HARRISON. But I understood the Senator to say that the bill now before us would have the effect, even under the wildest flight of imagination, only incidentally to raise revenue. Mr. Justice Harlan states that such bills must not only incidentally raise revenue; they must directly raise revenue.

Mr. VANDENBERG. It is my contention that the act of 1934 does precisely that, and the right of the Senate to amend a House amendment to any piece of legislation must be conceded, and that there is no prohibition in this given

instance. The Senate, as well as the House, has rights. The Senate, as well as the House, has responsibilities. I propose to defend the former and to accept the latter.

Mr. CONNALLY. Mr. President, the Senator from Michigan, with his clear mind, seems to disregard legal arguments; and therefore I invite his attention to a simple, everyday, layman's common-sense view of the question. Let us forget all about being lawyers. Let us look at the matter from a common horse-sense viewpoint.

What is the question before us? The only question involved is, Is the bill which the House sent to the Senate a bill for raising revenue? Is the purpose of the bill the raising of revenue? That does not mean necessarily that it will result in increasing the revenue. It might lower it; but, after all, the object of the bill would be to raise revenue, to get money into the Treasury.

That is the only question. If it is a bill for raising revenue, we may amend it. If it is a bill for raising revenue, then the gate is open; the House has opened the gate. If it is not a bill whose purpose is to raise revenue, then the Senate cannot touch it by amending it so as to raise revenue.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from Louisiana.

Mr. LONG. Is not the particular provision known as the "pink slip" provision the one which we are proposing to strike out of the bill to raise revenue?

Mr. CONNALLY. It is proposed to strike the "pink slip" provision from the law; but such a bill as that to which the Senator refers is not before us.

Mr. LONG. Yes; it is.

Mr. CONNALLY. No; it is not before us. The Senator from Michigan, who says he is not a lawyer and does not understand lawyers, is in agreement with the Senator from Louisiana, who admits that he is a good lawyer.

Mr. LONG. I thank the Senator for publishing that fact. I have been trying to get that over in the Senate.

Mr. BARKLEY. The Senator from Louisiana indicated the other day that he was a successful one.

Mr. CONNALLY. The Senator from Texas inferred from the statement of the income derived by the Senator from Louisiana from his practice as a lawyer that he must have been a good lawyer.

Mr. LONG. And the Senator from Louisiana can use more than that.

Mr. CONNALLY. I am sure the Senator is able by way of making use of it as well as in other ways.

Let me say that the Senator from Michigan fell into error when he said, because the pending bill proposes to amend the Revenue Act of 1926, that therefore the entire Revenue Act of 1926 is before us. That is not true. What is before the Senate? The only thing before the Senate is this bill—not some other bill, but this particular bill—sent over by the House of Representatives. Is this a bill to raise revenue? Let me ask the Senator from Michigan, where is the income rate which is affected or changed by the provisions of this bill? Where is the tariff rate which is changed or affected by the provisions of this bill? Where is the gasoline tax which is changed or affected by it? Where in this bill is any rate changed or any modification made which affects in anywise any tax laid by the Congress?

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. LA FOLLETTE. The House of Representatives having passed this amendment to section 55, does the Senator believe that any other amendments affecting the administrative features of the law would be germane to this bill under the constitutional interpretation?

Mr. CONNALLY. If they affected only the administrative features of the bill, yes; because such amendments could not propose to raise revenue or be for the purpose of raising revenue. If they should undertake to do that they would, of course, fall within the constitutional prohibition.

Mr. LA FOLLETTE. I desire to direct the Senator's attention——

Mr. CONNALLY. Will the Senator wait a moment and let me complete my statement? It is a favorite device, when we are discussing something concrete, for Members to go off on a side issue.

Mr. LA FOLLETTE. I am not going off on any side issue.

Mr. CONNALLY. Oh, yes; the Senator wants to imagine that we have some other bill before us. We have a specific bill before us.

Mr. LA FOLLETTE. No; I did not say that. I asked the Senator, the House of Representatives having passed a bill proposing to change one administrative provision of the law, whether under his interpretation of the Constitution he believes it would then be within the power of the Senate, under the Constitution, to offer amendments to that bill affecting other provisions of the administrative features of the law; and I understood the Senator to answer in the affirmative.

Mr. CONNALLY. I do, but with the qualification that I cannot make a generalization as to all possible amendments. I am not going to say that no amendment would be in order, because I do not know the nature of all possible amendments.

Mr. LA FOLLETTE. Since the Senator is considering this question from the horse sense point of view, as he said, I desire to direct his attention to the fact that a large proportion of the Revenue Act of 1934, and the amendments thereto, had to do with administrative provisions designed to increase revenue. Is that not a fact?

The Senator was on the committee. We worked night and day; and often, when a proposed change in the administrative features of the law was presented, the experts of the Senate committee were asked, "How much is that going to increase the revenue?"

My point is that in an income-tax measure we cannot confine our interpretation of features of that measure which raise revenue solely to the rates which are imposed; that the construction of a revenue measure is such that its administrative provisions are just as important in affecting and in raising revenue as are the rates which are imposed.

Mr. CONNALLY. Mr. President, the Senator from Wisconsin has made very clear the reason why I made a reservation a moment ago in my admission that any administrative amendment would be in order. Some might be in order, and some would not be. If an administrative amendment should have for its purpose the raising of revenue, it would not be in order in the Senate unless the bill to which it was offered had been sent over by the House and had for its purpose the raising of revenue. In that event it would be in order in the Senate, and in the other event it would not be in order.

After all, this is a simple question. The Constitution says very clearly:

All bills—

What kind of bills?

All bills for raising revenue—

That means, all bills whose purpose it is to get money into the Treasury. What does the Court say? The Senator from Mississippi [Mr. HARRISON] has already cited the precedents and I shall not repeat them. The Supreme Court repeatedly, time after time, has held that a bill for raising revenue is a bill whose chief purpose—not whose incidental purpose, but whose chief purpose—is to raise revenue and bring it into the Treasury. Is this bill such a bill? Which Senator can rise here on the floor, under his responsibility as a Senator, and say that the purpose of the repeal of the "pink slip" is to raise revenue? The Senator from Nebraska [Mr. NORRIS] pointed out that distinction very clearly and very cogently. Why split hairs?

If we should adopt this amendment, the House of Representatives would send it back, and properly so. They are not all unaware of their prerogatives, and if the Senate should adopt the pending amendment to the "pink slip" repeal bill and send it over to the House, if the House has any manhood—and I think it has—it would immediately send the whole bill back to the Senate, and say, "We refuse to accept your amendment to this bill, because the Senate

has infringed the prerogatives of the House." Would not the Senate do the same thing if the House should undertake to invade our treaty-making power or our power to confirm or reject appointees? Would not the Senate act properly in resenting any infringement of its prerogatives?

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. FLETCHER. The whole argument against the Senator's position and the position of the Senator from Mississippi is that any amendment to the Revenue Act of 1934 brings the whole act before the Senate and that anything we might do here with reference to amending the act of 1934 would be in order because an amendment of the act has been proposed by the House bill. With all due respect to those who entertain that view, such a contention seems to me to be perfectly ridiculous.

For instance, there are, in the act of 1934, a dozen different definitions of various expressions such as "person", "domestic corporation", and "foreign corporation." Suppose the House should pass a bill amending the definition of a corporation or of a person, would that open the whole revenue act to revision here?

Mr. CONNALLY. Oh, no.

Mr. FLETCHER. Of course, it would not. It seems to me it is very far-fetched to contend, because the act of 1934 is proposed to be amended in one administrative feature that, therefore, the whole act is open to amendment here. I think that contention cannot be sustained upon any ground or for any reason. There are 40 provisions of the act of 1934 that have no relation to raising revenue but which are merely definitions and provisions of that kind.

Mr. CONNALLY. Of course, if the House of Representatives should send to the Senate a bill whose purpose was to raise revenue——

Mr. FLETCHER. Then, of course, I admit the situation would be different.

Mr. CONNALLY. I admit that it would open up the revenue-raising field, and we could amend it in its revenue-raising features, subject, of course to the rule of germaneness and to the other rules of the Senate. If this bill had for its purpose the raising of revenue, its taxing features would be subject to amendment in the Senate.

Reference has already been made to the decisions of the Supreme Court, but nearly all of them are based on Judge Story's early opinion. I will quote his language, and I commend it to the Senator from Michigan, who cast some reflection on lawyers' arguments and said he never could understand them and never agreed to them. I commend to him Judge Story. Perhaps the Senator has heard of Judge Story. He was an early constitutional commentator, and at one time a judge of the Supreme Court of the United States. Here is what he said:

> Revenue laws mean such laws as are made for the direct—

Now listen—not the incidental—

> as are made for the direct and avowed purpose of creating revenue or public funds for the service of the Government.

Is there anything plainer than that? Measured by that standard, is the bill before us devised for the direct and avowed purpose of creating revenue or public funds for the service of the Government? Measured by any sort of a rule, measured by a lay rule or a lawyer's rule or any other sort of rule, is this bill, as it came to the Senate, intended primarily, directly, and avowedly for the purpose of raising revenue? It does not modify or alter a single duty, internal-revenue tax, excise tax, income tax, or any other possible rate of tax now existing. Then, how, in the name of common sense, can it be held by anybody, anywhere, to be a bill for the purpose of raising revenue?

Mr. BARKLEY. Mr. President, has the Senator from Texas finished?

Mr. CONNALLY. I have concluded.

Mr. BARKLEY. Let me submit just a word with respect to the philosophy of the constitutional provision which we are discussing. The object of the framers of the Constitution was to see to it that any bill which taxed the people should originate in the most popular body of the Congress; that body the Members of which were most frequently subject to election or defeat by the people; and who would soonest have to return to them and give an account of their stewardship. That is why, of course, the provision was put in the Constitution in the beginning.

The Constitution provides that when such a bill comes to the Senate the Senate may amend it, as in the case of other bills. We have no rule of germaneness in the Senate except on appropriation bills. Any bill of a general character may be amended in any way in which the Senate sees fit to amend it. The Senate might have a tariff bill under consideration and, as a part of that tariff bill, we might add a section creating the office of Assistant Secretary of the Treasury. The bill might become a law. Suppose later on the House of Representatives should pass a bill abolishing the office of Assistant Secretary of the Treasury created by that tariff bill, would anybody contend that that opened up the rates of tariff provided for in the original tariff bill?

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CONNALLY. I think some gentlemen on the other side would so contend.

Mr. BARKLEY. Well, probably so. I mean that nobody could successfully so contend. I believe that a bill of that sort, a bill to abolish the office of Assistant Secretary of the Treasury, could orginate in the Senate, and nobody could contend that under the Constitution it should have originated in the House of Representatives; but if a bill merely designed to repeal a certain section of a tariff law establishing the office of Assistant Secretary of the Treasury, which was a part of a tariff bill but had no relation to tariff rates, originated in the House and came to the Senate, I suppose, upon the same theory that the pending amendment is offered and the contention concerning it is made, we could offer all sorts of amendments changing our tariff rates and not only our tariff rates but our income-tax rates and every other rate of taxation affecting the people of the United States. I cannot, for the life of me, see how any such contention can be maintained.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CONNALLY. I dislike to interrupt the Senator.

Mr. BARKLEY. I am glad to be interrupted.

Mr. CONNALLY. If that were the rule, there would never be any use of having the constitutional requirement, would there?

Mr. BARKLEY. Not at all.

Mr. CONNALLY. It would absolutely abrogate it, because we could tie revenue bills on to practically any bill that came to the Senate from the other House.

Mr. BARKLEY. Yes; provided that the bill which came here and which was originated in the House amended some incidental provision of the revenue law. When it came here we could tack on an entire tax system and thereby nullify the constitutional provision, simply because the House bill coming to us dealt with some incidental unimportant provision of either a tariff bill or a general revenue bill.

Mr. CONNALLY. Mr. President, let me ask the Senator another question.

Mr. BARKLEY. I yield.

Mr. CONNALLY. The other day we had under consideration the question of salaries of prohibition agents. They deal with the Alcohol Tax Unit. That relates to revenue. Could we have amended the tariff law on that bill?

Mr. BARKLEY. Of course not. Merely to state the situation seems to me to answer the question asked by the Senator. It would pervert the very constitutional provision if, under the guise of a revenue bill which deals with a mere incidental provision, not necessarily having any relationship to a revenue bill but added as an amendment by the Senate, we can go into the entire taxing system.

Mr. GORE. Mr. President, yesterday I made reference during the course of the debate on this amendment to the case of Hubbard against Lowe. That case is reported in 226 Federal Reporter, first series, page 135. That is the case in

which the United States District Court for the Southern District of New York held the Cotton Futures Act to be unconstitutional and void. I had not read that case for a number of years, and I find that I was in error in stating the history and origin of the act adjudged to be unconstitutional. I wish merely to make this correction for the RECORD. I stated on yesterday that the act annulled by that decision originated in the House of Representatives, that the Senate had amended it by imposing tax rates upon future contracts, and that on that account the act was held to be unconstitutional. I find the truth to be—and it illustrates the tenacity with which the courts hold to the constitutional provision that revenue measures must originate in the House—that the measure originated in the Senate. It defined the character of future contracts which would be lawful and permissible under the act. It made unlawful the transmission of any other form of contract through the mail.

That act originated in the Senate. When it reached the House, the House struck out all after the enacting clause and inserted language imposing a series of taxes on cotton-futures contracts. The constitutionality of that measure was challenged on the ground that the bill originated in the Senate. The court sustained that contention and held the act void. Remember, the measure which originated in the Senate imposed no taxes, but when the measure reached the House, the House struck out all after the enacting clause and imposed a schedule of taxes and tax rates. Even though the taxes were actually imposed by the House, as they must be under the Constitution, the fact that they were attached to a Senate bill rendered the measure unconstitutional.

It cannot be doubted, as I see it, that a House bill, in order to warrant amendments by the Senate imposing rates, must either impose a rate, repeal a rate, raise a rate, or reduce a rate. Indeed, I am not certain that a mere repealing measure would render eligible amendments by the Senate imposing rates.

Mr. LONG. Mr. President, I do not wish to put my ability as a constitutional lawyer against that of some of the distinguished gentlemen who have discussed the pending question, but either they were wrong last year or they are wrong now. One of the two times they have committed a very drastic act of unconstitutionality and in violation of the rules of the Senate.

Last year we inserted the "pink slip" provision in a revenue bill. We wrote it into the income-tax law, the law prescribing rates and methods and means of collecting those rates. This provision was one of the inextricably interwoven parts of that solid germane statute; in other words, that law which says there shall be an income tax collected in the following manner, and assessing certain rates. It might well have been, as I said to the Senator from Arkansas [Mr. ROBINSON] and the Senator from Nebraska [Mr. NORRIS], included under one title, "An act providing revenue for the conduct of the United States Government." It might have been under one of several other similar germane titles. One title would have covered the act. We inserted into the act last year a provision that the reports or returns of collections should be made public. Why? Because it was necessarily a part and parcel of the entire thesis of raising revenue for the Government.

The argument made by Senators on the floor of the Senate for the so-called "publicity" of income-tax returns was based on the theory that it would raise more revenue for the Government. If Senators will read the arguments which were submitted on the floor of the Senate when the publicity provision was under consideration, they will find that every one was to the effect that it would bring more revenue to the Government. That is why we wrote it into the law.

It is now proposed to strike out this particular provision inserted in the law to assist in bringing revenue to the Government, and very wisely does the Senator from Wisconsin [Mr. LA FOLLETTE] offer an amendment to bring into the Treasury some of the revenue of which it is going to be deprived as a result of the repeal of the "pink slip" provision. If our experience should teach us anything. It should teach us that never was a more timely and germane amendment proposed than the "pink slip" provision which was tacked onto the revenue measure, the repeal of which would now deprive the Treasury of some of its resources.

Let us reason just a moment as lawyers. What is the purpose of the whole legislation? It is to raise revenue for the Government. The purpose of the filing of the income-tax return is a part of the work of raising the revenue. The various administrative features of the act and how it shall be administered are all interwoven in the general theory of collecting taxes assessed by the Government. When we undertake here to strike out one section, we must admit that either we did a wrong thing last year or we are doing a wrong thing this year.

When we wrote into the law last year that we were going to make the reports and the returns of tax collections public either we wrote in there a germane constitutional provision, or else we must admit at this time that we cannot attach rates to the bill now before us; we must admit that we ought not to have put this provision in the law in the first place.

Suppose this proposal came here as an independent proposal, as one Senator suggested. That would make all the difference in the world. We can amend a statute, we can repeal a statute perhaps by an independent act; but when we undertake to amend an act we must remember that it is the constitutional jurisprudence of the world, state and federal, that whenever we undertake to amend an act, it is germane to provide for further amendments to that act.

The old Louisiana jurisprudence has followed other jurisprudence. When we amend a Louisiana act granting the authority of a charter to a city, if we amend section 1 of the act relative to the authority that is imposed upon the municipality, we can amend every other section of the act. If we amend the part of the act creating the police department, we can amend the part of the act prescribing and fixing the collection of revenue.

Let us assume this is a revenue measure. Why is it not a revenue measure? The Senator from Oklahoma [Mr. GORE] undertook to draw a distinction. He cited a case where the Senate passed a bill which went to the House and the House struck out all after the enacting clause and inserted revenue schedules in the Senate bill, and that act was held to be unconstitutional. That was a correct holding, because the Senate had no right to initiate the particular bill which was to become a revenue measure. That was a very wise and very prudent decision.

But that is not the case here at all. In this instance the House originated the bill which became revenue legislation, and it has done so by amending a section or repealing a section of the revenue law.

Mr. President, I have no doubt the amendment will be voted down. I presume there will be a majority of Senators who will disagree with the view I take of it, but it will not be very long before we will have the same question before us on another angle, and Senators then almost of necessity will be required to change their views.

WORK-RELIEF FUNDS FOR ADMINISTRATION OF A. A. A.

Mr. GEORGE. Mr. President, since we have not yet reached a vote on the point of order now pending before the Senate on the so-called "pink slip" provision of the revenue act, I am going to transgress for a moment in order to make some references to a statement issued by the Secretary of Agriculture.

Quoting from this morning's press, the particular quotation being taken from the Washington Post, I read:

> Secretary Wallace yesterday declared he opposed the George amendment to the $4,880,000,000 works bill because it would permit farmers "to dip their hands into the United States Treasury."
>
> The amendment authorizes President Roosevelt to make benefit payments to farmers from this fund as an alternative to processing taxes. In asserting he is against it, the Secretary said other classes would be quick to protest.

I read further:

> Asked what action the administration would take on demands of southern Congressmen to remove the processing taxes on cotton, the Secretary declared:
>
> "With cotton at its present price"—

Everyone, of course, knows that cotton has declined approximately $10 a bale within the last 2 weeks.

"With cotton at its present price, there's much more likelihood the processing tax will be raised instead of lowered."

That is a direct quotation, I presume, from the Secretary of Agriculture.

He denied the processing tax is responsible for the plight of the cotton textile industry, which on Tuesday was granted permission by the N. R. A. to lower production because of a lessening of consumer demand.

Concerning the jump in cotton imports, the Secretary of Agriculture had some other brilliantly illuminating remarks to make.

Mr. President, when the $4,880,000,000 appropriation measure was before the Senate I offered a simple amendment which raised the amount which the President of the United States has the discretionary power, under an administration amendment, to expend for the purposes of administering the A. A. A. Act.

Under the joint resolution as it stood at the time I offered my amendment, and coming from administration quarters, the President of the United States had been authorized to expend not exceeding $100,000,000 to administer the Agricultural Adjustment Act and the Farm Credit Act. The amendment which I offered simply lifted the limitation so far as the amount was concerned, but left it entirely discretionary with the President whether he should use any money whatsoever for the purposes stated in the amendment, but confined him by way of limitation to the use of that money within 12 months next after the effective date of the act.

Mr. Wallace says that if that amendment shall become law, the farmers will "dip their hands into the United States Treasury."

I do not wish to be understood as making an assault upon the administration; but I do wish to be understood as saying that any member of the Cabinet of the President of the United States who can say that amendment is an invitation to the farmers to "dip their hands into the Treasury of the United States" demonstrates to my mind his unfitness for a place in the Cabinet, when the joint resolution provides one of the most monumental funds in history, through which every class and any class the President desires to admit can dip their hands into the Treasury of the United States. The statement is an irresponsible statement, Mr. President.

The article continues:

Asked what action the administration would take on demands * * * to remove the processing taxes on cotton—

Let me digress right now to say that I have never asked that the processing tax on cotton alone be removed. I have said that the time would come when we should be obliged to lift the processing tax on meat, on bread, and on clothing; but the Secretary of Agriculture says that if the present price of cotton continues, the processing tax is much more likely to be raised! He also says that the processing tax does not affect the consumption of cotton and is not responsible for the condition of cotton and all of its allied industries, the textile mills.

The processing tax may not be the sole cause of the trouble which cotton is now experiencing, and hardly any well-informed man would so assert. It may not be the sole cause of the difficulties of the textile mills, which today are almost prostrate upon their backs; but it is a factor, and an important factor.

The only fact I wish to cite in opposition to the Secretary's argument is simply this:

At the present price of 10½ cents a pound for cotton, the raw material out of which all cotton textiles are made—and I use the figure "10½" cents because it is very near the actual price of cotton yesterday, perhaps at this moment—the processing tax of 4.2 cents a pound, or $21 a bale, is a sales tax of exactly 40 percent upon the raw material; and yet that does not affect the consuming power. The wage, when measured in terms of its purchasing power, is not on the increase in the United States; and that does not affect the consumptive demand, the power to consume of the American public.

The processing tax bears heaviest upon American labor, but the Secretary of Agriculture does not know it. Seventy percent of cotton textiles are worn by the men and women who do the physical work of this country; and yet the Secretary of Agriculture thinks it is of no consequence that a way may be found to lift the processing tax upon one of the absolute necessities of life, a necessity felt, of course, most heavily by the men and women who work.

The Secretary goes further—and that is the remarkable feature of his statement—and says that if the present price of cotton continues, it is most likely that the tax will have to be raised.

I do not know how to answer that suggestion. Here is a man who is clothed with the power to raise, fix, manipulate taxes upon bread and meat and clothing, threatening to raise one of those taxes.

Mr. GORE. That is a revenue bill, which does not originate in the House.

Mr. GEORGE. No; it does not originate in the House. He is threatening to raise one of those taxes; and yet there are pending in this body, and in the body at the other end of the Capitol, amendments which propose to give to the Agricultural Administration, to the Secretary of Agriculture, the absolute power to strangle processors and force them and coerce them into compliance with his theory of economics and his theory of justice!

If I were ever inclined to extend the power given under the Agricultural Adjustment Act to those in charge of its administration, I should stop now, when, in the face of a prostrate industry—I am speaking of raw cotton—which, under the combined effect of recovery programs, has lost its foreign customers, has only one friend left, and that is the American cotton spinner, and when that spinner is prostrate upon his back, with mills closing in the East and in the South, with an enormous increase in the relief rolls in both sections of the country, with a daily increase in the relief rolls due to the lay-offs of men because the mills are compelled to close down, the official in charge of the administration of the act threatens to use the power which I am now convinced Congress ought never to have vested in the hands of any one man or group of men, the power of taxation on the very necessities of life, to raise yet higher the burdens of the workingmen of this country, who must use 70 percent of this product, and pay 70 percent of this tax.

Mr. President, if the Secretary of Agriculture had designedly and intentionally sought to drive down still further the price of cotton, he could have made no more effective statement. If he had sought to inflict yet heavier burdens upon the textile manufacturers in this country—the only important customers of cotton now left—he could have used no more effective language.

I have no hesitancy in saying that under the amendment which I offered it would be wise to lift the processing taxes on meat, on bread, on clothing directly from those products, and do it out of the funds carried by the relief joint resolution. It is the most genuine relief that can be given under that measure. It is exactly the equivalent of furnishing bread and meat and clothing to men and women and children who are hungry for bread and meat and who have been robbed of clothing.

Already the number of textile workers who have been thrown out of work because of the closing down of mills, East and South, is rapidly approaching 50,000; and that means that 200,000 people from this industry alone, which ordinarily employs from 450,000 to 500,000 workers, must go on the relief rolls. The direct benefit to the relief fund by retaining these laborers in their accustomed positions would more than lift the processing tax paid upon all the American cotton spun annually in the American mills. But the Secretary says that if the price of cotton remains at its present level it is more likely that the processing tax will be increased!

How would that help? How could that help? What is happening is that Mr. Wallace, under the Agricultural Adjustment Act, is paying benefits to the farmers. He is paying us to plough up our cotton and to kill off our hogs and to reduce our acreage and to reduce our production, but how is he doing it?

He is doing it by asking the American farmer to sell out his business, to sell out his capital investment. That is what he is doing. I closed out a part of my cotton business, and every other American farmer has done the same, and the hog raisers and the other producers of the country, in a measurable degree, have done likewise. Particularly such a statement is true with reference to any crop more than 50 percent of which, or always approximately 50 percent of which, must be sold in the foreign market. We have sold our farm business for a mess of pottage, or 1 or 2 or 3 years of benefit favors. We did it believing that we faced such an acute emergency, such an acute emergency by virtue of the accumulated surplus of cotton in this country, that it was worth taking any chance to get rid of it and to readjust and stabilize the industry. But when the industry and all of its allies find themselves in the position they actually occupy today, and the Secretary of Agriculture comes forward with a statement like this, not only is my faith shaken in the whole program, but my conviction is clear that it cannot succeed, that it must fail, that it has not in it the elements of success. The situation cannot be handled in that way.

With a 40-percent sales tax upon raw cotton, and a threat to increase it because, forsooth, the price has broken down; with earnest efforts upon the part of men from the South most respectfully directed to the Secretary of Agriculture himself to assist them; with an amendment adopted here which would give the President only the discretionary power to use some of the relief money for the purpose of lifting or even reducing the processing taxes on bread and on meat and on clothing, at a time when actual wages paid American workmen are on the decline, the Secretary answers the effort of the Congress to legislate by his open newspaper appeals, and by language such as that I have read into the RECORD.

Mr. President, I have known the Secretary of Agriculture personally since he came to Washington. I have tried to see his viewpoint. I do not wish to make the statement that he wants to drive the price of cotton down; I merely content myself with the statement that the language he has used is the most effective language he could employ for that purpose if he had such purpose as that. It will be so interpreted all over the South, all over the cotton-growing sections of this country, and if Secretary Wallace, or Mr. Tugwell, or anybody else in the Administration, believes that the American farmer is a fool, and that he wanted to submit to all of the restrictive measures which have been imposed upon him, they will have a sad awakening in the immediate future. The farmer did not want to do it. He did it because he was told it would benefit his price and when it does not benefit his price he will be through with the whole program which has been built up under the guidance and jurisdiction of these gentlemen who, I must presume, of course, are sympathetic with the present attitude of the Secretary of Agriculture.

Mr. President, I know that my remarks are not strictly germane to the point of order under consideration, and I crave the Senate's pardon for having injected this extraneous matter into the debate.

Mr. THOMAS of Oklahoma. Mr. President, this morning the Secretary of Agriculture made a statement which reacted upon the cotton market to the extent of a fall of something like a dollar a bale. The Government itself owns or has loans on several million bales of cotton, so the statement made by Mr. Wallace is alleged to have had the effect of decreasing the value of the Government's holdings of cotton to the extent of several million dollars.

The Government has a number of major departments. There is the Department of the Treasury, which Department is charged with the responsibility of enforcing the laws made by the Congress, collecting the revenue, preserving the revenue, and paying it out as may be ordered by the Congress.

There is the Department of Justice, which handles the legal business of the Government.

There is the Department of Labor, the Department charged with the responsibility of assisting the wage earners of the country to make their lot lighter, if that be possible.

Then, there is the Department of Agriculture, having jurisdiction of the large single domestic industry and the most numerous group in the country. The Department of Agriculture has jurisdiction of the farms and the farmers, embracing some six and a half million farms, and something like 30,000,000 residents upon such farms.

Mr. President, it has always occurred to me that the Secretary of Agriculture had under his special jurisdiction the assisting of the farmers of the country in their production, then assisting the farmers in the distribution of their commodities, and, with those two particular duties, the duty of trying to get for the farmers the highest possible prices for their products. Yet it has seemed, during the past 2 years, that every time farm-commodity prices started to rise the Secretary of Agriculture, or someone in his Department, has released a statement which has served to check the rise in the prices of commodities produced by the farmers.

I think I am divulging no confidence when I say that many farmers have the opinion that the Department of Agriculture does not want to see prices rise. I know of numerous farmers who have the conviction that the Department of Agriculture believes that 90 cents a bushel for wheat is sufficient, and that 10 cents a pound for cotton is all that the cotton farmer should secure.

Mr. President, the farmers cannot live and exist on 90-cent wheat and 10-cent cotton. With the present overhead structure of taxes, interest, and debts, the farm population cannot survive economically on 90-cent wheat and 10-cent cotton, and unless the farmers can have some benefit or some help from the Department of Agriculture along the line of getting higher prices, then they will not be very much inclined to go along further with the program of the Department of Agriculture.

A few days ago I sent telegrams to some prominent farmers and to farm officials, in an effort to ascertain at what prices wheat and cotton should sell in order to enable the producers of such commodities to pay their taxes, to pay their interest, to pay their debts, and have a surplus and some spending money on which to live. The telegrams went to the wheat section and the cotton section of the country. The replies I have received are to the effect that 15 cents a pound for cotton is the minimum. Most of the replies are to the effect that 20 cents a pound for cotton should be the amount the farmers receive for the cotton which they raise. From the wheat sections the replies indicate that $1.25 is the minimum, but the estimates range from $1.25 to $1.50 a bushel to the farmer.

The following is a copy of the inquiry I sent to farmers and farm representatives:

Considering debt structure of taxes, interest, and mortgages, what is lowest price at which wheat and cotton should sell for to enable Oklahoma farmers to meet obligations and continue to exist.

The following are some of the replies I have received:

OKLAHOMA CITY, OKLA., *March 26, 1935.*

Senator ELMER THOMAS,
Senate Office Building:

Oklahoma farmers should receive 15 cents for cotton and $1.25 per bushel for wheat to enable them to meet obligations and continue to exist.

HARRY B. CORDELL,
President State Board of Agriculture.

OKLAHOMA CITY, OKLA., *March 26, 1935.*

Hon. ELMER THOMAS,
United States Senator, Senate Office Building:

Re telegram, cost of production of wheat, $1.40 per bushel; cotton, 20 cents per pound; corn, 99 cents per bushel.

TOM W. CHEEK,
President Oklahoma Farmers Union.

ALVA, OKLA., *March 26, 1935.*

Senator ELMER THOMAS,
Senate Office Building:

Re telegram, considering drought years, insects, and high-priced farm machinery, wheat will cost on large farms $1.25 per bushel and on small farms 10 cents more. If relief workers get 40 cents per hour we must compete in wage.

C. H. HYDE.

ALVA, OKLA., *March 27, 1935.*

Senator ELMER THOMAS,
Senate Office Building:

Considering climatic conditions, uncertainty of price, heavy taxes, and the fact that approximately 50 percent wheat land mortgaged, and necessity for improved farm machinery, do not think wheat can be profitably raised for less than $1.25 per bushel and give the farmer any return.

J. B. DOOLIN.

Mr. President, I am thoroughly convinced that unless and until the cotton farmers of the South receive something like 20 cents a pound for their cotton there will be no prosperity in the South, and until the wheat farmers of the West and Northwest receive $1.25 to $1.50 a bushel cash to the farmers for their wheat there will be no prosperity in the wheat sections of the United States.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Does the Senator from Oklahoma yield to the Senator from Idaho?

Mr. THOMAS of Oklahoma. I yield.

Mr. BORAH. May I ask the Senator what hope there may be that the farmer of the South will receive 20 cents a pound for his cotton under a program which has destroyed the foreign market by building up production in foreign countries?

Mr. THOMAS of Oklahoma. Mr. President, at a later time I shall take occasion to answer that question in detail; however, the question really answers itself. It is true that we have lost our foreign market, and seemingly everything we do results in loss of more and more of our foreign markets for both wheat and cotton.

Mr. President, my State of Oklahoma is a general farming State. In the southern part of Oklahoma the farmers raise cotton. In the central part they raise corn and alfalfa, and in the northern part they raise wheat. So Oklahoma is a wheat, corn, alfalfa, and cotton State.

The farmers of Oklahoma believe that they do not have the kind of a friend at the head of the Department of Agriculture they are entitled to have. They believe that Mr. Wallace takes practically every opportunity to keep the prices of their commodities down.

The farmers of Oklahoma have the conviction that the Department of Agriculture now has its heel upon their necks, and that the Department intends to keep its heel upon the necks of the farmers until such Department gets through the Congress legislation which will permit of regimentation and control of farm production and the farm population of the United States. Having this belief, they resent the practice and the policy of the Agricultural Department in releasing such statements as that given out today. Every time wheat begins to go up in price it seems that out comes a wheat statement which adversely affects the wheat market; and every time cotton starts to rise a few points here comes a statement from the Agricultural Department having the effect of not only checking the rise but causing an outright loss.

So far as my State is concerned, the farmers are not at all in accord with the practices, policies, and program of the Agricultural Department in keeping prices at the present low levels.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES

Mr. WHEELER obtained the floor.

Mr. REYNOLDS. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Byrd	Frazier	Lewis
Ashurst	Byrnes	George	Logan
Austin	Capper	Gerry	Lonergan
Bachman	Clark	Gibson	Long
Bankhead	Connally	Glass	McAdoo
Barbour	Coolidge	Gore	McCarran
Barkley	Copeland	Guffey	McGill
Bilbo	Costigan	Hale	McKellar
Black	Couzens	Harrison	Maloney
Bone	Cutting	Hastings	Metcalf
Borah	Dickinson	Hatch	Minton
Bulkley	Donahey	Hayden	Moore
Bulow	Duffy	King	Murphy
Burke	Fletcher	La Follette	Murray
Neely	Radcliffe	Smith	Tydings
Norbeck	Reynolds	Steiwer	Vandenberg
Norris	Robinson	Thomas, Okla.	Van Nuys
Nye	Russell	Thomas, Utah	Wagner
O'Mahoney	Schwellenbach	Townsend	Walsh
Pittman	Sheppard	Trammell	Wheeler
Pope	Shipstead	Truman	White

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

Mr. WHEELER. Mr. President, I propose now to discuss the holding-company bill which is known as the "Rayburn-Wheeler bill." My reason for discussing it at this time is that so much propaganda is being put out by the holding-company interests, banking interests, and power interests of the country, and others I thought it due to the Senate that an explanation of the bill be made even before hearings are begun.

I desire to call the attention of the Senate first to a few typical letters which are being sent out.

I have here a letter from Harrisburg, Pa., dated March 11, which reads:

DEAR SIR: Please find enclosed printed matter which is given to all employees of the Pennsylvania Power & Light Co.; also a card which they are asked to have signed by four voters.

They are also asking all employees to write a letter to each Congressman in the Senate and House of Representatives who are on the Committee on Interstate Commerce. This is a total of 50 letters each man must write. Then he must bring them all to the Pennsylvania Power & Light Co. office to be checked. These men resent this very much, but they know they had better do as asked or their jobs will be in danger. I mention this to you so that when you get a flood of letters you will know how and why you received them. I am 100 percent behind your Wheeler-Rayburn bill and sincerely hope you put it over.

For obvious reasons I shall not give the name of the writer of this letter.

Then we find various banking institutions, and likewise find the North American holding company, sending out circular letters to their stockholders saying that they are paying this dividend, but that they will not be able to pay another dividend in the event this bill shall pass.

The Senate Committee on Interstate Commerce will shortly begin hearings on the public-utility bill. The bill, which I introduced last month, has two parts or titles. Title I deals with public-utility holding companies. Title II deals with regulation of the interstate transmission of electricity. I am going to talk today only about Title I, the holding-company bill, because I do not have time to cover both titles, and because the holding-company bill is the special object of the attack on the President, which the utility interests are now carrying on all over the country. When I mention the bill today, therefore, I refer only to title I, the holding-company bill.

I know it is not the custom to debate a bill pending before a committee until it is reported out by the committee. But the organized effort of the utility interests to discredit the holding-company bill in advance of the hearing before my committee compels me to depart from custom. I think it only fair to congressional committees that they should carry on hearings on an important bill in an atmosphere where the country at large has some fair idea of the truth of what the bill under discussion actually proposes as distinguished from what a high-paid, high-powered publicity campaign has done its worst to make the public think the bill proposes.

The very character of the campaign against this bill convinces me that, even after the sobering effects of a great depression, the managers of many holding companies are wholly unconscious of the responsibilities of trusteeship, which alone could justify the continuance of holding-company control of the great operating industry. The exaggerated statements about this bill which have been widely circulated by the canned propaganda of the opposition reflect upon the public spirit of the members of my committee if they are not deliberately intended to mislead the public. I might say that in one day last week I received over 3,000 letters entirely upon this subject, protesting in the name of widows and orphans and employees and other people. There is not a member of that committee who would even consider the bill if he thought it involved even a small part of the

terrors which people write in to us to say they have been told are the certain consequences of the passage of the bill.

The right of the American citizen to petition Congress for the redress of grievances is fundamental. But there is a common-sense difference between the right of fair petition and a high-powered selling campaign of canned propaganda which makes power-company employees obtain signatures to form letters at the risk of their jobs, and which represents as facts highly debatable matters of opinion. There is also a difference between protest against a measure reported out of a congressional committee for action by Congress and attempt to pile up political pressures before a committee has ever begun to consider a bill. Wherever is the line between fair petition and unfair propaganda, there is no doubt that in this case the holding companies have crossed it.

I therefore consider it my duty as a sponsor of this bill to caution the country, particularly the investing public, against the methods of those who are exciting unreasonable fears about this bill. I ask investors to consider calmly whether such prophecies of disaster for security holders should be given any more belief than the promises of unlimited profit with which the financier and holding-company manager induced investors to purchase holding-company securities in those happy days when "new era" finance was free from new-deal restraint.

Furthermore, I consider it only fair play on the part of those who pretend to advise the public to make full disclosure of their own interests in the matter. I want to read to the Senate, for instance, from a circular issued by what I am told is a very old and reputable banking institution in New York:

To Our Trust and Custodian Customers:

Normally we would refrain from making any comment upon political developments. We are now faced with a situation, however, in which we feel compelled by a sense of duty to our customers to give some positive expression to our convictions.

We refer to the bill pending before Congress known generally as the "holding-company bill." This bill is designed to eliminate entirely utility holding companies, with no differentiation between the good and the bad, or between those that are economically justified and those which have abused their powers.

I shall point out, as I proceed, how this is clearly a misrepresentation of the purposes of the bill itself and of the language used in the bill.

This bill jeopardizes millions of dollars' worth of honest investments in the utility industry. Moreover, this type of legislation, unless checked, is likely to spread to other fields of enterprise with disastrous results.

Over a great many years we have, as trustee, executor, etc., been intrusted with the task of investing funds for a large number of customers. We are, therefore, keenly aware of the implications of the legislation referred to, and we have come to the conclusion that it is urgently necessary for the investors of this country to make themselves heard in matters which affect their interests so vitally. We think that you will agree with us as to the importance of this matter. If you do, we strongly advise you to write to your Representatives and Senators. In doing so it is not essential for you to go into the matter in detail. For your information, the subject is covered rather fully by Mr. David Lawrence in the United States News of February 11, a reprint of which is enclosed herewith. In writing your Congressmen you might refer to Mr. Lawrence's summary and state as strongly as you care to your agreement with the views expressed therein. You might also point out that the effect of this bill will be to reduce the purchasing power of the hundreds of thousands of individuals holding utility securities—a result opposite to the expressed aims of the new deal.

We desire to emphasize that this letter is not being sent out in a partisan spirit nor with any object of opposing any political faction. The substantial citizens of the country, however, must realize that the depression has created a demand for radical legislation on the part of many who do not foresee the evil consequences of the measures they advocate. The best defense against such unsound legislation is to bring vigorous and concerted pressure of a constructive nature upon your Congressmen.

P. S.—For your convenience, we enclose a list of the Senators and Representatives from the States of New York, New Jersey, and Connecticut.

That is the New York bankers sidling into this fight. Neither that circular nor particularly the partisan editorial of Mr. David Lawrence it circulates is a fair statement of the bill I introduced. The circular states that it is not the normal habit of this banking institution to comment upon political developments. I suppose that is why my attention has been drawn to no particular protests of that institution against the reckless and unsound financial policies of the utility holding companies which have made necessary the bill I am proposing. Then why does this banking institution feel that it must change its habits to attack this particular bill?

I am not intolerant of honest difference of opinion. I understand that an important piece of legislation may be received with honest enthusiasm by some and viewed with equally honest abhorence by others. I have deep respect for fighting faiths with which I profoundly disagree. But I am concerned and suspicious when I find among the board of directors of that banking institution (1) a member of the board of directors of Electric Bond & Share; (2) a member of the board of directors of the North American Co., who is also a member of a law firm who are counsel for more than one of the large utility holding interests; (3) a member of another eminent Wall Street law firm who are counsel to banking interests associated with United Corporation.

Can that interlocked banking institution's honest advice to the public be regarded as wholly disinterested, inspired solely by a fair and impartial study of the bill? Can investors uncritically accept the judgment of such interlocking groups in matters which vitally affect the control of those groups over private empires which rival in power government itself? Does not the very interlocking of management between that banking institution, and similar institutions, and the great utility holding companies which control so large a part of the country's operating utility properties prove that danger to our democratic institutions of the unwarranted concentration of economic power which was the most important point in the President's message?

I have in my possession here a letter written by a citizen of Kansas in which the writer says:

I am employee of the Empire Refining Co., and all employees have had their attention called to the Rayburn-Wheeler public-utility bill and have been requested to protest the bill as detrimental to our best interests, but I cannot conscientiously do so, as I realize that holding companies are getting so strong and are using that strength to corrupt public officials wherever possible. Not only that, but a weaker concern or an individual that dares to oppose them will have the very life crushed out of them, or him, by their organized power.

A public officeholder in their (the utilities') stronghold that opposes them, whether in a righteous cause or not, is done for, and they are stronger and more bolder. So what will it be in a short time? I am a small stockholder in the Cities Service Co., but I am willing to sacrifice all, and more too, in the cause of my country and the betterment of the coming generation if it is necessary to do so.

That is a sample of numerous letters that are coming to the committee from people whom the holding companies have tried to browbeat into writing letters. In one letter the writer says she was taken out and given a dinner in New Jersey and told with the other employees that they must write to their Senators from New Jersey. She said:

I have written them but my conscience hurts me so much that I had to sit down and write you a letter. Having done what I was requested to do for the price of a meal, now I am writing to you to ease my conscience and to tell you what I really think about it.

Even if the super-utility interests were crystal-pure, may it not be that the political opposition of which they complain is due not to the venality of politics, but to the ingrained hostility of the American spirit to the unwarranted concentration of economic power and the dangers to American institutions which inhere in that power, even though on a particular occasion that power is exercised for good, not evil?

The fact that the utility companies are able in this crisis to go out and appeal in the name of widows and orphans and have them pour thousands upon thousands of letters upon their Representatives and Senators seems to me the very best evidence that something must be done to break the power of these utility companies to threaten Senators and Representatives, or else this very Government of ours and the foundations upon which it rests are themselves going to be destroyed.

In 1932, 13 large holding groups controlled three-fourths of the entirely privately owned electric utility industry, with control of more than 40 percent of that industry concen-

trated in the hands of the three largest groups, United Corporation, Electric Bond & Share Co., and Insull. The present state of electric-utility science and mechanics requires no such concentration of control; the electric-utility industry is essentially a local or regional industry. A sound distribution of economic power, economic responsibility, and economic opportunity between localities and between individuals absolutely requires a breaking down of that concentration. The ultimate thoughtful reaction of Congress to this propaganda storm must be a new realization of the sheer political necessity of cutting down the disquieting power of any group of interlocked interests in this country big enough to create such a storm to order.

The holding-company sympathizers have made no effort to justify those companies as a part of any democratic system of economy, nor have they even denied their very grave abuses. Each favors a vague kind of "fair regulation" which will not materially affect his own particular company. Their fundamental tactics have been to hide behind the skirts of their investors, their indispensable widows and orphans, their victims, and say, "No matter how bad we have been, no matter how dangerous we are, you must not touch us, because no matter how we may have misled them into doing so, a great proportion of the solid people of this country have invested in our securities. Therefore, you must leave us alone, because if you hurt or eliminate us, you will hurt those investors, and if you Congressmen hurt those investors, they will hurt you."

Now I do not want to hurt, much less confiscate, anyone's savings. But the utility holding companies—and I am speaking now of holding companies, not of producing operating companies—have not, by and large, protected the savings of the people. The utility holding companies have lost, irreparably lost, hundreds of millions of dollars of hard-earned savings. That condition exists today, bill or no bill. That irreparable loss we cannot restore, bill or no bill. We can only try our best to salvage what remains. That is just what this utility holding company bill is designed to do.

The place to begin considering what the effect of this bill will be on owners of holding-company securities is to determinate what kind of investment those owners have today. Not without exception, but by and large, they have a bad investment in a bad business. By and large, they have an investment not in the regulated operating utility business but in an unregulated adventure in high finance—the kind of adventure in which the public always loses.

The holding companies have led many of their investors to believe that there was substantially no difference between a holding-company security and an operating-company security; that their money went through the holding companies into the operating utility industry to build a bigger and better operating industry. Some of their money did. More of it did not. Far too much of the holding-company investor's money was used to purchase at fantastic prices, from corporate insiders and others, utility properties already built.

The difference between the holding company and the operating company from the point of view of the investor has been stated bluntly and clearly by Samuel Ferguson, president of the Hartford Electric Light Co., of Hartford, Conn., in an article in the Electric World for January 21, 1933, entitled "Public Putting Blame Where It Belongs." Mr. Ferguson, reputedly among the very best operating utility managers, has made Hartford's system a model unsupported by any of that superholding company assistance without which, the House committee was told the other day by holding company managers, operating utilities cannot function. I understand that Mr. Ferguson, too, has recently come out with the rest of his utility brethren against the bill. He has found that some of the regulatory provisions affect him, and it has been my experience that every utility man favors regulation—except that regulation which touches his particular plant. But this is what Mr. Ferguson wrote in 1933:

> The most striking feature pertaining to the public-utility industry during the past year has been the terribly expensive lesson which has taught the public to understand that a holding company is something very different from a public-utility company.
>
> Heretofore in the public mind the two have been practically synonymous, and as a consequence the sins of speculation, wild finance, and get-rich-quick schemes, to which abuses the holding company set-up has lent itself all too readily, had been attributed to the operating utility which renders the daily service. Today criticism is to a large extent being directed more nearly toward the perpetrators of abuses and the operating utility is being judged as it should be, upon its specific local performance.
>
> It was obvious even in boom times that those speculators who bought operating utilities at prices far above any figure on which a legitimate, reasonable return could be earned were interested more in the sale of the resultant holding-company securities than they were in the real, though often exaggerated, economies that could be effected, and that thus the promotion was designed to unload inflated holding-company securities upon unwary investors who in their innocence thought that they were purchasing securities of public-utility companies.
>
> The results of such abuses as have been perpetrated by certain speculative holding companies have been and will continue to be far worse for the investing public than for the consuming public, since the latter is protected from abuses by the regulatory control of the States over the operating companies, which control is exercised by public utility commissions.
>
> For years I have anticipated the results of the past few years, namely, that the public would visit the sins of the speculative holding company upon the head of the operating utility. But it is very heartening to see clear evidence on all sides that the public is now beginning to differentiate intelligently, and to lay blame where it properly belongs, instead of indiscriminately, though it is very sad that the knowledge had to be acquired at so great expense and sorrow to a great multitude of investors.

An up-to-the-minute revelation of how the funds supplied by investors in holding-company securities do not get into the operating business was given in startling testimony offered only 2 weeks ago before a New York State legislative committee investigating public utilities. The whole story was featured by the New York Times on its front page of Friday, March 15, and deserves a careful reading by those who have any doubt as to what kind of a business this holding-company business is. The committee revealed that promoters had made a security juggling profit of $34,000,000 in 1 year, with practically no investment of their own, by selling $100,000,000 of holding-company securities to the public. The accountant for the committee testified right to the point I am making. He said:

> The cash supplied by the public was not put into plant property and equipment of underling companies except by way of such managerial efficiencies as may have brought about improvements in the earnings of those companies; in other words, it did not go into poles and generating plants and new construction. It was used to purchase stocks of holding companies.

Out of $100,000,000 they took $34,000,000!

It is interesting that of the many issues of securities involved in this complicated transaction only two are now paying interest or dividends. One of the assemblymen hearing the testimony, read into the record Will Rogers' definition of holding companies:

> A holding company is a thing where you hand an accomplice the goods while the policeman searches you.

Two days later the Legislature of Massachusetts ordered a legislative investigation of utility holding companies in that State.

If anyone charges that that illustration is not typical of the holding-company business, look at the operations of United Corporation, perhaps the greatest of the super-utility holding companies, sponsored by the Morgans—reported to be the most conservative and responsible banking interests in the country. In cash and in securities, the investing public has paid hundreds of millions of dollars into United Corporation. What has United Corporation done with those hundreds of millions? Has it built any operating-utility properties? Not that I am aware of. Has it effected any operating economies in existing operating properties? Not that I am aware of. All it has done, so far as I know, has been to purchase utility stocks which represented plants already built so far as they represented tangible assets at all. A substantial part of these stocks were purchased in 1929, when the corporation was organized, from J. P. Morgan & Co., Drexel & Co., and Bonbright & Co., who had accumulated them over several years at lower prices. But after the United Corporation's securities were distributed to the public, and the public had

paid its millions for them, the same banking interests remained in practical control of United Corporation, and through United Corporation were in a position to exercise a greater influence than ever over the companies whose stocks they had sold to United Corporation.

One phase of this United Corporation transaction is covered in the report of the Senate Committee on Banking Practices. This great superholding company, which the bankers organized to take over their utility holdings with funds supplied in large part by the public, gave perpetual option warrants to the organizers to subscribe at any time, at a set price, to the holding-company stock. The organizers paid a dollar apiece for these options. A short time thereafter these options were selling in the market for an average price of $45. That part of these options were given to J. P. Morgan & Co. alone put that firm in a position, in the summer of 1929, to make a profit of $68,000,000 on an investment of one and three-quarters millions, in a form of security—the negotiable and perpetual-option warrant—which has no business justification, and is a product only of the charter-mongering activities of those States which vie with one another in the laxity of their corporate laws. The Morgan firm in fact sold only 200,000 of its option warrants in the summer of 1929, but on these alone it realized a profit in excess of $8,000,000.

An even clearer indication to the holders of holding-company securities of the high finance in which they have invested has been given by revelations of the holding companies' almost general use of the "write-up." By "write-ups" properties were marked up on the books of companies to justify the prices holding companies paid for those properties, in an effort to justify in turn the prices at which the holding company sold its securities, or the valuations upon which it fixed rates for the operating companies. The Federal Trade Commission's investigation of 91 operating companies in holding-company control having combined capital assets of nearly $3,307,000,000 revealed write-ups and other improperly capitalized items amounting to not less than $842,995,000. In other words, the value of capital assets, based on cost as nearly as could be ascertained, has been written up 34.2 percent. The fixed assets alone of these companies had been written up 22.6 percent. The fixed assets of 42 subholding companies had been written up 19.1 percent, and the fixed assets of 18 top or apex holding companies had been written up 9.6 percent.

These write-ups have in many cases been the basis of the issuance of securities to the public, thus watering the capital structures of both operating and holding companies, and eventually bringing down the wrath of the consumer on the operating companies because of the rate policies such watering compelled the companies to follow. The utility interests argue that the water has had no effect on the rates to the consumer; but practical results do not support the theory that write-ups do not affect utility rates. As Judge Healy, of the Securities and Exchange Commission, pointed out in his testimony before the Committee on Interstate and Foreign Commerce of the House, the management of the overcapitalized holding company has only one source of revenue to avoid default on its securities or disappointment to its investors, and that source of revenue is the income of the operating companies it controls.

The accountant in the New York investigation whose testimony I quoted a moment ago testified directly to this point in the proceedings reported by the New York Times:

> It would seem that the higher the price paid for control of a holding company, the greater is the need of the latest owner to avoid rate reductions by the underlying operating companies, in order that a profit may be earned on investment in the stock-holding company.
>
> I know a lot of people do not agree with me about that, but I think it is a very pertinent point, because if I pay $50,000,000 more for a certain property than the previous owner did and thereby obtain control of underlying operating companies, it seems to me that if I figure a return of 6 percent on $50,000,000, I have got to get $3,000,000 more a year out of my investment than he did, and my only source of income is going to be the same underlying companies that he had, and I have got to either effect economies or I have got to do something to try to get that required additional return.
>
> So if somebody should ask me, for example, to agree to rate reductions, I think it is only human nature that, consciously or unconsciously, there is a tendency to oppose them because of the necessity for getting a return on this additional investment.

Judge Healy explained before the House committee how, for instance, the Florida Power & Light Co., a member of the Electric Bond & Share system, was formed in 1925 by the consolidation of a number of operating properties in Florida, and how at that time the total book value of its fixed assets was written up approximately 126 percent, or $35,807,799.32 above the then book value of $28,213,209.01. It may be more than a coincidence that the rates for service in the territory served by this company are the highest in the United States for residential service in cities of 100,000 population and over. The report by the Federal Power Commission on its Electric Rate Survey shows that the price paid by a residential customer in Miami, Fla., is $4.18 for 40 kilowatt-hours per month, while the price paid by a consumer of Mr. Ferguson's Hartford (Conn.) Electric Light Co. for the same quantity of electric energy is $2.20.

In the New York Times of March 8 appears a statement of John E. Mack, counsel to the New York State legislative committee, to which I have just referred, to the effect that the write-up on the books of the New York State Electric & Gas Corporation—an Associated Gas & Electric subsidiary—not only figured in the temporary rates fixed by the public service commission, but is still in the rate base, and is costing the consumers over $200,000 per year. This finds corroboration in the report of the Federal Trade Commission, which shows that in the years from 1924 through 1929, $10,913,123.95 was placed on the books of New York State Electric & Gas Corporation as appreciation or write-up.

Even if a regulatory commission can withstand the variety of pressures brought upon it to allow the overcapitalization to be sustained by higher rates, the management may still be able, and will certainly be under pressure, to avoid decreases in rates which would otherwise be compelled, or to reduce the standard of service given the consumer by the operating companies.

Let me quote again from Mr. Ferguson of the Hartford Electric Light Co., writing in 1926, to confirm this point:

> In defense of the practice of purchasing operating companies at several times the face value of their existing capitalization, and consolidating them into a new company on the basis of the purchase price, it has been urged that the customer cannot be affected by the number of pieces of paper issued by the new company, since he is protected by the limitation of earnings to a fair return on the value of the property. Theoretically, this is so; but practically he does not have a full protection from injury unless injury is defined as limited to the rates charged. The injury from inadequate service and the inability of a company to care for the growth of a community is quite as real, and often much more serious; and yet this must be the result in the case of an overcapitalized company, which, through its limitations to a reasonable return on the property value, has earnings insufficient to maintain its credit.
>
> The public has an interest in the extent of the capitalization of our companies; and if our liberty of action in this respect is abused, as it is today being abused in some cases, there will be an eventual day of reckoning, and when that day comes it may not be possible to separate the sheep from the goats.

Yet people, even Senators, have said to me that it does not make any difference what the capital write-up is; that it does not affect rates, because rates will be regulated by the public utilities commission! This, however, is not some theorist speaking. This is not some Senator or politician speaking. This is the president of the Hartford Electric Light Co. pointing out that a write-up of the capital structure not only affects the rate structure but the customers, the community, the company itself; and, indeed, the public generally are affected if there is a write-up and an overcapitalization of the company.

I quote further from Mr. Ferguson:

> When a company is sold for many millions of dollars more than has apparently been paid into the treasury for the purpose of providing facilities for service, we must realize that the public is bound to sit up and take notice. What the public sees is that only a comparatively small fraction of the purchase price is represented by what the company received for the stock at the time of issue, and that the new owners must of necessity earn a return on the whole of the price paid. Therefore, regardless of the soundness of the reasons which may justify the transaction, it is only natural to expect that the public will insist on being convinced

that its interests are fully safeguarded, and apparently it does not today feel at all sure that such is the case. It is, indeed, a very curious situation which exists at the present time, in that the stocks of our operating companies are of so great real value to the holders, due to the future equities contained in the same, that they should not be parted with except for a price so high as to make the recapitalization of that price a potential cause for future antagonism.

Last year the Tennessee Valley Authority ran squarely into an arbitrary write-up by Electric Bond & Share of the properties of the Tennessee Public Service Co. with what may be ultimately costly consequences to the holders of the senior securities of the Tennessee Co. That company owns properties in and around Knoxville, Tenn. On November 1, 1930, that company, under the management of Electric Bond & Share, wrote up its capital accounts $4,388,157, or over 33⅓ percent. The depression was already well under way. It is difficult to justify the write-up on even the most fatuous theory of fair value or cost of reproduction. With earlier items, this transaction brought the company's total write-up to more than $5,000,000, the stated amount of the common stock. In the 4 depression years, 1930–33, without any real investment in the properties, the intermediate holding company in the Electric Bond & Share system which actually held this common stock took $846,000 out of the company in dividends upon that common stock.

Last year Tennessee Valley Authority offered to purchase the properties of the Tennessee Public Service Co. at approximately the valuation put upon them by the Tennessee Commission, a valuation which did not include these write-ups. The charge from some sources was made that the proposed deal was confiscatory because the common-stock holders were to receive nothing for stock for which they paid nothing and which represented pure water. In view of threatened litigation by a minority of preferred-stock holders the Tennessee Valley Authority withdrew its offer and the city of Knoxville now contemplates building a municipal plant of its own. If the holders of the senior securities of the Tennessee Public Service fare badly as a result, the root of the trouble, in my judgment, may be traced to these arbitrary and unwarranted write-ups by which the holders of senior securities themselves had not profited a penny.

No business can last unless the sources of its revenues are legitimate and economic. As Carlyle once said, "A lie cannot live forever." The revenue the holding companies have derived from the kind of security and valuation juggling I have just described is not sound and cannot last and the holding managers know it.

Another chief source of holding-company revenue in the past has been service fees from subsidiaries—for construction, financing, auditing, tax assistance, and so forth. Let us look at that business to judge how sound is that source of revenue. Cities Service Co. nicely illustrates the business of making profits out of construction for subsidiaries. Cities Service Co. maintained a Lakeside Construction Co. purely as a dummy paper organization, through which it passed contracts in carrying out construction jobs for its subsidiaries. Lakeside Co. had no staff of its own. When it was given a contract, it contracted in turn with Cities Service to do the actual construction and supply engineers, architects, and other experts.

In 1923 Cities Service undertook, through Lakeside Construction Co., to construct a plant at Valmont, Colo., for one of Cities Service subsidiaries, the Public Service Co. of Colorado, operating in Denver. The cost of construction, as computed on the books of Lakeside Construction Co., was slightly less than four and one-half million dollars. That figure included the salaries of Cities Service experts on the job and special contractors' and engineering fees paid by Cities Service Co. For this job Public Service Co. of Colorado, the operating company, paid Lakeside Construction Co., the dummy construction company, over $10,000,000 par value in securities of Public Service Co. Furthermore, that $10,000,000 in securities was paid in advance of construction, and during the period of construction the subsidiary paid that dummy construction company dividends and interest on those securities amounting to almost three-quarters of a million dollars. The operating subsidiary, therefore, paid almost $11,000,000 for the construction of a plant, the cost of which was less than four and one-half million dollars as the holding company computed its own records. The securities which the operating subsidiary gave the dummy construction company were transferred immediately, without even notation upon the books of the construction company, to the Cities Service Co., the top holding company. When the Cities Service Co. received these securities, it kept out of them for purposes of control the common stock of two and one-half million dollars par value, and then sold the bonds and debentures to the public for almost six and three-quarters million dollars cash. The actual construction, you will remember, had cost, according to the Cities Service books, less than four and one-half millions. So that at the end of the transaction the Cities Service Co. had a cash profit of over $2,000,000 in addition to the two and one-half million dollars par value of common stock of the operating subsidiary which it retained, and in addition to its contractors' and other fees.

This is the kind of transaction which earned the Cities Service dividends. It was referred to a few days ago by Judge Healy in his testimony before the House Committee, and it is reported in detail in chapter V of the Federal Trade Commission's report to the Senate on the utility investigation.

The reports of the Federal Trade Commission are full of illustrations of service contracts abuses. I will mention only one more type, but I feel that one is particularly important because of the talk in the hearings of the House Committee about the kind of superalert financial management the holding companies give small operating companies which cannot afford to employ smart managers for themselves.

Until last year, our income-tax law permitted corporations which were part of a holding-company group to file a consolidated return for the whole group. In that way one company's profits might be offset by another's losses and considerable taxes could be saved perfectly legitimately under the law. The holding company offered its subsidiaries a tax or a general fiscal agent service—it audited books for member companies and prepared their returns.

The holding company figured the tax for each subsidiary on the basis of operations of that subsidiary and then collected the amount of the tax as computed. After doing this for its operating companies, the holding company made a consolidated return to the Bureau of Internal Revenue for the entire system, canceling losses against profits—a perfectly proper and legal procedure, because the Congress of the United States permitted it to be done. But did the holding company then return the amounts collected as taxes to its utilities which the holding company did not have to pay to the Government? Did it pay interest on that money? Often those funds were simply kept by the holding company as income and neither the principal nor interest ever saw its way back to the companies entitled to them. Associated Gas & Electric Co. and Cities Service Co. in this manner collected as taxes from their subsidiaries approximately $3,000,000 and $10,000,000, respectively, which Associated Gas and Cities Service, respectively, did not have to pay to the Government. And those alleged "taxes" came out of the pockets of investors in securities of operating utilities and customers of those utilities who were paying a tribute to holding companies for supermanagement of their financial affairs. And again was this practice confined to holding companies of a particular degree of so-called "respectability"? Hardly. In this way, North American Co. over a period of a few years got and kept for itself, under the pretext that it was collecting taxes for the Government, $1,274,915.97; and New England Gas & Electric Association in the same period got and kept $514,602.99.

As I read the reports of various Government bodies and investigators, the examples of profit-making out of gross abuse of the control which public-utility holding companies exercised are so numerous, so varied, and so wide-spread that it is an impossible task to select a few examples which could tell the whole story.

I am not reciting these sins of the holding companies as moral sins—to incite wrath because of past wrongs. I am citing them as economic sins—as unsound scalping operations by which holding companies had to try to earn interest on their bonds and dividends on their stocks—as a revelation of the fundamentally insecure and unsound kind of business this holding-company business is. That revelation has a real relationship to the present position of the investor who holds holding-company securities today, and the investor's present position has to be appraised before the effect of this bill on that position can be discussed.

An investor in a type of company that originated in the kind of stock jobbing I have described or in a company that has had to make its living by the kind of milking of operating companies and the public I have described—an investor in that kind of company has already been plucked—legislation or no legislation. Even the representatives of holding companies who have appeared before the House committee in opposition to the bill admit that this security jobbing and this subsidiary milking have got to end. And if these sources of income have got to end, the holding companies will have to go through an extensive period of reorganization whether the Government compels that reorganization or not. Holding-company managers are keeping the support of the investors—I should say their victims—whose help they need to bring pressure on Congress to save the jobs of those managers, by carefully keeping alive the illusory hope that if the Government can only be held off from its program of requiring an intelligent reorganization of the utility industry, the stock-market quotations of all the holding-company securities held by investors will, within the next few years, come back to what those investors paid for them and everything will be fine. But that is an illusory hope. Everything cannot be fine.

Whether the holding companies in the aggregate may at one time have contributed much to the standardization and development of a once infant industry is now beside the point. The operating industry is now grown up and, except where the holding company serves a necessary function in relation to a geographically and economically integrated system of operating companies, the holding company has no sound economic basis. Like all other things uneconomic, therefore, it will eventually get into trouble. We are heading for a period of reorganization in the utilities comparable to that which we have periodically gone through with the railroads. Only an immediate constructive reorganization of the holding structures will avert aggravated casualties in the not distant future. If we are wise, we will profit by our mistakes in the railroad field, where a first inadequate reorganization only too frequently sowed the seeds that made necessary subsequent reorganizations at the further expense of the investor.

The Government did not do anything to make Insull crash. The Government did not do anything to make Foshay crash. The Government did not do anything to bring about the proceedings by which security holders are now trying to force Associated Gas & Electric Co. into bankruptcy. On the average, the present market prices of the securities of even the supposed best holding companies reflect a drop far greater in proportion than the drop in almost any other class of security.

If the Government today should wipe out every single holding company, the investors would not lose nearly so much as they have already lost through investing in the uneconomic holding companies and stock-jobbing propositions which have been in operation.

The stocks of many of these companies had dropped before this bill was introduced to about one-tenth of the low point they reached in 1929, immediately after the crash. Most of them had been selling last year at not more than one-twentieth of their 1929 high. Electric Bond & Share, United Corporation, and United Light & Power are selling at one-fortieth to one-hundredth of their 1929 highs. The Government is not responsible for these losses. That responsibility lies on the heads of the holding-company managers and their bankers, who sold the public the pot of gold at the end of the rainbow.

Even where the holding company is in no danger of insolvency those holding-company managers who read the signs of the times know that, irrespective of legislation, public opinion and economic pressures will force reorganizations where the holding company's corporate structure is complicated and confused, where there is a lack of any geographic and economic relation among the controlled operating properties, and where a disproportionately small investment at the top controls tremendous capital investments of other people's money.

And to show you that all this is not what holding-company propagandists may call "only a Senator's wishful economics", I quote you a few paragraphs from Babson's Bulletin No. F-561, dated December 3, 1934, and entitled "Outlook for Utilities":

Doom of "superholding" set-ups: Superholding companies are doomed. The simple holding company, *which combines several operating companies in one State* (italics mine), has an economic function, but the superholding company has no economic function as we see it, and hence is not attractive at this time. Bankers will say that these superholding companies do no harm and do not milk the public, however questionable the capitalization may be. Where the utility rates are based on money actually invested it, of course, makes little difference what the capitalization of an operating company is—there is only so much to divide. The Government and State authorities are, however, justified in dissolving either superholding companies or else one or more of the intermediate holding companies so that the present superholding company can become a simple holding company directly owning the stocks of the operating companies.

Certain holding companies economic: The reason for this is that a few people with a little money in the superholding company can control the destinies of hundreds of thousands of people who have their honest savings in operating companies or first-line holding companies. We therefore believe that certain efforts now being made in Washington to rectify this situation are in the interests of our clients. As we foretold and fought for, against keen Wall Street pressure, the regulation of the New York Stock Exchange, so we shall fight for the simplification of the present holding-company set-ups.

Summary and conclusion: What does all the foregoing mean to Babson clients?

(1) It means that the most important factor to study is the appraisal, that is, the actual money invested in the property. In the end, rates and taxes will be based upon this, irrespective of competition, market price, or political pressure, after the Commissions determine the rate of interest to be allowed on the actual money invested. This later is now the great unknown factor.

(2) It means that we should confine our public-utility investments to forward-looking men who will cooperate with the Federal and State Governments and not try to block them at every turn. This means that we should invest in utilities where the management is primarily interested in the investor rather than in holding their own salaried jobs.

I will come back to the protection of the present investor in holding-company securities. But I want to talk for a moment about the effect of the holding-company bill on operating companies and the securities of operating companies.

All propaganda to the contrary, the holding-company bill helps, not hurts, the operating utility industry. I shall challenge any Senator to show why the holding-company bill will hurt the operating company. On the contrary, it will help the operating company.

Despite its ever-deepening troubles with the public in the last few years, the operating utility is a great industry with a great future. Its growth has been only momentarily slowed down by the great depression. Power consumption is already virtually back at the 1929 peak and should grow by leaps and bounds with a further return of general business recovery. The operating-utility industry has none of the problems of a competitive substitute like the trucks and busses that have made things so difficult for the railroads. Its present difficulties within itself and with the public are not inherent in its own operations. They arise out of the system of absentee financial control in the form of the holding company which has been superimposed upon those operations. Remember, as I pointed out earlier, in 1932, 13 large holding groups controlled three-fourths of the entire privately owned electric-utility industry.

The interests of the great proportion of American investors lie with this operating industry, not with the holding companies. The holding-company managers and their bankers are trying to make the American investor believe that his only interest in the utility industry is his interest in the utility-holding company. This may be true in the case of particular investors, but it is far from being true as to the largest part of the stake of the American investor in the industry.

According to the news releases of the American Liberty League, the outstanding securities of utility-holding companies aggregate $2,000,000,000 as against $10,000,000,000 of operating-company securities in the hands of the public. That is, based on the figures of opponents of this bill, for every dollar of investor's money that has gone into the utility industry through the holding company, there are $5 of investors' money invested directly in operating companies. That means for the most part in the bonds and preferred stocks of operating companies. The common stocks are generally held by holding companies as a means of control. But suppose we err on the conservative side and assume that for every dollar of investors' money that has gone into the utility industry through the holding company there are only $3 of investors' money invested directly in operating companies, and suppose we assume for the purpose of argument that the bill will adversely affect holding-company obligations, the undeniable fact remains that by far the greatest interest of utility investors lies in their direct investments in the securities of operating companies, which will in no way be hurt by this measure and which will be greatly improved by the removal of the tribute and encumbrance of holding-company control.

Now, the bill does not eliminate any operating-utility company or regulate it in any of its operating functions. I am speaking now of section 1 of the holding-company bill against which the great hue and cry have been raised. It deprives no operating company of any property or facility necessary to the running of its business. It does not confiscate or destroy a single penny that has gone into the actual operating industry. The attempt to confuse the issue of holding-company control with that of investment in the operating industry is wholly unfair and misleading. It is the same in kind as the attempt made during boom days to confuse the investor and make him believe that in investing in the holding company he was actually investing in the utility industry. Where the investor was misled by that attempt he suffered, in most instances, heavy loss. If the similar attempt by holding-company managers succeeds today, the investor will be further hurt, and the way will remain open for a repetition of this unfortunate process of "taking in" an operating-minded public in holding-company finance. It is to end that unhealthy and dangerous kind of corporate practice forever that the bill is designed.

The bill reaches only those companies which control operating companies. The few operating companies which are also holding companies can in almost all instances either easily merge with those other operating units or qualify for exemption from the elimination section of the bill as holding companies serving a necessary function in relationship to a geographically and economically related system of operating companies.

Mr. TYDINGS. Mr. President, does the Senator care to be interrupted, or would he prefer that interruptions come later?

Mr. WHEELER. I would rather wait; but if the Senator desires to interrupt me, I will yield.

Mr. TYDINGS. I have to leave the Chamber while the Senator is speaking.

As I understand section 1, title 1, of the bill, it breaks down utility operations into three general categories: First, investment, then what might be called management, and third, what might be called operation. Is that correct?

Mr. WHEELER. That is correct.

Mr. TYDINGS. All the bill would do in curtailing investments would be to break up one or two big holding companies into a number of smaller ones. Is that correct?

Mr. WHEELER. That is the purpose of the bill.

Mr. TYDINGS. That is the general idea, instead of having one big company, to make each company responsible to its particular community?

Mr. WHEELER. To make the operating company responsible to its particular community.

Mr. TYDINGS. The engineering phases of the operation, namely, management, appraisement, and so forth, would be divorced, so that no investment holding company could dominate the appraisals or color the appraisals or increase the appraisals of the operating company by owning the engineering company. Is that correct?

Mr. WHEELER. That is the idea.

Mr. TYDINGS. The point is often made in my mail on this subject, of which I receive a great deal, that the investor will have his investment destroyed. I realize a great deal of that is due to propaganda, for, so far, very few reasons have been given to me as to how the investor will have his investment destroyed. Is it the Senator's opinion, and is it the opinion of the experts who have worked with him, that those who now own stock in a big holding company, when that company shall be broken up into smaller companies, will have substantially the same holding in the small company which they now have in the large company?

Mr. WHEELER. There is no question but that can be done under this bill.

Mr. TYDINGS. The Senator has heard some testimony—and I am wondering what argument was made to him—that under this bill the honest investor who had paid, perhaps, a small amount of money into some holding-company stock would have that investment destroyed? What argument has been made to substantiate that viewpoint?

Mr. WHEELER. I am coming to that in a moment.

Mr. TYDINGS. If the Senator is coming to it, I will not bother him further.

Mr. WHEELER. I am coming to it, and I think I will explain it in a better way by following the regular line of my argument. If I do not do so, the Senator may inquire about it.

The test for exemption, the test set forth by the President in his message, is already in the bill—in section 11 (b) (4) (A) of the Senate bill. The corresponding section in the House bill is section 10.

On the side of affirmative benefit, regulation, and the ultimate retirement of the holding company will mean for the operating company the end of holding-company tribute through stockjobbing and upstream loans. By "upstream" loans, we mean where the loan is made by the operating company to the holding company rather than from the holding company down. It will mean the end of pressure for dividends and high rates, of pressure for service, management, and construction fees, which have in many instances imperiled the rights of the senior security holders of operating companies by the draining of surplus, the depletion of resources, and the unsound application of operating funds. In 1933, for example, 11 subsidiary companies of Electric Bond & Share Co. passed entirely, or paid only in part, dividends on over $102,000,000 of their preferred stocks outstanding in the hands of the public, while those same companies paid service fees that year to Electric Bond & Share Co., which gave the latter a handsome profit over the cost of the services (appendix 5, ch. IX, of the Federal Trade Commission report).

Mr. TYDINGS. Mr. President, if the Senator will yield there, those service companies were owned as subsidiaries by the Electric Bond & Share Co., but under the bill that practice will be prohibited?

Mr. WHEELER. That practice will be stopped. It will mean the end of an absentee control, which is certain to cause perpetual local political trouble, and will distinguish in the public mind the holding company and the operating company, upon which the public's indignation is now being visited indiscriminately because of holding-company excesses and the fear of holding-company power.

All these advantages of holding-company elimination are to my mind utterly essential to the readjustment of the relation of the operating companies and the public to a point where there is an even chance that the private operating

utility industry can hold its own against the growing demand for municipal plants. It may be, as Mr. Ferguson pointed out in the quotation I read from him earlier in this speech, that the public is beginning to understand that the wrath they justifiably visit upon the holding company may not be deserved by the conservatively managed independent operating company. But there is a race against time in the general growth of that understanding which I am convinced the operating companies have a chance to win only if the holding company is retired promptly from the field.

What arguments are being made on the other side?

The holding-company managers are making three arguments to operating company investors. They do not have to make any arguments to operating company managers, because, as I have pointed out, they control and choose and are themselves the managers for at least three-quarters of the operating utility industry in the country. Those three arguments which they are using are as follows:

First. The holding company is necessary as a mechanism for undertaking pooled services, such as engineering research and certain other scientific services, which no one company can afford to carry on for itself on a scale sufficiently intensive to get results.

Second. Holding-company supermanagement is necessary because local plants cannot get good enough managers to operate without supervision by the kind of supermanagement the holding company can afford to employ.

Third. Operating companies cannot get adequate credit for expansion, refundings, and so forth, without the help of the holding company's own credit standing and the brains of the holding-company supermanagers, who know how to borrow in the so-called " money market."

The answer to the first argument is expressly provided in the bill itself. The bill does favor and encourage the resumption of independent engineering and management services provided by independent contractors bargaining at arm's length with the operating company.

If Senators heard me a few moments ago, it will be recalled that I pointed out how the Cities Service Co., as a matter of fact, just mulcted the operating company out of several million dollars in the building of one plant in Colorado.

But section 13 also expressly provides for the voluntary formation of mutual service companies owned by the operating companies, which will perform at cost, prorated among those operating companies, the kind of engineering and other services hitherto provided by the holding companies, usually at a substantial profit. The bill does not, therefore, destroy all mechanism for the pooling efforts of operating companies; it reestablishes and stimulates that mechanism on an even more economical basis.

The answer to the second argument—that local men are not good enough to run local operating plants—is an answer of common sense and of democratic faith. I have always believed that, given responsibility and opportunity, any community can find within itself adequate leadership for its own economic life. We are certainly dangerously bankrupt of business ability in this country, and desperately need to encourage its development through wider diffusion of opportunity, if it is true that holding companies are necessary even to reasonably integrated operating companies because local management cannot be found in local communities who can operate local utilities without the constant supervision of holding-company supermen from the outside. I, for one, do not believe that—I think there are plenty of good men in the Northwest, for instance, who can run a public-utility company without supermanagement from anywhere.

Take, for instance, the Montana Power Co. in my State. It was built up entirely and was a successful company and boasted of giving better service than any other small company, until it finally came under the control of the Electric Bond & Share Co. I know operating properties in the Northwest now in the hands of great holding companies which were better managed financially and economically by their original local owners than by their new absentee masters. You know and I know that holding company outsiders dominate the management of local plants today, not because local communities needed them, but because holding company promoters bought out or swapped out the stockholders of the local operating companies at what then seemed irresistible prices. I have often wondered how many investors who swapped their stock in the local independent operating company for high-sounding, senior securities in a great holding company would do it again. In fact, many of the smaller holding companies which exist today, particularly those in New England, were formed as protective organizations to prevent Insull, Electric Bond & Share, Associated Gas, or some other whale from swallowing up the local companies.

The third holding company argument—that good, sound operating companies cannot borrow as advantageously in the money markets as the holding companies—is pushed forward the most vigorously by the holding companies because talk of money and credit always scares off examination by plain men by its air of mystery. But I am like many others who are not ashamed that they do not understand why a second set of bankers has to intervene for a fee between those who have money to lend and borrowers with good down-to-the-rails assets and earning power on which to borrow. I have never been impressed by the allegation that well-organized operating companies cannot make their own credit arrangements in the money market without paying for the intercession of an intermediary. If the great New York money market has an important function to perform in the business development of this country, that function can be properly and effectively performed only if that market is maintained as a fair and open market where credit goes by merit and not by kiss and favor.

The allegation that holding companies provide indispensable credit facilities for operating companies does not stand up against the statistical proof that the credit of operating companies in these days of depression—and depression days are the only true test of credit worthiness—is far better than the credit of holding companies. A recent report of the Federal Power Commission shows that the average quotations for 121 issues of operating-company bonds listed as legal investments for trustees in the State of New York were selling in November 1934 at 6.6 points higher than in September 1929. Recent prices have been even higher than those of last November. These investments, made solely on the credit of the operating company, contrast sharply with the exceedingly low prices of holding company securities.

The holding company has too frequently made its operating subsidiaries dependent by encouraging or compelling them to finance through bonds and preferred stocks instead of selling, in good times, their common stocks to the public. Holding companies did this because the holding company desired to retain for itself, with as little cash investment as possible, as large a proportion as it could of the common stock which carried with it both control and the chance for profits. I have read testimony given before the House committee that particular local light and power companies—vital to the life of their communities and vital to the interest of those who have independently invested in them—may thus, under holding-company superfinance, have become so hopelessly indebted to holding companies and so helplessly dependent upon them for funds that unless reorganized they cannot go on without the continued prosperity and support of the holding companies.

But in such cases, the interests of the independent investors of such companies and of the community require that those companies should be reorganized as soon as possible to get them out from under the kind of management and tribute that has placed them in this pathetic condition. The holding companies' argument, based upon the dependence of such operating companies upon them, proves too much; it is an argument against, not for, the continuance of holding companies. Decent light and power service is too important to the local communities of this country to hang upon the hazard of the fortunes of a handful of holding companies in the big financial centers. Judging from experience in other fields, I am not so sure how long the utility holding

company will carry a local subsidiary's debts if it becomes possible to scale them down in bankruptcy without loss of control.

The other day the president of a Commonwealth & Southern subsidiary, an operating man of 44 years' experience, Mr. Arkwright, of the Georgia Power Co., appeared before the House committee to testify that his company, operating small units, needed the help of a holding company. Completely voluntarily, he offered his opinion that the holding company was not needed for the operation of plants—I am now using his very words—" in New York or Boston or Chicago or San Francisco or Detroit or in your large metropolitan centers." A few days after that, Dr. David Friday, an economist whom the holding people hired to represent them before the House committee, said the same thing—that is, that with companies of the size of Detroit Edison, Commonwealth Edison of Chicago, and Southern California Edison of Los Angeles, " the holding companies are not necessary at all." Nevertheless, the local company operating the plant in almost every large city in the United States today is controlled by a holding company. The Potomac Electric Power Co. here in Washington, D. C., is a subsidiary of North American Co. and subject to its control and supervision. Do you not think a plant serving a city the size of Washington could afford management that could get along without North American supermanagement? Do you not think it could borrow on its own without the intervention of North American? Hartford, Conn., a city of not half the size of Washington, affords what is generally conceded to be the best operating management in the country from the standpoint of the investor and the consumer alike. Furthermore, if holding-company supermanagement and holding-company credit is not needed for a company in a large city, why, except for legal reasons, should it be needed for a compact geographical and economically integrated system of small plants which in the aggregate afford the same conditions of self-sufficiency as the operating unit in the large city? It is the distinct purpose of the bill to encourage the building up and the strengthening of such compact systems of small operating units, even to the extent of providing exemption, if necessary, for a single holding company necessary for the functioning of such a system. In other words, under the terms of the bill, we exempt a holding company in a State or a holding company in a particular section provided it complies with certain rules and regulations which may be established by the Securities Commission.

When freed of the burden of holding-company tribute, operating companies serving a single, good-sized community, or a system of operating companies serving a geographically and economically integrated territory, can afford, if necessary, to adjust rates to meet public demands. When freed of association with the high finance and high politics of absentee holding-company management, those operating companies can adjust their own relations to the communities they serve without the Power Trust handicap they have to carry today in competing with the municipal-plant idea.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from Montana yield to the Senator from Arkansas?

Mr. WHEELER. Certainly.

Mr. ROBINSON. What would be the function of such holding companies as the Senator is now describing? What would they do?

Mr. WHEELER. The holding companies I am now describing would simply be for the purpose of holding together certain other companies and to rendering certain services. Such a holding company could take a number of small operating companies and organize them into an integrated company, but it could not be a holding company such as holding companies are constituted at the present time. It could not be a holding company controlling the stock of the operating company and charging for services to the operating company, but could serve as an investment company. Then, too, as has been suggested, where it is necessary to cover a certain number of States such as those of New England, because of the difference in the laws of the various States and in order to operate efficiently, the operating companies must be organized into an integrated system in that particular locality and that could be done by such a holding company as I have mentioned.

Mr. ROBINSON. That would be subject to the jurisdiction and control of the Securities Commission?

Mr. WHEELER. Yes.

Mr. ROBINSON. The Commission would make rules and regulations which would define the powers of such holding companies?

Mr. WHEELER. That is correct.

I have already quoted Mr. Ferguson, of Hartford, on the danger which the public attitude toward holding companies carries for operating companies. Let me quote one more warning on that subject from within the utility industry itself—a secret confidential warning introduced into that testimony before the New York legislative committee to which I have before referred. It is a confidential longhand letter written by Mr. W. L. Ransom, counsel for Consolidated Gas Co. of New York, the operating company in New York City, to a vice president of Consolidated Gas who apparently was about to make a speech praising holding companies. I have been given to understand that Mr. Ransom, whose company has since become affiliated with the United Corporation system, is now explaining away his letter, and is playing ball with the holding companies, as many an operating manager and employee has to play ball today. I have heard he is even going to appear in Washington to oppose the bill. But here is his confidential advice to his client in 1925:

The time is not far distant when unregulated holding companies will be recognized as the chief menace to the public-utility industry in America. (Italics mine.) They may destroy the present confidence of the investing public in public utilities as safe investments—confidence now based on the assumption that State regulation exists.

I don't urge you to go that far or say that much, but I do recommend that you take a little more restrained view and do not commit yourself too unreservedly. Why should the vice president of the Consolidated Gas Co. give such a bill of health to what the holding companies are now doing?

Now, how about the argument—and I call special attention to this—that section 11 will eliminate all holding companies after 5 years, and confiscate the investment of the holders of their securities in doing so.

Section 11 does aim to eliminate a certain kind of holding company; but before considering how it will eliminate such companies and what will happen to the investors of the securities in those companies during the process of elimination, I think we ought first to appreciate the great scope of exemption from elimination which the bill provides.

Section 11 now provides that a holding company can go on indefinitely if it is the kind of a holding company which is really necessary to the operating industry and is not so big that it is a private empire beyond the control of a democratic people. And it can go on even if it is not now that kind of holding company, but can become such within 5 years, by interchange or rearrangement of subsidiaries and by the simplification of its capital structure so that its investors can know what their rights are and have a decent voice in its management. Section 11 specifically gives the Securities and Exchange Commission power to exempt that kind of holding company from the so-called " death sentence."

That kind of holding company which qualifies for exemption under section 11 of the kind described by the President in his message—a holding company necessary to the continued functioning of a geographically and economically integrated system of operating companies which cannot be merged into a single operating company because of the difficulties of State laws, as I pointed out to the Senator from Arkansas. Among the very best of our integrated operating systems, particularly in the smaller States like those of New England, are systems which cross the lines of contiguous States and which cannot be merged into single operating companies because the laws of each State require operating

public utilities within their borders to be incorporated under their respective State laws. In such circumstances a holding company may be a necessity justified to hold the operating system together. The bill authorizes another exemption provision in section 4, subsection (c), for holding companies operating a system of operating companies all of which function exclusively in the same State, the kind of "simple holding company" Babson described in the report from which I read earlier in this speech. There are many holding-company systems in the country which operate completely within one State.

Within these two classes of exemptions—intrastate systems and integrated interstate systems—are potentially included probably nearly all the holding companies outside the so-called "giants"; and yet every little holding company throughout the United States is here protesting against the enactment of this bill. As a matter of fact, I question whether the bill goes far enough; but the authors and proponents of the bill felt that it was necessary and proper that the bill should contain these exemptions.

Mr. TYDINGS. Mr. President, after 5 years, when the larger holding companies are dissolved or restrained, what is the mechanism for taking the stock which an investor may now hold in one of the larger companies and giving him stock in the smaller companies?

Mr. WHEELER. I have pointed out in my remarks how it can be done.

Mr. TYDINGS. Very well, if the point is covered in the Senator's remarks.

Mr. WHEELER. Even a great many of the component companies in the giant systems are probably included individually; companies like Alabama Power, Georgia Power, Consolidated Gas of Baltimore, Union Electric Light & Power, and others which should be able without great difficulty to qualify for the exemption specified in the bill. Even some of the giant systems themselves, therefore, need not break up into hundreds of individual companies, but might rearrange their properties in the form of five or six geographically integrated systems. Many of them are already composed of several fairly well-integrated divisions or natural units, each of which, with some small changes, will be prima facie qualified for exemption under section 11 or section 4. Of course, it must be borne in mind that when they get these exemptions they will have to submit their securities to the Securities Commission; and they will not be permitted to continue these practices of robbing the individual companies as, in some instances, they have in the past.

Mr. TYDINGS. Will the Securities Commission also have to approve the plan of reorganization?

Mr. WHEELER. It will.

Mr. TYDINGS. So that each holder of a security in the larger company would at least have the safeguard that the plan of reorganization had been approved by the National Securities Commission?

Mr. WHEELER. Yes; I point that out in the course of my remarks.

The bill, therefore, does not seek to reduce the operating utility industry to its least common denominator—to the small plant and the small distributing area. It does seek, however, to confine combinations of plants and of territories, undertaken in the interest of efficiency, to those plants and territories which are reasonably related geographically and economically, even though on the power map other plants and territories may occasionally intervene. Since the combinations of plants and of territories now held by the certainly doomed giant holding companies will have to be reorganized anyway, the bill seeks to have that reorganization result in combinations serving exclusively a single geographic and economic area.

The bill favors such compact regional operating systems, rather than sprawling so-called "diversified systems", for two good reasons. One reason is scientific. The best engineering opinion tends to support the idea that such regional systems, with their opportunity for interchange and self-utilization of surplus power, offer the best possibilities for the cheapest provision of indispensable electric energy to the consumers of this country.

The second reason, the more important one, is economic and political. As the President says in his message, private utilities with their legalized monopolies are supposed to serve public ends. A far-flung disjointed system, whose management is independent and absentee so far as any particular community in its system is concerned, has the problems of no one community for its exclusive consideration and opportunity, and can never be made into a satisfactory public servant. It is free to skip all over a continent to pick up sporadic stock-jobbing opportunities of high finance in lieu of sober operating profits. It derives a great portion of its power and its profits from outside sources over which the community has no control. It can never be successfully regulated by the community it serves. It is a breeder of bad public relations.

An operating system whose management is confined in its interest, its energies, and its profits to the needs, the problems, and the service of one regional community is likely to serve that community well, to stick to the operating business, to be amenable to local regulation, to be attuned and responsible to the fair demands of its public, and to get along with its public to their mutual advantage. A regional system, with each company confined to consolidation of its own territory, will offer no chance for the territorial raids at fantastic prices with which for 15 years competing private empires kept the operating business in turmoil. Essentially local systems will tend to operate utilities rather than to play with high finance; and essentially local enterprise is far less likely than the wandering corsair to accumulate political and economic power entirely out of proportion to what the public can permit any private power to be.

Over and against these considerations of public policy, the doubtful private advantage of diversification of risk put forward as the justification for sprawling holding-company systems is unimportant. This sort of diversification of risk is the function of the individual investor or the investment company, not of a company which is itself managing the business in which it invests.

The investors in at least two kinds of present-day holding companies have, therefore, certainly no reason to fear the confiscation talked about by propagandists—that is, investors in holding companies whose subsidiaries operate either completely within one State or in a geographic or economic relation to each other in contiguous States. Nor is there any reason for worry on the part of investors in companies which do not presently meet those standards, but can reasonably expect to do so by a little rearrangement over a period of years. Anyone who knows even a little about trends in the public-utility business knows that there are forces already at work—forces like new scientific developments, new distributions of financial power, and even the sheer weariness of holding-company managers—which, with the encouragement and machinery provided by this bill, would voluntarily work with amazing speed to rearrange the great gerrymandered, fundamentally inefficient, and unstable super-utility combinations, and to consolidate their operating properties into efficient, compact regional units of the kind the bill exempts from elimination.

Let us see just where we are in our consideration up to this point of the effect of this bill on investors in the utility industry.

First, at least three-quarters of the interest of those investors is represented by direct investment in operating companies. Those operating companies will be helped and not hurt by a bill which curtails their tribute to holding companies and frees them of unpopular Power Trust associations.

Second, the bill expressly provides for and contemplates that a large proportion of the holding companies which represent the remaining one-fourth of the investors' interests may immediately, or over a period of years, qualify for exemption from what propagandists call the "death sentence" in section 11 (b) (4).

If we should read only the opposition's scareheads, we would think that this "death sentence" strikes down every utility investment in every operating and holding company in the country. "The wreck of a $12,000,000,000 industry" is a typical phrase. But if we read the bill we learn that the "death sentence" applies at most to investments in only a portion of the present holding companies.

Let us now examine the argument that the so-called "death sentence" will confiscate or injure even the investment of such minority of holders. What does section 11 (b) (4) really do to an unexempted holding company?

Section 11 (b) (4) aims solely at the breaking up of an undemocratic system of supercontrol over local operating companies. It affects the holding-company assets which give value to holding-company securities only as an incident in the process of breaking up that control. "Holding company" is defined for the purposes of this section and of the whole bill as a company which as a matter of fact controls gas or electric public-utility companies. Control is the test of the scope of the bill. A company is not within the scope of the bill unless it does have in some way or other such a control over other utility companies.

The so-called "death sentence" actually says only this: That after January 1, 1940, it becomes the duty of the Securities and Exchange Commission to require every unexempted holding company to dispose of securities or to be reorganized or dissolved insofar as may be necessary to make that company cease to control other companies.

Beyond that section 11 requires only that holding companies simplify their capital structure to a point where the investor, and for that matter the company, will know what the investors' rights are. The rights of the various securities issued by some holding companies today overlap so badly that the best lawyers in the world cannot clearly define the respective rights of the securities.

Mr. President, that is all there is to the so-called "death sentence." Remember that in any discussion of this "death sentence" section 11 (b) (4) does not require any company to dissolve or to dump assets on the market at any time, whether before or after January 1, 1940, if the company can find legal means other than dissolution or such dumping of assets to give up its ownership and control over other utility companies. The holding-company lawyers who performed legal wonders in concentrating the present amazing structure of holding-company control perfectly well know how many ways there are of simplifying that structure or of dispersing that control in particular companies without the sacrifice of assets which cannot be advantageously disposed of at any particular time.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. TYDINGS. Suppose we say a holding company owns 20 operating companies, and owns a quarter of the stock in each one of the operating companies, and that the holding company is dissolved into either 20 holding companies or is dissolved altogether. I am just wondering how much protection should be given the innocent investor in a holding company, as to which one of the particular 20 companies he should have stock in, whether he would be in 1, 2, 3, 4, or what number of companies.

Mr. WHEELER. They could be organized into an investment trust and all the stock of the holding company could be turned over to the investment trust, and then the stock of the investment trust could be divided. But the investment trust, of course, would be like any other investment trust in that it would not control the operating company by charging fees, as it has been alleged the holding companies do. It would be an investment trust, and the stockholder would be perfectly protected.

Mr. TYDINGS. That could be done. On the other hand, if the company decided to dissolve, there would be 20 companies into which it would have to share out the stock of the holding company.

Mr. WHEELER. Yes; it could be done in that way.

Mr. TYDINGS. I am wondering what protection could be afforded by the bill in addition to that which now exists to insure equality in the redistribution of the holding-company capital structure.

Mr. WHEELER. Of course, it would have to be done under the supervision of the Securities Commission.

Mr. TYDINGS. We would really have to rely more on the Securities Commission than on the bill to make sure that an equitable distribution were made.

Mr. WHEELER. Exactly, and, as I shall point out in a few moments, as a matter of fact, any reorganization which takes place will be under the supervision of the Securities Commission, so as to assure the security holder that he is not going to be robbed in the reorganization, as many of the security holders have been robbed in the reorganization of the railroad companies, and other companies of that kind.

Mr. TYDINGS. Answering my own question, has this idea occurred to the Senator as to how this redistribution might be made equitable even without the Securities Commission? Suppose there were the greatest common denominator, so to speak, or the smallest common denominator, fixed for each one of the 20 companies, then the distribution could be made so that the holder of stock in the holding company would get, if there were 20 operating companies, one-twentieth of the holding in each one of its subsidiaries.

What I am afraid of, if we leave this to the Securities Commission, is that everybody will not have the facilities to know whether he would rather have the stock traded for stock in operating company no. 1 or operating company no. 3.

Would not the bill assure a better distribution of the holding company's stock if it were provided in some amendment to the bill that that stock would have to be spread all the way through the assets of the holding company, namely, that the holder of holding-company stock would have translated one-twentieth of his interest, we will say, into each one of the 20 companies? Does the Senator think that idea is worthy of consideration?

Mr. WHEELER. I think it is worthy of consideration, and I will be glad to consider it when we come to have hearings before the committee.

Mr. NORRIS. Mr. President, will the Senator yield to me?

Mr. WHEELER. I yield.

Mr. NORRIS. I think the Senator ought to make plain that now some of the stock of some of these holding companies is nothing but water or wind.

Mr. WHEELER. Of course, that is so.

Mr. NORRIS. The bill does not pretend to perform any legerdemain. It does not pretend to convert water into gold.

Mr. WHEELER. Not at all.

Mr. NORRIS. There are those who have been misled in their investments in some of this worthless stock who cannot expect to get any value out of any of it. They have already lost their money.

Mr. WHEELER. They have already lost it.

Mr. NORRIS. Absolutely.

Mr. WHEELER. And bill or no bill——

Mr. NORRIS. Bill or no bill, they will never get it back.

Mr. WHEELER. Many of them are going to lose what little money they have invested at the present time.

Mr. NORRIS. Undoubtedly.

Mr. WHEELER. There is nobody who has made a survey of these holding companies but who knows perfectly well that many of the holding companies, bill or no bill, are going to have to be reorganized and are going into the hands of receivers. In my judgment, the little investor who has some equities at the present time will receive more protection under the bill than he will if the bill is not passed and nothing is done about it.

Mr. TYDINGS. Mr. President, will the Senator yield again?

Mr. WHEELER. I yield.

Mr. TYDINGS. It is conceded that the lawyers for the holding companies are very shrewd.

Mr. WHEELER. Yes.

Mr. TYDINGS. The point I have in mind is that there would be two fundamental ways in which a holding company

might be dissolved. Let us assume that one has an investment in a holding company which owns, we will say, 20 operating companies. He could be given stock in one of the operating companies, which might be an inferior company, and those on the inside might keep for themselves and their friends stock in one of the better companies. The point I am trying to bring out is that we ought to see to it when a holding company is dissolved that the benefits of a good operating company owned by the holding company do not fall to a group of favored stockholders in the holding company. We ought to write safeguards in the law so that each one of the operating companies is proportionately dealt out to each investor in the holding company. I am afraid that if we do not do that the very lawyers who have watered the stock will again water it, and the honest investor will in the end have stock in a poor operating company, while some others may find themselves with stock in good operating companies.

Mr. WHEELER. That would happen, without doubt, as to many of them, unless the Securities Commission should take steps to prevent it.

Mr. TYDINGS. I believe the Securities Commission would try to bring about an equitable dissolution; but it occurs to me that even that Commission, with a far-flung country such as ours, and having in mind the machinations of the holding companies, would not have a sufficient staff properly to appraise the holdings of the holding companies, so that one investor would at the end know whether he was being paid better than another. I think it would be well, if this measure is to be enacted, to assure to each stockholder in a holding company an equitable share of the operating companies.

Mr. WHEELER. I think that is a very good suggestion.

Mr. MURPHY. Mr. President, will the Senator yield to me?

Mr. WHEELER. I yield.

Mr. MURPHY. The point is, as I understand it, that if a holding company shall be dissolved, the equity of the stockholder in the holding company today will not be taken from him. He would be given equivalent value in one or several operating companies owned by the dissolved holding company.

Mr. WHEELER. That is the theory upon which the bill is drawn.

Mr. MURPHY. That is the purpose of the proposed legislation?

Mr. WHEELER. Exactly.

Mr. TYDINGS. Mr. President, if the Senator will permit me to make one further observation, there might be optional ways in which the company might be dissolved. For example, they might be given a chance to take stock in one company or in all the companies, and we ought to write a provision into the law so that all the stockholders in the holding company would get the same treatment. Otherwise, I am afraid some innocent person would find himself at the end with stock in one of the operating companies which might not be as valuable as stock in another operating company.

Mr. MURPHY. The revenues of the holding companies come in part from earnings on the stocks held. As to the dividends received by the holding company, if the holding company should be dissolved, they would remain with the operating company?

Mr. WHEELER. Yes.

Mr. MURPHY. And go to the stockholders. The service and management charges received by the holding companies thereafter would not be made, and those charges would remain in the revenues of the operating company now contributing them.

Mr. WHEELER. But if the operating company, as the result of not being milked by the holding company, had more dividends upon the stock, then it would give them back as a legitimate profit to those who held the stock either in the operating company or in the investment trust.

Mr. MURPHY. Yes. It appears to me, as the Senator has stated, that not only will there be no loss of equity, if there be any equity, as the result of the dissolution of the holding company, but there will be no loss of income to the operating company.

Mr. WHEELER. The way the public has been robbed in connection with these holding companies, as I pointed out from figures here, is illustrated by the case of two or three companies the promoters of which sold two or three hundred million dollars worth of stock in those holding companies and took out $34,000,000 for promotion charges.

Mr. MURPHY. Did the Senator find any instance where holding companies put any money into the operating companies?

Mr. WHEELER. No. Many of the holding companies were started on a shoestring, and the promoters sold stock to themselves at a dollar a share. There is no difference between such a case and a case which I prosecuted in Montana for using the mails to defraud, which resulted in sending those prosecuted to the penitentiary. The defendants in that case were prosecuted for organizing an investment trust out there. They started out with nothing, and were sent to the penitentiary because they put in their own pockets something like 40 percent of what they took in. The court held that such action upon its face was a fraud. The United States courts have gone so far in some cases as to hold if 33⅓ percent is taken out as promotion charge that is prima facie a fraud upon the stockholders, and that persons engaged in such practices could be prosecuted and sent to the penitentiary for engaging in them.

I am perfectly amazed that there have not been prosecutions for using the mails to defraud. Some of the wild promotions which have taken place were no different from those for which Cook was sent to prison in Texas. What has been done by some of the holding companies is not different from what he did.

Corporation lawyers who pretend to be so worried about the investor know that the so-called "death sentences" under the Sherman Act and under the commodity clause of the Hepburn Act were carried out without resorting to any forced liquidation of assets, but were consummated by an equitable redistribution of securities among the existing security holders. Corporation lawyers who have been so skillful in swapping securities to take control away from the investor, will have no difficulty in swapping securities to give that control back to the investor, if they seek to do so.

Just what the exact technique would be in every case of reorganization or divestment is impossible to forecast because it would depend upon the particular circumstances of the particular company at a particular time. Reorganization difficulties primarily arise out of complicated capital structures and weak financial condition. Strong companies usually have simple capital structures. The better a holding company, therefore, the more easily it will be rearranged, reorganized, or dissolved, and the less complicated the distribution of its assets will be.

Three years—up to January 1, 1938—is permitted for voluntary readjustments, on the initiative of the holding companies themselves, before the Securities and Exchange Commission has power to force any reorganization or disposition of assets under section 11. At least 2 more years of discretion, until January 1, 1940, are then permitted the Commission before the Commission is forced to move to compel any reorganization or disposition under the section. That makes 5 years. A 5-year period beginning to run after 5 years of depression in the normal course of the economic cycle should carry us through to normal, if not boom, times.

In some cases it may be possible during those 5 years simply to divide the securities owned by the holding companies among the holders of its own securities. The fractional interests in securities which may result are not a matter of difficulty; the securities market has long ago developed machinery for recombining the fractional shares which result from such distribution, and from the kind of stock dividends in complicated fractional scrip which some holding companies have paid for many years.

In such a 5-year interval some companies may exchange their securities with other companies, making possible the

dissolution of some holding companies into compact operating units or their continuance as holding companies under the exemptions I have referred to. In such a 5-year interval some companies may be able through investment banking channels or otherwise to dispose of valuable operating securities to enable them to retire their prior obligations and to distribute the balance of their securities pro rata among their stockholders.

The President in his recent message clearly draws the line between a holding company and a legitimate investment company. A holding company might through investment banking channels or otherwise, over a period of 5 years, reduce or exchange its holdings in operating units, not completely, but to a safe point where it no longer had a controlling interest and had become a legitimate investment trust.

Or a holding company might with the approval of the Securities and Exchange Commission divest itself of control of operating companies simply by conveying its investments carrying voting power in such operating companies to trustees for the benefit of its security holders in accordance with their equitable rights and priorities, breaking the common control of its erstwhile subsidiaries and vesting the voting control of each not in a single set of trustees or proxy holders but in the mass of individual security holders who are the real owners of the subsidiary properties. The voting power which had once constituted the control bringing the holding company within the bill would then be dispersed and the holders of the beneficial certificates would exercise those rights which had hitherto been exercised by the holding company to vote for the directors of each then autonomous operating unit. The trustees could hold those investments and liquidate, whenever they chose, on any market they chose, in any way they chose, and with any distribution among the security holders they chose, within the limitations of the equitable rights of the respective security holders against the company and each other and the terms of the trust agreement as approved by the Securities and Exchange Commission.

Naturally, safeguards would have to be provided to prevent the continuance of any common control of the operating units so that the evils of the holding company and absentee management would not continue in a different and more subtle form. But with such safeguards, the arrangement honestly carried out would completely satisfy the requirements of the language of section 11 and of the policy of section 11. In the course of time it is to be expected that under such a trust arrangement the actual ownership of the several properties would become dispersed and that there would be a natural tendency for a substantial part of the ownership of the several operating units to drift back to the localities where they do their business.

Section 11, therefore, does not say to any company which presently is a holding company that its investments have to be dumped on a bad market. Section 11 simply requires that any company now a holding company, unless it qualifies for exemption in the way I have described, cannot continue to hold and control those investments. I have suggested at least a couple of ways that can be done. The lawyers can be trusted to find other ways. Anyone familiar with the energy and ingenuity and ability which went into the pyramiding of voting control upon which these holding-company structures are based has no fears that a tithe of that energy, ingenuity, and ability cannot find plenty of ways to decentralize the control which it created.

Even the unfairest critic would have to admit that there would be no danger of the sacrifice or wastage of any of the legitimate asset values of operating-company securities behind the investors' holding-company securities, if the reorganizations were carried out under the following conditions:

First. With plenty of time to get adequate values for any assets to be disposed of.

Second. With adequate legal machinery in any reorganization required by the bill for the readjustments of liens and the comparative rights of security holders to do equity to all.

Third. With complete supervision and control of plans of reorganization by a disinterested Government commission to prevent the usual profiteering by reorganization managers, reorganization lawyers, reorganization bankers, and all the rest of the scalpers who have made corporate reorganizations in this country a nightmare for the average investor.

All the prophecies of destruction of the interests of the investors are based on a theory that reorganization and dissolution under section 11 will not be carried out under those conditions. But in proceedings under section 11 every one of those conditions is carefully provided for.

First. Consider the question of time.

I have already pointed out that the bill gives unexempted holding companies 5 years—and 5 years beginning part of the way out of a depression—to work out their own methods of reorganization. And I have pointed out that the strong companies which have the most to save are usually the simplest in corporate structure and the easiest to reorganize. The methods of compulsory reorganization or dissolution after 5 years, therefore, are almost academic. Long before the end of 5 years, the easily reorganized stronger companies will almost certainly have found a way to rearrange themselves. Long before the end of 5 years the weaker companies already tottering on the brink will have been forced without any Government compulsion to find a way to reorganize themselves voluntarily or will have fallen into the bankruptcy courts. The number of companies which either will not or cannot adjust their own difficulties within the 5 years and will have to be adjusted under Government compulsion will, if the holding-company managers know their job, be very few. But for those who want to know what machinery is provided to effect the compulsory reorganization or elimination of any last handful of companies, let us trace the operation of the bill beyond that 5 years.

After the 5 years provided for voluntary readjustments, all dispositions, reorganizations, and dissolutions are thrown into the Federal courts to which the Securities and Exchange Commission must apply for the enforcement of the Commission's orders under section 11 and for the appointment of the Commission as trustee to carry out such orders under the direction of such courts. Now, any sincere first-class lawyer will advise any sincere investor in holding-company securities that it is the prerogative and the custom of a Federal court to which application is made for the execution of a plan of reorganization or divestment involving the sale or exchange of any assets, to postpone disposition of assets until such time as they shall not be sacrificed. There is no time limit provided in section 11 or anywhere else in the bill to circumscribe such traditional jurisdiction of a Federal court of equity.

Furthermore, in cases where there is no insolvency there is no reason why interest on bonds and dividends on stocks, if available, should not be paid pending the reorganization.

The answer, therefore, to the question whether there will be sufficent time in which to rearrange or dispose of holding company assets, under section 11, without sacrifice is that there will be as much time as a Federal court of equity thinks is necessary. The 5-year period, of which we have heard so much, is merely a limitation of the time within which the Securities and Exchange Commission must throw rearrangements or dispositions into such Federal court.

Now for the next question: Is adequate legal machinery available for the readjustment of liens and the comparative rights of security holders to do equity to all?

The answer is "yes." Not only is the Securities and Exchange Commission empowered to institute proceedings, under 77–B of the Bankruptcy Act, in cases of insolvency, but Supreme Court decisions in dissolution proceedings arising out of the Sherman Act and the commodities clause of the Hepburn Act—the act prohibiting railroads from transporting commodities in which they have an interest—have long ago and thoroughly established the completely free hand of the Federal courts of equity to adjust the rights of security holders in the distribution of assets in reorgani-

zations and dissolutions compelled by Federal statute as a matter of Federal public policy.

Of course, equity must be done as among the various classes of security holders; the bondholders or preferred-stock holders cannot be deprived of what is fairly theirs. But the common-stock holders have a right to have their interest, such as it is, preserved until a fair disposition can be made. The strict letter of the security holder's bond has to give way before the court's power to carry out the public policy of the statute.

This is no fanciful speculation as to what the administrative and judicial branches of the Government will do. It is a doctrine of established law which found its last and completest expression in the recent gold cases where public policy overrode the terms of private contracts. The Supreme Court has expressly stated not only that it would not, in a reorganization compelled by public policy, require a sale of assets under conditions which involve an unnecessary sacrifice of values, but that it would sever and readjust even a mortgage lien in order to make possible a fair and equitable reorganization in conformity with the declared policy of Congress. Because someone may call this "only a Senator's wishful law", I quote at length from Chief Justice Taft's opinion in *Continent Insurance Co.* v. *United States Reading Co. et al.* (259 U. S. 156):

> The considerations influencing the district court and the Government against a drastic readjustment of the interests of the bondholders under the general mortgage and the holdings of the two offending companies were of manifest weight in the then business and monetary situation. Even now this court would hesitate to order a sale of this kind of property worth probably $100,000,000 with confident hopes of realizing an adequate amount with the necessary restrictions as to the purchaser. We agree with the Attorney General in his disinclination to insist upon such a sale under the circumstances. Since the time of settling the decree, however, a change for the better has come in the financial situation. We think that this justifies us now in making some modifications in the plan which were not presented to the parties or considered by the court, possibly because they might have been unwise in the critical conditions then existing. They involve a departure from the contract provisions of the general mortgage and the bonds it secures * * *.
>
> The power of the court under the Sherman antitrust law to disregard the letter and legal effect of the bonds and general mortgage under the circumstances of this case, in order to achieve the purpose of the law, we cannot question. The principles laid down and followed in the case of *United States* v. *Southern Pacific* Co., decided today, post, 214, leave no doubt upon this point. Indeed, the case which we there cite, *Philadelphia, Baltimore & Washington Railroad Co.* v. *Schubert*, 224 U. S. 603, 613, 614, is a stronger instance of the power of Congress in regulating interstate commerce to disregard contracts than is needed in this case, because there it was enforced as to a contract made before the regulation. * * *
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> * * * In one of the phases of a case, reported as *United States* v. *Lake Shore & M. S. Ry. Co.*, 203 Fed. 295, the Court of Appeals of the Sixth Circuit was obliged to consider on an intervening petition, the question of the power of the court under the Sherman Act to deal with a mortgage whose lien if held to be inviolable interfered with the effective dissolution of the offending combination of a railway company and a coal company. The opinion is not reported, but we have been furnished a certified copy of the memorandum opinion, and its language is so pertinent that we quote it as expressing our view:
>
> "One who takes a mortgage upon several items of property of such character that their common ownership or operation may offend against the antitrust law or the commodities clause, and such that the mortgage serves practically to aid in tying them together, must be deemed to hold his mortgage subject to the contingency that if the complete and final separation of one item of the mortgaged property from the remainder becomes essential to the due enforcement of either named law, the court charged with such enforcement may take control of that item, free it from the consolidating tendency of the mortgage, and substitute therefor its judicially ascertained equivalent. * * *"

Mr. President, the history of the dissolution of the Standard Oil Co. and of the even more complicated dissolution of the American Tobacco Co. under the Sherman Act demonstrates that in the case of really solvent companies assets may be segregated and a common voting control broken without any of the disastrous consequences to investors which it is claimed will occur if this bill passes, and which it was claimed with equal vehemence would occur under the Sherman Act.

That brings me to the last point—the protection of the holding-company investor by the Securities and Exchange Commission. I do not blame the average investor for shuddering at the very word "reorganization." In the usual process of reorganization and regrouping of properties the investor might be given the same milking by reorganizing bankers and their lawyers that he has had to take in railroads, real estate, and every other kind of corporate reorganization. To meet that very danger the bill puts the entire process of reorganization, including fees and so-called "reorganization plans", under the control of the Securities and Exchange Commission.

It also carefully requires the Federal courts to appoint the Securities and Exchange Commission itself trustee in any reorganization or dissolution proceeding. It does that to protect the investor by avoiding the jockeying for the selection, by a busy judge or from a neatly weighted panel, of those individual trustees who will play ball with the right people. Such jockeying, every realistic lawyer and every realistic court knows, goes on, however subtly and secretively, in every bankruptcy, receivership, and reorganization proceeding. That provision has an exact precedent in the Federal statute which makes the Comptroller of the Currency, and not someone at large, cleverly thrust upon a court, the receiver of each closed national bank. It has an exact precedent in State statutes which make a commissioner of insurance, and not someone at large, the receiver of each failed insurance company.

There is no reason why, with all this protection given the investor, both by the Securities and Exchange Commission under this section 11 and by the Federal courts, there should be shrinkage in the actual value of the investor's interest in the operating companies which underlie the holding companies. The individual investor really ought to come out of the reorganization process with far better securities than those with which he went into it. He ought to get a security which represents an actual down-to-the-rails investment in a regulated local operating company or, at most, a regulated regional holding company. He ought to get a security which will bring him, instead of a lot of paper-stock dividends, all the legitimate cash dividends the operating company can pay—not what is left of them after high salaries, large fees, big bonuses to holding-company officers and bankers, and the purchase of securities at exorbitant prices from corporate insiders.

In short, the individual investor ought to get the kind of security he thought he was buying in the first place. The benefits of this bill to the interests of the great middle class, who make up the bulk of American investors, will be incalculable. It will strike a real blow at the tyranny of that private socialism of a privileged few which threatens the whole future of independence of business and of the Nation itself.

CALIFORNIA-PACIFIC INTERNATIONAL EXPOSITION

During the delivery of Mr. WHEELER's address,

Mr. McADOO. Mr. President, may I ask the distinguished Senator from Montana to yield to me for a moment?

Mr. WHEELER. I yield.

Mr. McADOO. I wish to ask unanimous consent to have considered at this time the joint resolution (H. J. Res. 174) to permit articles imported from foreign countries for the purpose of exhibition at the California-Pacific International Exposition, San Diego, Calif., to be admitted without payment of tariff, and for other purposes. A similar measure was introduced by me in the Senate and reported favorably by the Committee on Finance. I should be very grateful if immediate consideration could be accorded the House joint resolution. I know of no objection to it.

Mr. WHEELER. If there is no objection, and if it will lead to no debate, I am willing to yield.

Mr. McADOO. I am sure it will lead to no debate.

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Is there objection to the request of the Senator from California?

Mr. AUSTIN. Mr. President, although I am personally very much in favor of the joint resolution, and should like to see it enacted, I feel bound to object, unless the Senator would like to have a quorum called.

Mr. WHEELER. If there is to be any objection at all or any discussion, I cannot allow the joint resolution to be brought up during the course of my speech.

Mr. McADOO. Mr. President, I hope the Senator from Vermont will not interpose objection for the reason that the preparations for the exposition are approaching completion, and it is essential that the foreign exhibits be permitted to come into the country if they are to be shown at the exposition. The time is short and I know of no objection to the joint resolution, and therefore will be grateful if it may be passed.

Mr. AUSTIN. If the Senator will bring the matter up at the conclusion of the remarks of the Senator from Montana, when we may call a quorum, I assure him that I will not then interpose objection.

Mr. WHEELER. I must refuse to yield further.

Mr. McADOO. I thank the Senator from Montana for his courtesy in allowing me to make the request.

ALLOTMENT OF RELIEF FUNDS TO EDUCATIONAL PURPOSES

After the conclusion of Mr. WHEELER's speech,

Mr. CUTTING. Mr. President, a few days ago I offered an amendment, which was adopted by the Senate, earmarking $40,000,000 of the appropriation carried by the work-relief joint resolution for relief of the schools during the present school year. At the time the Senator from Maryland [Mr. TYDINGS] asked me what States were unable to continue their schools in operation for the present year.

At that time I had not the figures; but they have since been furnished by Dr. Dawson, of the United States Office of Education, to the Committee on Education of the House of Representatives. The hearings have not been printed, and I am going to ask to have Dr. Dawson's testimony incorporated in the RECORD at the end of my brief remarks.

I do not desire to take the time of the Senate to any extent so late in the afternoon. I think, however, one or two things ought to be said.

In the first place, it was implied in the course of the debate that my own State of New Mexico would receive a large amount of the suggested appropriation. I made it clear at the time that I had no idea where my State would stand among those which were to receive the benefits of such an earmarking. I now find, however, that of the 31 States on the list, New Mexico stands fifth from the bottom, and would receive only $180,000 out of the $36,500,000 which Dr. Dawson figures is required. The State which would receive the greatest sum, being the State which is most in need in this matter, is the State of Ohio, which requires $9,000,000 to carry on her schools during this year. The States of Alabama and Georgia will require between three and four million dollars each. The States of Arkansas, Mississippi, Oklahoma, and Texas will require between two and three million dollars each, and the States of North Dakota, South Dakota, Tennessee, and Missouri between one and two million dollars each.

The argument was made that it was the duty of the States to provide sufficient taxes with which to take care of their own school systems. I should like to quote briefly from the testimony of Dr. Dawson.

The chairman of the committee asked:

What I mean is that the local communities are not endeavoring to get sufficient taxes to take care of the school teachers and the schools.

Dr. Dawson replied:

These local communities certainly cannot by any reasonable tax make adequate provision for schools. No, I would not agree with the implication of your question because for the most part these districts are in States where they have a constitutional or legislative maximum tax, and there is hardly an exception where they do not levy it, and if you will compare their tax rates with the tax rates in other States you will find that they stand pretty well up.

Later, he said:

If you will go down this list of States, you will find that the States that are in the greatest distress are the States which for years and years have been accustomed to give a larger amount of State support to education than the other States in this Union.

Alabama for 30 years has stood at the top of the list in State support of education. Arkansas has always stood well up toward the top of the list. Back in 1927 and 1928, 38 percent of all the money spent for public schools in Arkansas came from State sources.

By and large, the Southern States all stand high in State support * * *.

The point that I am making is that the question is not altogether a question of complete State support or increased State support of the schools. Alabama has for years and years spent more money from the State for public schools than the State of Indiana does now, but that has not kept them from having several thousand children in schools operating 6 months or less a year, with the teachers being paid $40 a month. I would just like to see the expert on public finance in this country that can go to Mississippi and say what taxes Mississippi can levy equitably, in addition to those already in force. I have heard experts in Federal offices say repeatedly that to save their souls they did not have the heart to say that Mississippi ought to levy any more taxes. What in the name of sense can you tax that is not already taxed higher than anybody else taxes it? You can take all the money in the State of Mississippi and put it into the schools and you will still have teachers being paid $40 per month, with 6 months' terms. There are reported to be 2,000 communities in the State of Mississippi that do not even have a schoolhouse, but they have school in the cotton pen, in the barns, and in the tenant shacks on the plantations.

I am glad Dr. Dawson took as examples other States than the one which I represent in part, because it is perfectly clear that the major portion of this problem comes in entirely different States.

Dr. Dawson then goes on to deal with the State of Arkansas, and says:

I was the director of research in their State department of education for 7 years, and I do not think anybody can tell me any more about Arkansas than I already know. They raised a million and a half dollars for relief. That left about a million dollars that they could raise for public schools. Now, the taxes levied by the State of Arkansas—and they are taxed at a maximum rate that was recommended by the finance experts in the Federal Emergency Relief Administration, after a detailed study—produce for the schools $1,000,000 only, and $400,000 of that will go into these distressed school districts, spread out on a per capita basis, and I admit it is just as silly a basis as can be, but that is the way it will be done. When the new taxes are all levied the State of Arkansas this time next year is going to be somewhere in the neighborhood of $750,000 short of enough money to keep their schools open for the customary or normal term at a salary of about $50 a month for teachers.

Mr. FLETCHER. According to your statement, sooner or later during the emergency the Federal Government has got to participate, in cooperation with the States, in sustaining education in these communities; isn't that the conclusion?

Dr. DAWSON. We have got to do something about it. It depends on what we decide. It may be that we shall decide that people should grow up in ignorance.

Mr. FLETCHER. You say there is a legal limit to the taxes that can be imposed?

Dr. DAWSON. That is the point I am making. Some of the States are in an awful fix, and they cannot get out of it this year, cannot possibly get the money to do it.

Mr. BARDEN. You say, in some instances they have applied every tax recommended?

Dr. DAWSON. Yes, sir.

Mr. BARDEN. What were those taxes?

Dr. DAWSON. Usually sales taxes; and in Arkansas there is the recent legalized liquor tax and taxes on horse racing.

Mr. FLETCHER. They finally taxed chewing tobacco in Mississippi, didn't they?

Dr. DAWSON. There is a tax of 5 cents a package on cigarettes and a 10-percent tax on all cigars in Arkansas that has been in effect since 1923.

Mr. DONDERO. Doctor, viewing the vital importance of this whole problem of education as a national problem, ought there to be any quibbling about thirty or forty million dollars being allotted to help them out when two commodities of this Nation yield $3,000,000,000 in taxes to the National Government every year?

Dr. DAWSON. You are expressing my opinion about it, if that is what you mean.

One other point was made the other day in the course of the debate, and that was that under the present system relief was being given to school teachers on the basis of unemployment relief. Dr. Dawson has this to say on that question:

If this $30,000,000 is spent, not only for teachers' salaries but for transportation and for janitor hire, the schools will be much more adequately cared for than if only teachers' salaries are paid. In the State of Arkansas there are children in rural schools that have not had schoolbooks for 3 years. If you bought schoolbooks for some of these children and met other school needs, $30,000,000 would fall away short of what is needed. It depends altogether on what we do, if that is a proper answer to your question.

Mr. President, I ask unanimous consent that Dr. Dawson's testimony and the tables submitted by him be printed in the RECORD as part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

STATEMENT OF DR. HOWARD A. DAWSON, UNITED STATES OFFICE OF EDUCATION

Dr. DAWSON. Mr. Chairman and gentlemen, as I understand the matter, you would like me to tell you about the investigation that was conducted through the Office of Education to determine the extent of the emergency in public-school support this year, and where that emergency is, and some of the causes for it.

In the latter part of September, resulting from a conference of the Secretary of the Interior with the President, it was decided that the relief funds be made available up until January 31, or for a period of 3 months following that period of time, to pay the bills of those schools whose funds were exhausted, and at the same time specifications would be made to determine how big the emergency is, and where it is, and whether funds would be required after January 31.

So the Secretary of the Interior, in dealing with Miss Goodykoontz, who at that time was acting Commissioner before Dr. Studebaker came into office, initiated this study, and I was given charge of it.

We prepared two questionnaires. One of these went to rural school administrators, which in most States happened to be the county superintendents. Another questionnaire was prepared for independent and city school districts—that is, districts which are usually not considered in the States as being under the control of the rural school administrator, but which are independent units, so far as administration and taxation are concerned.

We received returns from somewhat over 39,000 of these districts in 26 States. These returns were then tabulated by districts. In the tabulations we excluded the data pertaining to all districts whose financial statement indicated upon analysis that they would be able to maintain their schools for a normal or customary school term in the year 1934–35, and as a result of those tabulations I found the following summary statement:

"As I said, we received replies from 32,139 school districts in 25 States that do not have sufficient funds to operate the schools for the customary number of months in 1934–35 as in the past."

Mr. BARDEN. May I interrupt just a minute, Mr. Chairman? Did you say there were 134,000 that needed funds?

Dr. DAWSON. No, sir; I said we got returns from 32,139 school districts in 25 States that need funds this year.

Mr. BARDEN. How many school districts were in those States?

Dr. DAWSON. Thirty-two thousand one hundred and thirty-nine in 25 States.

Mr. BARDEN. You mean all of the districts in the 25 States need it?

Dr. DAWSON. All of the school districts in these 25 States do not need it. There are probably at least 50,000 to 60,000 school districts in these 25 States.

Mr. BARDEN. That is what I am trying to get at.

Dr. DAWSON. In these school districts there are, in round numbers, 42,200 separate schools and 3,429,920 pupils, which is just about one-eighth of the total school enrollment in the public schools of the United States.

There are 467 of these districts in eight States that began the fiscal year July 1, 1934, without any money or without any credit or without any reasonable provisions being made for sending their pupils to other schools. In every case it was the judgment of the local administrator that other provisions could not be made this year for sending the pupils of these schools to other schools.

Those 467 districts, of course, came into this 3 months' program that the President set up, and there were others whose funds would become exhausted at the end of 1 month, 2 months, 3 months, and on up to 7 and 8 months. So the deficiency ranged all the way from not being able to have any school at all to falling short 8 or more months.

Mr. DEEN. What were those eight States? You said there were 467 districts.

Dr. DAWSON. In Arkansas there are 149 such districts, in Colorado 4, in North Dakota 162, in South Dakota 120, in Tennessee 1, which, by the way, is a county district, not a small one; in Texas 2, in Virginia 28, and in the State of Washington 1. The bulk of them, as you can see, are in Arkansas, North Dakota, and South Dakota.

Mr. FLETCHER. Were Alabama and Mississippi surveyed?

Dr. DAWSON. Yes; but they reported not any districts that did not have any money to start with. Some of them had very little, but they had some.

We also asked these local school administrators to report how much the deficit would be in the operation of the normal term. We had two statements: We had an income statement, and then we had an expenditure statement, extending that statement for the expenses of the customary or normal term. Then the question is, What is the difference between the customary expenses for a normal term? And, by the way, our check on customary expenses is what was spent last year on a monthly basis, so it is still within depression standards. The difference between the revenue and expenses gave the net or actual deficit.

The actual deficits reported amounted to $31,816,009, and, estimating the teachers' salary at the average monthly salary paid by the districts included in this list of distressed districts, the amount required to pay the salaries would be $20,998,874.

In addition to these 25 States, there are 6 States for which we do not have satisfactory reports on each of these local districts that were in distress, but we do have letters and reports and telegrams from the State superintendents of these States, and we do know what the conditions were last year and how much aid was extended to those States last year by the Relief Administration.

The estimated deficits of those 6 States are $5,500,000, which would make the total actually reported, plus the estimated deficits in 31 States, $37,316,000, and the amount required to pay the teachers' salaries, on the basis of the average monthly salaries in distressed districts in the respective States—for instance, the average salary in Mississippi is somewhere around $50 per month—the amount required was $24,544,874, both reported and estimated.

That gives you an idea of where the $30,000,000 figure originated. You can take it on that basis, if you are going to do anything to pay teachers' salaries in these States on which we have reports and for which we had some basis for making the estimates.

Mr. RABAUT. Do I understand you to say that they paid teachers $50 a month?

Dr. DAWSON. Surely. There were counties last year in which 25 percent of the teachers got $20 a month from the Relief Administration. I have the actual number of teachers in each of the States that were paid $20 a month, $25 a month, and $35, and so on.

Mr. FLETCHER. Were there not many teachers that taught without anything at all?

Dr. DAWSON. There were many that taught for nothing at all, because they thought the Federal Government was going to pay them, and they have not yet been paid.

Mr. LEE. That was on the basis of a 5 and 6 months' term.

Dr. DAWSON. Approximately, that is true.

Mr. BARDEN. Have you a schedule of the salaries paid in the various States to teachers, the average?

Dr. DAWSON. I have a table here which shows the average salaries paid by the States in these distressed school districts. I do not have a table with me that shows the range, for instance, from $25 up to $100, or whatever it is.

Mr. BARDEN. In North Carolina it is around $60, is it not?

Mr. RABAUT. What is the normal salary of these teachers?

Dr. DAWSON. The normal salary in most of these districts has never been very much more than reported here. It may have been 20 percent more, we will say. There are districts, of course, where the cut has been from 50 to 60 percent, but by and large these districts that we are dealing with here are not in any temporary emergency. The depression in educational opportunity has always existed with them, and it will after the depression is over if we continue the same system of organization and support that we have had in the past.

The CHAIRMAN. Then, whether there is an emergency or not, unless the Federal Government takes a hand in it, these teachers will never get a fair salary? That is your view of it?

Dr. DAWSON. I do not believe I would make that statement.

The CHAIRMAN. That seems to be the condition that exists.

Dr. DAWSON. Because when you say a fair salary, if you want to talk about it in terms of what it would be in Mississippi, that is one thing, but if you want to talk about it in terms of a national standard, it might be something else. It depends altogether on what is the standard.

The CHAIRMAN. What I mean is that the local communities are not endeavoring to get sufficient taxes to take care of the school teachers and the schools?

Dr. DAWSON. These local communities certainly cannot, by any reasonable tax, make adequate provision for schools. No; I would not agree with the implication of your question because, for the most part, these districts are in States where they have a constitutional or legislative maximum tax, and there is hardly an exception where they do not levy it, and if you will compare their tax rates with the tax rates in other States, you will find that they stand pretty well up. Most of the districts I am reporting to you are districts which last year received aid from the Federal Emergency Relief Administration. If intentionally, or by accident, the tax rate had been reduced in a district, it was denied any aid at all last year. So these districts have tax rates as high or higher than they have ever had before.

Mr. FORD. What limit did the Federal Emergency Relief Administration place upon the teachers last year, those that were aided?

Dr. DAWSON. They said, to start with, that they would pay contract salaries, and they did up until April 19, and then sent a telegram out to the State relief administrators, saying not to pay anybody over $100 a month. If the teacher had contracted for $20 a month, that is what she got; if she had contracted for $150 a month, after April 19 she was paid $100 a month. The maximum this year is $60 a month, but if a teacher has a contract for less than $60, that is all she gets.

Mr. FORD. There is one point I want to bring in there, in that connection. Would they permit a husband and wife to remain teaching, or would they replace one?

Dr. DAWSON. If a husband and wife were both teaching in the school system, one of them had to quit or teach for nothing. The same rule holds this year.

Furthermore, if a teacher had any source of income—let me say it this way. In order to be paid by the Federal Emergency Relief Administration a teacher's salary must be his or her sole source of income. Now, "sole source of income" receives various interpretations. We ran across a lot of cases where the relief officials said that if a teacher had $10 a month income from a rented house or something, her salary was not her sole source of income, and

the teacher has to quit or teach for nothing. Thirty-three and one-third percent of all the teachers in one county in Alabama that I know of were disqualified on the basis of being married or having some other source of income.

Mr. DONDERO. Don't you think that ruling was rather arbitrary?

Dr. DAWSON. I am not passing judgment. I did not have anything to do with making it. I am just telling you what it is.

Mr. DONDERO. I think this committee ought to help change it, just as a matter of justice.

Dr. DAWSON. That is a matter for the committee to decide. I can tell you what the facts are, and you can draw your own conclusions.

Mr. LEE. I think that is why we need a bill outlining a yardstick as to aid.

Dr. DAWSON. I want to call your attention to one other thing. The question has been brought up here in various ways, as to just what the States could and ought to do about this. If you will go down this list of States, you will find that the States that are in the greatest distress are the States which for years and years have been accustomed to give a larger amount of State support to education than the other States in this Union.

Alabama for 30 years has stood at the top of the list in State support of public education. Arkansas has always stood well up toward the top of the list. Back in 1927 and 1928, 38 percent of all the money spent for public schools in Arkansas came from State sources.

By and large the Southern States all stand high in State support.

Mr. LEE. How does Mississippi stand?

Dr. DAWSON. I can refer to the report here and tell you, but it is pretty well up on the list. I cannot tell you exactly.

The point that I am making is that the question is not altogether a question of complete State support or increased State support for schools. Alabama has for years and years spent more money from the State for public schools than the State of Indiana does now, but that has not kept them from having several thousand children in schools operating 6 months or less a year, with the teachers being paid $40 a month. I would just like to see the expert on public finance in this country that can go to Mississippi and say what taxes Mississippi can levy equitably, in addition to those already in force. I have heard experts in Federal offices say repeatedly that to save their souls they did not have the heart to say that Mississippi ought to levy any more taxes. What, in the name of sense, can you tax that is not already taxed higher than anybody else taxes it? You can take all the money in the State of Mississippi and put it into the schools, and you will still have teachers being paid $40 per month, with 6 months' terms. There are reported to be 2,000 communities in the State of Mississippi that do not even have a schoolhouse, but they have schools in the cotton pen, in the barns, and in the tenant shacks on the plantations.

Mr. RABAUT. That is true.

Dr. DAWSON. What I am saying to you is that there is something back of this besides State support. There is the question of the economic ability of the people. I have seen the figures, although I cannot quote them, and I had something to do with initiating the study. The experts making the study took the tax system set up by the National Tax Association, known as the "model taxation plan", and obtained the data on every item of taxation the tax experts say would make a model tax system. The same identical tax rates were applied for each of the 48 States and the District of Columbia. When the figures were completed, the richest State had more than eight times as much money per capita as the poorest State, after levying identically the same taxes on the same sources of wealth, income, or whatever you take. There is a considerable list of those taxes.

Yesterday I heard the question brought out here that we were not going to give any aid to States this year until the States took action, and that some of them had taken action. I would like to direct the attention of the committee to the fact that this is not the first time that the States have held sessions of their legislatures in which they have appropriated money to meet hard situations in the schools. They have been doing that for the last 100 years, and my candid judgment is, after having been in 20 or more of these States, that all of them had a plan worked out, and it would have gone through just as well without anybody on the outside asking them to do it.

The most that some of the States can raise is still very little. Arkansas was mentioned two or three times. I was the director of research in their State Department of Education for 7 years, and I do not think anybody can tell me any more about Arkansas than I already know. They raised $1,500,000 for relief. That left about $1,000,000 that they could raise for public schools. Now, the taxes levied by the State of Arkansas—and they are taxed at a maximum rate that was recommended by the finance experts in the Federal Emergency Relief Administration, after a detailed study—produce for the schools $1,000,000 only, and $400,000 of that will go into these distressed school districts, spread out on a per capita basis, and I admit it is just as silly a basis as can be, but that is the way it will be done. When the new taxes are all levied the State of Arkansas this time next year is going to be somewhere in the neighborhood of $750,000 short of enough money to keep their schools open for the customary or normal term, at a salary of about $50 a month for teachers.

Mr. FLETCHER. According to your statement, sooner or later during the emergency the Federal Government has got to participate, in cooperation with the States, in sustaining education in these communities; isn't that the conclusion?

Dr. DAWSON. We have got to do something about it. It depends on what we decide. It may be that we shall decide that people should grow up in ignorance.

Mr. FLETCHER. You say there is a legal limit to the taxes that can be imposed?

Dr. DAWSON. That is the point I am making. Some of the States are in an awful fix, and they cannot get out of it this year, cannot possibly get the money to do it.

Mr. BARDEN. You say in some instances they have applied every tax recommended?

Dr. DAWSON. Yes, sir.

Mr. BARDEN. What were those taxes?

Dr. DAWSON. Usually sales taxes, and in Arkansas there is the recent legalized liquor tax, and taxes on horse racing.

Mr. FLETCHER. They finally taxed chewing tobacco in Mississippi, didn't they?

Dr. DAWSON. There is a tax of 5 cents a package on cigarettes, and a 10-percent tax on all cigars in Arkansas, that has been in effect since 1923.

Mr. DONDERO. Doctor, viewing the vital importance of this whole problem of education as a national problem, ought there to be any quibbling about $30,000,000 or $40,000,000 being allotted to help them out, when two commodities of this Nation yield $3,000,000,000 in taxes to the National Government every year?

Dr. DAWSON. You are expressing my opinion about it, if that is what you mean.

Mr. BARDEN. North Carolina pays around $200,000,000.

Dr. DAWSON. Forty percent of the people who work in the industries and factories in the industrial areas of this country grew up on the farms and usually farms of other States. The industrial centers did not have to spend one dime to educate or furnish health service, food, and shelter for these people who now work in their factories but grew up in these other districts. They import them from the farms of the South, the Middle West, and the Rocky Mountain States. According to the statistics for the last decade, if the industrialized areas of this country had to depend upon the birthrate to keep their present rate of population, in 100 years many of them would be places for the bats and owls to roost, because the birthrate is so low. They do not have the responsibility for replenishing their own workers, but take them from the farms of the Middle West, South, and Rocky Mountain States.

My point is that if these folks are going to live in places where the wealth now is, why shouldn't the people who have the wealth be interested in what kind of people these folks grow up to be? I think it is an economic and social question, a great deal more than it is a political one.

Mr. GWYNNE. Do you agree with Dr. Studebaker as to the amount? Do you think $30,000,000 would be sufficient?

Dr. DAWSON. I am glad you asked me that. That would depend altogether on what we do. The Relief Administration, in granting aid to some States—for example, Oklahoma—this year, although it was not granted until nearly the first of March, agreed to make it retroactive to January 31. If by administrative ruling or consent of the President, or by law or otherwise, we were permitted to make the allocation of these funds retroactive to December 15 or January 1, the $30,000,000 would be hardly enough to do a decent job. If we have to take the money where we find it on April 1, I don't see how we could very well use $30,000,000.

But I would like to direct your attention to this: Take the State of Tennessee, for instance. I spent a week down there making an investigation a short time ago. They had Federal funds assigned to them last year, and they expect to have them this year. They have in an application, although no action has been taken on it. There are people who have been teaching there since the 15th of January without any hope whatever of being paid, unless the Emergency Relief Administration does pay them. I understand that in the last week or two some of them have given up the ghost and quit. They could not get their board any longer in the communities in which they lived.

If we made this proposition retroactive, to take care of the thousands of these teachers who in good faith have kept the schools open, believing, because of the announcement that was made last October, that the schools were going to be kept open, that the Federal Government would finally come across, we could come pretty near spending $30,000,000.

Furthermore, if this $30,000,000 is spent, not only for teachers' salaries but for transportation and for janitor hire, the schools will be much more adequately cared for than if only teachers' salaries are paid. In the State of Arkansas there are children in rural schools that have not had schoolbooks for 3 years. If you bought schoolbooks for some of these children and met other school needs, $30,000,000 would fall away short of what is needed. It depends altogether on what we do, if that is a proper answer to your question.

Mr. FLETCHER. In Arkansas do not the public utilities pay their share of the taxes?

Dr. DAWSON. Arkansas put a tax on them this time to buy schoolbooks for the children, a flat tax on all public-utility rates to pay for textbooks.

Mr. GWYNNE. When this $30,000,000 is turned over to the Commissioner of Education, I understand that you will get that money immediately where it is needed?

Dr. DAWSON. In 15 days we could get the money to the States where it is most needed and have the teachers on the pay roll.

Here is one other thing I think the committee should be aware of. Last year, in the administration of emergency relief funds,

the approval of the expenditures was in the hands of the State superintendent of public education. This year, up until 30 days ago, there was not a State superintendent of public instruction in the United States who even knew what the rules and regulations were, because the Relief Administration refused to send the rules to them, and the superintendent of public instruction has not more authority and no more right to take any initiative in the expenditure of this money than the janitor of this office building does. It is entirely and absolutely in the hands of the Relief Administration, the field examiners, and the field auditors, who are everything in the world except experts in school administration and finance. In some places, by the good graces of the Relief Administrator the State superintendent is called in once in a while and asked what he thinks about how a thing ought to be done. That is the administration of it this year.

Mr. BARDEN. This is a rather pointed question, but I think we ought to know it. Do you mean by that that there is an intentional lack of cooperation between the Administrator and the department of education or is it due to the lack of rules and law?

Dr. DAWSON. It is an intentional policy of not having the State superintendents of public instruction have anything to do with determining the eligibility of the community to have its teachers paid from relief funds, or having anything to do with the handling of this money or determining how it should be handled.

Mr. BARDEN. Do you subscribe to that policy?

Dr. DAWSON. I certainly do not.

The Relief Administration, under the present law, could not authorize the State departments of education to spend this money. The only thing I say is that they could authorize the State department of education, as they did last year, to deal directly with these districts in determining eligibility to make requests of the Relief Administration.

Mr. DONDERO. You could do it if Congress passed a law giving you the authority to do it?

Dr. DAWSON. Yes.

The CHAIRMAN. Have you any papers you want to file?

Dr. DAWSON. Yes. I will give them to the clerk.

(Dr. Dawson filed the following data:)

Estimated funds required by distressed school districts in 1934–35

[Prepared by the U. S Office of Education]

State	All districts reported, excluding cities of 5,000 and more population		Including all distressed districts reported	
	Salaries at $60 per month	Total operating deficits	Salaries estimated at average in distressed districts in respective States	Total operating deficits
Alabama	$2,351,880	$3,374,038	$3,184,160	$3,614,901
Arizona	113,280	548,040	356,855	627,178
Arkansas	1,276,680	2,500,000	2,241,924	2,500,000
Colorado	87,900	339,136	178,207	368,609
Florida	407,580	627,481	605,464	859,335
Idaho	33,360	103,525	55,882	103,525
Iowa	3,780	12,725	4,091	12,725
Louisiana	78,300	267,654	107,089	267,653
Minnesota	63,540	208,907	96,764	208,907
Mississippi	2,010,180	2,708,708	1,905,562	2,708,708
Nebraska	87,000	267,118	120,505	267,118
New Mexico	73,200	180,000	95,700	180,000
North Dakota	883,013	1,348,352	1,005,954	1,400,615
Ohio[1]	1,636,640	[2] 9,000,000	3,548,512	9,000,000
Oklahoma	1,532,580	2,585,189	2,221,857	2,585,189
Oregon	85,320	181,275	131,406	181,275
South Dakota	342,600	1,200,000	820,282	1,200,000
Tennessee	667,380	1,057,230	900,083	1,132,640
Texas	899,400	2,030,519	1,370,194	2,239,883
Utah	150,360	424,058	351,288	424,058
Virginia	344,320	935,342	462,836	951,821
Washington	7,320	25,366	12,120	25,366
West Virginia	343,500	605,761	627,044	605,761
Wisconsin	261,600	375,000	457,456	[2] 200,000
Wyoming	25,860	89,500	78,635	150,743
Total reported	13,766,573	30,994,924	20,994,874	31,816,010
Other States (estimated):[3]				
Georgia	1,500,000	3,000,000	2,000,000	3,000,000
Kansas	96,000	200,000	150,000	200,000
Maine	125,000	300,000	150,000	300,000
Montana	126,000	200,000	150,000	200,000
Missouri	500,000	1,000,000	600,000	1,000,000
North Carolina	400,000	800,000	500,000	800,000
Total, States (estimated)	2,747,000	5,500,000	3,550,000	5,500,000
Total of States reported and estimated	16,513,573	36,494,924	24,544,874	37,316,010

[1] Data for Ohio are partially estimated for rural districts excluding cities of 5,000 population and over. A current deficit of over $36,000,000 was reported as of Oct. 28, 1934. It appears that a recent session of the legislature has relieved some of the distress in school finance.

[2] Deficits were not fully reported. The actual deficit is probably at least $500,000.

[3] Estimates are based on letters and reports or telegrams from the chief State school officers of these States.

Mr. TYDINGS. Mr. President, I have no desire to continue a debate about a matter which has already been decided by this body; neither have I any desire to carry on a personal discussion with the Senator from New Mexico. I still maintain, however, that in the States which have so-called "constitutional provisions" on the subject of taxation, those constitutional provisions deal primarily with real-estate taxation, and do not deal with taxation as a whole. I have been in many of these States, and after viewing the communities to which I refer, I have not seen any reason why they could not provide schools the same as other communities do.

If we are to have 48 State governments, I think it is a very bad system for some of the States to maintain their school systems in their entirety, paying all the expense, and then contribute to the expense of the school systems in the other States as well.

If such a system is to be adopted, we ought to pass a bill making a pro rata distribution to each State of the Union. Lincoln said before the Civil War that the Government could not endure permanently half slave and half free; and it is not fair to run the school system of the Nation with the Federal Government paying the school expenses of half the States, and the other States paying their own school expenses.

I am opposed to such a policy, and I stand by my guns. I think the criticism made the other day was apt and fitting, and I do not accept the statement that these States cannot maintain their educational systems.

Mr. CUTTING. Mr. President, of course, I cannot convince the Senator if he does not want to be convinced.

Mr. TYDINGS. The Senator has read the testimony as to only two States, to start with, and in his remarks the other day he referred to 21 States.

Mr. CUTTING. Thirty-one.

Mr. TYDINGS. I should like to know what the other 29 States are.

Mr. CUTTING. Would the Senator like to have me read the list?

Mr. TYDINGS. Yes.

Mr. CUTTING. They are Alabama, Arizona, Arkansas, Colorado, Florida, Idaho, Iowa, Louisiana, Minnesota, Mississippi, Nebraska, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, Wyoming, Georgia, Kansas, Maine, Montana, Missouri, and North Carolina.

Mr. TYDINGS. Does the Senator believe that the State of Virginia cannot supply its own requirements for education?

Mr. CUTTING. I am sorry the senior Senator from Virginia [Mr. GLASS] is absent from the floor this afternoon. He stood here the other day and said that Virginia could take care of all her own school problems. Yet, unless something shall be done by the Federal Government, the schools in a great many districts of Virginia will close. It will take $935,000 to keep them open during the remainder of the present year, more than five times as much as the State of New Mexico would obtain under the benefits of this amendment.

Mr. HARRISON. Mr. President——

Mr. TYDINGS. Mr. President, I still have the floor, and I am going to continue the discussion for just a moment.

If the State of Virginia cannot maintain its public-school system, then no State in the Union can maintain its public-school system. Let me say to the Senator from New Mexico that if the State of Florida cannot maintain its public-school system, then no State in the Union can maintain a public-school system, because at Miami and Palm Beach all during the past winter, where people of wealth have gone, there is opportunity for the imposition of all kinds of taxes if the State wanted to levy taxes. I am opposed to cowardly legislatures which will not do their duty in providing funds necessary for keeping up their school systems, and passing the buck to the Congress of the United States to do it. I know that in the Senator's own State of New Mexico, taxed though it may be, there are many fields of taxation, not prohibited by the State constitution, which have not been explored, but which could be explored and new revenue obtained.

Mr. CUTTING. Mr. President, I do not know what the conditions are in the State of Florida or in the State of Virginia, and it has never been my habit to denounce States or to criticise them on the floor of the Senate when I do not know their internal conditions. I do know something about conditions in New Mexico, and New Mexico would get very little under the amendment.

Mr. TYDINGS. I do not refer to New Mexico particularly, but the other day the Senator set himself up as an expert above both the Senators who represent the State of Virginia, each of whom said that this fund was not necessary for his State; and, notwithstanding that, the Senator from New Mexico offered his amendment to take care of education in 31 States of the Union, when the two sitting Senators from Virginia said Virginia did not need it, even for relief purposes.

Mr. CUTTING. Mr. President, I did not even know the other day that Virginia was one of the States in the list. I learned that today.

Mr. TYDINGS. I am surprised that the Senator asked for an appropriation for 31 States when he did not even know what the 31 States were.

Mr. CUTTING. It was because the list had not been given out, as I informed the Senator then, and as I have informed him again today. Does the Senator deny the statement that is made as to the necessity for this fund?

Mr. TYDINGS. I say that if the State of Virginia cannot maintain its own educational system, I do not know of a State in the Union that can.

Mr. CUTTING. What about the State of Mississippi? I see the genial senior Senator from that State on the floor.

Mr. HARRISON. If the Senators will yield, I should like to talk about Mississippi.

Mr. TYDINGS. Mr. President, I know that if the present policy is to be continued, if the States which are now trying to take care of their State school systems are not to continue to support their own systems while they pay Federal taxes, which, in turn, are used to support school systems in other States, the result will be that we will have all the States coming to Washington to obtain money for their school systems.

Mr. HARRISON. Mr. President, can we not get to a vote on the pending question?

Mr. TYDINGS. In 5 more minutes we can. I do not talk frequently, and, inasmuch as the Senator from New Mexico has raised this point, I shall take a few minutes to discuss it.

The Senators from Virginia [Mr. GLASS and Mr. BYRD] rose on this floor in the midst of a public debate on relief and said that the State of Virginia could get along without any Federal relief money. Yet the Senator from New Mexico by his amendment would tax the people of Maryland to support the school system of the State of Virginia.

The Senators from Oregon are not in the Chamber at the present time, but I venture to say that per capita there is more unemployment in the State of Maryland than there is in the State of Oregon. There are 110,000 people on the relief rolls in Baltimore City alone, one-eighth of the population of the city of Baltimore. Yet we are not asking the Federal Government for money to keep open our schools, though only 12 States in the Union are contributing to Federal relief more than is the State of Maryland, even in the midst of all the unemployment within its borders. Ninety percent of the so-called "inability" of States to pay for the support of their school systems has been due to bad management and lack of courage on the part of those in charge of the State government to wring taxes out of the people in order to keep those systems going.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. ROBINSON. Let me point out to the Senator from Maryland that in some of the States the school funds are in such a situation and the school revenues are in such a condition that there is no alternative except emergency Federal relief to closing down the schools. It may be that in Maryland the relief that is necessary takes another form. The Senator has referred to the fact that there are 110,000 persons in one city alone in his State who are on the relief rolls and receiving Federal emergency relief. A school teacher who is out of employment, whose services are absolutely necessary, who has no other means of livelihood, has just as meritorious claim for relief as one who is working at something else. The distinction which the Senator makes, that there is great virtue in applying emergency relief for the employment of particular classes in Baltimore City and denying it in other cities to persons of a different class—school teachers out of employment—is not a very clear one to my mind.

I recognize the fact that when they can do so the States ought to take care of all forms of relief, and insofar as I am informed there is no intention on the part of the relief authorities or agencies of making the school systems subservient to or dependent upon the Federal Government. This is an emergency measure, which is necessary, because of the fact that in most of the States which are receiving the benefit of relief for their school systems all forms of possible taxation have been exhausted, and it is not practicable, it is not possible, to obtain the revenues which are immediately required.

It is also true that during the better times which preceded the depression, out of an anxiety or desire to expand opportunities for education, some of the States which up until that time had no very difficult burden to bear respecting taxes made such expansions of their facilities that when the depression came their revenues were cut half in two, and there arose a deficit.

Then the legislatures of those States, the action of some of which I am familiar with, resorted to new and additional sources of taxation. They exhausted those new and additional sources. Taxes are still difficult to collect. While that condition prevails I do not see that there is any great virtue in denying to a man or woman who is teaching school, and who cannot get other employment, the opportunity to continue in the employment to which they are accustomed, particularly in view of the fact that it continues the process of education which would otherwise be suspended.

I thank the Senator for yielding.

Mr. TYDINGS. Mr. President, I do not think the remarks of the Senator from Arkansas altogether cover the case. In the first place, all the States in the Union are getting relief; but it just so happens that the State which I have the honor in part to represent here has received less relief than have other States, with the exception of 12. By that I mean it has contributed, through taxing its own people, more than other States in the Union have contributed of the proportion set aside for relief, with the exception of 12 States, while the States which are asking for relief for schools have contributed practically nothing toward relief. Many of the States have contributed less than 1 percent, while in Maryland the first year we did not go on relief until a late date, and then we contributed over one-half the relief money spent in our State.

Mr. ROBINSON. Mr. President, will the Senator yield again?

Mr. TYDINGS. I will yield for a question, because I desire to make a few remarks myself.

Mr. ROBINSON. I will only interrupt the Senate a moment. Mention has been made on the floor several times of the fact that some of the States have contributed a very small percentage of the amount which has been expended for relief. The State of Arkansas, through its legislature, recently appropriated the sum of between three million and five million dollars for relief, and it took that action in spite of the fact that taxes already were very heavy, and in spite of the further fact that it is very difficult to collect taxes. General conditions have substantially improved, however, and in a reasonable time we will be independent of Federal assistance in the operation of schools.

Mr. TYDINGS. I appreciate that. I come back to my original contention, which is that if the Federal Government, even under the guise of relief, is to support the school systems of the 48 States of the Union, and has already

started to support them in 31 States of the Union, the net result will be that the States which are now supporting their school systems will quit doing so. They will come to Washington so they may share in the funds being appropriated for that purpose. There will be no incentive to try to pay their own bills. They will be encouraged to come here.

Even the letter which the Senator from New Mexico has in his hand, and which he has read, shows that the neighboring State of Virginia perhaps cannot support its school system through State and local taxation. I do not believe that to be so, and, in all candor, I do not think the Senator from New Mexico believes it to be so. I think he will be fair enough to concede that if the Legislature of Virginia desires to do so it can raise sufficient taxes to keep the schools open in the State of Virginia.

Mr. CUTTING. Mr. President, I know nothing about the State of Virginia. As I just told the Senator, my interest in this case is national in character. It seems to me it is a national question whether or not we shall do anything for the sake of those of the younger generation, who, after all, will sooner or later have to pay the bill for most of the things we are doing. Is it not to the interest of the Nation to see that the school children in Mississippi, I will say, are kept in school during the remainder of the present year?

I quote again from Dr. Dawson, who says:

> You can take all the money in the State of Mississippi and put it into the schools, and you will still have teachers being paid $40 per month, with 6 months' terms.

I believe that must be a correct statement.

Mr. TYDINGS. Mr. President, I desire to make a prediction. I do not think it will frighten anyone, but I am going to make the prediction because I do not believe in one national system of education. I believe in 48 systems of education, where we have trial and error and get the best results from 48 trials and errors. I predict that we are embracing a policy which sooner or later will lead to the Federal Government taking over the whole national system of education, and some of the States which are now the beneficiaries of this policy may find they do not want the kind of national educational system which they will have to take whether they want it or not.

In my opinion, there is not a State in the Union which cannot pay the amount necessary to keep its schools open; but I know that many of the legislatures are shrinking from laying the necessary taxes because the legislators are afraid they will be defeated at a subsequent election. They are shirking their clear duty and are coming to Washington to get the easy money which we do not have any more than they have, nor do we have the nerve to levy the necessary taxes. All we are doing is building up a mountain of debt and weakening the Government's credit day by day, entirely oblivious of the fact that every dollar of it will have to be wrung out of the people through their sweat and toil in their various vocations and professions and occupations. I am opposed to the entire policy.

When we took over relief, we went pretty far. Relief is one thing; but I do not believe it is the business of the Federal Government to operate the school systems of the 48 States.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 935) to authorize the Secretary of War and the Secretary of the Navy to lend Army and Navy equipment for use at the national jamboree of the Boy Scouts of America, and it was signed by the Vice President.

REPEAL OF PUBLICITY SECTION OF REVENUE ACT OF 1934

The Senate resumed the consideration of the bill (H. R. 6359) to repeal certain provisions relating to publicity of certain statements of income.

Mr HARRISON. Mr. President, I ask for a vote on the point of order raised by me.

The PRESIDING OFFICER. The question is, Shall the Senate sustain the point of order raised by the Senator from Mississippi [Mr. HARRISON] against the amendment proposed by the Senator from Wisconsin [Mr. LA FOLLETTE] on the ground that it contravenes the constitutional provision? [Putting the question.] The "ayes" have it, and the point of order is sustained.

The question recurs on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. LA FOLLETTE. On that question I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. AUSTIN. The Senator from Minnesota [Mr. SCHALL] is absent on account of a death in his family.

The senior Senator from Pennsylvania [Mr. DAVIS] is absent because of illness.

The senior Senator from Wyoming [Mr. CAREY] is absent on official business.

The Senator from New Hampshire [Mr. KEYES], the Senator from Delaware [Mr. TOWNSEND], and the Senator from Vermont [Mr. GIBSON] are necessarily absent.

All these Senators if present would vote "yea."

The Senator from California [Mr. JOHNSON] is absent on account of illness. I am advised that if present he would vote "yea."

The Senator from Oregon [Mr. MCNARY] has a general pair with the Senator from New Hampshire [Mr. BROWN]. The Senator from Oregon [Mr. MCNARY] is detained on official business. I am not advised how either of these Senators would vote on this question.

Mr. NORBECK. On this question I am paired with the the senior Senator from Illinois [Mr. LEWIS]. If he were present he would vote "yea." If permitted to vote, I should vote "nay."

Mr. LOGAN. I have a general pair with the senior Senator from Pennsylvania [Mr. DAVIS]. If he were present he would vote as I intend to vote, and I am, therefore, at liberty to vote. I vote "yea."

Mr. BULKLEY. I have a general pair with the senior Senator from Wyoming [Mr. CAREY], who is necessarily absent. If he were present he would vote as I shall vote. I vote "yea."

Mr. MCKELLAR (after having voted in the negative). I have a general pair with the senior Senator from Delaware [Mr. TOWNSEND]. I am unable to obtain a transfer, and, therefore, must withdraw my vote.

Mr. RUSSELL. I have a pair with the senior Senator from California [Mr. JOHNSON]. If he were present he would vote "yea." If I were permitted to vote, I should vote "nay."

Mr. SHIPSTEAD. I inquire if the senior Senator from North Carolina [Mr. BAILEY] has voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. SHIPSTEAD. I have a pair with that Senator. I understand if he were present he would vote "yea." If permitted to vote, I should vote "nay."

Mr. FRAZIER. My colleague the senior Senator from North Dakota [Mr. NYE] is paired with the junior Senator from Illinois [Mr. DIETERICH]. If the Senator from Illinois [Mr. DIETERICH] were present he would vote "yea." If my colleague [Mr. NYE] were present he would vote "nay."

Mr. ROBINSON. The Senator from New Mexico [Mr. HATCH], the Senator from West Virginia [Mr. NEELY], and the Senator from New Hampshire [Mr. BROWN] are unavoidably detained from the Senate.

The junior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Louisiana [Mr. OVERTON] are absent because of illness.

The Senator from Colorado [Mr. COSTIGAN] is detained because of a death in his family. If present, he would vote "yea."

The following Senators are necessarily detained from the Senate:

The Senator from North Carolina [Mr. BAILEY], the senior Senator from Illinois [Mr. LEWIS], the junior Senator from Illinois [Mr. DIETERICH], the Senator from South Carolina [Mr. SMITH], the Senator from Florida [Mr. FLETCHER], the Senator from Oklahoma [Mr. THOMAS], and the Senator from North Carolina [Mr. REYNOLDS]. These Senators, if present, would vote "yea."

The result was announced—yeas 53, nays 16, as follows:

YEAS—53

Adams	Coolidge	Logan	Robinson
Ashurst	Copeland	Lonergan	Sheppard
Austin	Dickinson	McAdoo	Steiwer
Bachman	Duffy	McCarran	Thomas, Utah
Bankhead	George	McGill	Truman
Barbour	Gerry	Maloney	Tydings
Barkley	Glass	Metcalf	Vandenberg
Borah	Gore	Minton	Van Nuys
Bulkley	Guffey	Moore	Wagner
Bulow	Hale	Murphy	Walsh
Burke	Harrison	O'Mahoney	White
Byrd	Hastings	Pittman	
Byrnes	Hayden	Pope	
Connally	King	Radcliffe	

NAYS—16

Bilbo	Clark	Frazier	Norris
Black	Couzens	La Follette	Schwellenbach
Bone	Cutting	Long	Trammell
Capper	Donahey	Murray	Wheeler

NOT VOTING—26

Bailey	Fletcher	McNary	Schall
Brown	Gibson	Neely	Shipstead
Caraway	Hatch	Norbeck	Smith
Carey	Johnson	Nye	Thomas, Okla.
Costigan	Keyes	Overton	Townsend
Davis	Lewis	Reynolds	
Dieterich	McKellar	Russell	

So the bill was passed.

Mr. HARRISON. Mr. President, in view of the adoption of the amendment offered by the Senator from Colorado [Mr. COSTIGAN], I ask that the title be amended by striking out the word "repeal" and inserting the word "amend."

The VICE PRESIDENT. Without objection, the title will be so amended.

Mr. COUZENS subsequently said: Mr. President, the vote on House bill 6359 was taken without a quorum call. It seems to me it was rather unusual, when we were about to have a vote, not to have a quorum call to give us notice of the impending vote; but the matter to which I am about to refer is not so important that what I had intended to do then cannot be done now.

When the bill was reported from the Finance Committee I introduced and had printed an amendment which I intended to offer, but it appears that it was subject to a point of order. I am not disposed to argue that question. I do not disagree with the determination of the Senate that it was subject to a point of order; but I had intended, before the vote should be taken, to discuss for a moment my proposal to levy an excess-profits tax.

In order not to take up the time of the Senate at this late hour, I ask permission to insert in the RECORD, following the vote on the bill, a copy of the amendment I had intended to offer, a letter directed to me by Mr. L. H. Parker, of the Joint Committee on Internal Revenue Taxation, and a schedule of the proposed rates as they would affect a single corporation. I do this for the purpose of having in the RECORD a statement of the amount of taxes possible to be collected, and a typical schedule showing how the amendment would work with a specific corporation.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The matter referred to is as follows:

Amendment intended to be proposed by Mr. COUZENS to the bill (H. R. 6359) to repeal certain provisions relating to publicity of certain statements of income, viz: After line 5, add a new section reading as follows:

SEC. 2. (a) Section 702 of the Revenue Act of 1934 is amended to read as follows:

"SEC. 702. EXCESS-PROFITS TAX

"(a) There is hereby imposed upon the net income of every corporation for each income-tax taxable year ending after the close of the first year in respect of which it is taxable under section 701, but not in respect to any income-tax taxable year ending prior to July 1, 1935, an excess-profits tax equal to the sum of the following:

"5 percent of such portion of its net income for such income-tax taxable year as is in excess of 8 percent and not in excess of 12 percent of the adjusted declared value of its capital stock;

"10 percent of such portion of its net income for such income-tax taxable year as is in excess of 12 percent and not in excess of 20 percent of the adjusted declared value of its capital stock;

"20 percent of such portion of its net income for such income-tax taxable year as is in excess of 20 percent and not in excess of 30 percent of the adjusted declared value of its capital stock;

"40 percent of such portion of its net income for such income-tax taxable year as is in excess of 30 percent of the adjusted declared value of its capital stock.

"The adjusted declared value of the capital stock of a domestic corporation (or in the case of a foreign corporation, the adjusted declared value of capital employed in the transaction of its business in the United States) shall be determined as provided in section 701 as of the close of the preceding income-tax taxable year (or as of the date of organization if it had no preceding income-tax taxable year). If the income-tax taxable year in respect of which the tax under this section is imposed is a period of less than 12 months, such adjusted declared value shall be reduced to an amount which bears the same ratio thereto as the number of months in the period bears to 12 months. For the purposes of this section the net income shall be the same as the net income for income-tax purposes for the year in respect of which the tax under this section is imposed.

"(b) All provisions of law (including penalties) applicable in respect of the taxes imposed by title I of this act, shall, insofar as not inconsistent with this section, be applicable in respect of the tax imposed by this section, except that the provisions of section 131 of that title shall not be applicable."

(b) Despite the provisions of this section, the tax imposed by section 702 of the Revenue Act of 1934 before its amendment by this section shall be levied, collected, and paid with respect to any income-tax taxable year ending prior to July 1, 1935, in the same manner and shall be subject to the same provisions of law (including penalties) as if this section had not been enacted.

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON INTERNAL REVENUE TAXATION,
Washington, March 21, 1935.

Hon. JAMES COUZENS,
United States Senate, Washington, D. C.

MY DEAR SENATOR: In response to your request for comments and statistics in respect to excess-profits taxes on corporations, with special reference to your amendment to H. R. 6359 proposing a graduated excess-profits tax based on the declared capital-stock tax value, the following is respectfully submitted:

I. FEDERAL EXCESS-PROFITS TAXES (1917 TO 1921)

Excess-profits taxes were imposed on corporations from 1917 to 1921, inclusive. In 1918 there was also imposed a war-profits tax, but the excess-profits tax was most productive. The amounts of these taxes shown on the original returns were as follows:

Excess-profits and war-profits tax

Returns for:	
1917	$1,638,748,000
1918	2,505,566,566
1919	1,431,806,000
1920	988,726,000
1921	335,132,000

Passing over the original excess-profits tax of 1917, it may be sufficient for your purposes to state that the excess-profits-tax rates for 1918 were—

Thirty percent on the amount of the net income in excess of 8 percent and not in excess of 20 percent of the invested capital; and

Sixty-five percent on the amount of the net income in excess of 20 percent of the invested capital.

For 1919, 1920, and 1921 the excess-profits tax rates were 20 percent on the amount of the net income in excess of 8 percent, and not in excess of 20 percent of the invested capital, and 40 percent on the amount of the net income in excess of 20 percent of the invested capital.

The principal administrative difficulty in respect to the excess-profits taxes in force from 1918 to 1921 arose in the matter of determining the amount of the invested capital. Briefly, "invested capital", as defined in the revenue acts applicable to these years, consisted of the actual cash paid into the corporation for its stock, plus the actual cash value of property paid in for stock, plus paid-in or earned surplus and undivided profits, and plus the actual cash value of intangible property paid in for stock (with certain limitations). The computation of invested capital under this definition, therefore, made it necessary to go back many years to determine the value of property and the cash paid in on organization, and furthermore necessitated the review of all the annual accounts of the taxpayer from the date of organization down to the taxable year in order to determine the amount of earned surplus and undivided profits.

II. PROPOSED EXCESS-PROFITS TAX

The amendment which you propose avoids the difficulties encountered in computing invested capital, because your excess-profits tax is based on the declared value of the capital stock under the Revenue Act of 1934. The original declared value was in no case made earlier than July 1, 1934, and only adjustments in that value since that date on account of actual additions to or subtractions from capital will have to be taken into account. There is already an excess-profits tax imposed by existing law equal to

5 percent of the amount of the net income in excess of 12½ percent of the adjusted declared value of the stock of a corporation. Your amendment simply replaces the 5-percent rate by a series of graduated rates, so that—

(1) The portion of the net income in excess of 8 percent, and not in excess of 12 percent, of the adjusted declared value is taxed at 5 percent;

(2) The portion of the net income in excess of 12 percent, and not in excess of 20 percent, of the adjusted declared value is taxed at 10 percent;

(3) The portion of the net income in excess of 20 percent, and not in excess of 30 percent, of the adjusted declared value is taxed at 20 percent; and

(4) The portion of the net income in excess of 30 percent of the adjusted declared value is taxed at 40 percent.

The selections of rates and brackets are, of course, entirely a matter of judgment. Probably considerably more revenue would be secured if the first bracket was based on the portion of the net income in excess of 6 percent, and not in excess of 12 percent, of the adjusted declared value, and if the tax rate for the first bracket was increased to 10 percent, and the rate for the second bracket to 15 percent.

The most serious objection which will be undoubtedly raised to your amendment will be that the adjusted declared value is an unfair basis and represents a mere guess on the part of the taxpayer based on future expected profits. The following arguments can be advanced against this objection:

(1) Estimated future profits are often a very good measure of present value. For instance, for many years the Bureau has almost exclusively valued mines on the basis of future expected profits.

(2) The old invested capital basis, aside from its difficulty of computation, was grossly unfair in many cases. A new corporation, recently organized, taking over old properties at an appraised figure, was in a far better position than an old company which had not gone through a reorganization.

(3) The taxpayer was given complete freedom in setting up the original declared value of capital stock. If a fair figure was not set, the taxpayer has only himself to blame.

(4) Statistics show that the aggregate declared value of corporate stock reported in 1934 is not unreasonable in the light of the facts shown by the balance sheets of all corporations and in consideration of present business conditions.

In explanation of paragraph (4) above, it should be stated that the aggregate declared value of the stock of all corporations reporting in 1934 was approximately $90,000,000,000. The par value of the corporate stock of all corporations in 1932 was $97,000,000,000. Cash on hand in 1932 amounted to 16 billion, plant and property accounts to 108 billion, and inventories to 12 billion, but bonded debts and mortgages amounted to 47 billion. Therefore, taken as a whole, the declared capital-stock tax value reported by the taxpayers in 1934 looks like a reasonable figure.

I would also call attention to the fact, in substantiation of the reasonableness of the $90,000,000,000 aggregate capital-stock value, that in 1919 corporations reporting invested capital returned an aggregate amount of $66,000,000,000 and in 1920 returned an aggregate amount of $68,000,000,000.

III. POSSIBILITIES OF REVENUE FROM EXCESS-PROFITS TAX

It is very difficult to estimate reliably the receipts from an excess-profits tax on corporations. This can readily be seen from the fluctuation in receipts for the years 1919, 1920, and 1921 from the old excess-profits tax, the figures for which have already been given. It will be noted that the receipts in 1921 from this tax were only about 25 percent of the receipts secured in 1919. Nineteen twenty-one was a very bad business year, and still the tax returned $335,000,000. I am inclined to think that the same form of tax under present conditions might return around $300,000,000. In respect to the receipts which might be predicted from the excess-profits tax proposed in your amendment, it is obvious that the receipts would be considerably below that which could be expected from the old excess-profits tax, inasmuch as the rate in the lower bracket is only 5 percent. It is probable, however, that the tax proposed, even under present conditions, would return at least $150,000,000. If you changed the rate in the first bracket to 10 percent and in the second bracket to 15 percent, and made the first-bracket rate apply to net incomes in excess of 6 percent of the fair value of the capital stock, then it is probable that your proposed tax would return about $250,000,000.

If there is any additional information which you desire, please advise me so that I may supply same if possible.

Very respectfully,

L. H. PARKER, *Chief of Staff.*

Example of how the prosperity-tax amendment would operate:

The Revenue Act of 1934 provides that a corporation shall declare its value. We assume in this example that this corporation declared its value as of July 1, 1934, and the declaration was of $900,000. The revenue act provided also that the "adjusted declared value" would be determined by adding to the original declared value the cash paid in since value was declared. We assume here that $100,000 of cash was paid in so that by adding the original declared value of $900,000 and the cash paid in of $100,000 we get an "adjusted declared value" of $1,000,000.

The adjusted declared value becomes the base upon which the net profit of the corporation is estimated. We assume in this case that the net profit was $220,000. That would mean a net profit rate of 22 percent.

The prosperity-tax amendment provides that the profits up to 8 percent are exempt from the prosperity tax. Therefore in this case 8 percent of the declared value would be $80,000. On this portion of the net income there would be no prosperity tax.

The prosperity-tax amendment provides that the profits of from 8 to 12 percent shall be taxed at 5 percent. As this corporation had total net profits of 22 percent, it would be taxed on the entire bracket of 8 to 12 percent. In other words, it would be taxed on 4 percent of $1,000,000, or $40,000 at 5 percent, or $2,000 of tax.

The prosperity-tax amendment provides that the profits of from 12 to 20 percent shall be taxed at 10 percent. As this corporation had net profits of 22 percent, it would be taxed on the entire bracket. In other words, it would be taxed on 8 percent of its capital of $1,000,000, or $80,000 at 10 percent, or $8,000 of tax.

The amendment provides that all profits of 20 to 30 percent shall be taxed at 20 percent. This corporation had 22 percent net income, so that it would pay on only 2 percent at this rate Two percent of $1,000,000, or $20,000 at 20 percent, or $4,000 of tax

The recapitulation would be as follows:

	Prosperity tax
$80,000, no tax	None
$40,000, 5 percent	$2,000
$80,000, 10 percent	8,000
$20,000, 20 percent	4,000
$220,000 net income	14,000
Corporation profits tax of 13¾ percent of income of $220,000	30,250
Total tax paid by corporation on net income	44,250

Prosperity tax (Couzens amendment to H. R. 6359). Hypothetical case of corporation with capital-stock value of $100,000

Net income	Percent profit on capital	Corporation profits tax	Computation of prosperity tax	Prosperity tax	Total	Percent total tax to net income
$1,000	1	$137 50	$0	0	$137 50	13.75
$5,000	5	687 50	$0	0	687 50	13 75
$8,000	8	1,100 00	$0	0	1,100 00	13 75
$10,000	10	1,375 00	$2,000 at 5 percent	$100	1,475 00	14 75
$15,000	15	2,062 50	$4,000 at 5 percent $3,000 at 10 percent	500	2,562 50	17 08
$20,000	20	2,750 00	$4,000 at 5 percent $8,000 at 10 percent	1,000	3,750 00	18 75
$25,000	25	3,437 50	$4,000 at 5 percent $8,000 at 10 percent $5,000 at 20 percent	2,000	5,437 50	21.75
$35,000	35	4,812 50	$4,000 at 5 percent $8,000 at 10 percent $10,000 at 20 percent $5,000 at 40 percent	5,000	9,812 50	28 04
$50,000	50	6,875 00	$4,000 at 5 percent $8,000 at 10 percent $10,000 at 20 percent $29,000 at 40 percent	11,000	17,875 00	35 75
$75,000	75	10,312 50	$4,000 at 5 percent $8,000 at 10 percent $10,000 at 20 percent $45,000 at 40 percent	21,000	31,312 50	41 75
$100,000	100	13,750 00	$4,000 at 5 percent $8,000 at 10 percent $10,000 at 20 percent $70,000 at 40 percent	31,000	44,750 00	44 75

Rates of prosperity tax—Profit computed on declared value of capital stock

	Percent
Up to 8 percent profit	No tax
8 to 12 percent profit—5 percent on excess profit over	8
12 to 20 percent profit—10 percent on excess profit over	12
20 to 30 percent profit—20 percent on excess profit over	20
30 percent or more profit—40 percent on excess profit over	30

Mr. HARRISON. I move that the Senate insist upon its amendment, ask for a conference with the House, and that the Chair appoint conferees on the part of the Senate.

The VICE PRESIDENT. Is there objection?

Mr. LA FOLLETTE. Mr. President, may I ask the Senator from Mississippi if he has had any advice as to whether the Senate amendment might not be agreed to by the House?

Mr. HARRISON. I have none, but I should like to have the Treasury officials appear before the conferees. It may be necessary to remodel and change the amendment, and I desire to obtain their advice about it. That is why I have asked for the appointment of conferees.

Mr. LA FOLLETTE. It seems to me it is an unusual procedure for the Senate to ask for a conference in advance of action on the part of the House.

The VICE PRESIDENT. The Chair will say to the Senator from Wisconsin that it only changes the situation in one respect, and that is that if the Senate requests a conference the House will then, under the rule, act first on the conference report. Of course, if the House desires to agree

to the amendment of the Senate it has the right so to do, and that would obviate the necessity for a conference.

Mr. LA FOLLETTE. I realize that; but it would seem to indicate an unnecessary action on the part of the body which adopted the amendment. I hope the action will not be taken, because there is a possibility that the House may decide to accept the amendment.

Mr. HARRISON. The House may do that anyway, despite this action of the Senate.

Mr. LA FOLLETTE. Since the Senator has been in such a hurry, it seems to me that would be the correct way to accelerate the progress of the legislation.

The VICE PRESIDENT. The Chair hears no objection.

Mr. COUZENS. Mr. President, do I understand that the request of the Senator from Mississippi was agreed to?

The VICE PRESIDENT. No; the Chair asked whether there was objection. The Chair will put the question again. Is there objection? The Chair hears none; and the Chair appoints the Senator from Mississippi [Mr. HARRISON], the Senator from Utah [Mr. KING], the Senator from Georgia [Mr. GEORGE], the Senator from Michigan [Mr. COUZENS], and the Senator from New Hampshire [Mr. KEYES] conferees on the part of the Senate.

Mr. COUZENS. Mr. President, I desire to resign as a member of the conference committee. I am not in sympathy with the action taken by the Senate, and I have very definite convictions about conferees serving when they are not in sympathy with the action of their body.

Therefore, I desire to resign as a conferee.

Mr. HARRISON. Mr. President, as I understand, the Senator from Michigan is in sympathy with the amendment which was offered by the Senator from Colorado [Mr. COSTIGAN]. That is all that will be in conference, unless the House should concur in the Senate amendment.

Mr. COUZENS. Then, again, I will say in answer to the Senator from Mississippi, I do not agree with this procedure, although I recognize that it is the procedure which was adopted in connection with the passage of the work-relief joint resolution. I recall that when we passed the work-relief joint resolution last Saturday night the Senator from Virginia [Mr. GLASS] rose and made the same request which the Senator from Mississippi now makes. As was stated by the Senator from Wisconsin, it is a rather unusual procedure; and I do not desire to serve as a conferee.

Mr. ROBINSON. Mr. President, referring to the statement of the Senator from Michigan that it is an unusual procedure for the Senate to insist upon its amendments and ask for a conference with the House, I desire to say that it is the usual procedure. It is action which is more generally taken than not taken.

Has this matter been concluded?

The VICE PRESIDENT. The Chair thinks the RECORD will show that it is more generally done than otherwise. As the Chair understands, it merely makes a change in the order in which the Houses act on the conference report. If the House should concur in the Senate amendment, there would be no occasion for a conference.

Let the Chair say that it now becomes the Chair's duty, as he understands, to substitute some Senator for the Senator from Michigan [Mr. COUZENS] on the conference committee. The Senator from Michigan and other Senators realize that ordinarily the Chair does not appoint conferees. The conferees are suggested by the Senator in charge of the bill, and the Chair formally appoints the Senators whose names are sent up by the Senator in charge of the bill. Otherwise, the Chair might exercise his discretion with reference to those who are in sympathy with the bill and those who are opposed to it.

The Senator from Michigan having resigned as a member of the conference committee, the Chair appoints in his place the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. LA FOLLETTE. Mr. President, I desire to retire for the same reason stated by the Senator from Michigan.

The VICE PRESIDENT. The Chair will substitute for the Senator from Wisconsin the Senator from Rhode Island [Mr. METCALF].

Mr. LONG. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. LONG. We ourselves have some interest in this matter. Have not I a right to object to having five conferees appointed who were against the Senate amendment?

I think the two Senators who have just resigned as conferees are making a mistake. They are putting us in a position where we shall not have a friend on the conference committee. I insist that the Senator from Michigan should stay on the conference committee.

The VICE PRESIDENT. If the Senator from Louisiana can compel the Senator from Michigan to perform any duties he does not desire to perform, the Chair wishes he would go about it. [Laughter.]

PRESENTATION OF MEDAL OF HONOR TO MAJ. GEN. A. W. GREELY

Mr. ROBINSON. Mr. President, yesterday was the ninety-first birthday of Maj. Gen. Adolphus W. Greely. On that day the Congressional Medal of Honor was conferred on that very distinguished citizen and soldier.

I ask that there be printed in the RECORD, in connection with my remarks, a statement by Brig. Gen. William Mitchell, which was read on the occasion of the presentation of the medal.

The VICE PRESIDENT. Without objection, it is so ordered.

The statement is as follows:

STATEMENT BY BRIG. GEN. WILLIAM MITCHELL ON THE OCCASION OF THE PRESENTATION OF THE CONGRESSIONAL MEDAL OF HONOR TO MAJ. GEN. ADOLPHUS WASHINGTON GREELY, ON HIS NINETY-FIRST BIRTHDAY, MARCH 27, 1935

Maj. Gen. Adolphus Washington Greely, retired, has just been decorated with the Congressional Medal of Honor, the greatest token of appreciation in the gift of the United States Government. General Greely, in the ninety-first year of his life, has indeed deserved well of his country.

He was born in 1844, at which time our country contained only 20,000,000 people. We had really not extended west of the Mississippi. Commodore Perry had not yet gone to Japan. It was 2 years before our war with Mexico.

When the war between the States broke out in 1861, Greely, although under age, enlisted when he was 17. He first saw enemy fire at Balls Bluff, near Leesburg, Va. When the Army of the Potomac was organized the Nineteenth Massachusetts, to which he belonged, became a part of it, and he participated in the Peninsular Campaign and in the Seven Days Battles, where he distinguished himself and was wounded. At Antietam he discovered a flank attack against his regiment and called attention to it, fearlessly exposing himself to enemy fire. He thus saved not only his regiment but his whole brigade from a serious disaster. He was badly wounded and left on the field. A Confederate soldier attempted to capture him, but he escaped and made his way under the trajectory of the fire of Rickett's Battery, up a ravine, to the Union lines. As soon as he recovered from his wounds he rejoined his organization.

At the Battle of Fredericksburg a pontoon bridge, being laid opposite the town, was destroyed by Confederate fire and it was decided to force a crossing in individual boats. Greely was in the first one. He was in command of the patrol that went up the main street of Fredericksburg, the forlorn hope that held on until relieved by other troops. In this battle, out of 300 men in his regiment 108 were killed or wounded. Greely himself was wounded, but kept with his company B, of the Nineteenth Massachusetts, which had been first in the city and the last to get out. For this he was promoted from corporal to sergeant.

Later on he became a captain, and served during reconstruction days in New Orleans, where there was a terrible yellow-fever epidemic. After the war he was assigned duty in the West and served against the Indians. In 1867 he was detailed to the Signal Corps and, on account of his technical knowledge, was given the task of building the first telegraph line through to the Pacific coast, which was completed to San Diego, Calif. After this he built telegraph lines to Oregon through a trackless waste and a country infested by hostile Indians.

When the United States became a party to an international agreement for the establishment of circumpolar stations for meteorological observations and discoveries, General Greely was given command of the United States detachment, which established the farthest north colony that ever existed. It was in Grinnell Land, in latitude 81°44'. There they established a new record of the "farthest north" attained up to that time, at latitude 83°24' N. This was accomplished by Lieutenant Lockwood, who gave up his life in the north, and Sergeant Brainard, now Brig. Gen. David L. Brainard, retired, who is present here today, and who, next to General Greely himself, was the hero of the Arctic expedition. The previous record had been held for over 300 years by Great Britain. Greely himself discovered vast territories never before seen by civilized man.

For 2 years, unsupplied by any relief expeditions from the United States, Greely held out at his station. At length, in accordance with his orders, he led his expedition in small boats through the treacherous waters of the northern seas, overcoming

seemingly insurmountable obstacles of cold, storm, ice, and fatigue, until they reached Cape Sabine, 200 miles farther south. Here they made camp to await the promised relief expedition of that year, which never came, as the ship was lost. Abandoned, destitute, starving, they held out under Greely's indomitable leadership, with excellent discipline, cohesion, and performance of duty to the last. Out of the original 25, only 7 were found alive, and they had only a few more hours of life left in them when rescued in the nick of time by Captain Schley and Lieutenant Emory, of the Navy, in 1884. The foresight, wisdom, acumen, ability, and devotion to duty which Greely showed in the handling of his men has never been excelled, and the story of this expedition, its accomplishments, and its record of human endeavor and steadfastness in the face of privation and disaster, stands alone in human annals, and forms an everlasting monument to American manhood.

After this expedition and an interval during which he visited Europe and perfected his knowledge of meteorology and electricity, Greely was put in charge of the United States Signal Corps, which he built up to a standard of preeminence in the world. He was the first to have recording instruments constructed, and really established the electrical field communication in our Army down to regiments. At the beginning of the Spanish War, as he was charged with the collection and dissemination of military information, he made arrangements with foreign cables, so that he found where the Spanish Admiral Cervera's fleet was 10 days before the Navy had any knowledge of it. He reported to President McKinley that the Spanish fleet was in Santiago Harbor and advised him to attack Santiago, destroy the garrison and fleet, and thus bring the war to an end quickly. Against the advice of others, President McKinley adopted Greely's plan, which led to a quick termination of the War with Spain.

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His last service was in command of the last campaign we had against the Indians, the Ute campaign of 1907. So ably was it handled that not one person was killed, and no property was destroyed.

This great man, our greatest living American, in my opinion, is 91 years old today, March 27. During his life, he has either participated in or known men who were prominent in all the great undertakings of this country, from the Revolutionary War to the present day. He has actually known and talked with soldiers of the Revolutionary War. His life, patriotism, accomplishments, and Americanism must and always shall be an example to the youth of the United States, while his friendship, fellowship, guidance, and unalterable devotion to duty has always been an inspiration to those who served with him, and will be an example to those who serve in the armed forces of our great Republic in the future.

CALIFORNIA-PACIFIC INTERNATIONAL EXPOSITION

Mr. McADOO. Mr. President, I ask unanimous consent for the immediate consideration of House Joint Resolution 174. As I have heretofore explained, the measure simply confers upon the San Diego exposition authority to bring into this country, free of duty, exhibits from foreign countries. It is the usual procedure adopted in case of all expositions. The same privilege was extended to the Chicago exposition.

I understand that there is no objection to the joint resolution, and I should be very glad to have it considered at this time.

The VICE PRESIDENT. The Senator from California asks unanimous consent for the present consideration of a joint resolution, which will be read by title.

The CHIEF CLERK. Joint resolution (H. J. Res. 174) to permit articles imported from foreign countries for the purpose of exhibition at the California-Pacific International Exposition, San Diego, Calif., to be admitted without payment of tariff, and for other purposes.

The VICE PRESIDENT. The Chair understands that a similar measure has been reported by the Finance Committee of the Senate. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which was ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That all articles which shall be imported from foreign countries for the purpose of exhibition at the international exposition to be held at San Diego, Calif., beginning in May 1935, by the California-Pacific International Exposition Co., or for use in constructing, installing, or maintaining foreign buildings or exhibits at the said exposition, upon which articles there shall be a tariff or customs duty shall be admitted without payment of such tariff, customs duty, fees, or charges under such regulations as the Secretary of the Treasury shall prescribe; but it shall be lawful at any time during or within 3 months after the close of the said exposition, to sell within the area of the exposition any articles provided for herein, subject to such regulations for the security of the revenue and for the collection of import duties as the Secretary of the Treasury shall prescribe: *Provided*, That all such articles when withdrawn for consumption or use in the United States, shall be subject to the duties, if any, imposed upon such article by the revenue laws in force at the date of their withdrawal; and on such articles, which shall have suffered diminution or deterioration from incidental handling or exposure, the duties, if payable, shall be assessed according to the appraised value at the time of withdrawal from entry hereunder for consumption or entry under the general tariff law: *Provided further*, That imported articles provided for herein shall not be subject to any marking requirements of the general tariff laws, except when such articles are withdrawn for consumption or use in the United States, in which case they shall not be released from customs custody until properly marked, but no additional duty shall be assessed because such articles were not sufficiently marked when imported into the United States: *Provided further*, That at any time during or within 3 months after the close of the exposition, any article entered hereunder may be abandoned to the Government or destroyed under customs supervision, whereupon any duties on such article shall be remitted: *Provided further*, That articles, which have been admitted without payment of duty for exhibition under any tariff law and which have remained in continuous customs custody or under a customs exhibition bond, and imported articles in bonded warehouses under the general tariff law may be accorded the privilege of transfer to and entry for exhibition at the said exposition under such regulations as the Secretary of the Treasury shall prescribe: *And provided further*, That the California-Pacific International Exposition Co. shall be deemed, for customs purposes only, to be the sole consignee of all merchandise imported under the provisions of this act, and that the actual and necessary customs charges for labor, services, and other expenses in connection with the entry, examination, appraisement, release, or custody, together with the necessary charges for salaries of customs officers and employees in connection with the supervision, custody of, and accounting for, articles imported under the provisions of this act, shall be reimbursed by the California-Pacific International Exposition Co. to the Government of the United States under regulations to be prescribed by the Secretary of the Treasury, and that receipts from such reimbursements shall be deposited as refunds to the appropriation from which paid, in the manner provided for in section 524, Tariff Act of 1930.

On motion of Mr. McADOO, the bill (S. 1990) to permit articles imported from foreign countries for the purpose of exhibition at the California-Pacific International Exposition, San Diego, Calif., to be admitted without payment of tariff, and for other purposes, was ordered to be indefinitely postponed.

ORDER OF BUSINESS

Mr. ROBINSON. Mr. President, it had been expected that the next order of business would be reached sufficiently early in the day to be disposed of, but the Senate has just concluded the consideration of the so-called "pink slip" bill, and, in my judgment, it is now too late to proceed with the next order. I had hoped we might dispose of that and take a recess over the week-end. We have, it seems to me, taken much more time in disposing of the bill referred to than was to be expected.

It is hoped that tomorrow the calendar may be called for the consideration of unobjected bills, pursuant to the agreement which has been entered, and that the opportunity will arise for the consideration of the agricultural appropriation bill. When that shall have been done, unless some reason now unknown to me shall arise, I shall expect to move a recess or adjournment until next Monday.

PERSONAL STATEMENT BY SENATOR HARRISON

Mr. HARRISON. Mr. President, I would have addressed the Senate briefly some time prior to this late hour during the day if I had not been so anxious to have the Senate act on the matter just disposed of.

There appeared in the paper this morning, in the so-called "Daily Washington Merry-go-Round", written by Mr. Drew

Pearson and Mr. Robert S. Allen, an article to which I wish to call attention. I understand from Mr. Allen personally that he did not know anything about the article. By inference an injustice has been done to my name, and only for that reason do I rise to reply.

The article reads:

An important factor holding up the President's extensive plan for the reconstruction of Puerto Rico is an insignificant provision tucked away in the Jones-Costigan Sugar Act. It prohibits any new sugar refineries on that island, and it was slipped into the bill at the last moment by PAT HARRISON at the behest of the powerful sugar lobby.

Mr. President, ordinarily I never reply to anything that appears in the papers, but this is so mendacious, it is so willful, it is so misleading and untruthful, it is such a damnable lie, may I say, that I cannot pass it by unnoticed.

These columns written by Mr. Pearson and Mr. Allen, which appear in many papers of the country, and have for some time, have constantly carried criticisms aimed at me due to the fact that a gentleman from my State, a former Member of Congress, a man of the highest character, Judge T. Webber Wilson, was appointed judge in the Virgin Islands. He has made a very splendid record there; but throughout his service he has been the target of the Department of the Interior, from the Secretary of the Interior down, even though Judge Wilson is serving under the Department of Justice, and it so happens that the controversy is one in which Mr. Drew Pearson, one of these columnists, is interested.

It is Mr. Pearson's father who is now, and has been throughout this Democratic administration, Governor of the Virgin Islands. I do not know Mr. Pearson, the Governor of the Virgin Islands, personally, and I am not the partisan I used to be; but I am still that kind of a partisan who believes that when the Republicans are in control of the Government the Governor of the Virgin Islands should be a Republican Governor, or one who has Republican leanings. I believe, too, that when the Democratic Party is in control of the Government, that office ought to pass into Democratic hands. I have so expressed myself to the Secretary of the Interior as well as to the President. Those sentiments are not appreciated by the Secretary of the Interior, Governor Pearson, or his son Drew.

The Senator from Maryland [Mr. TYDINGS] has offered a resolution for an investigation into the situation in the Virgin Islands. I merely wish to have the country know that these audacious, misleading, incorrect statements carried in the Merry-go-Round, written by Mr. Drew Pearson, are written because of a motive, a desire to try to stand in with "Honest Harold", as the Secretary of the Interior has been nicknamed, and do injustice to everyone who may not be in accord with their plans.

In conclusion, permit me to say that the record will disclose—and those Senators who were interested and in touch with the movements and considerations of the Jones-Costigan legislation know—that I offered no such amendment, and was instrumental in no such scheme as suggested in the article.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. THOMAS of Utah, from the Committee on Foreign Relations, reported favorably Executive E (69th Cong., 2d sess.), a convention for the unification of certain rules relating to bills of lading for the carriage of goods by sea and a protocol of signature thereto, signed on behalf of the United States at Brussels on June 23, 1925, with an understanding, and submitted a report thereon (Ex. Rept. No. 2, 74th Cong., 1st sess.).

Mr. BURKE, from the Committee on the Judiciary, reported favorably the nomination of Walter Bragg Smith, of Alabama, to be United States marshal, middle district of Alabama, to succeed Douglas Smith, removed.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar. If there be no further reports of committees, the calendar is in order.

INTER-AMERICAN ARBITRATION

The Chief Clerk proceeded to read Executive F (73d Cong., 2d sess.), a general treaty of inter-American arbitration, signed at Washington on January 5, 1929.

Mr. ROBINSON. Mr. President, I ask that the treaty go over.

The VICE PRESIDENT. Without objection, the treaty will be passed over.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask that the nominations of postmasters be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations of postmasters are confirmed en bloc.

RECESS

Mr. ROBINSON. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 5 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Friday, March 29, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 28 (legislative day of Mar. 13), 1935

POSTMASTERS

SOUTH DAKOTA

Florence Ferguson, Canton.
Clarence J. Curtin, Emery.
Harry H. Jarl, New Effington.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 28, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, Thou who dost weigh the mountains in scales and the hills in a balance, put Thy wise, merciful, and sovereign hand upon us. To live without Thee is to lay the ax at the root of the tree of strength and the blessedness of humanity. We praise Thee for the Christ of God, who laid the foundation of immortal life, and will never forsake the work of His hands. In these appealing days of His earthly journey, may we walk with Him. Cleanse us from all unrighteousness; make clean our hearts within us, and the raiment of our daily lives above reproach. We beseech Thee to set us free from the errors of prejudice, passion, and the perversions which mar the integrity of our souls. Almighty God, Thou hast made of one blood all nations; Thou art the Father in heaven and earth. This was proclaimed ages ago and committed to the winds on the shore lines of Galilee. So dwell with us that we may honor all men—the humblest, the feeblest, the most obscure. And, blessed Lord, keep this truth in all hearts: "The path of the just is as a shining light." And Thine shall be the glory forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

COMMITTEE ON MILITARY AFFAIRS

Mr. ROGERS of New Hampshire. Mr. Speaker, by direction of the Committee on Military Affairs, I ask unanimous consent that the committee may continue its meeting today while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

CONGRESSIONAL MEDAL OF HONOR TO GENERAL CREELY

Mr. ROGERS of New Hampshire. Mr. Speaker, the gentleman from South Carolina [Mr. McSWAIN], Chairman of the Committee on Military Affairs, is absent today on account of important business, and on his behalf, Mr. Speaker, I ask unanimous consent that he may have permission to extend his remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. McSWAIN. Mr. Speaker, on yesterday at 6 o'clock at his residence, 3131 O Street NW., there was presented to Maj. Gen. Adolphus Washington Greely, United States Army, retired, the medal of honor which was recently voted by both Houses of Congress to be presented to this distinguished citizen and soldier by the President of the United States.

Due to the absence of the President from the city, and at his request, this token of the esteem in which the Congress and the country hold this veteran of many campaigns, this pioneer among polar explorers, and this bold adventurer in the field of science, was presented by the Honorable George H. Dern, Secretary of War. Simple but appropriate military ceremonies accompanied this presentation. Distinguished soldiers, sailors, and citizens were present. Among them was Admiral Richmond P. Hobson, himself a distinguished citizen and leader of public thought. Present also were the Honorable JOSEPH T. ROBINSON, United States Senator from the State of Arkansas, who introduced a bill in the Senate of the United States to confer this honor upon General Greely. I make acknowledgment to Senator ROBINSON of his fairness and courtesy in saying to me at the time he introduced his bill that he expected that the bill which I had introduced in the House of Representatives, if the House would pass it in due season, would be passed upon his motion by the Senate. I sincerely thank Senator ROBINSON for such kindly deference and such generous courtesy.

Mr. Speaker, I must confess that the introduction by myself of a bill to honor General Greely at this late date was not an original thought with me. In fact, I took it for granted that General Greely had thus been honored by the Congress and the President long ago. I think all will agree with me that I was reasonable in this assumption, because if there ever was a soldier who deserves well of his country, who is entitled to the gratitude of this Republic, it certainly is General Greely. I gladly acknowledge that the suggestion was made to me by Brig. Gen. William Mitchell, United States Army, retired; and upon his suggestion I promptly acted, and I am proud that the committees of both the House of Representatives and the Senate, and that both Houses themselves, have approved this bill, and that the President signed it so promptly and gladly. I believe it would have made the President happy to have himself presented this simple token of the appreciation of his countrymen to General Greely. I am sure that the President would have rejoiced had he beheld the joy and gratitude of General Greely and of his immediate family.

Mr. Speaker, Gen. William Mitchell has prepared a brief statement of some of the services of General Greely and I am extending my remarks by permission of the House by asking that this statement by General Mitchell may be printed in the CONGRESSIONAL RECORD.

STATEMENT BY BRIG. GEN. WILLIAM MITCHELL ON THE OCCASION OF THE PRESENTATION OF THE CONGRESSIONAL MEDAL OF HONOR TO MAJ. GEN. ADOLPHUS WASHINGTON GREELY ON HIS NINETY-FIRST BIRTHDAY, MARCH 27, 1935

Maj. Gen. Adolphus Washington Greely, retired, has just been decorated with the Congressional Medal of Honor, the greatest token of appreciation in the gift of the United States Government. General Greely, in the ninety-first year of his life, has indeed deserved well of his country.

He was born in 1844, at which time our country contained only 20,000,000 people. We had really not extended west of the Mississippi. Commodore Perry had not yet gone to Japan. It was 2 years before our War with Mexico.

When the war between the States broke out in 1861, Greely, although under age, enlisted when he was 17. He first saw enemy fire at Balls Bluff, near Leesburg, Va. When the Army of the Potomac was organized, the Nineteenth Massachusetts, to which he belonged, became a part of it and he participated in the Peninsular campaign and in the seven days' battles, where he distinguished himself and was wounded. At Antietam he discovered a flank attack against his regiment and called attention to it, fearlessly exposing himself to enemy fire. He thus saved not only his regiment but his whole brigade from a serious disaster. He was badly wounded and left on the field. A Confederate soldier attempted to capture him but he escaped and made his way under the trajectory of the fire of Rickett's battery up a ravine to the Union lines. As soon as he recovered from his wounds he rejoined his organization.

At the battle of Fredericksburg a pontoon bridge being laid opposite the town was destroyed by Confederate fire, and it was decided to force a crossing in individual boats. Greely was in the first one. He was in command of the patrol that went up the main street of Fredericksburg, the forlorn hope that held on until relieved by other troops. In this battle, out of 300 men in his regiment, 108 were killed or wounded. Greely himself was wounded but kept with his company, B, of the Nineteenth Massachusetts, which had been first in the city and the last to get out. For this he was promoted from corporal to sergeant.

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For 2 years, unsupplied by any relief expeditions from the United States, Greely held out at his station. At length, in accordance with his orders, he led his expedition in small boats through the treacherous waters of the northern seas, overcoming seemingly insurmountable obstacles of cold, storm, ice, and fatigue, until they reached Cape Sabine, 200 miles farther south. Here they made camp to await the promised relief expedition of that year, which never came, as the ship was lost. Abandoned, destitute, starving, they held out under Greely's indomitable leadership, with excellent discipline, cohesion, and performance of duty to the last. Out of the original 25, only 7 were found alive, and they had only a few more hours of life left in them when rescued in the nick of time by Captain Schley and Lieutenant Emory, of the Navy, in 1884. The foresight, wisdom, acumen, ability, and devotion to duty which Greely showed in the handling of his men has never been excelled, and the story of this expedition, its accomplishments, and its record of human endeavor and steadfastness in the face of privation and disaster, stands alone in human annals and forms an everlasting monument to American manhood.

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GENERAL PULASKI MEMORIAL DAY

Mr. TERRY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a resolution of Group No. 178 of the Polish National Alliance, of North Little Rock, Ark., memorializing Congress to create the General Pulaski's Memorial Day.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. TERRY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolution of the Polish National Alliance of North Little Rock, Ark., memorializing Congress to create the General Pulaski Memorial Day:

A resolution memorializing Congress of the United States to enact House Joint Resolution 81 and Senate Joint Resolution 11, directing President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski

Whereas the 11th day of October 1779 is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of West Virginia, Illinois, Michigan, Tennessee, Indiana, Wisconsin, New York, Nebraska, Texas, Minnesota, Delaware, Maryland, Arkansas, New Hampshire, Pennsylvania, Missouri, Ohio, and other States of the Union, through legislative enactment, designated October 11 of each year as General Pulaski's Memorial Day; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the death of this great American hero of the Revolutionary War: Therefore be it

Resolved by the Group No. 178 of the Polish National Alliance of the United States of North America, That the Group No. 178 of the Polish National Alliance of the United States of North America, with local headquarters at no. 2005 Main Street, of city of North Little Rock, and State of Arkansas, respectfully memorialize the United States Congress to enact legislation which will provide for the effective carrying out of the provisions of the said resolution, whereby the President of the United States of America would be authorized and directed to issue a proclamation calling upon officials of the Government to display the flag of the United States on all Government buildings on October 11 of each year and inviting the people of the United States to observe the day in schools and churches or other suitable places with appropriate ceremonies in commemoration of the death of Gen. Casimir Pulaski.

SEC. 2. The secretary of the Group No. 178 of the Polish National Alliance of the United States of North America is hereby directed to transmit a copy of this resolution to the Chairman of the House of Representatives Judiciary Committee, Washington, D. C.; to the Chairman of the United States Senate Library Committee, and to each of the United States Senators and Representatives in Congress from the State of Arkansas.

GROUP NO. 178 OF THE POLISH NATIONAL ALLIANCE OF THE UNITED STATES OF NORTH AMERICA,
By A. S. WALLOCH, *President.*
S. J. KACZKA, *Secretary.*
ALBENA BREWCZYNSKI, *Treasurer.*

FORWARD WITH ROOSEVELT—YOUTH OF THE NATION WITH THE NEW DEAL

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein some four or five single columns of statistics as submitted by the Commissioner of Education.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SNYDER. Mr. Speaker, it is most gratifying to those of us who have been really working to pull our Nation out of the slime it fell into in 1929 to know that the youth of the Nation is with us.

Of course, even the high-school boys know that we are where we are as a Nation because the administrations between 1920 and 1932 put us where we are. Because of bad management or lack of management those administrations plunged us into this terrible abyss—this financial chaos.

Milton said that when the Lord kicked the Devil out of heaven, he fell "nine times the space that measures day and night." The youth of the land begins to think that their chances for making good in life fell about the same distance during the administrations from 1929 to 1932, when certain uncontrolled interests took hold of the social and economic trends and plunged us where we found ourselves in 1932.

It is refreshing to us as Members of Congress to have the assurance that the young men and women of the Nation know that this administration has done more toward building a worth-while structure for them to inherit than has been done by any administration since the Civil War. We can fool the old people most of the time, but we cannot fool the young people for a very long space of time.

New York University senior class took their annual poll last week on certain fundamental issues. Some of the questions voted on and the results are as follows:

Who is the greatest living American? By a vote of 2–1—Roosevelt.

Who is the outstanding figure of the world? By a vote of 2–1—Roosevelt.

Who is the most outstanding world citizen? By a vote of 2–1—Roosevelt.

Would you vote for his reelection? By a vote of 2–1 they would vote for Roosevelt's reelection.

(They admitted that in 1932 not half of them had voted for Roosevelt, showing his increase in popularity.)

This type of senior speaks for the masses, in that the seniors of this school earn 35 percent of their tuition by part-time employment.

Do you favor the retention of the N. R. A.? By a vote of 3–1—yes.

Do you favor the retention of the A. A. A.? By a vote of 3–1—yes.

Do you favor the retention of the C. C. C.? By a vote of 10–1—yes.

Do you favor the child-labor amendment? By a vote of 15–1—yes.

Do you favor unemployment insurance? By a vote of 8–1—yes.

Do you favor old-age pension? By a vote of 8–1—yes.

Do you favor conscription of capital and labor in time of war? By a vote of 30–1—yes.

These statements and votes on the part of the youth coming right after Mr. Hoover's plea asking the youth of the Nation to stand by him and the standpatters is most significant.

Former President Hoover, according to the newspaper report, said in his recent speech:

It is well that the young men and women of the Republican Party should meet and give attention to this drift from national moorings.

Well, these college seniors, some 400 of them, met and gave attention to the drift of the moorings Mr. Hoover referred to and the above was the result of their deliberations. Not very gratifying to those interests now doing their best to keep the youth of the future from enjoying the heritage they have a right to expect to enjoy. The New York Times as of March 23 said, in quoting Mr. Hoover's speech:

The Government has been centralized under an enormous bureaucracy in Washington.

The youth of the Nation do not look upon it as being a centralized bureaucracy. They look upon this movement as one in their favor—taking the Government out of the hands of big banking interests and big holding interests and putting it back in the hands of the people—bringing the capital from Wall Street to Washington. George Washington intended that the capital should be in Washington and not in Wall Street and Chicago. This administration is demonstrating that the Government is in Washington.

Mr. Speaker, speaking of seniors recalls to my mind the data I received from the Bureau of Education this morning. The Commissioner of Education gave me these figures.

I am interested in these figures because I am convinced that we must continue to build our social and economic structure so that these millions of high-school and college

graduates will have an opportunity to step into some position or job and earn an honest livelihood.

I learned as a high-school principal that youth expects the busy world to give them an opportunity when youth graduates to be privileged to turn their hand to some purposeful and constructive occupation.

Speaking of young men reminds me of employment. I just called Dr. Studebaker, Commissioner of Education, this morning, and he gave me the following figures:

(1) Number of high-school graduates, private-school graduates, and college graduates in 1932	972,872
(2) Number of high-school graduates, private-school graduates, and college graduates in 1933	1,017,310
(3) Number of high-school graduates, private-school graduates, and college graduates in 1934	1,150,250
(4) Number of high-school graduates, private-school graduates, and college graduates in 1935 (estimated)	1,200,000

Whose fault is it that these young men will not have an opportunity to go to work when they graduate? Surely it is not the fault of the Democratic Party or the Democratic administration. The institutions and agencies that gave employment to this class of people, some of these boys and girls, went on the rocks in 1929. By 1932 the institutions were battered to splinters, and we had the largest number of high-school and college graduates walking the streets and highways that year of any year in the history of our Nation.

The fact is that figures and reports in the various departments show that 40 percent more of this class received employment during the last year than the year 1931–32. The set-up of this administration is most commendable in that it provides to take care of all classes of unemployment.

COSTIGAN-WAGNER ANTILYNCHING BILL

Mr. GUYER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a concurrent resolution of the Legislature of Kansas.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. GUYER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following concurrent resolution of the Legislature of the State of Kansas:

House Concurrent Resolution 10

A resolution memorializing Congress to pass the Costigan-Wagner antilynching bill

Whereas in many States of this United States there occur lynchings and riots by mobs, resulting in the execution of persons without due process of law; and

Whereas in many of the said States the local officers cannot or will not enforce the laws protecting persons from mobs or punishing those involved in such unlawful action: Now, therefore, be it

Resolved by the house of representatives (the senate concurring therein)—

SECTION 1. That the Congress of the United States is hereby requested to enact into law the measure commonly known as the "Costigan-Wagner antilynching bill."

SEC. 2. That copies of this resolution be sent to the President and Vice President of the United States, the Speaker of the House of Representatives, and to each Kansas Member of Congress.

I hereby certify that the above concurrent resolution originated in the house, and was adopted by that body February 14, 1935.

S. C. BLOSS,
Speaker of the House.
W. BISHOP,
Chief Clerk of the House.

Adopted by the senate March 7, 1935.

DALLAS W. KNAPT,
President pro tempore of the Senate.

Secretary of the Senate.

PERMISSION TO ADDRESS THE HOUSE

Mr. MORITZ. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes today at the conclusion of the consideration of the District of Columbia bills.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. TRUAX. Mr. Speaker, I raise the point of no quorum.

The SPEAKER. Evidently there is not a quorum present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 40]

Adair	Driscoll	Johnson, W. Va.	Polk
Allen	Driver	Kennedy, Md.	Reed, N. Y.
Andrews, N. Y.	Dunn, Miss.	Kennedy, N. Y.	Richardson
Arends	Farley	Kleberg	Robsion, Ky.
Bankhead	Ferguson	Kvale	Sabath
Biermann	Flannagan	Lamneck	Schaefer
Bolton, Ohio	Gambrill	Lee, Okla.	Seger
Brennan	Gifford	Lehlbach	Shannon
Brewster	Goldsborough	Lesinski	Short
Cannon, Wis.	Granfield	Lewis, Md.	Smith, W. Va.
Chapman	Gray, Ind.	McKeough	Snell
Claiborne	Greenway	McMillan	Stewart
Clark, Idaho	Greenwood	McSwain	Sumners, Tex.
Cooley	Hamlin	Mead	Thompson
Crosby	Hartley	Meeks	Tinkham
Crowther	Healey	Monaghan	Underwood
Culkin	Hess	Montague	Warren
Dempsey	Higgins, Conn.	O'Malley	
DeRouen	Hoeppel	Palmisano	
Dies	Holmes	Peyser	

The SPEAKER. Three hundred and fifty-seven Members have answered to their names. A quorum is present.

On motion of Mr. CULLEN, further proceedings under the call were dispensed with.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following communication, which was read by the Clerk:

MARCH 27, 1935.

Hon. JOSEPH W. BYRNS,
Speaker House of Representatives, Washington, D. C.

MY DEAR MR. SPEAKER: I hereby resign as a member of the Select Committee to Investigate Real Estate Bondholders' Organizations.

Respectfully yours,

JOHN J. O'CONNOR.

The resignation was accepted, and the Speaker appointed Mr. KENNEDY of New York to fill the vacancy.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr. Speaker, on yesterday I missed a roll call due to absence on important official business before the Department of Justice. I desire to make that statement at this time.

COMMITTEE ON AGRICULTURE

Mr. DOXEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture be permitted to sit the remainder of the week during the sessions of the House.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

OWNERS AND OPERATORS OF MOTOR VEHICLES IN THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 408) to promote safety on the public highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violations of this act, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that debate on this bill be limited to 1 hour, one-half to be controlled by the gentleman from Illinois [Mr. DIRKSEN] and one-half by myself.

Mr. PATMAN. Mr. Speaker, reserving the right to object, I am in favor of the bill S. 408. I desire to have some understanding about the time, if the gentlewoman from New Jersey will tell me what she has in mind in regard to the disposition of the time.

Mrs. NORTON. I think I may use about 10 minutes of the time, and then I shall be very pleased to yield 15 minutes to the gentleman from Texas. I have been asked for 5 minutes by the gentleman from Oklahoma [Mr. NICHOLS],

and I shall be pleased to yield the balance of my time to the gentleman from Texas.

Mr. PATMAN. I wonder if the gentlewoman would agree that in the event there is an amendment suggested to the bill, to either strike taxicabs from this particular legislation or to include compulsory insurance for taxicabs, I may be allowed to have 10 minutes on each amendment in opposition to them, instead of having time in general debate?

Mrs. NORTON. That is perfectly agreeable.

The SPEAKER. The Chair may state to the gentleman from Texas that that is a matter that will be in control of the Committee when the bill is considered in the Committee of the Whole House on the state of the Union.

Mr. PATMAN. Yes; then I have no objection.

Mr. BLANTON. Mr. Speaker, will the gentlewoman from New Jersey yield for a question?

Mrs. NORTON. Gladly.

Mr. BLANTON. Is not this bill identical with one that we passed at the last session?

Mrs. NORTON. It is exactly the same.

Mr. BLANTON. And there was practically no objection to it at that time?

Mrs. NORTON. None that I knew of.

Mr. BLANTON. Is there any reason why we could not take this bill up in the House as in Committee of the Whole House on the state of the Union, so as to avoid the hour of general debate, and get through with it? Amendments can then be offered and debated under the 5-minute rule.

Mrs. NORTON. I would be very pleased to take it up in that way.

Mr. BLANTON. I think if the gentlewoman from New Jersey would change her request and ask that the bill be considered in the House as in Committee of the Whole House on the state of the Union there would be no objection to such a request, I feel sure.

Mr. PATMAN. I would not object.

Mrs. NORTON. Then, Mr. Speaker, I ask unanimous consent that this bill may be considered in the House as in Committee of the Whole House on the state of the Union.

Mr. PATMAN. Mr. Speaker, reserving the right to object, and I shall not object, I presume the gentlewoman from New Jersey will let me have the time in opposition to the amendment I have just mentioned, in the event the amendments are presented.

Mrs. NORTON. Yes.

Mr. BLANTON. The gentleman can secure such time in his own right.

Mr. MARTIN of Massachusetts. Reserving the right to object, will the rule providing 1 hour of debate prevail in the House?

The SPEAKER. If the request is granted, the bill will be considered under the 5-minute rule.

Is there objection to the request of the gentlewoman from New Jersey that the bill be considered in the House as in Committee of the Whole House on the state of the Union?

There was no objection.

The SPEAKER. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That this act shall in no respect be considered as a repeal of any of the provisions of the traffic acts for the District of Columbia but shall be construed as supplemental thereto.

Mr. NICHOLS. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, being a member of the District of Columbia Committee, it has been embarrassing for me to oppose this legislation, but feeling that I am eminently right in my position I shall continue to do so.

In the first place, I want to point out to the Members of the House that this legislation proposes to put taxicabs and private automobiles in the same category as they apply to indemnity insurance. In other words, this bill says that after anyone has an accident, unless he can show financial responsibility, his license will be taken away from him to operate an automobile in the future. This might be a good law as it applies to privately operated automobiles, but it certainly is not a good law where it applies to taxicabs, particularly when we have a taxicab situation such as we have in the District of Columbia. You can take your largest cab company here, the Diamond Cab Co., and they do not own a single automobile. They do not control a single automobile. The boys who drive those Diamond cabs simply pay that company money for the privilege of using the Diamond name.

Mrs. NORTON. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. I yield.

Mrs. NORTON. Does this bill in any way prevent the introduction and the passage of a compulsory-insurance bill?

Mr. NICHOLS. It does not; but I will say to the gentlewoman and my good friend that if you pass this bill, then you will always have this bill as a bumper when you attempt to pass a compulsory-insurance bill, and they will say that you have this bill and this is all you need. If compulsory insurance is desirable, then why not make it compulsory insurance now when the matter is before this body?

Mrs. NORTON. Is it not a fact that in 21 States of the Union we have this identical bill and in a few of the States we also have a compulsory-insurance law, showing that one does not interfere in any way with the other?

Mr. NICHOLS. I may say to the gentlewoman that I know of no State having a condition such as exists in Washington that has a bill applying just exactly the same to private automobiles as it does to taxicabs.

Mr. RICH. Mr. Speaker, will the gentleman yield for a question?

Mr. NICHOLS. In just a moment. I want to tell you what is going to happen to this bill.

You may take, for instance, your big cab companies here; they go out and have an accident and kill or cripple somebody, and you would naturally think that under this bill unless that driver or that company took out indemnity insurance they could not operate any more. This is not the case. All that will happen will be that the driver who had the accident will be immediately discharged from the company, because the responsibility goes to the individual and not to the company. Then there will be a new man put in his place, just as irresponsible as the other, and he will go glibly on his way killing and hurting and maiming people without any responsibility whatever.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. RICH. Is it not possible for us to make the taxicab company just as much responsible as the driver?

Mr. NICHOLS. It is, yes; but not under this bill.

Mr. RICH. Why not amend the bill in order to do that?

Mr. NICHOLS. This bill absolutely is not susceptible to intelligent amendment.

Mr. CARPENTER. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. CARPENTER. While I am in favor of the bill under consideration, yet I agree with the gentleman in what he has stated to the effect that if we pass this bill it will be used as a buffer against a taxicab-liability bill. This is exactly what happened a year ago. We had up both bills and we passed this bill, and as soon as it was passed, they said we did not need the other measure.

Mr. NICHOLS. Now, I do not think there is anyone here who thinks that a taxicab or automobile operated for hire should not protect its passengers. If that is true, then why should we pass legislation here which will permit the operator of a taxicab to kill somebody before we require him to take out insurance and then say that is all he has to do to escape the whole thing, and the party injured has no one to look to for damages?

The SPEAKER. The time of the gentleman from Oklahoma has expired.

Mr. NICHOLS. Mr. Speaker, I ask for 3 minutes more.

The SPEAKER. Is there objection?

There was no objection.

Mr. NICHOLS. Now, there is not much legislation that comes to the District of Columbia Committee that affects your and my constituents. But I want to say to you ladies and gentlemen of the House that here is a bill that will

affect every constituent of yours. When they come to the Capital of the United States on their own business, or the business of somebody else, I say to you it is your duty to pass legislation here which will safeguard them when they accept the only mode of travel provided for them—that is taxicabs—I say that we will be derelict in our duty unless we give them the protection of compulsory insurance.

One argument against it is that it will cost a driver so much that he cannot afford it, and thus the independent driver, and a driver of small means, cannot afford to take out the insurance.

I want to answer that in two ways. It will not cost any more before they have had an accident than it will after they have had an accident.

The second proposition is that if you take insurance—and if there is an insurance man in this House he will bear me out—if you take out insurance for a group, where you have many drivers of taxicabs, you can get insurance rates so low that they can afford to carry it.

Then the insurance rates will be cheaper, because where you have group insurance they will place a claim adjuster in the taxicab office and he will be on the ground ready to dash out and make a low settlement with the victim of the accident immediately after the accident occurs. So that where they have group insurance they can afford to reduce the rates.

Mrs. NORTON. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentlewoman.

Mrs. NORTON. Does the gentleman know what this insurance will cost?

Mr. NICHOLS. No; I do not. Nor does anybody else know, because there has been no plan devised; and there cannot be one devised until the insurance companies know how many policies would be available.

Mr. FITZPATRICK. They might increase the rate so as to get more money.

Mr. NICHOLS. They are not getting enough money, anyway.

Mr. PATMAN. Mr. Speaker, I rise in opposition to the pro forma amendment and ask unanimous consent to proceed for 10 minutes.

The SPEAKER. The gentleman from Texas asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, the object of this particular bill is to reduce the number of accidents in the District of Columbia. It was decided by the subcommittee of the District Committee considering the legislation that the following classes and groups are largely responsible for the accidents in the District of Columbia: Those who are convicted of driving automobiles while under the influence of intoxicating liquor or drugs; second, the habitual offender who usually leaves the scene of the accident without giving his name and without being identified by any officer; third, those who do not care, who are irresponsible if judgments are obtained against them, who do not pay the judgment, and who continue to go ahead and continue to operate their automobiles.

The president of the Board of Commissioners of the District of Columbia, Mr. Hazen, said:

> It is generally agreed among traffic authorities that the vast majority of accidents are caused by a very small proportion of the drivers.

In other words, there are very few people causing all of these accidents, and the committee decided there is no use of placing a penalty on all of the people in order to eliminate a few people who are causing all of the trouble. I wish each Member would send and obtain a copy of the committee's report on this bill, Financial Responsibility of Motor Vehicle Operators in the District of Columbia, and read the letter of the president of the Board of Commissioners, Mr. Hazen, to the Chairman of the District Committee.

Under this bill no one will be required to take out automobile-liability insurance until one of the following conditions occurs: Conviction of operating an automobile when under the influence of liquor or drugs; if convicted of that offense the driver will have to take out liability insurance; or, if the driver has been guilty of leaving the scene of an accident without identifying himself, he will then have to take out liability insurance; if a judgment has been obtained against an offending driver, and that judgment is unsatisfied at the end of 30 days, that driver cannot any longer operate an automobile in the District of Columbia.

Mr. Speaker, that is aimed at the offender, it is not aimed at the good, careful driver, who never has an accident. It will not penalize him, but it will penalize the one who is the cause of most of the accidents. Contrary to the general belief, it is not the taxicab driver who is causing the accidents in the District of Columbia, it is the irresponsible driver of the private car, and investigation discloses that there are fewer accidents among the taxicab operators in proportion of the number than among any other group. There is a splendid reason for that. One who is operating a taxicab is engaged in that line of work as a business, a pursuit, an occupation. That is his whole business, and if he were to lose his license, he would lose his entire business. Therefore, he is very careful not to violate the law, not to be wrong in an accident, but to always carefully operate that vehicle, so that he can stay in the only business that he has.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. RICH. If a man drives a car while intoxicated, the Commissioners will see to it that his license is taken away from him?

Mr. PATMAN. Absolutely, if he is convicted. He cannot be allowed to operate an automobile any more if he is convicted.

Mr. FITZPATRICK. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. FITZPATRICK. Does the gentleman know the number of convictions for driving while intoxicated?

Mr. PATMAN. No.

Mrs. NORTON. If the gentleman will permit, of the total number of deaths—135—in 1934 in the District of Columbia, exactly 16 were caused by taxicab drivers.

Mr. PATMAN. And were the drivers of those taxicabs all to blame?

Mrs. NORTON. No; they were not to blame in several cases.

Mr. NICHOLS. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. NICHOLS. Take the case of a man who is run over by the driver of an automobile who is driving while drunk. The drunken driver may injure some pedestrian or some occupant of his automobile. Let us say that the driver of that taxicab has no financial responsibility. What is the redress of the man who is injured? How does this man protect the man who is hurt?

Mr. PATMAN. The gentleman from Oklahoma is talking about a taxicab driver not carrying insurance.

Mr. NICHOLS. Or anyone else.

Mr. PATMAN. But what the gentleman wants is to have the taxicab compelled to carry insurance.

Mr. NICHOLS. Yes.

Mr. PATMAN. That is the point of the question that I shall address my answer to.

Mr. NICHOLS. One further question. In the gentleman's judgment, does he not feel that this bill could be greatly improved and brought to this floor in much better shape than it is in now?

Mr. PATMAN. There is a bill pending for financial-responsibility insurance for taxicabs before the District Committee. I happen to be chairman of the subcommittee that that bill is referred to. We expect to have hearings on that bill very soon.

Mr. NICHOLS. The gentleman is the chairman of this subcommittee, is he not?

Mr. PATMAN. Yes; and for the gentleman's information let me say that we had extensive hearings last year, and it would be interesting for him to know what was disclosed by the hearings last year. The Diamond Taxicab Co. for 1 year I have in mind paid its claims.

Mr. NICHOLS. It did not in the Callas case.

Mr. PATMAN. And that 1 year the Diamond Taxicab Co. was out $7,500 on claims. If compulsory insurance had been passed, it would have been out $75,000 for insurance. If you put compulsory insurance on the taxicabs of the District of Columbia, you will not help the drivers; but you will help the insurance companies. It will cost the people of this District, the investigation shows, a million and a half dollars extra, because it will mean doubling and trebling the taxicab rates in the District of Columbia—not for the benefit of the drivers or the owners of automobiles but for the benefit of insurance companies and lawyers handling litigation. It encourages all kinds of claims.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. FITZPATRICK. Does not the gentleman think that a passenger riding in a taxicab ought to be protected in case of an accident so that somebody would be responsible?

Mr. PATMAN. Yes; I do. For a dollar or two a year the gentleman can get insurance that will protect him against any injury he may suffer in a taxicab.

Mr. FITZPATRICK. I had friends visiting here 2 years ago who got into a taxicab and it was run into and they were injured, one of them seriously, and they could not collect a dollar. I say every taxicab and every vehicle in this District should carry insurance.

Mr. PATMAN. The point is that this bill does not involve that question. Let us pass this bill. We know it is a step in the right direction.

Mr. FITZPATRICK. It means nothing. It is like locking up the stable after the horse is stolen. If there is an accident, then they will compel them to take out insurance.

Mr. PATMAN. It does mean something. It will not penalize the good, careful driver, but it will cause the man who is responsible for accidents to take out insurance. Most of the accidents are caused by a few people.

Mr. FITZPATRICK. How about the party injured? Will they benefit by this bill?

Mr. PATMAN. It will prevent accidents. It will have a tendency to prevent accidents. If the gentleman is interested in taxicab liability, let him come before our subcommittee and we will give him a hearing, and if we are wrong about it we will admit we are wrong, and we will bring a bill before this House and let the House adopt the bill requiring taxicab-liability insurance. I know I often have the wrong opinion about things before I get all the information. Perhaps I have a wrong opinion about this. Perhaps the gentleman is right. If so, he may come before our committee and convince us he is right.

Mr. FITZPATRICK. I appreciate that under the rates in this city they cannot very well carry insurance.

Mr. PATMAN. If you have taxicab-liability insurance, that does not mean that you are going to get your money if you are insured. That means that you are looking to an insurance company instead of the taxicab company. Good insurance companies will not carry this class of risk. It is the fly-by-night, overnight insurance companies who insure such companies. Our hearings disclosed that people have had just as much difficulty and even more in getting money out of insurance companies than in getting it from taxicab companies.

Mr. FITZPATRICK. That is not true in the city of New York. Reliable insurance companies there carry the insurance, and there is no reason why they should not carry it here.

Mr. PATMAN. I am not talking about New York. I presume the gentleman is correct.

Mr. SISSON. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. SISSON. Do I understand from the gentleman's statement that the District Committee does not propose to report out a bill that will make indemnity insurance mandatory, to furnish protection to people who are riding in these common carriers?

The SPEAKER pro tempore (Mr. WOODRUM). The time of the gentleman from Texas [Mr. PATMAN] has expired.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. My opinion is that the District Committee is in favor of it. Personally, I am not in favor of it. Last year we had a hearing, and after the hearing there was a bill brought in, and on a roll-call vote, after both sides had been explained to the membership of this House, 130 Members voted for it and 188 Members voted against it. That goes to show that there is another side to this taxicab-liability proposition, when 188 Members voted against it.

Mr. SISSON. Now, the gentleman made a statement that compulsory insurance of taxicabs would not mean protection to passengers. The gentleman must know that it furnishes protection in case the injury is caused through negligence, and it is practically an insurance, because the taxicab ought to be made a common carrier under the law if it is not such now. Every passenger who rides in one of those taxicabs is entitled to protection.

Mr. PATMAN. They will have protection to the extent of the ability of the insurance company to pay.

Mr. SISSON. The best that can be said about this bill is that it is innocuous; it is harmless; it does not do anything. It is like the law that gives a dog the privilege to take one bite out of you before the owner is responsible at all, until that one bite is proven. The driver of a cab can kill somebody and then he cannot get another permit. That is all.

Mr. PATMAN. Why place a penalty on everybody in the District in order to deter just a few who are responsible for the accidents in the District? That is the question involved.

Mr. KELLER. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. KELLER. Is it not a fact that if these negligent and drunken drivers are eliminated, you thereby add the very greatest to safety?

Mr. PATMAN. Absolutely. Twenty-one States have demonstrated that. We are asking you to adopt the same law that 21 States have tried and have said is satisfactory.

Mr. McFARLANE. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. McFARLANE. I recently read an article showing how the city of Evanston, Ill., which is the first city in the United States in low death rates, have handled this traffic problem. They have the best traffic law enforcement of all the cities of the United States. Their safety council have given this question much study and fairness and honest law enforcement have gotten splendid results for them. All other cities should follow that. They have cut down the death rates from 30 or 40 per hundred thousand to less than 9 per hundred thousand. It would be very interesting for the membership to look into that and see how they have gone into this matter of law enforcement.

Mr. PATMAN. Using a law like this?

Mr. McFARLANE. Using a law similar to this, yes. They have gotten splendid results by making a very careful study of the whole traffic problem and of honest law enforcement in carrying their laws into effect.

Mr. NICHOLS. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. NICHOLS. But with reference to these 21 other States who have a similar law to this.

Now, the gentleman will say, though, that a State law does not govern the law of big cities within the State, which is a condition similar to that existing in Washington.

Mr. PATMAN. They involve cities as well as country districts.

Mr. NICHOLS. I do not think the gentleman wants to say that the State law controls city traffic.

Mr. PATMAN. The law operates over the entire State.

Mr. NICHOLS. They do not operate taxicabs in the country.

Mr. PATMAN. There is nothing in this law that makes it different in a city from what it is in the country, or vice versa. What we are asking you to do is not to attach any compulsory liability amendment on this law. We are going to have a hearing on that question, and we are going to have a full and complete hearing. We will be able to present printed hearings to the Members of the House; and then if you feel that the law should be passed, we will pass it; but do not bring up some amendment which has not been given sufficient consideration and attempt to attach it to this legislation, which we know is good law.

This bill has passed the House and the Senate for the last 2 or 3 years. When it would pass the Senate, the House would not pass it; and when it would pass the House, the Senate would not pass it; but the Senate has already passed it this time, so let the House go ahead and adopt it, and let it become a law, and you will save the lives of many people in the District of Columbia within the next few months. If you want to double and treble taxicab rates in the District of Columbia without giving additional benefits to the people, just put on one of these premature amendments that have not been carefully considered requiring taxicab liability insurance, and you will cause it. I ask you to vote down all these amendments.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that the gentleman from Texas be given 1 additional minute, that I may ask him a question.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. DIRKSEN. Is it not true that in the District of Columbia appropriation bill there was included a legislative provision that the taxicab rates in this city shall not be raised?

Mr. PATMAN. I am not informed on that, I will state to the gentleman from Illinois.

Mr. DIRKSEN. I think that is the case if the gentleman remembers the discussion had on the bill.

Mr. PATMAN. Anyway, it would have to be changed if you require insurance. You cannot make them pay a dollar a day extra just for insurance and not raise their rates; you cannot do that to save your life. A good insurance company is not going to take this risk.

[Here the gavel fell.]

Mr. BEITER. Mr. Speaker, I ask unanimous consent that the gentleman from Texas may have 1 additional minute that I may ask him a question.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BEITER. The gentleman made the statement—if I am in error I stand corrected—that in the event that compulsory insurance were placed on taxicabs that insurance companies would not accept this type of liability. Is not this all the more reason we should make the effort to force them to take out insurance?

Mr. PATMAN. No. If only irresponsible insurance companies will take this class of insurance I would just as soon look to a irresponsible taxicab company as to an irresponsible insurance company.

Mr. BEITER. There are a number of responsible insurance companies who would take it.

Mr. PATMAN. They will not take this risk, according to our information, I will say to the gentleman.

[Here the gavel fell.]

Mr. HULL. Mr. Speaker, I move to strike out the last two words.

Primarily, Mr. Speaker, I was opposed to the consideration of this bill by the House until it had been returned to the committee that it might receive further consideration. After the bill was reported out I learned that certain people in Washington who wanted to be heard on this measure had, by mistake, not been able to appear before the subcommittee presided over by the gentleman from Texas, because the hearing was not held in the regular hearing room.

Mr. PATMAN. Mr. Speaker, will the gentleman yield for a question?

Mr. HULL. I yield.

Mr. PATMAN. I will state that those people wanted to be heard on a different bill, a taxicab liability bill that had not even been introduced in the House. Since that time such a bill has been introduced and these people can get a hearing on it any time they want it. As the chairman of the subcommittee I promise the gentleman that I will give him a hearing commencing tomorrow morning if he desires it.

Mr. HULL. I am not interested in that proposition, but the fact remains that the gentleman moved the subcommittee hearing out of the main room, that these people appeared to be heard and were not heard. I felt that just as a matter of fairness to the interested people of the District they certainly ought to have the right to be heard by the subcommittee handling this measure. Some of the members of the committee did not pay much attention to it, did not realize what was going on until it was out of committee and it was too late. This is the reason I tried to get the bill back to the committee that we might consider it.

In the first place, I do not think any member of this committee wants to oppose any measure which will even promise to reduce accidents in the District of Columbia. We are all of a common mind on that; but so far as preventing accidents is concerned, we might just as well enact Noah Webster's dictionary into law as to pass a measure of this kind, because it will mean nothing in the protection of the public so far as the first accident is concerned.

I am not going to take much time, but I just want to call your attention to one feature which I think shows the utter absurdity of passing this kind of a legal gesture to cure a wrong which is so apparent that something ought to be done. This measure, if passed, will stand in the way of that kind of a law. As one illustration among others of how this law will operate. If a young man gets drunk and then, as a young man did a few weeks ago, who drove home from a country saloon, at 3 o'clock in the morning, runs through a safety zone and kills a poor woman, while this bill apparently would stop such a man from driving a car, as a matter of fact it stops him only momentarily. After a year or two the husband of the woman he killed might possibly get a judgment against him after long delays in the courts; nevertheless, he will continue to drive that car; he can get drunk just as often as he wants to, he may do anything else that is dangerous to the lives of the people of the highways with just one provision, and that is if he will go to some insurance company and take out a $35 insurance policy to insure his car against future accident, and that is all the protection the public has under this bill against a man who goes down the Avenue and commits this kind of a crime.

Mr. KELLER. Will the gentleman yield?

Mr. HULL. I yield to the gentleman from Illinois.

Mr. KELLER. If a similar law has worked in 21 States, would it not naturally follow that it would work very well here?

Mr. HULL. It would not naturally follow that it has worked well anywhere according to the statistics which have been produced here, which show that accidents have con-

tinued to increase in all the States that have this law, practically speaking.

Mr. KELLER. Will the gentleman tell me whether those accidents have continued to increase on the part of taxi drivers or men who were not taxi drivers?

Mr. HULL. I do not care to go into the taxi matter further than to say that apparently there is no protection to people riding in taxicabs in the District of Columbia, and if this bill is passed and put on the statute books it is going to hinder all endeavors to enact that kind of a law and put it on the statute books.

Mr. KELLER. Would the gentleman not put a premium on good drivers and compel the elimination of bad drivers?

Mr. HULL. Certainly. This bill would not do that.

Mr. KELLER. Why should it not? If a man gets drunk, runs away, or does the other things, he cannot drive unless he is insured.

Mr. HULL. That is true; but that does not make any difference, because he can take out a little policy and continue to get drunk, and this bill would not take his permit from him if he has the policy.

Mr. KELLER. No. No one would insure him.

[Here the gavel fell.]

Mrs. NORTON. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, there has been a great deal of misinformation regarding the bill that is before the House today. I may say it is a question that has been debated ever since I have been in Congress, and up to the present time we have no law in the District of Columbia with regard to automobile liability.

We feel that this bill is a very good bill and that it is a step in the right direction. We are not interested in insurance companies, but we are interested in making the streets of the city of Washington a safer place for the people of Washington. Much has been said here about our constituents who visit Washington. There is no person who is more interested in the welfare of constituents than I am. At the same time I think the people in Washington have a prior claim on what law shall be passed in this House with regard to the safety of their streets, and certainly a greater claim than visitors who come here. I am thinking of the people of the District. I am thinking of the importance of placing a law on the statute books to help in some way to prevent the horrible accidents which have been going on for the past several years.

Mr. Speaker, I may say it is our important duty to pass this bill today. I was advised against coming here today. I have been very ill for the last 2 weeks, but I want to say that I have been so much interested in getting this bill passed, and have felt so great a responsibility as chairman of the committee that even at the expense of my own health I decided to come here today and do what little I could to bring the Members of the House to a realization of their duty regarding the District and the people of the District of Columbia. [Applause.]

We Members who are on the District Committee have a very disagreeable and a very arduous duty. We are legislating on behalf of people who have no vote, and who have not a single thing to do with their own government. The only thing that your chairman is trying to do, and the only thing I feel the majority of the members on the District of Columbia Committee is trying to do, is to legislate justly, fairly, and honestly for the people of the District of Columbia. That is our only wish and we have no recompense except knowing that we have tried to do a duty as it should be done.

Mr. Speaker, for the benefit of the RECORD, I am going to give a few items concerning this bill about which so much misinformation has been handed around.

During the year 1933, 3,946, and in 1934, 4,192 persons were killed and injured in traffic accidents in Washington. Four hundred and sixty-eight men from the city of Washington were wounded in action in the World War. Eight times more than that number were wounded in traffic accidents here in 1933 and 1934 and by less than 10 percent of the drivers. We might well ask why this situation exists. I think the answer is obvious.

At present we have approximately 150,000 motor vehicles operating in Washington, operated by some 200,000 drivers. There is no provision in the law that requires these 200,000 drivers to protect the public other than the traffic regulations. As to the provision being made for financial responsibility of those operating motor vehicles, there is none. Therefore, this situation exists—anyone driving a motor vehicle knows that if he becomes involved in an accident through negligence on his part, which results in bodily injury or property damage, he can continue to operate a motor vehicle in the same negligent manner in the future, although no compensation has been made.

Senate bill 408, which passed the Senate January 10, 1935, provides for an alleviation of this condition. It is true that a great number advocate compulsory insurance as the logical means of providing financial responsibility. At least compulsory insurance for motor vehicles for hire. If Senate bill 408 becomes a law it will in no way prevent the passage of a compulsory law for motor vehicles for hire. In fact, such a bill has been introduced and referred to a committee.

The bill we are considering is not a compulsory insurance bill. The bill is intended primarily to promote safety by controlling or driving off the streets the minority of reckless and financially irresponsible motorists, while it also provides a strong incentive for the payment of damages. Compulsory insurance is wholly directed toward the payment of damages and does not penalize recklessness in the interest of safety. Compulsory insurance treats the reckless and careful alike and imposes on all motorists an unfair burden which is wholly caused by the reckless drivers. This bill segregates the careless and imposes its penalties on this class alone. Thus the fundamental difference is the same as that always existing between absolute compulsion and sane regulation.

[Here the gavel fell.]

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. NORTON. Briefly, Senate bill 408 provides that the operator's permit and the registration certificate shall be suspended, upon conviction, or forfeiture of bond or collateral, for leaving the scene of an accident in which personal injury occurs, without making identity known, or upon conviction, or forfeiture of bond or collateral for driving while under the influence of liquor or narcotic drugs. Such suspension will continue until satisfactory proof of ability to compensate for future damages they may cause in motor-vehicle accidents. Also suspension of operator's permit and registration certificate of all persons against whom a final judgment has been legally rendered and who have failed to satisfy such judgment. This suspension is to remain in effect not only until such judgment has been satisfied but also until proof of ability to compensate for future damages has been established. Such proof may be furnished in any one of three ways:

First. An insurance policy.

Second. A bond of a surety company or of two individual sureties owning unencumbered real estate.

Third. A deposit of $11,000 in cash with the clerk of the Supreme Court of the District of Columbia.

This bill contains the same provisions, though in different language, as the Uniform Safety Responsibility Act approved by the Fourth National Conference on Streets and Highways in May 1934. Twenty-one States in the United States and six provinces in Canada have adopted similar legislation. Those States are as follows: California, Connecticut, Delaware, Maryland, Michigan, Minnesota, Nebraska, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Pennsylvania, Rhode Island, South Dakota, Vermont,

Virginia, and Wisconsin. Canadian Provinces are Manitoba, New Brunswick, Ontario, Prince Edward Island, British Columbia, and Nova Scotia.

Not a single State, once having adopted this legislation, has taken a backward step in regard to the same, but, on the contrary, succeeding sessions of the legislature has strengthened its provisions.

[Here the gavel fell.]

Mr. MILLARD. Mr. Speaker, I ask unanimous consent that the gentlewoman from New Jersey may proceed for 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mrs. NORTON. Mr. Speaker, let me read a letter addressed to the Governors of the 48 States by President Roosevelt:

MY DEAR GOVERNOR: I am gravely concerned with the increasing number of deaths and injuries occurring in automobile accidents. Preliminary figures indicate that the total of these losses during the year 1934 greatly exceeded that of any previous year. We should, as a people, be able to solve this problem which so vitally affects the lives and happiness of our citizens.

In order to assist in this, the Federal Government, through the Secretary of Commerce, has taken the leadership in developing remedial measures. Proposals for uniform State legislation have been worked out by the National Conference on Street and Highway Safety, with the cooperation of responsible State officials and representatives of interested organizations from all parts of the country.

The remedies that need to be applied are thus available in form which appears to meet the unanimous approval of experienced judgment. The pressing problem is to secure universal application of these remedies which have proved effective where applied.

The responsibility for action rests with the States. There is need for legislation and for the organization of proper agencies of administration and enforcement. There is need also for leadership in education of the public in the safe use of the motor vehicle, which has become an indispensable agency of transportation.

With the legislatures of most of the States meeting during 1935, concerted effort for appropriate action in the States is most important.

Realizing the seriousness of the situation and the urgent need for attention to the problem, I am confident that you will desire to participate in this effort.

Yours very truly,

FRANKLIN D. ROOSEVELT.

There is a general increase in traffic fatalities throughout the country, but the States having financial-responsibility laws are reporting increases which are much smaller than the increases for the country as a whole.

The increase in the fatalities in the group of 21 States having financial-responsibility laws were 11 percent, but the increase for the country as a whole was 15 percent, while the increase for the group of States which have no financial-responsibility laws was 23 percent, or more than twice the increase in the States that have such laws.

In the Seventy-third Congress a bill—H. R. 1646—exactly the same in principle as Senate 408 passed the House on May 28, 1934.

In conclusion I would like to point out the advantages of of this legislation:

First. It will provide an incentive for careful and safe driving and control or eliminate the reckless and irresponsible operator.

Second. It will compel those who have demonstrated their recklessness to establish evidence of financial responsibility for the future as a prerequisite to their retaining the privilege of driving.

Third. It will furnish an incentive for payment of otherwise uncollectible judgments arising from motor-vehicle accidents.

Mr. Speaker, in conclusion I want to say that if I thought there was a better law that could be passed at this time I would be only too glad to lend my aid toward the passage of such a law. I believe this is the best law we can pass at this time. If we find that the law is inadequate or if for any reason we wish to amend the law later, or if we find the accidents in Washington have not decreased as a result of the passage of this measure, may I say that I shall at the next session of Congress do all in my power to amend the law?

I do not believe there is anyone in this country who feels more acutely a sense of responsibility regarding this particular legislation than I do, or one who would do more to avert accidents if it is humanly possible to do so.

During the past year there were few people who have suffered more than I have from automobile accidents. Two of my family were killed as a result of careless driving. So I say to you it is not only a legislative matter, it is also a personal matter to do my small part in bringing about greater security for the people on our highways and on our city streets. I sincerely hope this House, in its wisdom today, will pass this bill. [Applause.]

Mr. FITZPATRICK. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield.

Mr. FITZPATRICK. Is it not a fact that New York also has compulsory insurance of vehicles for hire?

Mrs. NORTON. New York has this law and also a compulsory insurance law.

Mr. FITZPATRICK. Of course, I am not opposed to the gentlewoman's bill.

Mrs. NORTON. I know that, of course. The gentleman could not be opposed to it. He is too fair and too just to be opposed to such a measure, and I want to say to you gentlemen that we now have a compulsory bill in committee and if it is the desire of the House to force a compulsory bill on the District I shall not oppose it. I shall be only too pleased to go along with the Members of the House if they desire to have a compulsory law.

Mr. CARPENTER. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. Gladly.

Mr. CARPENTER. In the opinion of the gentlewoman from New Jersey, does Senate bill 408 have any relation to a compulsory taxicab liability insurance bill?

Mrs. NORTON. This is not a compulsory taxicab liability insurance bill. It is exactly what it states—a financial-responsibility bill—which is much more important, I think, than a compulsory bill, because after all, we all know that a compulsory bill is going to benefit the insurance companies, but is not going to benefit the people in Washington.

Mr. CARPENTER. I understand from what the gentlewoman has stated that there has been a taxicab liability bill introduced and it is now before our committee?

Mrs. NORTON. Exactly.

[Here the gavel fell.]

Mr. CARPENTER. Mr. Speaker, I ask unanimous consent that the gentlewoman from New Jersey may proceed for 3 additional minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. CARPENTER. If that bill should be reported out by the committee, does the gentlewoman believe it would be a sound argument against such a bill to refer to the fact that the pending bill has been passed?

Mrs. NORTON. Of course, it is very difficult to answer that question. It would depend entirely upon the point of view of the Membership of the House.

Mr. CARPENTER. When that time comes, some Member may get up and say that we do not need a taxicab liability-insurance law because we have passed Senate 408.

Mrs. NORTON. Exactly as some Members may say today we do not need this law.

Mr. CARPENTER. That kind of argument would not meet the gentlewoman's approval?

Mrs. NORTON. I prefer to give my opinion on that when the matter comes before the House.

Mr. CARPENTER. I think a lot of Members would like to know about that point.

Mrs. NORTON. I will say that I shall do nothing whatever to prevent that bill coming before the House. I believe that my colleagues in the House have just as much sense as I have, and each and every one of them is entitled to his or

her opinion, and I would much prefer to let them exercise their own judgment.

Mr. CARPENTER. But the gentlewoman does not think that is covered by this bill?

Mrs. NORTON. I think everything that is necessary is covered in this bill. [Applause.]

[Here the gavel fell.]

The Clerk read as follows:

SEC. 2. The motor-vehicle operator's permit and all of the registration certificates of any person who shall by a final order or judgment have been convicted of or shall have forfeited any bond or collateral given for a violation of any of the following provisions of law, to wit—

Driving while under the influence of intoxicating liquor or narcotic drugs, as provided in section 10 of the act of Congress approved March 3, 1925, as amended, and commonly known as the "traffic acts";

Leaving the scene of an automobile accident in which personal injury occurs without making identity known, as provided in section 10 of said traffic acts;

A conviction of an offense in any other State, which if committed in the District of Columbia would be a violation of any of the aforesaid provisions of the traffic acts of the District of Columbia;

shall be suspended by the Commissioners of the District of Columbia or their designated agent and shall remain so suspended and shall not at any time thereafter be renewed, nor shall any other motor vehicle be thereafter registered in his name until he shall give proof of his ability to respond thereafter in damages resulting from the ownership or operation of a motor vehicle and arising by reason of personal injury to or death of any one person of at least $5,000, and, subject to the aforesaid limit for each person injured or killed, of at least $10,000 for such injury to or the death of two or more persons in any one accident, and for damage to property of at least $1,000 resulting from any one accident. Such proof in said amounts shall be furnished for each motor vehicle owned or registered by such person. If any such person shall fail to furnish said proof, his operator's permit and registration certificates shall remain suspended and shall not at any time thereafter be renewed, nor shall any other motor vehicle be thereafter registered in his name until such time as said proof be given. If such person shall not be a resident of the District of Columbia the privilege of operating any motor vehicle in the District of Columbia and the privilege of operation within the District of Columbia of any motor vehicle owned by him shall be withdrawn until he shall have furnished such proof: *Provided*, That in case of both residents and nonresidents, however, if it shall be duly established to the satisfaction of the said Commissioners or their designated agent, and the said Commissioners or their designated agent shall so find (a) that any such person so convicted, or who shall have pled guilty or forfeited bond or collateral, was, upon the occasion of the violation upon which such conviction, plea, or forfeiture was based, a chauffeur or motor-vehicle operator, however designated, in the employ of the owner of such motor vehicle; or a member of the same family and household of the owner of such motor vehicle, and (b) that there was not, at the time of such violation, or subsequent thereto, up to the date of such finding, any motor vehicle registered in the District of Columbia in the name of such person convicted, entering a plea of guilty or forfeiting bond or collateral, as aforesaid, then in such event, if the person in whose name such motor vehicle is registered shall give proof of ability to respond in damages, in accordance with the provisions of this act (and the said Commissioners or their designated agent shall accept such proof from such person), such chauffeur or other person, as aforesaid, shall thereupon be relieved of the necessity of giving such proof in his own behalf. It shall be the duty of the clerk of the court in which any such judgment or order is rendered or other action taken to forward immediately to the said Commissioners or their designated agent a certified copy or transcript thereof, which said certified copy or transcript shall be prima facie evidence of the facts therein stated.

Mr. RANDOLPH. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, yesterday afternoon there appeared as one of the witnesses before the Special Committee on the Investigation of Crime in the District of Columbia, Inspector Lamb, in charge of the traffic bureau of the Metropolitan Police of the District of Columbia. The testimony given by Inspector Lamb was of such a nature that I believe the Members here upon the floor in consideration of this financial responsibility legislation should be apprized of his remarks.

In 1933, the calendar year, in the District of Columbia there were 80 fatalities from automobile accidents.

In 1934 the figure had jumped to 135 deaths from accidents within the District of Columbia.

Already this year, in less than 2½ months, when the record was compiled, there have been 28 deaths in the District of Columbia by motor-vehicle accidents.

Such figures should cause us to realize we have a terrible traffic condition within the District of Columbia and the Members of this House this afternoon in the consideration of a financial-responsibility law should know that we must have great concern, not only as Representatives of the districts from which we come but as representatives of the District of Columbia as well, in seeing to it that there is speedy enactment of this legislation which we have under consideration this afternoon, which has previously passed this House and which calls upon us as Members here today to give our full approval, our hearty cooperation, and, finally, to pass legislation which will help in future months to bring about a decrease in traffic deaths in the District of Columbia. [Applause.]

Mr. LORD. Mr. Speaker, I rise in opposition to the pro forma amendment.

I am interested in protection for the people who ride in taxicabs in this city. The gentleman from West Virginia has just given us some figures as to accidents in this city during the last 2 years. He told us that in 1933 there were 80 accidents and in 1934 there were 135.

The rate in 1934 was very high, but we may go back 10 years and in 1924 there were 91 accidents at that time, and this has been about the average in the years past up until 1933. With the exception of 2 years, 1933 was the lowest rate we have had in 10 years in the District of Columbia. Last year, of course, it went up to 135, which is very bad. Yet 1933 was low in comparison to the increase in cars.

I say we should provide for insurance for all cars and we should have something that will protect the people. We have in the State of New York for the driver of cars not for hire this very act, but it has not cut down the number of accidents any and has not relieved the situation.

For the cars for hire we have an insurance law, and the taxicab operators must carry insurance in order to drive.

Now, this act proposed for Washington is not fair to the public and it is not fair to the driver. The public supposes that it is being protected, and the driver, if he once has an accident, cannot drive again until he pays up the cost of that accident; and if he is a poor man he cannot pay, therefore is put out of a job.

I know in my own district of one young man who was out driving with a young lady and the young lady was killed. They got a judgment of $5,000 against him and he had no insurance. He never can drive again until he pays up the $5,000, and he cannot pay the $5,000 because he has not the money. The family of the girl cannot recover on account of the death because the young man did not carry insurance and is not responsible.

I think we should pass an act that will take care of the public and protect the driver himself. The same thing will happen to the taxicab driver. He will not be able to take out insurance under this act.

If he was compelled to take out insurance, if he could raise the rate from 20 cents to 30 cents to cover cost of insurance, he would be protected and the public would be protected.

The average person has but one accident in a lifetime. If you pass this bill, we will not be able to get a compulsory-insurance bill through.

Mrs. NORTON. Will the gentleman yield?

Mr. LORD. I yield.

Mrs. NORTON. Massachusetts has had this bill for a number of years. Later on they passed a compulsory bill. After the compulsory bill passed they claim that they had many more accidents than they had under this bill. The motor commissioner went before the legislature this year and asked the repeal of the compulsory bill. He said the drivers placed all the responsibility on the insurance companies, saying that if they had an accident the insurance company would pay, whereas under this bill, or one similar

to it—and the gentleman from Massachusetts [Mr. McCORMACK] will bear me out—they did not have nearly the number of accidents that they had under the compulsory law.

Mr. LORD. When an accident occurs they have insurance and the public is protected.

Mrs. NORTON. Has the gentleman ever had an accident where the driver had insurance and tried to collect?

Mr. LORD. I never had an accident.

Mrs. NORTON. I can tell the gentleman that if he had an accident he would have more difficulty in getting relief under the compulsory law than under this law.

Mr. LORD. In the District of Columbia in 1933 there were 80 accidents; in 1934, 135; and in 1930, 77. In some years there are more accidents than in others, and when they have not had any insurance at all. Therefore the contention that insurance causes more accidents than no insurance to my mind does not hold good. I know that insurance companies will not pay if they can avoid payment, but this is not a good argument for not insuring and protecting the public. I hope the bill does not pass.

The SPEAKER pro tempore (Mr. WOODRUM). The time of the gentleman from New York has expired.

Mr. SISSON. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentleman from New York makes the point of order that there is no quorum present. Evidently there is no quorum present.

Mr. COCHRAN. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 41]

Adair	Doxey	Higgins, Mass.	Peyser
Allen	Driscoll	Hildebrandt	Pierce
Andrews, N. Y.	Driver	Holmes	Polk
Arends	Dunn, Miss.	Hook	Rayburn
Bankhead	Eaton	Johnson, Okla.	Richardson
Barden	Farley	Johnson, W. Va.	Robinson, Utah
Beam	Ferguson	Kennedy, N. Y.	Robsion, Ky.
Berlin	Fish	Kerr	Sabath
Binderup	Flannagan	Kleberg	Sandlin
Bolton	Ford, Calif.	Kopplemann	Schaefer
Brennan	Fulmer	Kvale	Schneider
Brewster	Gambrill	Lamneck	Seger
Brown, Mich.	Gassaway	Lehlbach	Shannon
Cannon, Wis.	Gifford	McKeough	Short
Casey	Gingery	McMillan	Smith, W. Va.
Chapman	Granfield	McSwain	Snell
Claiborne	Gray, Ind.	May	Stewart
Clark, Idaho	Gray, Pa.	Meeks	Sumners, Tex.
Coffee	Greenway	Merritt, Conn.	Sweeney
Cooley	Greenwood	Miller	Thompson
Crosby	Griswold	Montague	Tinkham
Crowe	Haines	Mott	Tobey
Crowther	Harter	O'Malley	Treadway
Culkin	Hartley	Palmisano	Walter
Cummings	Healey	Parsons	Warren
Daly	Hess	Peterson, Ga.	Wilson, Pa.
DeRouen	Higgins, Conn.	Pettengill	Wolfenden
Dies			

The SPEAKER pro tempore. Three hundred and twenty-three Members have answered to their names, a quorum.

Mrs. NORTON. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

APPROPRIATIONS FOR RELIEF (H. J. RES. 117)

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that the conferees on the part of the House on Joint Resolution 117 may have until 12 o'clock tonight to file a conference report.

The SPEAKER pro tempore. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. Is this agreeable to the Republican conferees?

Mr. BUCHANAN. I have not consulted with them, but I have no doubt that it will be absolutely agreeable to them.

Mr. MARTIN of Massachusetts. Is it the gentleman's purpose to call the joint resolution up tomorrow?

Mr. BUCHANAN. No. Really I do not believe that we will get a report to file tonight, but if we do, I want the privilege of filing it, because the relief funds will be exhausted by April 1, and there is only $4,000,000 remaining in the relief fund.

Mr. MARTIN of Massachusetts. Mr. Speaker, I have consulted with the gentleman from New York [Mr. BACON]. I have no objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas.

There was no objection.

The conference report and statement is as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 10, 11, 12, 16, 20, 25, and 28.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 4, 6, 8, 9, 17, 21, 22, and 24, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: " provide relief, work relief, and to increase employment by providing for useful projects "; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: ": *Provided*, That except as to such part of the appropriation made herein as the President may deem necessary for continuing relief as authorized under the Federal Emergency Relief Act of 1933, as amended, or for restoring to the Federal Emergency Administration of Public Works any sums which after December 28, 1934, were by order of the President impounded or transferred to the Federal Emergency Relief Administration from appropriations heretofore made available to such Federal Emergency Administration of Public Works (which restoration is hereby authorized), this appropriation shall be available for the following classes of projects, and the amounts to be used for each class shall not, except as hereinafter provided, exceed the respective amounts stated, namely: (a) Highways, roads, streets, and grade-crossing elimination, $800,000,000; (b) rural rehabilitation and relief in stricken agricultural areas, and water conservation, transmountain water diversion and irrigation and reclamation, $500,000,000; (c) rural electrification, $100,000,000; (d) housing, $450,000,000; (e) assistance for educational, professional and clerical persons, $300,000,000; (f) Civilian Conservation Corps, $600,000,000; (g) loans or grants, or both, for projects of States, Territories, possessions, including subdivisions and agencies thereof, and self-liquidating projects of public bodies thereof, municipalities, and the District of Columbia, where not less than one-third of the loan or the grant or the aggregate thereof is for expenditures for direct work, $900,000,000; (h) sanitation, prevention of soil erosion, prevention of stream pollution, seacoast erosion, reforestation, forestation, flood control, rivers and harbors, and miscellaneous projects, $350,000,000: *Provided further*, That not to exceed 20 percent of the amount herein appropriated may be used by the President to increase any one or more of the foregoing limitations if he finds it necessary to do so in order to effectuate the purpose of this joint resolution: *Provided further*, That no part of the appropriation made by this joint resolution shall be expended for munitions, warships, or military or naval matériel; but this proviso shall not be construed to prevent the use of such appropriation for new buildings, reconstruction of buildings, and other improvements in military or naval reservations, posts, forts, camps, cemeteries, or fortified areas, or for projects for nonmilitary or nonnaval purposes in such places "; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the matter inserted by the said amendment insert the following:

" Except as hereinafter provided, all sums allocated from the appropriation made herein for the construction of public highways and other related projects (except within or adjacent to national forests, national parks, national parkways, or other Federal reservations) shall be apportioned by the Secretary of Agriculture in the manner provided by section 204 (b) of the National Industrial Recovery Act for expenditure by the State highway departments under the provisions of the Federal Highway Act of November 9, 1921, as amended and supplemented, and subject to the provisions of section 1 of the act of June 18, 1934 (48 Stat. 993): *Provided*, That any amounts allocated from the appropriation made herein for the elimination of existing hazards to life at railroad grade crossings, including the separation or protection of grades at crossings, the reconstruction of existing railroad grade crossing

structures, and the relocation of highways to eliminate grade crossings, shall be apportioned by the Secretary of Agriculture to the several States (including the Territory of Hawaii and the District of Columbia), one-half on population as shown by the latest decennial census, one-fourth on the mileage of the Federal-aid highway system as determined by the Secretary of Agriculture, and one-fourth on the railroad mileage as determined by the Interstate Commerce Commission, to be expended by the State highway departments under the provisions of the Federal Highway Act of November 9, 1921, as amended and supplemented, and subject to the provisions of section 1 of such act of June 18, 1934 (48 Stat. 993); but no part of the funds apportioned to any State or Territory under this joint resolution for public highways and grade crossings need be matched by the State or Territory: *And provided further*, That the President may also allot funds made available by this joint resolution for the construction, repair, and improvement of public highways in Alaska, Puerto Rico, and the Virgin Islands, and money allocated under this joint resolution to relief agencies may be expended by such agencies for the construction and improvement of roads and streets: *Provided, however*, That the expenditure of funds from the appropriation made herein for the construction of public highways and other related projects shall be subject to such rules and regulations as the President may prescribe for carrying out this paragraph and preference in the employment of labor shall be given (except in executive, administrative, supervisory, and highly skilled positions) to persons receiving relief, where they are qualified, and the President is hereby authorized to predetermine for each State the hours of work and the rates of wages to be paid to skilled, intermediate, and unskilled labor engaged in such construction therein: *Provided further*, That rivers and harbors projects, reclamation projects (except the drilling of wells, development of springs and subsurface waters), and public buildings projects undertaken pursuant to the provisions of this joint resolution shall be carried out under the direction of the respective permanent Government departments or agencies now having jurisdiction of similar projects."

And the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the last word in the matter inserted by said amendment insert the following: "joint resolution"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Any administrator or other officer, or the members of any central board, or other agency, named to have general supervision over the program and work contemplated under the appropriation made in section 1 of this joint resolution, and State or regional administrators (except persons now serving as such under other law), shall be appointed by the President, by and with the advice and consent of the Senate."

And the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"SEC. 4. In carrying out the provisions of this joint resolution the President is authorized to establish and prescribe the duties and functions of necessary agencies within the Government."

And the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment strike out "4" and insert "5"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 7. The President shall require to be paid such rates of pay for all persons engaged upon any project financed in whole or in part, through loans or otherwise, by funds appropriated by this joint resolution, as will in the discretion of the President accomplish the purposes of this joint resolution, and not affect adversely or otherwise tend to decrease the going rates of wages paid for work of a similar nature.

"The President may fix different rates of wages for various types of work on any project, which rates need not be uniform throughout the United States: *Provided, however*, That whenever permanent buildings for the use of any department of the Government of the United States, or the District of Columbia, are to be constructed by funds appropriated by this joint resolution, the provisions of the act of March 3, 1931 (U. S. C., Supp. VII, title 40, sec. 276a), shall apply, but the rates of wages shall be determined in advance of any bidding thereon."

And the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment strike out "7" and insert in lieu thereof "8"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In line 6 of the matter inserted by said amendment strike out the words "upon such department" and insert in lieu thereof the word "thereupon", and in line 7 of such matter, after the word "this", insert the word "joint"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment strike out "14" and insert in lieu thereof "13"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment strike out "15" and insert in lieu thereof "14", and in line 4, after "1935", insert the following: "as amended"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the number proposed insert "13"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the number proposed insert "16"; and the Senate agree to the same.

J. P. BUCHANAN,
EDWARD T. TAYLOR,
WILLIAM W. ARNOLD,
W. B. OLIVER,
Managers on the part of the House.

CARTER GLASS,
KENNETH MCKELLAR,
ROYAL S. COPELAND,
FREDERICK HALE,
HENRY W. KEYES,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 117) making appropriations for relief purposes submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On no. 1: In lieu of the four general purposes of the House bill stricken out by the Senate and in lieu of the provision in the Senate bill "to provide relief and work relief" there is inserted the following: "to provide relief, work relief, and to increase employment by providing for useful projects."

On no 2: Strikes out, as proposed by the Senate, the provision in the House bill that the expenditure of the appropriation shall be made under the direction of the President "in such manner and for such purposes and/or such projects, Federal or non-Federal, as shall be adapted to the accomplishment of any one or more of the objectives specified in clause (1), (2), (3), or (4) of the House bill.

On no. 3: Provides for the allocations as set forth in the Senate amendments, modified as follows:

Makes clear that the restoration of certain amounts to the Public Works Administration is authorized.

Provides for "assistance for educational, professional, and clerical persons", with an allocation of $300,000,000, instead of "projects for professional and clerical persons", in the same amount.

Provides for "loans or grants, or both, for projects of States, Territories, possessions, including subdivisions and agencies thereof, and self-liquidating projects of public bodies thereof, municipalities, and the District of Columbia, where not less than one-third of the loan or the grant or the aggregate thereof is for expenditures for direct work" in the sum of $900,000,000, in lieu of "loans or grants for public projects of States and Territories and the District of Columbia or political subdivisions or agencies thereof", in the same amount.

Makes provision for prevention of stream pollution.

In the final proviso prohibiting expenditure for munitions, warships, or military or naval matériel, makes clear that the appropriation may be used for new buildings, reconstruction of buildings and other improvements in military or naval reservations, etc.

On no. 4: Strikes out of the House bill, as proposed by the Senate, the authority that "specific powers hereinafter vested in the President shall not be construed as limiting the general powers and discretion vested in him by this section."

On no. 5: Retains in substance the amendment but strikes out of that part relating to highways and grade crossings, all provision for the expenditure of sums authorized for the fiscal year 1936 under the Highway Act of June 18, 1934, and provides that the expenditure of funds in the joint resolution for highways and other related projects "shall be subject to such rules and regulations as the President may prescribe for carrying out this paragraph"; and in the final proviso relating to the carrying on of river and harbor projects, reclamation projects, and public-building projects, inserts the Senate provision modified so as to make more clear its intent.

On no. 6: Inserts the amendment proposed by the Senate authorizing the use of funds made available by the joint resolution for the purpose of making loans to finance the purchase of farm lands and equipment by farmers, farm tenants, croppers, or farm laborers.

On no. 7: Inserts the amendment proposed by the Senate authorizing the use of funds made available by the joint resolution, in the discretion of the President, for the administration of the Agricultural Adjustment Act during the period of 12 months after the enactment of the joint resolution.

On nos. 8 and 9: Provides, as proposed by the Senate, that the appropriation made shall be available for use only in the United States and its Territories and possessions, and excludes the Philippine Islands, which were included in the House bill.

On nos. 10 and 11: Provides, as proposed by the House bill, that the services and supplies to be acquired under the joint resolution shall not be subject to competitive bidding and advertising when the aggregate amount involved is less than $300.

On no. 12: Provides, as proposed by the House bill, that the Classification Act of 1923, as amended, shall not apply in the fixing of salaries under section 3.

On no. 13: Inserts as a substitute for the Senate amendment providing for confirmation of certain persons to be appointed or designated by the President the following:

"Any administrator or other officer, or the members of any central board, or other agency, named to have general supervision over the program and work contemplated under the appropriation made in section 1 of this joint resolution, and State or regional administrators (except persons now serving as such under other law), shall be appointed by the President, by and with the advice and consent of the Senate."

On no. 14: Strikes out, as proposed by the Senate, section 4 of the House bill relating to the establishment of new agencies, the utilization and prescribing of the duties and functions of Government agencies, the consolidation, redistribution, abolition, etc., of emergency agencies, and the delegation of powers conferred on the President, and inserts as a substitute a section which provides that in carrying out the provisions of this joint resolution the President is authorized to establish and prescribe the duties and functions of necessary agencies within the Government.

On no. 15: Strikes out, as proposed by the Senate, section 5 of the House bill providing for the guaranty of loans to, or payments of, needy individuals, and the making of grants and/or loans and/or contracts, and the acquisition of real property, and inserts in lieu thereof the Senate amendment providing for the acquisition, etc., of real property which is identical with the matter in the House section relative to real property with the exception of authority to "maintain" real property, which is omitted.

On nos. 16 and 17: Corrects the section number, and provides a maximum penalty of $1,000, as proposed by the Senate, instead of $5,000, as proposed by the House, for any violation of any rule or regulation prescribed by the President.

On no. 18: Inserts the new section proposed by the Senate providing that the President shall require to be paid such rates of pay for all persons engaged upon any project financed, in whole or in part, through loans or otherwise, by funds appropriated by the joint resolution as will, in his discretion, accomplish its purposes and not affect adversely or otherwise tend to decrease the going rates of wages paid for work of a similar nature; and also authorizes the President to fix different rates of wages for various types of work, which rates need not be uniform throughout the United States. The proviso of the second paragraph of the amendment, relating to wages upon construction of permanent buildings for use of any department of the Government, is modified so as to make applicable to such construction, in lieu of the requirement in the Senate amendment of "any law of the United States or any code", the provisions of the act of March 3, 1931 (the Davis-Bacon Act), with the further condition that the rates of wages shall be determined in advance of any bidding thereon.

On no. 19: Inserts, as proposed by the Senate, a new section which provides that wherever practicable full advantage shall be taken of the facilities of private enterprise in carrying out the provisions of the joint resolution.

On no. 20: Strikes out the section inserted by the Senate requiring sanitary plumbing work in connection with building construction under the resolution to be let separately by contract to the lowest qualified bidder.

On no. 21: Inserts a new section, proposed by the Senate, providing for a fine of not more than $2,000 or imprisonment for not more than 1 year, or both, for any fraud or attempted fraud in connection with the operations under the joint resolution.

On no. 22: Inserts a new section, as proposed by the Senate, continuing in full force and effect until June 30, 1936, or such earlier date as the President by proclamation may fix, the provisions of the Federal Emergency Relief Act of 1933, as amended.

On no. 23: Inserts a new section, as proposed by the Senate, which prohibits the expenditure of any of the funds appropriated by the joint resolution for administrative expenses of any department, bureau, etc., if such administrative expenses are ordinarily financed from annual appropriations, unless additional work is imposed upon such department, bureau, etc., by reason of the joint resolution.

On no. 24: Inserts a new section, proposed by the Senate, continuing until June 30, 1937, the Public Works Administration, and authorizes the Administration to perform such of its functions under title II of the National Industrial Recovery Act and under this joint resolution as may be authorized by the President. The section also continues available until June 30, 1937, all sums appropriated to carry out the purposes of the National Industrial Recovery Act. The section also authorizes the President to sell securities acquired under that act and this joint resolution and to use the proceeds for making further loans under that act and this joint resolution.

On no. 25: Strikes out the amendment inserted by the Senate making available not to exceed $40,000,000 to the States, on the basis of demonstrated need, to enable them to maintain their public schools for the remainder of the current school year. In connection with this action, attention is called to the provision in the modification of Senate amendment no. 3, in the allocation of $300,000,000, wherein provision is made for "assistance for educational, professional, and clerical persons."

On no. 26: Retains the section inserted by the Senate providing for the application to the expenditure of funds directly by the United States and funds granted or distributed for expenditure otherwise, of the Federal law providing for the acquisition of articles, materials, and supplies mined, produced, or manufactured in the United States (American-made goods).

On no. 27: Inserts the section proposed by the Senate extending until March 31, 1937, the act under the authority of which is maintained the Civilian Conservation Corps.

On no. 28: Strikes out the amendment inserted by the Senate providing for expansion of the currency through the issuance of silver certificates and the acceptance of silver in settlement and adjustment of any balance due the United States.

On nos. 29 and 30: Corrects section numbers.

J. P. BUCHANAN,
EDWARD T. TAYLOR,
WILLIAM W. ARNOLD,
W. B. OLIVER,
Managers on the part of the House.

RESPONSIBILITY OF MOTOR-VEHICLE OPERATORS, DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I move to close debate on this section and all amendments thereto.

The SPEAKER pro tempore. The question is on the motion of the gentlewoman from New Jersey to close debate on this section and all amendments thereto.

The question was taken; and on a division (demanded by Mr. NICHOLS) there were—ayes 70, noes 17.

So the motion was agreed to.

The Clerk read as follows:

SEC. 3. The operator's permit and all of the registration certificates of any person, in the event of his failure to satisfy every judgment arising from an accident, or accidents, happening subsequently to the effective date of this act and which shall have become final by expiration, without appeal, of the time within which appeal might have been perfected or by final affirmance on appeal, rendered against him by a court of competent jurisdiction in the District of Columbia or any State, or in a district court of the United States, for damages on account of personal injury, or damages to property in excess of $100, resulting from the ownership or operation of a motor vehicle by him, his agent, or any other person with the express or implied consent of the owner, shall be forthwith suspended by the said Commissioners or their designated agent upon receiving a certified copy of such final judgment or judgments from the court in which the same is or are rendered showing such judgment or judgments to have been still unsatisfied more than 30 days after the same became final, and shall remain so suspended and shall not be renewed, nor shall any other motor vehicle be thereafter registered in his name while any such judgment remains unstayed, unsatisfied, and subsisting, nor until every such judgment is satisfied or discharged, except by a discharge in bankruptcy, and until the said person gives proof of his ability to respond in damages, as required in section 4 of this act, for future accidents. It shall be the duty of the clerk of the court in which any such judgment is rendered to forward immediately upon the expiration of said 30 days to the said Commissioners or their designated agent a certified copy of such judgment or a transcript thereof. In the event the defendant is a nonresident, it shall be the duty of the said Commissioners or their designated agent to transmit to the Commissioner of Motor Vehicles (or officer in charge of the issuance of operators' permits and registration certificates) of the State of which the defendant is a resident a certified copy of the said judgment. If after such proof has been given any other such judgment shall be recovered against such person for any accident occurring before such proof was furnished, and after the effective date of this act such permit and certificates shall again be and remain suspended while any such judgment remains unsatisfied and subsisting: *Provided however*, That (1) when $5,000 has been credited upon any judgment or judgments rendered in excess of that amount for personal injury to or the death of 1 person as the result of any 1 accident; (2) when, subject to the limit of $5,000 for each person, the sum of $10,000 has been credited upon any judgments rendered in excess of that amount for personal injury to or the death of

more than 1 person as the result of any 1 accident; or (3) when $1,000 has been credited upon any judgment or judgments rendered in excess of that amount for damage to property as the result of any 1 accident resulting from the ownership or operation of a motor vehicle by such judgment debtor, his agent, or any other person, with his express or implied consent, then and in such event such payment or payments shall be deemed a satisfaction of such judgment or judgments for the purposes of this section only: *And provided further*, That a judgment debtor to whom this section applies may, for the sole purpose of giving authority to the Commissioners or their designated agent to authorize the judgment debtor to operate a motor vehicle thereafter, on due notice to the judgment creditor, apply to the court in which the trial judgment was obtained for the privilege of paying such judgment in installments, and the court, in its discretion and without prejudice to any other legal remedies which the judgment creditor may have, may so order, fixing the amounts and times of payment of the installments. While the judgment debtor is not in default in payment of such installments, the Commissioners or their designated agent upon his giving proof of ability to respond in damages for future accidents, as herein provided, may, in their discretion, restore or refrain from suspending his operator's permit and registration certificate or certificates; but such permit and certificate or certificates shall be suspended as hereinbefore provided if and when the Commissioners or their designated agent are satisfied that the judgment debtor has failed to comply with the terms of the court order.

Whenever any motor vehicle, after the passage of this act, shall be operated upon the public highways of the District of Columbia by any person other than the owner, with the consent of the owner, express or implied, the operator thereof shall, in case of accident, be deemed to be the agent of the owner of such motor vehicle, and the proof of the ownership of said motor vehicle shall be prima facie evidence that such person operated said motor vehicle with the consent of the owner.

If any such motor-vehicle owner or operator shall not be a resident of the District of Columbia, the privilege of operating any motor vehicle in the District of Columbia and the privilege of operation within the District of Columbia of any motor vehicle owned by him shall be withdrawn, while any final judgment procured against him for damages, including personal injury or death caused by the operation of any motor vehicle, in the District of Columbia or elsewhere, shall be unstayed, unsatisfied, and subsisting, for more than 30 days, and until he shall have given proof of his ability to respond in damages for future accidents as required in section 4 of this act.

The operation by a nonresident or by his agent of a motor vehicle on any public highway of the District of Columbia shall be deemed equivalent to an appointment by such nonresident of the director of vehicles and traffic or his successor in office to be his true and lawful attorney upon whom may be served all lawful processes in any action or proceedings against such nonresident growing out of any accident or collision in which said nonresident or his agent may be involved while operating a motor vehicle on any such public highway, and said operation shall be a signification of his agreement that any such process against him, which is so served, shall be of the same legal force and validity as if served upon him personally in the District of Columbia. Service of such process shall be made by leaving a copy of the process with a fee of $2 in the hands of the director of vehicles and traffic or in his office, and such service shall be sufficient service upon the said nonresident: *Provided*, That the plaintiff in such action shall first file in the court in which said action is commenced an undertaking in form and amount, and with one or more sureties, approved by said court, to reimburse the defendant, on the failure of the plaintiff to prevail in the action, for the expenses necessarily incurred by the defendant, including a reasonable attorney's fee in an amount to be fixed by the said court, in defending the action in the District of Columbia: *And provided further*, That notice of such service and a copy of the process are forthwith sent by registered mail by the plaintiff, or his attorney, to the defendant, and the defendant's return receipt appended to the writ and entered with the declaration, or such notice of such service and a copy of the process may be served upon the defendant in the manner provided by section 105 of the Code of Laws for the District of Columbia. The court in which the action is pending may order such continuances as may be necessary to afford the defendant a reasonable opportunity to defend the action, and no judgment by default in any such action shall be granted until at least 20 days shall have elapsed after service upon the defendant, as hereinabove provided, of a copy of the process and notice of service of said process upon the director of vehicles and traffic.

Mr. SCHULTE. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 10, after line 5, add the following section:

"SEC. 4. No permit or license shall be issued for the operation of a taxicab within the District of Columbia without approval of the Public Utilities Commission; prior to issuance of permit or license a bond or policy of insurance must be furnished conditioned for the payment of all judgments obtained through the negligence, recklessness, or carelessness in operation or defective condition of such vehicle in the amount of $2,500 for injury to or death of any one person, and $5,000 for the injury to or death of two or more persons in any one accident, and for damages to property in the amount of $1,000 from any one accident, said policy to be in a company approved by the Insurance Commissioner as to financial responsibility.

"No permit or license shall be issued or transferred except as to persons licensed at the effective date of this act until the number licensed shall be less than 2,500, and thereafter only to that limit."

Mr. PATMAN. Mr. Speaker, I make the point of order that the amendment is not germane to this section of the bill.

The SPEAKER pro tempore. This amendment is offered as a new section. The Chair thinks it is in order.

Mr. PATMAN. It would probably have been in order on section 2.

The SPEAKER pro tempore. The Chair thinks this is in order. The gentleman from Indiana is recognized for 5 minutes.

Mr. SCHULTE. Mr. Speaker, the statement has been made that this amendment is being offered by the insurance companies, or that they are behind the offering of it. Allow me to say that no insurance company has prompted anyone to offer this. This is prompted by the people of the District of Columbia who are in the habit of riding in these taxicabs. They are the ones who are insisting on liability insurance. They have no voice here, and we as their representatives should see to it that they do have compulsory insurance. The gentlewoman from New Jersey [Mrs. NORTON] has made the statement that 21 States have adopted a bill similar to this amendment. Allow me to say that she is right; but she does not go further and state that cities in the States have perfected it to the extent that they have $5,000 and $10,000 liability on taxicabs. The bill before the House does not take care of taxicab insurance at all.

Mr. GREEN. Mr. Speaker, will the gentleman yield?

Mr. SCHULTE. Yes.

Mr. GREEN. Would the adoption of that amendment tend to raise the fares charged by the taxicabs in the District of Columbia?

Mr. SCHULTE. It would not.

Mr. DONDERO. Does the gentleman's amendment provide or does the bill before the House provide that a person in order to obtain a license to run a taxicab in the District of Columbia must be a resident of the District of Columbia?

Mr. SCHULTE. No.

Mr. DONDERO. The driver could reside in Virginia or Maryland?

Mr. SCHULTE. Yes; or any other place. Let me make this startling statement: In the city of Washington today we have operating on the streets of Washington 4,375 taxicabs, and that in a city of 500,000 people.

The city of Philadelphia has 1,200 taxicabs; Baltimore, 900; Cleveland, 600; Chicago, Ill., with a population of nearly 4,000,000, has 3,160. Under my amendment we are trying to limit this, as they drop out, to 2,500, so that there will be a living in it for the taxicab operators who are operating in the District of Columbia. Everyone will agree that there is not a living in it today with 4,375 taxicabs in the city.

Now, going back to the insurance phase of it, when anyone makes the statement that the insurance companies are fostering this, they are stating an untruth. I brought this in at the request of the citizens of the District of Columbia. They feel they are entitled to this protection. Under this bill they will not receive any protection, but they will receive it under my amendment. We do not go as far as they have gone in other cities throughout the States. We are putting a limitation of $2,500. In other cities it is $5,000, and in the lady's own city they have the 5-and-10 limit, but in the District of Columbia they are satisfied with $2,500.

We are told that there is another bill coming up. You know how far we will get with liability insurance on taxicabs. If we do not put it into this bill, there is not a chance under the sun of the committee reporting it out. You who have been here longer than I know what has happened. There was a death right out here at the very front steps of our

Capitol, when one of our Members was killed. What insurance did his family collect? The Diamond Taxicab Co. has been brought into the picture. They seem to be monopolizing the District of Columbia. Does any Member know how many cases are pending against the Diamond Taxicab Co.? Their operators pay back to the Diamond Cab Co. $17.50 a month. No one has ever been able to fathom that. No one knows where that $17.50 goes. They tell you it is for insurance, but when you have an accident with one of the Diamond Cab drivers he tells you he is responsible for the first $25; if he does not report it in 24 hours, he is responsible for the first $50, and the poor fellow does not have the $50, owing to the fact that he is buying the cab on time, 90 percent of the time from the people he is operating it for. In other words, he is a hireling with no sense of responsibility.

Mrs. NORTON. Will the gentleman yield?

Mr. SCHULTE. I yield.

Mrs. NORTON. The chairman would like to know who those people are that the gentleman has in mind. During the entire consideration of this bill we heard nothing but comments in favor of the bill, and we have heard no objection to the bill except from one particular source.

Mr. SCHULTE. We are heartily in favor of the bill with this amendment. We appreciate the fact that there should be public-liability insurance with private automobiles, but under this bill it does not come in for the District of Columbia.

Mrs. NORTON. I say to the gentleman that he has a perfect right to do everything in his power to bring a liability bill before Congress and have it passed upon its own merits. It does not belong in this bill.

Mr. SCHULTE. Let me say we will never get it passed if it is not taken care of in this amendment. I hope this amendment is accepted.

[Here the gavel fell.]

Mr. PATMAN. Mr. Speaker, I rise in opposition to the amendment.

Up until a few days ago no bill was pending in the House of Representatives providing for taxicab insurance, as requested by the gentleman from Indiana [Mr. SCHULTE]. I happen to be chairman of the subcommittee which will handle the legislation. I wish to promise the gentleman now that he can have a hearing on that legislation any time he wants it, and the hearing will be continued until every witness has been heard that the gentleman desires to be heard. Then if that subcommittee is against the bill I will personally ask, as one who is opposed to it, that it be submitted to the full committee for consideration. If that whole committee brings it to the floor of this House, I will oppose it only in a fair way. I do not fight any other way except in a fair way. I will not make any points of no quorum for the purpose of delay, and I will not try to stop it, except with a presentation of the fact. I will only fight fair. If we do not have the facts on our side, we are not entitled to win. But this proposal has no place on this particular legislation. The bill before us is a good bill. It will stop accidents in the District. It will not penalize those who are not causing the accidents. It will place a penalty on those few who do cause accidents.

The gentleman said he wanted to reduce the number of taxicabs to 2,500. You know what that means. They have been trying to do that for years. If you are in favor of a monopoly or a trust in the taxicab business in the District of Columbia, you should vote for the gentleman's amendment, because that will create a monopoly. It will put the business into a little channel where they have wanted it for years.

Mr. SCHULTE. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. SCHULTE. Does the gentleman feel that there is a living in it for anyone, with 4,375 taxicab operators on the streets of Washington?

Mr. PATMAN. They are getting by with it. Is the gentleman willing to take 1,875 men and their families out of this business and put them on relief? That is what the gentleman's amendment will do.

Mrs. NORTON. Will the gentleman yield?

Mr. PATMAN. I yield.

Mrs. NORTON. I have been riding in taxicabs for 10 years, probably on an average of five times a day. I have seldom gotten into a taxicab that I have not interrogated the man concerning his condition. I have found that in every case they have told me they could make $3 or $4 a day as a minimum wage, and that they much preferred to have it that way than to have nothing at all.

Mr. RANDOLPH. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. RANDOLPH. The gentleman always is eminently fair. I think the statement he has made this afternoon is significant to the Membership, wherein the gentleman says that, even though he is against this compulsory insurance, he feels that his committee would make a favorable report.

Mr. PATMAN. And if it does not, I will present it to the whole committee myself and ask them to pass upon it. Then if they make a favorable report in the House, I will do nothing to stop it except as I have said. I will simply present the arguments against it.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield further?

Mr. PATMAN. I yield.

Mr. RANDOLPH. I want to say further—the gentleman is eminently fair—I believe he will agree with me here today that his subcommittee will report it favorably and that the District Committee will report it favorably.

Mr. PATMAN. Personally, I think a majority of the members of the committee are in favor of it. Last year I was the only one opposed to it; and the committee has not changed a great deal. I am perfectly willing for them to bring such a bill in, but, in my opinion, this amendment has no place whatever on the pending bill. It involves an added burden for the people of the District of Columbia of $1,500,000 in extra taxicab fares, and you will probably pay 40 or 60 cents instead of 20 cents to go from here to the Raleigh Hotel or the Post Office Department.

Mr. GREEN. And that is exactly what we used to have to pay.

Mr. CARPENTER. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. CARPENTER. Does the taxicab liability bill the gentleman has mentioned have any relationship to the bill now before the House?

Mr. PATMAN. No direct relationship at all, none in the world; and I hope the Members will vote down this amendment.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. DONDERO. The gentleman from Indiana, who offered the amendment, made the statement that there were more taxicabs in the city of Washington thay any other city of the Nation. I might observe in this connection that there is not a city in the Nation where conditions are as they are in Washington.

Mr. PATMAN. That is exactly right; there is more business for taxicabs here than in any other city.

Mr. HULL. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. HULL. I want to ask the gentleman if it is not perfectly apparent that if this bill passes it will completely block consideration of taxicab liability insurance?

Mr. PATMAN. If it does, we will not be adding an additional burden on the people of the District to the extent of $1,500,000.

Mr. HULL. But passage of this bill will block consideration of any other bill relating to liability insurance.

Mr. PATMAN. No; I do not think passage of this bill necessarily would block it; but I think the arguments against the other bill would block it. I know many Members who would vote against it.

Mr. DIRKSEN. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, there is nothing particularly involved or mysterious about this bill; the substance of it is recited in section 2 and provides, in brief, that if a conviction or judgment has been obtained against a hit-and-run driver or one who has been driving while drunk or under the influence of narcotics or for some other reason, he shall have his vehicle registration suspended and it shall remain suspended until he shall give proof of his ability to respond in damages. This is the substance of the bill.

You will find that this bill includes all motor vehicles, it includes taxicabs, it includes trucks privately owned, and motor vehicles that are privately owned. Much of the confusion which arises today on this bill comes from the fact that the District of Columbia is in such a peculiar condition, insofar as Congress is concerned. Congress exercises two functions for the District—we serve as a legislature and as a city council for the District of Columbia.

It has been stated that similar financial responsibility bills have been adopted in six Provinces of Canada and in a great number of States of the United States. In this respect it has been adopted by legislative action in these Provinces and States; but this action has left the municipalities free to require as a condition precedent to granting a license to a taxicab that the driver or owner of the cab first must satisfy the municipality or the director of public safety or the director of motor vehicles that he will take out a bond for the protection of the public. Here, however, we have a bill which in its present form leaves out the portion with respect to public safety that is ordinarily exercised by a city council and deals with the problem from a purely State viewpoint.

We are seeking to minimize and to reduce the number of traffic accidents and traffic deaths in the city of Washington. In order to accomplish this we can do one of two things: We can pass this responsibility bill pending before us today or we can pass a compulsory insurance bill. If we are going to exercise our prerogative as a city council for the District of Columbia, however, it becomes necessary to make provision for some kind of compulsory insurance of vehicles that hold themselves out for hire to all of the public. This is the substance of the argument in a nutshell, and it becomes rather an important and, I should say, mandatory duty upon us. Let me read to you what the Court of Appeals of the District of Columbia had to say in two cases where individuals in the District filed suits against taxicab companies. I am reading the language of the Court of Appeals of the District of Columbia:

> For we now have in Washington hundreds of taxicabs engaged very literally in a public calling performable only upon the public streets under public license holding out to the public an incorporated responsibility which they do not possess.

In other words, the court seeks to set out that these associations which operate so many taxicabs on the streets are, as a matter of fact, only loosely set up beneficial organizations which take perhaps from $10 to $17.50 a month from their drivers. They put it in a trust fund ostensibly for the benefit of those who may be injured in a taxicab accident or to satisfy a judgment; but, as a matter of fact, the trust fund is placed in the name of trustees and it cannot be touched when you resort to litigation against a taxicab company. This is one of the difficulties that arose. Continuing quoting the opinion of the court:

> Painted, named, and numbered to heighten that illusion each cab constituting a potential danger both to its passengers and to the public, yet having no financial responsibility to either beyond an equity of redemption in some used motor car.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. NICHOLS. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Oklahoma.

Mr. NICHOLS. The gentleman is reading from the Callas case?

Mr. DIRKSEN. This is from the Rhone case, which was considered by the same court and in which they allude to the Callas case also.

Continuing from this opinion, the court says:

> In this case even that is absent, for while Jackson asserted his ownership of the car at the license office and in his testimony, and while his ownership was stipulated by counsel, his motion papers show that he never had any interest in the car beyond attempting to buy it under a conditional sales contract subsequently forfeited.

The court goes on to say:

> The present methods of selling motor cars and licensing public vehicles lead naturally to the present situation of cutthroat responsibility in a public service of a great importance and daily danger to many persons.

Finally the court says:

> Perhaps an improvement of this situation can be found in a system of compulsory insurance preliminary to the license and running in rem with the car in favor of anyone injured by its negligent operation under any arrangement with the licensee, such as many of our States now have and such as appears to have covered hackney coaches in London for a hundred years.

That is from the Circuit Court of Appeals of the District of Columbia. In deference to the gentlewoman from New Jersey, who is chairman of the committee, may I say that perhaps we ought to go along with this bill. We have some assurance from the chairman of the subcommittee that we are going to get this compulsory liability bill out of the committee and on the floor so that everyone who jumps in a cab may have some protection against negligent operation. However, I do not want to see anyone in this House under some misapprehension. It might be that the bill will not come out of the subcommittee. If it does not, there is no compulsory insurance to be had at this session of the Congress. It might come on the floor but it might be defeated; consequently, if you believe in compulsory insurance there is one of two ways to get it. You may support the amendment of the gentleman from Indiana or you may by the grace of some kind destiny hope that the subcommittee will bring up a bill covering the matter.

Mr. Speaker, my own desire is to make clear just what the exact issue is at the present time.

Mr. HOUSTON. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Kansas.

Mr. HOUSTON. I take it that the gentleman is not in favor of protecting the patrons of these taxicabs through compulsory insurance?

Mr. DIRKSEN. Yes; I think that should be done.

Mr. HOUSTON. Then what would be wrong with the amendment just offered?

Mr. DIRKSEN. I am not saying there is anything wrong with the amendment that has been offered.

Mr. CARPENTER. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Kansas.

Mr. CARPENTER. The fact that we passed this bill would not be any reason for not passing the taxicab liability bill when it comes up for consideration?

Mr. DIRKSEN. No. May I say in all justice, both to the Chairman of the District Committee and to the gentleman from Indiana, that compulsory insurance is an all-inclusive subject that ought to have rather careful study. I notice in the reading of the amendment—and I followed it as closely as I could—that perhaps some provision ought to be made with respect to the details of operation and the administration of a compulsory insurance law. As the amendment is now drafted, I think it recites the maximum amount of liability and lodges authority in the Public Utilities Commission of the District of Columbia to administer the law. Whether that is sufficient or not is a matter for everyone in his individual judgment to decide.

Mr. PATMAN. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Texas.

Mr. PATMAN. The amendment contains about 50 or 75 words. Is it not a fact that a bill to properly cover this matter would probably be 20 or 25 pages long?

Mr. DIRKSEN. I do not know whether that is a fact or not. I do not think we ought to prejudice the gentleman from Indiana in that respect, however.

Mr. Speaker, my primary purpose is to summarize and get a clear-cut view of the whole situation as it stands now.

Mr. SAUTHOFF. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Wisconsin.

Mr. SAUTHOFF. In order to be safe and give protection to passengers of taxicabs, does not the gentleman think it would be advisable to adopt this amendment; then we will be sure to get the other bill out for consideration, and if it is not what we want we can reject it?

Mr. DIRKSEN. May I say to the gentleman that he is just as familiar as I with the uncertainties of legislation in this body.

Mr. RANDOLPH. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. Does not the gentleman think it is better parliamentary procedure to bring out the compulsory-insurance legislation as a separate feature, aside from the bill now under consideration? I would like to say to the gentleman that I am in favor of compulsory insurance, but I am going to vote against the pending amendment, because I do not believe this is the time to have a matter of that kind considered under an amendment hastily drawn.

Mr. DIRKSEN. In fairness I may say to the gentleman from West Virginia that possibly a much better bill could be drafted if more consideration was given to all particulars which are necessarily involved in a bill of such moment.

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, I rise in opposition to the pro forma amendment of the gentleman from Illinois.

Mr. Speaker, I am in favor of the bill as the gentlewoman from New Jersey brought it here. We passed this bill in the last Congress. It is a good bill and ought not to be loaded down with other propositions.

I think the Members of Congress, both in the House and Senate, have as much interest in having safe taxicabs and reasonable taxicab charges as anybody in the world. There are 435 Members. All of us have our wives and families here. We have about 900 secretaries and clerks. There are 96 Senators and they have about 600 employees in their offices. Many of these secretaries are married, with families. There are also 100,000 Government workers here and most of them patronize taxicabs. Even those who have automobiles patronize taxicabs frequently during the day and night.

Mr. SISSON. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from New York.

Mr. SISSON. Does it not occur to the gentleman that in the case of one of these Government workers, who is perhaps getting the munificent salary of $30 a week and she is crippled as the result of an accident while in a taxicab, it would be a mighty good thing for us to protect her by forcing compulsory insurance?

Mr. BLANTON. I will get down to that matter directly. There are 1,500 drivers of taxicabs here in the District who are ex-service men, many of whom served in France, and who do not belong to any organized taxi companies. Many of them are disabled. They have no other way on God's earth to earn a living for their wives and children.

They do not belong to any of these organized taxicab concerns, and the very minute you pass the amendment offered here you put them out of business and on the streets. Their families would starve.

They are making a living now. I have talked with many of them, and, as the gentlewoman from New Jersey has said, they are making anywhere from $4 a day up to as high as $7 and $8, which is more than they made for 3 years until they entered this business.

We have a cheap taxicab rate here, but the very minute you pass this amendment, instead of paying 20 cents to ride from here to the Post Office Department you will pay 75 cents if you run off of the street these 1,500 ex-service-men who are driving taxicabs here. The remaining taxicab operators will immediately go back to meters, and when you ride from here to the Washington Hotel they will charge you $1.50, and if you do not pay it you are involved in a scrap with a taxicab driver on the public streets of the Nation's Capital.

Why should there not be reasonable and safe taxicab service here under this bill? Do you not know that the very minute you pass this bill every careless taxicab driver will realize that the first time he has an accident his permit is going to be taken away from him and he will never be able to drive again until he puts up a bond? Do you not know that this is going to make him careful? Do you not know they will not hereafter cut corners here at 50 or 60 miles an hour? This bill is going to make them careful and at the same time give you good taxicab service.

We have the best taxicab service in Washington right now, better than any that exists in any other city in the entire world. We have the best and the cheapest service for the benefit of our 100,000 Government workers.

I have to keep two cars here. I keep a Ford to do my work and I keep a large car for the benefit of my constituents, and yet to save time for want of parking places I use taxicabs three or four or five times a day, sometimes. I have to keep a big car here for my constituents. That is what I am here for, to please them, and when they come to Washington I put them in my cars and show them all over this city. I am here to properly represent and look after them. [Applause.] When I have to use taxicabs in order to save time, I use them, but I could not do this if I had to pay 75 cents or a dollar and a half a round trip. I can use them at a reasonable charge.

Let us pass this bill like we passed it last year, and then we will have a reasonable, safe taxicab service.

[Here the gavel fell.]

Mr. SISSON. Mr. Speaker, I move to strike out the last three words.

Mr. Speaker, I am not opposed to the bill that has been reported here by the Committee on the District of Columbia. It is very unpleasant for me to ever oppose anything which the very able chairman of that committee, the gentlewoman from New Jersey, favors, and I know she is acting in all good faith and in all sincerity, but those of you who have been in the House longer than I have know that we have waited a long time for a law providing compulsory insurance of vehicles that operate for hire in the District of Columbia.

There is not a city that I know of in the State of New York or in any other State one-tenth the size of the city of Washington where similar conditions would be permitted with respect to taxicabs operated by owners or drivers, absolutely irresponsible, who are allowed to use the public streets and carry passengers without providing some measure of protection to those who may become crippled or disabled, temporarily or permanently, through the operations of such taxicabs.

Something has been said here about raising the cost and something has been said about providing employment for taxicab drivers. I confess that my experience in riding in taxicabs has been considerably different from that of either the gentleman from Texas or the gentlewoman from New Jersey, because I have heard these fellows complaining, and I think there are a good many other Members on this floor who have heard them complain time after time because they cannot make a living. They state they are just scraping along and that the only thing they have is a car. This is the vice of this entire situation. Any person out of a job can get an old, rattletrap car and get a permit and start operating and carrying passengers around here. If he kills your wife, perhaps, what remedy does this bill give you? The bill is all right so far as it goes, but it is a sham, because

it purports to do something it does not do. If one of these operators kills your wife and you get a judgment against him for damages, my God, what punishment is visited upon him for this offense? He cannot get another permit.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. SISSON. I yield to the gentleman from Texas.

Mr. BLANTON. I have made some investigation of this amendment, and my information from every source is that it would cost every taxicab driver $365 a year for an indemnity bond.

Mr. SISSON. The gentleman knows better than that. An additional 5 cents per zone would cover it five times over, and everybody who knows anything about insurance knows it.

Mr. BLANTON. The insurance people here and in Baltimore tell me it would cost each taxi driver $1 a day, or $365 per year to get an indemnity bond.

Mr. SISSON. The gentleman from Texas is pulling his facts out of thin air, as he often does. He even quotes Scriptures to suit his purpose.

I do not yield any further to the gentleman from Texas.

Mrs. NORTON. Mr. Speaker, will the gentleman yield?

Mr. SISSON. I yield.

Mrs. NORTON. I was very much interested in hearing the gentleman say this bill is a sham. I want to remind the gentleman that the same bill has been passed in his own State of New York.

Mr. SISSON. Yes; but coupled with it is compulsory insurance in every city in the State of New York.

Mrs. NORTON. Not coupled with it, but as a separate bill, just as has been suggested here.

Mr. SISSON. Why can we not vote on a separate bill here? This is our only chance to get such a bill, and I ask those of you who feel that way about it to vote for this amendment.

Mrs. NORTON. We have a separate bill providing for compulsory liability insurance pending in the committee at the present time.

Mr. SISSON. Why have we not had it brought before the House?

[Here the gavel fell.]

Mr. COCHRAN. Mr. Speaker, I rise in opposition to the pro forma amendment.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent that all debate on this section and all amendments thereto close in 20 minutes.

The SPEAKER pro tempore. The lady from New Jersey asks unanimous consent that all debate on this section and all amendments thereto close in 20 minutes. Is there objection?

Mr. NICHOLS. Reserving the right to object, I am a member of the committee and I have been trying to get recognition on the last section. I shall object to closing debate on this section in 20 minutes unless I can have 5 minutes and permission to offer an amendment to the section which I have prepared.

Mr. CARPENTER. I would like 5 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. COCHRAN. Mr. Speaker, the gentleman from New York [Mr. SISSON] wants to know why we have not had compulsory insurance. I think I can give him the answer. Eight years ago I offered an amendment, which was germane to the District appropriation bill, proposing compulsory insurance. It was defeated by a vote of 3 to 1. A year or two after that I offered the amendment again. It likewise was defeated. The reason we have not had compulsory insurance in the District of Columbia is because at least three-fourths of the Members of the House at that time were opposed to compulsory insurance and I think the same situation exists now.

I see no opportunity to get compulsory insurance now. Therefore, what is the best thing to do? The best thing to do is to take the best that we can get, and we have waited a long time for this much. I shall vote for this bill because it is for the benefit of the people of the District of Columbia and visitors to Washington if the bill is passed. I am going to vote for it because the gentlewoman from New Jersey [Mrs. NORTON] tells us that if the bill does not work, in the next session of Congress she will try to bring in a bill that will work. What more can we ask?

Mr. Speaker, I yield back the balance of my time.

Mr. NICHOLS. Mr. Speaker and ladies and gentlemen of the House, those of you who are still here, I want to say to you that as soon as the bells ring which will bring back Members from their offices to vote on this bill they will be met at the door and told to vote for this bill, and if there is a roll call on this amendment they will be told not to vote for the amendment because it will raise taxi fares in the District of Columbia.

That same thing occurred on a compulsory-insurance bill in the last session of Congress.

I would like to have you meet them at the door and advise them what the real issue is.

I wish I had time to answer all the things that I have noted down of statements and arguments made by gentlemen who have supported the passage of this bill. But I will probably not have time and I will go as far as I can.

I want to answer a statement made by the gentleman from Texas [Mr. PATMAN], where he said that the Diamond Cab Co. took care of the claims in the District of Columbia.

Now, let us see how the Diamond Co. took care of the claim in the Callis case, where an old fruit vender was run down and the Diamond Cab Co. claimed that the driver had no connection with their company.

I read now from that opinion:

> The president of the corporation called by the plaintiff as a witness of necessity, on cross-examination testified that the company did not own cabs, had never owned one, and that Schou had never been a member of the association.

And I say to my very good friend from Texas [Mr. BLANTON] that this bill as it is written will do more to drive the ex-service-men who operate taxicabs off the streets of Washington than the adoption of this amendment to make compulsory insurance, and I shall tell him why. Do you know that it is the Diamond Cab Co. and the rest of those fellows who today sponsor this legislation? Why? Because if the poor little unprotected taxicab operator who makes a living for his wife and children by operating that cab on the streets is so unfortunate as to have an accident, he is out of business, and cannot get back, because he cannot show financial responsibility, and anticipating what I think I am about to be asked by the gentleman from Texas whom I see on his feet, the reason that he can get it now under a compulsory-insurance plan, when he would not be able to get it otherwise, is because if you adopt compulsory insurance, then the insurance companies will provide group insurance for the operators of these taxicabs, which will drive the rate of insurance down to such a point that every individual operator can protect himself, and his passangers, and your constituents, by proper insurance.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. Yes.

Mr. PATMAN. At the present time there are about 4,350 taxicabs on the streets of Washington. This amendment will restrict them to 2,500. I think the gentleman will admit that that will automatically put 1,850 out of business.

Mr. NICHOLS. I cannot see why, because I say to you that group insurance will fix it so that they will be taken care of.

Mr. PATMAN. But the gentleman does not get the point that I intend to make, and that is that this amendment itself restricts the number of 2,500, and with 4,350 operating on the streets that would automatically put out of business 1,850.

Mr. SCHULTE. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. Yes.

Mr. SCHULTE. So far as the 2,500 is concerned, it does not take them off the street; but the minute that one ceases

operating the number begins to decrease. This amendment does not put any of them off the street.

Mr. NICHOLS. If it is only the matter of the number, that is easily changed. If that is the objection, then offer an amendment to increase the number to 4,350. That is easily taken care of. I wonder what the Members of the House are most interested in here in the consideration of this bill? Are they more interested in the fact that they might have to pay a little more taxicab fare in order to get to their office, in the morning or are they more interested in safeguarding the life and limb of their constituents and the public that rides in these taxicabs in this city?

The SPEAKER pro tempore. The time of the gentleman from Oklahoma has expired.

Mr. BLOOM. Mr. Speaker, a parliamentary inquiry. Is the time 5 minutes or 10 minutes? I understood that the gentleman was allowed 10 minutes.

The SPEAKER pro tempore. We are operating under the 5-minute rule in the House. The gentleman was recognized for 5 minutes.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the time not used by the gentleman from Missouri [Mr. COCHRAN] be yielded to the gentleman from Oklahoma.

Mr. NICHOLS. I understood that that was yielded to me.

The SPEAKER pro tempore. Does the gentleman desire 3 additional minutes?

Mr. NICHOLS. Yes.

The SPEAKER pro tempore. Without objection, the gentleman is recognized for 3 additional minutes.

There was no objection.

Mr. LUCAS. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. Yes.

Mr. LUCAS. The gentleman read from the Callas case. What was the holding in that case with respect to the Diamond Co.?

Mr. NICHOLS. It is a lengthy opinion, and I would not be able to quote at length from it, but one of the syllabi reads:

Where, in an action for personal injuries against a taxicab company, it appears that a cab bearing the peculiar colors and trade name of the defendant company caused the injuries, and the charter of the company showing its authority to operate taxicabs is in evidence, it will be presumed the car was in the custody and on the business of the company.

In other words, the court said to the Diamond Co., "If you permit your boys to bear the insignia of your company, then you will be presumed to be liable for them"; and so, in order to make themselves big hearted, as my friend says, they went to Delaware and took out a new charter, and they are operating under a new charter now and not the charter they were sued on in the instant case.

Mr. DONDERO. Has the gentleman any data or information to show the House that compulsory insurance has decreased accidents?

Mr. NICHOLS. No, I have not; but I want to say this: I have heard a lot of argument about 21 other States in the United States having laws similar to this. Now, let us be reasonable about this. Let us not be confused about these things. Suppose a State does have a law; does the law of the State of New York, providing for insurance of this nature, mean that New York City, a separate municipality and department of government, should not pass a law requiring compulsory insurance to protect the citizens of that city? Certainly not. A State law only affects the State, and I venture the assertion that every city in most of those 21 States protects its citizens with compulsory insurance; but the State law would not affect them at all.

Mrs. NORTON. Will the gentleman yield?

Mr. NICHOLS. I yield.

Mrs. NORTON. Under the peculiar government of the District of Columbia, the Commissioners are more or less responsible for the government of the District. The Commissioners are absolutely in favor of this law. Every single organization which the District of Columbia Committee has heard from has been in favor of this law. There has been exactly one disagreement and that disagreement came from somebody engaged by the insurance companies. So I say to you that all of the responsible agencies in the District being in agreement, all of the people responsible for the city government being in favor of it, it would certainly seem to me that we could do no better than go along with the committee and pass this bill.

The SPEAKER pro tempore. The time of the gentleman from Oklahoma [Mr. NICHOLS] has expired.

Mr. CARPENTER. Mr. Speaker, my position on this bill is somewhat like that of the gentleman from Illinois [Mr. DIRKSEN]. I am for the present bill and I am also for the taxicab liability insurance bill, and therefore I am supporting this amendment. A number of taxicab operators have come to me at different times in favor of taxicab insurance. I sent them to the gentleman from Texas [Mr. BLANTON], telling them I was sure they would receive a sympathetic hearing from him. I heard the statement which the gentleman from Texas just made with regard to this taxicab-insurance proposition, and I could hardly believe my ears in view of the remarks which the gentleman made earlier in the session when the District of Columbia appropriation bill was being considered by the House. In order to make sure whether my memory was correct or not I consulted the CONGRESSIONAL RECORD, and in the RECORD of January 16, 1935, at page 512, I find the following. This is Mr. BLANTON speaking:

I keep a big car to show my constituents around the city. Many of my constituents come here. I also keep a little Ford work car to go to the departments. And besides I use many taxicabs. I have been to the departments this morning. It is a lot easier to jump in a cab than to send for your car and find a parking place. I have used taxicabs this morning. We have a provision here that keeps the 20-cent zone, the 30-cent zone, the 50-cent zone, and the 70-cent zone, and protects the people of Washington from being robbed by some of these cabs.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. DIRKSEN. The gentleman from Texas, of course, is familiar with the taxicab bill introduced in the last session?

Mr. BLANTON. I voted for it.

Mr. DIRKSEN. Can the gentleman very well justify that static rate of 20 cents and still compel these cabbies to buy a rather expensive kind of liability insurance?

Mr. BLANTON. I will tell the gentleman about that. I hope the gentleman will report that bill again, and I shall help to pass it. I voted for it the last time it was considered. It is a bill that provides liability insurance, and they ought to be put under liability insurance. When they have an accident here they ought to pay for any damage done. I want such a bill passed, and I am going to vote for it; and when you enact such a measure, instead of having 4,000 cabs here, which is 1,000 too many, you will have 3,000. This bill alone will take 1,000 bad cabs off of the streets—cabs that are run by irresponsibles.

[Here the gavel fell.]

Mr. CANNON of Missouri. I yield the gentleman from Texas 10 additional minutes.

Mr. BLANTON. When you pass this bill you will take the irresponsibles off the streets, the ones who are causing most of the accidents, and the 3,000 taxicabs that will be left at 20 cents for the first zone will make a great deal more money than they are making now because more people will ride in them. Some people are afraid to ride in a taxicab now.

Now, that statement was made on this floor on January 16, 1935. In view of the remarks made a few moments ago by the same gentleman from Texas, I am at a loss to know just which of his statements to believe.

Mr. KELLER. Which is the latest statement?

Mr. CARPENTER. The one I just read is the earliest remark.

Now, my position in regard to this matter is that when the taxicab liability insurance bill does come out of the committee and up for consideration here on the floor, if this amendment is not agreed to, we should not use this bill in opposition and as a reason for not passing a real taxicab liability insurance bill. The World War veteran taxicab drivers have come to me and said they wanted this kind of a bill. This is the only District of Columbia legislation that really affects our constituents.

Mr. HOUSTON. Will the gentleman yield?

Mr. CARPENTER. I yield.

Mr. HOUSTON. Granting that this bill is a good bill, would it not be just that much better by adding the amendment?

Mr. CARPENTER. Certainly, and now is the time and place to add it. As was suggested a little while ago, if there is anything that needs to be added, it can be added in conference; but bear this fact in mind, that this is not a bill to raise taxicab fares.

The SPEAKER pro tempore. The time of the gentleman from Kansas has expired.

Mr. GREEN. Mr. Speaker, I rise in opposition to the amendment.

I shall probably not use all the 5 minutes allotted me, but I do want to ask the House to stand by the bill as presented by the committee. The committee has given very careful study to this subject, at least over the past 2 years. Last year it reported a bill very similar to the one before us, and the House approved it. The committee now has before it a bill which would carry out the substance of the amendment which has just been offered. The committee, in the course of time, will decide that question upon its merits. The gentleman from Texas [Mr. PATMAN] has indicated the committee's fairness in this matter. No one has a better knowledge of the subject than the members of our constituted committee, which has made this special study of it. The gentlewoman from New Jersey, the chairman of the committee, has rendered an unusual service to the great District Committee. Her record is one of signal achievement of worthwhile legislation for the city of Washington and the District of Columbia. I am willing to follow her leadership on this bill.

No one has a greater care for the welfare of the District of Columbia, its citizens, and our constituents who come here than the members of this committee. Some of them have served on the committee for many years. I do not believe any of you gentlemen would like to see an advance in taxi rates for the city of Washington, especially when such would cause so many taxi drivers to be thrown out of employment. The cheaper rate makes it possible for the Federal employees, and, in fact, nearly everyone to afford taxi transportation. The number of taxis now in service in the District of Columbia is absolutely necessary. If you want proof of this, observe the traffic on Pennsylvania Avenue every morning between 8:30 and 9 o'clock. You will find practically every street car in the city loaded with people going to work, you will find hundreds of taxicabs delivering their passengers at the same time. Fewer cabs will not be able to take care of the demand. In order to keep transportation within the reach of those of small means the number of taxicabs under the present arrangement is absolutely necessary. This number is also essential for adequate transportation for the traveling public in the District of Columbia. We need to, if possible, increase efficiency in transportation, not hamper it.

I shall support the bill as reported by our committee.

[Here the gavel fell.]

Mr. NICHOLS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NICHOLS: Beginning with line 16, page 8, strike out the remainder of the section down to and including line 5 on page 10.

Mr. PATMAN. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. PATMAN. Does not the pending amendment have to be disposed of first?

The SPEAKER pro tempore. This is a perfecting amendment.

The Chair will state to the gentleman from Oklahoma that all time for debate on this section has been exhausted. If the gentleman desires to submit a unanimous-consent request for time the Chair will, of course, put it; but all time on this section has been exhausted.

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

Mr. PATMAN. Mr. Speaker, reserving the right to object, and I shall not object, I ask unanimous consent that 6 minutes be allowed; the gentleman from Oklahoma to have 3 minutes, and I, a member of the committee, to have 3 minutes in which to answer.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. NICHOLS. Mr. Chairman, I simply want to call the attention of the House to this language. I do not intend to make a long-winded or hard argument on this thing, I simply want you not to be able to say that you were not advised.

Mr. Speaker, this portion of the bill provides that when one of your constituents, or mine, comes to the city of Washington, either in his automobile or any other way, and then returns to his home; after he has gone back to Oklahoma, Colorado, Kansas, Texas, or some other State, somebody here decides he has a grievance against him, then under the language of this bill, if it is permitted to remain as written, all that person would have to do would be to go to the director of traffic of the city of Washington, make a $2 deposit and he will have service on your constituent back in California by which he can take a default judgment without your constituent ever having had real notice of the action. Now, if the Members want to follow along with that, let them do so, but I wanted them to be advised of the situation.

It is provided near the close of this provision, though, that in the event he is not successful in obtaining judgment against your constituent the man who brings the suit must pay the costs.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. HOFFMAN. Does the gentleman believe it is constitutional?

Mr. NICHOLS. I am afraid of it; I am certainly afraid to take a chance. If it is unconstitutional, that is a good reason why it ought to be taken out of the bill. I do not know whether it is constitutional or not.

Mr. HOFFMAN. Has not the Supreme Court of the United States passed on this very question?

Mr. NICHOLS. I think probably they have, but I do not know whether their decision fits this particular case. I am just calling it to the attention of the House. Here is the unfair part, if they are mistaken in suing your constituent, it does not make any difference how much trouble they have put the man to in California, Texas, or Maine, all they have to do is to pay the costs and they are through.

If I have any time left, I yield it to my distinguished colleague from Texas.

The SPEAKER pro tempore. The gentleman has consumed his time. The gentleman from Texas is recognized for 3 minutes.

Mr. PATMAN. Mr. Speaker, the gentleman failed to state one very important part of this bill. He stated the bill correctly as far as he went, but he failed to tell you that before the plaintiff can get service on this nonresident the plaintiff will be compelled to file a good and sufficient bond. This bond is conditioned upon the plaintiff either winning the suit or paying all the costs of the proceeding, the expenses to Washington, attorneys' fees, and everything else that the person might be out in defending the litigation.

At first blush I thought the gentleman was right, but after reading the entire language I find that our constituents are fully protected under the bill. They will have to be given 20 days' notice. If they succeed in getting a verdict in favor of the defendant, all costs are paid by the plaintiff; and the plaintiff, before filing the suit, has filed a good and sufficient bond to guarantee all of the costs, including reasonable attorneys' fees.

Mr. FORD of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. FORD of Mississippi. Does the gentleman think they could obtain judgment against the party on that kind of service of process?

Mr. PATMAN. This bill goes to the extent of providing for service; not only must notice be filed with the director of traffic here but the defendant himself must be served by registered mail.

Mr. FORD of Mississippi. Mr. Speaker, will the gentleman yield further?

Mr. PATMAN. Yes.

Mr. FORD of Mississippi. Does the gentleman think service of that kind legal?

Mr. PATMAN. I am not discussing the legality of it; I just do not know; anyway, we are not passing on the legality of it.

I think we have a proper safeguard in the bill when we require a plaintiff to deposit a good and sufficient bond in order to guarantee all the expenses of the defendant, including the defendant's attorney fees and everything else, before he can get service on defendant.

Mr. LUCAS. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Illinois.

Mr. LUCAS. Is this a mere sham to bring an innocent fellow into the District of Columbia in order to get service on him after he gets to the District of Columbia?

Mr. PATMAN. No. I do not think anything would be a sham which requires the deposit of a bond to guarantee all expenses.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Oklahoma.

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that the first amendment, together with the amendment to the amendment, be read for the information of the Members of the House.

The SPEAKER pro tempore. There are two separate amendments. Without objection, the Clerk will read the perfecting amendment offered by the gentleman from Oklahoma [Mr. NICHOLS].

There was no objection.

The Clerk read the Nichols amendment.

Mr. CARPENTER. Mr. Speaker, I ask unanimous consent that the section that the gentleman from Oklahoma seeks to strike out by his amendment be read so that it will be fresh in our mind.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Clerk read the portion of the bill referred to.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Oklahoma [Mr. NICHOLS].

The question was taken; and on a division (demanded by Mr. NICHOLS) there were—ayes 38, noes 31.

So the amendment was agreed to.

The SPEAKER pro tempore. The question recurs on the amendment offered by the gentleman from Indiana.

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that that amendment be read. It is very important.

Mr. BLANTON. No. It is too long.

Mrs. NORTON. Mr. Speaker, I think it is perfectly right and proper that the amendment be read. This amendment changes the entire bill, and it is something of very great importance. The obvious purpose of the amendment is to throw out the entire bill, and not for any good reason.

Mr. NICHOLS. Mr. Speaker, I make the point of order that all debate has closed on this section.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

Mr. BLANTON. Mr. Speaker, I object, because the amendment is too long.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Indiana.

The question was taken; and on a division (demanded by Mr. NICHOLS) there were—ayes 37, noes 47.

So the amendment was rejected.

Mr. SISSON. Mr. Speaker, I demand tellers.

Tellers were refused.

The Clerk read as follows:

SEC. 4. Proof of ability to respond in damages when required by this act may be evidenced by the written certificate or certificates of any insurance carriers, duly authorized to do business within the District of Columbia, or in the case of a nonresident by an insurance carrier authorized to transact business in any of the several States, that it has issued to or for the benefit of the person named therein a motor-vehicle liability policy or policies as defined in this act which, at the date of said certificate or certificates, is in full force and effect and designating therein by explicit description or by other appropriate reference all motor vehicles with respect to which coverage is granted by the policy certified to. The said Commissioners or their designated agent shall not accept any certificate or certificates unless the same shall cover all motor vehicles registered in the name of the person furnishing such proof. Additional certificates as aforesaid shall be required as a condition precedent to the registration of any additional motor vehicle or motor vehicles in the name of such person required to furnish proof as aforesaid. Said certificate or certificates shall certify that the motor-vehicle liability policy or policies therein cited shall not be canceled except upon 10 days' prior written notice thereof to the said Commissioners or their designated agent.

Such proof may be the bond of a surety company duly authorized to do business within the District of Columbia or a bond with at least two individual sureties, each owning unencumbered real estate in the District of Columbia, approved by a judge of a court of record, and filed with the said Commissioners or their designated agent, which said bond shall be conditioned for the payment of the amounts specified in section 2 hereof and shall not be cancelable except after 10 days' written notice to the said Commissioners or their designated agent. Such bond in the case where individual sureties are offered shall contain a schedule of the real estate of said sureties and shall constitute a lien in favor of the District of Columbia upon said real estate, which lien shall exist in favor of any holder of any final judgment thereafter rendered on account of damage to property over $100 in amount or injury to any person or persons caused by the operation of such person's motor vehicle. Said bond shall be recorded by the principal named therein among the land records of the District of Columbia before the same is filed with the Commissioners or their designated agent. If a final judgment rendered after the filing of the bond as aforesaid against the principal named in the surety or real-estate bond for damages sustained to person or property while said bond remains in force or effect shall not be satisfied within 30 days after its rendition, the judgment creditor may, for his own use and benefit and at his sole expense, bring an action in the name of the District of Columbia against the company or persons executing such bond.

Such proof of ability to respond in damages may also be evidence presented to the said Commissioners or their designated agent of a deposit by such person with the clerk of the Supreme Court of the District of Columbia of a sum of money, the amount of which money shall be $11,000. The said clerk shall accept such deposit and issue a receipt therefor. But the said clerk shall not accept a deposit of money where any judgment or judgments, therefore recovered against such person as a result of damages arising from the operation of any motor vehicle, shall not have been paid in full. Such money shall be held by the said clerk to satisfy, in accordance with the provisions of this act, any execution issued against such person in any suit arising out of damage caused by the operation of any motor vehicle owned or operated by such person. Money so deposited shall not be subject to attachment or execution unless such attachment or execution shall arise out of a suit for damages, including injury to property, and personal injury or death, as a result of the operation of a motor vehicle.

Mr. CANNON of Missouri. Mr. Speaker, the local newspapers announce that a movement is being organized to march upon the Capitol for the purpose of affecting a change in the personnel of one of the House committees.

Of course, there will be no such march. The citizens of the District of Columbia have too much regard for the proprieties and too high an appreciation of the courtesies of the Congress, and of the Committee on Appropriations in particular, to think of attempting to dictate to the House in a matter of its organization or to coerce it by a display of organized or unorganized numbers. Certainly no such demonstration will be made on the grounds which have been mentioned as prompting the suggestion. According to the newspaper reports, the agitation is promoted for the purpose

of securing the removal of the gentleman from Texas [Mr. BLANTON] from the subcommittee of the Committee on Appropriations in charge of the District bill because he is credited with dominating the subcommittee in the preparation of the bill. Every member of that committee will agree with me that there is no foundation for such a report. No one has been more considerate or has deferred more consistently to the wishes of other members of the committee than Judge BLANTON. In all my service with him on that committee I do not recall a single instance in which he ever insisted on any matter or any item in connection with the writing of the bill.

How far beside the facts many of the reports circulated in this connection have been is indicated by one to the effect that Judge BLANTON was instrumental in placing in the bill provision for an additional assistant superintendent of the Metropolitan Police Department. As a matter of fact, Mr. BLANTON opposed the provision. When the Budget estimates were received last year they provided for two Assistant Superintendents instead of one. The committee, with the approval of Judge BLANTON, rejected the recommendation and provided for one assistant superintendent, as in former years. But when the bill went to the Senate the additional assistant superintendent was incorporated in the bill and the House agreed to it in conference. The charge is that Judge BLANTON supported the item, when the truth is he voted against it both in the committee and in the House.

Again, the statement of Judge BLANTON that the committee was apprised of the operation of a gambling establishment a block from the Capitol has been questioned both in the papers and in hearings before another committee. All members of our committee will agree that this information was given us on two different occasions, and that a reputable employee of the Government testified before the committee, giving the street address and describing the building in which the place was being operated. He informed the committee that this house was running in full blast, that it had been running for over a year, and that it was equipped with various gambling devices and was widely patronized.

May I say, while I am discussing this matter, Mr. Speaker, that a great deal is printed in the local papers about this committee and this bill which is erroneous. I have no doubt that it is reported to the papers and they print it in good faith, but the fact remains that much of it is, to say the least, misleading. For example, the papers carry articles which would lead readers to infer that the committee has reduced the number of police here in the District, and that it reduced the appropriations for the support of the police department. On the contrary, Mr. Speaker, the committee has made more officers available. It gave the Commissioners every man they asked. It gave them every dollar they suggested for the support of the police department. The committee recommended and the House provided the full Budget estimate. The number of men available for police duty in Washington is larger under the pending bill and the amount provided for its maintenance is higher than at any time in the history of the city, all statements to the contrary notwithstanding.

Mr. Speaker, I have not conferred with Judge BLANTON about these matters. I merely make this statement in order to keep the RECORD straight. He is one of the most useful members on the committee. His intimate knowledge of District affairs, his indefatigable industry, and his long service on the bench make him one of the most valuable Members of the committee and the House. [Applause.]

Mr. BLANTON. Mr. Speaker, I deeply appreciate what has just been said, and with all my heart I thank my distinguished friend from Missouri [Mr. CANNON] for his statement. I am grateful to him for making it, and I am also grateful to my other colleagues here for the friendly manner in which they received it.

There is a proper time for all things, and it will not be long now until I shall present to this House all of the facts connected with the dirty, damnable plot Hearst's scandalous Washington Herald and Washington Times, and Eugene Meyer's unreliable Washington Post entered into and hatched up in their cowardly efforts to try to get me off of the committee that handles the appropriations for the District of Columbia, and which hellish conspiracy the Washington Star and the Washington News aided and abetted by despicably publishing all the misinformation and lies their irresponsible minions have daily manufactured.

These conspirators have already learned that their plots and plans have gone awry. They have failed. Their whole scheme has fizzled. They have all been left suspended in the air. For 10 days they covered their top front pages with box-car headlines, and printed page after page of ridiculous innuendoes, that have thoroughly disgusted every decent, honest, unbiased, posted reader all five of these newspapers have, for all of their cowardly efforts have culminated in proving conclusively that their sole ground for criticizing me was I had tried to have appointed as one of the assistant superintendents of the Metropolitan Police of Washington, D. C., a high-class Washington citizen, Inspector Albert J. Headley, who has honorably served as a policeman and police officer here in Washington for the past 39 years, and who is a man of strict honor and integrity, who is as brave as a lion, who is absolutely dependable, who is a strict enforcer of the law, who is worthy and in every way well qualified, who is an honorable police official whom the professional gamblers, bootleggers, and police debauchers cannot buy, scare, intimidate, or dominate, who has not been afraid to demand discipline in the force or to order police captains to close up gambling houses that for months have been running wide open in arrogant violation of the law, and who at all times has been a perfect gentleman, a beloved neighbor, and a faithful, loyal friend. Such a man is Inspector Albert J. Headley, who during the past 20 years has done more to weed out and clean up the crookedness in the police force of Washington than any other 10 officers combined.

And merely because I tried to get such a worthy officer appointed assistant superintendent, all of this silly, malicious, ridiculous, inexcusable, cowardly hurrah and hullabaloo has been raised, for no purpose on earth other than to try to wantonly and unjustly stir up and inflame the minds of the people of Washington against me, hoping that if they could incite and pull off a massed demonstration at the Capitol against me they might be influential enough to force me off of the committee as one of the House conferees before the District appropriation bill goes to conference.

But they have learned that they cannot do it. The House of Representatives is not their docile puppet. It does not obey their orders. It is not dominated by five Washington newspapers. It does not say, "Yes, master", to them; and they have learned that the citizens of Washington are not so credulous. They are not so easily fooled. They did not let these conspiring newspapers lead them into a trap. They saw clearly between the lines. They saw malice and spleen and injustice. So they asked to be excused; and so this five-headed modern Haman is left hanging upon the scaffold specially prepared for Mordecai.

If these five newspapers could see the great stack of letters I have received from leading substantial citizens of Washington, sympathetically expressing their continued confidence and friendship and assuring me that they despise such contemptible attacks, they would realize just how futile is such scheming and plotting. I am surprised that such a decent newspaper as the Washington Star has always been would allow itself to be caught in such disreputable company.

I have slowly but surely been gathering the facts about this plot and conspiracy. My investigation is about complete. I have these conspirators cornered, and they know it. I have had them squirming for a week. They know what is coming. And they know exactly what effect the divulging of their infamous scheme will have upon Congress. They realize now that it will vividly remind Congress of what caused the Continental Congress to move the seat of our Government

from Philadelphia to Princeton, and then to Annapolis, and finally to establish a permanent seat of government in its own District of 10 miles square, known as the "District of Columbia", over which, by the Constitution of the United States, Congress shall forever exercise absolute authority and control.

And these five Washington newspapers now realize that the facts I have gathered, and which I will soon present to this House, will convince the Members of the House and Senate that our forefathers were wise indeed when they had it definitely stipulated in the Constitution of the United States that Congress is given exclusive jurisdiction over the District of Columbia, and that it is absolutely necessary and essential that Congress shall continue to exercise absolute authority and control over the District of Columbia.

By sending reporters to me and by falsely announcing that I would take the floor at such-and-such a time, Hearst's papers here have been trying to incite me to giving out my facts before I completed my investigation; but I shall not let them push me until I am ready. I will soon have my facts complete, and then I will take the floor; and when I relate them, with the proof that I have gathered, you will be astounded. I thank you. [Applause.]

The Clerk concluded the reading of the bill.

Mrs. NORTON. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The bill was ordered to be read a third time and was read the third time.

Mr. NICHOLS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. NICHOLS. I am, Mr. Speaker.

The Clerk read as follows:

Mr. NICHOLS moves to recommit the bill to the District of Columbia Committee with instructions to report the bill back to the House forthwith with the following amendment:

Page 10, after line 5, add the following section:

"SEC. 4. No permit or license shall be issued for the operation of a taxicab within the District of Columbia without approval of the Public Utilities Commission. Prior to issuance of permit or license a bond or policy of insurance must be furnished conditioned for the payment of all judgments obtained through the negligence, recklessness, or carelessness in operation or defective condition of such vehicle in the amount of $2,500 for injury to or death of any one person and $5,000 for the injury to or death of two or more persons in any one accident, and for damages to property in the amount of $1,000 from any one accident, said policy to be in a company approved by the insurance commissioner as to financial responsibility.

"No permit or license shall be issued or transferred except as to persons licensed at the effective date of this act until the number licensed shall be less than 3,000 and thereafter only to that limit."

Mr. BLANTON. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. BLANTON. Mr. Speaker, I make the point of order that the amendment is not germane to the bill or to the purposes of the bill. The bill is not a general liability-insurance bill.

Mr. NICHOLS. Mr. Speaker, the Chair has already ruled on the very same amendment to this very same bill and has held it is germane.

Mr. BLANTON. I am submitting the point for the purpose of getting a ruling by the Speaker.

The bill provides simply for indemnity required after accidents before a new permit is issued. The amendment is a general liability amendment requiring a bond before driving and would prevent all taxicabs from being operated on the streets until a bond had been given. They are entirely different purposes.

The SPEAKER. The Chair is ready to rule.

The bill provides for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles being operated on public highways in the District of Columbia. This is one of the objects of the bill.

Mr. BLANTON. Mr. Speaker, I had overlooked the purposes stated in the caption. That would probably embrace the amendment, and I shall not insist on the point of order.

The SPEAKER. In the opinion of the Chair, the motion is germane, and the Chair therefore overrules the point of order.

Mrs. NORTON. Mr. Speaker, I move the previous question on the motion to recommit.

Mr. NICHOLS. Mr. Speaker, I would like to be heard on my motion to recommit.

The SPEAKER. The motion of the gentleman from Oklahoma to recommit is not debatable.

The previous question was ordered.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the bill was passed.

A motion to reconsider was laid on the table.

CREATION OF A BOARD FOR THE CONDEMNATION OF INSANITARY BUILDINGS IN THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I call up the bill (S. 406) to amend an act approved May 1, 1906, entitled "An act to create a Board for Condemnation of Insanitary Buildings in the District of Columbia, and for other purposes."

The Clerk read the bill, as follows:

Be it enacted, etc., That sections 7, 14, and 15 of the act approved May 1, 1906, entitled "An act to create a Board for the Condemnation of Insanitary Buildings in the District of Columbia, and for other purposes", are hereby amended to read as follows:

"SEC. 7. That the owner or owners of any building or buildings condemned under the provisions of this act, which cannot be so changed or repaired as to remedy the condition which led to the condemnation thereof, where the repairs and/or alterations necessary to remedy the conditions which led to the condemnation thereof cannot be made at a cost not greater than 50 percent of the present reproduction cost of said building as may be agreed upon by a majority of said Board, shall demolish and remove such building or part of building within the time to be specified by said Board in the order of condemnation. And if any owner or part owner shall fail or refuse to demolish and remove said building or part of building within the time so specified, he shall be deemed guilty of a misdemeanor and liable to the penalties provided by section 13 of this act, and such building or part of building shall be demolished and removed under the direction of the Board for the Condemnation of Insanitary Buildings in the District of Columbia, and the cost of such demolition and removal, less the amount, if any, received from the sale of the old material, but including the cost of making good such damage to adjoining premises as may have resulted from carelessness or willful recklessness in the demolition of such building and the cost of publication, if any, herein provided for, shall be assessed by the Commissioners of the District of Columbia as a tax against the premises on which such building or part of building was situated, such tax to be collected in the same manner as general taxes are collected in the District of Columbia.

"SEC. 14. That the owner or owners of any building or part of building condemned under the provisions of this act may, within the time specified in the order of condemnation, institute proceedings in the Supreme Court of the District of Columbia, sitting as a district court, for the modification or vacation of the order of condemnation aforesaid, and the court shall give precedence to any such case, and is authorized to issue such orders and decrees as may be necessary to carry into effect the said order of condemnation as made by the Board or as modified by the court in accordance with the verdict returned as hereinafter directed. The court shall appoint a jury consisting of three disinterested persons, one of whom shall be an architect, the second a physician or a health officer, and the third either a structural engineer or a competent builder, each of whom shall have the qualifications of jurors in the District of Columbia, and who, after taking the oath required of jurors in the trial of civil causes, shall proceed under the direction of the court to inspect the premises and to hear and receive evidence respecting the sanitary condition, state of repair, and state of depreciation of such building or part of building aforesaid, the present reproduction value thereof, the fitness and suitability of such building or part of building for occupancy, and the cost to place said building or part of building in a proper and lawful condition for occupancy. In such proceedings the owner or owners of the building or part of building condemned shall be considered the plaintiff and the Board shall be considered the defendant. After inspecting the premises and hearing and considering all of the testimony as hereinbefore provided, the said jury shall return to the court its verdict on a prepared form which shall contain the following questions to be answered by them:

"1. Condition of the building or part of buildings:

"(a) As to sanitation; and

"(b) As to state of repair.

"2. Can the building or part of building condemned be repaired and placed in a proper and lawful condition for occupancy and made to comply with all laws and regulations in force in the District of Columbia relating to buildings without exceeding 50

percent of the present reproduction cost of such building or part of building?

"3. Is the building or part of building subject to condemnation?

"1. If the jury shall find that the building or part of building sought to be condemned should not be condemned or ordered to be repaired, they shall so report to the court, who shall enter a decree directing the vacation of the order of the Board.

"2. If the jury shall find that the building or part of building is subject to condemnation and cannot be repaired and put in a safe, sanitary, and usable condition and made to comply with all laws and regulations in force and effect in the District of Columbia relating to buildings therein, they shall so report to the court, who shall enter a decree directing compliance by the plaintiff with the order of the Board.

"3. If the jury shall find that the building or part of building can be repaired and put in a safe, sanitary, and usable condition and made to comply with all laws and regulations in force and effect in the District of Columbia relating to buildings, they shall so report to the court, who shall enter an order directing the plaintiff within a reasonable time to cause the said building or part of building to be put in a safe, sanitary, and usable condition and made to comply with all the laws and regulations relative to buildings in the District of Columbia; and in the event of the failure or neglect of the plaintiff to cause the repairs or alterations necessary to be made to comply with the order of the court and the provisions of this act, the Board shall inform the court of such fact and the court shall thereupon enter an order requiring the removal of the said building or part of building. Unless cause be shown to the court within 10 days from the filing of said verdict of removal why the same should not be confirmed, the court shall ratify and confirm the same and cause judgment thereon to be entered accordingly, all the costs of the proceeding to follow the judgment. The Commissioners of the District of Columbia, or their duly authorized agents, shall proceed with the removal of the building or parts of building, as ordered by the court, and the cost of removing the building or part of building, including the cost of making good such damage to adjoining premises as may have resulted in such removal, and the cost of publication, if any may be necessary, authorized by section 10 of this act, shall be assessed against the real estate upon which said building or part of building stood, should the owner, at his expense, fail to remove the same within such time as may be fixed by the court in the order confirming the verdict of said jury.

"Each member of the jury appointed by the court as aforesaid shall receive for each day's attendance the sum of $8, to be included as part of the cost of the proceedings.

"SEC. 15. Except as herein otherwise authorized all expenses incident to the enforcement of this act shall be paid from appropriations made from time to time for that purpose in like manner as other appropriations for the expenses of the District of Columbia."

Mrs. NORTON. Mr. Speaker, there seems to be no objection to this bill, and I therefore move the previous question.

The previous question was ordered.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion by Mrs. NORTON to reconsider the vote whereby the bill was passed was laid on the table.

REMOVAL OF DANGEROUS BUILDINGS

Mrs. NORTON. Mr. Speaker, I call up the bill S. 403, to amend the act of Congress approved March 1, 1899, entitled "An act to authorize the Commissioners of the District of Columbia to remove dangerous and unsafe buildings and parts thereof, and for other purposes", and to further amend said act by adding at the end thereof new sections numbered 5 and 6.

The bill is as follows:

Be it enacted, etc., That the act of March 1, 1899, is hereby amended to read as follows:

"That if in the District of Columbia any building or part of a building, staging, or other structure, or anything attached to or connected with any building or other structure or excavation, shall, from any cause, be reported unsafe, the inspector of buildings shall examine such structure or excavation, and if, in his opinion, the same be unsafe, he shall immediately notify the owner, agent, or other persons having an interest in said structure or excavation, to cause the same to be made safe and secure, or that the same be removed, as may be necessary. The person or persons so notified shall be allowed until 12 o'clock noon of the day following the service of such notice in which to commence the securing or removal of the same; and he or they shall employ sufficient labor to remove or secure the said building or excavation as expeditiously as can be done: *Provided, however*, That in a case where the public safety requires immediate action the inspector of buildings may enter upon the premises, with such workmen and assistants as may be necessary, and cause the said unsafe structure or excavation to be shored up, taken down, or otherwise secured without delay, and a proper fence or boarding to be put up for the protection of passers-by.

"SEC. 2. That when the public safety does not, in the judgment of the inspector of buildings, demand immediate action, if the owner, agent, or other party interested in said unsafe structure or excavation, having been notified, shall refuse or neglect to comply with the requirements of said notice within the time specified, then a careful survey of the premises shall be made by three disinterested persons, 1 to be appointed by the Commissioners of the District of Columbia, 1 by the owner or other person interested, and the third to be chosen by these 2, and the report of said survey shall be reduced to writing, and a copy served upon the owner or other interested party; and if said owner or other interested party refuse or neglect to appoint a member of said board of survey within the time specified in said notice, then the survey shall be made by the inspector of buildings and the person chosen by the Commissioners, and in case of disagreement they shall choose a third person, and the determination of a majority of the three so chosen shall be final.

"SEC. 3. That whenever the report of any such survey shall declare the structure or excavation to be unsafe, or shall state that structural repairs should be made in order to place the said structure or excavation in a fit condition for further occupancy or use, and the owner or other interested person shall for 10 days neglect or refuse to cause such structure or excavation to be taken down or otherwise to be made safe, the inspector of buildings shall proceed to make such structure or excavation safe or remove the same. After the expiration of the 10 days in which the owner or other interested person is given to make the structure or excavation safe, or to be taken down or removed, the owner or other interested person, having failed to comply with the provision of the report of the board of survey, shall not enter, or cause to be entered, the premises for the purpose of making the repairs ordered, or razing the building, as the case may be; or in any other way to interfere with the authorized agents of the District of Columbia in making the said structure or excavation safe, or in removing same, without first having obtained the written consent of the Commissioners of the District of Columbia or their duly authorized representatives. The inspector of buildings shall report the cost and expense of said work to the Commissioners of the said District, who shall assess the amount thereof upon the lot or ground whereon such structure or excavation stands, or stood, or was dug, and unless the said assessment is paid within 90 days from the service of notice thereof on the agent or owner of such property, the same shall bear interest at the rate of 10 percent per annum from the date of such assessment until paid, and shall be collected as general taxes are collected in said District; but said assessment shall be without prejudice to the right which the owner may have to recover from any lessee or other person liable for repairs.

"SEC. 4. That the existence on any lot or parcel of land in the District of Columbia, of any uncovered well, cistern, dangerous hole, excavation, or of any abandoned vehicles of any description or parts thereof, miscellaneous materials or debris of any kind, including substances that have accumulated as the result of repairs to yards or any building operations, insofar as they affect the public health, comfort, safety, and welfare, is hereby declared a nuisance dangerous to life and limb, and any person, corporation, partnership, syndicate, or company owning a lot or parcel of land in said District on which such a nuisance exists who shall neglect or refuse to abate the same to the satisfaction of the Commissioners of the District of Columbia, after 5 days' notice from them to do so, shall, on conviction in the police court be punished by a fine of not exceeding $50 for each and every day said person, corporation, partnership, or syndicate fails to comply with such notice. In case the owner of, or agent or other party interested in, any lot or parcel of land in the District of Columbia, on which there exists an open well, cistern, dangerous hole or excavation, or any abandoned or unused vehicles or parts thereof, or miscellaneous accumulation of material or debris which affects public safety, health, comfort, and welfare, shall fail, after notice aforesaid, to abate said nuisance within 1 week after the expiration of such notice, the said Commissioners may cause the lot or parcel of land on which the nuisance exists to be secured by fences or otherwise enclosed, and the removal of any abandoned vehicles, parts thereof, or miscellaneous accumulation of material or debris adversely affecting the public safety, health, comfort, and welfare, and the cost and expense thereof shall be assessed by said Commissioners as a tax against the property on which such nuisance exists, and the tax so assessed shall bear interest at the rate of 10 percent per annum until paid, and be carried on the regular tax rolls of the District of Columbia and shall be collected in the manner provided for the collection of general taxes.

"SEC. 5. That for the purposes of this act any notice required by law or by any regulation aforesaid to be served shall be deemed to have been served (a) if delivered to the person to be notified, or if left at the usual residence or place of business of the person to be notified, with a person of suitable age and discretion then resident therein; or (b) if no such residence or place of business can be found in said District by reasonable search, if left with any person of suitable age and discretion employed therein at the office of any agent of the person to be notified, which agent has any authority or duty with reference to the land or tenement to which said notice relates; or (c) if no such office can be found in said District by reasonable search, if forwarded by registered mail to the last known address of the person to be notified and not returned by the post-office authorities; or (d) if no address be known or can by reasonable diligence be ascertained, or if any notice for-

warded as authorized by the preceding clause of this section be returned by the post-office authorities, if published on three consecutive days in a daily newspaper published in the District of Columbia; or (e) if by reason of an outstanding, unrecorded transfer of title the name of the owner in fact cannot be ascertained beyond a reasonable doubt, if served on the owner of record in the manner hereinbefore in this section provided; or (f) in case any owner be a nonresident of the District of Columbia, then after public notice by said Commissioners given at least twice a week for 1 week in one newspaper published in the District of Columbia, by advertisement, describing the property, specifying the nuisance to be abated. Any notice required by law or by any regulation aforesaid to be served on a corporation shall for the purposes of this act be deemed to have been served on any such corporation if served on the president, secretary, treasurer, general manager, or any principal officer of such corporation in the manner hereinbefore provided for the service of notices on natural persons holding property in their own right; and, if required to be served on any foreign corporation, if served on any agent of such corporation personally, or if left with any person of suitable age and discretion residing at the usual residence or employed at the place of business of such agent in the District of Columbia. Every notice aforesaid shall be in writing or printing, or partly in writing and partly in printing; shall be addressed by name to the person to be notified; shall describe with certainty the character and location of the unlawful condition to be corrected, and shall allow a reasonable time to be specified in said notice, within which the person notified may correct such unlawful condition or show cause why he should not be required to do so.

"SEC. 6. That all acts and parts of acts inconsistent with this act, be, and the same are hereby, repealed."

The Clerk began the reading of the bill.

Mrs. NORTON. Mr. Speaker, there being no objection to this bill, I ask unanimous consent that the further reading of the bill be dispensed with.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Reserving the right to object, I think we are entitled to some explanation of the bill.

Mrs. NORTON. I shall be glad to explain it.

The existing law on this subject is contained in the act of March 1, 1899. The amendments hereby proposed are relatively minor in character. They are:

First, to increase the scope of the bill to include excavations. The present law covers dangerous buildings, stagings, or other structures. Obviously an excavation may be equally dangerous and should be subjected to the same treatment.

Some difficulty has arisen because under the present law a conflict sometimes arises between the representatives of the owner and the representatives of the District as to who should repair or remove the property. Under the present law after the building has been duly declared to be unsafe and the owner for 3 days refuses to cause the structure to be made safe the District is empowered to proceed. It happens that the owner later decides to proceed, and contractors representing him and the District both appeared to do the work. The amendment proposed is that after the expiration of the 10 days in which the owner may act the District shall have exclusive authority to make the repairs or to raze the building and the owner shall not interfere with the authorized agents of the District.

Mr. NICHOLS. Mr. Speaker, I would like to say in explanation of the bill that it simply does this: Heretofore the law of the District has not permitted the District to levy taxes against property for the removal of a nuisance. In other words, as the law now exists if a person or corporation or anybody else has done anything which is a nuisance they let it go. Then the District must come in to remedy it, and there is no provision under the District law whereby it can assess the expense of removing the nuisance against the property itself. This law simply fixes it so that the District can levy against the property the cost of the removal of the nuisance.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider the vote by which the bill was passed was laid on the table.

ACQUISITION OF LAND IN THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I call up the bill S. 404, to provide for the acquisition of land in the District of Columbia in excess of that required for public projects and improvements, and for other purposes. This bill is on the Union Calendar, and I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That in order to promote the orderly and proper development of the seat of government of the United States, the Commissioners of the District of Columbia, or agencies of the United States authorized by law to acquire real estate, be, and they are hereby, authorized and empowered to acquire, in the public interest, by gift, dedication, exchange, purchase, or condemnation, fee simple title to land, or rights in or on land or easements or restrictions therein, within said District, for public uses, works, and improvements authorized by Congress, in excess of that actually needed for and essential to the usefulness of such public uses, works, and improvements, in order to preserve the view, appearance, light, and air and to enhance the usefulness of such public works and improvements to prevent the use of private property adjacent to such public works and improvements in such a manner as to impair the public benefit derived from the construction thereof, or to prevent inequities or hardship to the owners of adjacent private property by depriving them of the beneficial use of their property.

SEC. 2. The Commissioners of the District of Columbia or agencies of the United States authorized by law to acquire real estate are further authorized, upon completion of public improvements, to subdivide, and sell at public or private sale, or exchange, any such excess land, and to carry out such purpose or purposes, to convey any lands acquired in excess of that actually needed and which is not essential to the usefulness of such public works, with such reservations concerning the future use and occupation of such real estate as may in their discretion be necessary to protect such public improvements; and any and all moneys received from any sale or transfer of land in accordance with the provisions of this act shall be covered into the Treasury of the United States, and where the property sold was acquired under an appropriation authorized for the use of the District of Columbia, any and all moneys received from such sale shall be deposited in the Treasury to the credit of the revenues of the District of Columbia: *Provided*, That whenever the authorities of the United States or the District of Columbia having jurisdiction over such acquired land, or rights or easements, shall elect to retain any or all of the same for use of the United States or the District of Columbia, the said authorities are authorized to use said land, rights, or easements for park, playground, highway, or alley purposes, or for any other lawful purpose which the said authorities shall deem advantageous or in the public interest.

SEC. 3. That whenever land is purchased, as provided in this act, in excess of that needed in connection with a particular project or improvement, any and all appropriations available for the payment of the purchase price, costs, and expenses incident to such project or improvement are hereby authorized for use in the payment of the purchase price, costs, and expenses of any and all excess land purchased in connection with such project or improvement, as provided in this act.

SEC. 4. That whenever excess land is condemned by the Commissioners of the District of Columbia, in accordance with the provisions of this act, the condemnation proceedings for the acquisition of such land shall be in accordance with chapter 15, subchapter 1 of chapter 15, and/or sections 1608 to 1610, inclusive, of the Code of Laws for the District of Columbia: *Provided*, That any and all appropriations available for the payment of awards, damages, and costs in condemnation proceedings under chapter 15 of the Code of Laws for the District of Columbia are hereby authorized for use in the payment of awards, damages, and costs in any and all condemnation proceedings under said chapter 15 for the acquisition of excess land, as provided in this act: *Provided further*, That any and all appropriations available for the payment of awards, damages, and costs in condemnation proceedings under subchapter 1 of chapter 15 and/or sections 1608 to 1610, inclusive, of the Code of Laws for the District of Columbia are hereby authorized for use in the payment of awards, damages, and costs in any and all condemnation proceedings under said subchapter 1 of chapter 15 and/or said sections 1608 to 1610, inclusive, for the acquisition of excess land, as provided in this act: *And provided further*, That in any and all cases where such excess land is condemned, no assessments for benefits shall be levied by the jury in respect to the acquisition of said excess land.

SEC. 5. That whenever excess land is condemned by agencies of the United States, other than the Commissioners of the District of Columbia, as provided in this act, the condemnation proceedings for the acquisition of such land shall be in accordance with an act approved March 1, 1929, as amended, or any law or laws in effect at the time of such condemnation for the acquisition of land in the District of Columbia for use of the United States

Provided, That any and all appropriations available for the condemnation of land under said act approved March 1, 1929, as amended, are hereby authorized for use in the payments of awards, damages, and costs in any and all condemnation proceedings under said act, as amended, for the acquisition of excess land, as provided in this act.

SEC. 6. That the portion of the act approved February 25, 1907, entitled "An act to amend an act entitled 'An act to amend an act entitled "An act to establish a Code of Laws for the District of Columbia", regulating proceedings for condemnation of land for streets'" (34 Stat. 930; ch. 1195, sec. 491g), reading: "And where part of any lot, piece, parcel, or tract of land has been dedicated for the opening, extension, widening, or straightening of the street, avenue, road, or highway, the jury in determining whether the remainder of said lot, piece, parcel, or tract is to be assessed for benefits, and the amount of benefits, if any, to be assessed thereon, shall also take into consideration the fact of such dedication and the value of the land so dedicated" is hereby repealed.

SEC. 7. With the exception of section 6, none of the provisions of this act shall be construed as repealing any provisions of existing law pertaining to the condemnation or acquisition of streets, alleys, or land, or the law or laws relating to the subdividing of lands in the District of Columbia.

SEC. 8. If any provision of this act is held invalid, the remainder of the act shall not be affected thereby.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentlewoman from New Jersey please give us some explanation of the necessity for this bill?

Mrs. NORTON. Mr. Speaker, the purpose of the proposed legislation is to authorize the Commissioners of the District of Columbia, or its agents, to acquire in the public interest by gift, dedication, exchange, purchase, or condemnation fee simple title to land in excess of that actually needed for public uses and improvements. It authorizes these agencies, upon completion of public improvements, to subdivide such excess land and place upon it such reservations concerning its future use and occupation as may be necessary to protect such public improvements, and to sell or exchange this excess land or retain the same for the United States or the District of Columbia for park, playground, or other purposes which may be advantageous or in the public interest.

Mr. NICHOLS. Mr. Speaker, the District now has the usual laws providing for condemnation for public purposes; but very often you find that when you condemn a strip of land for a street there is a little sliver of land between that needed and, say, a filling station, and there is no law which provides for condemnation in excess of the land actually required for the purpose for which it was condemned. This is to fix it so that you can condemn property adjacent to the project and then, if it is not needed for the use of the project, to dispose of it. It is the ordinary excess condemnation procedure that we have in nearly every State and jurisdiction.

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Page 3, line 4, after the word "Columbia", insert: "*Provided*, That in the event of sale as herein authorized, notice of not less than 20 days before such sale shall be published in a daily newspaper published in the District of Columbia, and notice by registered mail before such sale be mailed to the last known address of the persons listed on the records of the assessor of the District of Columbia as the owners of the land abutting the land to be sold, at not less than the fair market value at the time sold as determined by appraisement of the assessor of the District of Columbia."

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 3, line 11, after the word "sold", insert the words "and sold."

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider the vote by which the bill was passed was laid on the table.

Mrs. NORTON. Mr. Speaker, that concludes the business for the District of Columbia today.

CLAIMANTS WHO SUFFERED LOSS FROM FIRES SET BY GOVERNMENT-OPERATED RAILROADS IN MINNESOTA IN 1918

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in connection with H. R. 3662.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PITTENGER. Mr. Speaker, I trust that in the near future the Members of the House will have the opportunity to correct a wrong done to many citizens of this Republic by bureaucratic governmental officials. I refer to the claims of several thousand people who suffered loss in Minnesota on October 12, 1918, when fires set by Government-operated railroads swept over northeastern Minnesota, resulting in damage amounting to millions of dollars. These claims are nonpolitical. Identical bills have been introduced by Congressman RYAN, Congressman KVALE, and myself. The Committee on Claims has reported favorably, upon my motion, to recommend the passage of the Ryan bill, H. R. 3662. The committee report is no. 255 and sets forth the essential facts connected with this bill. The committee report is short. I recommend that you read it.

Following the October 12, 1918, fire, thousands of lawsuits were brought against the United States Railroad Administration, which had denied liability for the damage. Some years of litigation followed. Test cases were tried. The Railroad Administration refused any compromise, telling the fire claimants that if the Government won in the courts it would not pay one cent in damages; that if the claimants won the Government would pay one hundred cents on the dollar for damage caused by the fires. The Government lost in the courts. Then the Government officials broke their word and refused to pay one hundred cents on the dollar. Then ensued a long period of haggling and negotiations, in which leading citizens of Minnesota begged the governmental bureaucrats to pay the destitute fire claimants something so they could rehabilitate themselves. On account of the expense involved and the congestion in the courts, it was impossible for individual claimants to try their cases. Then the Director General arbitrarily decided on what he would pay. I quote his testimony before the committee in 1930:

Mr. PITTENGER. When you had these conferences with the attorneys, it was put up to those people that they had to take what the Railroad Administration offered to give or go to court and try the cases individually. Is not that a fact?

Mr. DAVIS. I told these gentlemen, not only by letter but by word of mouth, that this offer was final, and they could take it or leave it.

Following these one-sided compromises, investigators of the Government checked up each individual case and determined the amount of loss in the settlement areas. Bear in mind that the Government made settlements only in areas where the Director General conceded that they could trace fires from the Government-operated railroads. Take a typical case: If the loss was determined at $2,000 by the Government, the claimant was compelled to accept 50 percent thereof. But before making settlement he had to execute a release, sign a stipulation for judgment, and after judgment sign a satisfaction of judgment. The Ryan bill, H. R. 3662, provides for the payment of the balance of the loss determined by the Government. A similar bill passed the Senate in the last session of Congress but failed of passage in the House because many House Members were misled by last-minute rumors and misleading claims that the bill was bad and a steal on the Treasury, and a lobbyist bill, and a bill for the benefit of attorneys, and so forth. All of the old tricks to create prejudice were pulled out of the bag. Now, the facts are that the only lobbyists for this

claim of the fire sufferers have been the Minnesota Congressmen and the Congressmen from other States who have investigated this case and found it to be worthy. There were numerous attorneys of record for the fire claimants in the litigation. The bill protects every claimant against unjust attorney fees by providing for a 10-percent limitation thereon. If the bill passes the claimants will naturally require the services of attorneys, and that is entirely proper. The fire claimants are now scattered all over the United States; some of them live in California, some in Oregon, some in Oklahoma, and so forth.

I have no personal or financial interest in this bill. I resided in Duluth on October 12, 1918, and did not suffer the loss of a single dollar in the great holocaust, which burned up people, towns, and farms, and property. I know what took place, following this great tragedy, when homeless men and women and children were cared for by the Red Cross and other agencies until funds could be raised to help them build tar-paper shacks, one-room affairs, where their homes once stood, until they could try as best they could to rehabilitate themselves. I felt then, as I feel now, that this great Government followed a mean and a mistaken policy toward its destitute and homeless citizens.

I have never heard a satisfactory answer to the question why this damage was not treated as a war loss, and compensated for at the rate of 100 cents on the dollar. Such proceedure was followed, I am told, in the Eastern States, where any damage resulted because of the war-time activities of the Government. Take for example, the powder explosion and fire at Morgan, N. J., in October 1918. The cause of the explosion was never determined. The property loss was heavy. The Government paid the loss in full.

Now, the Government was operating the railroads in 1918 as a war-time measure. The country was at war. Labor was scarce. Fourteen-year-old boys were working on the railroads, and they were not properly manned or operated. Otherwise fires would never have been started in a dry season along the rights-of-way of the railroads in a country where the forests had been cut and brush and dead timber was left on the land so that all it needed was to have the match applied.

I want the Members of the House to know that this bill involves some 8,000 individual claims and may require as a maximum something like $12,000,000 to pay these claims. The actual amount will probably not exceed $9,000,000. I have never felt, however, that the merit of a measure was to be determined by the number of the claimants or the amount involved. All I ask from my colleagues is a fair consideration of the facts.

If you will refer to Report No. 255, you will find that the Attorney General of the United States, as well as the President, have said that this measure is meritorious.

PRIVATE CALENDAR

Mr. MARTIN of Massachusetts. Mr. Speaker, may I make a parliamentary inquiry?

The SPEAKER. The gentleman will state it.

Mr. MARTIN of Massachusetts. When we consider the Private Calendar on tomorrow, which rules will be in effect, the old rules or the one recently adopted?

The SPEAKER. The rule adopted on yesterday.

THE RIGHT TO LIVE

The SPEAKER. Under the special rule, the gentleman from Pennsylvania [Mr. MORITZ] is recognized for 10 minutes.

Mr. MORITZ. Mr. Speaker, at this time I rise to speak on taxation. At the present time, it seems to me, we are asking for billions of dollars and we are requesting people in business to pay taxes, not knowing how they are getting along. Just as you cannot hold the reins of a horse and tell him to "get up", just as you cannot put both feet on the brakes of an automobile and turn on the gas, likewise you cannot expect business to revive and go on while taxing it to the full extent. We wonder why business does not revive. It cannot revive if everything that business has is taxed.

I want to call the attention of the House to a source of taxation which, if used, would help business a great deal and at the same time we would be able to get revenue for our country; that is, the economic rental of strategic points in big municipalities, where landlords take all of the revenue, frequently leave the country, and we hold the bag.

Last week in the Committee on Education Dr. Dawson, who is familiar with the economic conditions of every State, especially the southern States, said that in States like Mississippi and Arkansas they have taxed every conceivable thing. They have squeezed the orange to the full extent. Those States cannot continue with their schools. It seems to me if the Members of Congress would set their minds to thinking a little we could get revenue from a source that would not hurt business and at the same time would help our own country. Dr. Dawson is an authority on taxation in almost every State. I asked him what he thought of this method of collecting economic rent. He said: "I am with you." Dr. Kinsman, a professor and author in American University in the city of Washington, has three chapters in his textbook which is used by the students of the high schools in Pittsburgh, in which he states very plainly that we ought to tap for taxation the sources in those great municipalities made valuable by the presence of many people.

I have introduced a bill to that effect, and it is for that reason that I call the attention of the Members of the House to thinking along that line.

The fundamental rights of man, as so well stated in that immortal document, the Declaration of Independence, are the rights to life, to liberty, and to the pursuit of happiness. It is to be noted that the right to live, being first mentioned, is regarded as paramount. Yet under present conditions in the United States millions of people are denied the right to live except upon the charity of Government.

All around us are the bounties of nature. Science and invention have aided man to harness the forces of coal and oil, of water and electricity, to such an extent that it may almost be said that man has conquered nature. In ancient days man sometimes suffered temporarily from the niggardliness of nature in his own vicinity; but we, by annihilating space with the steamboat, the iron horse, and the motor vehicle, and airplane, are able to overcome the local vagaries of the seasons. In spite of this tremendous advance in the art and science of production, starvation stares millions of our citizens in the face even while they plead for opportunities to work to earn a scanty living. Was there ever such a stark denial of our boasted progress—such a travesty on civilization? The situation challenges every last one of us to find a solution.

Before we can solve the problem we must first analyze it. At the dawn of civilization, then, there were two factors in production. Natural resources and human labor. For convenience, in these remarks I shall use the term "land" as referring to all natural resources, and the term "labor" as meaning all conscious, voluntary effort of human beings.

In simple production labor applied itself directly to land to collect or to produce food. And since science teaches us through the theory of the conservation of matter and the conservation of energy that nothing material has been or can be added to the universe, we are convinced that labor and land are all there are in the world today. True, by means of tools, machinery, and structures we are able to make labor more efficient in its application to land; but those tools, machines, and structures are themselves the product of labor applied to land, requiring constant replacement for effective use. Even money itself, which seems so important a factor in our daily transaction, is only a convenient means of exchange between those, for instance, who produce wheat and those who produce houses.

Now, if it be admitted that man is dependent upon land for his very existence, it follows that the right to live requires that he shall have continuous access to land—that he shall

have opportunity to apply himself to that land so essential to his continued existence. But when, by social policies, we allow some members of society to appropriate to themselves the value of land, by that very act we withdraw from other members of society the opportunity to apply their own labor to land except at the will and sufferance of the first-mentioned class.

Of course, it must be admitted that in the present state of society it is essential that each individual be assured continuous undisturbed possession of a particular section of land for the conduct of his activities. How can we reconcile, then, the fundamental right of man to live, requiring virtually free access to land, with the equally important necessity of undisturbed possession?

Economic rent arises from variations in the amount of goods returned for the expenditure of equal effort on different portions of the earth's surface. If I have an acre of wheat land from which, by a certain expenditure of effort, I may gain a crop of 15 bushels, while someone else has an acre from which, by the same effort, he can produce 30 bushels, the economic rent of the latter acre as compared with the former is 15 bushels of wheat. On the communal or industrial basis, if I have an acre of land in a wilderness, its value for business will be nil, while an acre of land in the heart of New York City may be worth in economic rent a million and a half dollars a year. These variations are not due to the act of any individual. The agricultural type is due to variations in natural fertility; the communal or industrial type is due to the state of community or industrial activity. The economic rent of extractive natural resources, such as coal, oil, and other minerals, depends upon the stage of progress reached in productive enterprise.

When, by law, we allow individuals to appropriate to themselves economic rent, and there is expectation of a continuance of that arrangement, each individual seeks to hold as much land as possible, not for immediate use, but in the expectation of future unearned advantage to be derived. In the United States so much of the area, both urban, suburban, and rural, is thus speculatively held as to bring about the appearance of actual shortage. In cities people are crowded into small tenements and dwellings; in agricultural sections people are forced to use submarginal land. It is stated that in this city of Washington there are 5,000 acres, exclusive of streets and parks, upon which there are no buildings, coincident with the acres and acres of slums almost within stone's throw of the Capitol, and coincident with excessive rents and shortage of convenient housing even for Members of this body. The recent national resources survey discloses upward of 75,000,000 acres of farm land now in use which should be retired as submarginal.

It is almost axiomatic to state that no given parcel of land ever has reached its ultimate capacity to produce, either agriculturally, industrially, or communally, so it is idle to say that we have reached a point where there is insufficient land for the needs of all mankind. There is the appearance of shortage, due to withholding of land from use, based on our faulty economic system.

As men congregate into communities it has been found convenient to carry on certain undertakings as community enterprises. We call those community undertakings the functions of government and support those persons engaged therein by taxes imposed upon the balance of the community. We say, in common terms, that we tax things—land, buildings, horses, automobiles, dogs, incomes, and inheritances. But no one ever heard of a tax being paid by a house or a gallon of gasoline. People pay taxes out of their current production of things, and we use the production, the distribution, and the ownership of things as a measure of the individual's contribution toward community expenses.

These things which we use as the measures of contribution fall into two broad classes—natural resources, which I previously have termed for convenience as "land", and labor products—things which are within the volition of the individual to produce or to refuse to produce; to distribute or to refuse to distribute; to own or to refuse to own.

When a man is faced with the necessity of paying a tax on the second class of things he either restricts himself in the production, distribution, or ownership of them or he seeks to recoup himself for the amount paid as tax by a higher charge to someone else. The latter course in itself serves to restrict production, distribution, or ownership. In a word, a tax imposed on an individual on this basis causes high prices and restricted use of useful things.

When a man is faced with the necessity of paying a tax on the first class land, he seeks to do the same as in the other case but with a different result. Since all economists agree that economic rent is always as high as the existing state of community development or natural fertility will warrant, the landlord, no matter how hard he tries, cannot increase his collection of economic rent to cover the tax. Therefore he must pay the tax from his present collection; and this, through natural economic law, forces down the selling price of land without affecting its use value. If the tax on economic rent were placed at 100 percent, the selling price of land would be zero, although it still would be as valuable for use as it ever was. And if land had no selling price everyone would be able to get all the land he needed for use but no one would seek to retain land for which he had no use. Title to land would be safeguarded as now, but it would be title for use instead of title for speculation.

In a word, then, I advocate the abolition of all taxes on labor products, and the collection of economic rent to pay public expenses. But with this reservation: That such a drastic economic change must be made gradually, lest the correct remedy, through too strong doses, be worse than the disease.

As I stated on this floor on a previous occasion, my own city of Pittsburgh commenced in 1913 an advance in this direction. Each 3 years—until 1925—we reduced the taxes on all buildings by 10 percent, while continuing to impose full 100 percent taxes on land values. Now, in Pittsburgh, we tax buildings just half as much in proportion to value as we do land. The result has been that absentee landlords, some even living in England, who contribute nothing to the business of Pittsburgh, have had to pay higher taxes than they did before, while small home owners, living and working there, are paying less taxes. People in Pittsburgh are satisfied with this system and hope for its extension. And all that makes it possible for everyone more easily to exercise his right to live.

To carry this principle into effect in the Nation, I have prepared and introduced H. R. 6026, to promote the general welfare of the citizens of the United States through the imposition of an excise charge upon the privilege of the use and enjoyment of large landholdings based upon their unimproved value. This bill proposes the imposition of an annual excise charge of 1 percent of the value of all landholdings in excess of $3,000 to one holder, the value of land being that remaining after exemption of all man-made improvements by way of buildings, walls, drains, foundations, and standing timber. The same excise charge is imposed upon all natural resources in the form of mineral and oil deposits and water power, with exemption of the structures necessary to facilitate use, as well as upon the franchises of all types of public utilities.

At some time in the future I shall hope to address the House as to the amount which may be expected to be derived as revenue from the imposition of this excise charge. At present I am able to give only a rather vague estimate of from half a billion to a billion dollars annually. My friend, Otto Cullman, of Chicago, who has given much study to this question in his recent book, $20,000,000 Every Day, a copy of which I think most of my colleagues have in their offices, estimates the total amount of economic rent above present taxes thereon to be about $8,000,000,000 annually. This gives a total of untaxed land value amounting to approximately $160,000,000,000; and if only half of this amount were found to exist in tracts of $3,000 or over, the 1-percent excise charge would reach the very substantial sum of $800,000,000 annually.

Whatever the amount might prove to be in actual fact, the additional revenue to be derived therefrom would be advantageous in the present situation of an unbalanced Budget and in the face of crying demands for old-age pensions and other worthy governmental undertakings. Moreover, the imposition of this excise charge would obviate the necessity of continuing certain excise taxes of the nuisance type, including taxes on gasoline and lubrication oils, furs, jewelry, matches, and the like.

While a certain measure of administrative difficulty would attend the operation of this proposed law at its inception, the values which are to be the object of the imposition of the excise charge are relatively easy of ascertainment. For the most part they are the same values which serve as the basis for local tax assessments. And after the initial procedure the assessment and collection of the excise charge would be far simpler and far more equitable and certain in operation than ever will be the case with income or other taxes.

But above all, the proposal is sound economically, in that it proposes to take for community expenses those values which the community creates by its very existence; and to the extent to which it is applied, it will tend to safeguard and promote in practice what in theory is the foundation of our splendid heritage—the right of every American citizen to live. [Applause.]

EXHIBIT A

The land holdings of Pittsburgh

(Described in terms of percentage)

	Land value	Building value	Total value
Group 1 (comprising land holdings from $2,000,000 to more than $38,000,000 in value) includes 22 land owners [1] who own	$135,202,350	$65,728,460	$200,930,810
Group 2 (comprising land holdings from $1,000,000 to less than $2,000,000) includes 25 landowners [1] who own	35,639,390	21,882,210	57,521,600
Group 3 (comprising land holdings from $500,000 to less than $1,000,000) includes 58 landowners [1] who own	46,071,820	31,092,840	77,164,660
Group 4 (comprising land holdings from $50,000 to less than $500,000) includes 796 landowners [1] who own	111,566,820	64,786,060	176,352,880
901 landowners [1] own	328,480,380	183,489,570	511,969,950

EXHIBIT B

Total taxable land values of Pittsburgh	$562,365,560
Population of Pittsburgh	669,817
Estimated number of owners, approximately 24 percent of the population	161,700
Number of landless or nonlandowning population, approximately 75 percent of the population	508,117

EXHIBIT C

Of the 161,700 landowners [1] who own Pittsburgh, 22 (see exhibit A, group 1) own approximately 24 percent of the total taxable land value of Pittsburgh	$135,202,350
47 landowners [1] (see exhibit A, groups 1 and 2) own approximately 30 percent of the total taxable land value of Pittsburgh	170,841,740
105 landowners [1] (see exhibit A, groups 1, 2, and 3) own approximately 39 percent of the total taxable land value of Pittsburgh	216,913,560
901 landowners [1] (see exhibit A, groups 1, 2, 3, and 4), which represent approximately 0.0055 percent of the landowners and 0.00134 percent of the total population, own approximately 58 percent of the total taxable land value of Pittsburgh	328,480,380

NOTE 1.—There is some serious thought of "relieving" real-estate owners by removing the school levy from real estate. Should the general assembly be fatuous enough to follow this rash suggestion, 901 real-estate owners would escape the annual payment of school taxes amounting to $5,759,662.

NOTE 2.—If the 5-to-1 plan of taxation were enacted into law, these same 901 largest landowners would be forced to contribute $1,773,794 in additional taxes on their landholdings. Incidentally, the small home owners would be relieved of their tax burden to this extent.

NOTE 3.—A study of the landholdings of Pittsburgh proves beyond a doubt that the incidence of the graded tax system has tended to break up the large estates. It is safe to say that 20 years ago 500 landowners owned half land values of Pittsburgh.

[1] The term "landowner" embraces corporations, companies, families, and individuals.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. KVALE, for March 27 and 28, on account of illness.

To Mr. KNUTE HILL, for the balance of the week, on account of unavoidable absence.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 935. An act to authorize the Secretary of War and the Secretary of the Navy to lend Army and Navy equipment for use at the national jamboree of the Boy Scouts of America.

ADJOURNMENT

Mrs. NORTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 8 minutes p. m.) the House adjourned until tomorrow, Friday, March 29, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

284. Under clause 2 of rule XXIV a letter from the Architect of the Capitol, transmitting annual report for the fiscal year ended June 30, 1934, was taken from the Speaker's table and referred to the Committee on Public Buildings and Grounds and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. LESINSKI: Committee on Immigration and Naturalization. H. R. 4900. A bill to amend the naturalization laws in respect of residence requirements, and for other purposes; without amendment (Rept. No. 516). Referred to the House Calendar.

Mr. DEMPSEY: Committee on the Public Lands. H. R. 4541. A bill to extend the provisions of section 2 of the act of February 28, 1925, authorizing reservations of timber, minerals, or easements to exchanges of lands in the State of New Mexico, under the act of February 14, 1923, and the act of February 7, 1929; without amendment (Rept. No. 520). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 4707. A bill validating certain applications for and entries of public lands, and for other purposes; without amendment (Rept. No. 521). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 6465. A bill to accept the cession by the State of Arkansas of jurisdiction over all lands now or hereafter included within the Hot Springs National Park, Ark., and for other purposes; without amendment (Rept. No. 522). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BEITER: Committee on War Claims. H. R. 3075. A bill conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co.; without amendment (Rept. No. 515). Referred to the Committee of the Whole House.

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 2554. A bill for the retirement of William J. Stannard, leader of the United States Army Band; without amendment (Rept. No. 517). Referred to the Committee of the Whole House.

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 401. A bill for the relief of James T. Moore; without amendment (Rept. No. 518). Referred to the Committee of the Whole House.

Mr. MOTT: Committee on the Public Lands. H. R. 1880. A bill for the relief of Ivan H. McCormack; without amendment (Rept. No. 519). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 2523) for the relief of Walter C. Blake; Committee on Military Affairs discharged, and referred to the Committee on Claims.

A bill (H. R. 2589) granting a pension to Clarence J. Ericson; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GREEN: A bill (H. R. 7079) to authorize the prompt deportation of habitual criminals and habitual aliens, to guard against the separation from their families of certain law-abiding aliens, to deport direct-action Communists, to further restrict immigration into the United States, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. CELLER: A bill (H. R. 7080) to amend administrative provisions of the Federal liquor-taxing laws, and for other purposes; to the Committee on Ways and Means.

By Mr. LUCKEY: A bill (H. R. 7081) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr.; to the Committee on Interstate and Foreign Commerce.

By Mr. STACK: A bill (H. R. 7082) to transfer into the classified civil service all the veterans of any war employed by the Government in unclassified positions, who have been honorably discharged from the military or naval service of the United States; to the Committee on the Civil Service.

By Mr. GREENWOOD: A bill (H. R. 7083) to extend the times for commencing and completing the construction of a bridge across the Wabash River at or near Merom, Sullivan County, Ind.; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Texas: A bill (H. R. 7084) to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity-futures exchanges, to limit or abolish short selling, to curb manipulation, and for other purposes; to the Committee on Agriculture.

By Mr. PETERSON of Florida: A bill (H. R. 7085) to provide for the creation of a memorial park at Tampa, in the State of Florida, to be known as "The Spanish War Memorial Park", and for other purposes; to the Committee on the Public Lands.

By Mr. WALLGREN: A bill (H. R. 7086) to establish the Mount Olympus National Park, in the State of Washington, and for other purposes; to the Committee on the Public Lands.

By Mr. JOHNSON of Texas: A bill (H. R. 7087) granting relief to American civilian employees of the Navy stationed in the Philippine Islands; to the Committee on Naval Affairs.

By Mr. JONES: A bill (H. R. 7088) to amend the Agricultural Adjustment Act, and for other purposes; to the Committee on Agriculture.

By Mr. MOTT: A bill (H. R. 7089) to authorize the Secretary of War to furnish bronze markers for certain graves; to the Committee on Military Affairs.

By Mr. DOCKWEILER: Resolution (H. Res. 175) to provide for the appointment of a special committee to investigate the Ethyl Gasoline Corporation; to the Committee on Rules.

By Mr. McLEOD: Joint resolution (H. J. Res. 231) requesting the President of the United States to invite all State Governors to a conference for the purpose of formulation and adoption of a Nation-wide program to reduce excessive costs of State governments and their local subsidiaries by reorganization of local governmental systems and elimination of all obsolete and unnecessary offices and functions; to the Committee on Ways and Means.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Pennsylvania, regarding antilynching legislation; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURDICK: A bill (H. R. 7090) for the relief of Leonard Gramstad; to the Committee on World War Veterans' Legislation.

By Mr. DARDEN: A bill (H. R. 7091) for the relief of Charles L. Kee; to the Committee on Claims.

By Mr. DORSEY: A bill (H. R. 7092) for the relief of Capt. Percy Wright Foote, United States Navy; to the Committee on Naval Affairs.

Also, a bill (H. R. 7093) for the relief of Joseph M. Clagett, Sr.; to the Committee on Claims.

By Mr. DUNN of Pennsylvania: A bill (H. R. 7094) to authorize payment of claim for unauthorized emergency treatment of John J. Jenkins, a World War veteran; to the Committee on World War Veterans' Legislation.

By Mr. FLETCHER: A bill (H. R. 7095) for the relief of Henry P. Kinney; to the Committee on Military Affairs.

By Mr. GRANFIELD: A bill (H. R. 7096) granting a pension to Neal Ferry; to the Committee on Pensions.

Also, a bill (H. R. 7097) for the relief of Joseph Noel; to the Committee on Claims.

Also, a bill (H. R. 7098) for the relief of Thomas W. Dolan; to the Committee on Pensions.

By Mr. KENNEDY of New York: A bill (H. R. 7099) for the relief of Rocco D'Amato; to the Committee on Claims.

By Mr. LARRABEE: A bill (H. R. 7100) for the relief of Fred Dobson; to the Committee on Naval Affairs.

Also, a bill (H. R. 7101) granting a pension to Arthur E. Brown; to the Committee on Pensions.

By Mr. LEWIS of Colorado: A bill (H. R. 7102) for the relief of Herbert McCosh DeWitt; to the Committee on Claims.

Also, a bill (H. R. 7103) granting an increase of pension to James J. Potvin; to the Committee on Pensions.

Also, a bill (H. R. 7104) for the relief of H. L. Caffee; to the Committee on Military Affairs.

Also, a bill (H. R. 7105) to provide for the retirement of Lindell D. Straube as a first lieutenant Dental Corps, United States Army; to the Committee on Military Affairs.

Also, a bill (H. R. 7106) granting a pension to Mary M. Livingston; to the Committee on Pensions.

Also, a bill (H. R. 7107) for the relief of Guiry Bros. Wall Paper & Paint Co.; to the Committee on Claims.

Also, a bill (H. R. 7108) granting a pension to Frances Haws; to the Committee on Pensions.

Also, a bill (H. R. 7109) granting a pension to Lottie Pinneo; to the Committee on Invalid Pensions.

By Mr. MAAS: A bill (H. R. 7110) to authorize the President to bestow the Congressional Medal of Honor upon Brig. Gen. Robert H. Dunlap, United States Marine Corps, deceased; to the Committee on Naval Affairs.

By Mr. MARSHALL: A bill (H. R. 7111) granting a pension to Esta May McArthur; to the Committee on Pensions.

By Mr. PEARSON: A bill (H. R. 7112) granting a pension to Mary E. Burns; to the Committee on Invalid Pensions.

By Mr. PETERSON of Florida: A bill (H. R. 7113) granting a pension to Olivia Stebbins; to the Committee on Invalid Pensions.

By Mr. SANDERS of Louisiana: A bill (H. R. 7114) for the relief of Preston Herndon; to the Committee on Naval Affairs.

Also, a bill (H. R. 7115) for the relief of Lucien Gautreau; to the Committee on Claims.

By Mr. SHANLEY: A bill (H. R. 7116) for the relief of George Malcolm Williams; to the Committee on Naval Affairs.

Also, a bill (H. R. 7117) for the relief of Bertha A. Bishop; to the Committee on Claims.

By Mr. SNELL: A bill (H. R. 7118) granting an increase of pension to Eliza P. Cook; to the Committee on Invalid Pensions.

By Mr. UNDERWOOD: A bill (H. R. 7119) granting an increase of pension to Martha McGraw; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5708. By Mr. BERLIN: Petition of the Pennsylvania Grade Crude Oil Association, by its board of directors, to permit the gasoline and lubricating-oil taxes to expire on June 30, 1935, as contemplated under existing law; to the Committee on Ways and Means.

5709. By Mr. COLE of Maryland: Resolution passed by the State Senate of Maryland; to the Committee on Interstate and Foreign Commerce.

5710. By Mr. GOLDSBOROUGH: Resolution of the Senate of the Maryland Legislature, requesting that the Congress of the United States cause an investigation into the activities of the American Society of Composers, Authors, and Publishers of New York and its subsidiaries; to the Committee on Interstate and Foreign Commerce.

5711. By Mr. HIGGINS of Massachusetts: Resolution of the Mission Hill (Boston) College Club, calling for the removal of Ambassador Daniels as envoy to Mexico; to the Committee on Foreign Affairs.

5712. By Mr. MALONEY: Resolution of the board of directors of the New Orleans Association of Commerce, requesting that our Senators and Congressmen be advised that it is our desire that House bill 3262 be supported in the interest of our city and port, for, if enacted into law, the power to see that all rates shall be reasonable, nondiscriminating, or preferential will still be with the Interstate Commerce Commission, and its power to suspend rates proposed in any railroad tariff would remain unchanged and ample for the public protection; to the Committee on Interstate and Foreign Commerce.

5713. By Mr. MAPES: Petition of 36 residents of Grand Rapids, Kent County, Mich., recommending the repeal of the Wheeler-Howard Act, and protesting against the continuance in office of the present Commissioner of Indian Affairs; to the Committee on Indian Affairs.

5714. By Mr. MILLARD: Petition of Mary Martin and Martha Boss, White Plains, N. Y., requesting Congress to pass a uniform Federal old-age-pension law; to the Committee on Ways and Means.

5715. By Mr. MURDOCK: Resolution of the Utah Automobile Dealers Association, opposing the reenactment of the Federal gasoline tax; to the Committee on Ways and Means.

5716. By Mr. ROGERS of Oklahoma: Petition headed by B. J. Harrison, of Orrville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5717. Also, petition headed by C. R. Wood, of Forbus, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5718. Also, petition headed by M. Whealor, of Montgomery, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5719. Also, petition headed by Henry Stinson, of Atlanta, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5720. Also, petition headed by I. T. Adams, of England, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5721. Also, petition headed by J. A. Alderdice, of Lynnville, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5722. Also, petition headed by I. Gaines, of Etta, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5723. Also, petition headed by J. T. Basham, of Memphis, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5724. Also, petition headed by John Grant, of Ada, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5725. Also, petition headed by John Kimbrow, of Columbia, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5726. Also, petition headed by John Walton, of Mellwood, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5727. Also, petition headed by C. Rossner, of Chicago, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5728. Also, petition headed by B. Jackson, of Herndon, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5729. Also, petition headed by J. A. Ridgeway, of Guntersville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5730. Also, petition headed by L. M. Diamond, of Pensacola, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5731. Also, petition headed by Harry Peterson, of Fairfield, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5732. Also, petition headed by G. A. Wilkinson, of Manifest, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5733. Also, petition headed by H. P. Potter, of Bronson, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5734. Also, petition headed by J. O. T. Worthington, of Silver Creek, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5735. Also, petition headed by John Jackson, of Buena Vista, Ark., favoring House bill 2856, by Congressman WILL

ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5736. Also, petition headed by Bill Williams, of Charleston, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5737. Also, petition headed by J. A. Lauderdale, of Langdale, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of $30 to $50 a month; to the Committee on Ways and Means.

5738. By Mr. RUDD: Petition of O. W. Thomas & Co., New York City, concerning the continuation of the National Recovery Administration, as recommended by the President of the United States; to the Committee on Appropriations.

5739. By Mr. SADOWSKI: Petition of the Detroit Federation of Post Office Clerks, condemning the curtailment of the Postal Service in Detroit and making for an increase in the regular personnel; to the Committee on the Post Office and Post Roads.

5740. Also, petition of the Metropolitan Post, No. 185, of the American Legion, Detroit, Mich., asking Congress to appropriate sufficient money to build a veterans' hospital in the Detroit area; to the Committee on World War Veterans' Legislation.

5741. By Mr. TRUAX: Petition of Dayton Regional Typothetae Association, Dayton, Ohio, by Frank R. Somers, favoring the continuance of the National Recovery Administration, and that the price-stabilization features of the Graphic Arts Code be retained and that sufficient authority be given the industry in order to secure compliance; to the Committee on Labor.

5742. Also, petition of the Painters Union, No. 867, Cleveland, Ohio, by their secretary, Henry W. Koch, urging support of Patman bill; to the Committee on Ways and Means.

5743. Also, petition of the Townsend Old-Age Revolving Pension Club of Findlay, Ohio, by their president, A. E. Knisley, urging support of the Townsend plan, as it is imperative that the younger people find employment and thus put an end in a large measure to our present unemployment situation, and that the active and wide-spread buying and selling to result from the operation of the Townsend bill will help banish poverty and bring back prosperity to our country in general; to the Committee on Ways and Means.

5744. Also, petition of the Pomona Grange, No. 66, Preble County, Eaton, Ohio, by Gleta Geeding, requesting that the farmers be included in any old-age security law which shall be hereafter enacted, as the administration committee on old-age security has reported that farmers, occasional workers, and domestics shall be ineligible for old-age security; to the Committee on Ways and Means.

5745. Also, petition of the Dayton Regional Typothetae Association, by their regional manager, Frank R. Somers, opposing the 30-hour week, as the printing industry requires skilled craftsmen and at the present time there is a shortage of skilled help in the industry, and the mandatory adoption of a 30-hour week would work undue hardship; to the Committee on Labor.

5746. By the SPEAKER: Petition of the Woodrow Wilson Democratic Ex-Service Men's Club, Camden, N. J.; to the Committee on Ways and Means.

5747. Also, petition of the city of Jacksonville, Ill.; to the Committee on Banking and Currency.

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